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July 21, 1994

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Public Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

In re: Docket No. ~~940001-EI~~

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

Dear Ms. Bayo:

Enclosed please find the original and fifteen copies of the Prehearing Statement to be filed on behalf of 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 NEWPHS-1ORG.

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Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and return to the undersigned.

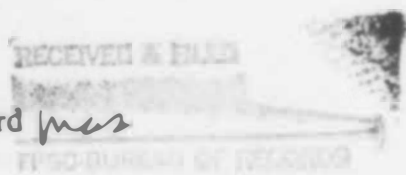
Thank you for your attention in this matter.

Sincerely,

Mark K. Logan
Mark K. Logan

MKL/ejc
Enclosure (16)

cc: All Parties of Record *mas*



DOCUMENT NUMBER-DATE

07407 JUL 21 94

FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)	
Cost Recovery Clause and Generating)	Docket No.
Performance Incentive Factor)	940001-EI
<hr/>) FILED: July 21, 1994

PREHEARING STATEMENT

Pursuant to Order No. PSC-94-0818-PCO-EI, issued on July 5, 1994 and Rule 25-22.038, Fla. Admin. Code, Orgulf Transport Co. ("Orgulf") files its Prehearing Statement and states:

(A) Appearances:

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Thomas J. Schmidt
General Counsel
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Post Office Box 1460
Cincinnati, Ohio 45201
(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

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FPSC-RECORDS/REPORTING

also deny recovery for any replacement 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 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 October, 1993 through March, 1994?

POSITION:

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 April, 1994 through September, 1994?

POSITION:

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-up amounts to be collected during the period October, 1994 through March, 1995?

POSITION:

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 October, 1994 through March, 1995?

POSITION:

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?

POSITION:

ORGULF: Not at issue for this party.

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:

ORGULF: Not at issue for this party.

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

POSITION:

ORGULF: Not at issue for this party.

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 October, 1994 through March, 1995?

POSITION:

ORGULF: Not at issue for this party.

Company-Specific Fuel Adjustment Issues

Florida Power and Light Company

ISSUE 9: Is FPL's proposed new methodology for allocating fuel costs to the various customer classes appropriate?

POSITION:

ORGULF: Not at issue for this party.

Florida Power Corporation

ISSUE 10a:

Should FPC be permitted to recover the costs associated with the accelerated purchase of locomotives?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 10b:

Is it appropriate for FPC to differentiate fuel charges by metering voltage?

POSITION:

ORGULF: Not at issue for this party.

Tampa Electric Company

ISSUE 11a:

Has Tampa Electric Company adequately justified and costs associated with the purchase of coal from

Gatliff Coal Company that are in excess of the 1993 benchmark price?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 11b:

Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that are in excess of the 1993 waterborne transportation benchmark price?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 11c:

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

POSITION:

ORGULF: Not at issue for this party.

Gulf Power Company

ISSUE 12: 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:

ORGULF: None.

***ISSUE 12a:**

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 12b:**

If the answer to Issue 12a is yes, were those costs prudently incurred?

ORGULF: No.

***ISSUE 12c:**

If the answer to Issue 12a is yes, should the

Commission approve recovery of such costs?
ORGULF: No.

*ISSUE 12d:

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 12e:

If the answer to Issue 12d is yes, were those costs prudently incurred?

ORGULF: No.

*ISSUE 12f:

If the answer to Issue 12d is yes, should the Commission approve recovery of such costs?

ORGULF: No.

*ISSUE 12g:

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

ORGULF: Yes.

*ISSUE 12h:

If the answer to Issue 12g is yes, were those costs prudently incurred?

ORGULF: No.

*ISSUE 12i:

If the answer to Issue 12g is yes, should the Commission approve recovery of such costs?

ORGULF: No.

*ISSUE 12j:

Does Gulf Power Company's Updated Proforma "Ongoing Benefits Test" for the Peabody Coal Suspension Agreement (July, 1993-June, 1994) include any

consideration of potential contract damages at issue in the litigation between Gulf Power and Orgulf?

