

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 930001-EI
Cost Recovery Clause and) ORDER NO. PSC-93-1201-PHO-EI
Generating Performance Incentive) ISSUED: August 16, 1993
Factor.)
_____)

Pursuant to Notice, a Prehearing Conference was held on August 11, 1993, in Tallahassee, Florida, before Chairman J. Terry Deason, as Prehearing Officer.

APPEARANCES:

JAMES A. MCGEE, Esquire, Florida Power Corporation, P.O. Box 14042, St. Petersburg, Florida 33733-4042
On behalf of Florida Power Corporation.

MATTHEW M. CHILDS, Esquire, Steel Hector & Davis, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301-1804
On behalf of Florida Power & Light Company.

FLOYD R. SELF, Esquire, Messer, Vickers, Caparello, Madsen, Lewis, Goldman & Metz, P.A., P.O. Box 1876, Tallahassee, Florida 32302-1876
On behalf of Florida Public Utilities Company.

G. EDISON HOLLAND, JR., Esquire, and JEFFREY A. STONE, Esquire, Beggs & Lane, 700 Blount Building, 3 West Garden Street, P.O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company.

LEE L. WILLIS, Esquire, and JAMES D. BEASLEY, Esquire, Ausley, McMullen, McGehee, Carothers and Proctor, P.O. Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company.

VICKI GORDON KAUFMAN, Esquire, McWhirter, Grandoff and Reeves, 315 South Calhoun Street, Suite 716, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group.

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

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DONNA L. CANZANO, Esquire and MARTHA CARTER BROWN,
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0863

On behalf of the Staff of the Florida Public Service
Commission.

PRENTICE P. PRUITT, Esquire, Office of the General
Counsel, 101 East Gaines Street, Tallahassee, Florida,
32399-0861
Counsel to the Commissioners.

PREHEARING ORDER

I. CASE BACKGROUND

As part of the Commission's continuing fuel and energy conservation cost and purchased gas cost recovery proceedings, a hearing is set for August 18, and 19, 1993 in this docket and in Dockets No. 930002-EG and 930003-GU. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period October, 1993 through March, 1994;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April, 1993 through September, 1993, which are to be based on actual data for the period April, 1993 through May, 1993, and revised estimates for the period June, 1993 through September, 1993;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1992 through March, 1993, which are to be based on actual data for that period;
4. Determination of Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period October, 1993 through March, 1994.

5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1993 through September, 1993, which are to be based on actual data for the period April, 1993 through May, 1993 and revised estimates for the period June, 1993 through September, 1993.
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1992 through March, 1993, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period October, 1993 through March, 1994, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code.
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period April, 1993 through September, 1993, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.016, Florida Administrative Code, which are to be based on actual data for the period April, 1993 through May, 1993, and revised estimates for the period June, 1992 through September, 1993.
9. Determination of the Final Oil Backout True-Up Amounts for the period October, 1992 through March, 1993, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period October, 1993 through March, 1994;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period October, 1993 through March, 1994;

12. Determination of the Purchased Gas Adjustment Cost Recovery Factors for the period October, 1993 through March 1994.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Commission Clerk's confidential files.

III. PREFILED TESTIMONY AND EXHIBITS

Testimony of all witnesses to be sponsored by the parties has been prefiled, except that Gulf intends to file supplemental direct testimony regarding Issue Number 10, by Monday, August 16, 1993. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be

marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

IV. ORDER OF WITNESSES

The witness schedule is set forth below in order of appearance by the witness' name, subject matter, and the issues that will be covered by that witness' testimony.

Witnesses whose names are preceded by an asterisk have been excused. The parties have stipulated that the testimony of those witnesses will be inserted into the record as though read, and cross-examination will be waived.

The parties have stipulated that the testimony of the following witnesses will be inserted into the record as though read and cross-examination waived except for the portion of the testimony regarding the contested issues as follows: Wieland (FPC), Issue 8(c); Silva, Poteralski (FPL), Issues 9(a) and Birkett (FPL), Issue 9(b); and Howell, Cranmer (Gulf), Issue 10.

| <u>Witness</u> | <u>Appearing For</u> | <u>Issues #</u> |
|-----------------|----------------------|--------------------|
| <u>FPC</u> | | |
| Wieland | FPC | 1-8, 22-26b |
| *Micklon | FPC | 12 and 13 |
| <u>FPL</u> | | |
| *E.L. Hoffman | FPL | 1, 2, 3 |
| R.Silva | FPL | 1, 2, 3 |
| D.C. Poteralski | FPL | 4, 5, 6, 7, 9a, 9b |
| B.T. Birkett | | |
| *F.R. Overby | FPL | 12, 13, 16, 17 |

| <u>Witness</u> | <u>Appearing For</u> | <u>Issues #</u> |
|------------------|----------------------|---|
| *E.L. Hoffman | FPL | 18, 19, 20, 21 |
| *E.L. Hoffman | FPL | 22, 23, 24 |
| *B.T. Birkett | FPL | 22, 23, 24, 25, 25a, 27 |
| <u>FPUC</u> | | |
| *Bachman | FPUC | 1-7 |
| <u>GULF</u> | | |
| *M.L. Gilchrist | Gulf | 1, 2, 4 |
| M.W. Howell | Gulf | 1, 2, 4, 10, 22, 23, 25a ¹ |
| S.D. Cranmer | Gulf | 1, 2, 3, 4 6, 7, 10, 22, 23 24, 25a, 25 |
| *G.D. Fontaine | Gulf | 12, 13 |
| <u>TECO</u> | | |
| *J. E. Mulder | TECO | 1, 2, 3, 4, 6, 7 |
| *G.A. Keselowsky | TECO | 12, 13 |
| *R.F. Tomczak | TECO | 19, 20, 21 |
| *E.A. Townes | | |
| *W.N. Cantrell | TECO | |

V. BASIC POSITIONS

FLORIDA POWER CORPORATION (FPC): None necessary.

FLORIDA POWER & LIGHT COMPANY (FPL): None necessary.

¹A similar issue was included as Stipulated Issue 21 in Order No. PSC-93-0251-PHO-EI, the prehearing order for the February 1993 hearings.

FLORIDA PUBLIC UTILITIES COMPANY (FPUC): Florida Public Utilities has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those factors should be approved by the Commission.

GULF POWER COMPANY (GULF): It is the basic position of Gulf Power Company that the proposed fuel factors and capacity cost recovery factors present the best estimate of Gulf's fuel and purchased power expense (both energy and capacity) for the period October 1993 through March 1994 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

TAMPA ELECTRIC COMPANY (TECO): The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery, GPIF, and oil backout cost recovery true-up calculations and projections, including the proposed fuel adjustment factor of 2.508 cents per KWH before application of factors which adjust for variation in line losses; the proposed capacity cost recovery factors; a GPIF reward of \$130,923; and an oil backout cost recovery factor of .100 cents per KWH.

FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG): None at this time.

OFFICE OF THE PUBLIC COUNSEL (OPC): None necessary.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

* Stipulated issues are indicated with an asterisk in the margin.

