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February 25, 1994

Steve Tribble, Director
Division of Public Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

In re: Docket No. 940001-EI

Fuel and Purchased Power Cost Recovery Clause and Generating
Performance Incentive Factor.

Dear Mr. Tribble,

Please find enclosed the original and fifteen copies of the
Prehearing Statement to be filed by the United Mine Workers of
America (UMWA) in the above cited docket. Also enclosed is a 3.5
inch disk in Word Perfect containing the Prehearing Statement as
item #0969.

Thank you for your attention in this matter.

Sincerely,

Suzanne Brownless
Suzanne Brownless
Attorney for UMWA

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost) Docket No. 940001-EI
Recovery Clause and Generating) Filed: February 25, 1994
Performance Incentive Factor.)
)

PREHEARING STATEMENT OF THE
THE UNITED MINE WORKERS OF AMERICA

The United Mine Workers of America (UMWA), pursuant to Order No. PSC-94-0067-PCO-EI, through its undersigned counsel, files its Prehearing Statement. UMWA reserves the right to amend this prehearing statement.

A. APPEARANCES:

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EUGENE M. TRISKO, P.O. Box 596 Berkeley Springs, West Virginia 25411

On behalf of the United Mine Workers of America

B. WITNESSES:

None at this time.

C. EXHIBITS:

None at this time.

D. STATEMENT OF BASIC POSITION:

United Mine Workers of America's Statement of Basic Position:

Gulf Power Company (Gulf) should not be permitted to recover costs associated with the Peabody coal contract buyout (suspension) or the litigation initiated by Orgulf Transport for Gulf's alleged breach of its barge transport contract. The potential damages Gulf is exposed to in the Orgulf litigation greatly outweigh the claimed benefits of the Peabody contract buyout. The Peabody contract buyout would not have been necessary had Gulf reasonably and prudently anticipated the enactment of acid rain legislation when it renegotiated the Peabody contract in 1988. Moreover, none of the principal assumptions underlying Gulf's analysis of the Peabody contract buyout, including continued transport of coal by Orgulf, has come to pass since the buyout was consummated.

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In the alternative, any amounts for the Peabody contract buyout or for the Orgulf litigation determined to be recoverable by the Commission in this docket should be subject to refund with interest pending the final disposition of Orgulf's claims against Gulf. Finally, should the Commission determine that this issue should be considered in a subsequent proceeding in this docket or a separate spin-out docket, the UMWA would urge that amounts associated with the Peabody contract buyout would also be held subject to refund pending the outcome of that proceeding.

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Fuel Adjustment Issues

1. ISSUE: What are the appropriate final fuel adjustment true-up amounts for the period April, 1993 through September, 1993?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

2. ISSUE: What are the estimated fuel adjustment true-up amounts for the period October, 1993 through March, 1994?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

3. ISSUE: What are the total fuel adjustment true-up amounts to be collected during the period April, 1994 through September, 1994?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

4. ISSUE: What are the appropriate levelized fuel cost recovery factors for the period April, 1994 through September, 1994?

UMWA: UMWA takes no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

5. 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 factor should be effective beginning with the specified fuel cycle and thereafter for the period April 1, 1994, through September, 1994. Billing cycles may start before April 1, 1994, and the last cycle may be read after September 30, 1994, so that each customer is billed for six months regardless of when the adjustment factor became effective.

6. ISSUE: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

7. ISSUE: What are the appropriate fuel cost recovery factors for each rate group adjusted for line losses?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Company-Specific Fuel Adjustment Issues

8. ISSUE: Should the Commission approve FPC's proposed refinement to its previously approved market pricing mechanism for water-borne transportation services to provide for potential purchases of foreign coal?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Generic Generating Performance Incentive Factor Issues

9. ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1993 through

September, 1993?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

10. ISSUE: What should the GPIF target/ranges be for the period April, 1994 through September, 1994?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Company-Specific GPIF Issues

UMWA: None at this time.

Generic Oil Backout Issues

11. ISSUE: What is the final oil backout true-up amount for the April, 1993 through September, 1993 period?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

12. ISSUE: What is the estimated oil backout true-up amount for the period October, 1993 through March, 1994?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

13. ISSUE: What is the total oil backout true-up amount to be collected during the period April, 1994 through September, 1994?

UMWA: UMWA has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

14. ISSUE: What is the projected oil backout cost recovery factor for the period April, 1994 through September, 1994?

UMWA: UMWA has no position at this time, but reserves the

right to take a position on this issue by the date of the prehearing conference.

Generic Capacity Cost Recovery Factor Issue

15. ISSUE: What is the final capacity cost recovery true-up amount for the October, 1993 through March, 1994 period?

UMWA: UMWA has no position a this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

16. ISSUE: What is the estimated capacity cost recovery true-up amount for the period April, 1994 through September, 1994?

UMWA: UMWA has no position a this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

17. ISSUE: What is the total capacity cost recovery true-up amount to be collected during the period October, 1993 through March, 1994?

UMWA: UMWA has no position a this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

18. ISSUE: What is the appropriate capacity cost recovery factor for the period October, 1993 through September, 1994?

UMWA: UMWA has no position a this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Company-Specific Issues

*19. ISSUE: Is Gulf Power Company requesting recovery through its fuel adjustment clause of any part of the costs associated with the buyout (suspension) of the Peabody coal contract?

UMWA: Yes.

*20. ISSUE: If the answer to Issue 19 is yes, should the

Commission approve the recovery of costs associated with the Peabody coal contract buyout (suspension)?

UMWA: No.

*21. ISSUE: Is Gulf Power Company attempting to recover through its fuel adjustment clause any part of the costs associated with its civil litigation with Orgulf?

UMWA: The UMWA is unable to answer this question pending the completion of discovery.

*22. ISSUE: If the answer to Issue 21 is yes, should the Commission approve the recovery of costs associated with the Orgulf litigation?

UMWA: No.

*23. ISSUE: Should the Commission approve the recovery of costs related to ~~the~~ buyout (suspension) of the Peabody contract or the Orgulf civil litigation subject to refund, with interest, pending the final disposition of the Orgulf litigation?

UMWA: Assuming that the costs of both the Peabody coal contract buyout (suspension) and the Orgulf civil litigation have been included by Gulf in the fuel adjustment factor calculation, it is UMWA's position that these should not be recovered. However, if the Commission determines that this issue should be considered in more detail in either a separate docket or in subsequent hearings in this docket, then UMWA believes that these costs should be placed subject to refund with interest.

*24. ISSUE: Should the Commission reconsider its final order in Docket No. 021155-EI, Gulf Power Company's Clean Air Act Compliance

Plan docket, in light of the test burn difficulties with Venezuelan coal at Plant Crist, and/or the Orgulf litigation?

UMWA: Yes.

F. STIPULATED ISSUES:


Issue No. 5.

G. PENDING MOTIONS:

UMWA's petition for intervention, filed on January 18, 1994, is currently pending before the Commission.

H. OTHER MATTERS:

None at this time.



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Attorney for the United Mine Workers
of America

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost) Docket No. 940001-EI
Recovery Clause and Generating)
Performance Incentive Factor.)
_____)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement, filed on behalf of the United Mine Workers of America (UMWA) has been furnished by U.S. Mail or Hand Delivery (*) this 25th day of February, 1994 to the following individuals:

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