

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 000001-EI
ORDER NO. PSC-00-2385-FOF-EI
ISSUED: December 12, 2000

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ

APPEARANCES:

JAMES A. MCGEE, ESQUIRE, Post Office Box 14042, 3201 34th
Street South, St. Petersburg, Florida 33733-4042
On behalf of Florida Power Corporation (FPC).

MATTHEW M. CHILDS, ESQUIRE, Steel Hector & Davis LLP, 215
South Monroe Street, Suite 601, Tallahassee, FL 32301
On behalf of Florida Power & Light Company (FPL).

JEFFREY A. STONE, ESQUIRE, Beggs & Lane, 700 Blount
Building, 3 West Garden Street, Post Office Box 12950,
Pensacola, Florida 32576-2950
On behalf of Gulf Power Company (GULF).

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

VICKI GORDON KAUFMAN, ESQUIRE, McWhirter, Reeves,
McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen,
P.A., 117 South Gadsden Street, Tallahassee, Florida
32301
On behalf of Florida Industrial Power Users Group
(FIPUG).

DOCUMENT NUMBER-DATE

15879 DEC 12 8

FPSC-RECORDS/REPORTING

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 2

STEPHEN C. BURGESS, ESQUIRE, Deputy Public Counsel,
Office of Public Counsel (OPC), c/o The Florida
Legislature, 111 West Madison Street, Room 812,
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida.

WM. COCHRAN KEATING IV, ESQUIRE, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee,
Florida 32399-0850
On behalf of the Commission Staff.

ORDER APPROVING PROJECTED EXPENDITURES AND TRUE-UP
AMOUNTS FOR FUEL ADJUSTMENT FACTORS;
GPIF TARGETS, RANGES, AND REWARDS;
AND PROJECTED EXPENDITURE AND TRUE-UP AMOUNTS
FOR CAPACITY COST RECOVERY FACTORS

As part of this Commission's continuing fuel and purchased power cost recovery and generating performance incentive factor proceedings, a hearing was held on November 20, 2000, in this docket. The hearing addressed the issues set out in the Prehearing Order for this docket. Most of the positions on these issues were stipulated by the parties and presented to us for approval, but one contested issue remained for our consideration. As set forth fully below, we approve each of the stipulated positions presented. Our ruling on the remaining contested issue - the period over which FPL should recover its projected underrecovery - is also discussed below.

We note that Issues 13E, 13F, and 13G, as set out in the Prehearing Order for this docket, do not require our decision. These issues addressed TECO's proposed seasonal fuel factor pilot program. On November 14, 2000, TECO filed a withdrawal of its request for approval of this pilot program, making these issues moot.

We also note that Issue 11D, as set out in the Prehearing Order, is not appropriate for decision at this time. Issue 11D addresses the recovery of a \$222.5 million settlement payment from FPL to buy out two standard offer contracts and terminate pending

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 3

litigation between FPL and the parties to each of the contracts. By Order No. PSC-00-1913-PAA-EI, issued October 19, 2000, in Docket No. 000982-EI, this Commission granted FPL's petition for approval of the settlement. The Order was protested on November 9, 2000. Thus, at the time of our November 20, 2000, hearing in this docket, approval of the settlement was still at issue. A decision concerning recovery of the settlement payment would be premature with approval of the settlement still pending.¹

I. GENERIC FUEL COST RECOVERY ISSUES

By Order No. PSC-00-1744-PAA-EI, issued September 26, 2000, in Docket No. 991779-EI, this Commission modified its existing shareholder incentive program for certain types of non-separated wholesale power sales. Issue 9, as set out in the Prehearing Order for this docket, addresses implementation of that Order. Issue 10, as set out in the Prehearing Order, seeks to establish estimated benchmarks for calendar year 2001 for gains on sales eligible for the shareholder incentive.

On October 11, 2000, FIPUG filed a protest of part III of that Order, which was issued as proposed agency action. The parties agreed at our November 20, 2000, hearing that implementation of Order No. PSC-00-1744-PAA-EI (the substance of Issue 9) may be addressed in the same proceeding in which FIPUG's protest is resolved. Recognizing that FIPUG's protest will likely not be resolved prior to January 1, 2001, the parties agreed that any incentive mechanism ultimately approved should be made effective January 1, 2001. We approve this proposed procedure. FIPUG's motion for oral argument and to strike testimony, filed November 9, 2000, is rendered moot by this agreement.

