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February 8, 1996

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 960001-EI

Dear Ms. Bayo:

Enclosed please find the original and fifteen (15) copies of the Prehearing Statement of the Office of the Public Counsel for filing in the above-referenced dockets. A diskette in IBM-compatible WordPerfect 5.1 is also submitted.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

John Roger Howe
John Roger Howe
Deputy Public Counsel

- ACK
- APP
- CAF JRH/bgm
- CMU Enclosures
- CTH
- EAC 5 Dudley
- LEG 1
- LIN 3
- OPC
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 960001-EI
FILED: February 8, 1996

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-96-0061-PCO-EI, issued January 12, 1996, submit this Prehearing Statement.

APPEARANCES:

JOHN ROGER HOWE, Esquire, Deputy Public Counsel, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

A. WITNESSES:

None.

B. EXHIBITS:

None.

C. STATEMENT OF BASIC POSITION

None necessary.

D. STATEMENT OF FACTUAL ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April 1995 through September 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October 1995 through March 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April 1996 through September 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April 1996 through September 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

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?

OPC:

The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1996 through September, 1996. Billing cycles may start before April 1, 1996, and the last cycle may be read

after September 30, 1997, 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?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

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

OPC:

FPC: Agree with Staff.
FPL: Agree with Staff.
FPUC: Fernandina: Agree with Staff.
Marianna: Agree with Staff.
GPC: Agree with Staff.
TECO: Agree with Staff.

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, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
FPUC: Fernandina: No position at this time.
Marianna: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 9: Is it appropriate to recover the cost of SO2 emission allowances through the Fuel and Purchased Cost Recovery Clause?

OPC: No position at this time.

OPC ISSUE: Should an electric utility be permitted to include, for retail fuel cost recovery purposes, fuel costs of generation at any of its units which exceed, on a cents-per-kilowatt-hour basis, the average fuel cost of total generation (wholesale plus retail) out of those same units?

OPC: No. The fuel cost assigned to the retail jurisdiction from any generating unit should never exceed the average cost of fuel actually burned at the unit to meet both wholesale and retail loads times the amount of energy allocable to the retail jurisdiction. Stated differently, a utility's decision to offer a wholesale customer less-than-average fuel costs out of a single or multiple generating units should not cause the fuel cost responsibility of the retail jurisdiction to be greater than the average.

Company-Specific Fuel Adjustment Issues

Florida Power and Light Company

ISSUE 10: Should Florida Power and Light recover replacement energy costs incurred as a result of outages at Plant St. Lucie and Plant Turkey Point during the period September 1994 through September 1995?

POSITION: This issue should be deferred until the August 1996, fuel hearing to allow time for additional discovery, FPL has identified over \$20 million associated with replacement energy costs in response to Staff's Interrogatory No. 21. The Commission should retain jurisdiction over these dollars pending review of prudence.

Florida Power Corporation

ISSUE 11: Should the Commission approve FPC's request to recover the cost of converting its Intercession City Combustion turbine units P8 and P10 to burn natural gas?

POSITION: No position pending further discovery.

Gulf Power Company

ISSUE 12A: Should Gulf Power Company recover costs associated with the partial buyout of its fuel supply contract for deliveries of Venezuelan/Illinois coal with Peabody Coal Company?

POSITION: No position pending further discovery.

ISSUE 12B: Should Gulf Power Company recover the cost of payments made to Georgia Power Company associated with the Seasonal Powder River Basin Fuel Program at Plant Daniel?

POSITION: No position pending further discovery.

Tampa Electric Company

ISSUE 13A: Should TECO separate Oil Backout Cost Recovery Costs by wholesale and retail jurisdiction prior to calculating the oil backout factor?

POSITION: No position pending further discovery.

ISSUE 13B: Should TECO refund the non-jurisdictional portion of Oil Backout Cost Recovery costs previously recovered from its retail ratepayers.

POSITION: No position pending further discovery.

Generic Generating Performance Incentive Factor Issues

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 15: What should the GPIF targets/ranges be for the period April, 1996 through September, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

Company-Specific GPIF Issues

ISSUE 16A: Should the adjustments made by Tampa Electric Company to the heat rate results for Big Bend Unit #3 be included in the GPIF reward calculation?

POSITION: No position at this time.

ISSUE 16B: Should the adjustments made by Tampa Electric Company to the Big Bend Unit #3 heat rates be allowed in the heat rate target?

POSITION: No position at this time.

ISSUE 17: Should the adjustments made by Florida Power and Light Company to the equivalent availability factors for St.

Lucie Units #1 and #2, for externally caused events occurring at those units, be included in the GPIF reward calculation?

POSITION: No position at this time.

Generic Oil Backout Issues

ISSUE 18: What is the final oil backout true-up amount for the April, 1995 through September, 1995 period?

OPC:

FPL: No position at this time.
TECO: No position at this time.

ISSUE 19: What is the estimated oil backout true-up amount for the period October, 1995 through March, 1996?

OPC:

TECO: No position at this time.

Company-Specific Oil Backout Issues

OPC knows of no company-specific oil backout 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, 1995 through September, 1995?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 21: What is the estimated capacity cost recovery true-up amount for the period October, 1995 through March, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 22: What is the total capacity cost recovery true-up amount to be collected during the period April, 1996 through September, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

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, 1996 through September, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

ISSUE 24: What are the projected capacity cost recovery factors for the period April, 1996 through September, 1996?

OPC:

FPC: No position at this time.
FPL: No position at this time.
GPC: No position at this time.
TECO: No position at this time.

Company-Specific Capacity Cost Recovery Issues

Florida Power Corporation

ISSUE 25A: Is it appropriate for Florida Power Corporation to combine the capacity cost responsibilities of its RS and GS non-demand rate classes in the capacity cost recovery clause?

OPC: No position at this time.

Tampa Electric Company

ISSUE 25B: Should the \$1,106,760 "Option Payment" that Tampa Electric received from Polk in 1993 be treated as a credit in the capacity cost recovery clause?

OPC: No position at this time.

ISSUE 25C: 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 offsystem sales back to the retail ratepayers through the fuel adjustment clause and the capacity cost recovery clause?

OPC: No position at this time.

E. STATEMENT OF LEGAL ISSUES AND POSITIONS: None at this time.

F. STATEMENT OF POLICY ISSUES AND POSITIONS: None at this time.

G. STIPULATED ISSUES: None.

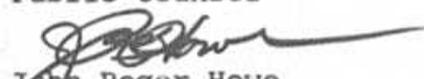
H. PENDING MOTIONS: None.

I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Respectfully submitted,

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CERTIFICATE OF SERVICE
DOCKET NO. 960001-EI

I HEREBY certify that a copy of the foregoing PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL has been served by *hand delivery or U.S. mail to the following parties of record on this 8th day of February, 1996.

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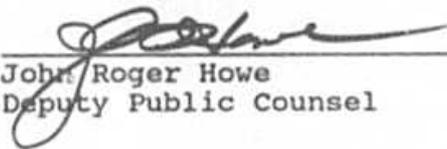
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