

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance)
Incentive Factor.)

DOCKET NO. 940001-EI
FILED:

RECEIVED
FEB 25 1994

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-94-0067-PCO-EI, issued January 21, 1994, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None at this time.

c. Staff's Statement of Basic Position

Staff takes no basic position at this time.

d. Staff's Position on the Issues

Generic Fuel Adjustment Issues

- ACK _____
- AFA _____
- APP _____
- C/F _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC / _____
- WAS _____
- QTH _____

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

POSITION:

FPC: \$18,573,496 underrecovery.
FPL: Staff takes no position at this time.
FPUC: \$87,558 underrecovery. (Marianna)
\$17,891 underrecovery. (Fernandina Beach)
GULF: \$1,734,229 underrecovery.
TECO: \$8,343,904 underrecovery.

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

DOCUMENT NUMBER-DATE

01923 FEB 25 1994

FPSC-RECORDS/REPORTING

POSITION:

FPC: \$23,541,004 overrecovery.
FPL: Staff takes no position at this time.
FPUC: \$61,955 overrecovery. (Marianna)
\$136,110 overrecovery. (Fernandina Beach)
GULF: \$2,995,885 underrecovery.
TECO: \$5,354,211 underrecovery.

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

POSITION:

FPC: \$4,967,508 overrecovery.
FPL: Staff takes no position at this time.
FPUC: \$25,603 underrecovery. (Marianna)
\$118,219 overrecovery. (Fernandina Beach)
GULF: \$4,730,114 underrecovery.
TECO: \$13,698,115 underrecovery.

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

POSITION:

FPC: 1.960 ¢/kwh.
FPL: Staff takes no position at this time.
FPUC: No Position. (Marianna)
3.856 ¢/kwh. (Fernandina Beach)
GULF: 2.147 ¢/kwh.
TECO: 2.897 ¢/kwh.

DOCUMENT NUMBER-DATE

01923 FEB 25 1994

FPSC-RECORDS/REPORTING

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?

POSITION: The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 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 line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:
Staff takes no position at this time.

Fernandina Beach:
Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

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

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:
Staff takes no position at this time.

Fernandina Beach:
Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of April through September, 1994?

POSITION:

FPC: 1.00083
FPL: 1.01609
FPUC: 1.00083 (Marianna)
1.01609 (Fernandina Beach)
GULF: 1.01609
TECO: 1.00083

Company-Specific Fuel Adjustment Issues

Florida Power Corporation

ISSUE 9: How should the affiliated coal transportation market-based pricing methodology be amended to address additional transportation charges incurred by Electric Fuels Corporation due to government impositions not considered at the time the methodology was established?

POSITION: The affiliated coal transportation market-based pricing methodology should be amended to add the actual amount of additional governmental impositions (on a \$/ton basis) to the market price calculated by escalating the January 1, 1993 \$23.00 market price for domestic water-borne coal delivered to Crystal River.

ISSUE 10: How should the affiliated coal transportation market-based pricing methodology be amended to calculate a transportation charge for foreign coal?

POSITION: Foreign coal purchased F.O.B. International Marine Terminals (IMT) by FPC should be recovered at a rate equal to 50.2% of the market-based price calculated by

escalating the January 1, 1993 \$23.00 per ton price for water-borne domestic coal delivered to Crystal River.

Tampa Electric Company

ISSUE 11: Has Tampa Electric Company prudently administered its contract with Zeigler Coal Company and prudently purchased replacement coal as a result of the United Mine Workers strike?

POSITION: The costs associated with the Zeigler settlement should be held subject to refund pending discovery.

ISSUE 12: Has Tampa Electric Company prudently administered its contract with Consol Coal Company?

POSITION: The costs associated with the Consol contract agreement should be held subject to refund pending discovery.

Gulf Power Company

ISSUE 13: What costs, if any, are appropriate for Gulf to recover through the fuel cost recovery clause as a result of the Peabody contract suspension?

POSITION: The costs associated with the Peabody contract suspension should be held subject to refund pending discovery.

Generic Generating Performance Incentive Factor Issues

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1993 through September, 1993?

POSITION:

FPC:	\$1,100,739 reward.
FPL:	\$871,893 reward.
GULF:	\$128,552 reward.
TECO:	\$214,237 penalty. (See Attachment 1)

ISSUE 15: What should the GPIF targets/ranges be for the period April, 1994 through September, 1994?

POSITION: The GPIF targets for the period April 1994 through September 1994 are shown on Attachment 1 for FPC, FPL, GULF and TECO.

Company-Specific GPIF Issues

Staff knows of no company-specific GPIF issues at this time.

Generic Oil Backout Issues

ISSUE 16: What is the final oil backout true-up amount for the April, 1993 through September, 1993 period?

POSITION:

FPL: \$191,376 overrecovery.

TECO: \$193,724 overrecovery.

ISSUE 17: What is the estimated oil backout true-up amount for the period October, 1993 through March, 1994?

