

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Investigation Of Fuel)
Cost Recovery Clauses Of)
Electric Companies)

DOCKET NO. 950001-EI
FILED: February 6, 1995

FLORIDA POWER & LIGHT COMPANY'S
LIST OF ISSUES AND POSITIONS

FUEL ADJUSTMENT ISSUES

1. What is the final fuel true-up amount for the period April 1, 1994 through September 30, 1994?

FPL: \$6,684,993 underrecovery

2. What is the estimated/actual fuel true-up amount for the period October 1, 1994 through March 31, 1995 based upon two months actual and four months revised estimates?

FPL: \$21,299,545 overrecovery.

3. What is the total fuel true-up to be refunded during the period April 1, 1995 through September 30, 1995?

FPL: \$14,614,552 overrecovery.

4. What should be the effective date of the new fuel adjustment charge, oil backout cost recovery charge, conservation cost recovery charge, capacity cost recovery charge and environmental cost recovery charge for billing purposes?

FPL: The Company is requesting that these new charges become effective starting with meter readings scheduled to be read on or after April 1, 1995 (Cycle Day 3) and continue through September 30, 1995 (Cycle Day 2). Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

5. What is the appropriate levelized fuel adjustment factor for the period April 1, 1995 through September 30, 1995?

FPL: 1.744 cents/kwh is the levelized recovery charge.

6. What are the appropriate Fuel Cost Recovery Factors for each rate group?

FPL:

| RATE SCHEDULE | PRICE MULTIPLIER | LOSS MULTIPLIER | FUEL RECOVERY FACTOR (¢/kwh) |
|----------------------|-------------------------|------------------------|-------------------------------------|
| RS-1 | 1.009 | 1.00210 | 1.764 |
| GS-1 | 1.018 | 1.00210 | 1.779 |
| GSD-1 | 0.996 | 1.00204 | 1.741 |
| GSLD-1 | 0.982 | 1.00092 | 1.714 |
| GSLD-2 | 0.970 | 0.99500 | 1.683 |
| GSLD-3 | 0.959 | 0.96091 | 1.607 |
| CS-1 | 0.990 | 1.00024 | 1.726 |
| CS-2 | 0.958 | 0.99656 | 1.666 |
| CILC-D | 0.957 | 0.99757 | 1.666 |
| CILC-G | 0.972 | 1.00210 | 1.699 |
| CILC-T | 0.944 | 0.96091 | 1.582 |
| MET | 0.961 | 0.98063 | 1.643 |
| OL-1 | 0.834 | 1.00210 | 1.458 |
| SL-1 | 0.834 | 1.00210 | 1.457 |
| SL-2 | 0.947 | 1.00210 | 1.655 |

| RATE SCHEDULE | PRICE MULTIPLIER | LOSS MULTIPLIER | ON PEAK FUEL RECOVERY (¢/kWh) | OFF PEAK FUEL RECOVERY (¢/kWh) |
|---------------|------------------|-----------------|-------------------------------|--------------------------------|
| RST-1 | 1.009 | 1.00210 | 2.000 | 1.650 |
| GST-1 | 1.018 | 1.00210 | 2.017 | 1.664 |
| GSDT-1 | 0.996 | 1.00204 | 1.974 | 1.628 |
| GSLDT-1 | 0.982 | 1.00092 | 1.943 | 1.603 |
| GSLDT-2 | 0.970 | 0.99500 | 1.908 | 1.574 |
| GSLDT-3 | 0.959 | 0.96091 | 1.822 | 1.503 |
| CST-1 | 0.990 | 1.00024 | 1.957 | 1.615 |
| CST-2 | 0.958 | 0.99656 | 1.889 | 1.558 |
| CILC-D | 0.957 | 0.99757 | 1.889 | 1.558 |
| CILC-G | 0.972 | 1.00210 | 1.926 | 1.589 |
| CILC-T | 0.944 | 0.96091 | 1.794 | 1.480 |

7. What are the appropriate Fuel Cost Recovery Loss Multipliers for each rate group?

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are provided in response to Issue No. 6.

8. What are the appropriate Fuel Cost Recovery Price Multipliers for each rate group?

FPL: The appropriate Fuel Cost Recovery Price multipliers are provided in response to Issue No. 6.

CAPACITY COST RECOVERY ISSUES

1. What is the final capacity true-up amount for the period April 1, 1994 through September 30, 1994?

FPL: \$2,159,836 overrecovery.

