

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE 8117

In Re: Fuel and Purchased Power) DOCKET NO. 950001-EI
Cost Recovery Clause and)
Generating Performance Incentive) FILED: JULY 12, 1995
Factor.)
_____)

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-95-0771-PCO-EI, 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:

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

ACK _____
AFA _____
APP _____
CFC _____
DND _____
EPC _____
FPL _____
GPH _____
HSH _____
JSH _____
KSH _____
LSH _____
MSH _____
NSH _____
OSH _____
PSH _____
QSH _____
RSH _____
TSH _____
VSH _____
WSH _____
XSH _____
YSH _____
ZSH _____

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period October, 1994 through March, 1995?

POSITIONS:

EPC: \$2,021,123 under recovery.

FPL: \$12,465,206 over recovery.

DOCUMENT NUMBER-DATE

06606 JUL 12 95

FPSC-RECORDS/REPORTING

STAFF'S PREHEARING STATEMENT
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FPUC: Marianna:
\$66,717 over recovery.

Fernandina Beach:
\$86,437 over recovery.

GULF: \$1,737,576 under recovery.

TECO: \$5,963,794 under recovery.

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period April, 1995 through September, 1995?

POSITIONS:

FPC: \$8,628,315 under recovery.

FPL: \$50,864,415 under recovery.

FPUC: Marianna:
\$35,293 under recovery.

Fernandina Beach:
\$72,499 under recovery.

GULF: \$875,443 under recovery.

TECO: \$2,961,361 under recovery.

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period October, 1995 through March, 1996?

POSITIONS:

FPC: \$10,649,438 under recovery.

FPL: \$38,399,209 under recovery.

FPUC: Marianna:
\$31,424 over recovery.

Fernandina Beach:
\$13,938 over recovery.

GULF: \$2,613,019 under recovery.

TECO: \$8,925,155 under recovery.

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period October, 1995 through March, 1996?

POSITIONS:

FPC: Staff takes no position at this time, pending resolution of company-specific issues.

FPL: Staff takes no position at this time, pending resolution of company-specific issues.

FPUC: Marianna: 2.819 cents/KWH
Fernandina Beach: 3.612 cents/KWH

GULF: Staff takes no position at this time, pending resolution of company-specific issues.

TECO: 2.365 cents/KWH.

ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and capacity cost recovery charge for billing purposes?

POSITION: The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1995 through March, 1996. Billing cycles may start before October 1, 1995, and the last cycle may be read after March 31, 1996, 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?

POSITIONS:

FPC:	<u>Group</u>	<u>Multiplier</u>
	A	1.000
	A-1	1.000
	B	0.990
	C	0.980

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FPL:	<u>Group</u>	<u>Multiplier</u>
	A	1.00197
	A-1	1.00197
	B	1.00196
	C	1.00171
	D	0.99678
	E	0.96190
	F	0.99827

FPUC: Marianna:

	<u>Group</u>	<u>Multiplier</u>
	A	1.01260
	B	0.99630
	C	0.96630
	D	0.99630
	E	1.01260
	F	0.98810

Fernandina Beach: All groups: 1.00000.

GULF:	<u>Group</u>	<u>Multiplier</u>
	A	1.01228
	B	0.98106
	C	0.96230
	D	1.01228

TECO:	<u>Group</u>	<u>Multiplier</u>
	A	1.00640
	B	1.00120
	C	0.97210

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

POSITIONS:

FPUC: Staff takes no position at this time, pending resolution of company-specific issues.

FPL: Staff takes no position at this time, pending resolution of company-specific issues.

FPUC: Marianna:

<u>Rate Schedule</u>	<u>Fuel Factor (cents/kwh)</u>
RS	4.875
GS	4.657
GSD	4.145
GSLD	4.169
OL,OL-2	2.938
SL-1, SL-2	2.854

Fernandina Beach:

<u>Rate Schedule</u>	<u>Fuel Factor (cents/kwh)</u>
RS	5.228
GS	5.292
GSD	4.500
OL,OL-2,SL-2,3,CSL	4.123

GULF: Staff takes no position at this time, pending resolution of company-specific issues.

TECO:

<u>Rate Schedule</u>	<u>Levelized</u>	<u>On-Pk</u>	<u>Off-Pk</u>
RS,GS,TS	2.380	2.597	2.297
SL-2,OL-1&3	2.342	N/A	N/A
GSD,GSLD,SBF	2.368	2.583	2.285
IS-1&3,SBI-1&3	2.299	2.508	2.218

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, 1995 through March, 1996?