¹After our November 20, 2000, hearing in this docket but prior to the issuance of this Order, this Commission granted a summary final order in favor of FPL, affirming our original approval of the settlement in Order No. PSC-00-1913-PAA-EI. Our original approval included provisions for recovery of the settlement amount through the fuel clause and capacity clause beginning in 2002. Thus, the cost recovery factors approved in this Order are not affected by our approval of the settlement.

The parties also agreed that the following estimated benchmark levels for calendar year 2001 for gains on non-separated wholesale energy sales eligible for a shareholder incentive pursuant to Order No. PSC-00-1744-PAA-EI are as follows:

FPC:	\$11,061,127
FPL:	\$47,377,541
GULF:	\$830,000
TECO:	\$4,648,490

The parties' agreement to these estimated benchmark levels is based on the understanding that these are estimated amounts and are subject to change to the extent required by any final order of the Commission affecting the calculation of these amounts. We approve the parties' agreement as reasonable.

II. COMPANY-SPECIFIC FUEL COST RECOVERY ISSUES

A. Florida Power & Light Company

Through the testimony of witness Korel M. Dubin, FPL proposed that its estimated underrecovery balance of \$518,005,376 projected for December 31, 2000, should be collected over a two-year period commencing calendar year 2001. Witness Dubin further proposed that the unrecovered portion of this balance be treated as a base rate regulatory asset in 2001 and 2002, rather than the current practice of recovering the commercial paper rate of return through the fuel clause.

At the November 3, 2000, prehearing conference in this docket, the parties stipulated to FPL's proposed treatment. However, on November 9, 2000, FIPUG filed a motion to amend its prehearing position on this issue. In its motion, FIPUG asserted that its stipulation to FPL's proposed treatment was made in error. FIPUG stated that its correct position is that FPL should collect its estimated underrecovery balance over a three-year period rather than a two-year period. On November 14, 2000, FPL filed a response to FIPUG's motion. FPL argued that FIPUG had not shown good cause why it should be permitted to amend its prehearing position at this time and undo the stipulation reached at the prehearing conference. At our November 20, 2000, hearing, we found that FPL would not be

prejudiced if FIPUG were allowed to change its position, given that FIPUG notified FPL of the error shortly after the prehearing conference and two weeks in advance of the hearing. Accordingly, we granted FIPUG's motion to amend its prehearing position, and FIPUG was permitted to cross-examine witness Dubin on this issue.

Upon consideration of the evidence presented, we find that FPL's proposed collection period and treatment of the \$518,005,376 estimated underrecovery balance is reasonable. As witness Dubin testified, collecting this balance over a two-year period will mitigate the impact of the underrecovery on customer bills. Further, witness Dubin testified, treatment of the unrecovered portion of this balance as a base rate regulatory asset relieves FPL's ratepayers of interest charges on the unrecovered balance. Under our normal practice in this docket, we have permitted electric utilities to collect an estimated underrecovery balance over a one-year period and to earn interest on the unrecovered portion of that balance at the commercial paper rate. FPL's proposal foregoes this interest to the customer's benefit. While FIPUG's position is attractive on its face, we find that the record does not adequately explore the potential benefits to ratepayers from FIPUG's approach.

Based on the foregoing, we approve FPL's proposal to collect its estimated underrecovery balance of \$518,005,376 over a two-year period commencing January 1, 2001. We also approve FPL's proposed treatment of the unrecovered portion of this balance as a base rate regulatory asset in 2001 and 2002.

B. Florida Power Corporation

The parties have stipulated that FPC has confirmed the appropriateness of the "short-cut" methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1999. We approve this stipulation as reasonable.

The parties have stipulated that FPC properly calculated the market price true-up for coal purchases from Powell Mountain in accordance with the methodology we approved in Docket No. 860001-EI-G. We approve this stipulation as reasonable.

The parties have stipulated that FPC properly calculated the 1999 price for waterborne transportation services provided by Electric Fuels Corporation in accordance with the methodology we approved in Docket No. 930001-EI. We approve this stipulation as reasonable.

