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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. **970007-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,



Joseph A. McGlothlin

ACK

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DOCUMENT NUMBER DATE

07617 JUL 28 5

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause)
_____)

Docket No. 970007-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, P.A., 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.

DOCUMENT NUMBER DATE

07617 JUL 28 97

FPSC-RECORDS/REPORTING

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Environmental Cost Recovery Issues

1. **ISSUE:** What are the appropriate final environmental cost recovery true-up amounts for the period ending September 30, 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.
- 1A. **ISSUE:** What are the appropriate final environmental cost recovery true-up amounts for the period ending March 31, 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 environmental cost recovery true-up amounts for the period October 1996 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.
- 2A. **ISSUE:** What are the estimated environmental cost recovery 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 environmental cost recovery true-up amounts to be collected during the period October 1997 through September 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.
- 3A. **ISSUE:** What are the total environmental cost recovery true-up amounts 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.
4. **ISSUE:** What are the appropriate projected environmental cost recovery amounts for the period October 1997 through September 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.
- 4A. **ISSUE:** What are the appropriate projected environmental cost recovery amounts 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 be the effective date of the new environmental cost recovery factors for billing purposes?
- FIPUG:** Agree with Staff.
6. **ISSUE:** What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected during the period beginning October 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.
7. **ISSUE:** How should the newly proposed environmental costs be allocated to the rate classes?
- 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 are the appropriate Environmental Cost Recovery Factors for the period beginning October 1997 for each rate group?
- 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 Environmental Cost Recovery Issues

Florida Power & Light Company

9. **ISSUE:** Should the Commission approve Florida Power & Light Company's request for recovery of costs of the Substation Pollutant Discharge Prevention and Removal Project through the Environmental Cost Recovery Clause?
- 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.

Gulf Power Company

10. **ISSUE:** Should the Commission approve Gulf Power Company's request to recover the cost of Above Ground Storage Tank Integrity Inspections and Secondary Containment Upgrades through the Environmental Cost Recovery Clause?

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.

- 10A. **ISSUE:** Is it appropriate for Gulf Power to earn a return through the Environmental Cost Recovery Clause on the 10% retainage on invoices from construction vendors to ensure contract performance?

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.

- 10B. **ISSUE:** Should an adjustment be made for the recording error made in SO₂ Allowances as reported in Audit Disclosure No. 2 of the Florida Public Service Commission's Environmental Compliance Cost Adjustment Audit Report for the Period Ended September 30, 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.

- 10C. **ISSUE:** Should legal expenses incurred to assure compliance with revisions to Clean Air Act Amendment Title V provisions be recovered through the Environmental cost Recovery Clause?

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.

- 10D. **ISSUE:** Should an adjustment be made for the O&M expenses reported in Audit Disclosure No. 4 of the Florida Public Service Commission's Environmental Compliance Cost Adjustment Audit Report for the Period Ended September 30, 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.

Tampa Electric Company

11. **ISSUE:** What adjustment for So₂ Allowances, if any, should be made to Tampa Electric Company's Environmental Cost Recovery Factor as a result of

the Commission's decision in Docket No. 970171-EU?

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.

11A. ISSUE: Should an adjustment be made for the expensing of a packing tower through the Environmental Cost Recovery Clause in 1996 which was purchased and charged to an inventory account in 1992 as reported in Audit Disclosure No. 1 of the Florida Public Service Commission's Environmental Compliance Cost Adjustment Audit Report for the period ended March 31, 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.

11B. ISSUE: Should a portion of gypsum sales revenue be allocated to the Environmental Cost Recovery Clause based on the allocated cost of limestone?

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.

11C. ISSUE: Should Tampa Electric Company be allowed to recover payroll charges associated with modifications and expansions to employee workload due to the Big Bend Unit 3 Flue Gas Desulfurization Integration Project through the Environmental Cost Recovery Clause?

FIPUG: Agree with Staff.

F. STIPULATED ISSUES:

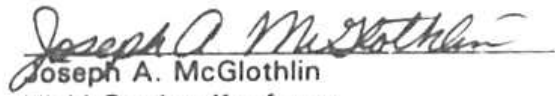
None at this time.

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 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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