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October 5, 1998

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

REC'D
OCT-5 PM 4:19
COMMUNICATIONS

RE: DOCKET NO. 980001-EI

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) copies of Florida Power & Light Company's Petition For Approval Of Its Levelized Fuel Cost Recovery Factors, Capacity Cost Recovery Factors and GPIF Targets and Rewards in the above referenced docket. *10930-98*

Also enclosed please find the original and ten (10) copies of the Testimony and Exhibits of R. Silva, K.M. Dubin, and R.L. Wade. *10933-98*

In addition, please find the original and ten (10) copies of Amended Testimony and Exhibits of R. Silva, amending GPIF Testimony originally filed on May 27, 1998. *10931-98 10932-98*

- ACK _____
- AFA *Handwritten*
- APP _____
- CAF _____
- CMU _____
- CTR _____

Very truly yours,
Matthew M. Childs
Matthew M. Childs, P.A.

- EAG *Petersman* *MMC:ml*
- LEG *1* cc: All Parties of Record
- LIN *3108*
- OPC _____
- RCH _____
- SEC *1*
- WAS _____
- OTH _____

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Handwritten Signature
FPSC BUREAU OF RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchase power)
cost recovery clause and generating)
performance incentive factor)

DOCKET NO. 980001-EI
FILED: OCTOBER 5, 1998

PETITION OF FLORIDA POWER & LIGHT COMPANY
FOR APPROVAL OF ITS LEVELIZED FUEL COST RECOVERY FACTORS
AND 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 1.976 as its levelized fuel cost recovery charge for non-time differentiated rates and 2.136 cents per kWh and 1.908 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 January 1999 through December 1999 billing period, and to approve the capacity cost recovery factors submitted as Attachment I to this Petition for the January 1999 through December 1999 billing period. All charges are to become effective starting with meter readings scheduled to be read on or after Cycle Day 3, and will remain 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 82.1% and 89.2% for weighted system equivalent availability and 9235 BTU/kWh and 9512 BTU/kWh for weighted system average net operating heat rate for periods October through December 1998 and January through December 1999, respectively. In support of this Petition, FPL states:

1. The calculations of fuel costs for the period January 1999 through December 1999, are contained in Commission Schedules E1 through E10 and Schedule H1 (designated Minimum Filing Requirements by the Commission's April 24, 1989, Directive), which are attached as Appendix II to the prepared written testimony of FPL witness K.M. Dubin filed in Docket No. 980001-EI, and are incorporated herein by reference.

2. The fuel factors developed and proposed by FPL for the period January 1999 through December 1999, reflect a final \$13,491,202 overrecovery for the October 1997 through March 1998 period and an estimated/actual \$129,170,389 underrecovery for the April 1998 through December 1998 period. Also reflected is a GPIF reward of \$9,353,960 for the period ending September 1997 which is being applied to the January through December 1999 time period.

3. FPL submits that the capacity cost recovery factors, which are based on reasonable and prudent costs, for the period January 1999 through December 1999 are included as Attachment I to this Petition. FPL is requesting that the Commission approve total recoverable capacity payments in the amount of \$390,683,195. This amount reflects a final overrecovery of \$11,771,496 for the April

1997 through March 1998 period plus the estimated/actual overrecovery of \$65,406,291 for the April 1998 through December 1998 period.

4. The GPIF targets for the period October 1998 through December 1999 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.

5. By Order No. PSC-96-1172-FOF-EI dated September 19, 1996, the Commission established Generating Performance Incentive Targets for FPL for the twelve month period ending September 1997. On May 27, 1998 FPL filed a Petition and Testimony and Exhibits of R. Silva contained incorrect net capacities for Turkey Point 3 and 4. FPL is withdrawing the original May 27, 1998 testimony and exhibits and submitting the revised testimony and exhibits of R. Silva. FPL is also submitting the accompanying errata sheet detailing the changes to the original testimony. The application of the GPIF formula to FPL's performance during that twelve month period produces a reward of \$9,353,960. Matters relating to the GPIF are contained in the revised and amended prepared testimony of FPL witness R. Silva which is being filed with and incorporated in this Petition.

6. A residential bill for 1,000 kWh for the period January 1999 through December 1999, will be \$75.56. The 1,000 kWh residential bill includes a base rate charge of \$47.46, a fuel

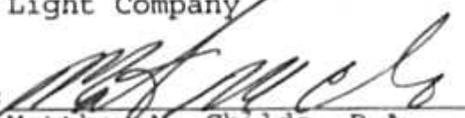
recovery charge of \$19.80, a conservation charge of \$2.15, a capacity cost recovery charge of \$5.14, an environmental cost recovery charge of \$.24, and Gross Receipt Tax of \$.77.

