

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 020001-EI
ORDER NO. PSC-02-1761-FOF-EI
ISSUED: December 13, 2002

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

APPEARANCES:

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On behalf of Tampa Electric Company (TECO).

DOCUMENT NUMBER-DATE

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

BY THE COMMISSION:

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 20-21, 2002, in this docket. The hearing addressed the issues set out in Order No. PSC-02-1591-PHO-EI, issued November 18, 2002, in this docket (Prehearing Order). Several of the positions on these issues were stipulated by the parties and presented to us for approval, but some contested issues remained for our consideration. As set forth fully below, we approve each of the stipulated positions presented. Our rulings on the remaining contested issues are also discussed below.

We have jurisdiction over this subject matter pursuant to the provisions of Chapter 366, Florida Statutes, including Sections 366.04, 366.05, and 366.06, Florida Statutes.

I. GENERIC FUEL COST RECOVERY ISSUES

A. Shareholder Incentive Benchmarks

The parties stipulated that the estimated benchmark levels for calendar year 2002 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:	\$11,052,574
FPL:	\$38,143,278
GULF:	\$ 1,197,565
TECO:	\$ 2,129,628

Based on the evidence in the record, we approve this stipulation as reasonable.

The parties also stipulated that the estimated benchmark levels for calendar year 2003 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:	\$ 8,238,615
FPL:	\$21,165,387
GULF:	\$ 1,174,292
TECO:	\$ 1,640,452

Based on the evidence in the record, we approve this stipulation as reasonable.

B. Ongoing Regulatory Treatment of Incremental Power Plant Security Costs

In response to an issue which asked whether the Commission should require recovery of incremental security costs, incurred in response to the terrorist acts of September 11, 2001, through base rates beginning January 1, 2006, or the effective date of a final order from the utility's next base rate proceeding, whichever comes first, the parties stipulated to the following:

The Commission should continue to monitor the nature and longevity of incremental security costs being recovered through a cost recovery clause to determine whether and

to what extent such costs should be recovered through base rates. Security costs have traditionally been recovered through base rates, although in Order No. PSC-01-2516-FOF-EI, issued December 26, 2001, the Commission authorized Florida Power & Light Company to recover incremental security costs due to recent national security concerns through the fuel adjustment clause.

We approve this stipulation as reasonable. We note, however, as set forth below, we have found that the treatment of FPL's and FPC's incremental security costs shall be reassessed at the conclusion of the term of the settlements approved in FPL's and FPC's most recent base rate proceedings, Docket Nos. 001148-EI and 000824-EI, respectively.

II. COMPANY-SPECIFIC FUEL COST RECOVERY ISSUES

A. Florida Power & Light Company

Incremental Hedging Program Expenses

The parties stipulated that FPL's actual and estimated expenditures of \$3,278,147 for incremental 2002 and 2003 expenses associated with its hedging program are reasonable. Pursuant to Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, the Commission authorized each investor-owned electric utility to recover prudently-incurred incremental operation and maintenance expenses incurred for the purpose of initiating and/or maintaining a new or expanded non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for its retail customers. The parties stipulated that FPL has incurred or expects to incur incremental expenses of \$3,278,147 during 2002 and 2003 that meet these criteria. Accordingly, the parties stipulated that, subject to audit and true-up, this Commission should authorize FPL to recover this amount through the fuel and purchased power cost recovery clause (or, fuel clause). We approve this stipulation as reasonable.

Regulatory Treatment of O&M Expense Associated with Inspection and Repair of Reactor Pressure Vessel Heads

As part of its projection filing made September 20, 2002, FPL requested recovery of \$32.6 million through the fuel and purchased power cost recovery clause for operation and maintenance expenses associated with the inspection and repair of the reactor pressure vessel heads at FPL's four nuclear units. To dispose of FPL's request, the parties stipulated to the following:

FPL would recover the total cost of inspection and repair of the reactor pressure vessel heads at its four nuclear units in base rates by amortizing the cost over a five year period. This regulatory treatment would result in no change to FPL's existing base rates during the period of FPL's current rate stipulation. This amortization would begin in 2002 based on the current estimate of the total inspection and repair costs of \$67.3 million for 2002 through 2004. FPL would adjust this estimate based on actual and updated cost estimates, with the amortization changing beginning in the month of the updated estimate. FPL would not accumulate AFUDC on the unamortized portion of the inspection and repair costs.

We approve this stipulation, which is set forth in detail in Attachment A to this Order and incorporated herein by reference, as reasonable.

Recovery of Incremental 2002 and 2003 Security Costs

As part of its projection filing made September 20, 2002, as amended November 4, 2002, FPL requested recovery of \$12.7 million through the fuel and purchased power cost recovery clause for incremental 2002 and 2003 security costs. FPL's witness Hartzog asserted that these costs were incurred to comply with directives set forth in Nuclear Regulatory Commission (NRC) Order No. EA-02-26, issued February 25, 2002. Both OPC and FIPUG opposed FPL's request, based largely on a specific provision in the Settlement and Stipulation approved by this Commission in Order No. PSC-02-0501-AS-EI, issued April 11, 2002, to resolve FPL's most recent base rate proceeding in Docket No. 001148. That provision states: "FPL will not use the various cost recovery clauses to recover new capital items which traditionally and historically would be

recoverable through base rates." Through cross-examination of FPL's witness Dubin, FIPUG questioned the propriety of FPL's request to the extent that the incremental costs for which FPL sought recovery included new capital items which had traditionally and historically been recoverable through base rates. The record indicates that approximately \$1.3 million of these costs would be classified as capital items under normal circumstances.

By Order No. PSC-01-2516-FOF-EI, issued December 26, 2001, in Docket No. 010001-EI, we approved FPL's request to recover through the fuel clause incremental 2001 security costs stemming from the terrorist attacks of September 11, 2001. In that Order, we found that such recovery was appropriate because there is a nexus between protection of nuclear generation facilities and the fuel cost savings that result from the continued operation of those facilities. In addition, we noted that this type of cost was a potentially volatile cost, making it appropriate for recovery through a cost recovery clause. Further, we stated that approving recovery of these incremental power plant security costs through the fuel clause would send an appropriate message to Florida's investor-owned electric utilities to encourage them to protect their generation assets in the extraordinary, emergency conditions that existed at the time. Recognizing that the costs were not clearly defined, we stated that we did not foreclose our ability to consider an alternative recovery mechanism for these costs at a later time.

