

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Determination of ) DOCKET NO. 970171-EU  
appropriate cost allocation and )  
regulatory treatment of total )  
revenues associated with )  
wholesale sales to Florida ) FILED: MAY 19, 1997  
Municipal Power Agency and City )  
of Lakeland by Tampa Electric )  
Company. )

ORIGINAL  
FILE COPY

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-97-0350-PCO-EU, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

David Wheeler

b. All Known Exhibits

None at this time.

c. Staff's Statement of Basic Position

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 stated herein.

d. Staff's Position on the Issues

ISSUE 1: Does the off-system sale agreement to the Florida Municipal Power Agency provide net benefits to Tampa Electric Company's general body of rate payers?

Position: No position pending receipt of outstanding discovery and evidence adduced at hearing.

ISSUE 2: How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?

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Position: Traditionally long term firm sales have been separated. For these sales, non-fuel costs should be separated at system average cost.

ISSUE 3: How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the Florida Municipal Power Agency be treated for retail regulatory purposes?

Position: Traditionally long term firm sales have been separated. For these sales, average system fuel costs shall be credited to the fuel and capacity cost recovery clauses unless the utility demonstrates that these sales generate net benefits to the retail ratepayers.

ISSUE 4: Does the off-system sale agreement to the City of Lakeland provide net benefits to Tampa Electric Company's general body of rate payers?

Position: No position pending receipt of outstanding discovery and evidence adduced at hearing.

ISSUE 5: How should the non-fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?

Position: Traditionally long term firm sales have been separated. For these sales, non-fuel costs should be separated at system average cost.

ISSUE 6: How should the fuel revenues and costs associated with Tampa Electric Company's wholesale schedule D sales to the City of Lakeland be treated for retail regulatory purposes?

Position: Traditionally long term firm sales have been separated. For these sales, average system fuel costs shall be credited to the fuel and capacity cost recovery clauses unless the utility demonstrates that these sales generate net benefits to the retail ratepayers.

ISSUE 7: How should the transmission revenues and costs associated with Tampa Electric Company's wholesale sales to the Florida Municipal Power Agency and the City of Lakeland be treated for retail regulatory purposes?

Position: Traditionally long term firm sales have been separated. For these sales, non-fuel revenues and costs should be separated at system average.

ISSUE 8: Will the Commission's treatment of the City of Lakeland and Florida Municipal Power Agency wholesale sales have an impact on Tampa Electric Company's refund obligation under the stipulation in Docket No. 950379-EI, Order No. PSC 96-0670-S-EI, approved by the Commission?

Position: There are too many variables to determine at this point what, if any, impact the treatment of these sales will have on the stipulation in Docket No. 950379-EI.

ISSUE 9: Would the Commission exceed its jurisdiction if it were to allow Tampa Electric Company to earn a return through retail rates for its wholesale sales to the Florida Municipal Power Agency and to the City of Lakeland?

Position: Staff has no position at this time.

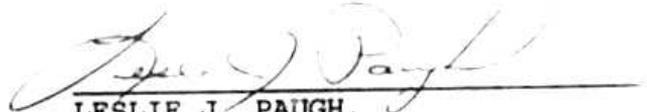
e. Pending Motions

f. Compliance with Order No. PSC-97-0350-PCO-EU

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 970171-EU  
PAGE 4

Respectfully submitted this 19th day of May 1997.

  
LESLIE J. PAUGH,  
Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Gerald L. Gunter Building - Room 370  
Tallahassee, Florida 32399-0863  
(904)413-6199

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and a true and correct copy of Staff's Prehearing Statement, has been sent via U.S. Mail this 19th day of May, 1997 to the following:

Mr. John Roger Howe  
Office of Public Counsel  
111 West Madison Street  
Suite 801  
Tallahassee, FL 32399-1400

Mr. Gary Lawrence  
City of Lakeland  
501 East Lemon Street  
Lakeland, FL 33801-5079

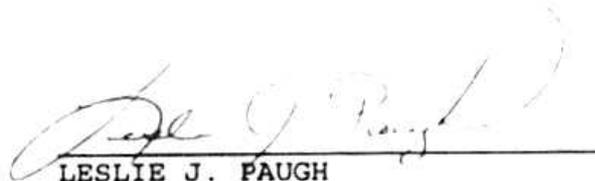
Mr. Joseph A. McGlothlin  
Ms. Vicki Gordon Kaufman  
McWhirter, Reeves,  
McGlothlin, Davidson &  
Bakas  
117 South Gadsden Street  
Tallahassee, FL 32301

Ms. Angela Llewellyn  
Tampa Electric Company  
Regulatory and Business  
Strategy  
P.O. Box 111  
Tampa, FL 33601-0111

CERTIFICATE OF SERVICE  
DOCKET NO. 970171-EU

Mr. Robert Williams  
Florida Municipal Power Agency  
7201 Lake Ellinor Dr.  
Orlando, FL 32809

James D. Beasley  
Lee L. Willis  
Macfarlane, Ausley,  
Ferguson & McMullen  
227 South Calhoun Street  
Tallahassee, FL 32302



LESLIE J. PAUGH  
Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Gerald L. Gunter Building  
Tallahassee, Florida 32399-0850  
(904) 413-6199