The parties have stipulated that FPC should be authorized to collect its estimated underrecovery balance projected for December 31, 2000, over a two-year period commencing calendar year 2001. The parties have also stipulated that the remainder of the estimated/actual true-up underrecovery should be included in the ongoing true-up balance. We approve these stipulations as reasonable.

The parties have stipulated that FPC's proposed regulatory treatment for its 50 megawatt (MW) wholesale power sale, commencing April 1, 2001, should be approved. This 50 MW wholesale power sale is a firm sale of wholesale capacity and energy with a duration longer than one year. In Order No. PSC-97-0262-FOF-EI, issued March 11, 1997, in Docket No. 970001-EI, we stated that firm wholesale sales one year or longer should be separated on a system average basis. Consistent with this policy, FPC should separate the capital and O&M costs associated with this 50 MW from the retail rate base on a system average basis. However, because FPC will generate this 50 MW at a higher than system average fuel cost, FPC should credit the fuel clause an amount equal to the incremental fuel costs of making this 50 MW wholesale sale. We approve this stipulation as reasonable.

C. Tampa Electric Company

The parties have stipulated that the appropriate 1999 benchmark price for coal purchased by TECO from its affiliate, Gatliff Coal Company, is \$45.07 per ton. We approve this stipulation as reasonable.

The parties have stipulated that the appropriate 1999 waterborne coal transportation benchmark price for transportation services provided by TECO affiliates is \$25.85 per ton. We approve this stipulation as reasonable.

III. APPROPRIATE PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR FUEL COST RECOVERY FACTORS

The parties have stipulated that the appropriate final fuel adjustment true-up amounts for the period April 1999 through December 1999 are as follows:

FPC:	\$6,442,734	overrecovery
FPL:	\$96,356,314	underrecovery
FPUC-Fernandina Beach:	\$302,631	overrecovery
FPUC-Marianna:	\$43,609	overrecovery
GULF:	\$4,015,661	overrecovery
TECO:	\$8,662,661	underrecovery

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate estimated fuel adjustment true-up amounts for the period January 2000 through December 2000 are as follows:

FPC:	\$61,660,541	underrecovery
FPL:	\$518,005,376	underrecovery
FPUC-Fernandina Beach:	\$314,792	overrecovery
FPUC-Marianna:	\$104,942	overrecovery
GULF:	\$8,668,391	underrecovery
TECO:	\$34,058,660	underrecovery

We approve these stipulations as reasonable.

Based on our findings concerning collection of FPL's estimated underrecovery, discussed above, we find that the appropriate total fuel adjustment true-up amount to be collected by FPL for the period January 2001 through December 2001 is the amount set forth below. The parties have stipulated that the appropriate total fuel adjustment true-up amounts to be collected/refunded by the other electric utilities for the period January 2001 through December 2001 are as follows:

FPC:	\$27,608,904	underrecovery to be collected.	(As discussed above, we approve the parties' stipulation authorizing FPC to collect its \$55,217,807 estimated underrecovery balance
------	--------------	--------------------------------	--

projected for December 31, 2000, over a two-year period commencing calendar year 2001.)

FPL: \$259,002,688 underrecovery to be collected. (As discussed above, FPL's total estimated underrecovery balance projected for December 31, 2000, is \$518,005,376. FPL is authorized to collect this total over a two-year period.)

FPUC-Fernandina Beach: \$617,423 overrecovery to be refunded.

FPUC-Marianna: \$148,551 overrecovery to be refunded.

GULF: \$4,652,730 underrecovery to be collected.

TECO: \$42,721,321 underrecovery to be collected.

We approve the stipulated amounts to be collected/refunded as reasonable.

The parties have stipulated that the appropriate levelized fuel cost recovery factors for the period January 2001 through December 2001 are as follows:

FPC: 2.520 cents per kWh
FPL: 2.925 cents per kWh
FPUC-Marianna: 2.204 cents per kWh.
FPUC-Fernandina Beach: 1.875 cents per kWh.
GULF: 1.820 cents per kWh.
TECO: 2.500 cents per kWh.

We approve these stipulations as reasonable.

The parties have stipulated that 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 are as follows:

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

FPL: The appropriate Fuel Cost Recovery Loss Multipliers are as provided on page 10 of this Order.

