

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Rule 25-6.0144,) DOCKET NO. 940399-EI
F.A.C., Fair Value of Energy) ORDER NO. PSC-94-1160-FOF-EI
Produced While Testing Electric) ISSUED: September 21, 1994
Generating Units.)
_____)

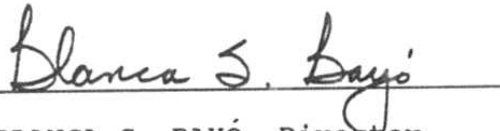
NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has adopted Rule 25-6.0144, F.A.C., relating to fair value of energy produced while testing electric generating units, without change.

The rule was filed with the Department of State on September 16, 1994, and will be effective on October 6, 1994. A copy of the rule as filed with the Secretary of State is attached to this Notice.

This docket is closed upon issuance of this notice.

By Direction of the Florida Public Service Commission, this
21st day of September, 1994.



BLANCA S. BAYO, Director
Division of Records & Reporting

(S E A L)

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

25-6.0144 Fair Value of Energy Produced While Testing Electric
Generating Units.

(1) This rule defines the "fair value" of energy generated while testing an electric generating unit under construction and before the unit is declared commercial, in conformity with the Uniform System of Accounts as adopted by the Commission.

(2) The Uniform System of Accounts for electric utilities requires that:

(a) earnings and expenses during construction constitute a component of construction costs;

(b) earnings include revenues received or earned for power produced by generating plants during the construction period which is sold or used by the utility; and

(c) where power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution or sale, the utility's construction work order shall be credited with the "fair value" of the energy so delivered.

(3) The "fair value" of energy for this purpose shall be the lower of either:

(a) the actual cost of fuel and related fuel expenses during the testing period; or

(b) the actual cost of fuel and related fuel expenses during the testing period with appropriate adjustments to reflect normal operating efficiency. The adjusted cost of fuel shall be equal to the quantity of fuel that would have been consumed to produce the same net megawatt hours under normal operating conditions, multiplied by the utility's current monthly charge-out price for fuel.

(4) The amount of the fair value credit to the construction work order shall be concurrently charged to the appropriate fuel and other operation and maintenance expense accounts.

Specific Authority: 350.127(2), 366.05(1), F.S.

Law Implemented: 366.04(2), F.S.

History: New, 10/7/94.