2. What is the estimated/actual capacity true-up amount for the period October 1, 1994 through March 31, 1995, based upon two months actual and four months revised estimates?

FPL: \$12,962,747 overrecovery.

3. What is the total capacity true-up amount to be refunded during the period April 1, 1995 through September 30, 1995?

FPL: \$15,122,583 overrecovery.

4. What are the appropriate Capacity Cost Recovery Factors for each rate group?

FPL:

| RATE CLASS | CAPACITY RECOVERY FACTOR (\$/KW) | CAPACITY RECOVERY FACTOR (\$/KWH) |
|-------------|----------------------------------|-----------------------------------|
| RS1* | - | 0.00415 |
| GS1 | - | 0.00367 |
| GSD1 | 1.36 | - |
| OS2 | - | 0.00229 |
| GSLD1/CS1 | 1.41 | - |
| GSLD2/CS2 | 1.43 | - |
| GSLD3/CS3 | 1.41 | - |
| CILCD/CILCG | 1.35 | - |
| CILCT | 1.29 | - |
| MET | 1.47 | - |
| OL1/SL1 | - | 0.00109 |
| SL2 | - | 0.00261 |

| RATE CLASS | CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) (\$/KW) | CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) (\$/KW) |
|------------|--|---|
| ISST1D | .18 | .09 |
| SST1F | .17 | .08 |
| SST1D | .18 | .09 |

GPIF ISSUES

1. What should the GPIF Rewards/Penalties be for the period of April 1, 1994 through September 30, 1994?

FPL: \$3,065,156 reward.

2. What should the GPIF targets/ranges be for the period of April 1, 1995 through September 30, 1995?

FPL:

| PLANT/UNIT | EAF TARGET (%) | HEAT RATE TARGET |
|--|----------------|------------------|
| CAPE CANAVERAL 1 | 91.2 | 9230 |
| CAPE CANAVERAL 2 | 89.8 | 9252 |
| LAUDERDALE 4 | 89.5 | 7335 |
| LAUDERDALE 5 | 95.7 | 7362 |
| FORT MYERS 2 | 91.7 | 9337 |
| MANATEE 2 | 96.0 | 9600 |
| PORT EVERGLADES 3 | 85.6 | 9209 |
| PORT EVERGLADES 4 | 96.0 | 9313 |
| PUTNAM 1 | 96.0 | 8540 |
| PUTNAM 2 | 84.2 | 8519 |
| RIVIERA 3 | 93.6 | 9610 |
| RIVIERA 4 | 90.9 | 9805 |
| SANFORD 5 | 96.0 | 9694 |
| TURKEY POINT 1 | 82.7 | 9309 |
| TURKEY POINT 2 | 95.6 | 9262 |
| TURKEY POINT 3 | 85.1 | 11133 |
| TURKEY POINT 4 | 93.1 | 11218 |
| ST. LUCIE 1 | 93.6 | 10882 |
| ST. LUCIE 2 | 83.3 | 10877 |
| SCHERER 4 | 96.0 | <u>9956</u> |
| GPIF SYSTEM WEIGHTED AVERAGE HR | | 9674 |

OIL BACKOUT ISSUES

1. What is the final Oil Backout True-Up amount for the period April 1, 1994 through September 30, 1994?

FPL: \$527,531 underrecovery.

2. What is the estimated/actual Oil Backout True-Up amount for the period October 1, 1994 through March 31, 1995?

FPL: \$11,602 overrecovery.

3. What is the total Oil Backout True-Up amount to be collected during the period April 1, 1995 through September 30, 1995?

FPL: \$515,929 underrecovery.

4. What is the Projected Oil Backout Cost Recovery Factor that should be used by the Company for the period April 1, 1995 through September 30, 1995?

FPL: .012 cents/kwh.

COMPANY SPECIFIC FUEL ISSUE

1. Should FPL's request to change to a weighted kWh allocation method for Fuel Cost Recovery be approved?

FPL: Yes. FPL is proposing to change the method of allocating fuel costs among the rate classes. The current method charges all rate classes the same average cost per kWh. In the Company's proposal the kWh's consumed in each hour are weighted such that kWh's consumed in hours with higher loads are allocated a higher proportion of fuel costs and vice versa.