FPUC: Fernandina Beach
 All Rate Schedules 1.0000

Marianna
 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: Group Multiplier
 Group A 1.0035

ORDER NO. PSC-00-2385-FOF-EI
 DOCKET NO. 000001-EI
 PAGE 10

Group A1	n/a*
Group B	1.0009
Group C	0.9792

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

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate fuel cost recovery factors for each rate class/delivery voltage level class, adjusted for line losses, for the period January 2001 through December 2001 are as follows:

FPC:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Fuel Cost Factors (cents/kWh)</u>		
		<u>Standard</u>	<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	2.474	3.387	2.063
B.	Distribution Primary	2.499	3.421	2.084
C.	Distribution Secondary	2.524	3.455	2.105
D.	Lighting Service	2.358		

FPL:

<u>Group</u>	<u>Rate Schedule</u>	<u>Average Factor</u>	<u>Fuel Recovery Loss Multiplier</u>	<u>Fuel Recovery Factor</u>
A	RS-1, GS-1, S1-2	2.925	1.00198	2.931
A-1	SL-1, OL-1, PL1	2.864	1.00198	2.870
B	GSD-1	2.925	1.00191	2.930
C	GSLD-1, CS-1	2.925	1.00077	2.927
D	GSLD-2, CS-2, OS-2, MET	2.925	0.99503	2.910

ORDER NO. PSC-00-2385-FOF-EI
 DOCKET NO. 000001-EI
 PAGE 11

E	GSLD-3, CS-3	2.925	0.95800	2.802
A	RST-1, GST-1			
	ON-PEAK	3.213	1.00198	3.219
	OFF-PEAK	2.798	1.00198	2.803
B	GSDT-1, CILC-1(G)			
	ON-PEAK	3.213	1.00191	3.219
	OFF-PEAK	2.798	1.00191	2.803
C	GSLDT-1, CST-1			
	ON-PEAK	3.213	1.00077	3.215
	OFF-PEAK	2.798	1.00077	2.800
D	GSLDT-2, CST-2			
	ON-PEAK	3.213	0.99503	3.197
	OFF-PEAK	2.798	0.99503	2.784
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T)			
	ON-PEAK	3.213	0.95800	3.078
	OFF-PEAK	2.798	0.95800	2.680
F	CILC-1(D), ISST-1(D)			
	ON-PEAK	3.213	0.99431	3.195
	OFF-PEAK	2.798	0.99431	2.782

FPUC-Fernandina Beach:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	3.464 cents/kWh
GS	3.357 cents/kWh
GSD	3.192 cents/kWh
OL	2.476 cents/kWh
SL, CSL	2.476 cents/kWh

FPUC-Marianna:

<u>Rate Schedule</u>	<u>Adjustment</u>
RS	3.859 cents/kWh
GS	3.845 cents/kWh
GSD	3.472 cents/kWh
GSLD	3.317 cents/kWh

OL, OL-2 2.413 cents/kWh
 SL-1, SL-2 2.421 cents/kWh

GULF: See table below:

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, GS DT, SBS OSIII, OSIV	1.842	2.361	1.622
B	LP, LPT, SBS	1.786	2.289	1.572
C	PX, PXT, SBS, RTP	1.751	2.245	1.542
D	OSI, OSII	1.808	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	2.509	3.494	2.080
Group A1	2.292	n/a	n/a
Group B	2.502	3.485	2.075
Group C	2.448	3.410	2.030

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate revenue tax factors to be applied in calculating each company's levelized fuel factor for the projection period of January 2001 through December 2001 are as follows:

FPC:	1.00072	
FPL:	1.01597	
FPUC-Fernandina Beach:	1.01597	
FPUC-Marianna:	1.00072	
GULF:	1.01597	
TECO:	1.00072	

We approve these stipulations as reasonable.

