

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power
cost recovery clause and
generating performance incentive
factor.

DOCKET NO. 980001-EI
ORDER NO. PSC-98-1130-PHO-EI
ISSUED: August 24, 1998

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on Monday, August 17, 1998, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

KENNETH A. HOFFMAN, ESQUIRE, Rutledge Ecenia Underwood Purnell & Hoffman, P.A., Post Office Box 551, Tallahassee, Florida 32302
On behalf of Florida Public Utilities Company (FPUC).

JAMES A. MCGEE, ESQUIRE, Post Office Box 14042, St. Petersburg, Florida 33733
On behalf of Florida Power Corporation (FPC).

JEFFERY A. STONE, ESQUIRE, and RUSSELL A. BADDERS, ESQUIRE, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32576
On behalf of Gulf Power Company (Gulf).

JAMES D. BEASLEY, ESQUIRE, and LEE L. WILLIS, ESQUIRE, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

JOHN W. McWHIRTER, ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, Post Office Box 3350, Tampa, Florida 33601; JOSEPH A. MCGLOTHLIN, ESQUIRE, and VICKI GORDON KAUFMAN, ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, 117 South Gadsden Street, Tallahassee, Florida 32301
On behalf of Florida Industrial Power Users Group (FIPUG).

JOHN ROGER HOWE, ESQUIRE, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399
On behalf of the Citizens of the State of Florida (OPC).

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FLORIDA PUBLIC SERVICE COMMISSION

ORDER NO. PSC-98-1130-PHO-EI
DOCKET NO. 980001-EI
PAGE 2

LESLIE J. PAUGH, ESQUIRE, Florida Public Service Commission,
2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff (Staff).

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

As part of the Commission's continuing fuel cost and environmental cost recovery proceedings, a hearing is set for August 26, 27, and 28, 1998, in this docket and in Docket No. 980007-EI. The hearing will address the issues set out in the body of this Prehearing Order. As noted herein, the parties have proposed stipulations to all of the issues in this Prehearing Order.

III. 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(2), 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 Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. 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.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

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 also stipulated that all exhibits submitted with those witnesses' testimony shall be identified as shown in Section IX of this Prehearing Order and admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
* George M. Bachman	FPUC	1 - 10
* John Scardino, Jr.	FPC	1, 3, 15A, 17
* Karl H. Wieland	FPC	2 - 10, 16A, 17, 18, 19, 20A, 21
* Dario B. Zuloaga	FPC	11A, 11B
* M.F. Oaks	Gulf	1, 2
* M.W. Howell	Gulf	1, 2, 15B, 16B
* S.D. Cranmer	Gulf	1 - 10, 15B, 16B, 17, 18, 19, 20B, 21
* G.D. Fontaine	Gulf	13, 14
* Karen O. Zwolak	TECO	1 - 10, 12E, 15A, 16A, 17, 18, 19, 20, 20A, 21
* G.A. Keselowsky	TECO	13, 14
* Rod Burkhardt	TECO	12A, 12B, 12C, 12D

VII. BASIC POSITIONS

FPC: None necessary.

FPUC: FPU has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those amounts and factors should be approved by the Commission.

Gulf: It is the basic position of Gulf Power Company that the currently approved fuel and purchased power capacity factors be allowed to remain in effect through December 31, 1998.

TECO: The Commission should approve Tampa Electric's request for an extension of the currently approved fuel adjustment and capacity cost recovery factors which include the currently approved fuel adjustment factor of 2.237 cents per KWH before application of factors which adjust for variation in line losses and the approved capacity cost recovery factor of .147 cents per KWH before applying the 12 CP and 1/13 allocation methodology. Tampa Electric did not calculate a new GPIF reward/penalty. Tampa Electric agrees with the Commission Staff's proposal to defer this and related issues until the November hearings.

FIPUG: None.

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.

VIII. ISSUES AND POSITIONS

GENERIC FUEL ADJUSTMENT ISSUES

STIPULATED

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period October, 1997, through March, 1998?

POSITION: FPC: \$10,825,869 underrecovery
FPUC Marianna: \$125,045 overrecovery
Fernandina Beach: \$121,303 overrecovery
GULF: \$225,379 underrecovery
TECO: \$53,414 overrecovery

STIPULATED

ISSUE 2: What are the appropriate estimated fuel adjustment true-up amounts for the period April, 1998, through September, 1998?

POSITION: FPC: \$7,578,770 overrecovery
FPUC Marianna: \$47,885 overrecovery
Fernandina Beach: \$125,825 overrecovery
GULF: \$1,097,022 overrecovery
TECO: \$3,950,955 overrecovery

STIPULATED

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded?

