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July 28, 1997

HAND-DELIVERED

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

Re: Docket No. **970001-EI**

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and ten copies of Florida Industrial Power Users Group's Prehearing Statement 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.

Sincerely,

Joe McGlothlin
Joseph A. McGlothlin

ACK
AFA Vandwin
APP _____
CAF _____ JAM/pw
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LEG 1
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
07615 JUL 28 97
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. 970001-EI
Filed: July 28, 1997

**FLORIDA INDUSTRIAL POWER
USERS GROUP'S PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), through its undersigned counsel, files its Prehearing Statement. FIPUG reserves the right to amend this prehearing statement.

A. APPEARANCES:

JOSEPH A. McGLOTHLIN, VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, 117 South Gadsden Street, Tallahassee, Florida 32301.

On behalf of the Florida Industrial Power Users Group.

B. WITNESSES:

None at this time.

C. EXHIBITS:

None at this time.

D. STATEMENT OF BASIC POSITION:

Florida Industrial Power Users Group's Statement of Basic Position:

None at this time.

E. STATEMENT OF ISSUES AND POSITIONS:

DOCUMENT NUMBER-DATE
07615 JUL 28 97
FPSC-RECORDS/REPORTING

Generic Fuel Adjustment Issues

1. **ISSUE:** What are the appropriate final fuel adjustment true-up amounts for the period October 1996 through March 1997?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period April 1997 through September 1997?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
3. **ISSUE:** What are the total fuel adjustment true-up amounts to be collected/refunded during the period October 1997 through March 1998?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
4. **ISSUE:** What are the appropriate levelized fuel cost recovery factors for the period October 1997 through March 1998?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
5. **ISSUE:** What should the effective date of the new fuel adjustment charge and capacity cost recovery charge for billing purposes?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
6. **ISSUE:** What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
7. **ISSUE:** What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?
FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October 1997 through March 1998?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
9. **ISSUE:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
10. **ISSUE:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities, how should the costs of this transmission be recovered?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
11. **ISSUE:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
12. **ISSUE:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities, how should the costs of this transmission be recovered?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
13. **ISSUE:** Does the 20% stockholder sharing of gains from economy energy sales continue to be necessary to encourage economy sales?
- FIPUG:** No. It should be eliminated.

Company-Specific Fuel Adjustment Issues

Florida Power Corporation

14A. **ISSUE:** Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1996?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

14B. **ISSUE:** Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

14C. **ISSUE:** What is the appropriate 1996 coal transportation benchmark price for transportation services provided by affiliates of Florida Power Corporation?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

14D. **ISSUE:** Should the Commission approve Florida Power Corporation's request to recover the cost of converting Debary Unit 9 to burn natural gas?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

14D. **ISSUE:** Has Florida Power Corporation properly calculated the replacement fuel costs associated with the Crystal River Unit 3 outage as directed by Order No. PSC-97-0840-S-EI?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Tampa Electric Company

15A. **ISSUE:** What is the appropriate 1996 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

15B. **ISSUE:** Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1996 benchmark price?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

15C. **ISSUE:** What is the appropriate 1996 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

15D. **ISSUE:** Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1996 waterborne transportation benchmark price?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

15E. **ISSUE:** How should Tampa Electric Company report fuel costs for wholesale contracts with the Florida Municipal Power Agency and the City of Lakeland?

FIPUG: Agree with Public Counsel.

Generic Generating Performance Incentive Factor Issues

16. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period October 1996 through March 1997?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

17. **ISSUE:** What should the GPIF targets/ranges be for the period October 1997 through March 1998?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Generic Capacity Cost Recovery Issues

18. **ISSUE:** What is the appropriate final capacity cost recovery true-up

amount for the period October 1996 through March 1997?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

19. **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period April 1997 through September 1997?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

20. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected during the period October 1997 through March 1998?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

21. **ISSUE:** What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October 1997 through March 1998?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

22. **ISSUE:** What are the projected capacity cost recovery factors for the period October 1997 through March 1998?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Company-Specific Capacity Cost Recovery Issues

Florida Power & Light

24. **ISSUE:** Should FPL be permitted to collect approximately \$4.7 million per year through the capacity cost recovery clause associated with future capacity payments to be made to Jacksonville Electric Authority?

FIPUG: No.

F. STIPULATED ISSUES:

None at this time.

G. **PENDING MOTIONS:**

FIPUG has no pending motions.

H. **OTHER MATTERS:**

None at this time.



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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 foregoing Florida Industrial Power Users Group's Prehearing Statement has been furnished by hand delivery(*) or by U.S. Mail to the following parties of record this 28th day of July, 1997:

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