

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost
Recovery Clause.

DOCKET NO. 950007-EI

IN RE: Fuel and Purchased Power
Cost Recovery Clause and
Generating Performance Incentive
Factor.

DOCKET NO. 950001-EI



PROCEEDINGS:

PREHEARING CONFERENCE

BEFORE:

COMMISSIONER J. TERRY DEASON

DATE:

Wednesday, July 19, 1995

TIME:

Commenced at 9:30 a.m.
Concluded at 10:55 a.m.

LOCATION:

Betty Easley Conference Center
Room 152
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY:

JANE FAUROT
Notary Public in and for the
State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
100 SALEM COURT
TALLAHASSEE, FLORIDA 32301
(904) 878-2221

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P R O C E E D I N G S

1
2 COMMISSIONER DEASON: Call the prehearing
3 conference to order.

4 I will have the notice read, please.

5 MS. JOHNSON: By notice issued June 19, 1995, a
6 prehearing conference was set in Docket Nos. 950001-EI,
7 Fuel and Purchase Power Cost Recovery Clause and
8 Generating Performance Incentive Factors, and Docket
9 No. 950007-EI, Environmental Cost Recovery Clause. The
10 purpose of the prehearing is set out in the notice.

11 COMMISSIONER DEASON: I'll take appearances.

12 MR. CHILDS: Commissioner, my name is Matthew
13 Childs of the firm of Steel, Hector and Davis,
14 appearing on behalf of Florida Power and Light Company
15 in the fuel adjustment and environmental clause
16 dockets.

17 MR. HORTON: Commissioner, I'm Norman H. Horton,
18 Jr., Messer, Vickers law firm, Tallahassee, appearing
19 on behalf of Florida Public Utilities Company in the 01
20 docket.

21 MR. BEASLEY: Commissioner, I'm Jim Beasley, with
22 the Macfarlane, Ausley law firm in Tallahassee,
23 representing Tampa Electric Company in the fuel
24 adjustment docket.

25 MR. MCGEE: Commissioner, I'm James McGee, Post

1 Office Box 14042, St. Petersburg, 33733, on behalf of
2 Florida Power Corporation in the fuel adjustment
3 docket. With me is Ronald Bright, a Class B
4 Practitioner, also on behalf of Florida Power
5 Corporation.

6 MS. KAUFMAN: Vicki Gordon Kaufman, of the law
7 firm McWhirter, Reeves, McGlothlin, Davidson and Bakas,
8 117 South Gadsden, Tallahassee, 32301, on behalf of the
9 Florida Industrial Power Users Group.

10 MR. STONE: Commissioner Deason, I'm Jeffrey A.
11 Stone, of the law firm Beggs and Lane. With me today
12 is Russell A. Badders. We are at Pensacola, P.O. Box
13 12950. The zip code is 32576. And we're appearing
14 today on behalf of Gulf Power Company in 950001 and in
15 950007.

16 MR. HOWE: Commissioner Deason, I'm Roger Howe
17 with the Office of Public Counsel. The address is
18 shown on the draft prehearing order. I'm representing
19 the Citizens of the State of Florida.

20 MS. JOHNSON: Vicki Johnson appearing on behalf of
21 the Commission Staff.

22 MS. HELTON: Maryann Helton, Counsel to the
23 Commissioner.

24 COMMISSIONER DEASON: Okay. Are there any
25 preliminary matters?

1 MS. JOHNSON: Staff is only aware of one. In
2 Docket No. 950001, Staff's attachment was inadvertently
3 not included with the draft prehearing order. There
4 are copies here on the table, if anyone did not receive
5 one. We are not aware of any other preliminary
6 matters.

7 COMMISSIONER DEASON: Any of the parties have any
8 preliminary matters? Very well.

9 Ms. Johnson, do you have a preference as to which
10 docket we begin with?

11 MS. JOHNSON: I would suggest beginning with the
12 fuel docket. I know that is at least one party who is
13 not a party to the 07 docket.

14 COMMISSIONER DEASON: Okay. If there is no
15 objection, then, we'll begin with the fuel docket, the
16 01 docket.

17 I understand that there may need to be corrections
18 made to the draft, and there may need to be some
19 positions included here today that were not included in
20 the draft, and we'll proceed through that. The
21 prehearing order, as usual, is broken into sections
22 with case background being the first section. I assume
23 there are no changes or corrections to the case
24 background.

25 Section II is the procedure for handling

1 confidential information, which is standard.

2 And Section III is the prefiled testimony and
3 exhibits.

4 And then Section IV is the order of witnesses.

5 Is there any changes or corrections to any of
6 these sections, including the order of witnesses?

7 MS. JOHNSON: I received some changes from Florida
8 Power and Light to the issue numbers for their
9 witnesses. For Witness C. Villard, and that's
10 V-I-L-L-A-R-D, the correct issue numbers are 1, 2, 3, 4
11 and 9c. For Witness B.T. Birkett, the first entry on
12 the prehearing order, the issues numbers are 1, 2, 3,
13 4, 5, 6, 7, 8, 9a, 9b, and 25. And also for FPL
14 Witness Silva, in addition to Issues 1, 2, 3, he will
15 be appearing for Issues 4, 9a, and 26.

16 COMMISSIONER DEASON: Any other changes to the
17 order of witnesses and the issues?

18 MR. STONE: Commissioner Deason, on behalf of Gulf
19 Power Company, I have an updated listing of the issue
20 positions, and I'll be happy to read them out. But I
21 also have them where I can hand them out to the
22 parties, whichever your preference is.

23 COMMISSIONER DEASON: Just hand them out, that
24 will be sufficient. The issue numbers that are
25 referenced by each witness, there are some corrections

1 a stipulation.

2 Issue Number 4.

3 MS. JOHNSON: Before we go on, Commissioner
4 Deason, I notice that FIPUG had filed, "No position at
5 this time." I didn't know whether or not they intended
6 to change their position at this time.

7 COMMISSIONER DEASON: Ms. Kaufman?

8 MS. KAUFMAN: Commissioner Deason, we will take no
9 position, as Public Counsel did, unless we state
10 otherwise.

11 COMMISSIONER DEASON: Very well. With that
12 understanding, then, is Issue 4 also able to be
13 stipulated?

14 MS. JOHNSON: It appears that with the exception
15 of Florida Power Corp, Florida Power and Light and
16 Gulf, yes, that issue can be stipulated.

17 COMMISSIONER DEASON: Well, then, you're saying it
18 can be stipulated for TECO and for Florida Public?

19 MS. JOHNSON: Yes.

20 COMMISSIONER DEASON: Very well.

21 Issue Number 5.

22 MS. JOHNSON: That appears to be a stipulatable
23 issue. I would just note that Staff's position will be
24 the position reflected in the prehearing order, unless
25 there is some objection.

1 COMMISSIONER DEASON: Any objection?

2 MR. STONE: Commissioner Deason, I have no
3 objection to that, but we would point out that there is
4 an issue that Gulf has raised with regard to the
5 capacity cost recovery where we are seeking permission
6 to go to an annual factor. And we have stated in our
7 position what the effective date would be for the
8 annual factor if that is approved.