We recognize that FPL's incremental 2002 and 2003 security costs, like its incremental 2001 security costs approved in Order No. PSC-01-2516-FOF-EI, arise out of the extraordinary circumstances of the terrorist attacks of September 11, 2001. The record indicates that FPL's incremental 2002 and 2003 security costs were incurred to comply with NRC Order No. EA-02-26, which established the type of protections that operators of nuclear generating facilities in the United States were required to implement at their plants. Prior to the events of September 11, 2001, and the issuance of our order approving fuel clause recovery for FPL's incremental 2001 security costs, security costs were traditionally and historically recoverable through base rates. However, because of the extraordinary nature of the costs in question and the unique circumstances under which they arose, we find that these costs do not clearly fall within the classification of "items which traditionally and historically would be recoverable

through base rates." We believe that our order approving fuel clause recovery for FPL's incremental 2001 security costs, which did not make a distinction between capital items and expensed items, put the parties to the Settlement and Stipulation on notice that the Commission viewed these costs as extraordinary. Accordingly, we approve recovery of FPL's incremental 2002 and 2003 security costs through a cost recovery clause. Because these costs are extraordinary, these costs shall be treated as current year expenses. Further, we require that these expenses be separately accounted to enhance our staff's ability to audit them.

Although FPL requested recovery of these costs through the fuel and purchased power cost recovery clause, witness Dubin agreed on cross-examination that recovery of these costs through the capacity cost recovery clause would cause these costs to be allocated among the rate classes on the same basis as those FPL security costs currently being recovered through base rates, i.e., allocated on a demand basis. To ensure a consistent allocation of all FPL security costs, witness Dubin stated that FPL would agree to recover its incremental 2002 and 2003 security costs through the capacity cost recovery clause. We believe this treatment is reasonable.

In conclusion, we approve recovery of FPL's incremental 2002 and 2003 security costs of approximately \$12.7 million through the capacity cost recovery clause. Further, we find that these costs shall be treated as current year expenses. Finally, we find that the treatment of these costs shall be reassessed at the conclusion of the term of the Settlement and Stipulation approved in Order No. PSC-02-0501-AS-EI to determine whether these costs should continue to be recovered through a cost recovery clause or would more appropriately be recovered through base rates.

B. Florida Power Corporation

Methodology to Determine Equity Component of PFC's Capital Structure

The parties stipulated that FPC has confirmed the appropriateness of the "short-cut" methodology used to determine the equity component of Progress Fuels Corporation's (formerly, Electric Fuels Corporation) (PFC) capital structure for calendar year 2001. We approve this stipulation as reasonable.

Calculation of Market Price True-Up for Powell Mountain Coal

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

Calculation of Price for Waterborne Transportation from PFC

The parties stipulated that FPC properly calculated the 2001 price for waterborne transportation services provided by Progress Fuels Corporation in accordance with the market pricing methodology approved by this Commission in Docket No. 930001-EI. We approve this stipulation as reasonable.

Definition of "Fuel Savings"

The parties stipulated that the appropriate interpretation of the term "fuel savings" as contemplated in paragraph nine of the stipulation approved by Order No. PSC-02-0655-AS-EI, in Docket Nos. 000824-EI and 020001-EI, issued May 14, 2002, is as follows: the difference between estimated jurisdictional fuel and net power transaction costs under a change case scenario and the actual jurisdictional fuel and net power transaction costs. In the instant case, the change case represents a scenario in which Florida Power's Hines Unit 2 becomes unavailable at least one day prior to the unit's projected commercial in-service date until December 31, 2005. Florida Power should assume no material reduction in operational reliability takes place in the change case scenario. We approve this stipulation as reasonable.

Definition of "Recovery Period"

The parties stipulated that the appropriate interpretation of the term "recovery period" as contemplated in paragraph nine of the stipulation approved by Order No. PSC-02-0655-AS-EI, in Docket Nos. 000824-EI and 020001-EI, issued May 14, 2002, is as follows: a period commencing with the commercial in-service date of Florida Power's Hines Unit 2 until December 31, 2005. We approve this stipulation as reasonable.

Recovery of Depreciation and Return for Hines Unit 2

The parties stipulated that FPC's recovery of \$4,955,620 for depreciation and return associated with its Hines Unit 2 is reasonable. Under the terms of the stipulation among FPC and several parties, the Commission, by Order No. PSC-02-0655-AS-EI, in Docket Nos. 000824-EI and 020001-EI, issued May 14, 2002, authorized FPC to recover an amount equal to the depreciation expense and a return of 8.37 percent on FPC's average investment for Hines Unit 2, up to the cumulative fuel savings for Hines Unit 2 during the recovery period. The parties stipulated that although fuel savings are expected to be less than the depreciation and return for Hines Unit 2 for 2003, fuel savings during the recovery period, as defined above, are expected to be greater than the depreciation and return on Hines Unit 2 during this period. We approve this stipulation as reasonable.

Incremental Hedging Program Expenses

The parties stipulated that FPC's estimated expenditures of \$554,312 for incremental 2003 expenses associated with its hedging program are reasonable. Pursuant to Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, the Commission authorized each investor-owned electric utility to recover prudently-incurred incremental operation and maintenance expenses incurred for the purpose of initiating and/or maintaining a new or expanded non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for its retail customers. The parties stipulated that FPC expects to incur incremental expenses of \$554,312 during 2003 that meet these criteria. Accordingly, the parties stipulated that, subject to audit and true-up, this Commission should authorize FPC to recover this amount through the fuel and purchased power cost recovery clause. We approve this stipulation as reasonable.

Recovery of Incremental 2002 and 2003 Security Costs

As part of its projection filing made September 20, 2002, FPC requested recovery of \$7,825,500 through the fuel and purchased power cost recovery clause for incremental 2002 and 2003 security costs. FPC's witness Portuondo asserted that these costs were incurred to comply with directives set forth in Nuclear Regulatory Commission (NRC) Order No. EA-02-26, issued February 25, 2002.

