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Matthew M. Childs, P.A.

September 24, 2001

#### - VIA HAND DELIVERY -

Ms. Blanca S. Bayó, Director Division of the Commission Clerk and Administrative Services Florida Public Service Commission 4075 Esplanade Way, Room 110 Tallahassee, FL 32399

#### RE: DOCKET NO. 010283-EI

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) copies of Florida Power & Light Company's Post Hearing Statement in the above referenced docket.

Very truly yours

Matthew M. Childs, P.A.

MMC/gc

Enclosures cc: All Parties of Record (w/enclosures)

DOCUMENT NUMBER-DATE

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# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Calculation of Gains and appropriate regulatory treatment for non-separated wholesale energy Sales by investor-owned electric utilities DOCKET NO. 010283-EI

FILED: SEPTEMBER 24, 2001

# FLORIDA POWER & LIGHT COMPANY'S <u>POST HEARING STATEMENT</u>

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Pursuant to Order No. PSC-01-0517-PCO-EI, issued March 5, 2001, establishing the procedure in this docket, Florida Power & Light Company ("FPL") hereby submits its Post Hearing Statement.

# STATEMENT OF BASIC POSITION

FPL believes that the Commission's actions taken in Part III of Order No. PSC-00-1744-PAA-EI regarding the method for calculating gains on non-separated wholesale power sales and the regulatory treatment for revenues and expenses associated with non-separated wholesale power sales are reasonable, appropriate and consistent with historic treatment.

\*ISSUE 1: What is the appropriate regulatory treatment for SO<sub>2</sub> emission allowances associated with non-separated wholesale energy sales?

The parties have stipulated to the following:

For non-separated wholesale energy sales that contain an  $SO_2$  emission allowance component, that portion of the sales price associated with the  $SO_2$  emission allowance should be credited to either the fuel cost recovery clause or the environmental cost recovery clause.

**\*ISSUE 2:** What is the appropriate regulatory treatment for the cost of fuel and purchased power associated with non-separated wholesale energy sales?

Consistent with Commission Order No. PSC-00-1744-PAA-EI in Docket No. 991779 dated September 26, 2000, which states, "Each IOU shall credit its fuel and purchased power cost recovery clause

for an amount equal to incremental fuel cost of generating the energy for each such sale".

\*ISSUE 3: What is the appropriate regulatory treatment for the operation and maintenance (O&M) expenses associated with non-separated wholesale energy sales?

Consistent with Commission Order No. PSC-00-1744-PAA-EI in Docket No. 991779 dated September 26, 2000, which states, "Each IOU shall credit its operating revenues for an amount equal to the incremental Operating and Maintenance (O&M) cost of generating the energy for each such sale".

**\*ISSUE 4:** How should the Commission implement Part II of Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, concerning the application of incentives to wholesale energy sales?

FPL believes that the Commission's decision should be implemented by using the methodology proposed by Staff in their memorandum dated September 20, 2000.

Dated this 24<sup>th</sup> day of September, 2001.

Respectfully submitted BY:

Matthew M. Childs, P. A. STEEL HECTOR & DAVIS LLP 215 South Monroe Street, Suite 601 Tallahassee, FL 32301-1804 Attorneys for Florida Power & Light Company

### CERTIFICATE OF SERVICE DOCKET NO. 010283-EI

**I HEREBY CERTIFY** that a true and correct copy of Florida Power & Light Company's Post Hearing Statement has been furnished by hand delivery (\*), or U.S. mail this 24<sup>th</sup> day of September, 2001, to the following:

Wm. Cochran Keating IV, Esq.\* Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399

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By:

MATTHEW M. CHILDS, P.A.