

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power)	DOCKET NO. 890001-EI
Cost Recovery Clause and Generating)	ORDER NO. 20784
Performance Incentive Factor.)	ISSUED: 2-21-89

Pursuant to Notice, a Prehearing Conference was held on February 10, 1989, in Tallahassee, before Commissioner John T. Herndon, Prehearing Officer.

APPEARANCES:

JAMES A. MCGEE, Esquire, Office of the General Counsel, Florida Power Corporation, P. O. Box 14042, St. Petersburg, Florida 33733
On behalf of Florida Power Corporation.

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On behalf of Florida Power & Light.

ROBERT S. GOLDMAN, Esquire, Messer, Vickers, Caparello, French & Madsen, P. A., P. O. Box 1876, Tallahassee, Florida 32301
On behalf of Florida Public Utilities Company.

JEFFREY A. STONE, Esquire, Beggs & Lane, P. O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company.

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On behalf of Tampa Electric Company.

VICKI GORDON KAUFMAN, Esquire, Lawson, McWhirter, Grandoff & Reeves, 522 Park Avenue, Suite 200, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group, Monsanto Company, American Cyanamid Company, and Air Products & Chemicals.

ZORI G. FERKIN, Esquire, Sutherland, Asbill & Brennan, 1275 Pennsylvania Avenue, N. W., Washington, D. C. 20004-2404
On behalf of Occidental Chemical Corporation.

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On behalf of the Coalition of Local Governments.

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On behalf of the Commission Staff.

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Counsel to the Commissioners.

PREHEARING ORDER

Background

As part of the continuing fuel cost recovery proceedings, a hearing is set for February 22-24 in this docket and in Dockets No. 890002-EG and 890003-GU. The following subjects were noticed for hearing in such dockets:

1. Determination of the Proposed Levelized Fuel Adjustment Factors for all investor-owned utilities for the period April, 1989 through September, 1989;
2. Determination of the Estimated Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
3. Determination of the Final Fuel Adjustment True-Up Amounts for all investor-owned electric utilities for the period April 1988 through September, 1988, which are to be based on actual data for that period;
4. Determination of the Projected Conservation Cost Recovery Factors for certain investor-owned electric and gas utilities for the period April, 1989 through September, 1989;

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5. Determination of the Estimated Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period October, 1988 through March, 1989, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1989;
6. Determination of the Final Conservation True-Up Amounts for certain investor-owned electric and gas utilities for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
7. Determination of any Projected Oil Backout Cost Recovery Factors for the period April, 1989 through September, 1989, for the cost of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code;
8. Determination of the Estimated Oil Backout Cost Recovery True-Up Factors for the period October, 1988 through March, 1989, for the costs of approved oil backout projects to be recovered pursuant to the provisions of Rule 25-17.16, Florida Administrative Code, which are to be based on actual data for the period October, 1988 through November, 1988, and revised estimates for the period December, 1988 through March, 1988;
9. Determination of the Final Oil backout True-up Amounts for the period April, 1988 through September, 1988, which are to be based on actual data for that period;
10. Determination of Generating Performance Incentive Factor Targets and Ranges for the period April, 1989 through September, 1989;
11. Determination of Generating Performance Incentive Factor Rewards and Penalties for the period April, 1988 through September, 1988; and
12. Determination of the Purchased Gas Adjustment True-Up Amounts for the period April, 1988 through September, 1988, to be recovered during the period April, 1989 through September, 1989.

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Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

Use of Depositions and Interrogatories

If any party desires to use any portion of a deposition or an interrogatory, at the time the party seeks to introduce that deposition or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions subject to the same conditions.

Order of Witnesses

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

The parties have stipulated that testimony of witnesses on the list below whose names are preceded by an asterisk shall be inserted into the record at hearing as though read, cross-examination shall be waived, and that witness shall be excused from attendance at the hearing.

<u>Witness</u>	<u>Subject Matter</u>
<u>(Direct)</u>	
1. Karl A. Wieland (FPC)	Fuel Adjustment, true-up and projections
*2. David T. Buell (FPC)	GPIF, reward/penalty and targets/ranges
3. D.L. Babka (FPL)	Levelized fuel cost recovery final true-up April 1988 through September 1988; levelized oil-backout cost recovery true-up, April 1988 through Sept. 1988; levelized fuel recovery factor April 1989 through Sept. 1989; levelized oil-backout cost recovery factor, April 1989 through Sept. 1989
4. W.H. Smith (FPL)	Levelized oil-backout cost recovery true-up, April 1988 through Sept. 1988; levelized oil-backout cost recovery factor April 1989 through Sept. 1988

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<u>Witness</u>	<u>Subject Matter</u>
<u>(Direct)</u>	
*5. R.M. Sanchez (FPL)	GPIF, April 1988 through September 1988 and April 1989 through Sept. 1989
6. R. Silva (FPL)	Levelized fuel recovery factor April 1989 through Sept. 1989
7. G.L. Whiting (FPL)	Levelized fuel recovery factor April 1989 through Sept. 1989
8. A.M. Grealy (FPL)	Levelized fuel recovery factor April 1989 through Sept. 1989
*9. Jack Brown (FPUC)	Purchased power cost recovery: true-up (Marianna and Fernandina Beach). Assuming no objection, the utility proposes to insert this testimony into the record as if read.
*10. J.L. Haskins (Gulf)	Fuel Adjustment True-Up and Projected Factors
*11. M.L. Gilchrist (Gulf)	Fuel Adjustment True-Up and Projected Factors
*12. G.D. Fontaine (Gulf)	GPIF Awards and Targets and Ranges
*13. G.A. Keselowsky (TECO)	GPIF reward/penalty and target/ range
*14. J.E. Mulder (TECO)	Fuel adjustment true-up and projections
*15. R.F. Tomczak (TECO)	Oil backout cost recovery
*16. A.D. Remmers (TECO)	Oil backout cost recovery
17. Jeffrey Pollock (FIPUG)	FIPUG's Petition to require FPL to discontinue its oil backout cost recovery charge

EXHIBIT LIST

The parties have stipulated that the exhibits on the list below which are preceded by an asterisk shall be admitted and inserted into the record without objection.

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<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>FPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 101-199</u>		
101	Wieland	<u>True-up</u> Variance Analysis Schedules A1 through A13
102	Wieland	<u>Projections</u> Forecast Assumptions (Parts A-C through E1), Schedules E11, H1 and COG, April through Sept. 1989
*103 Schedules	Buell	<u>Reward/Penalty</u> Standard Form GPIF
*104 Schedules	Buell	<u>Targets/Ranges</u> Standard Form GPIF
<u>FPL HAS BEEN ASSIGNED EXHIBIT NUMBERS 201-299</u>		
201	Babka	A Schedules
202	Babka, Smith	OB Schedules
203	Silva, Whiting Babka, Grealy	Appendix A, A Schedules, Oct. '88 - Nov. '88
204	Silva, Whiting Babka, Grealy	Appendix B, E Schedules, April-Sept. 1989
205	Sanchez	Document 1
<u>FPUC HAS BEEN ASSIGNED EXHIBIT NUMBERS 310-399</u>		
*301	Brown	Schedules E1, with attachment, E1B,E2,E4,E8, Revised E10,E11,H1 and M11 also, Calculation of True-Up Surcharge (Exhibit "A") (Marianna)
*302	Brown	Schedules E11 and F1, Revised Schedules E1,E1b,E2,E4,E8A, E10 and H1; also Calcula- tion of True-up Surcharge (Exhibit "A") (Fernandina Beach)

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<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>GULF HAS BEEN ASSIGNED EXHIBIT NUMBERS 401-499</u>		
*401	Haskins	Calculation of True-Up April-Sept. 1988 (JLH-1)
*402	Haskins	Schedules E1 through E12; H1; Monthly Schedules A1 through A12 for June, July, August, Sept., Oct. and Nov. 1988 - Support Schedules for Fuel Adjustment (JLH-2)
*403	Gilchrist	List of Coal Suppliers April, Sept. 1988 (MLG-1)
*404	Gilchrist	Comparison of Projected and Actual Fuel Cost Sept. 1980 - Sept. 1989; Comparison of Actual 1988 Peabody Contract and Plant Daniel Coal Purchases to "bought out" contract prices (MLG-2)
*405	Fontaine	GPIF Results and Proposed Targets - Support Schedules from Rewards (GDF-1) and Targets and Ranges (GDF-2)
<u>TECO HAS BEEN ASSIGNED EXHIBIT NUMBERS 501-599</u>		
*501	Keselowsky	True-up Exhibit (GAK1) to testimony filed 11-28-88
*502	Keselowsky	Projection Exhibit (GAK2) to testimony filed 1-9-89
*503	Mulder	True-Up Fuel Costs for Period April-Sept. 1988; Exhibit (JEM1) to testimony filed 11-28-88
*504	Mulder	Projection Schedules H-1, E-1-E-11, A-2 and Revised Tariff Sheets; Exhibit (JEM2) to testimony filed 1-9-89

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<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
*505	Tomczak,	True-Up Schedules for the Remmers Period April through Sept. 1988, Exhibit (RFT/ADR-1) filed 11-16-88
*506	Tomczak,	Projection Schedules for the Remmers Period April through September 1989; Exhibit (RFT/ADR-2) to testimony filed 1-9-89
*507	Tomczak, Remmers	Comparison of Projected Payoff with Original Estimate for Gannon Conversion Project; Exhibit (RFT/ADR-3) to testimony filed 1-9-89

FIPUG HAS BEEN ASSIGNED EXHIBIT NUMBERS 601-699

601	Pollock	Affidavit of Jeffry Pollock, with supporting schedules
602	Pollock	Recovery of Capacity Deferral Savings Through Oil Backout Cost Recovery Clause

OCC HAS BEEN ASSIGNED EXHIBIT NUMBERS 701-799
 At this time, no exhibits have been identified.

MC/ACC/APC HAVE BEEN ASSIGNED EXHIBIT NUMBERS 801-899
 At this time, no exhibits have been identified.

CLG HAS BEEN ASSIGNED EXHIBIT NUMBERS 901-999
 At this time, no exhibits have been identified.

FEA HAS BEEN ASSIGNED EXHIBIT NUMBERS 1001-1099
 At this time, no exhibits have been identified.

TAMPA HAS BEEN ASSIGNED EXHIBIT NUMBERS 1101-1099
 At this time, no exhibits have been identified.

OPC HAS BEEN ASSIGNED EXHIBIT NUMBERS 1201-1299
 At this time, no exhibits have been identified.

STAFF HAS BEEN ASSIGNED EXHIBIT NUMBERS 1301-1399
 At this time, no exhibits have been identified.

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PARTIES' STATEMENT OF BASIC POSITION

Staff:

Staff agrees with the Oil Backout calculation provided by Florida Power & Light Company and Tampa Electric Company for billing during the April - September, 1989 period.

Staff agrees with the Fuel Adjustment Clause calculations provided by Florida Power Corporation, Florida Power & Light Company, Florida Public Utilities Company (Fernandina Beach), Gulf Power Company and Tampa Electric Company for billing during the April - September, 1989 period. Staff also agrees with the revised calculations of Florida Public Utilities Company (Marianna) for the April - September, 1989 billing period.