Both OPC and FIPUG opposed FPC's request, based largely on a specific provision in the Settlement and Stipulation approved by this Commission in Order No. PSC-02-0655-AS-EI, issued May 14, 2002, to resolve FPC's most recent base rate proceeding in Docket No. 000824. That provision states: "FPC will not use the various cost recovery clauses to recover new capital items which traditionally and historically would be recoverable through base rates" Through cross-examination of witness Portuondo, OPC and FIPUG questioned the propriety of FPC's request to the extent that the incremental costs for which FPC sought recovery included new capital items which had traditionally and historically been recoverable through base rates. The record indicates that approximately \$4.1 million of these costs would be classified as capital items under normal circumstances.

We recognize that FPC's incremental 2002 and 2003 security costs, like FPL's incremental 2001 security costs approved in Order No. PSC-01-2516-FOF-EI, arise out of the extraordinary circumstances of the terrorist attacks of September 11, 2001. The record indicates that FPC's incremental 2002 and 2003 security costs were incurred to comply with NRC Order No. EA-02-26, which established the type of protections that operators of nuclear generating facilities in the United States were required to implement at their plants. Prior to the events of September 11, 2001, and the issuance of our order approving fuel clause recovery for FPL's incremental 2001 security costs, security costs were traditionally and historically recoverable through base rates. However, because of the extraordinary nature of the costs in question and the unique circumstances under which they arose, we find that these costs do not clearly fall within the classification of "items which traditionally and historically would be recoverable through base rates." We believe that our order approving fuel clause recovery for FPL's incremental 2001 security costs, which did not make a distinction between capital items and expensed items, put the parties to the Settlement and Stipulation on notice that the Commission viewed these costs as extraordinary. Accordingly, we approve recovery of FPC's incremental 2002 and 2003 security costs through a cost recovery clause. Because these costs are extraordinary, these costs shall be treated as current year expenses. Further, we require that these expenses be separately accounted to enhance our staff's ability to audit them.

Although FPC requested recovery of these costs through the fuel and purchased power cost recovery clause, witness Portuondo agreed on cross-examination that recovery of these costs through the capacity cost recovery clause would cause these costs to be allocated among the rate classes on the same basis as those FPC security costs currently being recovered through base rates, i.e., allocated on a demand basis. To ensure a consistent allocation of all FPC security costs, witness Portuondo stated that FPC would agree to recover its incremental 2002 and 2003 security costs through the capacity cost recovery clause. We believe this treatment is reasonable.

In conclusion, we approve recovery of FPC's incremental 2002 and 2003 security costs of approximately \$7,825,500 through the capacity cost recovery clause. Further, we find that these costs shall be treated as current year expenses. Finally, we find that the treatment of these costs shall be reassessed at the conclusion of the term of the Settlement and Stipulation approved in Order No. PSC-02-0655-AS-EI to determine whether these costs should continue to be recovered through a cost recovery clause or would more appropriately be recovered through base rates.

Review of Market Price Proxy for Waterborne Transportation from PFC to FPC

The parties stipulated that this Commission should not open a docket to evaluate whether the market price proxy for waterborne transportation service provided by PFC to FPC is still valid and reasonable. Instead, the parties stipulated that such a review should take place as part of our continuing fuel and purchased power cost recovery clause proceedings. We approve this stipulation as reasonable.

C. Gulf Power Company

Calculation of One-Time Adjustment per Revenue Sharing Plan

The parties stipulated that Gulf correctly calculated its one-time adjustment of \$73,471 pursuant to Gulf's revenue sharing plan approved by Order No. PSC-99-2131-S-EI, issued October 28, 1999, in Docket No. 990250-EI. We approve this stipulation as reasonable.

New Agreements for Sale of Non-Firm Capacity and Energy

The parties stipulated that ratepayer benefits will be produced by the two new agreements for the sale of wholesale non-firm capacity and associated energy described at pages 5 and 6 of Gulf witness Bell's direct testimony, filed September 20, 2002. The parties agree that revenue Gulf receives from these two transactions is expected to be greater than the incremental costs associated with the transactions, and that the difference between revenue received and the incremental costs from these two contracts will be a contribution to Gulf's fixed costs. The parties agree that Gulf will account for the revenues from these two contracts consistent with Order Nos. PSC-99-2512-FOF-EI, PSC-00-1744-PAA-EI, and PSC-01-2371-FOF-EI. We approve this stipulation as reasonable.

Incremental Hedging Program Expenses

The parties stipulated that Gulf's estimated expenditures of \$79,240 for incremental 2003 expenses associated with its hedging program are reasonable. Pursuant to Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, the Commission authorized each investor-owned electric utility to recover prudently-incurred incremental operation and maintenance expenses incurred for the purpose of initiating and/or maintaining a new or expanded non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for its retail customers. The parties stipulated that Gulf expects to incur incremental expenses of \$79,240 during 2003 that meet these criteria. Accordingly, the parties stipulated that, subject to audit and true-up, this Commission should authorize Gulf to recover this amount through the fuel and purchased power cost recovery clause. We approve this stipulation as reasonable.

D. Tampa Electric Company

Coal Transportation Services Provided by TECO Affiliates

The parties stipulated that the appropriate 2001 waterborne coal transportation benchmark price for transportation services provided by TECO affiliates is \$25.13 per ton. Further, the parties stipulated that TECO's actual costs associated with transportation service provided by TECO affiliates are below the

2001 waterborne transportation benchmark price. We approve these stipulations as reasonable.

Proposed Sale of Polk Unit 1 Gasifier

To resolve an issue which asked what action this Commission should take to protect retail customers from fuel cost increases that may result from the proposed sale of TECO's Polk Unit 1 coal gasification unit, the parties stipulated to the following:

Tampa Electric's business plan includes taking financial advantage of Section 29 tax credits related to its Polk Power Station's coal gasification unit ("gasifier"). Because the syngas produced by the gasifier must be sold in an arm's length transaction in order for the seller to reap the Section 29 tax credit benefits, Tampa Electric cannot own the gasifier itself and achieve these benefits. The purpose of the transaction is to allow a third party to benefit from the tax credits, which are available through 2007. In turn, those tax benefits would be shared with Tampa Electric in connection with the price it will pay for the syngas as the fuel to run the Polk Unit One generator. In order for the third party owner to qualify for the tax credits, coal will be the feedstock.

