

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Rule 25-6.0144,) DOCKET NO. 940399-EI
F.A.C., Fair Value of Energy) ORDER NO. PSC-94-0970-NOR-EI
Produced While Testing Electric) ISSUED: August 11, 1994
Generating Units.)
_____)

NOTICE OF RULEMAKING

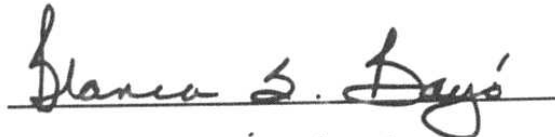
NOTICE is hereby given that the Florida Public Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to adopt Rule 25-6.0144, Florida Administrative Code, relating to fair value of energy produced while testing electric generating units.

The attached Notice of Rulemaking will appear in the August 19, 1994, edition of the Florida Administrative Weekly. If timely requested, a hearing will be held at the following time and place:

9:30 a.m., Thursday, October 20, 1994
Room 122, Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32399-0870, no later than September 9, 1994.

By Direction of the Florida Public Service Commission, this 11th day of August, 1994.



BLANCA S. BAYÓ, Director
Division of Records & Reporting

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. PSC-94-0970-NOR-EI
DOCKET NO. 940399-EI
PAGE 2

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 940399-EI

RULE TITLE:

RULE NO.:

Fair Value of Energy Produced While Testing

25-6.0144

Electric Generating Units.

PURPOSE AND EFFECT: The purpose of the proposed new rule is to put into rule form the Commission's policy concerning the calculation of the fair value of energy while testing an electric generating plant.

SUMMARY: Proposed new Rule 25-6.0144 defines the fair value of energy produced while testing electric generating units, in conformance with the Uniform System of Accounts as adopted by the Commission.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), F.S.

LAW IMPLEMENTED: 366.04(2), F.S.

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF RECORDS AND REPORTING, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE DATE AND PLACE SHOWN BELOW:

TIME AND DATE: 9:30 A.M., Thursday, October 20, 1994.

PLACE: Room 122, 101 East Gaines Street, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THIS RULE AND THE ECONOMIC IMPACT STATEMENT IS: Director of Appeals, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0862.

THE FULL TEXT OF THE RULE IS:

25-6.0144 Fair Value of Energy Produced While Testing Electric Generating Units.

(1) This rule defines the "fair value" of energy generated while testing an electric generating unit under construction and before the unit is declared commercial, in conformity with the Uniform System of Accounts as adopted by the Commission.

(2) The Uniform System of Accounts for electric utilities requires that:

(a) earnings and expenses during construction constitute a component of construction costs;

(b) earnings include revenues received or earned for power produced by generating plants during the construction period which is sold or used by the utility; and

(c) where power generated by a plant under construction is delivered to the utility's electric system for distribution and sale, or is delivered to an associated company, or is delivered to and used by the utility for purposes other than distribution or sale, the utility's construction work order shall be credited with the "fair value" of the energy so delivered.

(3) The "fair value" of energy for this purpose shall be the lower of either:

(a) the actual cost of fuel and related fuel expenses during the testing period; or

(b) the actual cost of fuel and related fuel expenses during the testing period with appropriate adjustments to reflect normal operating efficiency. The adjusted cost of fuel shall be equal to the quantity of fuel that would have been consumed to produce the same net megawatt hours under normal operating conditions, multiplied by the utility's current monthly charge-out price for fuel.

(4) The amount of the fair value credit to the construction work order shall be concurrently charged to the appropriate fuel and other operation and maintenance expense accounts.

Specific Authority: 350.127(2), 366.05(1), F.S.

Law Implemented: 366.04(2), F.S.

History: New _____.

NAME OF PERSONS ORIGINATING PROPOSED RULE: Dale Mailhot and John Slemkewicz, Division of Auditing & Financial Analysis.

NAME OF SUPERVISOR OR PERSON(S) WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: August 2, 1994.

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if

ORDER NO. PSC-94-0970-NOR-EI
DOCKET NO. 940399-EI
PAGE 5

held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal, is made. The Commission usually makes a verbatim record of rulemaking hearings.

Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 488-8371 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).