POSITIONS:

FPC: 1.00083

FPL: 1.01609

FPUC: Fernandina Beach: 1.01609
 Marianna: 1.00083

GULF: 1.01609

TECO: 1.00083

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power and Light Company

ISSUE 9a: Should FPL recover the costs associated with purchasing 462 rail cars for use at Plant Scherer through the Fuel and Purchased Power Cost Recovery Clause?

POSITION: Staff takes no position at this time.

ISSUE 9b: Should FPL make any adjustment to its fuel cost recovery projections to take into account sales under its Real Time Pricing - General Service (RTP-GX) rate schedule?

POSITION: Staff takes no position at this time.

Florida Power Corporation

ISSUE 10a: Should FPC recover the cost associated with converting the Intercession City Units P7 and P9 from distillate fuel oil to natural gas through the Fuel and Purchased Power Cost Recovery Clause?

POSITION: Staff takes no position at this time.

ISSUE 10b: Should FPC include the increase in fuel cost associated with the Auburndale Power Partners settlement in the Fuel and Purchased Power Cost Recovery Clause?

POSITION: Staff takes no Position at this time, pending the Commission's decision in Docket No. 950567-EQ, scheduled for the August 1, 1995 Agenda Conference.

Tampa Electric Company

ISSUE 11a: What is the appropriate 1994 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

POSITION: The 1994 benchmark price for coal purchases from Gatliff Coal Company is \$40.08/Ton as calculated by both Staff and TECO.

ISSUE 11b: Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1994 benchmark price?

POSITION: This issue is moot since TECO's actual costs do not exceed the benchmark as calculated by both Staff and the Company.

ISSUE 11c: What is the appropriate 1994 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

POSITION: The 1994 transportation benchmark for affiliated waterborne coal transportation services is \$25.70 as calculated by both Staff and TECO.

ISSUE 11d: Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1994 waterborne transportation benchmark price?

POSITION: This issue is moot since TECO's actual costs do not exceed the benchmark as calculated by both Staff and the Company.

ISSUE 11e: Should TECO separate Oil Backout Cost Recovery costs by wholesale and retail jurisdiction prior to calculating the oil backout factor?

POSITION: Yes. The costs should be separated in the same manner as TECO's fuel costs. Recovering the entire projected amount from TECO's retail customers would represent a subsidization of the wholesale customers' responsibility.

ISSUE 11f: Should TECO refund the non-jurisdictional portion of Oil Backout Cost Recovery costs previously recovered from its ratepayers?

POSITION: Staff takes no position at this time.

Generic Generating Performance Incentive Factor Issues

ISSUE 12: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1994 through March, 1995?

POSITIONS:

FPC: See Staff Attachment 1, Page 1 of 2.
FPL: See Staff Attachment 1, Page 1 of 2.
GULF: See Staff Attachment 1, Page 1 of 2.
TECO: See Staff Attachment 1, Page 1 of 2.

ISSUE 13: What should the GPIF targets/ranges be for the period October, 1995 through March, 1996?

POSITIONS:

FPC See Staff Attachment 1, Page 2 of 2.
FPL: See Staff Attachment 1, Page 2 of 2.
GULF: See Staff Attachment 1, Page 2 of 2.
TECO: See Staff Attachment 1, Page 2 of 2.

Company-Specific GPIF Issues

Gulf Power Company

ISSUE 14: Should Gulf Power Company's October 1994 through March 1995 GPIF Amount be adjusted to exclude Plant Daniel Unit 1 and Unit 2?

POSITION: Staff takes no position at this time.

Generic Oil Backout Issues

ISSUE 15: What is the final oil backout true-up amount for the October, 1994 through March, 1995 period?

POSITIONS:

FPL: \$6,647 under recovery.
TECO: \$222,410 over recovery.

ISSUE 16: What is the estimated oil backout true-up amount for the period April, 1995 through September, 1995?

POSITIONS:

FPL: \$131,367 under recovery.

TECO: \$686,843 over recovery.

ISSUE 17: What is the total oil backout true-up amount to be collected during the period October, 1995 through March, 1996?

POSITIONS:

FPL: \$138,014 under recovery.

TECO: \$909,253 over recovery.

ISSUE 18: What is the projected oil backout cost recovery factor for the period October, 1995 through March, 1996?

POSITIONS:

FPL: Staff takes no position at this time.

TECO: Staff takes no position at this time.

Generic Capacity Cost Recovery Issues

ISSUE 19: What is the appropriate final capacity cost recovery true-up amount for the period October, 1994 through March, 1995?

POSITIONS:

FPC: Staff takes no position at this time.

FPL: \$4,856,873 overrecovery

GULF: \$35,386 underrecovery

TECO: Staff takes no position at this time.