POSITION: FPC: \$3,247,099 underrecovery
FPUC Marianna: \$172,930 overrecovery
Fernandina Beach: \$247,128 overrecovery
GULF: \$871,643 overrecovery
TECO: \$4,004,369 overrecovery

STIPULATED

ISSUE 4: What is the appropriate recovery period to collect/refund the total fuel adjustment true-up amounts?

POSITION: October, 1998, through December, 1998.

STIPULATED

ISSUE 5: Should the Commission allow the electric utilities to keep their levelized fuel cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, issued March 20, 1998, in Docket No. 980001-EI, for the period October, 1998, through December, 1998?

POSITION: Yes, except for FPUC-Marianna and FPUC-Fernandina Beach. To bridge the three month gap between the expiration of the current factors and commencement of the 12-month annual factors required by Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, Docket No. 980269-PU, the Commission should allow Florida Power Corporation, Tampa Electric Company, and Gulf Power Company to keep their levelized fuel cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, issued March 20, 1998, in Docket No. 980001-EI, for the period October, 1998, through December, 1998. This would increase administrative efficiencies for the Commission and the parties, and would decrease confusion for the electric utilities' customers.

However, due to the magnitude of the decrease for FPUC-Marianna and FPUC-Fernandina Beach, their levelized fuel cost recovery factors should be adjusted downward to 2.112¢/kwh and 2.006¢/kwh, respectively.

STIPULATED

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period October, 1998, through December, 1998?

POSITION: FPC: 2.122 cents per kwh.
FPUC: Marianna: 2.112 cents per kwh.
Fernandina Beach: 2.006 cents per kwh.
GULF: 1.626 cents per kwh.
TECO: 2.337 cents per kwh.

STIPULATED

ISSUE 7: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

POSITION: The new factors should be effective beginning with the first billing cycle for October, 1998, and thereafter through the last billing cycle for December, 1998. The first billing cycle may start before October 1, 1998, and the last billing cycle may end after December 31, 1998, so long as each customer is billed for three months regardless of when the factors became effective.

STIPULATED

ISSUE 8: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery-voltage level class?

POSITION:

FPC:	Delivery	Line Loss
	<u>Group</u> <u>Voltage Level</u>	<u>Multiplier</u>
	A. Transmission	0.9800
	B. Distribution Primary	0.9900
	C. Distribution Secondary	1.0000
	D. Lighting Service	1.0000

FPUC:	<u>Rate Schedule</u>	<u>Multiplier</u>
	<u>Marianna</u>	
	All Rate Schedules	1.0000
	<u>Fernandina Beach</u>	
	All Rate Schedules	1.0000

GULF: See table below:

Group	Rate Schedules*	Line Loss Multipliers
A	RS, GS, GSD, GSDT, SBS, OSIII, OSIV	1.01228
B	LP, LPT, SBS	0.98106
C	PX, PXT, SBS, RTP	0.96230
D	OSI, OSII	1.01228

*The multiplier applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO:

<u>Group</u>	<u>Multiplier</u>
Group A	1.0072
Group A1	n/a*
Group B	1.0013
Group C	0.9687

*Group A1 is based on Group A, 15% of On-Peak and 85% of Off-Peak.

STIPULATED

ISSUE 9: What are the appropriate Fuel Cost Recovery Factors for each rate class/ delivery voltage level class adjusted for line losses?

POSITION:

FPC:	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		<u>Time Of Use</u>		
<u>Group</u>		<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	2.083	2.689	1.754
B.	Distribution Primary	2.105	2.718	1.772
C.	Distribution Secondary	2.126	2.745	1.790
D.	Lighting Service	1.969		

FPUC: Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.04140
GS	\$0.04070
GSD	\$0.03580
GSLD	\$0.03440
OL	\$0.02592
SL	\$0.02601

Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	\$0.03595
GS	\$0.03446
GSD	\$0.03164
CSL	\$0.02253
OL	\$0.02253
SL	\$0.02253

GULF: See table below:

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, GSDT, SBS OSIII, OSIV	1.646	2.169	1.395
B	LP, LPT, SBS	1.595	2.102	1.352
C	PX, PXT, SBS, RTP	1.565	2.062	1.326
D	OSI, OSII	1.463	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO:	<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
Group A	2.354	3.334	1.883
Group A1	2.101	n/a	n/a
Group B	2.340	3.314	1.872
Group C	2.264	3.206	1.811

STIPULATED

ISSUE 10: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October, 1998, through December, 1998?