FPL believes this allocation method is more appropriate because this method addresses the fact that costs of each kWh consumed are not the same during every hour of the day due to the differences in prices between fuels and efficiencies between generating units. (This issue was deferred from the August 1994 Fuel Hearing.)

2. Should FPL be allowed to recover through the Fuel Cost Recovery Clause the cost of implementing certain equipment modifications at some of its generating facilities to enable these facilities to operate using a less expensive grade of residual fuel oil?

FPL: Yes. FPL has included in the proposed Fuel Cost Recovery Factor the cost of implementing certain equipment modifications at some of its generating facilities to enable these facilities to operate using a less expensive grade of residual fuel oil. The Company has estimated that these modifications costing approximately \$2.8 million will yield savings of approximately \$8.38 million during the April through September 1995 period and \$81.3 million from 1995 through 1999. Since these or similar modifications have not been made at any other generating unit, FPL believes that these costs have not been recognized in cost levels used to determine FPL's current base rates. Therefore, these expenditures appear to be the type of a cost

that were addressed in Order No. 14546 which, with Commission approval, allows for recovery through the Fuel Cost Recovery Clause of certain not previously recognized or anticipated base rate expenses that provide fuel savings to customers. For these reasons, FPL believes that it is appropriate to bring this issue forward for Commission consideration and approval.

WITNESSES AND SUBJECT MATTER

| WITNESS | SPONSOR | SUBJECT MATTER | EXHIBIT TITLES |
|--|-------------------|---|-----------------|
| B. T. BIRKETT | FPL | Levelized Fuel Cost Recovery, Capacity Cost Recovery, and Oil Backout Cost Recovery Final True-Up April 1994 through September 1994 | Appendices I-IV |
| R. SILVA | FPL | GPIF (True-Up) April 1994 through September 1994 | Document 1 |
| R. SILVA C. VILLARD B. T BIRKETT | FPL FPL FPL | Levelized Fuel Cost Recovery, Capacity Cost Recovery, and Oil Backout Cost Recovery Factors for April 1995 through September 1995 | Appendices I-V |
| R. SILVA | FPL | GPIF (Projections) April 1995 through September 1995 | Document 1 |

Respectfully submitted,

STEEL HECTOR & DAVIS
215 South Monroe Street
Suite 601
Tallahassee, FL 32301-1804
Attorneys for Florida Power
& Light Company

BY: 

Matthew M. Childs, P.A.

CERTIFICATE OF SERVICE
DOCKET NO. 950001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's List of Issues and Positions have been furnished by Hand Delivery** or U.S. Mail this 6th day of February, 1995, to the following:

Martha Brown, Esq.**
Division of Legal Services
FPSC
101 East Gaines Street
Tallahassee, FL 32399

Joseph A. McGlothlin, Esq.
John W. McWhirter, Jr., Esq.
Vicki Gordon Kaufman, Esq.
315 S. Calhoun Street
Suite 716
Tallahassee, FL 32301

G. Edison Holland, Esq.
Jeffrey A. Stone, Esq.
Beggs and Lane
P. O. Box 12950
Pensacola, FL 32576

Floyd R. Self, Esq.
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman &
Metz, P.A.
P. O. Box 1876
Tallahassee, FL 32302-1876

Richard A. Zambo, P.A.
598 S.W. Hidden River Ave.
Palm City, FL 34990

Peter J.P. Brickfield, Esq.
Brickfield, Burchette
& Ritts, P.C.
1025 Thomas Jefferson St.N.W.
Eighth Floor, West Tower
Washington, D.C. 20007

John Roger Howe, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399

Lee L. Willis, Esq.
James D. Beasley, Esq.
Macfarlane Ausley Ferguson
& McMullen
P. O. Box 391
Tallahassee, FL 32302

James A. McGee, Esq.
Florida Power Corporation
P. O. Box 14042
St. Petersburg, FL 33733

Prentice P. Pruitt, Esq.**
Legal Services
FPSC
101 East Gaines Street
Tallahassee, FL 32399

Richard J. Salem, Esquire
Marian B. Rush, Esquire
Salem, Saxon & Nielsen
101 East Kennedy Blvd.
Suite 3200
One Barnett Plaza
Post Office Box 3399
Tampa, Florida 33601

Stephen R. Yurek, Esquire
Dahlen, Berg & Co.
2150 Dain Bosworth Plaza
60 South Sixth Street #2150
Minneapolis, MN 55402


Matthew M. Childs, P.A.