Generic Fuel Adjustment Issues

***ISSUE 1:** What are the appropriate final fuel adjustment true-up amounts for the period October, 1992 through March, 1993?

FPC: \$228,132 under-recovery. (Wieland)

FPL: \$19,735,395 overrecovery. (HOFFMAN)

FPUC: Overrecovery \$84,775 (Marianna)
(Bachman)

Underrecovery \$49,454 (Fernandina Beach)
(Bachman)

GULF: Over recovery \$5,171,964. (Gilchrist, Howell,
Cranmer)

TECO: An underrecovery of \$6,953,869. (Mulder)

***ISSUE 2:** What are the estimated fuel adjustment true-up
amounts for the period April, 1993 through
September, 1993?

FPC: \$10,056,545 under-recovery. (Wieland)
This amount is subject to recalculation to reflect
the Commission's decision on company-specific
issues.

FPL: \$11,313,942 underrecovery. (HOFFMAN)
This amount is subject to recalculation to reflect
the Commission's decision on company-specific
issues.

FPUC: Underrecovery \$31,182 (Marianna)
(Bachman)

Overrecovery \$161,327 (Fernandina Beach)
(Bachman)

GULF: Over recovery \$1,122,246. (Gilchrist, Howell,
Cranmer)

TECO: An underrecovery of \$1,341,110. (Mulder)

***ISSUE 3:** What are the total fuel adjustment true-up amounts
to be collected during the period October, 1993
through March, 1994?

FPC: \$10,284,677 under-recovery. (Wieland)

This amount is subject to recalculation to reflect the Commission's decision on company-specific issues.

FPL: \$8,421,453 overrecovery. (HOFFMAN)
This amount is subject to recalculation to reflect the Commission's decision on company-specific issues.

FPUC: \$53,593 (Marianna)
(Bachman)

\$111,873 (Fernandina Beach)
(Bachman)

GULF: Over recovery \$6,294,210. (Cranmer)

TECO: An underrecovery of \$8,294,979. (Mulder)

***ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period October, 1993 through March, 1994?

FPC: 1.880 cents per kWh - Standard rates*
2.176 cents per kWh - TOU On-Peak rates*
1.757 cents per kWh - TOU Off-Peak rates*
* Before line loss adjustment. (Wieland)
These factors are subject to recalculation to reflect the Commission's decision on company-specific issues.

FPL: 1.811 cents/kwh is the levelized recovery charge for non-time differentiated rates and 1.940 cents/kwh and 1.760 cents/kwh are the levelized fuel recovery charges for the on-peak and off-peak periods, respectively, for the differentiated rates. (BIRKETT)
These factors are subject to recalculation to reflect the Commission's decision on company-specific issues.

FPUC: 2.862¢/kwh (Marianna) (Bachman)
4.402¢/kwh (Fernandina Beach) (Bachman)

These factors are calculated to include true-up and revenue tax, exclude demand cost recovery, and have not been adjusted for line losses.

GULF: 1.965 cents per KWH. (Gilchrist, Howell, Cranmer)

This factor is subject to recalculation to reflect the Commission's decision on company-specific issues.

TECO: 2.508 cents per KWH before application of the factors which adjust for variations in line losses. (Mulder)

***ISSUE 5:** What should be the effective date of the new fuel adjustment charge, oil backout charge, capacity cost recovery charge and conservation cost recovery charge for billing purposes?

POSITION: The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1993 through March, 1994. Billing cycles may start before October 1, 1993, and the last cycle may be read after March 31, 1994, so that each customer is billed for six months regardless of when the adjustment factor became effective.

With respect to Florida Power Corporation, the effective date of the new charges will be the effective date of the base rate changes associated with FPC's recent rate case, Docket No. 910890-EI, instead of October 1, 1993. Florida Power Corporation's present charges will remain in effect until those base rate changes are implemented.

***ISSUE 6:** What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

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FPC:

| <u>Group</u> | <u>Delivery Voltage Level</u> | <u>Line Loss Multiplier</u> |
|--------------|-----------------------------------|---------------------------------|
| A. | Transmission | 0.9725 |
| B. | Distribution Primary | 0.9826 |
| C. | Distribution Secondary | 1.0038 |
| D. | Lighting Service | 1.0038 (Wieland) |

FPL:

| <u>GROUP</u> | <u>RATE SCHEDULE</u> | <u>FUEL RECOVERY LOSSMULTIPLIER</u> |
|--------------|---|---|
| A | RS-1,GS-1,SL-2 | 1.00161 |
| A-1* | SL-1,OL-1 | 1.00161 |
| B | GSD-1 | 1.00155 |
| C | GSLD-1 & CS-1 | 1.00046 |
| D | GSLD-2,CS-2,OS-2 & MET | 0.99449 |
| E | GSLD-3 & CS-3 | 0.96430 |
| A | RST-1,GST-1 ON-PEAK OFF-PEAK | 1.00161 1.00161 |
| B | GSDD-1 & ON-PEAK CILC-1(G) OFF-PEAK | 1.00155 1.00155 |
| C | GSLDT-1 & ON-PEAK CST-1 OFF-PEAK | 1.00046 1.00046 |
| D | GSLDT-2 & ON-PEAK CST-2 OFF-PEAK | 0.99449 0.99449 |
| E | GSLDT-3,CST-3, ON-PEAK CILC-1(T) OFF-PEAK & ISST-1(T) | 0.96430 0.96430 |
| F | CILC-1(D), ON-PEAK ISST-1(D), OFF-PEAK | 0.99643 0.99643 |

FPUC:

Marianna

Rate Schedule

Multiplier

| | |
|------------|--------|
| RS | 1.0126 |
| GS | 0.9963 |
| GSD | 0.9963 |
| OL, OL-2 | 1.0126 |
| SL-1, SL-2 | 0.9881 |

Fernandina Beach

Rate Schedule

Multiplier

| | |
|--------------------|-------|
| All Rate Schedules | 1.000 |
|--------------------|-------|

GULF:

See table below: (Cranmer)

| Group | Rate Schedules | Line Loss Multipliers |
|-------|--------------------------|-----------------------|
| A | RS, GS, GSD, OSIII, OSIV | 1.01228 |
| B | LP | 0.98106 |
| C | PX | 0.96230 |
| D | OSI, OSII | 1.01228 |

TECO:

Multiplier

| | |
|-----------------|--------|
| Group A | 1.0064 |
| Group A1 | 1.0064 |
| Group B | 1.0012 |
| Group C | 0.9721 |
| System (Mulder) | 1.0000 |

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

FPC:

| Group | Delivery Voltage Level | Fuel Cost Factors (cents/kWh) | | |
|-------|---------------------------|-------------------------------|-------------|-----------|
| | | Standard | Time Of Use | |
| | | | On-Peak | Off-Peak |
| A. | Transmission | 1.829 | 2.116 | 1.709 |
| B. | Distribution Primary | 1.848 | 2.138 | 1.726 |
| C. | Distribution Secondary | 1.888 | 2.184 | 1.764 |
| D. | Lighting Service | 1.842 | | (Wieland) |

These factors are subject to recalculation to reflect the Commission's decision on company-specific issues.

