

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power )  
Cost Recovery Clause and )  
Generating Performance )  
Incentive Factor. )  
\_\_\_\_\_ )

DOCKET NO. 940001-EI  
FILED: July 20, 1994

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STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-94-0818-PCO-EI, issued July 5, 1994, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None at this time.

c. Staff's Statement of Basic Position

Staff takes no basic position at this time.

ACK \_\_\_\_\_

AFA d. Staff's Position on the Issues

APP \_\_\_\_\_

CIF \_\_\_\_\_

CMU \_\_\_\_\_

CTR ISSUE 1:

EIS \_\_\_\_\_

LSJ \_\_\_\_\_

POSITION:

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC 1

WAS \_\_\_\_\_

WHI \_\_\_\_\_

Generic Fuel Adjustment Issues

What are the appropriate final fuel adjustment true-up amounts for the period October, 1993 through March, 1994?

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:  
Staff takes no position at this time.

Fernandina Beach:  
Staff takes no position at this time.

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GULF: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

ISSUE 2:

What are the estimated fuel adjustment true-up amounts for the period April, 1994 through September, 1994?

POSITION:

FPC: Staff takes no position at this time.  
FPL: Staff takes no position at this time.  
FPUC: Marianna:  
Staff takes no position at this time.  
Fernandina Beach:  
Staff takes no position at this time.  
GULF: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

ISSUE 3:

What are the total fuel adjustment true-up amounts to be collected during the period October, 1994 through March, 1995?

POSITION:

FPC: Staff takes no position at this time.  
FPL: Staff takes no position at this time.  
FPUC: Marianna:  
Staff takes no position at this time.  
Fernandina Beach:  
Staff takes no position at this time.  
GULF: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

ISSUE 4:

What are the appropriate levelized fuel cost recovery factors for the period October, 1994 through March, 1995?

POSITION:

FPC: 2.051

FPL: 1.567

FPUC: Marianna:  
4.874

Fernandina Beach:  
5.098

GULF: 2.179

TECO: 2.353

ISSUE 5:

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

POSITION:

The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1994 through March, 1995. Billing cycles may start before October 1, 1994, and the last cycle may be read after March 31, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

ISSUE 6:

What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:  
Staff takes no position at this time.

Fernandina Beach:  
Staff takes no position at this time.

GULF: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

ISSUE 7:

What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:  
Staff takes no position at this time.

Fernandina Beach:  
Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 8:

What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October, 1994 through March, 1995?

POSITION:

FPC: 1.00083

FPL: 1.01609

FPUC: Fernandina Beach:1.01609  
Marianna:1.00083

GULF: 1.01609

TECO: 1.00083

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power and Light Company

ISSUE 9: Is FPL's proposed new methodology for allocating fuel costs to the various customer classes appropriate?

POSITION: No position at this time, pending further discovery.

Florida Power Corporation

ISSUE 10a: Should FPC be permitted to recover the costs associated with the accelerated purchase of locomotives?

POSITION: Staff takes no position at this time.

ISSUE 10b: Is it appropriate for FPC to differentiate fuel charges by metering voltage?

POSITION: Yes.

Tampa Electric Company

ISSUE 11a: Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that are in excess of the 1993 benchmark price?

POSITION: TECO's actual costs are below the benchmark as calculated by both Staff and the Company, and therefore this issue is moot.

ISSUE 11b: Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that are in excess of the 1993 waterborne transportation benchmark price?

POSITION: TECO's actual costs are below the benchmark as calculated by both Staff and the Company, and therefore this issue is moot.

**ISSUE 11c:** Has Tampa Electric Company prudently administered its contract with Consol Coal Company?

**POSITION:** Staff takes no position pending further discovery.

Gulf Power Company

**ISSUE 12:** What costs, if any, are appropriate for Gulf to recover through the fuel cost recovery clause as a result of the Peabody contract suspension?

**POSITION:** Staff takes no position at this time.

Generic Generating Performance Incentive Factor Issues

**ISSUE 13:** What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1993 through March, 1994?

**POSITION:**

FPC:	\$984,311
FPL:	\$3,107,919
GULF:	\$84,941 (penalty)
TECO:	\$406,404

**ISSUE 14:** What should the GPIF targets/ranges be for the period October, 1994 through March, 1995?

**POSITION:**

FPC:	See as provided on page 2 of Staff Attachment 1.
FPL:	See as provided on page 2 of Staff Attachment 1.
GULF:	See as provided on page 2 of Staff Attachment 1.
TECO:	See as provided on page 2 of Staff Attachment 1.

Company-Specific GPIF Issues

Staff knows of no company-specific GPIF issues at this time.

Generic Oil Backout Issues

ISSUE 15: What is the final oil backout true-up amount for the October, 1993 through March, 1994 period?

POSITION:

FPL: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 16: What is the estimated oil backout true-up amount for the period April, 1994 through September, 1994?

POSITION:

FPL: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 17: What is the total oil backout true-up amount to be collected during the period October, 1994 through March, 1995?

