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CABLE GRANDLAW

PLEASE REPLY TO:
TALLAHASSEE

May 23, 1996

ORIGINAL
FILE COPY

HAND-DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

Re: Fuel and Purchased Power Cost Recovery Clause and Generating
Performance Incentive Factor - Docket No. 960001-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and sixteen copies of The
Florida Industrial Power Users Group's Response to FPL's Request for Confidential
Classification in the above docket.

Please acknowledge receipt of the above on the extra copy enclosed herein and
return it to me. Thank you for your assistance.

Yours truly,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

VGK/jei

1 Enclosure

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05732 MAY 23 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased)
Power Cost Recovery Clause)
and Generating Performance)
Incentive Factor)
_____)

Docket No. 960001-EI

Filed: May 23, 1996

ORIGINAL
FILE COPY

The Florida Industrial Power Users Group's Response
to FPL's Request for Confidential Classification

The Florida Industrial Power Users Group (FIPUG), pursuant to rule 25-22.006(3)(b), Florida Administrative Code, files its response to Florida Power and Light Company's (FPL) request for confidential classification for certain information contained in its April, 1996 A Schedules. FPL's request for confidential treatment of this information should be denied.

1. FIPUG is a group of large industrial consumers, some of whom are FPL customers. The price of electricity represents one of the largest variable costs incurred by FIPUG's members. Therefore, FIPUG closely monitors the prices FPL pays for wholesale power and for fuel to ensure that FPL gets the lowest possible prices.

2. FPL makes essentially the same request for confidentiality for portions of its March A Schedules that it made in regard to its November A Schedules. FIPUG filed a detailed response to FPL's request for confidentiality of its November A Schedules and therefore attaches as Attachment A, and incorporates herein, that response in regard to FPL's current request.

DOCUMENT NUMBER-DATE

05732 MAY 23 1996

FPSC-RECORDS/REPORTING

WHEREFORE, FIPUG requests that FPL's request for confidential classification
be denied.

Vicki Gordon Kaufman

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Attorneys for the Florida
Industrial Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Florida Industrial Power Users Group's Response to FPL's Request for Confidential Classification has been furnished by hand delivery* or by U.S. Mail to the following parties of record this 23rd day of May, 1996:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION JAN -2 1996

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

Docket No. 960001-EI FPSC RECORDS/REPORTING

Filed: January 2, 1996

The Florida Industrial Power Users Group's Response
to FPL's Request for Confidential Classification

The Florida Industrial Power Users Group (FIPUG), pursuant to Rule 25-22.006(3)(b), Florida Administrative Code, files its response to Florida Power and Light Company's (FPL) request for confidential classification for certain information contained in its November, 1995 A Schedules. FPL's request for confidential treatment of this information should be denied.

1. FIPUG is a group of large industrial consumers, some of whom are FPL customers. The price of electricity represents one of the largest variable costs incurred by FIPUG's members. Therefore, FIPUG closely monitors the prices FPL pays for wholesale power and for fuel to ensure that FPL gets the lowest possible price.

2. In its proceeding FPL proposes to conceal from the public the following information:

- a) Schedule A4. The actual historic fuel cost per KWH generated for each of its generating units;
- b) Schedule 6. The actual historic price it charged Florida cities for the fuel;
- c) Schedule 6A. The money it receives from economy energy sales which it is required to share with retail customers; and

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FPSC BUREAU OF RECORDS

d) Schedule A9. The price FPL pays for the economy power it purchases.

3. The thrust of the petition is that the two-month old historic information FPL is required to furnish to its retail customers will place it at a competitive disadvantage in the instantaneous dispatch wholesale market. Ironically, the wholesale customers listed in the schedules are each Florida municipalities, subject to the provisions of Section 119.07, Florida Statutes. This law requires custodians of municipal records to disclose the information FPL's seeks to conceal from its retail customers. FPL has failed to demonstrate that it has sought and received a trade secret exemption from each of the municipalities. It is further ironic that FPL is required to provide the same cost information to the Federal Energy Regulatory Commission in its Form 1 filings with that Commission.

4. A decade ago when FPL had periodic general rate cases, it performed a separation study to divide its retail rate base from the wholesale rate base to avoid discrimination in circumstances where portions of the operation were subject to regulation by two bodies. Today there is no separation of the retail plant from the wholesale plant. Retail customers are entitled to know if the retail utility plant and the fuel utilized to operate that plant is being priced in a non-discriminatory fashion vis-a-vis wholesale customers. The subject fuel cost schedules provide the information retail consumers need to make this determination.