Staff's positions are further shown in Attachment A.

Florida Power Corporation (FPC):

FPC's fuel cost recovery factors for the period April - September 1989 have been properly calculated based upon reasonable fuel cost projections and true-up amounts. In addition, FPC has calculated its GPIF reward for the period April - September 1988 and its GPIF targets and ranges for the period April - September 1989 in accordance with the methodology and procedures established by the Commission. FPC therefore submits that its fuel cost factors, which include its GPIF reward, and its GPIF targets and ranges should be approved for application on cycle billings during the months of April through September, 1989.

Florida Power & Light Company (FPL):

The proposed Fuel Cost Recovery and Oil Backout True-Up amounts and factors are reasonable and should be approved. The Generating Performance Incentive Factor and proposed availability and heat rate targets are reasonable and should be approved.

Florida Public Utility Company (FPUC):

1) The Commission should approve the utility's end of period total net true-up amounts for the period April 1, 1988 through September 30, 1988 of \$145,163 underrecovery for the Marianna Division and \$194,183 overrecovery for the Fernandina Beach Division. (Brown)

2) The Commission should approve the utility's estimated fuel adjustment true-up amounts for the period October 1, 1988 through March 31, 1989 of \$564,716 underrecovery for the Marianna Division and \$617,535 overrecovery for the Fernandina Beach Division, based upon two months actual and four months estimated data. (Brown)

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3) The Commission should approve the utility's levelized fuel adjustment factors of 5.405 cents per kwh (before adjustment for line losses) for the Marianna Division and 4.643 cents per kwh for the Fernandina Beach Division, to be applied to customer bills during the period April 1, 1989 through September 30, 1989. (Brown)

Gulf Power Company (Gulf):

The proposed Fuel factors present the best estimate of Gulf's Fuel expense for the period March 1989 through September 1989, including the true-up calculations and other adjustments allowed by the Commission.

Tampa Electric Company (TECG):

Tampa Electric Company submits that it has properly calculated its true-up amounts and projected cost recovery factors for fuel adjustment and oil backout cost recovery. In addition, the company has properly determined the GPIF reward to which it is entitled, as well as the GPIF targets and ranges for the forthcoming period (April-September 1989). These proposals should be approved as submitted.

Florida Industrial Power Users Group (FIPUG):

Because the transmission line project which comprises FPL's oil backout project has not achieved the economic displacement of oil which led the Florida Public Service Commission ("Commission") to qualify it under the Oil Backout Rule, to allow FPL to recover the remaining costs of the investment through the special energy charge would be unreasonable, especially to high load factor customers. Further, FPL should be required to refund certain oil backout revenues collected since October, 1987, because the "deferral benefits" on which recovery was based are nonexistent.

FIPUG has filed a Motion to Consolidate Dockets or Hold Certain Issues in Docket 890001-EI in Abeyance, requesting an order consolidating this docket with Docket No. 890148-EI. In the alternative, FIPUG requested the Commission to hold in abeyance any decision on issues herein pertaining to FPL's Oil Backout Cost Recovery Factor pending disposition of its petition in Docket No. 890148-EI. Thereafter, FPL and FIPUG reached a stipulation, attached hereto as Attachment D, which defers consideration of Issues 16-18, herein. FIPUG has not waived its positions on Issues 12-15.

Occidental Chemical Corporation (OCC):

The Commission should declare that FPC's fuel costs incurred beginning October 1987 will be adjusted pursuant to the market pricing standard for FPC's affiliate transactions which will be adopted in Docket No. 860001-EI-G. This will ensure that FPC is allowed to recover, and that ratepayers will pay, only just and reasonable fuel costs incurred in transactions with affiliates.

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Profits derived by FPC's fuel procurement affiliate, Electric Fuels Corporation (EFC), from the sale of coal purchased from CARBOCOL should be passed through to FPC ratepayers in the fuel adjustment clause. This coal was contracted for by EFC for the benefit of FPC ratepayers. Had this coal not been sold at a profit, it would have been charged to FPC ratepayers. Profits derived by EFC by putting FPC ratepayers at risk rightfully belong to FPC ratepayers.

The U.S. Department of Energy, Office of Hearings and Appeals (OHA) by order issued November 3, 1988 approved FPC's claim for a refund for crude oil overcharges in the amount of \$1,110,629. By the terms of the OHA order, the full amount of the refund, without deduction for any expense, must be distributed to ratepayers. This refund (as well as any future refund amounts that may be approved) plus interest, should be returned to FPC ratepayers through a reduction in FPC's fuel adjustment clause. The refund amount and interest should be returned to ratepayers over a 12 month period to account for the seasonality of electric consumption.

If the conservation cost recovery charge is eliminated for interruptible customers of Tampa Electric Corporation (TECO), then the Commission should eliminate this recovery charge for FPC's interruptible customers at the same time.

Monsanto Company, American Cyanamid Company and Air Products & Chemicals (MC/ACC/APC):

These parties filed no prehearing statement.

Coalition of Local Governments (CLG):

This party filed no prehearing statement.

Federal Executive Agencies (FEA):

This party filed no prehearing statement and did not participate in the Prehearing Conference in this docket.

City of Tampa (Tampa):

This party filed no prehearing statement and did not participate in the Prehearing Conference in this Docket.

Office of Public Counsel (OPC):

This party's prehearing statement contained no statement of basic position.

STATEMENT OF ISSUES AND POSITIONS

Stipulated issues are indicated by an asterisk preceding the issue number.

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Generic Fuel Adjustment Issues

1. ISSUE: What are the appropriate final fuel adjustment true-up amounts for the period April, 1988 through September, 1988?

STAFF:

FPC: Agree with utility: \$16,313,706 overrecovery.
FPL: Agree with utility: \$41,135,344 overrecovery.
FPUC: Agree with utility (Marianna): \$145,163
underrecovery.
Agree with utility (Fernandina Beach):
\$194,183 overrecovery.
GULF: Agree with utility: \$1,920,431 overrecovery.
TECO: Agree with utility: \$2,389,789 underrecovery.

FPL: Overrecovery: \$41,135,344.

FPC: Overrecovery: \$16,313,706.

FPUC: Underrecovery \$145,163 (Marianna).
Overrecovery \$194,183 (Fernandina Beach).

GULF: Overrecovery \$1,920,431.

TECO: Underrecovery \$2,389,789.

FIPUG: No position at this time.

OCC: No position at this time.

OPC: FPC: No position at this time.

FPL: Agree with Company.

FPUC: Agree with Company.

GULF: Agree with Company.

TECO: Agree with Company.

2. ISSUE: What are the estimated fuel adjustment true-up amounts for the period October, 1988 through March, 1989?

Staff:

FPC: Agree with utility: \$12,511,954 overrecovery.
FPL: Agree with utility: \$14,452,159 overrecovery.
FPUC: Agree with utility (Marianna): \$564,716
underrecovery.
Agree with utility (Fernandina Beach):
\$617,535 overrecovery.
GULF: Agree with utility: \$3,234,303 overrecovery.
TECO: Agree with utility: \$23,951 overrecovery.

FPL: Overrecovery \$14,452,159.

FPC: Overrecovery \$12,511,954, based upon two months actual and four months revised estimates.

FPUC: Underrecovery \$564,716.
(Marianna)
Overrecovery \$617,535.
(Fernandina Beach)

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GULF: Overrecovery \$3,234,303.

TECO: Overrecovery \$23,951.

FIPUG: No position at this time.

OCC: No position at this time.

OPC:

FPC: No position at this time.

FPL: Agree with Company.

FPUC: Agree with Company.

GULF: Agree with Company.

TECO: Agree with Company.

3. ISSUE: What are the total fuel adjustment true-up amounts to be collected during the period April, 1989 through September, 1989?

Staff:

FPC: Agree with utility: \$28,825,660 overrecovery.

FPL: Agree with utility: \$55,587,503 overrecovery.

FPUC: Agree with utility (Marianna): \$709,879 underrecovery.

Agree with utility (Fernandina Beach):
\$811,718 overrecovery.

GULF: Agree with utility: \$5,154,734 overrecovery.

TECO: Agree with utility: \$2,365,838 underrecovery.

FPL: Overrecovery \$55,587,503.

FPC: Overrecovery \$28,825,660.

FPUC: Agree with Staff.

GULF: Overrecovery \$5,154,734.

TECO: Underrecovery \$2,365,838.

FIPUG: No position at this time.

OCC: No position at this time.

OPC: FPC: No position at this time.

FPL: Agree with Company.

FPUC: Agree with Company.

GULF: Agree with Company.

TECO: Agree with Company.

4. ISSUE: What are the appropriate levelized fuel cost recovery factors for the period April through September, 1989?

Staff:

FPC: Agree with utility: 2.066 cents per kwh.

FPL: Agree with utility: 1.778 cents per kwh.

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FPUC: Agree with utility (Marianna): 5.405 cents per kwh.
 Agree with utility (Fernandina Beach): 4.643 cents per kwh.
 GULF: Agree with utility: 2.074 cents per kwh.
 TECO: Agree with utility: 2.559 cents per kwh.

FPL: 1.778 cents/KWH is the levelized recovery charge for non-time differentiated rates and 1.918 cents/KWH and 1.710 Cents/KWH are the levelized fuel recovery charges for the on-peak and off-peak periods, respectively, for the differentiated rates.

FPC: 2.066 cents per kwh for standard rate schedules, and 2.681 cents per kwh On-Peak and 1.784 cents per kwh Off-Peak for time of use rate schedules, all before adjustment for line losses.

Rate Schedules OL-1 and SL-1:

Final fuel cost factor is composite of on-peak and off-peak factors with consumption 18.7% on-peak and 81.3% off-peak, and group III line losses: (See Attachment B-1)

$$(.187 \times 2.681 + .813 \times 1.784) \times 1.0036 = 1.959 \text{ C/KWH}$$

FPUC: 5.405 cents per kwh for the Marianna Division, and 4.643 cents per kwh for the Fernandina Beach Division (before adjustment for line losses).

GULF: 2.074 cents per KWH before application of the factors which adjust for variations in line losses.

TECO: 2.559 cents per KWH before application of the factors which adjust for variations in line losses.

FIPUG: No position at this time.

OCC: No position at this time.

OPC: FPC: No position at this time.
 FPL: Agree with Company.
 FPUC: Agree with Company.
 GULF: Agree with Company.
 TECO: Agree with Company.

- *5. STIPULATED ISSUE: What is the appropriate Revenue Tax Factor for use in determining the adjusted fuel adjustment and oil backout cost recovery charge?

It is anticipated that the utility assessment fee will increase from 1/12 to 1/8 of 1% gross operating revenue effective January 1, 1989. This will increase the revenue tax factor from 1.01609 to 1.01652 for the period April through September, 1989. Since the current factor of 1.01609 will be used January through March, 1989, it would be appropriate to true-up any differences at the August, 1989 hearing.

