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Matthew M. Childs, P.A.

June 24, 1996

Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399-0850

ORIGINAL
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RE: DOCKET NO. 960001-EI

Dear Ms. Bayó:

Enclosed for filing please find the original and fifteen (15) copies of Florida Power & Light Company's Petition For Approval of its Levelized Fuel Cost Recovery Factors, Capacity Cost Recovery Factors and GPIF Targets in the above-referenced docket.

Also enclosed please find the original and fifteen (15) copies of the Testimony of B.T. Birkett, R. Silva, C. Villard and R.L. Wade.

Very truly yours,

Matthew M. Childs, P.A.

MMC/ml

Enclosure

cc: All Parties of Record

FILED
JUN 24 1996
TALLAHASSEE, FL
Matthew M. Childs, P.A.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 960001-EI
FILED: JUNE 24, 1996

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PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS,
CAPACITY COST RECOVERY FACTORS, AND GPIF TARGETS

Florida Power & Light Company ("FPL"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, and Commission Directives of April 24 and April 30, 1980, together with Commission Rule 25-17.16, hereby petitions this Commission to approve 2.037 as its levelized fuel cost recovery charge for non-time differentiated rates and 2.174 cents per kWh and 1.984 cents per kWh as its levelized fuel recovery charges for the on-peak and off-peak periods respectively as its time differentiated rates for the period October 1996 through March 1997 billing period, and to approve the capacity cost recovery factors submitted as Attachment I to this Petition for the October 1996 through September 1997 billing period. All charges are to become effective starting with meter readings scheduled to be read on or after Cycle Day 3, and to continue these charges in effect until modified by subsequent order of this Commission. FPL also requests this Commission to approve the proposed Generation Performance

Incentive Factor (GPIF) targets of 82.0% for weighted system equivalent availability and 9762 BTU/kWh for weighted system average net operating heat rate for the period October 1, 1996 through September 30, 1997. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period October 1996 through March 1997, are contained in Commission Schedules E1 through E10 and Schedule H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive), which schedules are attached as Appendix II to the prepared written testimony of FPL witness B. T. Birkett filed in Docket No. 960001-EI, and are incorporated herein by reference.

2. The fuel factors developed and proposed by FPL for the period October 1996 through March 1997, reflect a final \$17,157,052 underrecovery for the October 1995 through March 1996 period and an estimated/actual \$88,486,000 underrecovery for the April 1996 through September 1996 period.

3. FPL is requesting recovery of the depreciation and return on investment associated with the thermal power uprate of Turkey Point Units 3 and 4 which will increase the output of each nuclear unit by approximately 31 megawatts electric. The cost of this thermal uprate project is estimated to be approximately \$10 million. The Company has estimated that this uprate will yield fuel savings on a net present value basis in excess of \$88 million. FPL has included \$1,463,620 in the projected recovery factor for the upcoming period.

4. The capacity cost recovery factors for the period October 1996 through September 1997 are included as Attachment I to this Petition. FPL is proposing that the Capacity Cost Recovery Clause filing be made on an annual basis rather than the current semi-annual basis.

5. The GPIF targets for the period October 1996 through September 1997, are calculated in accordance with the methodology which is contained in the Generating Performance Incentive Factor Implementation Manual adopted by Order No. 10168 in Docket No. 810001-EU and as revised by Order No. 10912 entered in Docket No. 820001-EU on June 22, 1982. FPL is proposing that the Generating Performance Incentive Factor be filed on an annual basis instead of the current six-month period filing.

6. A residential bill for 1,000 kWh for the period October 1996 through March 1997, will be \$77.12. The 1,000 kWh residential bill includes a base rate charge of \$47.46, a fuel recovery charge of \$20.41, a conservation charge of \$2.09, a capacity cost recovery charge of \$6.21, an environmental cost recovery charge of \$.17, and Gross Receipt Tax of \$.78.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and purchased power cost recovery charges for the period October 1996 through March 1997, and the capacity cost recovery charges for the period October 1996 through September 1997 requested herein for its billing period effective starting with scheduled meter readings to be read on or after Cycle Day 3, and to

continue these charges until modified by subsequent order of this Commission, to approve the recovery of the depreciation and return on investment associated with the Turkey Point thermal power uprate through the Fuel Cost Recovery Clause, to approve the proposal to file the Capacity Cost Recovery filing on an annual basis, and to approve the proposed GPIF targets of 82.0% for weighted system equivalent availability and 9762 BTU/kWh for weighted system average net operating heat rate for the period October 1, 1996 through September 30, 1997, and to approve the proposal to file the GPIF on an annual basis.

DATED this 24th day of June 1996.

Respectfully submitted,

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

By: 
Matthew M. Childs, P.A.