5. FPL spends more than \$1 billion a year for the purchase of fuel to operate its generating plants. Customers who are required to buy their power only from FPL are entitled to know whether FPL is exercising prudence in purchasing power or fuel in the most economic fashion for the benefit of its consumers. Without the information contained in the schedules, the customers have no such information. FIPUG Exhibit 1 is a rough compilation FIPUG prepares periodically from the schedules FPL seeks to keep confidential. In the current period 23% of FPL's purchases are off-system from unknown and perhaps related sellers. Retail customers are entitled to know that the price being paid to these suppliers is the correct "avoided cost" for this power and is not more than it would cost FPL to generate the power from its own plants.

6. FIPUG specifically protests FPL's request for confidential treatment on the following grounds:

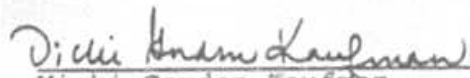
- a) FPL's request is averse to Florida's Public Records Laws.
- b) FPL has failed to demonstrate that the information to be concealed is not readily available from other sources;
- c) The customers are entitled to basic information concerning the operating cost of FPL generating plants in the event they wish to question the prudence of these operations in semi-annual fuel adjustment proceedings, which account for approximately 40% of the total costs customers are required to pay;

- d) The retail rate base is being used to engage in the competitive wholesale market. Retail customers are entitled to proof that the costs charged to wholesale customers are comparable to retail prices;
- e) FPL has failed to demonstrate how two-month old information on monthly average fuel costs can give competitors in the instantaneous dispatch market a competitive advantage;
- f) Retail customers, who are allegedly the primary beneficiaries of wholesale sales, are entitled to information pertaining to the gain on such sales;
- g) FIPUG Exhibit I shows that FPL's current average fuel cost is \$14.58 per megawatt hour. The retail customers are charged \$17.50 and up for this power. Part of the difference is due to taxes and regulatory charges, but price discrimination between wholesale and retail customers could exist. Giving FPL the opportunity to conceal the price differentials will deny adversely affected customers basic information needed to intelligently understand the justification for changes in the fuel surcharge.
- h) FPL has failed to address the retail consumers' entitlement to participate in the profits derived from wholesale Schedules AF, BF, and DF and other full and partial requirement wholesale sales. On information and belief, the historic average cost information FPL seeks

to conceal from public disclosure might be of value to competitors with respect to these sales.

- i) FIPUG has not been given the opportunity to fully explore the hearsay comment from the City of New Smyrna Beach which appears to be foundation for FPL's secrecy request.
- j) This case will set a precedent for Florida's other investor-owned utilities who are net sellers of power and impact information available to the retail customers of these power companies.
- k) It is adverse to public policy to deprive the retail consumers of Florida's municipalities of the opportunity to benefit from the lowest available price.
- l) Competition in wholesale sales has resulted in lower fuel costs to all retail customers. FPL's request to restrain competition by concealing information is adverse to the public interest.

WHEREFORE, FIPUG requests that FPL's request for confidential classification be denied.


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OPERATING STATISTICS AND FUEL COSTS OF FLORIDA IOU'S

OCTOBER 1995 - MARCH 1996

GROSS SALES			III FUEL MIX				
1995 SYSTEM CAPACITY / 94 PEAK DEMAND	OCT / MAR MMH GEN & BOT	ANNUAL PROJECTED RETAIL MMH	: NUCLEAR	COAL	OIL	GAS	GENERATION COST \$ PER MMH
FP&L 10140 / 15663	28,242,382	77,096,000	% OF GEN	36.40%	11.49%	11.67%	40.44%
3RD PARTY PURCHASES	8,702,111		COST/ KWH	\$0.0043	\$0.0171	\$0.0238	\$0.0204
PURCHASE POWER %	23.55%						\$14.575
FPC 7295 / 6955	10,017,595	28,168,164	% OF GEN	24.99%	59.81%	13.99%	1.20%
3RD PARTY PURCHASES	4,074,402		COST/ KWH	\$0.0004	\$0.0183	\$0.0237	\$0.0242
EST %	27.73%						\$15.905
TECO 3406 / 2754	8,276,713	13,931,659	% OF GEN	0.00%	99.26%	0.74%	0.00%
3RD PARTY PURCHASES %	(1,300,191)		COST/ KWH		\$0.0205	\$0.0419	
-- NET SALES	-15.81%						\$20.500
GULF 2183.8 / 1908	4,980,040	8,521,114	% OF GEN	0.00%	99.96%	0.00%	0.04%
3RD PARTY PURCHASES %	(805,468)				\$0.0198	\$0.0399	\$19.800
-- NET SALES	-19.29%						

FPSC DKT 950001-EI
FPUG EXHIBIT I

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the The Florida Industrial Power Users Group's Response to FPL's Request for Confidential Classification has been furnished by hand delivery* or by U.S. Mail to the following parties of record this 2nd day of January, 1996:

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