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

The factors should be effective beginning with the specified fuel cycle and thereafter for the period April, 1989 through September, 1989. Billing cycles may start before April 1, 1989 and the last cycle may be read after September 30, 1989, so that each customer is billed for six months regardless of when the adjustment factor became effective.

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

FPC: See Attachment B-1 for the appropriate levelized and time of use fuel cost recovery factors after line loss adjustment for each delivery level group, as approved by the Commission for FPC.

FPL: See Attachment B-2, Column 5.

FPUC:

Marianna:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Multiplier</u>	<u>Levelized Adjustment</u>
Residential	RST,RS,OL	1.0126	5.473
Commercial	GS,GSD	0.9963	5.385
Other	SL-1,SL-2	0.9881	5.341

For Fernandina Beach, the fuel cost recovery factor for all classes other than GSLD, after adjustment for line losses, is 4.643 cents per kwh. For GSLD, the demand purchased power factor adjusted for taxes is \$3.35/CP KW; the non-demand factor is 4.494 cents/kwh.

GULF: See Attachment B-3.

TECO: See Attachment B-4.

Company-Specific Fuel Adjustment Issues

- *8. ISSUE TO BE DEFERRED: Should Gulf Power be required to dispatch its system on the incremental price of fuel, as defined in Order No. 19548? (Staff)

STAFF: Yes, however, this issue should be deferred to the August, 1989 Fuel Recovery Hearings.

GULF: No. This issue should be deferred.

OPC: No position at this time.

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- *9. STIPULATED ISSUE: Should the Commission approve the methodologies for calculating as-available energy payments to cogenerators as revised by FPC, FPL, and TECO to reflect the findings contained in Order No. 19548?

Yes. The revised methodologies accurately reflect the decision contained in Order No. 19548.

Generic Generating Performance Incentive Factor Issues

- *10. STIPULATED ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1988 through September 30, 1988?

FPL: \$1,645,996 Reward.

FPC: \$1,201,040 Reward.

GULF: \$76,007 Reward.

TECO: \$316,484 Reward.

- *11. STIPULATED ISSUE: What should the GPIF targets/ranges be for the period April, 1989 through September, 1989?

The appropriate targets and ranges are shown on Attachment C hereto.

Oil Backout Issues

12. ISSUE: What is the final oil backout true-up amount for the April, 1988 through September, 1988 period?

Staff:

FPL: Agree with utility: \$9,609,133 overrecovery.

TECO: Agree with utility: \$646,418 overrecovery.

FPL: Overrecovery \$9,609,133.

TECO: \$646,418 overrecovery

FIPUG: The amount suggested by FPL must include an adjustment to reflect a refund for those amounts which FPL has attributed to the "deferral savings" on the two 700 MW coal-fired Martin units because such "deferral" and hence any savings are nonexistent.

OCC: No position at this time.

OPC: FPL: No position at this time.

TECO: Agree with Company.

13. ISSUE: What is the estimated oil backout true-up amount for the period October, 1988 through March, 1989?

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Staff:

FPL: Agree with utility: \$22,353,242 overrecovery.
TECO: Agree with utility: \$86,361 underrecovery.

FPL: Overrecovery \$22,353,242.

TECO: \$86,361 underrecovery.

FIPUG: The amount suggested by FPL must include an adjustment to reflect a refund for those amounts which FPL has attributed to the "deferral savings" on the two 700 MW coal-fired Martin units because such "deferral" and hence any savings are nonexistent.

OCC: No position at this time.

OPC: FPL: No position at this time.
TECO: Agree with Company.

STAFF: Agrees with proposals.

14. ISSUE: What is the total oil backout true-up amount to be collected during the period April through September, 1989?

Staff:

FPL: Agree with utility: \$31,962,375 overrecovery.
TECO: Agree with utility: \$560,057 overrecovery.

FPL: Overrecovery \$31,962,375.

TECO: Overrecovery \$560,057.

FIPUG: The amount suggested by FPL must include an adjustment to reflect a refund for those amounts which FPL has attributed to the "deferral savings" on the two 700 MW coal-fired Martin units because such "deferral" and hence any savings are nonexistent.

OPC: FPL: No position at this time.
TECO: Agree with Company.

15. ISSUE: What is the projected oil backout cost recovery factor for the period April through September, 1989?

Staff:

FPL: Agree with utility: 0.780 cents per kwh.
TECO: Agree with utility: 0.126 cents per kwh.

FPL: .780 cents/KWH.

TECO: 0.126 cents per KWH.

FIPUG: FPL's application of the Oil Backout Cost Recovery Factor should be discontinued because the project has not achieved the economic displacement of oil. All accelerated depreciation amounts should be refunded and any recovery related to the cost of the lines should be disallowed for the projection period April 1, 1989 through September 30, 1989.

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OCC: No position at this time.

OPC: TECO: Agree with Company
FPL: No position at this time.

Company Specific Oil Backout Issues

- *16. ISSUE TO BE DEFERRED: Should FPL be allowed to collect and apply as accelerated depreciation the "net savings" claimed in its petition and exhibits? (FIPUG)

STAFF: This issue should be decided in connection with FIPUG's petition in Docket No. 890148-EI.

FIPUG: No. FIPUG has not waived its position on this issue, but shall assert the following position pursuant to its Stipulation with FPL attached hereto as Attachment D. The claimed savings is entirely attributable to the contention that the transmission lines comprising the oil backout project enabled FPL to defer two 700 MW coal-fired units at FPL's Martin site: absent those "deferral savings," there would be no net savings and no accelerated recovery. In reality, however, the 700 MW coal units are not part of FPL's generation expansion plan and have not been part of that plan for years. As the plants are fictional, the savings are nonexistent. (Pollock)

OPC: No position at this time.

- *17. ISSUE TO BE DEFERRED: Should FPL be allowed to retain "net savings" attributable to the deferral of the now defunct 700 MW Martin coal units which were collected in prior periods? (FIPUG)

STAFF: This issue should be decided in connection with FIPUG's petition in Docket No. 890148-EI.

FIPUG: No. FIPUG has not waived its position on this issue, but shall assert the following position pursuant to its Stipulation with FPL attached hereto as Attachment D. FPL first began to collect the revenues associated with the "deferral" of the Martin coal units in October of 1987. In reality, the Martin-coal units on which the claim is based have not appeared in an FPL 10-year Site Plan since 1983. The past collections were unjustified. The Commission should exercise its authority to require a complete refund of all past oil backout revenues attributable to the deferral of the Martin-coal units. (Pollock)

OPC: No position at this time.

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- *18. ISSUE TO BE DEFERRED: Should FPL be authorized to continue recovery of costs related to the transmission line oil backout project through the Oil Backout Cost Recovery Clause? (FIPUG)

STAFF: This issue should be decided in connection with FIPUG's petition in Docket No. 890148-EI.

FIPUG: No. FIPUG has not waived its position on this issue, but shall assert the following position pursuant to its Stipulation with FPL attached hereto as Attachment D. The project has not accomplished its primary purpose, which was the economical displacement of oil-fired generation. To continue the energy-based recovery of a major investment in transmission reliability and capacity in the absence of the savings on which that recovery was premised would be to perpetuate a charge that is unfair and unreasonable to all ratepayers, particularly high load factor customers. The Commission should order FPL to discontinue the oil backout cost recovery mechanism. (Pollock)

OPC: No position at this time.

- *19. ISSUE TO BE DEFERRED UNTIL NEXT 6-MONTH REPORTING PERIOD:

Are profits from the sale of coal under the CARBOCOL contract entered into for and committed to FPC properly retained by EFC for its shareholders? (OCC)

STAFF: No position at this time.

FPC: This issue is inappropriate for these proceedings and should be deleted. The method by which FPC's affiliated fuel supplier, EFC, conducts and accounts for "replacement coal" transactions, including the replacement of Carbo coal, is the subject of pending proceedings in Phase II of Docket No. 860001-EI-G.

OPC: No position at this time.

OCCIDENTAL: No. EFC entered into a contract with CARBOCOL, a Colombian coal company, to obtain coal for the use and benefit of Florida Power Corporation. The EFC-CARBOCOL contract, signed June 18, 1984, provides for coal deliveries from January 1, 1985 through June 30, 1989. The contract commits EFC to purchase a minimum 400,000 - 440,000 tons per year principally for use in FPC's Crystal River plant. (EFC-CARBOCOL contract Sec. 2.02).

Documents reviewed to date by Occidental indicate that since late 1987 EFC and CARBOCOL have agreed to allow EFC to sell volumes up the the entire remaining contract tonnage to buyers other than FPC. A December 19, 1988 article in Coal Week indicates that EFC sold around 450,000 tons of CARBOCOL coal to SSM North America in 1988 at a profit. Approximately 400,000 tons of domestic coal were purchased by EFC for use by FPC to replace the CARBOCOL coal sold to SSM.

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If this coal could not be sold to third parties at a profit, EFC would undoubtedly contend that ratepayers of FPC are committed to pay for coal prudently acquired by EFC for FPC's benefit under the take or pay provisions of this contract. If EFC obtains coal for Florida Power's ratepayers and then profits by selling such coal to third parties, FPC ratepayers, not EFC shareholders, should benefit from the profits reaped through that transaction. The benefits of the transaction should go to FPC ratepayers because it is they who were at risk when EFC entered into a long-term contract with CARBOCOL and, if the coal could not profitably be sold to third parties, EFC would expect FPC to purchase the coal at the contract rate even if cheaper coal was available.

- *20. STIPULATED ISSUE: Must FPC refund to ratepayers, with interest, the full amount of any refunds for crude oil overcharges obtained by FPC? (OCC)

This issue was raised by Occidental Chemical Corporation. At the prehearing, OCC and FPC announced that the issue would be stipulated, and that the text of such stipulation would be supplied to Commission Staff. Thereafter, the following was supplied by FPC:

Pursuant to ongoing proceedings before the U.S. Department of Energy, Florida Power Corporation (FPC) has received and anticipates further receipt of funds, including a refund amount of \$1,110,629 approved in Case Nos. RF 272-204, et al., Florida Power Corporation (Order dated November 3, 1988). These refunds are intended to compensate ratepayers for overcharges incurred by utilities during the period of federal oil controls, which were passed on to their ratepayers in the cost of fuel. FPC stipulates that the full amount of any such refund received by FPC, plus interest calculated from the time of receipt, will be returned to its ratepayers through a credit to its fuel costs recovered in this proceeding. FPC does not object to returning the refund amount and interest over a 12-month period, as suggested by Occidental to account for the seasonality of electric consumption, provided such period is found to be appropriate by the Commission.

21. ISSUE: Under the cost-plus arrangement between Electric Fuels Corporation and Florida Power Corporation, are the costs included as EFC overhead in "cost" and the investment base to which EFC's return on equity is applied in the "plus" component reasonable and properly included in the cost of coal charged to FPC's customers? (OPC)

STAFF: This issue should be deferred until August, 1989.

