

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for authority to establish a regulatory liability to defer 1998 earnings for disposition in 1999 by Florida Power Corporation.

DOCKET NO. 981635-EI
ORDER NO. PSC-99-1219-FOF-EI
ISSUED: June 18, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.

ORDER DISPOSING OF DEFERRED EARNINGS AND
CLOSING DOCKET

BY THE COMMISSION:

By Order No. PSC-97-0652-S-EQ, issued June 9, 1997, we approved a stipulation regarding the treatment of Florida Power Corporation's (FPC) purchase of the Tiger Bay Limited Partnership cogeneration facility and the termination of related purchased power contracts. The termination of these contracts resulted in the creation of a \$370 million regulatory asset that is being amortized using the savings realized from the early termination of the contracts. FPC has the discretion to accelerate the amortization if and when earnings permit. FPC's ratepayers do not receive any of the savings from early termination of the contracts until the regulatory asset is fully amortized.

In November 1998, FPC informed us that its anticipated earnings would reach a sufficient level to allow it to increase the amortization of the regulatory asset. FPC stated, however, that it was considering several possible unspecified alternatives that might allow its ratepayers to receive the benefit of 1998 earnings sooner than if additional amortization was booked. To allow it time to more thoroughly explore and develop such alternatives, FPC requested authority to defer an unspecified amount of 1998 earnings to be disposed of in the future. Pursuant to Order No. PSC-98-

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1750-FOF-EI, issued December 22, 1998, we approved FPC's request to establish a regulatory liability to defer an amount of 1998 earnings for disposition in 1999. In addition, FPC was ordered to file a proposal concerning the disposition of any 1998 deferred earnings by May 1, 1999. If no such proposal was filed by May 1, 1999, FPC would be required to immediately apply all 1998 deferred earnings, plus interest, toward the amortization of the regulatory asset.

FPC did not file any proposal regarding the disposition of its 1998 deferred earnings by May 1, 1999. Therefore, pursuant to Order No. PSC-98-1750-FOF-EI, FPC's 1998 deferred earnings of \$10,106,105, plus interest of \$164,291, shall be applied as additional amortization of the Tiger Bay regulatory asset in May 1999. Given that the appropriate treatment of FPC's 1998 deferred earnings has been determined, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's 1998 deferred earnings of \$10,106,105, plus interest of \$164,291, shall be applied as additional amortization of the Tiger Bay regulatory asset in May 1999. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 19th day of June, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.