9 COMMISSIONER DEASON: Okay. I think that that can
10 be understood, that to the extent the issue addressing
11 the annual factor affects this, well, then that effect
12 would be recognized.

13 MS. JOHNSON: Yes.

14 COMMISSIONER DEASON: Is that sufficient?

15 MR. STONE: That's fine.

16 MR. BEASLEY: Commissioner, for Tampa Electric,
17 there is some language in our position on Issue 5 which
18 does not appear in the Staff's position, because Tampa
19 Electric has agreed to phase out the oil-backout
20 through the end of this year. The bracketed language
21 that I have in Tampa Electric's position is that as far
22 as the effective date of the factor, it should be as
23 Staff stated, except in the case of oil-backout factor
24 which should be reflected during the period October
25 1995 through December 1995, and I wondered if Staff

1 would agree that that additional language be inserted
2 in Staff's position.

3 COMMISSIONER DEASON: Any objection to doing that?

4 MS. JOHNSON: No.

5 COMMISSIONER DEASON: Very well. Any further
6 clarifications on Issue 5? Very well.

7 Issue 6?

8 MS. JOHNSON: Issue 6 appears to be a possible
9 stipulation.

10 COMMISSIONER DEASON: Is Staff in agreement with
11 all of the positions stated?

12 MS. JOHNSON: Yes.

13 COMMISSIONER DEASON: Very well. Show that
14 Issue 6 is a stipulation.

15 Issue Number 7.

16 MS. JOHNSON: Staff is in agreement with the
17 numbers presented by the companies with the exception
18 of Power Corp, FP&L and Gulf.

19 MR. CHILDS: Is that because of outstanding other
20 specific issues?

21 MS. JOHNSON: Yes.

22 MR. CHILDS: I wonder if it would be appropriate,
23 assuming that those other specific issues are resolved,
24 to note that this is one that's subject to stipulation,
25 if those are resolved.

1 MS. JOHNSON: Yes, that would be the case.

2 MR. STONE: Would that, likewise, be true for Gulf
3 Power Company?

4 MS. JOHNSON: That would be true. These are
5 fallout issues.

6 COMMISSIONER DEASON: Okay. So, there is no
7 substantive issue within these issues. These are
8 fallout issues, and to the extent that other issues
9 have an effect, depending on how those issues are
10 determined, those calculations would simply fall out
11 into the calculations. And this is issues -- would
12 this also apply to the previous issues with which there
13 was a problem concerning FPC, FP&L and Gulf?

14 MS. JOHNSON: Yes, that would be the case.

15 COMMISSIONER DEASON: Okay. So, that's the
16 situation for Issue 7, is that correct?

17 MS. JOHNSON: Yes.

18 COMMISSIONER DEASON: Okay. Issue Number 8?

19 MS. JOHNSON: Staff is in agreement with the
20 figures that were filed by Florida Power and Light,
21 Florida Power Corp, FPUC, and TECO. It's my
22 understanding that Florida Power Corp and Gulf did not
23 file positions.

24 MR. MCGEE: Florida Power will stipulate to
25 Staff's position.

1 MR. STONE: As will Gulf

2 MS. JOHNSON: With that, it appears we have a
3 stipulated position.

4 COMMISSIONER DEASON: Very well. Show Issue 8,
5 then, as a stipulation.

6 We can proceed, then, into the Company's specific
7 issues and begin with Florida Power and Light in Issue
8 Number 9a. Does Florida Power and Light have a
9 position?

10 MR. CHILDS: Yes.

11 COMMISSIONER DEASON: Very well. This issue is
12 just going to be preserved, I take it, and there is
13 some pending discovery, is that correct?

14 MS. JOHNSON: That's correct.

15 COMMISSIONER DEASON: Mr. Howe.

16 MR. HOWE: Just for background, who raised this
17 issue that the Company is just taking this position
18 now?

19 MS. JOHNSON: The issue was raised by Staff. It
20 was not included in our preliminary issues list. It
21 was included in our prehearing statement.

22 MR. CHILDS: I have another sentence that I can
23 give Staff on that issue, but rather than everyone
24 trying to take it down, I'll --

25 COMMISSIONER DEASON: If you can just provide that

1 to Staff and the parties, that will be fine.

2 MR. CHILDS: All right.

3 MR. HOWE: Commissioner Deason, on this issue,
4 then, Public Counsel will take no position at this time
5 until we can sort it out.

6 COMMISSIONER DEASON: Very well.

7 Issue 9b. Any changes or corrections to the
8 positions as stated?

9 MS. JOHNSON: No. This issue is also dependent
10 upon outstanding discovery.

11 MR. HOWE: Public Counsel will take no position at
12 this time.

13 COMMISSIONER DEASON: Issue 9c.

14 MS. JOHNSON: Staff's position on this issue is
15 "Not at this time. Staff agrees that the
16 implementation costs are the types of costs that
17 generally would be recoverable through the fuel costs
18 recovery clause. It is not appropriate at this time to
19 preapprove recovery of these costs. The Commission's
20 determination of the appropriateness of these costs for
21 recovery through the clause should be made at the time
22 Florida Power and Light Company includes the cost in
23 its fuel costs recovery projections."

24 We can make copies of this and hand those out.

25 COMMISSIONER DEASON: Very well. Any other

1 changes or corrections?

2 MR. HOWE: Commissioner Deason, Public Counsel
3 will agree with Staff.

4 COMMISSIONER DEASON: Very well.

5 Issue 10a, for Florida Power Corporation?

6 MS. JOHNSON: There was an error made in the
7 draft. Issue 10e should be inserted as Issue 10a. The
8 wording in Issue 10e is correct.

9 COMMISSIONER DEASON: So, let me see if I
10 understand. You're going to take the wording from what
11 was previously identified as 10e and insert that as
12 Issue 10a?

13 MS. JOHNSON: That's correct.

14 MR. MCGEE: As well as Florida Power's position
15 under 10e.

16 MS. JOHNSON: Yes.

17 COMMISSIONER DEASON: Okay. With that
18 understanding, are there any other changes or
19 corrections?

20 What is going to happen to Issue 10a, as it
21 appears? Is it just going to be deleted?

22 MS. JOHNSON: Yes.

23 COMMISSIONER DEASON: And 10e will be substituted
24 and will become Issue 10a?

25 MS. JOHNSON: Correct.

1 MR. MCGEE: Does Staff have a position on what is
2 now 10a?

3 MS. JOHNSON: Not at this time.

4 COMMISSIONER DEASON: Issue 10b. Any changes or
5 corrections to 10b?

6 MR. MCGEE: Commissioner, Florida Power's position
7 would be yes.

8 MR. HOWE: Public Counsel will take no position at
9 this time.

10 COMMISSIONER DEASON: Issue 10c.

11 MS. JOHNSON: Excuse me, Commissioner Deason. If
12 we might go back to Issue 10a, which was previously
13 listed as 10e, I just want to confirm that FIPUG's and
14 OPC's positions should be stated as it is now, which is
15 no position filed.

16 MS. KAUFMAN: FIPUG will take no position on that
17 issue.

18 MR. HOWE: And Public Counsel will also take no
19 position.

20 MS. JOHNSON: Thank you.

21 COMMISSIONER DEASON: Okay. 10c.

22 MS. JOHNSON: Staff's position should be yes.

23 COMMISSIONER DEASON: Is there a stipulation,
24 then, for this issue?

25 MS. JOHNSON: Yes, it appears there can be a

1 stipulation.