FPL:

| GROUP | RATE SCHEDULE | FUEL RECOVERY LOSS MULTIPLIER | FUEL RECOVERY FACTOR |
|-------|---------------------------|----------------------------------|-------------------------|
| A | RS-1,GS-1,SL-2 | 1.00161 | 1.814 |
| A-1* | SL-1,OL-1 | 1.00161 | 1.792 |
| B | GSD-1 | 1.00155 | 1.814 |
| C | GSLD-1 & CS-1 | 1.00046 | 1.812 |
| D | GSLD-2,CS-2,OS-2 & MET | 0.99449 | 1.801 |
| E | GSLD-3 & CS-3 | 0.96430 | 1.747 |
| A | RST-1,GST-1 ON-PEAK | 1.00161 | 1.943 |
| | OFF-PEAK | 1.00161 | 1.763 |
| B | GSDT-1 & ON-PEAK | 1.00155 | 1.943 |
| | CILC-1(G) OFF-PEAK | 1.00155 | 1.763 |
| C | GSLDT-1 & ON-PEAK | 1.00046 | 1.940 |
| | CST-1 OFF-PEAK | 1.00046 | 1.761 |
| D | GSLDT-2 & ON-PEAK | 0.99449 | 1.929 |
| | CST-2 OFF-PEAK | 0.99449 | 1.750 |

| | | | |
|---|-------------------------|---------|-----------|
| E | GSLDT-3, CST-3, ON-PEAK | 0.96430 | 1.870 |
| | CILC-1(T) OFF-PEAK | 0.96430 | 1.697 |
| | & ISST-1(T) | | |
| F | CILC-1(D) ON-PEAK | 0.99643 | 1.933 |
| | ISST-1(D) OFF-PEAK | 0.99643 | 1.754 |
| | ISST-1(D) | | (BIRKETT) |

These factors are subject to recalculation to reflect the Commission's decision on company-specific issues.

FPUC:

Marianna

Rate Schedule

Factor

| | |
|------------|------------|
| RS | 4.948¢/kwh |
| GS | 4.612¢/kwh |
| GSD | 4.189¢/kwh |
| OL, OL-2 | 2.898¢/kwh |
| SL-1, SL-2 | 2.828¢/kwh |

Fernandina Beach

Rate Schedule

Factor

| | |
|-------------|------------|
| RS | 5.733¢/kwh |
| GS | 5.489¢/kwh |
| GSD | 5.315¢/kwh |
| OL, SL, CSL | 4.779¢/kwh |

These factors include demand cost recovery.
 Witness: Bachman

GULF: See table below: (Cranmer)

| Group | Rate Schedules | Fuel Cost Factors ¢/KWH | | |
|-------|--------------------------|-------------------------|-------------|----------|
| | | Standard | Time of Use | |
| | | | On-Peak | Off-Peak |
| A | RS, GS, GSD, OSIII, OSIV | 1.989 | 2.037 | 1.973 |
| B | LP | 1.928 | 1.974 | 1.912 |
| C | PX | 1.891 | 1.936 | 1.876 |
| D | OSI, OSII | 1.986 | N/A | N/A |

These factors are subject to recalculation to reflect the Commission's decision on company-specific issues.

| TECO: | <u>Standard</u> | <u>On-Peak</u> | <u>Off-Peak</u> |
|--------------------|-----------------|----------------|-----------------|
| Group A | 2.524 | 2.965 | 2.361 |
| Group A1 | 2.452 | - | - |
| Group B | 2.511 | 2.950 | 2.349 |
| Group C | 2.438 | 2.864 | 2.281 |
| System (Mulder) | 2.508 | 2.946 | 2.346 |

Company-Specific Fuel Adjustment Issues

Florida Power Corporation

***ISSUE 8a:** Should the Commission approve FPC's request to recover the fuel costs associated with FPC's recently renegotiated contract with Tampa Electric Company through the Fuel Cost Recovery Clause?

POSITION: Yes. This contract is a revision to the Purchased Power Agreement which was approved by the Commission in Order No. PSC-92-1468-FOF-EU. The order states that the fuel costs associated with the contract are appropriate for recovery through the fuel cost recovery clause. Energy charges for the revised contract are identical to the original contract.

***ISSUE 8b:** Should the Commission approve FPC's request to recover the fuel costs associated with FPC's UPS agreement with the Southern Company through the Fuel Cost Recovery Clause?

POSITION: Yes. The fuel costs associated with the UPS agreement are appropriate for recovery through the fuel cost recovery clause. FPC has projected that the Southern UPS purchase will save the company's ratepayers approximately \$336 million.

ISSUE 8c: Should Florida Power Corporation be permitted to recover through the fuel adjustment clause \$972,000 in payments to the Department of Energy (DOE) for costs of the decontamination and decommissioning of the DOE's uranium enrichment plants?

FPC: Yes. As a recipient of enrichment services from DOE's facilities, FPC's payments to DOE are required by the National Energy Policy Act of 1992 and are therefore recoverable as a necessary cost of doing business. The amount of \$972,000 included in FPC's projections for the April - September 1993 period at the February 1993 hearings represents 3/4 of the payment to DOE required for 1993. The remainder of the 1993 payment and all future DOE payments should be approved for fuel cost recovery. (Wieland)

FIPUG: No position.

OPC: No.

STAFF: Yes.

***ISSUE 8d:** Should the Commission grant FPC's request for approval of a market pricing mechanism for water-borne transportation services provided by Electric Fuels Corporation (EFC)?

POSITION: Yes. The Commission should approve a base price of \$23.00 effective January 1, 1993 for waterborne transportation services provided to Florida Power Corporation through Electric Fuels Corporation. The base price will be adjusted January 1 each year, thereafter, using a composite index comprised of five specific indices with ten percent of the base price remaining fixed. In addition, the market price will be subject to further adjustment for the cost of governmental impositions on EFC's transportation suppliers which cause an increase or decrease in EFC's water-borne transportation costs not in effect as of December 31, 1992.

The market price for EFC's water-borne deliveries would cover the transportation components to the Crystal River plant site. This would include short-haul rail/truck transportation to the up-river dock, up-river barge transloading, river barge transportation, Gulf barge transloading (IMT), Gulf barge transportation (Dixie Fuels), as well as port fees and assist tug. The market price would also cover, i.e., replace, the return on EFC's equity investment in IMT and Dixie Fuels currently provided under cost-plus pricing for water transportation.

Florida Power and Light Company

ISSUE 9a: Should the Commission approve FPL's request to recover the cost of the Martin gas pipeline lateral through the Fuel Cost Recovery Clause?

FPL: Yes. The Martin gas pipeline lateral is specifically related to the transportation of natural gas, contributes to fuel savings, and FPL avoided an approximately 32% increase in costs associated with Federal and State income taxes by

building the Martin pipeline rather than having FGT build it.