FPC: This issue has not been properly raised for consideration at the upcoming hearings, nor is it appropriate for these proceedings in view of the extensive consideration being given to the costs and investment base of FPC's affiliated fuel supplier, EFC, in the current

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"cost-plus" proceedings of Docket No. 860001-EI-G. It is incumbent on a party seeking to raise an issue such as this to establish a minimal, i.e., prima facie, case providing at least some factual basis which calls into question the reasonableness of the subject costs. The prehearing procedures regularly followed in these proceedings are designed to give parties the opportunity to establish such a prima facie case, through various forms of discovery and prefiled direct and rebuttal testimony. None of these procedures have been utilized with respect to this issue. As a result, FPC has not been given sufficient notice to determine which, out of literally hundreds of specific cost or investment components, it might be expected to support and justify. Nor has FPC had the opportunity to provide such a justification, even if it knew what needed to be addressed. Moreover, the proper proceeding in which to raise this issue is the "cost-plus" docket, where voluminous discovery has been made and testimony presented on a wide variety of EFC's costs and investments related to its FPC coal supply business. This issue should be deleted from these proceedings.

OCC: No position at this time.

OPC: The specific components of EFC's overhead included as a part of the cost of coal to FPC are not identified in the contracts between EFC and FPC and have not been specifically approved by the Public Service Commission. All these costs must be identified by FPC with specificity and established as prudent before FPC can be allowed recovery for them. Additionally, the investment base to which EFC applies its return on equity must be shown by FPC to be prudent and supporting assets actually used to provide service to FPC. Absent such a showing, FPC cannot demonstrate that its costs of coal are reasonable.

STIPULATED ISSUES

The parties hereto have stipulated to Issues No. 5, 6, 7, 9, 10, 11, and 20, which are indicated within the body of this order.

The parties have further stipulated that Issues No. 8 and 19 shall be deferred, and shall be addressed in future proceedings.

FIPUG raised Issues 16-18 (previously numbered as Issues 15-17) regarding FPL. FPL objected to the inclusion of such issues in this docket on the grounds that they should be included in Docket No. 890148-EI, and on the grounds that the inclusion of such issues constitutes an attempt to revise Commission rules. FIPUG and FPL have reached a written stipulation, attached hereto as Attachment D, in which they agree that such issues (referred to therein as Issues 15-17) shall be deferred and shall not be considered at the February 1989 hearing in this docket.

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MOTIONS

FIPUG has filed a separate Petition in Docket No. 890148-EI asking the Commission to discontinue FPL's oil backout charge and to refund all "net savings" attributable to the claimed deferral of Martin 700 MW coal units. FIPUG has also filed a Motion to Consolidate Dockets or Hold Certain Issues in Docket 890001-EI in Abeyance, which asks that the Commission either (1) consolidate its petition with this docket for purposes of hearing and resolution of issues (in which case a continuation of the portion of the hearing scheduled for February 22 related to FPL's oil backout charge will likely be necessary) or (2) hold all matters relating to the oil backout charge in abeyance and subject to subsequent disposition pending the outcome of proceedings on the separate Petition.

Subsequent to the filing of its Motion, FIPUG entered into a Stipulation with FPL, attached hereto as Attachment D, by which the parties agree to defer consideration of the issues proposed by FIPUG in this docket.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner John T. Herndon, as Prehearing Officer, this 21st day of FEBRUARY, 1989.

John T. Herndon
John T. Herndon, Commissioner
and Prehearing Officer

(S E A L)

MER

OIL BACKOUT
BUCKET NO. 890001-EI
FLORIDA POWER & LIGHT COMPANY

	FOR THE PERIOD APRIL - SEPTEMBER 1969			FOR THE PERIOD OCTOBER 1968 - MARCH 1969			TO BE INCLUDED DURING THE APRIL - SEPTEMBER 1969 PERIOD		
	Estimated/Actual	Actual	Difference	Projected	Estimated/Actual	Difference	Total True up	Total Cost Recovery Total FWH Sales Cost - Cents/FWH	\$791,674,671 33,795,227 0.0631
1. Jurisdictional FWH Sales	31,417,061,914	31,283,300,621	133,761,293	28,019,662,000	29,537,570,229	(\$17,908,229)	(\$18,146,926)		
2. Oil Backout Revenue Applicable to the Period	\$212,609,137	\$211,917,110	\$692,027	\$270,625,053	\$273,391,165	(\$2,766,112)	(\$1,024,065)	True up Retail FWH Sales Cost - Cents/FWH	(\$21,762,373) 33,345,054 -0.0759
3. Jurisdictional Oil Backout Cost Recovery Authorized	\$199,620,769	\$169,205,376	\$10,415,373	\$270,625,053	\$253,022,113	\$17,602,940	\$20,016,213	Total Cost - C/FWH Revenue Tax Factor	0.1763 1.0165
4. True-up Provision for this Period over/Under Collection	\$13,180,360	\$22,711,714	(\$9,523,346)	\$0	\$20,369,052	(\$20,369,052)	(\$29,092,370)	ORC Factor	0.7799
5. Interest Provision for this Period	\$647,570	\$733,356	(\$85,786)	\$0	\$1,784,169	(\$1,784,169)	(\$2,069,925)	ORC Factor Founded	0.700
6. End of Period Total Net True up	\$13,835,930	\$23,445,070	(\$9,609,132)	\$0	\$22,353,241	(\$22,353,241)	(\$31,762,373)	STAFF	6111

TAMPA ELECTRIC COMPANY

	FOR THE PERIOD APRIL - SEPTEMBER 1969			FOR THE PERIOD OCTOBER 1968 - MARCH 1969			TO BE INCLUDED DURING THE APRIL - SEPTEMBER 1969 PERIOD		
	Estimated/Actual	Actual	Difference	Projected	Estimated/Actual	Difference	Total True up	Total Cost Recovery Total FWH Sales Cost - Cents/FWH	\$0,785,241 6,612,048 0.1329
1. Jurisdictional FWH Sales	6,326,975,000	6,459,434,000	(\$12,459,000)	5,849,893,000	5,943,376,000	(\$93,483,000)	(\$25,942,000)		
2. Oil Backout Revenue Applicable to the Period	\$8,846,052	\$9,025,950	(\$179,898)	\$8,562,624	\$8,660,306	(\$97,682)	(\$277,640)	True up Retail FWH Sales Cost - Cents/FWH	(\$540,057) 6,612,048 -0.0805
3. Jurisdictional Oil Backout Cost Recovery Authorized	\$8,810,771	\$8,349,077	\$461,694	\$8,562,624	\$8,770,628	(\$208,004)	\$253,670	Total Cost - C/FWH Revenue Tax Factor	0.1244 1.0165
4. True-up Provision for this Period over/Under Collection	\$35,291	\$676,873	(\$641,582)	\$0	(\$110,242)	\$110,242	(\$531,350)	ORC Factor	0.1764
5. Interest Provision for this Period	\$509	\$5,335	(\$4,826)	\$0	\$23,861	(\$23,861)	(\$20,707)	ORC Factor Founded	0.126
6. End of Period Total Net True up	\$35,790	\$682,200	(\$646,410)	\$0	(\$106,361)	\$106,361	(\$140,057)	STAFF	6011

TOTAL FUEL COST FOR THE PERIOD: April 1989-September 1989

ATTACHMENT A
DIVISION OF ELECTRIC AND GAS
DATE: 2-15-89
PAGE 1: COMPANY POSITION

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COMPANY	PROPOSED April 1989-September 1989 TOTAL FUEL COST CENTS PER KWH			PRESENT October 1988-March 1989 TOTAL FUEL COST CENTS PER KWH			DIFFERENCE TOTAL FUEL COST CENTS PER KWH			LINE LOSS MULTIPLIER
	Levelized*	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	
	Fla. Power & Light	1.778	1.918	1.710	1.752	1.933	1.678	.026	-.015	
Fla. Power Corp.	2.066	2.681	1.784	2.049	2.489	1.887	.017	-.192	-.103	1.00360
Tampa Electric	2.559	2.791	2.448	2.604	2.835	2.513	-.045	-.044	-.065	1.01470
Gulf Power	2.074	2.190	2.019	2.390	2.465	2.361	-.316	-.275	-.342	1.01228
Fla. Public Marianna	5.426	.000	.000	4.645	.000	.000	.781	.000	.000	1.01260
Fernandina (4)	4.641	.000	.000	4.799	.000	.000	-.158	.000	.000	1.00000

* Source: Attachment B, pages 3-8, line 34

COST FOR 1000 KWH RESIDENTIAL SERVICE

	PRESENT October 1988-March 1989					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Summer	Fla. Public Marianna Fernandina
Base	48.02	43.30	52.12	37.73	43.41	12.76 12.26
Fuel (1)	17.54	20.55	26.42	24.19	24.19	47.04 47.99
Oil Backout	8.86	.00	1.49	.00	.00	.00 .00
Energy Conservation	.48	1.89	1.54	.25	.25	.24 .36
Total	74.90	65.74	81.57	62.17	67.85	60.04 60.61

PROPOSED April 1989-September 1989

	PROPOSED April 1989-September 1989					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Summer	Fla. Public Marianna Fernandina
Base	48.02	44.33(5)	52.12	37.73	43.41	12.76 12.26
Fuel (1)	17.80	20.73	25.97	20.99	20.99	54.94 46.41
Oil Backout	7.80	.00	1.26	.00	.00	.00 .00
Energy Conservation	.42	1.53	.96	.40	.40	.28 .18
Total	74.04	66.59	80.31	59.12	64.80	67.98 58.85

DIFFERENCE

	DIFFERENCE					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Summer	Fla. Public Marianna Fernandina
Base	.00	1.03	.00	.00	5.68	.00 .00
Fuel (1)	-.26	.18	-.45	-3.20	-3.20	7.90 -1.58
Oil Backout	-1.06	.00	-.23	.00	.00	.00 .00
Energy Conservation	-.06	-.36	-.58	.15	.15	.04 -.18
Total	-.86	.85	-1.26	-3.05	-3.05(3)	7.94 -1.76

(1) Adjusted for line loss(2) Winter = October - May Summer = June - September (3) Difference between winter and summer is increase in base rate.
(4) All classes except GSLD. (5) Effective date of base rate increase is January 1, 1989.