POSITION:

FPL: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 18: What is the projected oil backout cost recovery factor for the period October, 1994 through March, 1995?

POSITION:

FPL: Staff takes no position at this time.

TECO: Staff takes no position at this time.

Company-Specific Oil Backout Issues

Staff knows of no company-specific oil backout issues at this time.



Generic Capacity Cost Recovery Issues

ISSUE 19:

What is the appropriate final capacity cost recovery true-up amount for the period October, 1993 through March, 1994?

POSITION:

FPC: \$69,905 under-recovery.

FPL: No position at this time, pending resolution of company specific capacity issue.

GULF: \$1,135,019 under-recovery.

TECO: No position at this time, pending resolution of company specific capacity issue.

ISSUE 20:

What is the estimated capacity cost recovery true-up amount for the period April, 1994 through September, 1994?

POSITION:

FPC: \$4,622,826 over-recovery.

FPL: No position at this time, pending resolution of company specific capacity issue.

GULF: \$56,118 over-recovery.

TECO: No position at this time, pending resolution of company specific capacity issue.

ISSUE 21:

What is the total capacity cost recovery true-up amount to be collected during the period October, 1994 through March, 1995?

POSITION:

FPC: \$4,552,921 over-recovery.

FPL: No position at this time, pending resolution of company specific capacity issue.



GULF: \$1,078,901 under-recovery.  
TECO: No position at this time, pending resolution of company specific capacity issue.

ISSUE 22:

What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1994 through March, 1995?

POSITION:

FPC: \$82,945,428  
FPL: No position at this time, pending resolution of company specific capacity issue.  
GULF: \$6,956,628  
TECO: No position at this time, pending resolution of company specific capacity issue.

ISSUE 23:

What are the projected capacity cost recovery factors for the period October, 1994 through March, 1995?

POSITION:

FPC: Staff takes no position at this time.  
FPL: Staff takes no position at this time.  
GULF: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

Company-Specific Capacity Cost Recovery Issues

Florida Power and Light Company

ISSUE 24a:

Was it appropriate for FPL to change the amount of annual capacity credit associated with the St. Johns River Power Park from \$63,975,761 to \$56,945,592?

POSITION:

No position at this time, pending further discovery.

ISSUE 24b:

How should FPL recover capacity costs from customers who take standby power?

POSITION:

FPL should recover capacity costs from standby customers through the combination of a reservation charge/daily demand charge component. These charges should be calculated in a manner consistent with the methodology outlined in Order No. 17159.

Tampa Electric Company

ISSUE 25a:

Other than economy sales and revenues from the seven entities that were separated out in TECO's last rate case, should Tampa Electric credit all nonfuel revenues from off-system sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

POSITION:

No position at this time, pending further discovery.

e. Pending Motions

None.

f. Compliance with Order No.

The Staff's Prehearing Statement is filed in compliance with Order No. PSC-94-0818-PCO-EI.

Respectfully submitted this 26<sup>th</sup> day of July, 1994.

Martha Carter Brown  
MARTHA CARTER BROWN  
Staff Counsel

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GPIF TARGETS  
October 1994 to March 1995

Utility/ Plant/Unit	Equivalent Availability			Staff	Heat Rate	
	Company				Company	Staff
FPC	EAJ	POF	EUOF			
Anclole 1	90.8	7.7	1.5	Agree	9,905	Agree
Anclole 2	96.7	0.0	3.3	Agree	9,805	Agree
Crystal River 1	73.9	15.4	10.7	Agree	10,177	Agree
Crystal River 2	70.4	15.4	14.2	Agree	9,975	Agree
Crystal River 3	92.8	0.0	7.2	Agree	10,400	Agree
Crystal River 4	94.2	0.0	5.8	Agree	9,289	Agree
Crystal River 5	72.8	23.1	4.1	Agree	9,247	Agree
FPL	EAJ	POF	EUOF			
Cape Canaveral 1	92.4	0.0	7.6	Agree	9,291	Agree
Cape Canaveral 2	89.9	0.0	10.1	Agree	9,338	Agree
Fort Lauderdale 4	92.6	1.6	5.7	Agree	7,225	Agree
Fort Lauderdale 5	92.7	0.0	7.3	Agree	7,198	Agree
Fort Myers 2	93.3	0.0	6.7	Agree	9,294	Agree
Manatee 2	95.7	0.0	4.3	Agree	9,758	Agree
Port Everglades 3	94.5	0.0	5.5	Agree	9,307	Agree
Putnam 1	94.2	0.0	5.8	Agree	8,670	Agree
Riviera 3	90.9	0.0	9.1	Agree	9,713	Agree
Riviera 4	82.8	7.0	7.9	Disagree	9,672	Agree
Sanford 4	94.6	0.0	5.4	Agree	9,833	Agree
Sanford 5	94.1	0.0	5.9	Agree	9,692	Agree
Scherer 4	84.3	12.1	3.6	Agree	9,933	Agree
St. Johns River 1	76.8	19.2	4.0	Agree	9,336	Agree
St. Johns River 2	95.1	0.0	4.9	Agree	9,375	Agree
St. Lucie 1	60.6	35.2	4.2	Agree	10,854	Agree
St. Lucie 2	91.6	0.0	8.4	Agree	10,763	Agree
Turkey Point 3	93.6	0.0	6.4	Agree	10,865	Agree
Turkey Point 4	60.6	32.8	4.2	Disagree	11,002	Agree
Gulf	EAJ	POF	EUOF			
Crist 6	83.6	8.8	7.6	Agree	10,410	Agree
Crist 7	69.2	8.8	22.0	Agree	10,317	Agree
Smith 1	87.7	8.8	3.5	Agree	10,137	Agree
Smith 2	84.8	12.6	2.5	Agree	10,237	Agree
Daniel 1	85.4	0.0	14.6	Agree	10,287	Agree
Daniel 2	94.8	0.0	5.2	Agree	9,923	Agree
TECO	EAJ	POF	EUOF			
Big Bend 1	85.4	0.0	14.6	Agree	9,957	Agree
Big Bend 2	62.3	30.8	6.9	Agree	9,895	Agree
Big Bend 3	69.4	19.2	11.4	Agree	9,610	Agree
Big Bend 4	89.4	0.0	10.6	Agree	9,832	Agree
Gannon 5	88.1	0.0	11.9	Agree	10,454	Agree
Gannon 6	75.9	9.3	14.8	Agree	10,288	Agree