For these reasons FPL believes that recovery through the Fuel Cost Recovery Clause of the cost of the gas lateral enhancement is appropriate as addressed by Commission Order No. 14546, Docket No. 850001-EI-B which authorized recovery through the Fuel Cost Recovery Clause of fuel related transportation costs, Commission Order No. 18136, Docket No. 870001-EI, in which the Commission approved FPL's recovery of SJRPP rail cars through the Fuel Cost Recovery Clause, and Commission Order No. PSC-92-1001-FOF-EI, Docket No. 920001-EI, that approved recovery of the Lauderdale gas pipeline lateral enhancement through the Fuel Cost Recovery Clause. (BIRKETT/SILVA)

FIPUG: No. The costs of depreciation and return on investment associated with the Martin gas pipeline lateral are more appropriate for recovery through base rates. The construction costs should be considered as additions to utility plant-in-service.

OPC: No. The costs of depreciation and return on investment associated with the Martin gas pipeline lateral are more appropriate for recovery through base rates. The construction costs should be considered as additions to utility plant-in-service.

STAFF: Yes. The Commission should allow Florida Power & Light Company to recover the depreciation and return on investment in the Martin gas pipeline lateral through the fuel cost recovery clause until the utility's next rate case. At that time, these costs should be removed from the fuel cost recovery clause and treated as additions to utility plant-in-service and recovered through base rates.

ISSUE 9b: Should Florida Power and Light Company be permitted to recover through the fuel adjustment clause \$2,580,000 in payments to the Department of Energy

(DOE) for the cost of the decontamination and decommissioning of the DOE's uranium enrichment plants?

FPL: Yes. (Poteralski).

FIPUG: No position.

OPC: No.

STAFF: Yes. The Company has indicated that it is doing everything it can to ensure the charges and method of calculation related to the decommissioning and decontamination costs are appropriate.

Gulf Power Company

ISSUE 10: What is the appropriate amount of "fuel savings" to be recovered from the ratepayers for the period of October, 1993 through March, 1994 pursuant to the Monsanto Special Contract?

GULF: \$366,237.
This amount is 25% of the fuel savings benefits identified for the period October 1992 through March 1993 associated with Gulf's special contract with Monsanto. The special contract with Monsanto resulted in the deferral of Monsanto's cogeneration project from the initial proposed in-service date of October 1989 until the current expected in-service date of August 15, 1993. The fuel savings benefits associated with the contract have accrued directly to Gulf's ratepayers during this same period.

The cost recovery mechanism approved by the Commission provided that Gulf would initially collect from the ratepayers amounts equal to the identified fuel savings benefits. These amounts and accrued interest were included in an account along with the \$2.5 million up-front payment made by Monsanto under the contract. The annual adjustments (payments) made to Monsanto were deducted from this account. At the time the

contract and associated recovery mechanism were approved by the Commission, the cost/benefit analysis on which approval of the contract was based included 5 years of fuel savings benefits. References to the five years of fuel savings benefits (including, in particular, the fuel savings benefits occurring during 1993) are found in the attachments to Gulf's original petition for approval of the contract (Docket No. 880647-EI); the Company's responses to Staff's interrogatories; and an attachment to the Staff's agenda conference recommendation dated 8/18/88. At the September 6, 1988 agenda conference, Gulf's representative made reference to the fact that the benefits of the contract extended beyond the term of the contract (Transcript page 8, lines 14-21). Although the contract was entered into at the end of December 1988 (following the Commission's approval), Gulf only began identifying fuel savings benefits associated with the contract in October 1989, the expected in-service date of Monsanto's cogeneration unit "but for" the existence of the contract.

After the last payment was made to Monsanto in January 1993, the balance of the account was liquidated and split 75%-25% between the Company's ratepayers and its stockholders. Since that liquidation, Gulf has continued to identify the fuel savings benefits associated with the special contract and to collect the 25% share belonging to the Company's stockholders through the Company's fuel cost recovery factors.

The fuel savings benefits associated with the contract will cease when Monsanto's cogeneration project commences commercial operation. This is presently expected to occur on August 15, 1993. (Howell, Cranmer)

OPC: No position.

FIPUG: No position.

STAFF: \$218,300. This amount represents 25 percent of the fuel savings associated with the Monsanto load-

retention contract through the December 1992 contract expiration date.

Tampa Electric Company

*ISSUE 11a: What is the appropriate 1992 benchmark price for coal transportation services provided by Tampa Electric Company's affiliates?

POSITION: TECO's calculated benchmark price of \$24.86/ton differs from the benchmark price of \$22.68/ton calculated by staff and agreed to by OPC. In spite of this difference, the parties stipulated that this is a moot issue because actual costs for transportation are below the benchmark prices calculated by TECO and staff.

*ISSUE 11b: Has Tampa Electric Company adequately justified any costs associated with the purchase of transportation services from its affiliates that are in excess of the 1992 benchmark price?

POSITION: Tampa Electric Company's actual costs for transportation services provided by its affiliates are below the benchmark price, and therefore no justification is required.

Generic Generating Performance Incentive Factor Issues

*ISSUE 12: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1992 through March, 1993?

FPC: \$1,219,167 reward. (Micklon)

FPL: \$686,414 reward. (OVERBY)

GULF: Reward \$372,865. (Fontaine)

TECO: Reward of \$130,923. (Keselowsky)

***ISSUE 13:** What should the GPIF targets/ranges be for the period October, 1993 through March, 1994?

FPC: See Attachment A. (Micklon)

FPL:

| PLANT/UNIT | EQUIVALENT AVAILABILITY FACTOR (%) | AVERAGE NET OPERATING HEAT RATE (BTU/KWH) |
|-------------------|------------------------------------|---|
| CAPE CANAVERAL 1 | 48.2 | 9426 |
| CAPE CANAVERAL 2 | 94.0 | 9040 |
| FORT MYERS 2 | 91.4 | 9381 |
| MANATEE 2 | 94.7 | 9664 |
| PORT EVERGLADES 3 | 94.2 | 9317 |
| PORT EVERGLADES 4 | 83.5 | 9171 |
| PUTNAM 1 | 88.6 | 9208 |
| PUTNAM 2 | 95.0 | 8975 |
| ST. JOHNS RIVER 1 | 81.8 | 9385 |
| ST. JOHNS RIVER 2 | 80.0 | 9228 |
| RIVIERA 3 | 75.2 | 9975 |
| RIVIERA 4 | 90.4 | 9840 |
| SANFORD 4 | 95.3 | 10086 |

| PLANT/UNIT | EQUIVALENT AVAILABILITY FACTOR (%) | AVERAGE NET OPERATING HEAT RATE (BTU/KWH) |
|------------------------|------------------------------------|---|
| SANFORD 5 | 93.0 | 9461 |
| TURKEY POINT 1 | 88.5 | 9363 |
| TURKEY POINT 2 | 80.0 | 9129 |
| TURKEY POINT 3 | 83.6 | 10882 |
| TURKEY POINT 4 | 93.5 | 10931 |
| ST. LUCIE 1 | 93.1 | 10742 |
| ST. LUCIE 2 | 60.9 | 11151 |
| SCHERER 4 | <u>96.0</u> | <u>8904</u> |
| WEIGHTED SYSTEM | 84.1 | 9459 (OVERBY) |

GULF: See table below: (Fontaine)

| Unit | EAF | POF | EUOF | Heat Rate |
|----------|------|-------|-------|-----------|
| Crist 6 | 68.8 | 23.62 | 7.60 | 10,164 |
| Crist 7 | 69.0 | 13.73 | 17.26 | 9,945 |
| Smith 1 | 64.4 | 31.31 | 4.30 | 10,107 |
| Smith 2 | 82.6 | 13.73 | 3.71 | 10,109 |
| Daniel 1 | 76.4 | 18.68 | 4.88 | 10,527 |
| Daniel 2 | 74.1 | 24.17 | 1.69 | 10,134 |

EAF = Equivalent Availability Factor
POF = Planned Outage Factor
EUOF = Equivalent Unplanned Outage Factor

TECO: As set forth in Attachment "A" attached to the Prepared Direct Testimony of George A. Keselowsky. (Keselowsky)

Company-Specific GPIF Issues

Florida Power Corporation

***ISSUE 14:** Should the adjusted heatrates for Crystal River Units #1 and #2, which were affected by EPA-mandated flow reduction during the winter 1992-93 period, be approved?