2 COMMISSIONER DEASON: Very well. Show that
3 Issue 10c can be stipulated.

4 Issue 10d.

5 MS. JOHNSON: Staff's position should read, "Yes,
6 the calculation has been made in accordance with the
7 market pricing methodology approved by the Commission
8 in Docket No. 860001-EG."

9 COMMISSIONER DEASON: Okay. I take it, then, that
10 Issue 10d, likewise, can be stipulated?

11 MS. JOHNSON: If OPC and FIPUG are in agreement,
12 yes.

13 MR. HOWE: Commissioner Deason, Public Counsel
14 will continue to take no position, unless stated
15 otherwise.

16 COMMISSIONER DEASON: Very well.

17 MS. KAUFMAN: That would be true of FIPUG, as
18 well.

19 COMMISSIONER DEASON: Okay. Issue 10d can be
20 show as a stipulation.

21 Issue 11a, for Tampa Electric Company. It appears
22 that 11a can be stipulated, is that correct?

23 MS. JOHNSON: Yes.

24 COMMISSIONER DEASON: Issue 11b.

25 MS. JOHNSON: That can also be stipulated.

1 COMMISSIONER DEASON: Show 11b as a stipulation.
2 Issue 11c.

3 MS. JOHNSON: It should be stipulated.

4 COMMISSIONER DEASON: Show 11c as a stipulation.
5 Issue 11d.

6 MS. JOHNSON: That can also be stipulated.

7 COMMISSIONER DEASON: Show 11d stipulated.
8 Issue 11e.

9 MR. BEASLEY: Commissioner, we had submitted some
10 answers on an expedited basis to some Staff
11 interrogatories on 11e, explaining what Tampa Electric
12 considered to be the equities which suggest that there
13 should be no retroactive re-allocation of these costs.
14 And I don't know if that is still an issue, in light of
15 our response, or whether the Staff is comfortable with
16 the position that we have stated in justifying not
17 going back. But we would hope we could agree that this
18 is not an issue.

19 COMMISSIONER DEASON: Ms. Johnson?

20 MS. JOHNSON: In considering that they had not
21 filed testimony because they didn't know Staff would
22 make this an issue, Staff would propose deferring this
23 until the next fuel proceeding.

24 COMMISSIONER DEASON: Mr. Beasley, is that
25 acceptable?

1 MR. BEASLEY: Yes, sir, it is. And we would hope
2 that we could resolve it short of having to go to
3 hearing, but that would certainly be preferable than --

4 COMMISSIONER DEASON: Okay. Show, then, that
5 Issue 11e will be deferred. It will not be part of
6 part of this proceeding. And the parties, obviously,
7 can continue to investigate this matter, and if it
8 needs to be an issue in the next proceeding, it will
9 be. Otherwise, it will not.

10 MR. HOWE: Commissioner Deason, I'd just like to,
11 for clarification on this issue, which I guess is
12 really on the two issues, 11e and 11f.

13 COMMISSIONER DEASON: Is that correct, Ms.
14 Johnson?

15 MS. JOHNSON: Yes.

16 COMMISSIONER DEASON: 11e and 11f?

17 MS. JOHNSON: Yes.

18 MR. HOWE: I would just like for it to be clear
19 that although Public Counsel does not oppose a
20 deferral, I would like it to be understood that even
21 though Tampa Electric Company will not be employing an
22 oil-backout cost recovery factor after January 1st of
23 1996, that that fact will not affect the Commission's
24 ability to revisit these issues, if necessary, in the
25 next fuel adjustment hearing.

1 COMMISSIONER DEASON: Mr. Beasley, is that
2 understood?

3 MR. BEASLEY: That's understood.

4 COMMISSIONER DEASON: Okay. Very well.

5 We'll move into the generic generating performance
6 incentive factor issues, and begin with Issue Number
7 12.

8 MS. JOHNSON: On Issue 12, as well as Issue 13,
9 FPUC was listed. They should not be shown on the
10 prehearing order, and they will be deleted from the
11 final prehearing order.

12 COMMISSIONER DEASON: Very well. Any other
13 changes or corrections?

14 MS. JOHNSON: Because I earlier noted Staff's
15 attachment was inadvertently not included and we handed
16 that out. That reflects our positions on Issue 12 and
17 13.

18 COMMISSIONER DEASON: I take it, then, that there
19 are issues that are differences in positions, is that
20 correct?

21 MS. JOHNSON: Yes, there are some differences.

22 COMMISSIONER DEASON: Okay.

23 MR. CHILDS: I think FPL is in agreement with
24 Staff on 12 and 13.

25 MR. MCGEE: I think that's the case with Florida

1 Power, as well. It is on 12.

2 MS. JOHNSON: May we have just a moment?

3 COMMISSIONER DEASON: Surely. (Pause).

4 MS. JOHNSON: I have been told that for Florida
5 Power and Light that our number, which is indicated on
6 Staff Attachment 1, Page 1 of 2, the 3,090,162 reward
7 is Staff's position and that is a difference with
8 Florida Power and Light.

9 MR. CHILDS: We agree with that number.

10 MS. JOHNSON: You agree that number. Okay. Thank
11 you.

12 COMMISSIONER DEASON: FPL is changing its position
13 to be in agreement with Staff's position. And with
14 that being the case, then Issue 12 can be stipulated
15 for Florida Power and Light. What about for Florida
16 Power Corporation?

17 MS. JOHNSON: It appears we have a stipulation for
18 Florida Power Corp.

19 COMMISSIONER DEASON: And is that for Issue 12 and
20 3 or just 12?

21 MS. JOHNSON: For both.

22 COMMISSIONER DEASON: Is that correct, Mr. McGee?

23 MR. MCGEE: Yes, sir.

24 COMMISSIONER DEASON: Show, then, that Issues 12
25 and 13 can be stipulated for Florida Power Corporation.

1 So, there are still disparities between Gulf's position
2 and TECO's position and Staff's position on Issues 12
3 and 13?

4 MR. STONE: Commissioner Deason, with regard to
5 Gulf's position on Issue 13, Staff's attachment shows
6 that we are in agreement, yet I find two numbers that
7 appear to be slightly discrepant. And I am in the
8 process of looking at our witness' testimony to see if
9 I can find the source for the discrepancy. As to
10 Issue 12, I know that that's pending another issue,
11 another specific issue.

12 COMMISSIONER DEASON: Okay. Well, would it be
13 best to take a moment at this time and give you the
14 opportunity to determine what the difference is on
15 Issue 13?

16 MR. STONE: We can do either do that, or as far as
17 Gulf is concerned, we can pass Issue 13. And if I can
18 find out what the discrepancy is, we may be able to
19 come back to a stipulation.

20 COMMISSIONER DEASON: Okay.

21 MR. BEASLEY: Commissioner, I believe Tampa
22 Electric and the Staff are in agreement on 12 and 13.

23 MS. JOHNSON: That's correct.

24 COMMISSIONER DEASON: Okay. Show that Issues 12
25 and 13 can be stipulated for Tampa Electric, and there

1 is an outstanding question concerning Gulf for Issue
2 13. We'll just temporarily pass on Issue 13 and come
3 back and see what the situation is for Gulf.