POSITION:

FPL: \$248,851 underrecovery.

TECO: \$415,515 overrecovery.

ISSUE 18: What is the total oil backout true-up amount to be collected during the period April, 1994 through September, 1994?

POSITION:

FPL: \$57,475 underrecovery.

TECO: \$609,239 overrecovery.

ISSUE 19: What is the projected oil backout cost recovery factor for the period April, 1994 through September, 1994?

POSITION:

FPL: 0.012 ¢/kwh.
TECO: 0.073 ¢/kwh.

Company-Specific Oil Backout Issues

Staff knows ~~the following~~ issues at this time.

Generic Capacity Cost Recovery Issues

ISSUE 20: What is the appropriate final capacity cost recovery true-up amount for the period April, 1993 through September, 1993?

POSITION:

FPC: \$2,576,367 Overrecovery.
FPL: \$6,291,909 Overrecovery.
GULF: \$183,938 Overrecovery.
TECO: \$4,897 Overrecovery.

ISSUE 21: What is the estimated capacity cost recovery true-up amount for the period October, 1993 through March, 1994?

POSITION:

FPC: \$193,412 Underrecovery.
FPL: \$17,123,942 Underrecovery.
GULF: \$41,833 Underrecovery.
TECO: \$918,803 Underrecovery.

ISSUE 22: What is the total capacity cost recovery true-up amount to be collected during the period April, 1994 through September, 1994?

POSITION:

FPC: \$2,382,955 Overrecovery.

FPL: \$10,832,033 Underrecovery.
GULF: \$142,105 Overrecovery.
TECO: \$913,906 Underrecovery.

ISSUE 23: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April, 1994 through September, 1994?

POSITION:

FPC: \$60,263,005.
FPL: \$189,966,237.
GULF: \$1,180,247
TECO: \$11,106,718.

ISSUE 24: What are the projected capacity cost recovery factors for the period April, 1994 through September, 1994?

POSITION:

FPC: Staff takes no position at this time.
FPL: Staff takes no position at this time.
GULF: Staff takes no position at this time.
TECO: Staff takes no position at this time.

Company-Specific Capacity Cost Recovery Issues

Staff knows of no company-specific capacity cost recovery issues at this time.

e. **Pending Motions**

On January 18, 1994, TECO filed a Motion for Extension of Time

to file its fuel adjustment petition and supporting testimony and exhibits relative to its proposed fuel adjustment factor and oil backout cost recovery for the forthcoming recovery period. The testimony was filed January 24, 1994. No responses were filed to TECO's motion.

On February 24, 1994, Orgulf Transport Company filed a Petition for Invention.

f. Compliance with Order No. PSC-94-0067-PCO-EI

The Staff's Prehearing Statement is filed in compliance with Order No. PSC-94-0067-PCO-EI.

Respectfully submitted this 25th day of February,
1994.

Robert V. Elias

DONNA L. CANZANO
Staff Counsel
MARTHA CARTER BROWN
Staff Counsel

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 940001-EI
Cost Recovery Clause and Generating) FILED:
Performance Incentive Factor.)
_____)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT has been served on the following parties on this 25th day of February, 1994 :

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940001PS.DC

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GPIF REWARDS/PENALTIES
April 1993 to September 1993

Florida Power Corporation	\$1,100,739	Reward
Florida Power and Light Company	\$871,893	Reward
Gulf Power Company	\$128,552	Reward
Tampa Electric Company	\$214,237	Penalty

Utility/ Plant/Unit	EAF		Heat Rate	
	Target	Adj. Actual	Target	Adj. Actual
FPC				
Ancloste 1	83.4	83.1	9,764	9,667
Ancloste 2	94.7	96.0	9,886	9,845
Crystal River 1	84.3	89.8	9,988	10,090
Crystal River 2	78.1	77.4	9,975	10,075
Crystal River 3	72.2	82.9	10,462	10,582
Crystal River 4	83.2	83.0	9,245	9,258
Crystal River 5	94.9	94.6	9,301	9,233
FPL				
Cape Canaveral 1	83.8	85.0	9,082	8,995
Cape Canaveral 2	79.5	78.2	9,202	9,222
Fort Myers 2	91.9	94.9	9,414	9,327
Manatee 1	83.7	93.3	9,710	9,573
Manatee 2	95.4	95.9	9,521	9,645
Martin 1	90.7	89.8	9,172	9,209
Martin 2	96.0	94.0	9,138	9,022
Port Everglades 1	94.8	98.8	9,791	9,657
Port Everglades 2	91.0	97.4	9,713	9,646
Port Everglades 3	93.9	95.5	9,301	9,307
Port Everglades 4	95.4	97.6	9,353	9,306
Riviera 3	91.1	88.4	9,864	9,758
Riviera 4	56.3	57.6	9,776	9,716
Sanford 4	93.8	93.5	9,979	9,718
St. Johns River 1	97.3	96.6	9,344	9,367
St. Johns River 2	98.0	95.7	9,258	9,392
St. Lucie 1	62.5	65.2	10,813	10,791
St. Lucie 2	93.6	88.4	10,795	10,911
Turkey Point 1	74.1	67.8	9,324	8,792
Turkey Point 2	82.5	90.2	9,480	9,476
Turkey Point 3	90.7	98.4	11,258	11,090
Turkey Point 4	60.1	56.2	11,216	11,121
Gulf				
Crist 6	87.8	91.8	10,247	10,163
Crist 7	62.0	64.0	9,989	10,103
Smith 1	84.8	84.2	10,178	10,199
Smith 2	91.8	74.3	10,227	10,292
Daniel 1	98.0	93.5	10,498	10,131
Daniel 2	97.8	99.4	10,408	10,226
TECO				
Big Bend 1	81.0	82.4	9,994	10,106
Big Bend 2	84.0	90.1	9,984	9,985
Big Bend 3	72.6	71.4	9,634	9,739
Big Bend 4	87.0	84.4	9,914	10,128
Gannon 5	59.5	58.5	10,442	10,436
Gannon 6	81.8	80.8	10,268	10,494