IV. APPROPRIATE PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS FOR CAPACITY COST RECOVERY FACTORS

The parties have stipulated that the appropriate final capacity cost recovery true-up amounts for the period January 1999 through December 1999 are as follows:

FPC:	\$4,479,766 underrecovery
FPL:	\$16,458,284 overrecovery
GULF:	\$884,622 overrecovery
TECO:	\$94,943 underrecovery

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate estimated/actual capacity cost recovery true-up amounts for the period January 2000 through December 2000 are as follows:

FPC:	\$4,336,561 overrecovery
FPL:	\$42,411,275 overrecovery
GULF:	\$331,059 underrecovery
TECO:	\$2,072,182 overrecovery

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2001 through December 2001 are as follows:

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 14

FPC: \$143,205 underrecovery
FPL: \$58,869,559 overrecovery
GULF: \$553,563 overrecovery
TECO: \$1,977,239 overrecovery

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2001 through December 2001 are as follows:

FPC: \$325,662,492
FPL: \$427,597,309
GULF: \$17,867,016
TECO: \$34,032,212

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January 2001 through December 2001 are as follows:

FPC: Base - 97.232%, Intermediate - 70.241%, Peaking - 85.056%
FPL: 99.01014%
GULF: 96.50747%
TECO: 95.93944%

We approve these stipulations as reasonable.

The parties have stipulated that the appropriate projected capacity cost recovery factors for each rate class for the period January 2001 through December 2001 are as follows:

<u>Rate Class</u>	<u>Capacity Recovery Factor (cents/kWh)</u>
Residential	1.108
General Service Non-demand	0.834
@Primary Voltage	0.826
@Transmission Voltage	0.817

ORDER NO. PSC-00-2385-FOF-EI
 DOCKET NO. 000001-EI
 PAGE 15

General Service 100% Load Factor	0.598
General Service Demand	0.703
@Primary Voltage	0.695
@Transmission Voltage	0.688
Curtable	0.621
@Primary Voltage	0.614
@Transmission Voltage	0.608
Interruptible	0.584
@Primary Voltage	0.578
@Transmission Voltage	0.573
Lighting	0.191

FPL:

<u>Rate Class</u>	<u>Capacity Recovery Factor (\$/kW)</u>	<u>Capacity Recovery Factor (\$/kWh)</u>
RS1	-	.00527
GS1	-	.00492
GSD1	1.86	-
OS2	-	.00305
GSLD1/CS1	1.87	-
GSLD2/CS2	1.86	-
GSLD3/CS3	1.98	-
CILCD/CILCG	1.96	-
CILCT	1.95	-
MET	1.92	-
OL1/SL1/PL-1	-	.00191
SL2	-	.00340

<u>Rate Class</u>	<u>Capacity Recovery Factor (Reservation Demand Charge) (\$/kW)</u>	<u>Capacity Recovery Factor (Sum of Daily Demand Charge) (\$/kW)</u>
ISST1D	.24	.11
SST1T	.23	.11
SST1D	.23	.11

GULF:

<u>Rate Class</u>	<u>Capacity Recovery Factor (cents/kWh)</u>
RS, RST, RSVP	.208
GS, GST	.206
GSD, GSDT	.160
LP, LPT	.140
PX, PXT, RTP, SBS	.120

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 16

OS-I, OS-II	.025
OS-III	.126
OS-IV	.058

TECO:

<u>Rate Class</u>	<u>Capacity Recovery Factor</u> <u>(\$/kWh)</u>
RS	.00256
GS, TS	.00237
GSD, EV-X	.00182
GSLD, SBF	.00165
IS-1, IS-3, SBI-1, SBI-3	.00015
SL/OL	.00028

We approve these stipulations as reasonable.

V. GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

The parties have stipulated that the appropriate Generation Performance Incentive Factor (GPIF) rewards/penalties for performance achieved during the period of January 1999 through December 1999 are as follows:

FPC:	\$2,183,063 reward
FPL:	\$6,973,751 reward
GULF:	\$183,842 reward
TECO:	\$1,151,236 penalty

We approve these stipulations as reasonable.

The parties have stipulated as to the appropriate GPIF targets/ranges for the period January 2001 through December 2001. Those stipulated targets/ranges are shown in Attachment 1 to this Order, which is incorporated by reference herein. We approve these stipulations as reasonable.

VI. OTHER MATTERS

The parties have stipulated that the new fuel and capacity cost recovery factors approved in this Order should be effective beginning with the first billing cycle for January, 2001, and thereafter through the last billing cycle for December, 2001. The

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 17

parties also stipulate that the first billing cycle may start before January 1, 2001, and the last billing cycle may end after December 31, 2001, so long as each customer is billed for twelve months regardless of when the factors became effective. We approve these stipulations as reasonable.

