

McWHIRTER REEVES
ATTORNEYS AT LAW

ORIGINAL

TAMPA OFFICE:
400 N. TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P.O. Box 3350, TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

November 4, 1998

VIA HAND DELIVERY

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

RECEIVED AND
FILED
NOV-4 PM 2:16
TALLAHASSEE, FLORIDA

Re: Docket No. 980001-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. Also enclosed is a diskette containing this document in WordPerfect 5.1 format.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

ACK Sincerely,
AFA *Handwritten signature*
APP _____
CAF _____ Vicki Gordon Kaufman

CMU _____
CTR _____ VGK/pw
EAG *Bohemian* Encls.

LEG 1
LIN 3

RECEIVED & FILED
Handwritten signature
FPSC-BUREAU OF RECORDS

OPC _____
RCH _____
SEC 1
WAS _____
OTH _____
McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A.

NOV 4 1998
12055
1-4-98

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance Incentive)
Factor.)
_____)

Docket No. 980001-EI
Filed: November 4, 1998

**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:

JOHN W. McWHIRTER, JR., McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A., 400 North Tampa Street, Suite 2450 (33602-5126), Post Office Box 3350, Tampa, Florida 33601-3350; JOSEPH A. MCGLOTHLIN, VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, 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.

E. STATEMENT OF ISSUES AND POSITIONS:

- 1. **ISSUE:** What is the appropriate final fuel adjustment true-up amount for Florida Power & Light Company for the period October 1997 through March 1998?

DOCKETED DATE
12355 NOV-4 8
REPORTING

- 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 1998 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.
3. **ISSUE:** What are the total fuel adjustment true-up amounts to be collected/refunded from January 1999 to December 1999?
- 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 January 1999 to December 1999?
- 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 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/delivery voltage level 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 class/delivery voltage level class 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 January 1999 to December 1999?

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 Fuel Adjustment Issues

Florida Power Corporation

9A. **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 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.

9B. **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.

9C. **ISSUE:** Has Florida Power Corporation properly calculated the 1997 price for waterborne transportation services provided by Electric Fuels 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.

9D. **ISSUE:** Should the Commission approve Florida Power Corporation's request to recover the cost of converting Debary Unit 8 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.

Tampa Electric Company

10A. **ISSUE:** What is the appropriate 1997 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.

10B. **ISSUE:** Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1997 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.

- 10C. **ISSUE:** Should the Commission disallow recovery of any BTU premium adjustment for years 1993 through 1997, inclusive, which Tampa Electric Company paid to Gatliff Coal Company that exceeds the benchmark for coal purchases established in Docket No. 930001-EI and approved by Order No. PSC-93-0443-FOF-EI, issued March 23, 1993?

FIPUG: Yes.

- 10D. **ISSUE:** What is the appropriate 1997 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.

- 10E. **ISSUE:** Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1997 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.

- 10F. **ISSUE:** How should Tampa Electric Company conclude the refund credit factor as agreed to in the Stipulation approved in Order No. PSC-96-1300-3-EI, in Docket No. 960409-EI, issued October 24, 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.

Generic Generating Performance Incentive Factor Issues

- 11A. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved by Florida Power & Light Company during 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.

- 11B. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved by Florida Power Corporation, Tampa Electric Company and Gulf Power Company 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.

12A. **ISSUE:** What should the GPIF targets/ranges be for the period October 1998 through December 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.

12B. **ISSUE:** What should the GPIF targets/ranges be for the period January 1999 through December 1999?

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 Generating Performance Incentive Factor Issues

Florida Power & Light Company

13. **ISSUE:** What heat rate results for the Turkey Point Units 3 and 4 should be incorporated into the results 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.

Tampa Electric Company

14. **ISSUE:** Should the heat rate for Tampa Electric Company's Big Bend Unit 3 be adjusted for the power used by the scrubber at Big Bend Unit 4?

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 Factor Issues

15. **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for Florida Power & Light Company 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.

16. **ISSUE:** What is the estimated capacity cost recovery true-up amount for Florida Power & Light Company and Gulf Power Company for the period October 1997 through December 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.

17. **ISSUE:** What is the estimated capacity cost recovery true-up amount for Florida Power Corporation and Tampa Electric Company for the period April 1998 through December 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.

18. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected/refunded during the period January 1999 through December 1999?

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 appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January 1999 through December 1999?

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 are the projected capacity cost recovery factors for the period January 1999 through December 1999?

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.

F. **OTHER ISSUES:**

Issues Raised by Florida Power & Light

What is the appropriate final capacity cost recovery true-up amount for the period April 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.

What is the estimated/actual capacity true-up amount for the period April 1998

through December 1998 which is based upon five months actual costs and four months revised estimates?

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.

G. STIPULATED ISSUES:

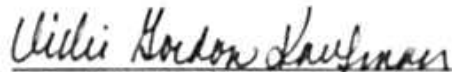
None at this time.

H. PENDING MOTIONS:

FIPUG has no pending motions.

I. OTHER MATTERS:

None.



John W. McWhirter, Jr.
Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman,
Arnold & Steen, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
Telephone: (850) 222-2525

400 North Tampa Street
Suite 2450 (33602-5126)
Post Office Box 3350
Tampa, Florida 33601-3350

Attorneys for 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 **4th day of November, 1998:**

Leslie Paugh*
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Gerald L. Gunter Building, Room 390Q
Tallahassee, Florida 32399-0850

G. Edison Holland
Jeffrey A. Stone
Beggs and Lane
Post Office Box 12950
Pensacola, Florida 32576

James A. McGee
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

Matthew M. Childs
Steel Hector & Davis
215 South Monroe Street
Suite 601
Tallahassee, Florida 32301-1804

Suzanne Brownless
1311-B Paul Russell Road
Suite 201
Tallahassee, Florida 32301

Jack Shreve, Public Counsel
John Roger Howe
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

Lee L. Willis
James D. Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302

Kenneth A. Hoffman
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
Post Office Box 551
Tallahassee, Florida 32302


Vicki Gordon Kaufman