4 MR. STONE: Commissioner Deason, while we are on
5 13, I have discovered that it's just a difference in
6 rounding, and I'm sure that we have a stipulation on
7 13.

8 COMMISSIONER DEASON: Okay. We can show, then,
9 that for Issue 13 for Gulf that there is, likewise, a
10 stipulation. I understand that there is an issue with
11 Gulf as it pertains to Issue 12.

12 MR. STONE: That's correct.

13 COMMISSIONER DEASON: Okay. Issue 14.

14 MS. JOHNSON: There are no changes to Staff's
15 position on Issue 14, but I just wanted to note that
16 our position -- Issue 12 is a fallout, is that correct?
17 Yes.

18 COMMISSIONER DEASON: Issue 12 is a fallout
19 depending on the outcome of Issue 14?

20 MS. JOHNSON: Correct.

21 COMMISSIONER DEASON: Okay. Very well. And Issue
22 14 remains an issue.

23 Issue Number 15.

24 MR. STONE: Commissioner Deason, we have a
25 position on Issue 14 that we'd be willing to hand out

1 to the parties.

2 COMMISSIONER DEASON: That will be fine, if you
3 can just do that. And make sure the court reporter
4 gets these things that are being handed out.

5 COMMISSIONER DEASON: Issue Number 15.

6 MR. HOWE: Commissioner Deason, on Issue 14, since
7 I haven't yet seen Gulf Power's issue, or position on
8 the issue, I will take no position at this time.

9 COMMISSIONER DEASON: Very well.

10 Issue Number 15.

11 MR. BEASLEY: Commissioner, on Issue 15, I noticed
12 that Tampa Electric's position and that of the Staff
13 are different, as has been the case a number of times
14 in the past on this phase of the true-up calculation.
15 However, we agree on the total true-up amount and the
16 amount of the factor, and I think it's the method by
17 which the Company and the Staff calculate this number.
18 We can get together and work out the proper calculation
19 as we have previously.

20 COMMISSIONER DEASON: Is that satisfactory with
21 Staff?

22 MS. JOHNSON: Yes.

23 COMMISSIONER DEASON: Very well. Any other
24 changes, corrections, or questions on Issue 15? Are
25 there matters in dispute in Issue 15?

1 MS. JOHNSON: No.

2 COMMISSIONER DEASON: Okay. We can show Issue 15,
3 then, as a stipulation for all parties except TECO, and
4 with the understanding that it may be resolved for TECO
5 before we go to hearing.

6 Issue Number 16. Can it, likewise, be stipulated?

7 MS. JOHNSON: Yes, it can.

8 COMMISSIONER DEASON: Very well. Issue 17.

9 MS. JOHNSON: It can also be stipulated.

10 COMMISSIONER DEASON: Show Issue 17 as a
11 stipulation.

12 Issue 18.

13 MR. HOWE: Excuse me, Commissioner Deason.

14 COMMISSIONER DEASON: Yes.

15 MR. HOWE: On Issue 17, this is the -- okay, this
16 is just the true-up amount, but it's to be collected
17 during the period October '95 through March '96. Are
18 we going to have a true-up amount being collected for
19 Florida Power and Light and Tampa Electric Company
20 after January 1st of '96?

21 MS. JOHNSON: No, for Tampa.

22 COMMISSIONER DEASON: Well, if there are amounts
23 to be trued up, how is that going to be handled?

24 COMMISSION STAFF: Commissioner, there will be
25 amounts collected by Tampa Electric Company after

1 January 1st for a true-up. They will be collected
2 during the April through September '96 period, but
3 those will be reflected per our settlement agreement.
4 They will be collected as a line item adjustment in
5 their fuel cost recovery projections, a one-time.

6 MR. HOWE: Well, are you doing anything with
7 Florida Power and Light's oil-backout cost recovery?
8 Isn't that after January 1st?

9 COMMISSION STAFF: Yes.

10 MR. HOWE: Will they be collecting true-up amounts
11 after January 1st?

12 COMMISSION STAFF: That is currently under
13 discussion, and it is our intent that, yes, they will
14 be collecting a true-up amount after January 1, 1996.

15 MR. HOWE: Thank you.

16 COMMISSIONER DEASON: Is this going to be an
17 issue, Mr. Howe? And if it is, is it an issue for this
18 proceeding, or for the future, or is it premature at
19 this point?

20 MR. HOWE: I think it's perhaps premature. I just
21 wanted it to be clear on the record that there are
22 discussions ongoing with Florida Power and Light that
23 will affect their oil-backout cost recovery, perhaps
24 after January 1st of 1996, and then an agreement has
25 been reached with Tampa Electric Company for the

1 treatment of their oil-backout cost recovery factor
2 after January 1st of 1996.

3 COMMISSIONER DEASON: Anything further on
4 Issue 17? Issue 18.

5 MS. JOHNSON: Staff's position on Issue 18 for
6 Florida Power and Light should be .013 cents per
7 kilowatt hour. And Staff's position for TECO should
8 be, "Staff takes no position pending resolution of the
9 oil-backout issue."

10 COMMISSIONER DEASON: So, then, there can be a
11 stipulation for Florida Power and Light on Issue 18?

12 MS. JOHNSON: Yes.

13 COMMISSIONER DEASON: Okay.

14 MR. BEASLEY: Commissioner, if I could inquire
15 about Staff's position. If we defer those issues
16 shouldn't we go ahead and have a factor in place and
17 then make an adjustment as may be necessary in the next
18 hearing, so we can go ahead and wind it up as we had
19 planned through the end of this year?

20 MS. JOHNSON: Yes, we will agree with Tampa
21 Electric's number at this time.

22 COMMISSIONER DEASON: Very well. Then the entire
23 Issue 18 can be stipulated for this proceeding.

24 MR. BEASLEY: Thank you.

25 COMMISSIONER DEASON: Issue Number 19?

1 MS. JOHNSON: It appears we have a stipulation on
2 Issue 19.

3 COMMISSIONER DEASON: Okay. Show that issue 19 is
4 stipulated.

5 Issue Number 20?

6 MS. JOHNSON: It should also be stipulated.

7 COMMISSIONER DEASON: Show issue 20 as a
8 stipulation.

9 Issue 21.

10 MS. JOHNSON: It should also be stipulated.

11 COMMISSIONER DEASON: Show Issue 21 as a
12 stipulation.

13 Issue Number 22.

14 MS. JOHNSON: Florida Power Corp's position in
15 their prehearing statement was, "See Attachment B."
16 That was not included with the draft prehearing order,
17 but I understand the amount is 122,003,909.

18 MR. MCGEE: Yes. That is Florida Power's
19 position. I think there may have been a mixup. The
20 "See Attachment B," reference should have been Florida
21 Power's position under Issue 23, the next one we'll get
22 to. But the dollar amount that Ms. Johnson gave is
23 also Florida Power's position on Issue 22.

24 COMMISSIONER DEASON: With that understanding, can
25 Issue 22 be stipulated?

1 MS. JOHNSON: May we have just a moment?

2 COMMISSIONER DEASON: Surely.

3 (Pause.)