POSITION: FPC: 1.00083
FPUC Marianna: 1.00083
Fernandina Beach: 1.01609
GULF: 1.01609
TECO: 1.00083

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power Corporation

STIPULATED

ISSUE 11A: Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1997?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 11B: Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 11C: Has Florida Power Corporation properly calculated the 1997 price for waterborne transportation services provided by Electric Fuels Corporation?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

Tampa Electric Company

STIPULATED

ISSUE 12A: What is the appropriate 1997 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 12B: Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1997 benchmark price?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 12C: What is the appropriate 1997 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 12D: Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1997 waterborne transportation benchmark price?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket.

STIPULATED

ISSUE 12E: How should Tampa Electric continue the temporary base rate reduction pursuant to the stipulation approved by the Commission by Order No. PSC-96-1300-S-EI, in Docket No. 960409-EI, issued October 24, 1996?

POSITION: Tampa Electric should reflect the \$25 million temporary base rate reduction as a line-item credit on customers' bills over a 15 month period which commenced October 1, 1997, with the reduction netted against 1999 refunds which may have otherwise been made pursuant to the stipulations reached in Docket No. 950379-EI and approved in Order No. PSC-96-0670-S-EI, issued May 20, 1996 and in Docket No. 960409-EI, approved in Order No. PSC-96-1300-S-EI, issued October 24, 1996. The temporary base rate reduction is 0.130 cents/kwh on average and should be adjusted for each rate class according to the line loss factors calculated in Issue 8.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

STIPULATED

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1997, through March, 1998?

POSITION: This issue should be deferred until the November, 1998, hearing set for this docket. For Florida Power Corporation, Tampa Electric Company, and Gulf Power Company, the reward/penalty for October, 1997 through March, 1998 should be included in the calculation of the fuel cost recovery factor for the period January, 1999 through December, 1999. For Florida Power & Light Company, the reward/penalty for October, 1996 through

September, 1997 should be included in the calculation of the fuel cost recovery factor for the period January, 1999 through December, 1999. The reward/penalty for Florida Power Corporation, Tampa Electric Company, and Gulf Power Company for April, 1998 through December, 1998 should be included in the calculation of the utility's fuel cost recovery factor for the period January, 2000 through December, 2000. For Florida Power & Light Company, the reward/penalty for October, 1997 through December, 1998 should be included in the calculation of the fuel cost recovery factor for the period January, 2000 through December, 2000. The reward/penalty for each utility for January, 1999 through December, 1999 should be included in the calculation of the utility's fuel cost recovery factor for the period January, 2001 through December, 2001.

STIPULATED

ISSUE 14: What should the GPIF targets/ranges be for the period October, 1998, through December, 1998?

POSITION: During this hearing, no targets and ranges should be approved for the period October, 1998 through December, 1998. At the November, 1998 hearing, the Commission should consider for approval the targets and ranges for each utility for a 3-month period from October, 1998 through December, 1998 and a 12-month period from January, 1999 through December, 1999. Thereafter, the Commission should consider for approval targets and ranges based on a calendar year basis.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

STIPULATED

ISSUE 15A: What is the appropriate final capacity cost recovery true-up amount for the period October, 1997, through March, 1998?

POSITION: TECO: \$347,147 underrecovery
FPC: \$2,311,764 underrecovery

STIPULATED

ISSUE 15B: What is the appropriate final capacity cost recovery true-up amount for the period October, 1996, through September, 1997?

POSITION: Gulf: \$1,478,455 overrecovery

STIPULATED

ISSUE 16A: What is the estimated capacity cost recovery true-up amount for the period April, 1998, through September, 1998?

POSITION: TECO: \$66,430 underrecovery
FPC: \$3,306,747 underrecovery

STIPULATED

ISSUE 16B: What is the estimated capacity cost recovery true-up amount for the period October, 1997, through September, 1998?

POSITION: Gulf: \$2,389,778 underrecovery

STIPULATED

ISSUE 17: What is the total capacity cost recovery true-up amount to be collected/ refunded?

POSITION: TECO: \$413,577 underrecovery
FPC: \$5,618,511 underrecovery
GULF: \$911,323 underrecovery

STIPULATED

ISSUE 18: What is the appropriate recovery period to collect/refund the total capacity cost recovery true-up amounts?

POSITION: October, 1998 through December, 1998.

STIPULATED

ISSUE 19: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1998, through December, 1998?