ATTACHMENT A

TOTAL FUEL COST FOR THE PERIOD: April 1989-September 1989

DIVISION OF ELECTRIC & GAS
DATE: 2-15-89
PAGE 1A: STAFF POSITION

COMPANY	PROPOSED April 1989-September 1989 TOTAL FUEL COST CENTS PER KWH			PRESENT October 1988-March 1989 TOTAL FUEL COST CENTS PER KWH			DIFFERENCE TOTAL FUEL COST CENTS PER KWH			LINE LOSS
	Levelized*	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	Levelized	On/Peak	Off/Peak	MULTIPLIER
	Fla. Power & Light	1.778	1.918	1.710	1.752	1.933	1.678	-.026	-.015	.032
Fla. Power Corp.	2.066	2.681	1.784	2.069	2.489	1.887	.017	-.192	-.103	1.00360
Tampa Electric	2.559	2.791	2.448	2.604	2.835	2.513	-.045	-.044	-.065	1.01470
Gulf Power	2.074	2.190	2.019	2.350	2.465	2.361	-.316	-.275	-.342	1.01228
Fla. Public										
Marianna	5.405	.000	.000	4.645	.000	.000	.760	.000	.000	1.01260
Fernandina (4)	4.643	.000	.000	4.799	.000	.000	-.156	.000	.000	1.00000

* Source: Attachment B, pages 3-8, line 34

COST FOR 1000 KWH RESIDENTIAL SERVICE

	PRESENT October 1988-March 1989					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Gulf Power (2) Summer	Fla. Public Marianna Fernandina
Base	48.02	43.30	52.12	37.73	43.41	12.76 12.26
Fuel (1)	17.54	20.55	26.42	24.19	24.19	47.04 47.99
Oil Backout	8.86	.00	1.49	.00	.00	.00 .00
Energy Conservation	.48	1.89	1.54	.25	.25	.24 .36
Total	74.90	65.74	81.57	62.17	67.85	60.04 60.61

PROPOSED April 1989-September 1989

	PROPOSED April 1989-September 1989					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Gulf Power (2) Summer	Fla. Public Marianna Fernandina
Base	48.02	44.33(5)	52.12	37.73	43.41	12.76 12.26
Fuel (1)	17.80	20.73	25.97	20.99	20.99	54.73 46.43
Oil Backout	7.80	.00	1.26	.00	.00	.00 .00
Energy Conservation	.39	1.53	.96	.40	.40	.28 .18
Total	74.01	66.59	80.31	59.12	64.80	67.77 58.87

DIFFERENCE

	DIFFERENCE					
	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power (2) Winter	Gulf Power (2) Summer	Fla. Public Marianna Fernandina
Base	.00	1.03	.00	.00	5.68	.00 .00
Fuel (1)	.26	-.18	-.45	-3.20	-3.20	7.69 -1.56
Oil Backout	-1.06	.00	-.23	.00	.00	.00 .00
Energy Conservation	-.09	-.36	-.58	.15	.15	.04 -.18
Total	-.89	.85	-1.26	-3.05	-3.05(3)	7.73 -1.74

(1) Adjusted for line loss(2) Winter = October - May Summer = June - September (3) Difference between winter and summer is increase in base rate.
(4) All classes except GSLD. (5) Effective date of base rate is [redacted] January 1, 1989.

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FUEL ADJUSTMENT CENTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

DIVISION OF ELECTRIC AND GAS
DATE: 2-15-89
PAGE 2: COMPANY POSITION

FOR THE PERIOD: April 1989-September 1989

COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER			LINE LOSS MULTIPLIER	WITH LINE LOSS MULTIPLIER		
			Levelized*	On/Peak	Off/Peak		Levelized	On/Peak	Off/Peak
FP&L	A	RS-1,GS-1,SL-2	1.778	1.918	1.710	1.00136	1.780	1.921	1.712
	A-1	SL-1,OL-1	1.743	.000	.000	1.00136	1.745	.000	.000
	B	GSD-1	1.778	1.918	1.710	1.00131	1.780	1.921	1.712
	C	GSLD-1,CS-1	1.778	1.918	1.710	1.00024	1.778	1.919	1.710
	D	GSLD-2,CS-2,OS-2,MET	1.778	1.918	1.710	.99333	1.766	1.905	1.678
	E	GSLD-3,CS-3	1.778	1.918	1.710	.96774	1.721	1.856	1.654
	F	IST-1,ISS1-1		1.918	1.710	.99805		1.914	1.706
FPC	A	Distribution Secondary Delivery	2.066	2.681	1.784	1.00360	2.073	2.691	1.790
	A-1	OL-1,SL-1	1.952	.000	.000	1.00360	1.959	.000	.000
	B	Distribution Primary Delivery	2.066	2.681	1.784	.99030	2.046	2.655	1.767
	C	Transmission Delivery	2.066	2.681	1.784	.97480	2.014	2.613	1.739
TECO	A	RS,GS,IS	2.559	2.791	2.448	1.01470	2.597	2.832	2.484
	A-1	SL-1,2,3,OL-1,2	2.499	.000	.000	1.01470	2.536	.000	.000
	B	GSD,GSLD	2.559	2.791	2.448	.99750	2.553	2.784	2.442
	C	IS-1,IS-3	2.559	2.791	2.448	.96860	2.479	2.703	2.371
GULF	A	RS,GS,GSD,OS-3	2.074	2.190	2.019	1.01228	2.099	2.217	2.044
	B	LP	2.074	2.190	2.019	.98106	2.035	2.149	1.981
	C	PX	2.074	2.190	2.019	.96230	1.996	2.107	1.943
	D	OS-1,OS-2	2.034	.000	.000	1.01228	2.059	.000	.000
FPUC	A	RS,OL,GS,GSD,SL,HS				(1)	4.641	.000	.000
		GSLD				(1)	4.492	.000	.000
Mariana	A	RS,OL	5.426	.000	.000	1.01260	5.494	.000	.000
	B	GS,GSD	5.426	.000	.000	.99630	5.406	.000	.000
	C	SL-1,SL-2	5.426	.000	.000	.98810	5.361	.000	.000

(1) Group line losses reflected on schedule E1

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ATTACHMENT A

FUEL ADJUSTMENT CENTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

DIVISION OF ELECTRIC AND GAS
DATE: 2-15-89
PAGE 2A: STAFF POSITION

FOR THE PERIOD: April 1989-September 1989

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COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER			LINE LOSS MULTIPLIER	WITH LINE LOSS MULTIPLIER		
			Levelized*	On/Peak	Off/Peak		Levelized	On/Peak	Off/Peak
FP&L	A	RS-1,GS-1,SL-2	1.778	1.918	1.710	1.00136	1.780	1.921	1.712
	A-1	SL-1,OL-1	1.743	.000	.000	1.00136	1.745	.000	.000
	B	GSD-1	1.778	1.918	1.710	1.00131	1.780	1.921	1.712
	C	GSLD-1,CS-1	1.778	1.918	1.710	1.00024	1.778	1.919	1.710
	D	GSLD-2,CS-2,OS-2,MET	1.778	1.918	1.710	.99333	1.766	1.905	1.698
	E	GSLD-3,CS-3	1.778	1.918	1.710	.96774	1.721	1.856	1.654
	F	ISI-1,ISSI-1		1.918	1.710	.99805		1.914	1.700
FPC	A	Distribution Secondary Delivery	2.066	2.681	1.784	1.00360	2.073	2.691	1.790
	A-1	OL-1,SL-1	1.952	.000	.000	1.00360	1.959	.000	.000
	B	Distribution Primary Delivery	2.066	2.681	1.784	.99030	2.046	2.655	1.767
	C	Transmission Delivery	2.066	2.681	1.784	.97480	2.014	2.613	1.739
TECO	A	RS,GS,IS	2.559	2.791	2.448	1.01470	2.597	2.832	2.484
	A-1	SL-1,2,3,OL-1,2	2.499	.000	.000	1.01470	2.536	.000	.000
	B	GSD,GSLD	2.559	2.791	2.448	.99750	2.553	2.784	2.442
	C	IS-1,IS-3	2.559	2.791	2.448	.96860	2.479	2.703	2.371
GULF	A	RS,GS,GSD,OS-3	2.074	2.190	2.019	1.01228	2.099	2.217	2.044
	B	LP	2.074	2.190	2.019	.98106	2.035	2.149	1.981
	C	PX	2.074	2.190	2.019	.96230	1.996	2.107	1.943
	D	OS-1,OS-2	2.034	.000	.000	1.01228	2.059	.000	.000
FPUC	A	RS,OL,GS,GSD,SL,MS				(1)	4.643	.000	.000
	B	GSLD				(1)	4.494	.000	.000
							\$3.35/CP KW		
Marianna	A	RS,OL	5.405	.000	.000	1.01260	5.473	.000	.000
	B	GS,GSD	5.405	.000	.000	.99630	5.385	.000	.000
	C	SL-1,SL-2	5.405	.000	.000	.98810	5.341	.000	.000

(1) Group line losses reflected on schedule E1

ATTACHMENT A

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
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CLASSIFICATION	FLORIDA POWER & LIGHT COMPANY-----		
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
1.Fuel Cost of System Net Generation (E3)	480,312,811	31,247,616,000	1.53712
2.Spent MUC Fuel Disposal Cost (F2)	10,062,019	10,061,652,000 (a)	.10000
3.Coal Car Investment	296,681	0	.00000
4.Adjustments to Fuel Cost	0	0	.00000
5.TOTAL COST OF GENERATED POWER	490,671,511	31,247,616,000	1.57027
6.Fuel Cost of Purchased Power - Firm (E8)	131,956,600	6,455,200,000	2.04419
7.Energy Cost of Sch.C,X Economy Purchases (Broker) (E9)	18,016,400	1,114,500,000	1.61655
8.Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	.00000
9.Energy Cost of Sch.E Purchases (E9)	0	0	.00000
10.Capacity Cost of Sch.E Economy Purchases (E2)	0	0	.00000
11.Payments to Qualifying Facilities (E8A)	20,596,000	616,600,000	3.34025
12.TOTAL COST OF PURCHASED POWER	170,569,000	8,186,300,000	2.08359
13.TOTAL AVAILABLE KWH		39,433,916,000	
14.Fuel Cost of Economy Sales (E7)	(7,915,600)	(333,100,000)	2.37634
Gain on Economy Sales - 80% (E7A)	(1,773,040)	(333,100,000)(a)	.53228
Fuel Cost of Unit Power Sales (SL2 Partpts) (E7)	(1,630,800)	(250,200,000)	.65180
Fuel Cost of Other Power Sales (E7)	(4,437,800)	(195,800,000)	2.26650
18.TOTAL FUEL COST AND GAINS OF POWER SALES	(15,757,240)	(779,100,000)	2.02249
19.Net Inadvertant Interchange (E4)	0	0	0
20.TOTAL FUEL AND NET POWER TRANSACTIONS	645,483,271	38,654,816,000	1.66987
21.Net Unbilled (E4)	(31,126,469)(a)	(1,864,011,000)	-.09210
22.Company Use (E4)	1,936,442 (a)	115,964,000	.00573
23.T & D Losses (E4)	48,088,507 (a)	2,879,784,000	.14229
24.Adjusted System KWH Sales	645,483,271	33,795,057,000	1.90999
25.Wholesale KWH Sales	8,594,997	450,003,000	1.90999
26.Jurisdictional KWH Sales	636,888,274	33,345,054,000	1.90999
27.Jurisdictional KWH Sales Adjusted for Line Loss - 1.00051	637,213,087	33,345,054,000	1.91097
28.True-up * (derived in Attachment C)	(55,587,503)	33,345,054,000	-.16670
29.Total Jurisdictional Fuel Cost	581,625,584	33,345,054,000	1.74426
Revenue Tax Factor			1.01652
Fuel Cost Adjusted for Taxes			1.77308
32.GPIF*	1,645,996	33,345,054,000	.00494
33.Total fuel cost including GPIF	583,271,580	33,345,054,000	1.77801
34.Total Fuel Cost Factor Rounded to the Nearest .001 cents per KWH (used in attachment B, pages 1 and 2 of 9)			1.778