POSITION: Yes.

***ISSUE 15:** Should the adjustments due to outages caused by the Winter storm of March 11, 1993 be approved?

POSITION: Yes.

Florida Power and Light Company

***ISSUE 16:** Should the adjustments due to outages caused by Hurricane Andrew, which continued into the winter period, be approved?

POSITION: Yes. (OVERBY)

***ISSUE 17:** Should the addition of Putnam Units #1 and #2 to the GPIF be approved?

POSITION: Yes. (OVERBY)

Generic Oil Backout Issues

***ISSUE 18:** What is the final oil backout true-up amount for the October 1992, through March, 1993 period?

FPL: \$272,190 underrecovery. (HOFFMAN)

TECO: An overrecovery of \$1,478,238. (Tomczak/Townes)

***ISSUE 19:** What is the estimated oil backout true-up amount for the period April, 1993 through September, 1993?

FPL: \$271,053 underrecovery. (HOFFMAN)

TECO: An overrecovery of \$85,825. (Tomczak/Townes)

***ISSUE 20:** What is the total oil backout true-up amount to be collected during the period October, 1993 through March, 1994?

FPL: \$543,243 underrecovery. (HOFFMAN)

TECO: An underrecovery of \$4,605. (Tomczak/Townes)

***ISSUE 21:** What is the projected oil backout cost recovery factor for the period October, 1993 through March, 1994?

FPL: .016 cents/kwh. (HOFFMAN)

TECO: .100 cents per KWH. (Tomczak/Townes)

Company-Specific Oil Backout Issues

No company-specific oil backout issues have been identified.

Generic Capacity Cost Recovery Issues

***ISSUE 22:** What is the final capacity cost recovery true-up amount for the October, 1992 through March, 1993 period?

FPC: \$1,446,627 under-recovery. (Wieland)

FPL: \$5,704,243 underrecovery. (HOFFMAN)

GULF: Over recovery \$710,213. (Howell, Cranmer)

TECO: An underrecovery of \$209,062. (Mulder)

***ISSUE 23:** What is the estimated capacity cost recovery true-up amount for the period April, 1993 through September, 1993?

FPC: \$1,526,096 over-recovery. (Wieland)

FPL: \$6,471,505 underrecovery. (HOFFMAN)

GULF: Over recovery \$79,938. (Howell, Cranmer)

TECO: An underrecovery of \$654,008. (Mulder)

***ISSUE 24:** What is the total capacity cost recovery true-up amount to be collected/refunded during the period October, 1993 through March, 1994?

FPC: \$79,469 over-recovery. (Wieland)
FPL: \$12,175,749 underrecovery. (HOFFMAN)
GULF: Over recovery \$790,151. (Cranmer)
TECO: An underrecovery of \$863,070. (Mulder)

***ISSUE 25:** What is the appropriate capacity cost recovery factor for the period October, 1993 through March, 1994?

FPC: See Attachment B. (Wieland)

FPL:

| RATE CLASS | CAPACITY RECOVERY FACTOR (\$/KW) | CAPACITY RECOVERY FACTOR (\$/KWH) |
|-------------------|---|--|
| RS1 | - | 0.00595 |
| GS1 | - | 0.00518 |
| GSD1 | 1.85 | - |
| OS2 | - | 0.00424 |
| GSLD1/CS1 | 1.89 | - |
| GSLD2/CS2 | 2.06 | - |
| GSLD3/CS3 | 2.02 | - |
| ISST1D | 0.59 | - |
| SST1T | 0.39 | - |
| SST1D | 0.68 | - |
| CILCD/CILCG | 1.80 | - |
| CILCT | 1.74 | - |
| MET | 1.96 | - |
| OL1/SL1 | - | 0.00235 |
| SL2 | - | 0.00354 (BIRKETT) |

GULF: See table below: (Cranmer)

| RATE CLASS | CAPACITY COST RECOVERY FACTORS ¢/KWH |
|-------------------|---|
| RS, RST | 0.087 |
| GS, GST | 0.086 |
| GSD, GSdT | 0.066 |
| LP, LPT | 0.058 |
| PX, PXT | 0.048 |
| OSI, OSII | 0.009 |
| OSIII | 0.052 |
| OSIV | 0.006 |
| SS | 0.047 |

TECO: The appropriate factors are as follows:

| <u>Rate Schedules</u> | <u>Factor</u> |
|-----------------------|--------------------|
| RS | .213 cents per KWH |
| GS, TS | .176 cents per KWH |
| GSD | .146 cents per KWH |
| GSLD, SBF | .130 cents per KWH |
| IS-1 & 3, SBI-1 & 3 | .012 cents per KWH |
| SL, OL (Mulder) | .012 cents per KWH |

***ISSUE 25a:** What are the appropriate projected net purchased power capacity cost amounts to be included in the recovery factors for the period October 1993 through March 1994?

FPC: \$47,780,468. (Wieland)

FPL: \$177,728,223. (Birkett)

GULF: \$2,627,443. (Howell, Cranmer)

TECO: \$9,970,336. (Mulder)

Company-Specific Capacity Cost Recovery Issues

Florida Power Corporation

***ISSUE 26a:** Should the Commission approve FPC's request to recover the capacity costs associated with FPC's recently renegotiated contract with Tampa Electric Company through the Capacity Cost Recovery Clause?

POSITION: Yes. This contract is a revision to the Purchased Power Agreement between TECO and the Sebring Utilities Commission that was assumed by FPC as part of its Sebring acquisition which was approved by the Commission in Order No. PSC-92-1468-FOF-EU. The revised contract is for 50 MWs of capacity and will provide additional annual savings in excess of \$1 million above the savings provided under the original contract. Order No. PSC-92-1468-FOF-EU states that the capacity costs associated with the contract are appropriate for recovery through the capacity cost recovery clause.

***ISSUE 26b:** Should the Commission approve FPC's request to recover the capacity costs associated with FPC's UPS agreement with the Southern Company through the Capacity Cost Recovery Clause?

POSITION: Yes. The capacity costs associated with the UPS agreement are appropriate for recovery through the capacity cost recovery clause. FPC has projected that the Southern UPS purchase will save the company's ratepayers approximately \$336 million.