We also approve the following stipulation as reasonable:

FPL will be incurring costs beginning in 2001 necessary for the St. Lucie Spent Fuel Storage Project. However, FPL is in the process of exploring which alternative or alternatives to use to accomplish this project. All parties agree that FPL is not precluded from seeking recovery of costs associated with the St. Lucie Spent Fuel Storage Project at a later date. However, this does not and is not intended to prejudice the merits of the costs or the appropriate recovery mechanism.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations set forth in the body of this Order are hereby approved. It is further

ORDERED that Florida Power & Light Company is authorized to collect its estimated underrecovery balance of \$518,005,376 projected for December 31, 2000, over a two-year period commencing January 1, 2001. It is further

ORDERED that Florida Power & Light Company shall treat the unrecovered portion of its estimated underrecovery balance projected for December 31, 2000, as a base rate regulatory asset in 2001 and 2002. It is further

ORDERED that Florida Power & Light Company, Florida Power Corporation, Tampa Electric Company, Gulf Power Company, and Florida Public Utilities Company are hereby authorized to apply the fuel cost recovery factors set forth herein during the period of January 2001 through December 2001. It is further

ORDERED that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up, and further subject to proof of the

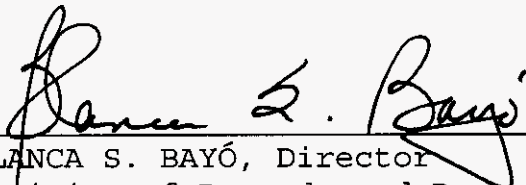
ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 18

reasonableness and prudence of the expenditures upon which the amounts are based. It is further

ORDERED that Florida Power & Light Company, Florida Power Corporation, Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the capacity cost recovery factors as set forth herein during the period January 2001 through December 2001. It is further

ORDERED that the estimated true-up amounts contained in the capacity cost recovery factors approved herein are hereby authorized subject to final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the amounts are based.

By ORDER of the Florida Public Service Commission this 12th Day of December, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

WCK

ORDER NO. PSC-00-2385-FOF-EI
DOCKET NO. 000001-EI
PAGE 19

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.

GPIF REWARDS/PENALTIES
 January 1999 to December 1999

<u>Utility</u>	<u>Amount</u>	<u>Reward/Penalty</u>
Florida Power Corporation	\$2,183,063	Reward
Florida Power and Light Company	\$6,973,751	Reward
Gulf Power Company	\$183,842	Reward
Tampa Electric Company	(\$1,151,236)	Penalty

<u>Utility/ Plant/Unit</u>	<u>EAF</u>		<u>Heat Rate</u>	
	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
<u>FPC</u>				
Anclote 1	83.8	80.1	10,006	10,135
Anclote 2	94.9	92.1	9,912	9,934
Crystal River 1	76.2	71.3	9,841	9,829
Crystal River 2	85.2	90.9	9,764	9,680
Crystal River 3	80.4	84.8	10,404	10,295
Crystal River 4	90.2	94.1	9,395	9,483
Crystal River 5	83.8	82.1	9,330	9,336

	<u>Adjusted</u>		<u>Adjusted</u>	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
<u>FPL</u>				
Cape Canaveral 2	93.6	94.8	9,602	9,774
Fort Lauderdale 4	93.2	95.5	7,290	7,272
Fort Lauderdale 5	93.2	95.4	7,289	7,242
Fort Myers 2	90.0	86.0	9,188	9,211
Manatee 2	88.8	90.9	10,138	10,205
Martin 3	92.3	94.3	7,016	6,792
Martin 4	93.6	85.4	6,926	6,722
Port Everglades 3	80.4	77.7	9,786	9,703
Port Everglades 4	96.0	97.4	9,836	9,839
Riviera 3	94.4	92.3	9,770	9,984
Sanford 4	91.0	93.7	9,737	10,155
Sanford 5	89.9	92.0	9,939	10,347
Scherer 4	86.6	88.8	10,120	10,271
St. Lucie 1	83.6	86.4	10,879	10,804
St. Lucie 2	93.6	96.6	10,895	10,812
Turkey Point 3	93.6	99.1	11,047	11,064
Turkey Point 4	84.3	90.1	11,166	11,076

