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February 25, 1994

VIA HAND DELIVERY

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 Orgulf Transport Co. in the above referenced docket. Also enclosed is a 3.5 inch disk in Word Perfect containing the Prehearing Statement as item ORG.PHS

ACK _____ Thank you for your attention in this matter.

AFA 3 _____

APP _____

CIF _____

CMU _____

CRJ _____

ETD _____

LEG L _____

LHI 4 _____

OPC _____

RCH _____

SEC 1 _____

WAS _____

OTH _____

Sincerely,

Mark K. Logan

FPSC BUREAU OF RECORDS
MKS

DOCUMENT NUMBER-DATE
01920 FEB 25 1994
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

PREHEARING STATEMENT

Pursuant to Order No. PSC-94-0067-PCO-EI, issued on January 21, 1994 and Rule 25-22.038, Fla. Admin. Code, Orgulf Transport Co. ("Orgulf") files its Prehearing Statement and states:

(A) Appearances:

Mark K. Logan
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Tallahassee, Florida 32301
(904) 222-8611

Thomas J. Schmidt
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Orgulf Transport Co.
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(513) 721-4000

(B) Witnesses: None scheduled at this time.

Orgulf reserves the right to offer witnesses at the hearing as the need arises.

(C) Exhibits: None scheduled at this time.

Orgulf reserves the right to add additional exhibits after discovery has been completed and to add exhibits at the hearing as the need arises.

(D) Basic Position:

The Florida Public Service Commission should deny Gulf's petition with respect to all costs related to the Peabody Coal contract buy-out and any other costs related to the administration, suspension, and cancellation of the Orgulf transportation contract as these costs were not prudently incurred. The Commission should also deny recovery for any alternative fuel transportation costs incurred by Gulf Power outside of its transportation agreement with Orgulf.

Alternatively, the Commission should order that Gulf Power be prohibited from recovering all costs associated with the Peabody

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FPSC-RECORDS/REPORTING

Coal contract buy-out and other costs relative to the Orgulf transportation agreement for the time period in question until the pending litigation between Gulf and Orgulf Transport is concluded. At such time the Commission can better determine whether costs associated with the administration of the Peabody and Orgulf contracts and other related transportation costs have been prudently incurred and are therefore recoverable from Gulf's ratepayers.

(E) Statement of Issues and Positions:

Issues with an asterisk (*) are issues raised by Orgulf Transport Co.

General Fuel Adjustment Issues

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

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

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

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

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

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

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

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

ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost

recovery charge for billing purposes?

ORGULF: The factor should be effective beginning with the specified fuel cycle and therefore 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.

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

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

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

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

Company-Specific Fuel Adjustment Issues

ISSUE 8: 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?

ORGULF: Not at issue for this party.

Generic Generating Performance Incentive Factor Issues

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

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party.

Generic Oil Backout Issues

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

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party

Generic Capacity Cost Recovery Factor Issues

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

ORGULF: Not at issue for this party.

ISSUE 16: What is the estimated capacity cost recovery true-up

amount for the period April, 1994 through September, 1994?

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party.

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

ORGULF: Not at issue for this party.

Company-Specific Issues

*ISSUE 19: Is Gulf Power requesting recovery through its fuel adjustment clause of any part of the costs associated with the Peabody Coal contract buy-out?

ORGULF: Yes.

*ISSUE 20: If the answer to Issue 19 is yes, should the Commission approve the recovery of those costs?

ORGULF: No.

*ISSUE 21: Is Gulf Power requesting recovery through its fuel adjustment clause for any part of its costs associated with the administration, suspension, or cancellation of the Orgulf contract, including related transportation costs incurred by Gulf apart from its transportation agreement with Orgulf?

ORGULF: Yes.

*ISSUE 22: If the answer to Issue 21 is yes, should the

Commission approve the recovery of those costs?

ORGULF: No.

***ISSUE 23:** Is Gulf Power attempting to recover through its fuel adjustment clause any part of the costs associated with its civil litigation with Orgulf?

ORGULF: Orgulf is unable to answer this question pending the completion of discovery.

***ISSUE 24:** Should the Commission withhold determination as to the recoverability of the Peabody Coal buy-out and Orgulf transportation-related costs pending the conclusion of the litigation between Gulf Power and Orgulf?

ORGULF: Orgulf's position is that the costs associated with the Peabody Coal buy-out and other costs related to Orgulf's coal transportation contract with Gulf Power are not recoverable. However, to the extent the Commission determines that it is inappropriate to deny recoverability at this time, the Commission should withhold final determination on these issues until such time as the Orgulf litigation is concluded.

(F) Stipulated Issues:

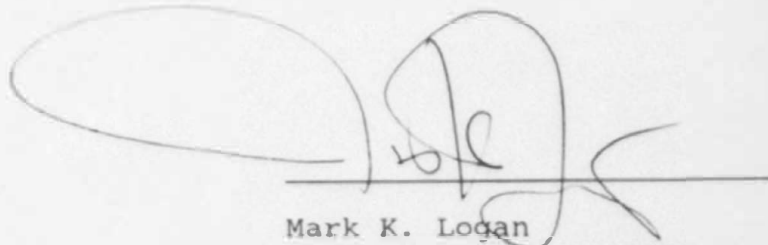
Issue No. 5

(G) Pending Motions:

Orgulf's petition for intervention is pending before the Commission as of the date of this Prehearing Statement.

(H) Compliance:

Orgulf is unaware of any order of this Commission applicable to this docket with which it is not in full compliance.

A handwritten signature in black ink, appearing to read 'M. Logan', is written over a horizontal line. The signature is stylized with large loops and a long tail.

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(Fla. Bar No. 0494208)
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Attorney for Intervenor Orgulf
Transport Co.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

CERTIFICATE OF SERVICE

I certify that a copy of Orgulf Transport's Prehearing Statement has been furnished to the following by U.S. Mail or hand delivery (*) this 25th day of February, 1994:

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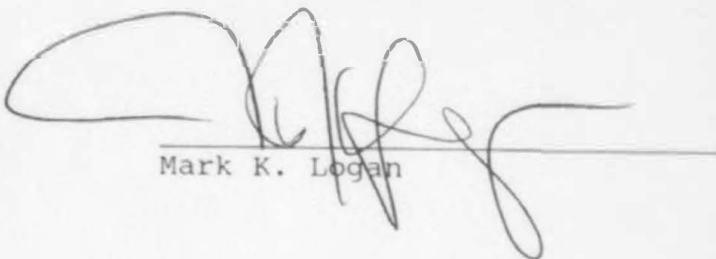
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