Florida Power and Light Company

***ISSUE 27:** Should FPL be allowed to recover capacity costs through a factor applied to billed kw demand for customer classes having metered demand?

POSITION: Yes. Currently, purchased power capacity costs are **allocated** to the customer classes on a demand basis and **recovered** from all customers on an energy basis. Staff believes FPL's proposal to recover capacity costs on demand basis from its demand class customers is reasonable. The capacity costs of purchased power are analogous to the costs of building capacity. Presumably, if the utility had not purchased the capacity then additional plant would be needed to serve the utility's load. Therefore, the capacity costs incurred to purchase power should be recovered in a manner consistent with the way production plant is recovered in base rates.

VII. EXHIBIT LIST

Exhibits will be numbered consecutively beginning with No. 1. Additional exhibits will be numbered at the hearing.

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|----------------|---------------------|-----------------|--|
| Wieland | FPC | <u>(KHW-1)</u> | True-up Variance Analysis |
| Wieland | FPC | <u>(KHW-2)</u> | Schedules A1 through A13 (True-up) |
| Wieland | FPC | <u>(KHW-3)</u> | Forecast Assumptions (Parts A-C), Capacity Cost Recovery Factors (Part D), and Other Supporting Information (Parts E-G) |
| Wieland | FPC | <u>(KHW-4)</u> | Schedules E1 through E11 and H1 (Projections) |
| Micklton | FPC | <u>(WCM-1)</u> | Standard Form GPIF Schedules (Reward/Penalty) |

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|----------------|---------------------|-----------------|--|
| Micklton | FPC | <u>(WCM-2)</u> | Standard Form GPIF Schedules (Targets/Ranges) |
| Hoffman | FPL | <u>(ELH-1)</u> | Appendix I/Fuel Cost Recovery True-Up Calculation |
| Hoffman | FPL | <u>(ELH-2)</u> | Appendix II/Capacity Cost Recovery True-Up Calculation |
| Hoffman | FPL | <u>(ELH-3)</u> | Appendix III/Oil Backout Cost Recovery True-Up Calculation |
| Hoffman | FPL | <u>(ELH-4)</u> | Appendix IV/A Schedules October 1992 - March 1993 |
| Overby | FPL | <u>(FRO-1)</u> | Document No. 1/GPIF Results |
| Silva | FPL | <u>(RS-1)</u> | Appendix I/Fuel Cost Recovery Forecast Assumptions |
| Birkett | FPL | <u>(BTB-1)</u> | Appendix II/Fuel Cost Recovery Calculation of Factor |
| Hoffman | FPL | <u>(ELH-5)</u> | Appendix III/Fuel Cost Recovery Estimated/Actual True-Up Calculation |
| Birkett | FPL | <u>(BTB-2)</u> | Appendix IV/Capacity Cost Recovery Calculation of Factors |
| Hoffman | FPL | <u>(ELH-6)</u> | Appendix V/Oil Backout Cost Recovery Calculation of Factor |
| Overby | FPL | <u>(FRO-2)</u> | Document No. 1/GPIF Targets and Ranges |

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|----------------|---------------------|----------------------------|--|
| Bachman | FPUC | <u>(GMB-2)</u> | Schedules E, E1, E1b, E2, E4, E8, E10, E11, H1 & M1 (Marianna Division) |
| | | | Schedules E, E1, E1b, E2, E4, E8, E8A, E10, E11, H1 & F1 (Fernandina Beach Division) |
| Gilchrist | Gulf | <u>(MLG-1)</u> | Coal Suppliers Oct '92 - Mar '93 |
| Gilchrist | Gulf | <u>(MLG-2)</u> | Projected vs. Actual Fuel Cost |
| Howel' | Gulf | <u>(MWH-1)</u> | Projected Capacity Transactions Oct '93 - Mar '94 |
| Cranmer | Gulf | <u>(SDC-1)</u> | Fuel Adjustment Final True-up Calculation |
| Cranmer | Gulf | <u>(SDC-3)²</u> | Schedules E-1 through E-11; 12; 13; H-1; CCE-1, CCE-1a; CCE-1b; CCE-2; & monthly A-1 thru A-12, Nov. '92 thru May '93; (development of fuel cost and capacity cost recovery factors) |
| Fontaine | Gulf | <u>(GDF-1)</u> | GPIF Results Schedules |
| Fontaine | Gulf | <u>(GDF-2)</u> | GPIF Targets and Ranges |

²The Exhibit identified as SDC-2 relates to Gulf's proposed Environmental Cost Recovery factors and is attached to the prefiled direct testimony of Ms. Cranmer in Docket No. 930613-EI.

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|--------------------|---------------------|--------------------|--|
| Mulder | TECO | <u>(JEM-1)</u> | Levelized fuel cost recovery and capacity cost recovery final true-up, October 1992 - March 1993 |
| Mulder | TECO | <u>(JEM-2)</u> | Fuel adjustment projection, October - March 1994 |
| Mulder | TECO | <u>(JEM-3)</u> | Capacity cost recovery projection, October 1993 - March 1994 |
| Keselowsky | TECO | <u>(GAK-1)</u> | Generating Performance Incentive Factor Results, October 1992 - March 1993 |
| Keselowsky | TECO | <u>(GAK-2)</u> | GPIF Targets and Ranges for October 1993 - March 1994 |
| Keselowsky | TECO | <u>(GAK-3)</u> | Estimated Unit Performance Data, October 1993 - March 1994 |
| Tomczak/ Townes | TECO | <u>(RFT/EAT-1)</u> | Schedules Supporting Oil Backout Cost Recovery Factor - Actual, October 1992 - March 1993 |
| Tomczak/ Townes | TECO | <u>(RFT/EAT-2)</u> | Schedules Supporting Oil Backout 2) Cost Recovery Factor, October 1993 - March 1994 |
| Tomczak/ Townes | TECO | <u>(RFT/EAT-3)</u> | Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of May 1993 |

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|----------------|---------------------|-----------------|--|
| Cantrell | TECO | (WNC-1) | Transportation Benchmark Calculation, FPSC Order 93-0443-FOF-EI and FPSC Order No. 20298 |

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

1-7, 8(a), 8(b), 8(d), 11(a), 11(b), 12-27.

IX. PENDING MOTIONS

None.

X. RULINGS

None.

It is therefore,

ORDERED by Chairman J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman J. Terry Deason, as Prehearing Officer, this 16th day of August, 1993.



