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February 13, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 E. Gaines Street
Tallahassee, FL 32399-0863

RE: Docket No. ~~50001-EI~~

Dear Ms. Bayo:

Enclosed please find the original and fifteen (15) copies of the Public Counsel's Prehearing Statement for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

- ACK
- AFA
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG Dudley - 5
- LEG 1
- LWR 4
- OPC JRH/bgm
- RCH _____
- SEC 1
- WAS _____

Sincerely,

John Roger Howe
Deputy Public Counsel

OTHER
RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
01703 FEB 13 1995
FPSC-RECORDS/REPORTING

ORIGINAL
FILE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 950001-EI
FILED: February 13, 1995

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-95-0106-PCO-EI, issued January 20, 1995, submit this Prehearing Statement.

APPEARANCES:

JOHN ROGER HOWE, Esquire, Deputy Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

A. WITNESSES:

None.

B. EXHIBITS:

None.

C. STATEMENT OF BASIC POSITION

None necessary.

D. STATEMENT OF FACTUAL ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April 1994 through September 1994?

DOCUMENT NUMBER-DATE
01703 FEB 13 95
FPSC-RECORDS/REPORTING

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October 1994 through March 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April 1995 through September 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April 1995 through September 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

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?

OPC: The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1995 through September, 1995. Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1996, 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?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

OPC:

FPC: Agree with Staff.
FPL: Agree with Staff.
FPUC: Fernandina: Agree with Staff.
Marianna: Agree with Staff.
GPC: Agree with Staff.
TECO: Agree with Staff.

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 April through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

Issue 9: Is it appropriate to recover the cost of SO2 emission allowances through the Fuel and Purchased Cost Recovery Clause?

OPC: No position at this time.

Company-Specific Fuel Adjustment Issues

Florida Power and Light Company

ISSUE 10A: Is FPL's proposed new methodology for allocating fuel costs to the various customer classes appropriate?

OPC: No position at this time.

ISSUE 10B: Is it appropriate for Florida Power and Light Company to recover \$2,754,502 for modifications made to generating units through the fuel and Purchase Power Cost Recovery Clause?

OPC: No position at this time.

Generic Generating Performance Incentive Factor Issues

ISSUE 11: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1994 through September, 1994?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 12: What should the GPIF targets/ranges be for the period April, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

Company-Specific GPIF Issues

Florida Power and Light Company

Issue 13: Should the forced outage hours for St. Lucie Unit 1 be adjusted to remove the outage hours caused by the June 6, 1994 severe thunderstorm?

OPC: No position at this time.

Generic Oil Backout Issues

ISSUE 14: What is the final oil backout true-up amount for the April, 1994 through September, 1994 period?

OPC:

FPL: No position at this time.
TECO: No position at this time.

ISSUE 15: What is the estimated oil backout true-up amount for the period October, 1994 through March, 1995?

OPC:

FPL: No position at this time.
TECO: No position at this time.

ISSUE 16: What is the total oil backout true-up amount to be collected during the period April, 1995 through September, 1995?

OPC:

FPL: No position at this time.
TECO: No position at this time.

ISSUE 17: What is the projected oil backout cost recovery factor for the period April, 1995 through September, 1995?

OPC:

FPL: No position at this time.
TECO: No position at this time.

Company-Specific Oil Backout Issues

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

Generic Capacity Cost Recovery Issues

ISSUE 18: What is the appropriate final capacity cost recovery true-up amount for the period April, 1994 through September, 1994?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 19: What is the estimated capacity cost recovery true-up amount for the period October, 1994 through March, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 20: What is the total capacity cost recovery true-up amount to be collected during the period April, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 21: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 22: What are the projected capacity cost recovery factors for the period April, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.

GPC: No position at this time.
TECO: No position at this time.

Company-Specific Capacity Cost Recovery Issues

Florida Power Corporation

Issue 23A: Is it appropriate for Florida Power Corporation to combine the capacity cost responsibilities of its RS and GS non-demand rate classes in the capacity cost recovery clause?

OPC: No position at this time.

Tampa Electric Company

Issue 23B: Should the \$1,106,760 "Option Payment" that Tampa Electric received from Polk in 1993 be treated as a credit in the capacity cost recovery clause?

OPC: No position at this time.

Issue 23C: 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 offsystem sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

OPC: No position at this time.

E. STATEMENT OF LEGAL ISSUES AND POSITIONS:

Issue 24: Should the Commission continue to allow electric utilities to retain 20% of the gain on economy sales?

OPC: No. The Commission should stop this practice because it exceeds the Commission's jurisdiction. Economy sales between electric utilities are wholesale transactions subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission (FERC). Only FERC can approve the terms and conditions for economy sales, and only FERC can approve the pricing arrangement which determines the amount of the gain to the selling utility. The Commission's practice of requiring electric utilities to reduce retail fuel and purchased power expenses by only 80% of the gain allows the utilities to earn an additional 20% on economy

CERTIFICATE OF SERVICE
DOCKET NO. 950001-EI

I HEREBY certify that a copy of the foregoing PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL has been served by *hand delivery or U.S. mail to the following parties of record on this 13th day of February, 1995.

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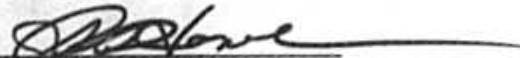
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