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period April, 1995 through September, 1995?

POSITIONS:

FPC: Staff takes no position at this time.
FPL: \$7,472,759 underrecovery
GULF: \$190,165 overrecovery
TECO: Staff takes no position at this time.

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period October, 1995 through March, 1996?

POSITIONS:

FPC: Staff takes no position at this time.
FPL: \$2,615,886 underrecovery
GULF: \$154,779 overrecovery
TECO: Staff takes no position at this time.

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, 1995 through March, 1996?

POSITIONS:

FPC: Staff takes no position at this time.
FPL: \$218,222,960
GULF: \$8,271,286
TECO: Staff takes no position at this time.

ISSUE 23: What are the projected capacity cost recovery factors for the period October, 1995 through March, 1996?

POSITIONS:

FPC: Staff takes no position at this time, pending resolution of company-specific issues.

FPL:

<u>Rate Schedule</u>	<u>Recovery factor (cents/KWH)</u>
RS1	.649
GS1	.680
OS2	.473
OL1,SL1	.192
SL2	.458

<u>Rate Schedule</u>	<u>Recovery factor (\$/KW)</u>
GSD1	2.54
GSLD1/CS1	2.58
GSLD2/CS2	2.59
GSLD3/CS3	2.48
CILCD	2.58
CILCT	2.48
MET	2.68

ISST1(D)	reservation	.33
	daily demand	.15
SST1(T)	reservation	.31
	daily demand	.15
SST1(D)	reservation	.32
	daily demand	.15

<u>Rate Schedule</u>	<u>Recovery Factor (cents/kwh)</u>
RS,RST	.264
GS,GST	.259
GSD,GSDT	.201
LP,LPT,SBS	.173
PX,PXT,RTP,SBS	.140
OS-1,2	.017
OS-III	.156
OS-IV	.017

TECO: Staff takes no position at this time.

Company Specific Capacity Cost Recovery

ISSUE 24: Should the Commission allow FPC to recover the Termination Payments associated with its settlement agreement with Auburndale Power Partners, Limited Partnership?

POSITION: Staff takes no Position at this time, pending the Commission's decision in Docket No. 950567-EQ, scheduled for the August 1, 1995 Agenda Conference.

Generic Aerial Coal Inventory Issue

ISSUE 25: Should the Commission approve a permanent change in the frequency of aerial coal inventory surveys from quarterly to semi-annually?

POSITION: Staff takes no position at this time.

E. Stipulation

Staff is not aware of any issues that have been stipulated at this time.

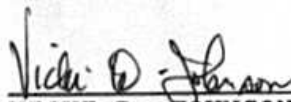
F. Pending Motions:

Staff has no pending motions at this time.

G. Compliance with Order No.

The Staff's Prehearing Statement is filed in compliance with Order No. PSC-95-0771-PCO-EI.

RESPECTFULLY SUBMITTED,



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Staff Counsel

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GPIF REWARDS/PENALTIES
 October 1994 to March 1995

Florida Power Corporation	\$183,528	Reward
Florida Power and Light Company	\$3,109,109	Reward
Gulf Power Company	\$185,052	Penalty
Tampa Electric Company	\$471,209	Penalty

Utility/ Plant/Unit	EAF		Heat Rate	
	Target	Adj. Actual	Target	Adj. Actual
FPC				
Anclote 1	90.8	89.8	9,905	10,023
Anclote 2	96.7	99.4	9,805	10,053
Crystal River 1	73.9	78.5	10,177	10,218
Crystal River 2	70.4	58.1	9,975	9,871
Crystal River 3	92.8	99.0	10,400	10,364
Crystal River 4	94.2	97.6	9,289	9,327
Crystal River 5	72.8	75.8	9,247	9,253
FPL				
Cape Canaveral 1	92.4	91.3	9,291	9,111
Cape Canaveral 2	89.9	91.2	9,338	9,473
Fort Lauderdale 4	92.6	97.2	7,225	7,225
Fort Lauderdale 5	92.7	98.4	7,198	7,166
Fort Myers 2	93.3	95.7	9,294	9,466
Manatee 2	95.7	97.2	9,758	10,029
Port Everglades 3	94.5	94.7	9,307	9,308
Putnam 1	94.2	95.5	8,670	8,765
Riviera 3	90.9	96.3	9,713	9,466
Riviera 4	82.8	82.4	9,672	9,665
Sanford 4	94.6	98.5	9,755	9,821
Sanford 5	94.1	93.2	9,692	9,478
Scherer 4	84.3	84.0	9,833	9,814
St. Johns River 1	76.8	78.8	9,336	9,510
St. Johns River 2	90.1	96.3	9,375	9,420
St. Lucie 1	60.6	59.7	10,854	10,810
St. Lucie 2	91.6	97.2	10,763	10,869
Turkey Point 3	93.6	97.3	10,865	10,882
Turkey Point 4	60.6	60.3	11,002	10,862
Gulf				
Crist 6	83.6	87.6	10,410	10,341
Crist 7	69.2	88.1	10,317	10,110
Smith 1	87.7	90.7	10,137	10,228
Smith 2	84.8	86.9	10,237	10,303
Daniel 1	85.4	86.0	10,287	10,557
Daniel 2	94.8	88.2	9,923	10,130
TECO				
Big Bend 1	85.4	91.8	9,957	9,935
Big Bend 2	62.3	58.4	9,895	9,932
Big Bend 3	69.4	70.6	9,610	9,926
Big Bend 4	89.4	87.6	9,632	10,092
Gannon 5	88.1	94.2	10,454	10,524
Gannon 6	75.9	81.2	10,288	10,662

