

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power
cost recovery clause and
generating performance incentive
factor.

DOCKET NO. 980001-EI
ORDER NO. PSC-98-0575-PCO-EI
ISSUED: April 24, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
JOE GARCIA

ORDER GRANTING ORAL ARGUMENT

BY THE COMMISSION:

Case Background

On August 14, 1997, an evidentiary hearing was held to determine the pricing methodology and cost recovery for transmission charges from Schedule C, economy energy transactions arising from the Federal Energy Regulatory Commission's (FERC) Order 888. The FERC Order, issued April 24, 1996, required investor-owned electric utilities to unbundle transmission and ancillary charges from economy energy sales. The issues addressed at the hearing were the transmission cost, pricing and cost recovery between two directly interconnected utilities and the transmission cost, pricing and cost recovery for wheeled economy energy sales.

On January 13, 1998, we issued Order No. PSC-98-0073-FOF-EI (Order) in which we determined the appropriate treatment of transmission revenues and costs for Schedule C, economy energy transactions. The Order states that the transaction price of an economy energy sale should be based on the incremental system production cost, just as before FERC Order 888 and that any transmission charge required by the FERC Order should not influence the gain on a broker sale. (Order pg. 4) Any FERC-required transmission costs should be added after the broker has matched a buyer and seller for directly interconnected utilities and wheeled sales. (Order pgs. 4 & 10) In addition, we ordered that because

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THE FLORIDA PUBLIC SERVICE COMMISSION

broker sales are non-separated sales, any additional transmission revenues must be credited and separated according to the normal procedure within the fuel adjustment clause of the selling utility. (Order pgs. 8-9) For the purchaser, all actual costs are to continue to be recovered through the fuel clause. (Order pg. 9) Finally, we ordered that third party wheeling revenues must continue to be treated as a credit to operating revenues for the wheeling utility. Wheeling costs are to be recovered through the fuel clause for the purchaser. (Order pg. 11)

On January 28, 1998, Florida Power Corporation (FPC) and Florida Power & Light Company (FPL) filed separate Motions For Reconsideration of Order No. PSC-98-0073-FOF-EI and Requests For Oral Argument. On February 9, 1998, the Office of Public Counsel (OPC) and Florida Industrial Power Users Group (FIPUG) filed separate Responses to FPC's Motion For Reconsideration. The issue before us at this time is whether to grant the Requests For Oral Argument filed by FPC and FPL.

Decision

In its Request For Oral Argument FPC states that "[o]ral argument will allow Florida Power to explain to the Commission how its Order has overlooked or misapprehended certain complexities and inter-jurisdictional complications inherent in the separation of transmission revenues that are now associated with economy energy sales as a result of FERC Order 888." In its Request, FPL states simply that oral argument will "aid the Commission in understanding and resolving the matters in this Docket."

Pursuant to Rule 25-22.060(1)(f), Florida Administrative Code, oral argument may be granted at our discretion. Oral argument may be granted when it "would aid the Commission in comprehending and evaluating the issues before it." Rule 25-22.058(1), Florida Administrative Code. Because of the complexity of the issues raised in the Motions For Reconsideration, we believe that we should exercise our discretion and hear oral argument prior to consideration of a recommendation on the merits of the Motions For Reconsideration.

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Based on the foregoing, it is

ORDERED by the Florida-Public Service Commission that Florida Power & Light Company's Request For Oral Argument is granted. It is further

ORDERED that Florida Power Corporation's Request For Oral Argument is granted.

By ORDER of the Florida Public Service Commission this 24th day of April, 1998.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.