J. TERRY DEASON, Chairman and
Prehearing Officer

(S E A L)
DLC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Original Sheet No. 6.103.1

GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Oct. 1993 - Mar. 1994

| Plant/Unit | Weighting Factor (%) | EAF Target (%) | EAF RANGE | | Max. Fuel Savings | Max. Fuel Loss |
|-------------|----------------------|----------------|-----------|----------|-------------------|----------------|
| | | | Max. (%) | Min. (%) | (\$000) | (\$000) |
| ANC. 1 | 1.44 | 86.68 | 87.78 | 84.39 | 105.7 | 155.1 |
| ANC. 2 | 1.27 | 82.06 | 83.27 | 79.58 | 93.6 | 110.5 |
| C.R. 1 | 5.55 | 73.13 | 78.69 | 62.29 | 408.0 | 627.4 |
| C.R. 2 | 6.26 | 50.78 | 55.72 | 41.37 | 460.3 | 361.2 |
| C.R. 3 | 29.77 | 88.74 | 93.95 | 78.51 | 2187.3 | 2088.5 |
| C.R. 4 | 3.62 | 95.28 | 97.50 | 90.72 | 265.8 | 588.0 |
| C.R. 5 | 2.62 | 80.67 | 82.53 | 76.84 | 192.2 | 427.5 |
| ----- | | | | | ----- | ----- |
| GPIF System | 50.53 | | | | 3712.7 | 4358.2 |

| Plant/Unit | Weighting Factor (%) | ANCHR Target | | ANCHR RANGE | | Max. Fuel Savings | Max. Fuel Loss |
|-------------|----------------------|--------------|-------|-------------|----------|-------------------|----------------|
| | | (BTU/KWH) | MOF | Min. (%) | Max. (%) | (\$000) | (\$000) |
| ANC. 1 | 6.16 | 10247 | 39.7 | 9795 | 10700 | 452.3 | 452.3 |
| ANC. 2 | 3.64 | 9955 | 38.4 | 9665 | 10245 | 267.8 | 267.8 |
| C.R. 1 | 4.31 | 10024 | 67.8 | 9830 | 10219 | 317.0 | 317.0 |
| C.R. 2 | 3.40 | 9998 | 72.9 | 9838 | 10158 | 250.0 | 250.0 |
| C.R. 3 | 11.89 | 10334 | 101.9 | 10184 | 10484 | 873.6 | 873.6 |
| C.R. 4 | 10.96 | 9264 | 93.5 | 9114 | 9414 | 805.1 | 805.1 |
| C.R. 5 | 9.11 | 9293 | 91.7 | 9143 | 9443 | 669.2 | 669.2 |
| ----- | | | | | ----- | ----- | ----- |
| GPIF System | 49.47 | | | | | 3635.0 | 3635.0 |

Issued by: FPC

Filed:
 Suspended:
 Effective:
 Docket No.:
 Order No.:

CALCULATION OF CAPACITY COST RECOVERY FACTOR

For the Period of October 1993 through March 1994

ORDER NO. PSC-93-1201-PHO-EI
 DOCKET NO. 930001-EI
 PAGE 37

| RATE CLASS | (1) | | (2) | | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-------------------------------|-------------------------------|---------|--------------------------------|---------|--------|-------|---------|--------------|------------|-------|-----|------|
| | AVERAGE 11 CP DEMAND MW | % | ANNUAL AVERAGE DEMAND MW | % | | | | | | | | |
| I Residential Service | 3,171.4 | 64.24% | 1,547.7 | 50.76% | 39.31% | 1.90% | 63.22% | \$30,108,710 | 6,359,944 | 0.47% | | |
| II General Service Non-Demand | | | | | | | | | | | | |
| Transmission | 1.0 | 0.02% | 0.7 | 0.02% | 0.01% | 0.00% | 0.01% | \$9,571 | 1,933 | 0.32% | | |
| Primary | 116.1 | 2.35% | 12.1 | 0.38% | 1.17% | 0.21% | 1.38% | \$1,140,478 | 347,847 | 0.33% | | |
| Secondary | 117.3 | 2.37% | 14.1 | 0.45% | | | 1.40% | | | | | |
| Total | | | | | | | | | | | | |
| III DS - 100% LT | 4.4 | 0.09% | 4.3 | 0.14% | 0.01% | 0.01% | 0.03% | \$4,440 | 17,744 | 0.13% | | |
| IV General Service Demand | | | | | | | | | | | | |
| Transmission | 0.1 | 0.00% | 0.1 | 0.00% | 0.00% | 0.00% | 0.00% | \$1,234 | 983 | 0.12% | | |
| Primary | 320.4 | 6.49% | 245.4 | 7.70% | 5.99% | 0.47% | 4.44% | \$1,183,300 | 1,114,453 | 0.78% | | |
| Secondary | 1,101.1 | 22.22% | 297.8 | 9.27% | 20.40% | 1.28% | 11.85% | \$10,939,411 | 3,727,144 | 0.19% | | |
| Total | 1,421.5 | 28.81% | 1,172.7 | 36.66% | | | 19.54% | | | | | |
| V Curable Service | 39.9 | 0.80% | 43.3 | 1.42% | 0.74% | 0.10% | 0.85% | \$495,181 | 181,747 | 0.72% | | |
| VI Incurable Service | | | | | | | | | | | | |
| Transmission | 120.4 | 2.43% | 121.3 | 4.00% | 1.11% | 0.30% | 1.40% | \$1,277,248 | 516,747 | 0.23% | | |
| Primary | 12.0 | 0.24% | 23.4 | 0.74% | 0.99% | 0.13% | 1.12% | \$59,404 | 225,918 | 0.11% | | |
| Total | 132.4 | 2.67% | 144.7 | 4.54% | | | 3.48% | | | | | |
| VII Lighting Service | 4.3 | 0.08% | 21.1 | 0.67% | 0.17% | 0.03% | 0.17% | \$6,280 | 66,374 | 0.09% | | |
| TOTAL RATES | 4,935.4 | 100.00% | 3,049.1 | 100.00% | 92.34% | 7.49% | 189.86% | \$47,780,468 | 12,577,210 | 0.77% | | |

Col(1) Copied from Sheet 4, col(5)
 Col(2) Copied from Sheet 4, col(8)
 Col(3) Copied from Sheet 1, line 14
 Col(4) Copied from Sheet 4, col(5)
 Col(10) Calculated as col(8) * col(9) * 10

Staff Attachment
 Page 1 of 1

GPIF REWARDS/PENALTIES
 October 1992 to March 1993

| | | |
|---------------------------------|-------------|--------|
| Florida Power Corporation | \$1,219,167 | Reward |
| Florida Power and Light Company | \$686,414 | Reward |
| Gulf Power Company | \$372,865 | Reward |
| Tampa Electric Company | \$130,923 | Reward |