ORGULF: No. Orgulf's position is that a real analysis of any potential cost or savings associated with the Peabody buy out must include a determination with respect to potential contractual damages at issue in the litigation between Orgulf and Gulf Power.

•ISSUE 12k:

Should the Commission withhold determination as to the recoverability of the Peabody Coal buyout 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.

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1993 through March, 1994?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 14:

What should the GPIF targets/ranges be for the period October, 1994 through March, 1995?

POSITION:

ORGULF: Not at issue for this party.

Generic Oil Backout Issues

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

POSITION:

ORGULF: Not at issue for this party.

ISSUE 16: What is the estimated oil backout true-up amount for the period April, 1994 through September, 1994?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 17: What is the total oil backout true-up amount to be collected during the period October, 1994 through March, 1995?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 18: What is the projected oil backout cost recovery factor for the period October, 1994 through March, 1995?

POSITION:

ORGULF: Not at issue for this party.

Generic Capacity Cost Recovery Factor Issues

ISSUE 19: What is the appropriate final capacity cost recovery true-up amount for the period October, 1993 through March, 1994?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period April, 1994 through September, 1994?

POSITION:

ORGULE: Not at issue for this party.

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period October, 1994 through March, 1995?

POSITION:

ORGULE: Not at issue for this party.

ISSUE 22: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1994 through March, 1995?

POSITION:

ORGULE: Not at issue for this party.

ISSUE 23: What are the projected capacity cost recovery factors for the period October, 1994 through March, 1995?

POSITION:

ORGULE: Not at issue for this party.

Florida Power and Light Company

ISSUE 24a: Was it appropriate for FPL to change the amount of annual capacity credit associated with the St. Johns River Power Park from \$63,975,761 to \$56,945,592?

POSITION:

ORGULE: Not at issue for this party.

ISSUE 24b: How should FPL recover capacity costs from customers who take standby power?

POSITION:

ORGULE: Not at issue for this party.

Tampa Electric Company

ISSUE 25a:

Other than economy sales and revenues from the seven entities that were separated out in TECO's last rate case, should Tampa Electric credit all nonfuel revenues from off-system sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

POSITION:

ORGULF: Not at issue for this party.

Company-Specific Issues

Florida Power and Light Company

ISSUE 26: Is FPL's proposed new methodology for allocating fuel costs to the various customer classes appropriate?

POSITION:

ORGULF: Not at issue for this party.

Florida Power Corporation

ISSUE 27a: Should FPC be permitted to recover the costs associated with the accelerated purchase of locomotives?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 27b: Is it appropriate for FPC to differentiate fuel charges by metering voltage?

POSITION:

ORGULF: Not at issue for this party.

Tampa Electric Company

ISSUE 28a:

Has Tampa Electric Company adequately justified and costs associated with the purchase of coal from Gatliff Coal Company that are in excess of the 1993 benchmark price?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 28b:

Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that are in excess of the 1993 waterborne transportation benchmark price?

POSITION:

ORGULF: Not at issue for this party.

ISSUE 28c:

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

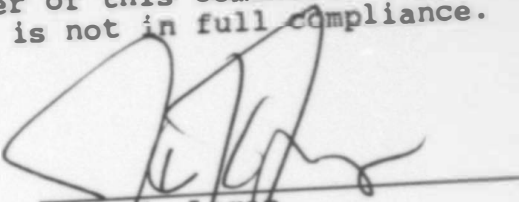
POSITION:

ORGULF: Not at issue for this party.

(F) **Stipulated Issues:**
None at this time.

(G) **Pending Motions:**
None.

(H) **Compliance:**
Orgulf is unaware of any order of this Commission applicable to this docket with which it is not in full compliance.


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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 21st day of July, 1994:

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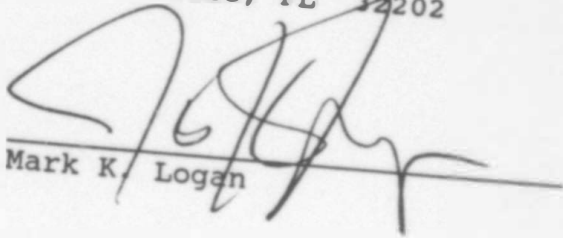
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