*Based on Jurisdictional Sales (a) included for informational purposes only.
Effective dates for billing purposes: 4/1/89-9/30/89

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ATTACHMENT A

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
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CLASSIFICATION	FLORIDA POWER CORPORATION		
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
1.Fuel Cost of System Net Generation (E3)	289,762,638	14,596,499,000	1.98515
2.Spent NUC Fuel Disposal Cost (E3A)	1,883,372	1,883,372,000 (a)	.10000
3.Coal Car Investment	0	0	.00000
4.Adjustments to Fuel Cost	0	0	.00000
5.TOTAL COST OF GENERATED POWER	291,646,010	14,596,499,000	1.99805
6.Fuel Cost of Purchased Power - Firm (E8)	102,330	2,105,000	4.86128
7.Energy Cost of Sch.C,X Economy Purchases (Broker) (E9)	10,487,700	315,000,000	3.32943
8.Energy Cost of Economy Purchases (Non-Broker) (E9)	2,775,860	138,000,000	2.01149
9.Energy Cost of Sch.E Purchases (E9)	0	0	.00000
10.Capacity Cost of Sch.E Economy Purchases (E9B)	0	0	.00000
11.Payments to Qualifying Facilities (E8A)	8,775,678	301,800,000	2.90778
12.TOTAL COST OF PURCHASED POWER	22,141,568	756,905,000	2.92528
13.TOTAL AVAILABLE KWH		15,353,404,000	
14.Fuel Cost of Economy Sales (E7)	(9,075,000)	(550,000,000)	1.65000
14a.Gain on Economy Sales -80% (E7A)	(1,716,000)	(550,000,000)(a)	.31200
15.Fuel Cost of Other Power Sales (E7)	(3,034,390)	(140,800,000)	2.15511
15a.Gain on Other Power Sales (E8)	(560,386)	(140,800,000)(a)	.39800
16.Fuel Cost of Seminole Backup Sales (E7)	(56,990)	(2,020,000)	2.8212
16.(a)Gain on Seminole Back-up Sales (E7B)	(1,678,341)	(2,020,000)(a)	83.08615
17.Fuel Cost of Seminole Supplemental Sales (E7)	(661,395)	(12,847,000)	5.14824
18.TOTAL FUEL COST AND GAINS OF POWER SALES	(16,782,502)	(705,667,000)	2.37825
19.Net Inadvertant Interchange (E4)	0	0	
20.TOTAL FUEL AND NET POWER TRANSACTIONS	297,005,076	14,647,737,000	2.02765
21.Net Unbilled (E4)	5,204,579 (a)	(256,674,000)	.03940
22.Company Use (E4)	1,970,924 (a)	(97,200,000)	.01492
23.T & D Losses (E4)	22,007,703 (a)	(1,085,353,000)	.16662
24.Adjusted System KWH Sales	297,005,076	13,208,510,000	2.24859
25.Wholesale KWH Sales(Excluding Seminole Supplemental)	(16,059,696)	(714,116,000)	2.24889
26.Jurisdictional KWH Sales	280,945,380	12,494,394,000	2.24857
27.Jurisdictional KWH Sales Adjusted for Line Loss - 1.0021	281,535,365	12,494,394,000	2.25329
28.True-up * (derived in Attachment C)	(28,825,660)	12,494,394,000	-.23071
28a.Coal Inventory Adjustment	0	0	.00000
29.Total Jurisdictional Fuel Cost	252,709,705	12,494,394,000	2.0225
30.Revenue Tax Factor			1.0165
31.Fuel Cost Adjusted for Taxes			2.5600
32.GPIF*	1,201,040	12,494,394,000	.00961
33.Total fuel cost including GPIF	253,910,745	12,494,394,000	2.06561
34.Total Fuel Cost Factor Rounded to the Nearest .001 cents per KWH (used in Attachment B, pages 1 and 2 of 9)			2.066

*Based on Jurisdictional Sales (a) included for informational purposes only.
Effective dates for billing purposes: 3/30/89-9/26/89

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FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
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CLASSIFICATION	TAMPA ELECTRIC COMPANY		
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
1. Fuel Cost of System Net Generation (E3)	171,661,577	8,315,656,000	2.06432
2. Spent NUC Fuel Disposal Cost (E3A)	0	0	.00000
3. Coal Car Investment	0	0	.00000
4. Adjustments to Fuel Cost	0	0	.00000
5. TOTAL COST OF GENERATED POWER	171,661,577	8,315,656,000	2.06432
6. Fuel Cost of Purchased Power - Firm (E8)	4,580,100	145,880,000	3.13964
7. Energy Cost of Sch. C, X Economy Purchases (Broker) (E9)	293,600	9,451,000	3.10655
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	.00000
9. Energy Cost of Sch. E Purchases (E9)	0	0	.00000
10. Capacity Cost of Sch. E Economy Purchases	0	0	.00000
11. Payments to Qualifying Facilities (EBA)	4,861,100	197,787,000	2.45774
12. TOTAL COST OF PURCHASED POWER	9,734,800	353,118,000	2.75681
13. TOTAL AVAILABLE KWH		8,668,774,000	
14. Fuel Cost of Economy Sales (E7)	11,408,800	736,402,000	1.54926
Gain on Economy Sales - 80% (E7A)	1,540,720	736,402,000 (a)	.20922
Fuel Cost of Unit Power Sales (E7)	0	0	.00000
Fuel Cost of Other Power Sales (E7)	12,415,800	821,735,000	1.51093
18. TOTAL FUEL COST AND GAINS OF POWER SALES	25,365,320	1,558,137,000	1.62793
19a. Net Inadvertent Interchange (E4)	0		
19b. Interchange and Wheeling Losses		28,560,000	
20. TOTAL FUEL AND NET POWER TRANSACTIONS	156,031,057	7,082,077,000	2.20318
21. Net Unbilled (E4)	0	0	.00000
22. Company Use (E4)	403,182 (a)	18,300,000	.00610
23. T & D Losses (E4)	9,934,337 (a)	450,909,000	.15023
24. Adjusted System KWH Sales	156,031,057	6,612,868,000	2.35951
25. Wholesale KWH Sales	0	0	.00000
26. Jurisdictional KWH Sales	156,031,057	6,612,868,000	2.35951
27. Jurisdictional KWH Sales Adjusted for Line Loss - 0	156,031,057	6,612,868,000	2.35951
28. True-up * (derived in Attachment C)	2,365,838	6,612,868,000	.03578
29. Pyramid Coal Contract Buyout Adjustment	7,765,868	6,612,868,000	.11744
Total Jurisdictional Fuel Cost	166,162,763	6,612,868,000	2.51272
Revenue Tax Factor			1.01652
32. Fuel Cost Adjusted for Taxes			2.55173
33. GPIF *	316,484	6,612,868,000	.00479
34. Total Fuel Cost including GPIF			2.55901
35. Total Fuel Cost Factor Rounded to the Nearest .001 cents per KWH (used in Attachment B, pages 1 and 2 of 9)			2.559

*Based on Jurisdictional Sales (a) included for informational purposes only.
 Effective dates for billing purposes: 4/1/89-9/30/89

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CLASSIFICATION	-----GULF POWER COMPANY-----		
	Classification Associated \$	Classification Associated KWH	Classification Associat cents/KWH
1.Fuel Cost of System Net Generation (E3)	98,721,158	4,892,460,000	2.01782
2.Spent NUC Fuel Disposal Cost (E3A)	0	0	.00000
3.Coal Car Investment	401,000	0	.00000
4.Adjustments to Fuel Cost	0	0	.00000
5.TOTAL COST OF GENERATED POWER	99,122,158	4,892,460,000	2.02602
6.Fuel Cost of Purchased Power - Firm (E8)	0	0	.00000
7.Energy Cost of Sch.C,X Economy Purchases (Broker) (E9)	11,949,873	617,600,000	1.93489
8.Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	.00000
9.Energy Cost of Sch.E Purchases (E9)	0	0	.00000
10.Capacity Cost of Sch.E Economy Purchases (E2)	0	0	.00000
11.Payments to Qualifying Facilities (E8A)	0	0	.00000
12.TOTAL COST OF PURCHASED POWER	11,949,873	617,600,000	1.93489
13.TOTAL AVAILABLE KWH		5,510,060,000	
14.Fuel Cost of Economy Sales (E7)	(194,350)	(10,590,000)	1.83522
15.Gain on Economy Sales - 80% (E7A)	(124,800)	(29,500,000)(a)	.42305
16.Fuel Cost of Unit Power Sales (E7)	(10,159,950)	(466,270,000)	2.17898
17.Fuel Cost of Other Power Sales (E7)	(6,850,653)	(362,307,000)	1.89084
18.TOTAL FUEL COST AND GAINS OF POWER SALES	(17,329,753)	(839,167,000)	2.06511
19.Net Inadvertant Interchange (E4)	0		
20.TOTAL FUEL AND NET POWER TRANSACTIONS	93,742,278	4,670,893,000	2.00695
21.Net Unbilled (E4)	0	0	.00000
22.Company Use (E4)	(175,307)(a)	8,735,000	-.00403
23.T & D Losses (E4)	(6,345,059)(a)	316,155,000	-.14600
24.Adjusted System KWH Sales	93,742,278	4,346,003,000	2.15698
25.Wholesale KWH Sales	3,060,642	141,895,000	2.15698
26.Jurisdictional KWH Sales	90,681,636	4,204,108,000	2.15698
27.Jurisdictional KWH Sales Adjusted for Line Loss - 1.00210	90,872,067	4,204,108,000	2.16151
28.True-up * (derived in Attachment C)	(5,154,734)	4,204,108,000	-.12261
29.Total Jurisdictional Fuel Cost	85,717,333	4,204,108,000	2.03889
30.Revenue Tax Factor			1.01652
31.Fuel Cost Adjusted for Taxes			2.07258
32.GPIF *	76,007	4,204,108,000	.0018
33.Total Fuel Cost including GPIF	85,793,340	4,204,108,000	2.0743
34.Total Fuel Cost Factor Rounded to the Nearest .001 cents per KWH (used in Attachment B, pages 1 and 2 of 9)			2.074

*Based on Jurisdictional Sales (a) included for informational purposes only.
 Effective dates for billing purposes: 3/31/89-9/28/89