WHEREFORE, FPL respectfully requests this Commission to approve the fuel and capacity cost recovery charges for the period January 1999 through December 1999, and the GPIF targets for the period October 1998 through December 1999 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. FPL also requests the Commission to approve \$9,353,960 as FPL's GPIF reward for the period ending September 1997 and to include this amount in the calculation of the fuel factor for the period beginning January 1999.

DATED this 5th day of October 1998.

Respectfully submitted,

STEEL HECTOR & DAVIS LLP
215 South Monroe Street
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Attorneys for Florida Power
& Light Company

By: 

Matthew M. Childs, P.A.

FLORIDA POWER & LIGHT COMPANY
 CALCULATION OF CAPACITY PAYMENT RECOVERY FACTOR
 JANUARY 1999 THROUGH DECEMBER 1999

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	52.45270%	58.00782%	\$15,763,376	\$209,193,973	\$224,957,349	43,796,106,514	-	-	-	0.00514
GS1	6.29200%	6.28309%	\$1,890,907	\$22,658,748	\$24,549,655	5,253,591,788	-	-	-	0.00467
GSD1	23.19618%	20.86111%	\$6,971,044	\$75,231,555	\$82,202,599	19,360,095,493	50.68854%	43,582,964	1.89	-
OS2	0.02679%	0.01889%	\$8,051	\$68,123	\$76,174	22,912,025	-	-	-	0.00332
GSLD1/CS1	9.43114%	8.44539%	\$2,831,298	\$30,456,664	\$33,290,962	7,877,220,156	60.14841%	17,940,148	1.86	-
GSLD2/CS2	1.62943%	1.33740%	\$489,685	\$4,823,074	\$5,312,759	1,336,689,413	65.79758%	2,845,359	1.87	-
GSLD3/CS3	0.87360%	0.63547%	\$262,539	\$2,291,700	\$2,554,239	762,980,898	73.73065%	1,417,558	1.80	-
ISST1D	0.00181%	0.00167%	\$544	\$6,023	\$6,567	1,506,878	25.45229%	8,121	**	-
SST1T	0.13183%	0.07900%	\$39,618	\$264,898	\$324,516	115,136,011	12.91412%	1,221,303	**	-
SST1D	0.06323%	0.05339%	\$19,002	\$192,541	\$211,543	53,655,156	58.59453%	129,872	**	-
CILC D/CILC G	3.67416%	2.83946%	\$1,104,179	\$10,239,963	\$11,344,142	3,079,447,308	71.38050%	5,909,767	1.92	-
CILC T	1.45709%	1.00336%	\$437,693	\$3,618,424	\$4,056,317	1,272,585,933	78.98051%	2,207,213	1.84	-
MET	0.10342%	0.09445%	\$31,080	\$340,616	\$371,696	88,483,312	61.20127%	198,007	1.88	-
OL1/SL1/PL1	0.56855%	0.27003%	\$170,864	\$973,811	\$1,144,675	474,715,354	-	-	-	0.00241
SL2	0.09807%	0.06947%	\$29,473	\$250,530	\$280,003	81,880,761	-	-	-	0.00342
TOTAL			\$30,052,553	\$360,630,642	\$390,683,195	83,614,989,000		75,460,310		

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 January 1999 through December 1999
- (7) (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)

CAPACITY RECOVERY FACTORS FOR STANDBY RATES

Reservation		
Demand =	(Total col 5) / (Doc 2, Total col 7) / (10) (Doc 2, col 4)	
Charge (RDC)	12 months	
Sum of Daily		
Demand =	(Total col 5) / (Doc 2, Total col 7) / (21 onpeak days) (Doc 2, col 4)	
Charge (SDD)	12 months	
CAPACITY RECOVERY FACTOR		
	RDC	SDD
	** (\$/kw)	** (\$/kw)
ISST1 (D)	\$0.24	\$0.12
SST1 (T)	\$0.23	\$0.11
SST1 (D)	\$0.24	\$0.11

**CERTIFICATE OF SERVICE
DOCKET NO. 980001-EI**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition for Approval of Fuel Cost Recovery Factors, Capacity Cost Recovery Factors and GPIF Targets and Rewards and the Testimony and Exhibits of R. Silva, K.M. Dubin and R.L. Wade have been furnished by Hand Delivery,** or U.S. Mail this 5th day of October, 1998, to the following:

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