4 MS. JOHNSON: Staff's position for Florida Power
5 Corp is dependent upon the resolution of the Auburndale
6 settlement. Staff's position for Gulf should read,
7 "8,271,286, which is the six-month factor, and
8 11,805,117, which is the 12-month factor. And with
9 that change, it appears we have a stipulation for
10 Florida Power and Light, Gulf, and TECO.

11 MR. MCGEE: Could we also note that the status of
12 Florida Power's issue is a fallout, depending upon, I
13 believe it's Issue 24?

14 COMMISSIONER DEASON: Is that correct?

15 MS. JOHNSON: That's correct.

16 COMMISSIONER DEASON: Very well. Issue Number 23.

17 MR. STONE: Commissioner Deason, with regard to
18 Gulf's position on Issue 23, I believe it was
19 inadvertently omitted from the draft prehearing order.
20 We have provided a chart in our prehearing statement
21 that had two columns, one for the traditional six-month
22 capacity cost recovery factors, and one containing the
23 proposed 12-month recovery factors. And that was
24 distributed to the parties when our prehearing
25 statements were submitted.

1 COMMISSIONER DEASON: Okay. Does Staff have that
2 information?

3 MS. JOHNSON: Yes, we do. It was inadvertently
4 omitted, as was Florida Power Corp's position on
5 Issue 23.

6 COMMISSIONER DEASON: Okay.

7 MS. JOHNSON: However, Staff's and the Company's
8 numbers are in agreement with regard to Florida Power
9 and Light, Gulf, and TECO. Florida Power Corp, again,
10 is dependent upon the resolution of the Auburndale
11 issue. It's a fallout calculation.

12 COMMISSIONER DEASON: Very well. You can show
13 that, then, for Issue 23.

14 Issue Number 24.

15 MR. MCGEE: Commissioner, this is the capacity
16 cost recovery counterpart of Issue 10b on the fuel
17 adjustment side. As I understand it, this will be
18 resolved by the Commission at the next agenda on
19 August 1st. I assume from Staff's position that if the
20 Auburndale item is approved on the 1st, then Staff will
21 concur with Florida Power's position?

22 MS. JOHNSON: Yes.

23 MR. HOWE: Commissioner Deason, Public Counsel
24 will take no position at this time on Issue 24, pending
25 the outcome of that agenda conference.

1 COMMISSIONER DEASON: Very well. Ms. Johnson,
2 when do you plan to actually issue the prehearing
3 order? Is it going to be subsequent to the agenda on
4 the 1st?

5 MS. JOHNSON: Yes. I believe the prehearing order
6 will be issued on the 4th.

7 COMMISSIONER DEASON: That will give you
8 sufficient time to incorporate whatever decision is
9 made at that time?

10 MS. JOHNSON: Yes.

11 COMMISSIONER DEASON: Issue Number 25.

12 MS. JOHNSON: Staff's position on Issue 25 should
13 read, "Yes."

14 COMMISSIONER DEASON: Can Issue 25, then, be
15 stipulated?

16 MS. JOHNSON: Yes.

17 MR. CHILDS: Can I ask a question on Issue 25?
18 Issue 25 is worded as it relates to Gulf only?

19 COMMISSIONER DEASON: Yes, it is a Gulf Power
20 specific issue.

21 MR. CHILDS: Is it inappropriate to -- we are
22 considering taking the position to do the same for
23 Florida Power and Light Company.

24 COMMISSIONER DEASON: Are you suggesting this
25 become a generic issue, or you're just looking for the

1 option to do the same thing if it is approved for Gulf?

2 MR. CHILDS: We are at the point of doing the same
3 thing under current conditions as to the capacity
4 costs but I just noticed that the issue is worded as
5 though it specifically relates to Gulf and only to
6 Gulf.

7 COMMISSIONER DEASON: That was the purpose of the
8 issue, as I recall, that it was a Gulf Power specific
9 issue.

10 MR. CHILDS: That's right. They proposed it.

11 COMMISSION STAFF: Yes, they were the only ones
12 that asked for it. That's why we put it that way, and
13 presumably -- you know, at this point I don't know if
14 any of the other companies would be able to project,
15 you know, to refile with one year at this late date. I
16 mean, even if they want to.

17 MR. CHILDS: Well, tentatively, Commissioner, what
18 I would ask to do, and I would propose to talk to Staff
19 and Public Counsel, but I would ask that it be
20 considered either to change this -- Gulf may want to
21 keep it only as a Gulf issue -- but to potentially add
22 another issue as it relates to Florida Power and Light
23 Company, and see whether we can address that for
24 Florida Power and Light. It would be the same issue
25 but for Florida Power and Light, as well.

1 COMMISSIONER DEASON: Well, I guess my concern is
2 we're kind of getting a little -- I know this
3 prehearing conference is a little bit earlier in the
4 process than normal, but we are at the prehearing
5 conference stage, and is it appropriate to be raising
6 issues at this time? Is that normal procedure, to be
7 raising issues at the prehearing conference itself?

8 MR. CHILDS: I think that typically we don't, but
9 technically we can. I don't want to -- I think the
10 only reason we would do it this way, unless it was
11 newly discovered, is that it has taken us some time to
12 get to our position, and it seems like perhaps it may
13 ultimately reduce costs, time and expense for
14 everybody. And so we thought since you're doing it,
15 maybe this is the time to do it.

16 COMMISSIONER DEASON: Very well. I will just give
17 Staff a moment and see what their reaction is and see
18 if they have an objection, and hear from any other
19 parties if they have a concern.

20 MS. JOHNSON: Can we take five minutes?

21 COMMISSIONER DEASON: Yes. We will take ten
22 minutes at this time.

23 (Brief recess.)

24 COMMISSIONER DEASON: Call the prehearing
25 conference back to order.

1 I believe we were addressing Issue 25, which is a
2 Gulf Power specific issue, but there was some question
3 about whether this issue could be made applicable to
4 other companies, as well. Staff?

5 MS. JOHNSON: Yes. During the break we spoke with
6 Florida Power and Light, and we understand that they
7 are not going to propose an issue at this time.

8 MR. CHILDS: That's correct.

9 COMMISSIONER DEASON: Okay. So, Issue 25 will
10 remain, and it can be shown as a stipulation, and it
11 will be an issue specific to Gulf Power, is that
12 correct.

13 MS. JOHNSON: That's correct. Before we move on,
14 Commissioner Deason, I would like to go back to
15 Issue 18. I misspoke. Staff's position with regard to
16 TECO is .058, and I understand that's TECO's position,
17 as well. There was a typographical error.

18 COMMISSIONER DEASON: Okay. So, it's still a
19 stipulation, it's just that the correct cents per
20 kilowatt hour is .058?

21 MS. JOHNSON: Correct.

22 COMMISSIONER DEASON: Issue Number 26.

23 MS. JOHNSON: Staff has a position on Issue 26.
24 We have handed it out. It's a very lengthy position.
25 We have given a copy of that to the court reporter.

