BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

 IN RE: Environmental Cost DOCKET NO. 950007‑EI

 Recovery Clause.

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 IN RE: Fuel and Purchased Power DOCKET NO. 950001‑EI

 Cost Recovery Clause and

 Generating Performance Incentive

 Factor.

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 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

 ACCURATE STENOTYPE REPORTERS, INC.

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 APPEARANCES:

 REPRESENTING FLORIDA POWER & LIGHT COMPANY:

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 Steel, Hector & Davis

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 Tallahassee, Florida 32301

 REPRESENTING GULF POWER COMPANY:

 JEFFREY A. STONE, ESQUIRE and

 RUSSELL A. BADDERS, ESQUIRE

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 Pensacola, Florida 32576‑2950

 REPRESENTING INDUSTRIAL POWER USERS GROUP:

 VICKI GORDON KAUFMAN, ESQUIRE

 McWhirter, Reeves, McGlothlin, Davidson,

 and Bakas

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 Tallahassee, Florida 32301

 REPRESENTING FLORIDA PUBLIC UTILITIES COMPANY:

 NORMAN H. HORTON, JR., ESQUIRE

 Messer, Vickers, Caparello, Madsen,

 Goldman & Metz, P.A.

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 Tallahassee, Florida 32301

 REPRESENTING TAMPA ELECTRIC COMPANY:

 JAMES D. BEASLEY, ESQUIRE

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 Tallahassee, Florida 32301

 REPRESENTING FLORIDA POWER CORPORATION:

 JAMES A. McGEE, ESQUIRE

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 St. Petersburg, 33733

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 3

 APPEARANCES CONTINUED:

 REPRESENTING THE CITIZENS OF THE STATE OF FLORIDA:

 JOHN ROGER HOWE, ESQUIRE

 Office of Public Counsel

 c/o The Florida Legislature

 111 West Madison Street

 Room 812

 Tallahassee, Florida 32399‑1400

 REPRESENTING THE FPSC COMMISSION STAFF:

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 1 P R O C E E D I N G S

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 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

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 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?

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 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 being 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

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 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

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 10

 1 there?

 2 MR. STONE: That's correct.

 3 COMMISSIONER DEASON: Okay. If you can just

 4 provide that, that will be sufficient.

 5 MR. McGEE: That's true for Florida Power

 6 Corporation, as well. I'll provide this to

 7 Ms. Johnson, if that's okay.

 8 COMMISSIONER DEASON: Mr. McGee, is your

 9 microphone working now?

10 MR. McGEE: It's on now.

11 COMMISSIONER DEASON: Very well. Any other

12 changes or corrections to the order of witnesses?

13 Section V addresses basic positions. Any changes

14 or corrections to the basic positions?

15 Section VI addresses specific issues and

16 positions, and we'll begin with Issue 1. Changes or

17 corrections to Issue 1?

18 Issue 2?

19 MS. JOHNSON: Excuse me, Commissioner Deason.

20 COMMISSIONER DEASON: Yes.

21 MS. JOHNSON: On Issue 1, it appears that we have

22 a stipulation if Public Counsel is in agreement.

23 COMMISSIONER DEASON: Mr. Howe?

24 MR. HOWE: We'll just take no position on this

25 issue, so we can go forward. I do notice a slight ‑‑

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 11

 1 is there a discrepancy between Florida Power

 2 Corporation and Staff? It's just a dollar.

 3 MR. McGEE: There is a dollar difference on 1.

 4 There is a dollar difference the other way on 2, and it

 5 comes out even on 3. I will be happy to stipulate to

 6 Staff's position.

 7 COMMISSIONER DEASON: That's big of you,

 8 Mr. McGee.

 9 We can show, then, that Public Counsel is taking

10 no position and then Issue 1 can be stipulated.

11 Issue Number 2.

12 MS. JOHNSON: That appears to be the case for

13 Issue 2, as well.

14 MR. HOWE: Public Counsel will take no position.

15 COMMISSIONER DEASON: Very well. Show Issue 2 as

16 a stipulated issue.

17 Issue Number 3.

18 MS. JOHNSON: Again, there is agreement between

19 Staff and the Company's amounts, so it appears it can

20 be stipulated.

21 MR. HOWE: Commissioner Deason, how about Public

22 Counsel takes no position, unless stated otherwise.

23 COMMISSIONER DEASON: That sounds like an

24 efficient way to handle things. With that

25 understanding, then, Issue 3, likewise, can be shown as

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 12

 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.

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 13

 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

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 14

 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.

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 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.

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 16

 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

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 17

 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

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 18

 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.

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 19

 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

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 20

 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 shown 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.

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 21

 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?

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 22

 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.

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 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

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 24

 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 13 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.

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 25

 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

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 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

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 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?

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 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

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 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

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 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?

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 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?

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 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.

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 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.

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 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

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 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.

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 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.

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 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.

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 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

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 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

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 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

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 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

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 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

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 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

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 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 FIPUG, 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.

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 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.

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 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

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 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

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 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.

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 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,

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 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

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 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.

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 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

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 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?

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 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

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 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

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 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.)

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 CERTIFICATE OF REPORTER

 STATE OF FLORIDA )

 COUNTY OF LEON )

 I, JANE FAUROT, Court Reporter, do hereby certify

 that the foregoing proceedings was taken before me at the

 time and place therein designated; that my shorthand notes

 were thereafter translated under my supervision; and the

 foregoing pages numbered 1 through 57 are a true and correct

 record of the proceedings.

 I FURTHER CERTIFY that I am not a relative,

 employee, attorney or counsel of any of the parties, nor

 relative or employee of such attorney or counsel, or

 financially interested in the foregoing action.

 DATED THIS \_\_\_\_\_\_ day of July, 1995.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 JANE FAUROT

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