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OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
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August 12, 1996

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 960001-EI

Dear Ms. Bayo:

ACK _____ Enclosed are an original and fifteen copies of the Prehearing Statement of the Office of Public
AFA 1 Counsel in the above-referenced docket.

APP _____ Also Enclosed is a 3.5 inch diskette containing the Preliminary List of Issues and Positions
CAF _____ in WordPerfect for Windows 6.1. Thank you for your assistance in this matter.

CMU _____

CTR _____

EAG Bass

LEG 1

LIN 3

OFC _____

RON _____

SEC 1 RM/dsb

WAS _____ Enclosures

DTH _____

Sincerely,

H. F. Mann

DOCUMENT NUMBER-DATE
08414 AUG 12 96
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: August 12, 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-96-0816-PCO-EI, issued June 24, 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, FL 32399-1400

On behalf of the Citizens of the State of Florida

A. WITNESSES:

Hugh Larkin, Jr., CPA

Generic Issue on Off-System Sales

B. EXHIBITS:

Exhibit Number HL-1

C. STATEMENT OF BASIC POSITION

None necessary.

D. STATEMENT OF FACTUAL ISSUES AND POSITIONS

DOCUMENT NUMBER-DATE

08414 AUG 12 96

FPSC-RECORDS/REPORTING

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final 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 2: What are the estimated fuel adjustment true-up amounts 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 3: What are the total fuel adjustment true-up amounts to be collected during the period October 1996 through March 1997?

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 October 1996 through March 1997?

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 and oil backout charge for billing purposes?

OPC: The factor should be effective beginning with the specified fuel cycle and thereafter for the period October 1996 through March 1997. Billing cycles may start before October 1, 1996, and the last cycle may be read after March 31, 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: 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 8: What is the appropriate revenue tax factor to be applied in calculating each company's leveled fuel factor for the projection period of October 1996 through March 1997?

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.

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. A utility's decision to offer a wholesale customer less-than-average fuel costs on a longer term sale (e.g., non-economic transactions entered into to obtain a competitive advantage) 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. (Larkin)

Company-Specific Fuel Adjustment Issues

None at this time.

Generic Generating Performance Incentive Factor Issues

ISSUE 9: What is the appropriate GPIF reward or penalty for performance achieved during 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 10: What should the GPIF targets/ranges be for the period October 1996 through March 1997?

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.

Generic Capacity Cost Recovery Issues

ISSUE 11: What is the appropriate final 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 12: What is the estimated capacity cost recovery true-up amount 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 13: What is the total capacity cost recovery true-up amount to be collected during the period October 1996 through March 1997?

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 14: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October 1996 through March 1997?

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 are the projected capacity cost recovery factors for the period October 1996 through March 1997?

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

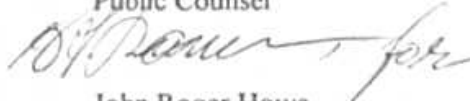
OPC knows of no company specific GPIF issues at this time.

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

JACK SHREVE
Public Counsel



John Roger Howe
Deputy Public Counsel

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Attorneys for the Citizens
of the State of Florida

**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 12th day of August, 1996.

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