1 Our position, in essence, is yes.

2 COMMISSIONER DEASON: Are there any other changes
3 or corrections?

4 MR. STONE: Commissioner Deason, Gulf Power
5 Company would agree with Staff on Issue 26.

6 MR. MCGEE: As will Florida Power Corporation.

7 COMMISSIONER DEASON: Okay. Gulf and Florida
8 Power are in agreement with Staff's position.

9 MR. BEASLEY: So are we, Commissioner, Tampa
10 Electric Company.

11 COMMISSIONER DEASON: TECO will also be in
12 agreement. What about Florida Power and Light?

13 MR. CHILDS: The position is yes.

14 COMMISSIONER DEASON: Your position is "Yes," or
15 your position is, "Yes, you agree with Staff?"

16 MR. CHILDS: Well, I'm not sure I agree with
17 everything they have in their statement, and I don't
18 know that I disagree, but I think it's sufficient to
19 say "yes," and that will resolve the issue.

20 COMMISSIONER DEASON: Very well.

21 MR. HORTON: Commissioner, I note that in Issue 26
22 that FPUC is shown there, and I don't think they should
23 be shown on that position or in that issue.

24 MS. JOHNSON: That will be deleted.

25 MR. STONE: Commissioner, in an abundance of

1 caution, I should point out that the position stated
2 for Gulf under Issue 26 was a restatement of Gulf's
3 position on Issue 25. But notwithstanding that, the
4 Staff's position as handed out today is what we are
5 agreeing to and stipulating with.

6 COMMISSIONER DEASON: For Issue 26.

7 MR. STONE: For Issue 26.

8 COMMISSIONER DEASON: Very well. Are there any
9 other issues in the 01 docket?

10 MR. CHILDS: Commissioner, there may be an issue.
11 And if you would indulge me, there has been some
12 discussion about a potential issue having to do with
13 the oil-backout clause. And if we could perhaps
14 proceed with the 07 docket and come back and report to
15 you as to where we are in the potential additional
16 issue, I will appreciate it. The Staff and the Office
17 of Public Counsel, at least, are aware of that and
18 perhaps we can better address it then.

19 COMMISSIONER DEASON: Very well. With that
20 understanding, then, we will proceed with the remainder
21 of the 01 docket, and that will be Section VII, the
22 exhibit list. Are there any changes or corrections to
23 the exhibit list?

24 Hearing none, Section VIII addresses proposed
25 stipulations, and we have had a number of those

1 identified here today. Are there any others that need
2 to be identified and included there?

3 MR. STONE: Commissioner Deason, with regard to
4 Gulf and the GPIF, it's my understanding that there is
5 still the possibility that once we've completed our
6 responses to discovery, that that issue may become
7 stipulated. And I just wanted to let the Commissioner
8 know that that possibility still exists.

9 COMMISSIONER DEASON: Very well.

10 Section IX addresses pending motions. I take it
11 there are no pending motions at this time.

12 MS. JOHNSON: No, there aren't.

13 COMMISSIONER DEASON: And section -- well, we go
14 from Section IX to Section XI.

15 MS. JOHNSON: Well, X should have been rulings,
16 and --

17 COMMISSIONER DEASON: And there are no --

18 MS. JOHNSON: -- that was inadvertently omitted.

19 Staff would make one request at this time, and ask
20 the Prehearing Officer to consider -- currently,
21 according to the order establishing procedure, the date
22 for completing discovery is July 26th. Considering
23 that the hearing is not until August 9th, Staff would
24 request that all discovery be completed on August the
25 2nd. That would allow the companies the opportunity to

1 address all of our outstanding discovery, and I think
2 that's a reasonable time.

3 COMMISSIONER DEASON: Any objection to extending
4 the discovery deadline to August the 2nd?

5 MR. MCGEE: None.

6 COMMISSIONER DEASON: Hearing no objection, show
7 that change made.

8 COMMISSIONER DEASON: Any other matters?

9 MR. HORTON: Commissioner, as to FPUC, I think all
10 the issues have been stipulated as to us, and we would
11 ask to be excused from the remainder of the proceeding.

12 COMMISSIONER DEASON: You may be excused.

13 MR. BEASLEY: Commissioner, the same would apply
14 to Tampa Electric Company, with the one exception of
15 reconciling the true-up number with the Staff, which I
16 think we can get accomplished. We'd ask that our
17 witnesses be excused.

18 COMMISSIONER DEASON: They may be excused.
19 Assuming, though, that that minor discrepancy cannot be
20 corrected, with that understanding. But I think you
21 are correct that that most likely can be worked out.

22 MR. BEASLEY: Thank you.

23 MR. MCGEE: For Florida Power Corporation, the
24 issues pertaining to Witnesses Develle and Turner, I
25 believe have all been stipulated to. I think for

1 Witness Wieland, we have the Commission's decision on
2 August 1st on the Auburndale Power Partners and the
3 issue with respect to recovery of gas conversion cost,
4 which we are in the process of attempting to resolve
5 with Staff. If those two pending issues are then
6 resolved, I believe we would have all of our witnesses
7 in an excused posture.

8 COMMISSIONER DEASON: Okay. Mr. Wieland can be
9 excused, depending on the outcome of the two issues
10 which you just described. Your other two witnesses,
11 their issues have been stipulated, is that correct?

12 MR. MCGEE: That's correct.

13 COMMISSIONER DEASON: Okay. That's satisfactory.

14 MR. MCGEE: Thank you.

15 MR. STONE: Mr. Chairman, with regard to
16 Mr. Howell, on behalf of Gulf Power Company, his issues
17 have all been stipulated, and we would ask that he be
18 excused.

19 COMMISSIONER DEASON: Okay. He may be excused.

20 Any other matters at this time?

21 MR. BEASLEY: Commissioner, just for the record, I
22 would assume that the testimony and exhibits of all
23 excused witnesses will be inserted into the record and
24 made a part of the record of this proceeding.

25 COMMISSIONER DEASON: That is correct. At the

1 appropriate time at the hearing that will be done.

2 MR. BEASLEY: Thank you.

3 COMMISSIONER DEASON: Okay. That concludes the
4 01, with the exception that Mr. Childs just described
5 that we may need to revisit. With that, we will
6 conclude the 01, and we will proceed then into the 07
7 docket.

8 We are in the 07 docket, environmental cost
9 recovery clause. First of all, are there any
10 preliminary matters?

11 MS. JOHNSON: No, there are not.

12 COMMISSIONER DEASON: Very well.

13 Section I of the draft prehearing order describes
14 the case background.

15 Section II is the procedure for handling
16 confidential information.

17 And Section III describes the procedure for
18 prefiled testimony and exhibits.

19 And Section IV addresses the order of witnesses.

20 Are there any changes or corrections to any of
21 those sections?

22 Ms. JOHNSON: There is a correction to FP&L
23 Witness Reichel. The issue numbers should be 10a
24 through 10b.

25 COMMISSIONER DEASON: 10a and b instead of 1

1 through 5?

2 MS. JOHNSON: Correct.

3 COMMISSIONER DEASON: Okay. Any other changes?

4 MR. STONE: Commissioner Deason, with regard to
5 Witness Vick for Gulf, he would also have Issues 11b
6 through g. And with regard to Witness Cranmer for
7 Gulf, she would have Issues 7 and 8 and Issue 11a,
8 added to what is already there.