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION DIVISION OF ELECTRIC AND GAS
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CLASSIFICATION	FLORIDA PUBLIC UTILITIES (MARIANNA)			STAFF POSITION	
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH	Classification Associated \$	Classification Associated KWH
1. Fuel Cost of System Net Generation (E3)	0	342,000	.00000	0	342,000
2. Spent MHC Fuel Disposal Cost (E3A)	0	0	.00000	0	0
3. Coal Car Investment	0	0	.00000	0	0
4. Adjustments to Fuel Cost	0	0	.00000	0	0
5. TOTAL COST OF GENERATED POWER	0	342,000	.00000	0	342,000
6. Fuel Cost of Purchased Power - Firm (E8)	2,347,958	118,825,000	1.97598	2,347,958	118,825,000
7. Energy Cost of Sch. C, X Economy Purchases (Broker) (E9)	0	0	.00000	0	0
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	.00000	0	0
9. Energy Cost of Sch. E Purchases (E9)	0	0	.00000	0	0
10. Capacity Cost of Sch. E Economy Purchases (E2)	2,920,205	118,825,000 (a)	2.45757	2,920,205	118,825,000 (a)
11. Payments to Qualifying Facilities (E8A)	0	0	.00000	0	0
12. TOTAL COST OF PURCHASED POWER	5,268,163	118,825,000	4.43355	5,268,163	118,825,000
13. TOTAL AVAILABLE KWH	0	119,167,000		0	119,167,000
14. Fuel Cost of Economy Sales (E7)	0	0	.00000	0	0
15. Gain on Economy Sales - 80% (E7A)	0	0	.00000	0	0
16. Fuel Cost of Unit Power Sales (E7)	0	0	.00000	0	0
17. Fuel Cost of Other Power Sales (E7)	0	0	.00000	0	0
18. TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	.00000	0	0
19. Net Inadvertent Interchange (E4)	0	0	.00000	0	0
20. TOTAL FUEL AND NET POWER TRANSACTIONS	5,268,163	119,167,000	4.42082	5,268,163	119,167,000
21. Net Unbilled (E4)	90,583 (a)	2,049,000	.08057	90,583 (a)	2,049,000
22. Company Use (E4)	2,918 (a)	66,000	.00260	2,918 (a)	66,000
23. I & D Losses (E4)	204,684 (a)	4,630,000	.18207	204,684 (a)	4,630,000
24. Adjusted System KWH Sales	5,268,163	112,422,000	4.68606	5,268,163	112,422,000
25. Wholesale KWH Sales	0	0	.00000	0	0
26. Jurisdictional KWH Sales	5,268,163	112,422,000	4.68606	5,268,163	112,422,000
27. Jurisdictional KWH Sales Adjusted for Line Loss - 0	5,268,163	112,422,000	4.68606	5,268,163	112,422,000
28. True-up * (derived in Attachment C)	735,804	112,422,000	.65450	709,879	112,422,000
29. Total Jurisdictional Fuel Cost	6,003,967	112,422,000	5.34056	5,978,042	112,422,000
30. Revenue Tax Factor	0	0	1.01609	11,956,084	112,422,000
31. Fuel Cost Adjusted for Taxes	0	112,422,000	5.42649	0	112,422,000
32. GPIT *	0	112,422,000	.00000	0	112,422,000
33. Total Fuel Cost including GPIT	6,003,967	112,422,000	5.42649	5,978,042	112,422,000
34. Total Fuel Cost Factor Rounded to the Nearest .001 cents per KWH (used in Attachment B, pages 1 and 2 of 9)	0	0	5.426	0	0

*Based on Jurisdictional Sales (a) included for informational purposes only.
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FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
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CLASSIFICATION	-----FLORIDA PUBLIC UTILITIES (FERNANDINA)-----			STAFF POSITION		
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
1. Fuel Cost of System Net Generation (E3)	0	0	.00000	0	0	.00000
2. Spent NUC Fuel Disposal Cost (E3A)	0	0	.00000	0	0	.00000
3. Coal Car Investment	0	0	.00000	0	0	.00000
4. Adjustments to Fuel Cost	0	0	.00000	0	0	.00000
5. TOTAL COST OF GENERATED POWER	0	0	.00000	0	0	.00000
6. Fuel Cost of Purchased Power - Firm (E8)	2,944,499	77,548,000	3.79700	2,944,499	77,548,000	3.79700
7. Energy Cost of Sch. C, X Economy Purchases (Broker) (E9)	0	0	.00000	0	0	.00000
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	0	0	.00000	0	0	.00000
9. Energy Cost of Sch. E Purchases (E9)	0	0	.00000	0	0	.00000
10. Capacity Cost of Sch. E Economy Purchases (E2)	1,411,724	77,548,000 (a)	1.82045	1,411,724	77,548,000 (a)	1.82045
10a. Demand Costs of Purchased Power (E2)	848,000			848,000		
10b. Non Fuel Energy and Customer Costs of Purchased Power (E2)	0			0		
11. Payments to Qualifying Facilities (E8A)	563,724			563,724		
	1,501,500	39,000,000	3.85000	1,501,500	39,000,000	3.85000
12. TOTAL COST OF PURCHASED POWER	5,857,723	116,548,000	5.02602	5,857,723	116,548,000	5.02602
13. TOTAL AVAILABLE KWH		116,548,000			116,548,000	
14. Fuel Cost of Economy Sales (E7)	0	0	.00000	0	0	.00000
15. Gain on Economy Sales - 80% (E7A)	0	0	.00000	0	0	.00000
16. Fuel Cost of Unit Power Sales (E7)	0	0	.00000	0	0	.00000
17. Fuel Cost of Other Power Sales (E7)	0	0	.00000	0	0	.00000
18. TOTAL FUEL COST AND GAINS OF POWER SALES	0	0	.00000	0	0	.00000
19. Net Inadvertant Interchange (E4)						
20. TOTAL FUEL AND NET POWER TRANSACTIONS	5,857,723	116,548,000	5.02602	5,857,723	116,548,000	5.02602
21. Net Unbilled (E4)	145,604 (a)	2,897,000	.13664	145,604 (a)	2,897,000	.13664
22. Company Use (E4)	4,976 (a)	99,000	.00467	4,976 (a)	99,000	.00467
23. T & D Losses (E4)	351,520 (a)	6,994,000	.32989	351,520 (a)	6,994,000	.32989
24. Adjusted System KWH Sales	5,857,723	106,558,000	5.49722	5,857,723	106,558,000	5.49722
25. Wholesale KWH Sales	0	0	.00000	0	0	.00000
26. Jurisdictional KWH Sales	5,857,723	106,558,000	5.49722	5,857,723	106,558,000	5.49722
27. Jurisdictional KWH Sales Adjusted for Line Loss - 0	5,857,723	106,558,000	5.49722	5,857,723	106,558,000	5.49722
27a. GSLD KWH Sales (E11)		12,840,000			12,840,000	
27b. Other Classes KWH Sales (E11)		93,718,000			93,718,000	
27c. GSLD CP KW		60,000			60,000	
28. GPIF						
29. True-up * (derived in Attachment C)	(811,718)	106,558,000	-.76176	(811,718)	106,558,000	-.76176
30. Total Jurisdictional Fuel Cost	5,046,005	106,558,000	4.73545	5,046,005	106,558,000	4.73545

ATTACHMENT A

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
ESTIMATED FOR THE PERIOD OF: April 1989-September 1989

DIVISION OF ELECTRIC AND GAS
DATE: 2-15-89
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CLASSIFICATION	-----FLORIDA PUBLIC UTILITIES (FERNANDINA)-----			-----STAFF POSITION-----		
	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH	Classification Associated \$	Classification Associated KWH	Classification Associated cents/KWH
30a.Demand Purchased Power Costs (line 10a)	848,000 (a)			848,000		
30b.Non-Demand Purchased Power Costs (lines 6+10b+11)	5,009,723 (a)			5,009,723		
30c.True-up Over/Under Recovery (line 29)	(811,718)(a)			(811,718)		
31.Total Demand Costs	848,000			848,000		
32.GSLD Portion of Demand Costs						
Including line losses (line 27c * \$3.30)	198,000	60,000		198,000	60,000	
33.Balance to Other Customers	650,000	93,718,000		650,000	93,718,000	
34.Total Non-Demand Costs (line 30b)	5,009,723			5,009,723		
35.Total KWH Purchased (line 12)		116,548,000			116,548,000	
36.Average Cost per KWH Purchased			4.29842			4.29842
37.Avg. Cost Adjusted for Transmission line losses (line 36 * 1.03)			4.42100			4.42100
38.GSLD Non-Demand Costs (line 27a * line 37)	567,656	12,840,000	4.42100	567,656	12,840,000	4.42100
39.Balance to Other Customers	4,442,067	93,718,000	4.73982	4,442,067	93,718,000	4.73982
40a.Total GSLD Demand Costs (Line 32)	198,000	60,000	3.30000	198,000	60,000	3.30000
40b.Revenue Tax Factor			1.01609			1.01652
40c.GSLD Demand Purchased Power factor adjusted for taxes and rounded			3.35310		0	3.35452
40d.Total Current GSLD Non-Demand Costs (line 38)	567,656	12,840,000	4.42100	567,656	12,840,000	4.42100
40e.Total Non-Demand Costs including true-up	567,656	12,840,000	4.42100	567,656	12,840,000	4.42100
40f.Revenue Tax Factor			1.01609			1.01652
40g.GSLD Non-demand costs adjusted for taxes.			4.49213			4.49404
41a.Total Demand and Non-Demand Purchased Power Costs of other classes (lines 33 + 39)	5,092,067	93,718,000	5.43339	5,092,067	93,718,000	5.43339
41b.Other Classes' Portion of True-up (line 42)	(811,718)	93,718,000	-.86613	(811,718)	93,718,000	-.86613
41c.Total Demand and Non-Demand Costs including True-up	4,280,349	93,718,000	4.56726	4,280,349	93,718,000	4.56726
41d.Revenue tax factor			1.01609			1.01652
			4.64075			4.64272
41e.Other Classes Purchased Power Factor adjusted for taxes to the Nearest .001 cents per KWH (used in Attachment B, pages 1 and 2 of 9)			4.641			4.643

*Based on Jurisdictional Sales (a) included for informational purposes only.
Effective dates for billing purposes: 4/1/89-9/30/89

ATTACHMENT A

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COMPANY: FPC

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE
CALCULATION OF FINAL FUEL COST FACTORS
For the Period: April 1989 through September 1989

Group Delivery Level	GROUP LINE LOSS MULTIPLIER	LEVELIZED 2.066	ON-PEAK 2.681	OFF-PEAK 1.784
I. Transmission Delivery	0.9748	2.014	2.613	1.739
II. Distribution Primary Delivery	0.9903	2.046	2.655	1.767
III. Distribution Secondary Delivery	1.0036	2.073	2.691	1.790

Rate Schedules OL-1 and SL-1:

Final fuel cost factor is composite of on-peak and off-peak factors with consumption 18.7% on-peak and 81.3% off-peak, and group III line losses:

$$(.187 * 2.681 + .813 * 1.784) * 1.0036 = 1.959 \text{ C/KWH}$$

ATTACHMENT B1

ATTACHMENT B-1

FLORIDA POWER & LIGHT COMPANY
FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)

