

ORIGINAL

December 9, 1997

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399

Re: Docket No. 970410-EI

Dear Ms. Bayo:

Enclosed please find an original and fifteen (15) copies of the Post-Hearing Statement of AmeriSteel Corporation in the above captioned docket.

Very truly yours,


James W. Brew

J

Enclosure

ACK	_____
AFA	5/2 _____
APP	_____
CAF	_____
CMU	_____
CTR	_____
EAG	_____
LEG	_____
LIN	_____
OPC	_____
RCH	_____
SEC	_____
WAS	_____
OTH	_____

RECEIVED & FILED

REC'D - BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

12586 DEC-96

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Proposal to Extend Plan)	
For Recording of Certain)	Docket No. 970410-EI
Expenses for Years 1998 and 1999)	
for Florida Power & Light Company)	
<hr/>		

AMERISTEEL CORPORATION'S POST-HEARING STATEMENT OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-97-1035-PCO-EI, issued August 28, 1997, establishing the post-hearing procedure in this docket, AmeriSteel Corporation ("AmeriSteel") hereby submits its Post-Hearing statement of Issues and Positions with respect to the following issues

Issue No. 1. What is the appropriate revenue forecast to be used to determine the level of additional expense?

Additional expenses should be based on verified costs and a demonstrated need for recovery rather than an authorized "pool" of added expense dollars designed to offset revenue growth.

Issue No. 2. Should the Commission defer a decision to allow any additional decommissioning or dismantlement expense until there has been a full examination of FPL's nuclear decommissioning and fossil plant dismantlement studies.

Yes. In 1995, the Commission provided adequate annual accruals for nuclear decommissioning. Changes in any of the major inputs into decommissioning and fossil dismantlement cost estimates could radically alter, or eliminate altogether, the perceived deficiency claimed in this docket. Because estimation methods and inputs are subject to future revision, particularly as the industry gains more experience in such matters, a one-time write-down of a perceived deficiency at any given time represents an ill-considered regulatory policy

Issue No. 3. Should the Commission consider whether FPL has reserve depreciation surplus balances for any of its plant accounts to offset depreciation reserve deficiencies?

Yes. As it has in other instances, before authorizing additional charges against excess earnings, the Commission should consider offsetting over-collections in prior periods resulting in reserve surpluses as well as cost reductions in other areas that have not been reflected in base rates.

DOCUMENT NUMBER-DATE
12586 DEC-95
FPSC-RECORDS/REPORTING

Issue No. 4. Should FPL be authorized to accelerate the write-off of unamortized loss on reacquired debt?

No. Accelerated recovery of unamortized premiums and other costs to FPL of reacquiring and refinancing debt is not related to depreciation reserve deficiencies. The accepted and appropriate ratemaking treatment of these costs is to amortize them over the original life of the retired debt or the life of new debt issued if it is a refinancing. There also is no rational basis and no record evidence for accelerated recovery of such regulatory assets based on competitiveness concerns.

Issue No. 5. Should FPL be authorized to record, in an unspecified depreciation reserve, an expense amount greater than the amounts to correct any depreciation reserve deficiency, write-off the unamortized loss on reacquired debt, correct any fossil dismantlement reserve deficiency, and correct any nuclear decommissioning reserve deficiency?

No. There is very little identified depreciation reserve deficiencies remaining, and there is no basis for adding additional expense to an unspecified depreciation reserve simply to offset excess earnings. To the extent that the Commission authorizes additional expense for known and verified costs, any additional amounts above that level should be refunded to ratepayers rather than charged as an additional unspecified expense.

Issue No. 6. Should the Plan be extended for 1998 and 1999 as set forth in Order No. PSC-97-0499-FOF-EI?

No. See AmeriSteel's Basic Statement of Position and as set forth in Issues No. 1-5 above. The magnitude of the added expense authorized by the Plan, to \$842 million over two years is not justified. The Plan would create enormous intergenerational inequity and impose an excessive and unwarranted cost burden on FPL ratepayers in 1998 and 1999. That amount also indicates the severity of FPL's excess earnings situation in those years that the Commission should act to correct through appropriate rate reductions.

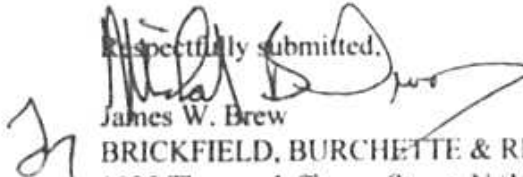
Issue No. 7. Should this Docket be Closed?

No. The Commission should keep this docket open and reserve its final determination in this docket until a review of FPL's excess earnings has been performed and the utility's next comprehensive nuclear decommissioning and fossil dismantlement studies have been examined.

WHEREFORE, AmeriSteel submits its Post-Hearing Statement of Issues and Positions in this docket.

Dated this 9th day of December, 1997.

Respectfully submitted,

 James W. Brew

BRICKFIELD, BURCHETTE & RITTS, P.C.

1025 Thomas Jefferson Street, N.W.

Suite 800-West

Washington, DC 20007

(202) 342-0800

(202) 342-0807 fax

Attorneys for AmeriSteel Corporation

CERTIFICATE OF SERVICE
DOCKET NO. 970410-EI

I HEREBY CERTIFY that a true and correct copy of AmeriSteel Corporation's Post-Hearing statement of Issues and Positions has been furnished via Overnight Mail and U.S. Mail this 9th day of December 1997, to the following:

George Cruz, Esq.
Robert Elias, Esq.
Florida Public Service Commission
Gerald L. Gunter Building
2540 Shumard Oak blvd.
Room 301
Tallahassee, FL 32399-0850
Facsimile: 904-413-6250

Matthew M. Childs, Esq.
Steel, Hector & Davis
215 South Monroe
Suite 810
Tallahassee, FL 32301-1804
Facsimile: 904-222-7510

William Feaster
Florida Power & Light Company
215 S. Monroe
Suite 810
Tallahassee, FL 32301-1859
Facsimile: 904-224-7197

Jack Shreve, Esq.
Roger Howe, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399
Facsimile: 904-488-4491

Michael B. Twomey
P.O. Box 5256
Tallahassee, FL 32314-5256


JAMES W. BREW