9 COMMISSIONER DEASON: Okay. 7 and 8 and 11a would
10 be added.

11 Any other changes? Very well.

12 Section V addresses basic positions. Any changes
13 or corrections to the basic positions?

14 Section VI addresses the specific issues and
15 positions, and we will begin with Issue 1. Any changes
16 or corrections to Issue 1?

17 MR. HOWE: Commissioner Deason, Public Counsel
18 will take no position, unless stated otherwise.

19 COMMISSIONER DEASON: Very well.

20 MS. KAUFMAN: And the same would be true for
21 I.PUG, Commissioner Deason.

22 COMMISSIONER DEASON: Very well. On Issue 1,
23 Power and Light's position is consistent with Staff's
24 position, is that correct?

25 MR. CHILDS: Yes.

1 MS. JOHNSON: Yes.

2 COMMISSIONER DEASON: Okay. Staff still has no
3 position for Gulf at this time?

4 MS. JOHNSON: That's correct.

5 COMMISSIONER DEASON: Now, is this a fallout
6 situation?

7 MS. JOHNSON: Yes, it is.

8 COMMISSIONER DEASON: Okay. Issue Number 2.

9 MS. JOHNSON: Staff and Florida Power and Light's
10 positions are consistent. Again, with regard to Gulf,
11 this is a fallout.

12 MR. STONE: Commissioner Deason, Gulf has a
13 revision to its position on Issue 2. It's a result of
14 a stipulation reached with Staff on Issue 11a, and the
15 new number for Issue 2 is 522,197.

16 COMMISSIONER DEASON: Overrecovery?

17 MR. STONE: Overrecovery.

18 COMMISSIONER DEASON: Okay. Issue Number 3.

19 MR. STONE: Similarly, we have a new number for
20 Issue 3. Again, as a result of the stipulation on
21 Issue 11a. The number should be a refund of 623,625.

22 COMMISSIONER DEASON: And there is an agreement
23 for Florida Power and Light?

24 MS. JOHNSON: That's correct. Issue 3 is also a
25 fallout.

1 COMMISSIONER DEASON: Very well. Issue Number 4.

2 MR. STONE: We have a revised number, again, as a
3 result of the stipulation on 11a. The new number is
4 5,297,190.

5 MS. JOHNSON: Staff and FPL's positions are
6 consistent, and it can be stipulated as to FPL.

7 COMMISSIONER DEASON: Very well. Issue Number 5.

8 MS. JOHNSON: This appears to be a stipulation,
9 with minor word changing. Differences between the
10 positions, Staff would recommend using our position in
11 the final prehearing order.

12 COMMISSIONER DEASON: Is there any objection to
13 Issue 5 being shown as a stipulation, and that the
14 position that would be adopted would be Staff's
15 position?

16 MR. CHILDS: No.

17 MR. STONE: No objection.

18 COMMISSIONER DEASON: Very well. Show that to be
19 stipulated with Staff's position. Issue Number 6.

20 MR. STONE: Commissioner, we would change our
21 position to agree with Staff.

22 MS. JOHNSON: Issue 6 appears to be a stipulation.

23 COMMISSIONER DEASON: Very well. Show Issue 6 as
24 stipulated. Issue 7.

25 MR. STONE: We would change our position to agree

1 with Staff.

2 MS. JOHNSON: That appears to be a stipulation, as
3 well.

4 COMMISSIONER DEASON: Very well. Show Issue 7 as
5 a stipulation. Issue Number 8.

6 MR. STONE: Again, we would change our position to
7 agree with Staff.

8 COMMISSIONER DEASON: Is there a stipulation for
9 Issue 8, or is it still in controversy as it pertains
10 to Florida Power and Light?

11 MR. CHILDS: I think we are in agreement.

12 MS. JOHNSON: No, we're in agreement.

13 COMMISSIONER DEASON: Very well. Show issue 8 as
14 stipulated. Issue 9.

15 MR. STONE: Commissioner, we have new factors for
16 Issue 9.

17 COMMISSIONER DEASON: And this is consistent with
18 the changes you have been making?

19 MR. STONE: That's correct.

20 COMMISSIONER DEASON: Okay.

21 MR. STONE: I thought I had it to hand out, but I
22 do not. I can read them quickly.

23 COMMISSIONER DEASON: Very well.

24 MR. STONE: Starting from the top of the chart
25 that's on Page 11, it should be 153; the next one is

1 151; then 136; then 126; then 116; then 088; then 124;
2 and, finally, 088.

3 COMMISSIONER DEASON: Staff, you got those
4 changes?

5 MS. JOHNSON: Yes.

6 COMMISSIONER DEASON: Okay.

7 MS. JOHNSON: This is a fallout calculation.
8 Staff and FPL are consistent. Our position on this
9 issue is dependent on a resolution of other issues.

10 COMMISSIONER DEASON: Very well. Issue 10a.

11 MS. JOHNSON: Our positions are consistent with
12 FPL's.

13 COMMISSIONER DEASON: Is that the case for all FPL
14 specific issues, that would be for 10a and for 10b?

15 MS. JOHNSON: With regard to 10b, our position is
16 essentially the same. However, FPL's position is much
17 more extensive. I understand, perhaps, that FPL is
18 willing to adopt our position at this time.

19 MR. CHILDS: We are.

20 COMMISSIONER DEASON: Very well. Show that
21 Issues 10a and 10b are stipulated, and that the
22 stipulation will reflect Staff's position on Issue 10b.

23 Issue 11a.

24 MS. JOHNSON: Issue 11a has been stipulated.

25 COMMISSIONER DEASON: Very well. Issue 11b.

1 MR. STONE: We agree with Staff.

2 MS. JOHNSON: So, that will be a stipulated issue.

3 COMMISSIONER DEASON: Show Issue 11b as
4 stipulated. Issue 11c.

5 MR. STONE: Commissioner, we agree, essentially,
6 with the first paragraph. The Staff's position with
7 regard to the second paragraph, it is my understanding
8 that we have no dollars in this filing that would be
9 affected by that position, and we respectfully suggest
10 that that is not an issue. And on that basis, it
11 appears as though we would have an agreement.

12 COMMISSIONER DEASON: Staff?

13 MS. JOHNSON: If I'm understanding correctly, is
14 Gulf not asking for cost recovery of dollars associated
15 with those rule references?

16 MR. STONE: It is my understanding that Gulf has
17 not had any dollars expended with regard to those rule
18 references, and so, therefore, it's not seeking
19 recovery at this time of any such rule references. If,
20 in fact, they become an issue in the future, we would
21 be happy to make you aware of that, and we could decide
22 that issue at that time. But I don't anticipate that
23 being the case.

24 MS. JOHNSON: That can be stipulated.

25 COMMISSIONER DEASON: Very well. Well, then,

1 there would be no need for the second paragraph in
2 Staff's position?

3 MS. JOHNSON: Correct. That will be deleted.

4 COMMISSIONER DEASON: Okay. Show Issue 11c as
5 stipulated. Issue 11d.

6 MR. STONE: We agree with Staff.

7 MS. JOHNSON: That can be stipulated.

8 COMMISSIONER DEASON: Very well. Show Issue 11d
9 as stipulated. 11e.

10 MR. STONE: Commissioner Deason, there is
11 discovery still outstanding on this issue, and it has
12 been suggested that perhaps we could defer this issue
13 until February, and perhaps it would resolve itself by
14 then. And the Company has no opposition to deferring
15 this issue.