No sale of the Polk gasifier has occurred as of the date of this stipulation. If a sale occurs, it is expected to be completed during the first half of 2003 at which time impacts to the fuel and purchased power cost recovery clause will be reported on the company's monthly fuel filings. The fuel and purchased power cost recovery clause will include the third party charge for the cost of syngas less tax credit benefits. The fuel cost charged to customers for syngas shall not exceed the cost of feedstock to the gasifier. The Commission will have jurisdiction in the 2003 fuel adjustment proceeding to ensure that the interests of Tampa Electric's retail customers are appropriately protected. Tampa Electric contemplates that a sale of the Polk Unit One gasifier will not adversely impact the fuel and purchased power cost recovery factors for retail customers.

We approve this stipulation as reasonable.

Incremental Hedging Program Expenses

The parties stipulated that estimated expenditures of \$415,000 for incremental 2003 expenses associated with TECO's hedging program are reasonable. Pursuant to Order No. PSC-02-1484-FOF-EI, issued October 30, 2002, in Docket No. 011605-EI, the Commission authorized each investor-owned electric utility to recover prudently-incurred incremental operation and maintenance expenses incurred for the purpose of initiating and/or maintaining a new or expanded non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for its retail customers. The parties stipulated that TECO expects to incur incremental expenses of \$415,000 during 2003 that meet these criteria. Accordingly, the parties stipulated that, subject to audit and true-up, this Commission should authorize TECO to recover this amount through the fuel and purchased power cost recovery clause. We approve this stipulation as reasonable.

Recovery of Incremental 2001, 2002, and 2003 Security Costs

As part of its projection filing made September 20, 2002, TECO requested recovery of \$1,204,598 through the fuel and purchased power cost recovery clause for incremental operation and maintenance (O&M) expenses associated with 2001, 2002, and 2003 security costs. TECO witness Jordan asserted that although these costs were not incurred to comply with any government mandate, they were incurred to implement measures consistent with guidelines developed by Presidential Homeland Security directive and the North American Electric Reliability Council (NERC) in response to the September 11, 2001, terrorist attacks. Through cross-examination of witness Jordan, OPC and FIPUG established that the security measures for which TECO requests cost recovery were not mandated by any government agency and that none of the TECO facilities being secured are nuclear facilities subject to NRC Order No. EA-02-26.

We recognize that TECO's incremental O&M expenses associated with 2001, 2002, and 2003 security costs, like FPL's incremental 2001 security costs approved in Order No. PSC-01-2516-FOF-EI, arise out of the extraordinary circumstances of the terrorist attacks of September 11, 2001. The record indicates that the incremental O&M expenses associated with TECO's 2001, 2002, and 2003 security costs

were, or will be, incurred consistent with guidelines provided by NERC and TECO's internal assessment of the additional protections needed at its facilities. Accordingly, we approve recovery of the incremental O&M expenses associated with TECO's 2001, 2002, and 2003 security costs through a cost recovery clause. Because these costs are extraordinary, these costs shall be treated as current year expenses. Further, we require that these expenses be separately accounted to enhance our staff's ability to audit them.

Although TECO requested recovery of these costs through the fuel and purchased power cost recovery clause, witness Jordan agreed on cross-examination that recovery of these costs through the capacity cost recovery clause would cause these costs to be allocated among the rate classes on the same basis as those TECO security costs currently being recovered through base rates, i.e., allocated on a demand basis. To ensure a consistent allocation of all FPC security costs, witness Jordan stated that TECO would agree to recover its incremental O&M associated with 2001, 2002, and 2003 security costs through the capacity cost recovery clause. In addition, on cross-examination, witness Jordan indicated that TECO anticipated moving those costs into base rates at TECO's next traditional rate case. We believe this treatment is reasonable.

In conclusion, we approve recovery of incremental O&M expenses of \$1,204,598, associated with TECO's 2001, 2002, and 2003 security costs, through the capacity cost recovery clause. These costs shall be treated as current year expenses and shall be separately accounted to enhance our staff's ability to audit them.

Review of Waterborne Coal Transportation Benchmark Price for Services Provided by TECO Affiliates

The parties stipulated that this Commission should not open a docket to evaluate whether the waterborne coal transportation benchmark price for services provided to TECO by TECO affiliates is still valid and reasonable. Instead, the parties stipulated that such a review should take place as part of our continuing fuel and purchased power cost recovery clause proceedings. We approve this stipulation as reasonable.

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

Based on the evidence in the record and stipulation of the parties, we approve the following as the appropriate final fuel adjustment true-up amounts for the period January 2001 through December 2001:

FPC:	\$ 25,141,094	overrecovery
FPL:	\$103,006,559	overrecovery
FPU-Marianna:	\$ 88,866	underrecovery
FPU-Fernandina Beach:	\$ 133,516	overrecovery
GULF:	\$ 12,368,122	underrecovery
TECO:	\$ 8,984,160	underrecovery

We note that the true-up amount for FPL was included in FPL's April 15, 2002, midcourse correction. We also note that TECO and FIPUG agree that the fuel cost true-up for TECO for the years covered in FIPUG's pending appeal in Florida Supreme Court Case No. SC02-187 and subsequent years will remain subject to examination in the event the Supreme Court remands the case to the Commission for further action.