POSITION: TECO: \$6,418,433
FPC: \$80,217,280
GULF: \$2,148,430

STIPULATED

ISSUE 20A: Should the Commission allow Florida Power Corporation and Tampa Electric Company to keep their capacity cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, issued March 20, 1998, in Docket No. 980001-EI, for the period October, 1998, through December, 1998?

POSITION: Yes. To bridge the three month gap between the expiration of the current factors and commencement of the 12-month annual factors set forth in Order No. PSC-98-0691-FOF-PU, issued May 19, 1998, Docket No. 980269-PU, the Commission should allow Florida Power Corporation and Tampa Electric Company to keep their capacity cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, issued March 20, 1998, in Docket No. 980001-EI, for the period October, 1998, through December, 1998. This would increase administrative efficiencies for the Commission and the parties, and would decrease confusion for Florida Power Corporation's and Tampa Electric Company's customers.

STIPULATED

ISSUE 20B: Should the Commission allow Gulf Power Company to keep its capacity cost recovery factor at the rate set by Order No. PSC-97-1045-FOF-EI, issued September 5, 1997, in Docket No. 970001-EI, for the period October, 1998, through December, 1998?

POSITION: Yes. To bridge the three month gap between the expiration of the current factors and commencement of the 12-month annual factors set forth in Order No. PSC-98-

ORDER NO. PSC-98-1130-PHO-EI
DOCKET NO. 980001-EI
PAGE 19

0691-FOF-PU, issued May 19, 1998, Docket No. 980269-PU, the Commission should allow Gulf Power Company to keep its capacity cost recovery factor at the rate set by Order No. PSC-97-1045-FOF-EI, issued September 5, 1997, in Docket No. 970001-EI, for the period October, 1998, through December, 1998. This would increase administrative efficiencies for the Commission and the parties, and would decrease confusion for Gulf Power Company's customers.

STIPULATED

ISSUE 21: What are the projected capacity cost recovery factors for the period October, 1998, through December, 1998?

POSITION:

FPC:	CAPACITY RECOVERY FACTOR (CENTS/KWH)
RESIDENTIAL	1.004
GENERAL SERVICE NON-DEMAND	.795
@PRIMARY VOLTAGE	.787
@TRANSMISSION VOLTAGE	.779
GENERAL SERVICE 100% LOAD FACTOR	.548
GENERAL SERVICE DEMAND	.662
@PRIMARY VOLTAGE	.655
@TRANSMISSION VOLTAGE	.648
CURTAILABLE	.555
@PRIMARY VOLTAGE	.549
@TRANSMISSION VOLTAGE	.544
INTERRUPTIBLE	.519
@PRIMARY VOLTAGE	.514
@TRANSMISSION VOLTAGE	.509
LIGHTING	.192

TECO:	CAPACITY RECOVERY FACTOR (CENTS/KWH)
RS, RST	.188
GS, GST, TS	.181
GSD, GSDT, EV-X	.139
GSLD, GSLDT, SBF, SBFT	.123
IS-1&3, IST-1&3, SBI-1&3, SBIT-1&3	.011
SL/OL	.022

Gulf:

CAPACITY RECOVERY
 FACTOR (CENTS/KWH)

RS, RST	.054
GS, GST	.052
GSD, GSDT	.039
LP, LPT	.035
PX, PXT, RTP	.029
OS-1, OS-11	.013
OS-111	.031
OS-IV	.065
SBS	.037

IX. EXHIBIT LIST

Witnesses whose names are preceded by an asterisk (*) have been excused. All exhibits submitted with those witnesses' testimony shall be admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
<u>Direct</u>			
* Scardino	FPC	<u>(JS - 1)</u>	True-up Variance Analysis
* Scardino	FPC	<u>(JS - 2)</u>	Schedules A1 through A13
* Wieland	FPC	<u>(KHW - 1)</u>	Forecast Assumptions (Parts A-C), Capacity Cost Recovery Factors (Part D), and Comparison of December ending True-up Balances with Current and Projected Factors (Part E)
* Wieland	FPC	<u>(KHW - 2)</u>	Schedules E1 through E10 and H1