16 MS. JOHNSON: That's okay with Staff.

17 COMMISSIONER DEASON: Any objection to deferring
18 Issue 11e? Hearing no objection, show that Issue 11e
19 will be deferred. Issue 11f.

20 MR. STONE: Commissioner Deason, we have a
21 position on 11f. Basically, our position is that we
22 are not seeking recovery of the Climate Challenge
23 program, and that any charges that may have been
24 inadvertently included will be adjusted out. I have a
25 more detailed position that can be handed out to the

1 parties.

2 MS. JOHNSON: With that additional information,
3 Staff will change its position to just, "No."

4 COMMISSIONER DEASON: And the issue can be
5 stipulated, is that correct?

6 MS. JOHNSON: Yes.

7 COMMISSIONER DEASON: Very well. Mr. Stone,
8 you'll provide that to all the parties, is that
9 correct?

10 MR. STONE: Yes.

11 COMMISSIONER DEASON: Issue 11g.

12 MS. JOHNSON: Staff has a position on Issue 11g.
13 Our position is 28,260 of O&M expenses for the period
14 April 1994 through March 1995 should be reversed. The
15 net adjustment with interest should be included in
16 Gulf's next true-up filing.

17 MR. STONE: Commissioner, we agree with Staff.

18 COMMISSIONER DEASON: And this is the position
19 that you handed out, is that correct?

20 MS. JOHNSON: That's correct.

21 COMMISSIONER DEASON: Okay. And Staff is in
22 agreement with that position. Show, then, that
23 Issue 11g is stipulated. Is there anything at issue,
24 then, with Gulf? I understand that an issue has been
25 deferred.

1 MR. STONE: Commissioner Deason, it appears that
2 all issues with Gulf are stipulated, except for the
3 issue that has been deferred, and we've agreed to defer
4 that. The fallout issues would then, I guess, come
5 back to Gulf's position.

6 COMMISSIONER DEASON: Does Staff need an
7 opportunity to verify those calculations?

8 MS. JOHNSON: Yes, we do. Subject to
9 confirmation, it does appear that we have completely
10 stipulated.

11 COMMISSIONER DEASON: Okay. And if those
12 calculations can be confirmed, then that can be shown
13 as a stipulation, is that correct?

14 MS. JOHNSON: Yes.

15 COMMISSIONER DEASON: Okay. Any other issues that
16 need to be raised at this point? Hearing none, we will
17 proceed to Section VII, the exhibit list. Changes or
18 corrections to the exhibit list?

19 MR. STONE: Commissioner Deason, I have some
20 corrections to the descriptions for the exhibits, and
21 we will hand them out to the parties.

22 COMMISSIONER DEASON: That will be satisfactory.
23 Any other changes or corrections?

24 MS. JOHNSON: Staff would only ask that the audit
25 reports be inserted into the record at the appropriate

1 time.

2 COMMISSIONER DEASON: You will be requesting that
3 at the hearing?

4 MS. JOHNSON: Yes.

5 COMMISSIONER DEASON: You're just putting parties
6 on notice that that will be requested at that time?

7 MS. JOHNSON: Yes, Florida Power and Light and
8 Gulf.

9 MR. STONE: I'm sorry, I did not hear the
10 statement. I apologize.

11 MS. JOHNSON: Staff, at the hearing, will request
12 that the audit reports for Florida Power and Light and
13 Gulf be inserted into the record.

14 MR. STONE: I have no objection, as long as the
15 Company's responses are included with that.

16 MS. JOHNSON: Yes.

17 MR. CHILDS: I think we agree, but I want to
18 double-check with my client, if I can.

19 COMMISSIONER DEASON: Very well. If you could
20 just inform Staff.

21 MR. CHILDS: I will inform Staff.

22 COMMISSIONER DEASON: Section VIII addresses
23 proposed stipulations, and I'm sure that those items
24 which have been stipulated -- which I believe all
25 issues have been stipulated, is that correct?

1 MS. JOHNSON: That's correct.

2 COMMISSIONER DEASON: Okay. I take it there are
3 no pending motions.

4 MS. JOHNSON: That's correct.

5 COMMISSIONER DEASON: And no rulings at this time.
6 Any other matters in the 07 docket?

7 MS. JOHNSON: None that Staff is aware of.

8 MR. CHILDS: I assume we are completely
9 stipulated, and that all of our witnesses will be
10 excused?

11 COMMISSIONER DEASON: Is that correct?

12 MS. JOHNSON: That's correct.

13 COMMISSIONER DEASON: I believe that is the
14 situation. All witnesses, then, may be excused in the
15 07 docket. At the hearing, all of the testimony and
16 exhibits which Staff wishes to have entered into the
17 record will be taken up at that time and will be
18 inserted into the record.

19 MS. JOHNSON: That would be fine. But it would
20 be, again, reminding everyone that it is subject to
21 confirmation of Gulf's numbers.

22 COMMISSIONER DEASON: That's correct. And that is
23 understood?

24 MR. STONE: Yes, it is. And what will be
25 stipulated into the record will be the revised

1 schedules that reflect the numbers that I announced
2 today.

3 COMMISSIONER DEASON: Have those revised schedules
4 already been provided?

5 MR. STONE: They were filed a couple of days ago.
6 I just wasn't sure if they had preceded my announcement
7 or followed, but they have been filed.

8 COMMISSIONER DEASON: Very well. Staff is aware
9 of that?

10 MS. JOHNSON: Yes.

11 COMMISSIONER DEASON: Okay. I think that
12 concludes everything in the 07 docket.

13 Mr. Childs, we will go back to the 01 docket, and
14 see if there is anything that we need to address
15 further at this time.

16 MR. CHILDS: Commissioner, I'm still not sure that
17 I have this issue resolved. I think now, though, at
18 least I need to tell you the subject that has to do
19 with the elimination of FPL's oil-backout clause. I'm
20 going to, if it is permitted, propose a tentative
21 issue. We will certainly be working with and talking
22 to all parties before we go any further with it. But
23 so that it can be on the record, I will word the issue,
24 tentatively at this time as to whether the oil-backout
25 clause for Florida Power and Light should be

1 eliminated; and if so, how?

2 COMMISSIONER DEASON: I guess all parties are
3 being put on notice that that is a potential issue.

4 I take it that technically, you have until the
5 issuance of the prehearing order to raise issues. When
6 do you envision notifying Staff of your intent as to
7 whether you actually intend to raise this issue?

8 MR. CHILDS: Well, I think that Staff will be
9 within the next several days, and the Office of Public
10 Counsel, and FIPUG, to the extent they are
11 participating, as well, will all be apprised over the
12 next few days.

13 COMMISSIONER DEASON: Okay. Any objection to this
14 procedure?

15 MR. HOWE: No objection.

16 MS. KAUFMAN: No objection.

17 MS. JOHNSON: None from Staff.

18 COMMISSIONER DEASON: Very well. Okay. Is there
19 anything else, then, remaining in the 01 docket that
20 needs to come before the Prehearing Officer at this
21 time? Hearing nothing, thank you all. This prehearing
22 conference is adjourned.

23 (The prehearing conference was concluded at
24 10:55 a.m.)

25