GPIF TARGETS
April 1994 to September 1994

Utility/ Plant/Unit	Equivalent Availability			Staff	Heat Rate	
	Company				Company	Staff
	EAF	POF	EUOF			
FPC						
Anclote 1	92.6	3.8	3.6	Agree	9,634	Agree
Anclote 2	81.7	15.3	3.0	Agree	9,596	Agree
Crystal River 1	85.9	0.0	14.1	Agree	10,118	Agree
Crystal River 2	83.9	0.0	16.1	Agree	10,081	Agree
Crystal River 3	59.8	33.3	6.8	Agree	10,533	Agree
Crystal River 4	87.2	8.2	4.7	Agree	9,268	Agree
Crystal River 5	94.7	0.0	5.3	Agree	9,315	Agree
FPL						
Cape Canaveral 1	94.7	0.0	5.3	Agree	8,978	Agree
Cape Canaveral 2	93.2	0.0	5.8	Agree	9,400	Agree
Fort Myers 1	95.2	0.0	4.8	Agree	10,054	Agree
Fort Myers 2	94.0	0.0	6.0	Agree	9,413	Agree
Manatee 1	92.7	0.0	7.3	Agree	9,658	Agree
Manatee 2	94.5	0.0	5.5	Agree	9,785	Agree
Port Everglades 1	96.0	0.0	4.0	Agree	9,960	Agree
Port Everglades 2	95.3	0.0	4.7	Agree	9,936	Agree
Port Everglades 3	95.2	0.0	4.8	Agree	9,320	Agree
Port Everglades 4	87.1	8.2	4.7	Agree	9,372	Agree
Putnam 1	89.4	4.1	6.5	Agree	8,183	Agree
Putnam 2	94.2	0.0	5.8	Agree	8,302	Agree
Riviera 3	65.4	27.9	6.7	Agree	9,691	Agree
Riveria 4	90.4	0.0	9.6	Agree	9,717	Agree
Sanford 4	94.6	0.0	5.4	Agree	9,760	Agree
Sanford 5	94.1	0.0	5.9	Agree	9,534	Agree
Scherer 4	95.9	0.0	4.1	Agree	8,855	Agree
St. Johns River 1	95.6	0.0	4.4	Agree	9,370	Agree
St. Johns River 2	95.3	0.0	4.7	Agree	9,302	Agree
St. Lucie 1	93.4	0.0	6.6	Agree	10,846	Agree
St. Lucie 2	70.3	10.4	19.3	Agree	10,796	Agree
Turkey Point 1	82.6	0.0	17.4	Agree	9,444	Agree
Turkey Point 2	87.4	0.0	12.6	Agree	9,624	Agree
Turkey Point 3	67.0	28.4	4.6	Agree	11,085	Agree
Turkey Point 4	93.6	0.0	6.4	Agree	11,216	Agree
Gulf						
Crist 6	66.6	24.6	8.9	Agree	10,391	Agree
Crist 7	82.1	0.0	17.9	Agree	10,231	Agree
Smith 1	80.8	13.1	6.1	Agree	10,162	Agree
Smith 2	90.8	0.0	9.2	Agree	10,192	Agree
Daniel 1	86.8	9.3	3.9	Agree	10,449	Agree
Daniel 2	96.8	0.0	3.2	Agree	10,089	Agree
TECO						
Big Bend 1	58.6	30.6	10.8	Agree	10,062	Agree
Big Bend 2	87.6	0.0	12.4	Agree	10,069	Agree
Big Bend 3	83.5	0.0	16.5	Agree	9,676	Agree
Big Bend 4	88.1	0.0	11.9	Agree	10,114	Agree
Gannon 5	82.7	4.4	12.9	Agree	10,408	Agree
Gannon 6	83.1	0.0	16.9	Agree	10,454	Agree