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
* Zuloaga	FPC	<u>(DBZ - 1)</u>	Standard Form GPIF S c h e d u l e s (Reward/Penalty)
* Zuloaga	FPC	<u>(DBZ - 2)</u>	Standard Form GPIF S c h e d u l e s (Reward/Penalty)
* Bachman	FPUC	<u>(GMB - 1) Composite</u>	Schedules E1, E1- A, E1-B, E-1B-1, E2, E7 and E10 (M a r i a n n a Division) Schedules E1, E1- A, E1-B, E-1B-1, E2, E7 and E10 (Fernandina Beach Division)
* Oaks	Gulf	<u>(MFO - 1)</u>	Gulf Power Company Coal Suppliers Oct. '97 - March '98
* Oaks	Gulf	<u>(MFO - 2)</u>	Projected vs. actual fuel cost of generated power Sept. '89 - Dec. '98
* Howell	Gulf	<u>(MWH - 1)</u>	Gulf Power Company -- Projected Purchased Power C o n t r a c t Transactions Oct. '98 - Dec. '98

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
* Cranmer	Gulf	<u>(SDC - 1)</u>	Calculation of fuel cost recovery final true-up, 10/96 through 3/97; Calculation of capacity cost recovery final true-up, 10/96 through 9/97; Calculation of capacity cost recovery interest provision, 10/96 through 9/97
* Cranmer	Gulf	<u>(SDC - 2)</u>	Schedules E-1 through E-12; CCE-1; CCE-1a; CCE-1b
* Fontaine	Gulf	<u>(GDF - 1)</u>	Gulf Power Company GPIF Results Oct. '97 - March '98
* Fontaine	Gulf	<u>(GDF - 2)</u>	Gulf Power Company GPIF Targets and Ranges Oct. '98 - Dec. '98.
* Zwolak	TECO	<u>(KOZ - 1)</u>	Fuel Cost Recovery and Capacity Cost Recovery October 1997 - March 1998
* Zwolak	TECO	<u>(KOZ - 2)</u>	Fuel Adjustment Projection, October 1998 - December 1998
* Zwolak	TECO	<u>(KOZ - 3)</u>	Capacity Cost Recovery Projection, October 1998 - December 1998

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
* Zwolak	TECO	<u>(KOZ - 4)</u>	Calculation of Total True-up (Projection Period) for the Period Ending December 1998 (Supplemental Schedule E1-A)
* Zwolak	TECO	<u>(KOZ - 5)</u>	Calculation of Estimated True-up for the Period October 1998 - December 1998 (Supplemental Schedule E-1B)
* Keselowsky	TECO	<u>(GAK - 1)</u>	Generating Performance Incentive Factor Results, October 1997 - March 1998
* Burkhardt	TECO	<u>(RB - 1)</u>	Transportation Benchmark Calculation Coal Benchmark Calculation

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

X. PROPOSED STIPULATIONS

All issues have been stipulated. All parties stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be wived, and the witnesses attendance at the hearing be excused.

ORDER NO. PSC-98-1130-PHO-EI
DOCKET NO. 980001-EI
PAGE 24

XI. PENDING MOTIONS

There are no pending motions.

It is therefore,

ORDERED by Commissioner Susan F. Clark, 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 Commissioner Susan F. Clark, as Prehearing Officer, this 24th day of August, 1998.



SUSAN F. CLARK
Commissioner and Prehearing Officer

(S E A L)

LJP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1)

ORDER NO. PSC-98-1130-PHO-EI
DOCKET NO. 980001-EI
PAGE 25

reconsideration within 10 days pursuant to Rule 25-22.0376, 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.

ATTACHMENT A

Original Sheet No. 7.103.1

GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Oct. 1998 - Dec. 1998

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
ANC. 1	0.84	88.77	90.47	85.32	30.1	52.6
ANC. 2	0.23	45.07	45.87	43.44	8.2	21.9
C.R. 1	3.00	91.74	95.60	83.98	107.5	25.1
C.R. 2	5.56	89.50	94.36	77.62	199.5	185.3
C.R. 3	34.77	90.71	95.06	81.91	1247.3	2413.1
C.R. 4	4.17	91.89	95.88	84.30	149.7	390.3
C.R. 5	2.68	89.60	90.92	86.85	96.1	127.3
GPIF System	51.24				1838.4	3215.6

Plant/Unit	Weighting Factor (%)	ANOHR Target		ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	4.40	10192	40.0	9904	10479	157.9	157.9
ANC. 2	2.38	10284	32.7	9955	10613	85.5	85.5
C.R. 1	5.96	9625	91.3	9445	9805	213.8	213.8
C.R. 2	6.31	9657	94.2	9507	9807	226.3	226.3
C.R. 3	10.00	10427	98.8	10277	10577	358.7	358.7
C.R. 4	8.91	9460	72.9	9310	9610	319.5	319.5
C.R. 5	10.80	9301	92.6	9151	9451	387.4	387.4
GPIF System	48.76					1749.1	1749.1

Issued by: FPC

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