FLORIDA POWER & LIGHT COMPANY
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR
 OCTOBER 1996 THROUGH SEPTEMBER 1997

Rate Class	(1) Percentage of Sales at Generation (%)	(2) Percentage of Demand at Generation (%)	(3) Energy Related Cost (\$)	(4) Demand Related Cost (\$)	(5) Total Capacity Costs (\$)	(6) Projected Sales at Meter (kwh)	(7) Billing KW Load Factor (%)	(8) Projected Billed KW at Meter (kw)	(9) Capacity Recovery Factor (\$/kw)	(10) Capacity Recovery Factor (\$/kwh)
RS1	53.20547%	60.85589%	\$17,633,036	\$242,021,941	\$259,654,977	41,807,749,293	-	-	-	0.00621
GS1	6.25971%	6.43277%	\$2,074,555	\$25,582,918	\$27,657,473	4,918,750,249	-	-	-	0.00562
GSD1	22.77095%	18.53947%	\$7,546,611	\$73,850,181	\$81,396,792	17,893,046,568	53.78184%	37,947,945	2.14	-
OS2	0.02610%	0.01927%	\$8,650	\$76,636	\$85,286	20,959,421	-	-	-	0.00407
GSLD1/CS1	9.25007%	7.94518%	\$3,065,602	\$31,597,724	\$34,663,326	7,270,483,851	61.64498%	16,156,331	2.15	-
GSLD2/CS2	2.01133%	1.69629%	\$666,583	\$6,746,090	\$7,412,673	1,587,641,754	64.31296%	3,381,669	2.19	-
GSLD3/CS3	0.92582%	0.79039%	\$306,830	\$3,143,355	\$3,450,185	758,060,128	64.60882%	1,607,271	2.15	-
ISST1D	0.00294%	0.00105%	\$974	\$4,176	\$5,150	2,313,412	86.46049%	3,665	**	-
SST1T	0.12588%	0.17744%	\$41,718	\$705,673	\$747,391	103,069,640	10.65279%	1,325,393	**	-
SST1D	0.08925%	0.04248%	\$29,579	\$168,942	\$198,521	71,104,739	79.38012%	122,705	**	-
CILC D/CILC G	3.20613%	2.27992%	\$1,062,556	\$9,067,168	\$10,129,724	2,528,505,648	75.60946%	4,581,049	2.21	-
CILC T	1.36696%	0.95114%	\$453,030	\$3,782,653	\$4,235,683	1,119,271,028	79.76567%	1,922,190	2.20	-
MET	0.10805%	0.10733%	\$35,809	\$426,848	\$462,657	86,779,954	59.38085%	200,194	2.31	-
OL1/SL1	0.55815%	0.06645%	\$184,979	\$264,269	\$449,248	438,580,084	-	-	-	0.00102
SL2	0.09320%	0.06492%	\$30,888	\$258,185	\$289,073	73,231,231	-	-	-	0.00395
TOTAL			\$33,141,400	\$397,696,759	\$430,838,159	78,679,547,000		67,248,412		

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Note: There are currently no customers taking service on Schedule ISST1(T). Should any customer begin taking service on this schedule during the period, they will be billed using the ISST(D) Factor.

- (1) Obtained from Document No. 2
- (2) Obtained from Document No. 2
- (3) (Total Capacity Costs/13) * Col (1)
- (4) (Total Capacity Costs/13 * 12) * Col (2)
- (5) Col (3) + Col (4)
- (6) Projected kwh sales for the period October 1996 through September 1997
- (7) (1995 kWh sales / 8760 hours) / ((avg customer NCP) / (8760 hours))
- (8) Col (6) / ((7) * 730) For GSD-1, only 83.265% of KW are billed due to 10 KW exemption
- (9) Col (5) / (8)
- (10) Col (5) / (6)

Reservation		
Demand =	$(\text{Total col 5}) / ((\text{Doc 2, Total col 7}) / (10) (\text{Doc 2, col 4}))$	
Charge (RDC)	12 months	
Sum of Daily		
Demand =	$(\text{Total col 5}) / ((\text{Doc 2, Total col 7}) / (21 \text{ onpeak days}) (\text{Doc 2, col 4}))$	
Charge (SDD)	12 months	
CAPACITY RECOVERY FACTOR		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1 (D)	\$0.28	\$0.13
SST1 (T)	\$0.27	\$0.13
SST1 (D)	\$0.28	\$0.13

CERTIFICATE OF SERVICE
DOCKET NO. 960001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition For Approval of Its Levelized Fuel Cost Recovery Factors, Capacity Cost Recovery Factors and GPIF Targets and Testimony of B.T. Birkett, R. Silva, C. Villard and R.L. Wade have been furnished by Hand Delivery,** or U.S. Mail this 24th day of June, 1996, to the following:

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