GPIF REWARDS/PENALTIES  
October 1993 to March 1994

Florida Power Corporation	\$984,311	Reward
Florida Power and Light Company	\$3,107,919	Reward
Gulf Power Company	\$84,941	Penalty
Tampa Electric Company	\$406,404	Reward

Utility/ Plant/Unit	EAF		Heat Rate	
	Target	Adj. Actual	Target	Adj. Actual
<b>FPC</b>				
Anclote 1	86.7	88.1	10,247	9,998
Anclote 2	82.1	83.8	9,955	9,874
Crystal River 1	73.1	81.3	10,024	9,971
Crystal River 2	50.8	47.3	9,998	9,761
Crystal River 3	88.7	99.0	10,334	10,414
Crystal River 4	95.3	91.8	9,264	9,378
Crystal River 5	80.7	79.9	9,293	9,207
<b>FPL</b>				
Cape Canaveral 1	48.2	46.0	9,426	9,365
Cape Canaveral 2	94.0	89.1	9,040	9,344
Fort Myers 2	91.4	91.5	9,381	9,368
Manatee 2	94.7	99.4	9,664	9,747
Port Everglades 3	94.2	95.7	9,317	9,594
Port Everglades 4	83.5	85.6	9,171	9,173
Putnam 1	88.6	93.5	9,208	8,698
Putnam 2	95.0	94.9	8,975	8,476
Riviera 3	75.2	76.1	9,975	9,869
Riviera 4	90.4	90.5	9,840	9,890
Sanford 4	95.3	95.7	10,086	9,734
Sanford 5	93.0	96.8	9,461	9,496
Scherer 4	96.0	97.6	8,904	9,416
St. Johns River 1	81.8	82.3	9,385	9,336
St. Johns River 2	80.0	80.8	9,228	9,404
St. Lucie 1	93.1	95.8	10,741	10,894
St. Lucie 2	60.9	73.2	11,152	11,580
Turkey Point 1	88.5	93.6	9,363	8,917
Turkey Point 2	80.0	88.0	9,129	9,163
Turkey Point 3	83.6	87.7	10,881	10,887
Turkey Point 4	93.5	93.4	10,932	10,858
<b>Gulf</b>				
Crist 6	68.8	73.8	10,164	10,042
Crist 7	69.0	61.7	9,945	10,026
Smith 1	64.4	68.1	10,107	10,226
Smith 2	82.6	85.9	10,109	10,302
Daniel 1	76.4	78.0	10,527	10,013
Daniel 2	74.1	74.7	10,134	10,035
<b>TECO</b>				
Big Bend 1	82.0	82.2	9,834	9,990
Big Bend 2	57.2	60.6	9,821	9,966
Big Bend 3	80.0	86.8	9,536	9,589
Big Bend 4	64.7	68.5	9,927	9,974
Gannon 5	80.2	87.3	10,416	10,384
Gannon 6	77.1	81.9	10,129	10,324

In Re: Fuel and Purchased Power  
Cost Recovery Clause and Generating  
Performance Incentive Factor.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

) DOCKET NO. 940001-EI  
) FILED: July 20, 1994  
)  
)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S  
PREHEARING STATEMENT has been served on the following parties on  
this 20<sup>th</sup> day of July, 1994:

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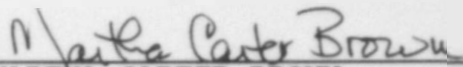
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