Based on the evidence in the record, stipulation of the parties, and the resolution of the generic and company-specific fuel cost recovery issues discussed above, we approve the following as the appropriate estimated/actual fuel adjustment true-up amounts for the period of January 2002 through December 2002:

FPC:	\$ 9,444,666	overrecovery
FPL:	\$ 7,047,788	underrecovery
FPU-Marianna:	\$ 59,133	underrecovery
FPU-Fernandina Beach:	\$ 194,807	overrecovery
GULF:	\$ 16,703,076	underrecovery
TECO:	\$ 5,818,569	overrecovery

We note that the amounts shown above for FPC and FPL have been adjusted from the amounts stipulated by the parties to be consistent with our decisions, above, to allow recovery of incremental security costs through the capacity cost recovery clause rather than the fuel clause. In addition, we note that TECO and FIPUG agree that the fuel cost true-up for TECO for the years covered in FIPUG's pending appeal in Florida Supreme Court Case No.

SC02-187 and subsequent years will remain subject to examination in the event the Supreme Court remands the case to the Commission for further action.

Based on the evidence in the record, stipulation of the parties, and the resolution of the generic and company-specific fuel cost recovery issues discussed above, we approve the following as the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2003 through December 2003:

FPC:	\$ 34,585,760	overrecovery
FPL:	\$ 7,047,788	underrecovery
FPU-Marianna:	\$ 147,999	underrecovery
FPU-Fernandina Beach:	\$ 328,323	overrecovery
GULF:	\$ 29,071,198	underrecovery
TECO:	\$ 3,165,591	underrecovery

We again note that the amounts shown above for FPC and FPL have been adjusted from the amounts stipulated by the parties to be consistent with our decisions, above, to allow recovery of incremental security costs through the capacity cost recovery clause rather than the fuel clause. Also, we again note that TECO and FIPUG agree that the fuel cost true-up for TECO for the years covered in FIPUG's pending appeal in Florida Supreme Court Case No. SC02-187 and subsequent years will remain subject to examination in the event the Supreme Court remands the case to the Commission for further action.

Based on the evidence in the record and the resolution of the generic and company-specific fuel cost recovery issues discussed above, we approve the following as the appropriate levelized fuel cost recovery factors for the period January 2003 through December 2003:

FPC:	2.321¢/kWh
FPL:	2.727¢/kWh
FPUC-Marianna:	2.248¢/kWh
FPUC-Fernandina Beach:	2.272¢/kWh
GULF:	2.348¢/kWh
TECO:	3.002¢/kWh

Based on the evidence in the record and stipulation of the parties, we approve the following as 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:

FPC:	<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss 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 20 of this Order.

FPUC:	<u>Marianna</u>	<u>Multiplier</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	1.00482
B	LP, LPT, SBS	0.98404
C	PX, PXT, SBS, RTP	0.97453
D	OSI, OSII	1.00469

*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	1.0043
	Group A1	n/a*
	Group B	1.0005
	Group C	0.9745

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

Based on the evidence in the record and the resolution of the generic and company-specific fuel cost recovery issues discussed above, we approve the following as the appropriate fuel recovery factors for each rate class/delivery voltage level class adjusted for line losses:

FPC:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Standard</u>	<u>Fuel Cost Factors (cents/kWh)</u>	
			<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	2.279	2.778	2.062
B.	Distribution Primary	2.302	2.806	2.083
C.	Distribution Secondary	2.325	2.834	2.104
D.	Lighting Service	2.241		

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,SL-2	2.727	1.00206	2.733
A-1*	SL-1,OL-1,PL-1	2.676	1.00206	2.682
B	GSD-1	2.727	1.00199	2.732
C	GSLD-1 & CS-1	2.727	1.00083	2.729
D	GSLD-2,CS-2,OS-2 & MET	2.727	.99417	2.711
E	GSLD-3 & CS-3	2.727	.95413	2.602
<u>GROUP</u>	<u>RATE SCHEDULE</u>	<u>AVERAGE FACTOR</u>	<u>FUEL RECOVERY LOSS MULTIPLIER</u>	<u>FUEL RECOVERY FACTOR</u>
A	RST-1,GST-1 ON-PEAK	2.967	1.00206	2.973
	OFF-PEAK	2.620	1.00206	2.625
B	GSDT-1,CILC-1 (G) ON-PEAK	2.967	1.00199	2.973
	OFF-PEAK	2.620	1.00199	2.625
C	GSLDT-1 & CST-1 ON-PEAK	2.967	1.00083	2.970
	OFF-PEAK	2.620	1.00083	2.622
D	GSLDT-2 & CST-2 ON-PEAK	2.967	.99417	2.950
	OFF-PEAK	2.620	.99417	2.605
E	GSLDT-3,CST-3 CILC-1 (T) & ISST- 1 (T) ON-PEAK	2.967	.95413	2.831
	OFF-PEAK	2.620	.95413	2.500
F	CILC-1 (D) & ISST-1 (D) ON-PEAK	2.967	.99300	2.946
	OFF-PEAK	2.620	.99300	2.602

*WEIGHTED AVERAGE 16% ON-PEAK AND 85% OFF-PEAK

FPUC: Marianna:
Rate Schedule Adjustment
 RS \$.03846
 GS \$.03797
 GSD \$.03533
 GSLD \$.03335
 OL \$.02707
 SL \$.02711

Fernandina Beach:
Rate Schedule Adjustment
 RS \$.03745
 GS \$.03624
 GSD \$.03445
 CSL \$.02955
 OL \$.02955
 SL \$.02955

GULF:

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, RSVP, GS, GSD, SBS, OSIII, OSIV	2.359	2.749	2.193
B	LP, LPT, SBS	2.311	2.692	2.148
C	PX, PXT, RTP, SBS	2.288	2.666	2.127
D	OS-I/II	2.333	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>Rate Schedule</u>	<u>Fuel Charge</u>	
	<u>Factor (cents per kWh)</u>	
RS, GS and TS	3.015	
RST and GST	3.831	(on-peak)
	2.590	(off-peak)
SL-2, OL-1 and OL-3	2.777	
GSD, GSLD, and SBF	3.004	
GSDT, GSLDT, EV-X and SBFT	3.817	(on-peak)
	2.580	(off-peak)
IS-1, IS-3, SBI-1, SBI-3	2.925	
IST-1, IST-3, SBIT-1, SBIT-3	3.718	(on-peak)
	2.513	(off-peak)

Based on the evidence in the record and stipulation of the parties, we approve the following revenue tax factors to be applied in calculating each company's levelized fuel factor for the projection period January 2003 through December 2003:

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

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

Based on the evidence in the record and stipulation of the parties, we approve the following final capacity cost recovery true-up amounts for the period January 2001 through December 2001:

FPC:	\$7,787,524 underrecovery
FPL:	\$2,528,058 underrecovery
GULF:	\$ 819,509 underrecovery
TECO:	\$2,416,932 overrecovery

Based on the evidence in the record, stipulation of the parties, and the resolution of the security cost recovery issues discussed above, we approve the following estimated/actual capacity cost recovery true-up amounts for the period January 2002 through December 2002:

FPC:	\$ 1,118,497 underrecovery
FPL:	\$43,743,474 overrecovery
GULF:	\$ 353,333 overrecovery
TECO:	\$ 3,944,986 underrecovery

We note that the amounts shown above for FPC and FPL have been adjusted from the amounts stipulated by the parties to be consistent with our decisions, above, to allow recovery of incremental security costs through the capacity cost recovery clause rather than the fuel clause.

Based on the evidence in the record, stipulation of the parties, and the resolution of the security cost recovery issues discussed above, we approve the following total capacity cost recovery true-up amounts to be collected/refunded during the period January 2003 through December 2003:

FPC:	\$ 8,906,021 underrecovery to be collected
FPL:	\$ 41,215,416 overrecovery to be refunded
GULF:	\$ 466,176 underrecovery to be collected
TECO:	\$ 1,528,054 underrecovery to be collected

We note that the amounts shown above for FPC and FPL have been adjusted from the amounts stipulated by the parties to be consistent with our decisions, above, to allow recovery of incremental security

costs through the capacity cost recovery clause rather than the fuel clause.

Based on the evidence in the record, stipulation of the parties, and the resolution of the security cost recovery issues discussed above, we approve the following projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2003 through December 2003 are as follows:

FPC:	\$364,782,172
FPL:	\$580,352,176
GULF:	The projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January 2003 through December 2003 is \$8,395,872. This amount includes the projected net Southern Intercompany Interchange Contract (IIC) cost for 2003 of \$7,596,458, compared with the reprojected net IIC cost for 2002 of \$2,544,246. The company needs to demonstrate in the 2003 true-up process that the IIC cost is prudently incurred and is allocated to Gulf and its customers equitably.
TECO:	\$40,958,606

Based on the evidence in the record and stipulation of the parties, we approve following jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January 2003 through December 2003:

FPC:	Base - 95.957%, Intermediate - 86.574%, Peaking - 74.562%
FPL:	99.01742%
GULF:	96.50187%
TECO:	95.43611%

Based on the evidence in the record, stipulation of the parties, and the resolution of the security cost recovery issues discussed above, we approve the following projected capacity cost recovery factors for each rate class/delivery class for the period January 2003 through December 2003:

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FPC:

<u>Rate Class</u>	<u>Capacity Recovery Factor (cents/kWh)</u>
Residential	1.188
General Service Non-demand - Secondary	0.891
@Primary Voltage	0.882
@Transmission Voltage	0.873
General Service 100% Load Factor	0.653
General Service Demand - Secondary	0.773
@Primary Voltage	0.766
@Transmission Voltage	0.758
Curtaillable - Secondary	0.550
@Primary Voltage	0.544
@Transmission Voltage	0.539
Interruptible - Secondary	0.642
@Primary Voltage	0.635
@Transmission Voltage	0.629
Lighting	0.189

FPL:

<u>Rate Class</u>	<u>Capacity Recovery Factor (\$/kW)</u>	<u>Capacity Recovery Factor (\$/kWh)</u>
RS1	-	.00653
GS1	-	.00599
GSD1	2.35	-
OS2	-	.00394
GSLD1/CS1	2.34	-
GSLD2/CS2	2.31	-
GSLD3/CS3	2.32	-
CILCD/CILCG	2.44	-
CILCT	2.35	-
MET	2.45	-
OL1/SL1/PL-1	-	.00308
SL2	-	.00426

<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	.30	.14
SST1T	.28	.13
SST1D	.29	.14

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GULF:

<u>Rate Class</u>	<u>Capacity Recovery Factor</u> <u>(cents/kWh)</u>
RS, RSVP	.095
GS	.092
GSD, GSDT, GSTOU	.077
LP, LPT	.066
PX, PXT, RTP, SBS	.058
OS-I, OS-II	.028
OS-III	.060
OS-IV	.027

TECO:

<u>Rate Class</u>	<u>Capacity Recovery Factor</u> <u>(cents/kWh)</u>
RS	.277
GS, TS	.253
GSD	.218
GSLD, SBF	.192
IS-1, IS-3, SBI-1, SBI-3	.017
SL/OL	.112

V. GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES

The parties stipulated that the appropriate Generation Performance Incentive Factor (GPIF) rewards/penalties for performance achieved during the period January 2001 through December 2001 are those set forth in Attachment B to this Order, which is incorporated by reference herein. We approve these stipulations as reasonable.

The parties stipulated that the appropriate GPIF targets/ranges for the period January 2003 through December 2003 are those set forth in Attachment B to this Order, which is incorporated by reference herein. We approve these stipulations as reasonable.

The parties stipulated that the actual 2001 heat rates for TECO's Big Bend Units #1 and #2 should be adjusted for the flue gas desulfurization's (FGD) impact on Tampa Electric's 2001

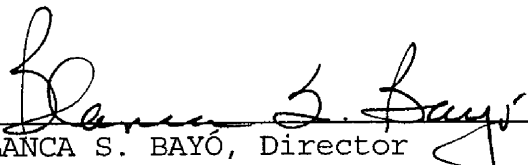
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ORDERED that the estimated true-up amounts contained in the fuel cost recovery factors approved herein are hereby authorized subject to final true-up, and further subject to proof of the reasonableness and prudence of the expenditures upon which the 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 2003 through December 2003. 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 13th day of December, 2002.



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

WCK

reward/penalty. We approved similar adjustments to the actual data for Big Bend Unit 3 from July 1995 to March 1998, when TECO initiated flue gas desulfurization for that unit. In the next two fuel adjustment hearings, these adjustments will be necessary for the actual heat rate data for the years 2002 and 2003. We approve this stipulation as reasonable.