Staff Attachment 1
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GPIF TARGETS
October 1995 to March 1996

Utility/ Plant/Unit	Equivalent Availability			Staff	Heat Rate	
	Company		EUOF		Company	Staff
	EAF	POF			Company	Staff
FPC						
Anclote 1	98.7	1.1	0.2	Agree	9,679	Agree
Anclote 2	81.1	18.6	0.4	Agree	9,703	Agree
Crystal River 1	85.9	2.7	11.4	Agree	10,124	Agree
Crystal River 2	60.3	24.6	15.1	Agree	9,767	Agree
Crystal River 3	79.8	17.5	2.7	Agree	10,382	Agree
Crystal River 4	94.0	0.0	6.0	Agree	9,329	Agree
Crystal River 5	94.5	0.0	5.5	Agree	9,160	Agree
FPL						
Cape Canaveral 1	91.1	0.0	8.9	Agree	9,330	Agree
Cape Canaveral 2	90.8	0.0	9.2	Agree	9,436	Agree
Fort Lauderdale 4	87.7	8.7	3.6	Agree	7,288	Agree
Fort Lauderdale 5	87.7	8.7	3.6	Agree	7,248	Agree
Fort Myers 2	94.1	0.0	5.9	Agree	9,308	Agree
Port Everglades 3	83.1	8.7	8.2	Agree	9,133	Agree
Port Everglades 4	96.0	0.0	4.0	Agree	9,132	Agree
Putnam	96.0	0.0	4.0	Agree	8,777	Agree
Putnam 2	95.3	0.0	4.7	Agree	8,596	Agree
Scherer 4	96.0	0.0	4.0	Agree	9,939	Agree
St. John's River 1	96.0	0.0	4.0	Agree	9,335	Agree
St. Lucie 1	89.6	3.3	7.1	Agree	10,828	Agree
St. Lucie 2	58.8	29.0	12.2	Agree	10,856	Agree
Turkey Point 1	82.9	3.4	3.4	Disagree	9,279	Agree
Turkey Point 2	95.2	0.0	4.8	Agree	9,524	Agree
Turkey Point 3	79.8	14.8	5.4	Agree	10,674	Agree
Turkey Point 4	76.8	16.9	6.3	Agree	10,912	Agree
Gulf						
Crist 6	76.6	13.1	10.3	Agree	10,804	Agree
Crist 7	76.4	8.7	14.9	Agree	10,675	Agree
Smith 1	81.4	13.1	5.5	Agree	10,147	Agree
Smith 2	87.7	4.9	7.4	Agree	10,270	Agree
Daniel 1	90.5	4.4	5.1	Agree	10,291	Agree
Daniel 2	97.5	0.0	2.5	Agree	10,107	Agree
TECO						
Big Bend 1	85.4	0.0	14.6	Agree	9,931	Agree
Big Bend 2	67.9	21.3	10.8	Agree	9,637	Agree
Big Bend 3	87.4	0.0	12.6	Agree	9,596	Agree
Big Bend 4	82.9	8.7	8.4	Agree	9,989	Agree
Gannon 5	63.6	28.4	8.0	Agree	10,178	Agree
Gannon 6	81.9	3.8	14.3	Agree	10,348	Agree

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Cost Recovery Clause and)
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Factor.)
_____)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the one copy of Staff's Prehearing Statement has been furnished by U.S. Mail this 12th day of July, 1995, to the following:

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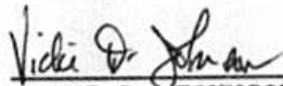
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