	<u>Adjusted</u>		<u>Adjusted</u>	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
<u>Gulf</u>				
Crist 6	88.4	90.1	10,624	10,528
Crist 7	82.5	85.7	10,232	10,202
Smith 1	75.9	73.3	10,190	9,963
Smith 2	88.8	90.9	10,263	10,085
Daniel 1	81.0	78.1	10,455	10,415
Daniel 2	74.7	71.0	10,264	10,256

GPIF REWARDS/PENALTIES
January 1999 to December 1999

<u>Utility/ Plant/Unit</u>	<u>EAF</u>		<u>Heat Rate</u>	
	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
<u>TECO</u>				
Big Bend 1	79.8	77.4	10,230	10,083
Big Bend 2	82.2	81.1	10,247	9,983
Big Bend 3	72.5	68.5	9,992	9,826
Big Bend 4	85.0	79.1	9,938	10,014
Gannon 5	73.6	71.9	10,150	10,670
Gannon 6	71.5	63.7	10,401	10,836

APPROVED GPIF TARGETS

January 2001 to December 2001

<u>Utility/ Plant/Unit</u>	<u>EAJ</u>			<u>Heat Rate</u>
<u>FPC</u>	<u>EAJ</u>	<u>POF</u>	<u>EUOF</u>	<u>Heat Rate</u>
Anclote 1	78.8	15.6	5.6	10,091
Anclote 2	92.8	0.0	7.2	10,083
Bartow 3	93.9	0.0	6.1	10,105
Crystal River 1	76.4	13.4	10.2	9,831
Crystal River 2	84.2	0.0	15.8	9,788
Crystal River 3	85.5	11.5	3.0	10,247
Crystal River 4	95.4	0.0	4.6	9,389
Crystal River 5	87.6	9.6	2.8	9,360
Tiger Bay	78.7	15.3	6.0	7,190
<u>FPL</u>	<u>EAJ</u>	<u>POF</u>	<u>EUOF</u>	<u>Heat Rate</u>
Cape Canaveral 1	84.5	7.9	7.6	9,581
Cape Canaveral 2	94.5	0.0	5.5	9,721
Ft Lauderdale 4	93.2	3.0	3.8	7,337
Ft Lauderdale 5	93.2	3.0	3.8	7,336
Manatee 1	78.3	14.2	7.5	10,066
Manatee 2	90.1	0.8	9.1	10,216
Martin 1	87.7	4.1	8.4	9,734
Martin 2	90.9	0.0	9.1	9,876
Martin 3	92.5	3.4	4.1	6,874
Martin 4	93.1	1.1	5.9	6,797
Port Everglades 3	84.5	10.4	5.3	9,447
Port Everglades 4	93.7	0.0	6.3	9,632
Scherer 4	87.9	8.5	3.6	10,043
St Lucie 1	85.7	8.5	5.8	10,817
St Lucie 2	85.7	8.5	5.8	10,821
Turkey Point 1	92.4	0.0	7.6	9,319
Turkey Point 3	86.0	8.5	5.8	11,121
Turkey Point 4	93.6	0.0	6.4	11,095
<u>Gulf</u>	<u>EAJ</u>	<u>POF</u>	<u>EUOF</u>	<u>Heat Rate</u>
Crist 6	78.1	17.8	4.1	10,502
Crist 7	76.4	14.0	9.6	10,184
Smith 1	88.7	8.8	2.5	10,113
Smith 2	87.5	8.8	3.7	10,058
Daniel 1	74.5	16.4	9.1	10,075
Daniel 2	75.2	16.2	8.6	9,872

APPROVED GPIF TARGETS

January 2001 to December 2001

Utility/
Plant/Unit

EAF

Heat Rate

<u>FPC</u>	<u>EAF</u>	<u>POF</u>	<u>EUOF</u>	<u>Heat Rate</u>
Big Bend 1	69.9	13.4	16.7	10,118
Big Bend 2	77.9	5.8	16.3	9,895
Big Bend 3	71.8	5.8	22.4	9,932
Bif Bend 4	83.9	3.8	12.3	9,944
Gannon 5	68.4	7.7	23.9	10,762
Gannon 6	67.4	7.7	24.9	10,596
Polk 1	78.5	7.7	13.8	10,146