APRIL 1989 - SEPTEMBER 1989

(1) GROUP	(2) RATE SCHEDULE	(3) AVERAGE FACTOR	(4) FUEL RECOVERY LOSS MULTIPLIER	(5) FUEL RECOVERY FACTOR
A	RS-1, GS-1, SI-2	1.778	1.00136	1.780
A-1*	SL-1, OL-1	1.743	1.00136	1.745
B	GSD-1	1.778	1.00131	1.780
C	GSLD-1 & CS-1	1.778	1.00024	1.778
D	GSLD-2, CS-2, OS-2 & MET	1.778	0.99333	1.766
E	GSLD-3 & CS-3	1.778	0.96774	1.721
A	RST-1, GST-1 ON-PEAK OFF-PEAK	1.918 1.710	1.00136 1.00136	1.921 1.712
B	GSDT-1 ON-PEAK OFF-PEAK	1.918 1.710	1.00131 1.00131	1.921 1.712
C	GSLDT-1 & CST-1 ON-PEAK OFF-PEAK	1.918 1.710	1.00024 1.00024	1.919 1.710
D	GSLDT-2 & CST-2 ON-PEAK OFF-PEAK	1.918 1.710	0.99333 0.99333	1.905 1.698
E	GSLDT-3, CST-3, ON-PEAK IST-1(T) OFF-PEAK & ISST-1(T)	1.918 1.710	0.96774 0.96774	1.856 1.654
F	IST-1(D) & ISST-1(D) ON-PEAK OFF-PEAK	1.918 1.710	0.99805 0.99805	1.914 1.706

* WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

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ATTACHMENT B-3

SCHEDULE E1-C

GULF POWER COMPANY

Fuel Cost Factors
April, 1989 - September, 1989

Group	Rate Schedules	Line Loss Multipliers	Fuel Cost Factors (Cents/KWH)		
			TOU		
			Standard	On-Peak	Off-Peak
A	RS, GS, GSD, OS111	1.01228	2.099	2.217	2.044
B	LP	0.98106	2.035	2.149	1.981
C	PI	0.96230	1.996	2.107	1.943
D	OS1, OS11	1.01228	2.059	N/A	N/A

Group D Calculation

On-Peak Factor	$2.190 \text{ Cents/KWH} \times 0.0883 =$	0.193 Cents/KWH
Off-Peak Factor	$2.019 \text{ Cents/KWH} \times 0.9117 =$	1.841 Cents/KWH
		2.034 Cents/KWH
Line Loss Multiplier		1.01228
		2.059 Cents/KWH

**CALCULATION OF FUEL AND PURCHASED POWER
COST RECOVERY FACTOR WITH LINE LOSSES**

ESTIMATED FOR THE PERIOD
APR., 1989 THRU SEPT., 1989

1. THE FOLLOWING GROUPS ARE USED FOR LINE LOSS CALCULATIONS:

GROUP	RATE	DESCRIPTION
A	RS GS TS	RESIDENTIAL SERVICE GENERAL SERVICE - NON DEMAND TEMPORARY SERVICE
A1	SL-1, 2 & 3 OL-1 & 2	STREET LIGHTING SERVICE GENERAL OUTDOOR LIGHTING SERVICE
B	GSD GSLD SBF	GENERAL SERVICE - DEMAND GENERAL SERVICE - LARGE DEMAND FIRM STANDBY AND SUPPLEMENTAL SERVICE
C	IS-1 IS-3 SBI-1 SBI-3	INDUSTRIAL INTERRUPTIBLE SERVICE INTERRUPTIBLE SERVICE INDUSTRIAL INTERRUPTIBLE STANDBY AND SUPPLEMENTAL SERVICE INTERRUPTIBLE STANDBY AND SUPPLEMENTAL SERVICE

2. DEVELOPMENT OF RATE GROUP LINE LOSS MULTIPLIERS FOR THE PROJECTION PERIOD. BASED ON PROJECTED 1985 DATA:

GROUP	RATE	(1)	(2)	(3)	(4)	(5)
		MWH @ CUSTOMER LEVEL	PER UNIT DELIVERY EFFICIENCY	MWH @ SOURCE (1) / (2)	COMPOSITE DELIVERY EFFICIENCY (1) / (3)	GROUP LINE LOSS MULTIPLIER .9450 / (4)
A (& A1)	RS, GS, TS, SL & OL					
	1. PRIMARY DELIVERY	0		0		
	2. SECONDARY DELIVERY	4,904,451	0.9313316	5,266,063		
	TOTAL GROUP A (& A1)	4,904,451		5,266,063	0.9313	1.0147
B	GSD & GSLD					
	1. SUBTRANS. DELIVERY	964,749	0.9802985	984,138		
	2. PRIMARY DELIVERY	1,127,102	0.9604815	1,173,476		
	3. SECONDARY DELIVERY	2,771,698	0.9313316	2,976,059		
	TOTAL GROUP B	4,863,549		5,133,673	0.9474	0.9975
C	IS-1 & IS-3					
	1. SUBTRANS. DELIVERY	1,452,997	0.9802985	1,482,198		
	2. PRIMARY DELIVERY	439,003	0.9604815	457,066		
	TOTAL GROUP C	1,892,000		1,939,264	0.9756	0.9686
TOTAL RETAIL RATE GROUPS		11,660,000		12,339,000	0.9450	1.0000

3. FUEL CHARGE FACTORS AFTER ADJUSTMENT FOR VARIATIONS IN LINE LOSSES:

	MULTIPLIER	STANDARD	ON-PEAK	OFF-PEAK
GROUP A	1.0147	2.597	2.832	2.484
GROUP A1	1.0147	2.536		
GROUP B	0.9975	2.553	2.784	2.442
GROUP C	0.9686	2.479	2.703	2.371
SYSTEM	1.0000	2.559	2.791	2.448

* GROUP A1 IS BASED ON GROUP A, 15% OF ON PEAK & 85% OF OFF PEAK.

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ATTACHMENT C

GPIF TARGETS
APR - SEPT

Availability

FPL	EA	PO	EU	Heat Rate
Cape Canaveral 1	78.8	17.5	3.1	9576
Cape Canaveral 2	95.5	0.0	4.5	9471
Fort Myers 2	82.6	13.7	3.7	9299
Manatee 1	79.7	8.7	11.6	9532
Manatee 2	94.3	0.0	5.7	9700
Martin 1	92.8	0.0	7.2	9328
Martin 2	66.6	29.0	4.4	9703
Port Everglades 1	80.3	13.1	6.6	9901
Port Everglades 2	87.0	5.5	7.5	9762
Port Everglades 3	80.6	0.0	19.4	9653
Port Everglades 4	76.6	12.0	11.4	9631
Riviera 3	80.7	6.0	13.3	9830
Riviera 4	83.7	9.8	6.5	9929
Turkey Point 1	80.0	17.5	2.5	9441
Turkey Point 2	88.9	0.0	11.1	9615
Turkey Point 3	65.7	7.7	26.6	11062
Turkey Point 4	76.1	0.0	23.9	11051
St. Lucie 1	91.8	0.0	8.2	10822
St. Lucie 2	77.6	15.3	7.1	10841

FPC	EA	PO	EU	Heat Rate
Anclotte 1	83.24	7.65	9.11	9839
Anclotte 2	93.75	0.00	6.25	9870
Crystal River 1	90.43	0.00	9.57	10046
Crystal River 2	62.89	19.11	18.00	10169
Crystal River 3	69.68	6.56	23.76	10716
Crystal River 4	71.35	22.93	5.72	9417
Crystal River 5	94.36	0.00	5.64	9448

TECO	EA	PO	EU	Heat Rate
Gannon 5	57.7	30.6	11.7	10142
Gannon 6	74.3	12.6	13.1	10142
Big Bend 1	86.4	0.0	13.6	9806
Big Bend 2	60.2	30.1	9.7	9806
Big Bend 3	84.2	0.0	15.8	9806
Big Bend 4	92.7	0	7.3	10012

GULF	EA	PO	EU	Heat Rate
Crist 6	83.9	4.9	11.2	10413
Crist 7	75.8	12.6	11.6	10493
Smith 1	87.9	8.7	3.4	10310
Smith 2	82.9	8.7	8.4	10340
Daniel 1	91.0	4.9	4.1	10723
Daniel 2	97.6	0.0	2.4	10697
Crist 4	95.3	0.0	4.7	11095

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power)	DOCKET NO. 890001-EI
Cost Recovery Clause and Generating)	
Performance Incentive Factor.)	Submitted for filing:
	February 14, 1989

STIPULATION

The Florida Industrial Power Users Group ("FIPUG") and Florida Power & Light Company ("FPL") do hereby enter into the following stipulation and request that consideration of Issues 15-17 and FIPUG's position on Issues 11-14 (the "Issues") be deferred from the February 22 hearing in this docket:

1. FIPUG and FPL are parties in Docket No. 890001-EI. Issues 11-14 in that docket, as delineated in the Prehearing Order, involve the setting and application of the Oil Backout Cost Recovery Factor ("OBCRF") by FPL for the time frames covered by the hearing.

2. Issues 15-17, as delineated in the Prehearing Order, set forth issues raised by FIPUG in regard to the application of the OBCRF. FIPUG seeks a refund of certain monies collected by FPL pursuant to the OBCRF and discontinuation of FPL's oil backout cost recovery mechanism. Further, with respect to Issues 11-14, FIPUG has asserted that all revenues associated with claims of deferral benefits should be refunded to customers.

3. Docket No. 890001-EI is set for hearing beginning February 22, 1989.

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4. FIPUG currently has pending in Docket No. 890148-EI a Petition to Discontinue FPL's OBCRF. This petition has not yet been set for hearing.

5. On January 27, 1989, FIPUG filed a motion to consolidate the two dockets as they relate to FPL's OBCRF or, alternatively, to hold the OBCRF issues in Docket No. 890001-EI in abeyance pending resolution of FIPUG's petition.

6. On February 10, 1989 at the prehearing conference in Docket No. 890001-EI, Commissioner Herndon deferred ruling on FIPUG's Motion to Consolidate. He sent the motion to the full Commission for a ruling at the March 7, 1989 Agenda Conference. Thus, the Commission's ruling on the Motion to Consolidate will occur after the February 22, 1989 hearing in Docket No. 890001-EI.

7. FIPUG and FPL agree that insufficient time exists for discovery and hearing preparation on the "Issues" as currently included in the February 22 hearing in Docket No. 890001-EI.

8. In order to allow sufficient time for discovery and preparation so as to present all the facts to the Commission, FIPUG and FPL stipulate:

a. FPL shall proceed with the presentation of evidence at the February 22, 1989 hearing in regard to issues 11-14 as those issues relate to the setting of the OBCRF;

b. FIPUG agrees to defer presentation of its position on the "Issues" until such "Issues" are decided in a later scheduled hearing or ruling in Docket No. 890001-EI and/or Docket No. 890148-EI;

c. FPL agrees that if any adjustment is made to FPL's OBCRF as a result of the proceedings in a later scheduled hearing in Docket No. 890001-EI and/or Docket No. 890148-EI, as a result of consideration of the "Issues," any amounts ordered to be refunded shall be subject to refund as though the Commission had considered and reached a decision on the "Issues" in the hearing held on February 22 in Docket No. 890001-EI; and

d. FIPUG and FPL agree that this Stipulation in no way shall be construed as a waiver of any parties' positions or rights in regard to any "Issues" arising from FIPUG's positions in Docket No. 890001-EI and/or Docket No. 890148-EI.

9. The undersigned are authorized to represent that the Office of Public Counsel joins in this Stipulation.

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