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Matthew M Childs, P.A.

October 14, 1998

Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399

RE: DOCKET NO. 980001-EI/
TRANSMISSION RECONSIDERATION

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) copies of the Direct Testimony of K.M. Dubin filed on behalf of Florida Power & Light Company in the above referenced docket.

Very truly yours,



Matthew M. Childs, P.A.

- ACK
- AFA Handwritten
- APP _____
- CAF _____ MMC:ml
- CMU _____ Enclosure
- CTB _____
- EAG Behrman cc: All Parties of Record
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**CERTIFICATE OF SERVICE
DOCKET NO. 980001-EI
TRANSMISSION RECONSIDERATION**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Direct Testimony of K.M. Dubin have been furnished by Hand Delivery,** or U.S. Mail this 16th day of October, 1998, to the following:

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By: 
Matthew M. Childs, P.A.

ORIGINAL

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 980001-EI
FLORIDA POWER & LIGHT COMPANY**

OCTOBER 14, 1998

**IN RE: FUEL COST
RECOVERY CLAUSE**

TRANSMISSION RECONSIDERATION

TESTIMONY OF:

K. M. DUBIN

DOCUMENT NUMBER DATE

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FLORIDA POWER & LIGHT COMPANY
TESTIMONY OF KOREL M. DUBIN
DOCKET NO. 980001-EI
October 14, 1998

Q. Please state your name and address.

A. My name is Korel M. Dubin and my business address is 9250 West Flagler Street, Miami, Florida 33174.

Q. By whom are you employed and in what capacity?

A. I am employed by Florida Power & Light Company (FPL) as Principal Rate Analyst in the Rates and Tariffs Department.

Q. Have you previously testified in this docket?

A. Yes, I have.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address issues set forth in Attachment A of Commission Order No. PSC-98-1270-PCO-EI issued September 25, 1998 regarding transmission revenues associated with economy transactions.

1 **Q. Does the FERC require that revenue from non-firm transmission**
2 **services, subject to FERC jurisdiction be reflected as a revenue**
3 **credit in the derivation of firm transmission service rates subject**
4 **to FERC jurisdiction?**

5 A. Yes. In Order No. 888, issued in Docket Nos. RM95-8-000 and
6 RM94 -7-001 the FERC stated "The Final Rule's general requirement
7 for non-discriminatory transmission access and pricing by public
8 utilities, and its specific requirement that public utilities unbundle their
9 transmission rates and take transmission service under their own
10 tariffs, apply to all public utilities' wholesale sales and purchases of
11 electric energy, including coordination transactions (mimeo page
12 266)." Additionally, in 1993 for New England Power Co. (FERC
13 61,153), FERC accepted transmission rates that reflected a credit to
14 the transmission cost of service for nonfirm transmission services
15 provided to others. In that same case, FERC also required the
16 company to credit the transmission cost of service to reflect the
17 transmission component of off-system power sales revenues.

18

19 **Q. How should the transmission revenues associated with**
20 **economy transactions over the Energy Broker Network be**
21 **separated between retail and wholesale jurisdictions?**

22 A. For FPL, transmission revenue associated with economy transactions
23 should continue to be separated based on energy. Although it may be
24 appropriate to use a demand separator, FPL's current energy

1 separation factor and demand separation factor produce virtually the
2 same results. Also, currently all fuel and fuel related costs and
3 revenues that are included in the Fuel Cost Recovery factors are
4 separated based on energy. Introducing another step in the
5 calculation of our fuel factors that would not materially affect the
6 results does not seem beneficial at this time.

7

8 FPL's separation factor for energy is calculated by taking actual
9 annual Total Retail Energy at Generation and dividing it by Total
10 Company Energy at Generation. FPL's current separation factor for
11 energy is 98.56%.

12

13 FPL's current separation factor for demand is 98.05%. FPL's
14 separation factor for demand is calculated by taking actual annual
15 Retail Average 12 CP at Generation and dividing it by Total Company
16 Average 12 CP at Generation.

17

18 **Q. Does this conclude your testimony.**

19 **A. Yes, it does.**