The parties stipulated that the heat rate targets for the year 2003 for TECO's Big Bend Units #1 and #2 should be adjusted for the FGD's impact on Tampa Electric's eventual 2003 reward/penalty. Adjustments to the heat rates for these units ensures comparability between heat rate targets, which are modeled using historical data, and the actual data for the same periods. We approve this stipulation as reasonable.

VI. OTHER MATTERS

The parties stipulated that the new fuel adjustment charges and capacity cost recovery factors approved in this Order should be effective beginning with the first billing cycle for January 2003 and thereafter through the last billing cycle for December 2003. The parties also stipulated that the first billing cycle may start before January 1, 2003, and the last billing cycle may end after December 31, 2003, so long as each customer is billed for twelve months regardless of when the factors became effective. We approve these stipulations as reasonable.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations and findings set forth in the body of this Order are hereby approved. 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 January 2003 through December 2003. It is further

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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 the Commission Clerk and Administrative Services, 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 the Commission Clerk and Administrative Services 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.

PROPOSED RESOLUTION OF ISSUE
DOCKET NO. 020001-EI
OCTOBER 10, 2002

Components of Proposed Resolution:

1. As an alternative to collecting the incremental inspection and repair costs for the Reactor Pressure Vessel Head Project (the "Project") through the Fuel and Purchased Power Cost Recovery Clause (the "Fuel Clause"), FPL will recover the total cost of the Project in base rates by amortizing the cost over a 5-year period. No change to FPL's existing base rates will result from this amortization during the period of FPL's current rate stipulation. The amortization will begin in 2002 based on the current estimate of the total inspection and repair costs of \$67.3 million for 2002 through 2004. This estimate will be adjusted based on actual and updated estimates, with amortization changing beginning in the month of the updated estimate. In other words, the unamortized amount of the updated inspection and repair costs will be divided by the remaining months. FPL will not accumulate AFUDC on the unamortized portion of the inspection and repair costs.
2. FPL will withdraw its testimony and petition that concern the recovery of the Project costs through the Fuel Clause; provided, however, that in the event this proposed resolution is not approved by the Commission, FPL may renew its petition for recovery of Project costs through the Fuel Clause without prejudice to any party's rights to support or oppose said petition.
3. FPL understands that Staff will withdraw the following discovery requests: Staff's Second Request for Production of Documents, Nos. 12 - 18 and Staff's Third Set of Interrogatories Nos. 68, 73, 74, 75, 76, 81 and 82, without prejudice to its right to renew those discovery requests if FPL were to renew its petition for recovery of the Project costs through the Fuel Clause as contemplated in Paragraph 3.
4. FPL's current annual estimates for the Project are provided below:

Inspection and Repair Estimate (\$ millions)

2002	2003	2004	Total
\$13.5	\$39.1	\$14.7	\$67.3

5 Year Amortization of the Project
(Current Estimate: \$67.3 million)

2002	2003	2004	2005	2006	TOTAL
\$13.46	\$13.46	\$13.46	\$13.46	\$13.46	\$67.3

5. This proposed resolution may be executed in counterparts, and all such counterparts shall constitute one instrument binding on the signatories, notwithstanding that all signatories are not signatories to the original or the same counterpart. Facsimile transmission of an executed copy of this proposed resolution shall be accepted as evidence of a party's execution of the proposed resolution.

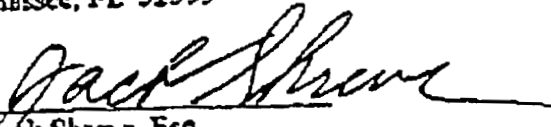
Agreed and accepted on behalf of:

Florida Power & Light Company
Steel Hector & Davis LLP
Suite 4000
200 South Biscayne Boulevard
Miami, Florida 33131-2398

By: 
John T. Butler, P.A.

Date: 10/10/02

Office of Public Counsel
111 West Madison Street, Suite 810
Tallahassee, FL 32399

By: 
Jack Shreve, Esq.

Date: 10/10/02

Florida Industrial Power Users Group
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman,
Arnold & Steen, P.A.
P.O. Box 3350
Tampa, FL 33601-3350


By: _____
John W. McWhirter, Jr., Esq.

Date: _____

5. This proposed resolution may be executed in counterparts, and all such counterparts shall constitute one instrument binding on the signatories, notwithstanding that all signatories are not signatories to the original or the same counterpart. Facsimile transmission of an executed copy of this proposed resolution shall be accepted as evidence of a party's execution of the proposed resolution.

Agreed and accepted on behalf of:

Florida Power & Light Company
Steel Factor & Davis LLP
Suite 4000
200 South Biscayne Boulevard
Miami, Florida 33131-2398

By: 
John T. Butler, P.A.

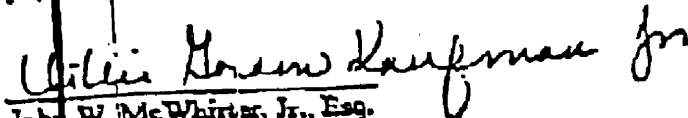
Date: 10/10/02

Office of Public Counsel
111 West Madison Street, Suite 810
Tallahassee, FL 32399

By: _____
Jack Shreve, Esq.

Date: _____

Florida Industrial Power Users Group
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman,
Arnold & Stern, P.A.
P.O. Box 5350
Tampa, FL 33601-3350

By: 
John W. McWhirter, Jr., Esq.