| Utility/ Plant/Unit | EAF | | Heat Rate | |
|------------------------|--------|-------------|-----------|-------------|
| | Target | Adj. Actual | Target | Adj. Actual |
| FPC | | | | |
| Anclote 1 | 95.4 | 97.9 | 10,111 | 10,157 |
| Anclote 2 | 82.7 | 86.7 | 9,971 | 9,734 |
| Crystal River 1 | 72.3 | 73.3 | 9,938 | 10,011 |
| Crystal River 2 | 69.6 | 62.0 | 9,964 | 9,883 |
| Crystal River 3 | 80.0 | 97.1 | 10,534 | 10,400 |
| Crystal River 4 | 93.6 | 95.3 | 9,255 | 9,230 |
| Crystal River 5 | 61.5 | 57.7 | 9,321 | 9,249 |
| FPL | | | | |
| Cape Canaveral 1 | 48.0 | 49.0 | 9,576 | 9,324 |
| Cape Canaveral 2 | 93.5 | 94.4 | 8,996 | 8,991 |
| Fort Myers 1 | 79.7 | 81.1 | 10,050 | 10,010 |
| Fort Myers 2 | 97.0 | 94.0 | 9,456 | 9,315 |
| Manatee 1 | 82.3 | 93.4 | 9,597 | 9,444 |
| Manatee 2 | 76.4 | 79.7 | 9,464 | 9,426 |
| Martin 2 | 96.1 | 93.1 | 9,946 | 10,270 |
| Port Everglades 2 | 73.3 | 75.9 | 9,622 | 9,597 |
| Port Everglades 3 | 93.1 | 98.2 | 9,329 | 9,443 |
| Port Everglades 4 | 93.9 | 93.4 | 9,293 | 9,213 |
| Riviera 3 | 65.8 | 69.1 | 9,500 | 9,445 |
| St. Lucie 1 | 88.3 | 96.1 | 10,718 | 10,822 |
| St. Lucie 2 | 93.6 | 47.1 | 10,702 | 10,821 |
| Turkey Point 2 | 86.0 | 84.7 | 9,303 | 9,295 |
| Turkey Point 3 | 79.1 | 77.6 | 10,943 | 10,782 |
| Turkey Point 4 | 69.2 | 81.2 | 10,965 | 10,995 |
| Gulf | | | | |
| Crist 6 | 81.1 | 79.4 | 10,372 | 10,110 |
| Crist 7 | 69.2 | 77.7 | 10,040 | 10,040 |
| Smith 1 | 87.8 | 86.7 | 10,329 | 10,025 |
| Smith 2 | 62.7 | 62.3 | 10,325 | 9,958 |
| Daniel 1 | 76.6 | 64.2 | 10,272 | 10,310 |
| Daniel 2 | 77.7 | 76.7 | 10,247 | 9,734 |
| TECO | | | | |
| Big Bend 1 | 79.9 | 71.5 | 9,362 | 9,927 |
| Big Bend 2 | 81.0 | 85.6 | 9,819 | 9,811 |
| Big Bend 3 | 69.6 | 61.1 | 9,622 | 9,502 |
| Big Bend 4 | 84.3 | 90.6 | 9,939 | 9,909 |
| Gannon 5 | 83.0 | 88.4 | 10,259 | 10,294 |
| Gannon 6 | 56.6 | 63.0 | 10,252 | 10,259 |

GPIF TARGETS
 October 1993 to March 1994

| Utility/ Plant/Unit | Equivalent Availability | | | Staff | Heat Rate | |
|------------------------|-------------------------|------|------|-------|-----------|-------|
| | Company | | | | Company | Staff |
| | EAJ | POF | EUOF | | | |
| FPC | | | | | | |
| Anclote 1 | 86.7 | 11.0 | 2.3 | Agree | 10,247 | Agree |
| Anclote 2 | 82.1 | 15.4 | 2.5 | Agree | 9,955 | Agree |
| Crystal River 1 | 73.1 | 14.8 | 12.0 | Agree | 10,024 | Agree |
| Crystal River 2 | 50.8 | 38.5 | 10.8 | Agree | 9,998 | Agree |
| Crystal River 3 | 88.7 | 0.0 | 11.3 | Agree | 10,314 | Agree |
| Crystal River 4 | 95.3 | 0.0 | 4.7 | Agree | 9,264 | Agree |
| Crystal River 5 | 80.7 | 15.4 | 4.0 | Agree | 9,293 | Agree |
| FPL | | | | | | |
| Cape Canaveral 1 | 48.2 | 48.9 | 2.9 | Agree | 9,426 | Agree |
| Cape Canaveral 2 | 94.0 | 0.0 | 6.0 | Agree | 9,040 | Agree |
| Fort Myers 2 | 91.4 | 0.0 | 8.5 | Agree | 9,381 | Agree |
| Manatee 2 | 94.7 | 0.0 | 5.3 | Agree | 9,664 | Agree |
| Port Everglades 3 | 94.2 | 0.0 | 5.8 | Agree | 9,317 | Agree |
| Port Everglades 4 | 83.5 | 11.5 | 5.0 | Agree | 9,171 | Agree |
| Putnam 1 | 88.5 | 3.6 | 7.8 | Agree | 9,208 | Agree |
| Putnam 2 | 95.0 | 0.0 | 5.0 | Agree | 8,976 | Agree |
| Riviera 3 | 75.2 | 18.7 | 6.1 | Agree | 9,975 | Agree |
| Riviera 4 | 90.4 | 0.0 | 9.5 | Agree | 9,839 | Agree |
| Sanford 4 | 95.3 | 0.0 | 4.7 | Agree | 10,086 | Agree |
| Sanford 5 | 93.0 | 0.0 | 7.0 | Agree | 9,461 | Agree |
| Scherer 4 | 96.0 | 0.0 | 4.0 | Agree | 8,904 | Agree |
| St. Johns River 1 | 81.8 | 14.8 | 3.4 | Agree | 9,386 | Agree |
| St. Johns River 2 | 80.0 | 16.5 | 3.5 | Agree | 9,228 | Agree |
| St. Lucie 1 | 93.1 | 0.0 | 5.9 | Agree | 10,742 | Agree |
| St. Lucie 2 | 60.9 | 24.7 | 14.4 | Agree | 11,152 | Agree |
| Turkey Point 1 | 88.5 | 0.0 | 11.5 | Agree | 9,363 | Agree |
| Turkey Point 2 | 80.0 | 7.7 | 12.3 | Agree | 9,129 | Agree |
| Turkey Point 3 | 83.6 | 6.6 | 9.8 | Agree | 10,882 | Agree |
| Turkey Point 4 | 93.5 | 0.0 | 6.5 | Agree | 10,932 | Agree |
| Gulf | | | | | | |
| Cnst 6 | 68.8 | 23.6 | 7.6 | Agree | 10,164 | Agree |
| Cnst 7 | 69.0 | 13.7 | 17.3 | Agree | 9,945 | Agree |
| Smith 1 | 64.4 | 31.3 | 4.3 | Agree | 10,107 | Agree |
| Smith 2 | 82.5 | 13.7 | 3.7 | Agree | 10,109 | Agree |
| Daniel 1 | 76.4 | 18.7 | 4.9 | Agree | 10,527 | Agree |
| Daniel 2 | 74.1 | 24.2 | 1.7 | Agree | 10,134 | Agree |
| TECO | | | | | | |
| Big Bend 1 | 82.0 | 3.3 | 14.2 | Agree | 9,834 | Agree |
| Big Bend 2 | 57.2 | 34.6 | 8.2 | Agree | 9,821 | Agree |
| Big Bend 3 | 30.3 | 7.1 | 13.9 | Agree | 9,536 | Agree |
| Big Bend 4 | 64.7 | 26.9 | 8.4 | Agree | 9,927 | Agree |
| Gannon 5 | 80.2 | 7.1 | 12.7 | Agree | 10,416 | Agree |
| Gannon 6 | 77.1 | 7.7 | 13.0 | Agree | 10,129 | Agree |