Date: 10/14/02

GPIF REWARDS/PENALTIES

January 2001 to December 2001

<u>Utility</u>	<u>Amount</u>	<u>Reward/Penalty</u>
Florida Power Corporation	\$ 608,057	Reward
Florida Power and Light Company	\$ 7,049,431	Reward
Gulf Power Company	\$ 369,498	Penalty
Tampa Electric Company	\$ 831,029	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	78.8	79.5	10,091	10,126
Anclote 2	92.8	92.7	10,083	10,230
Crystal River 1	76.4	78.5	9,831	9,815
Crystal River 2	84.2	90.1	9,788	9,761
Crystal River 3	85.5	84.2	10,247	10,268
Crystal River 4	95.4	93.8	9,389	9,396
Crystal River 5	87.6	83.9	9,360	9,324
Bartow 3	93.9	84.5	10,105	10,270
Tiger Bay	78.7	81.3	7,190	7,138

<u>FPL</u>	<u>EAF</u>		<u>Heat Rate</u>	
	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
Cape Canaveral 1	84.5	83.3	9,581	9,524
Cape Canaveral 2	94.5	91.5	9,721	9,453
Fort Lauderdale 4	93.2	93.7	7,337	7,509
Fort Lauderdale 5	93.2	93.6	7,336	7,441
Manatee 1	78.3	80.1	10,066	10,029
Manatee 2	90.1	95.5	10,216	10,166
Martin 1	87.7	90.6	9,734	9,867
Martin 2	90.9	94.3	9,876	9,950
Martin 3	92.5	95.8	6,874	6,830
Martin 4	93.1	97.7	6,797	6,734
Port Everglades 3	84.5	85.4	9,447	9,441
Port Everglades 4	93.7	95.3	9,632	9,703
Turkey Point 1	92.4	96.9	9,319	9,422
Turkey Point 3	86.0	89.4	11,121	11,079
Turkey Point 4	93.6	98.4	11,095	11,075
St. Lucie 1	85.7	89.6	10,817	10,806
St. Lucie 2	85.7	89.0	10,821	10,831
Scherer 4	87.9	87.8	10,043	10,020

GPIF REWARDS/PENALTIES
 January 2001 to December 2001

<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>Gulf</u>				
Crist 6	78.1	76.6	10,502	10,811
Crist 7	76.4	65.3	10,184	10,285
Smith 1	88.7	90.8	10,113	10,073
Smith 2	87.5	88.6	10,058	10,037
Daniel 1	74.5	82.7	10,075	9,919
Daniel 2	75.2	80.7	9,872	10,106
<u>TECO</u>				
Big Bend 1	69.9	63.9	10,118	10,530
Big Bend 2	77.9	73.4	9,895	10,079
Big Bend 3	71.8	71.3	9,932	9,917
Big Bend 4	83.9	82.3	9,944	10,197
Gannon 5	68.4	61.2	10,762	10,790
Gannon 6	67.4	75.0	10,596	10,569
Polk 1	78.5	82.8	10,146	10,254

GPIF TARGETS

January 2003 to December 2003

<u>Utility/ Plant/Unit</u>	<u>EAF</u>			<u>Staff</u>	<u>Heat Rate</u>	
	<u>EAF</u>	<u>POF</u>	<u>EUOF</u>		<u>Company</u>	<u>Staff</u>
<u>FPC</u>						
Anclote 2	89.8	5.8	4.5	Agree	10,091	Agree
Crystal River 1	90.8	0.0	9.2	Agree	9,742	Agree
Crystal River 2	62.6	21.1	16.3	Agree	9,566	Agree
Crystal River 3	89.0	7.7	3.4	Agree	10,327	Agree
Crystal River 4	91.6	1.9	6.5	Agree	9,323	Agree
Crystal River 5	94.6	0.0	5.4	Agree	9,340	Agree
Hines 1	85.8	9.6	4.6	Agree	7,259	Agree
<u>FPL</u>						
Cape Canaveral 2	89.5	0.0	10.5	Agree	9,030	Agree
Ft Lauderdale 4	91.7	2.7	5.6	Agree	7,435	Agree
Ft Lauderdale 5	90.3	2.7	7.0	Agree	7,366	Agree
Manatee 2	87.7	7.7	4.6	Agree	9,862	Agree
Martin 1	91.8	3.8	4.4	Agree	9,546	Agree
Martin 2	83.5	9.6	6.9	Agree	9,590	Agree
Martin 3	92.8	2.2	5.0	Agree	6,829	Agree
Martin 4	93.8	2.2	4.0	Agree	6,753	Agree
Turkey Point 1	85.1	9.6	5.3	Agree	9,128	Agree
Turkey Point 2	94.9	0.0	5.1	Agree	9,512	Agree
Turkey Point 3	85.4	8.2	6.4	Agree	11,148	Agree
Turkey Point 4	85.4	8.2	6.4	Agree	11,119	Agree
St Lucie 1	93.6	0.0	6.4	Agree	10,834	Agree
St Lucie 2	85.4	8.2	6.4	Agree	10,843	Agree
Scherer 4	93.6	0.0	6.4	Agree	9,992	Agree
<u>Gulf</u>						
Crist 4	91.2	6.3	2.5	Agree	10,591	Agree
Crist 5	89.8	6.3	3.9	Agree	10,418	Agree
Crist 6	84.3	8.2	7.5	Agree	10,501	Agree
Crist 7	79.5	8.2	12.3	Agree	10,150	Agree
Smith 1	86.8	11.0	2.2	Agree	10,029	Agree
Smith 2	67.8	27.9	4.3	Agree	10,113	Agree
Daniel 1	70.1	23.0	6.9	Agree	10,042	Agree
Daniel 2	83.0	8.2	8.8	Agree	9,789	Agree

GPIF TARGETS

January 2003 to December 2003

<u>Utility/ Plant/Unit</u>	<u>EAF</u>			<u>Staff</u>	<u>Heat Rate</u>	
	<u>EAF</u>	<u>Company</u> <u>POF</u>	<u>EUOF</u>		<u>Company</u>	<u>Staff</u>
<u>TECO</u>						
Big Bend 1	69.9	5.8	24.4	Agree	10,533	Agree
Big Bend 2	63.0	3.8	33.2	Agree	10,111	Agree
Big Bend 3	67.3	3.8	28.9	Agree	10,132	Agree
Big Bend 4	77.7	9.6	12.7	Agree	10,028	Agree
Gannon 5	71.9	0.0	28.1	Agree	10,862	Agree
Gannon 6	75.9	0.0	24.1	Agree	10,775	Agree
Polk 1	74.6	12.1	13.4	Agree	10,382	Agree