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RECORDS AND REPORTING



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January 5, 1999

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 980001-EI
Transmission Reconsideration

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Citizens' Prehearing Statement in the above-referenced docket.

Also enclosed is a 3.5 inch diskette containing the Citizens' Prehearing Statement in WordPerfect for Windows 6.1. Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

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DEPARTMENT OF RECORDS

Stephen C. Burgess
Deputy Public Counsel

- ACK _____
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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.: 980001-EI
FILED: January 5, 1998

PREHEARING STATEMENT

The Citizens of the State of Florida, through their attorney, the Florida Public Counsel, in compliance with Order No. PSC-98-1270-PCO-EI, hereby file this Prehearing Statement, and set forth the following:

1. The Citizens do not intend to call any witnesses in this proceeding.
2. The Citizens do not intend to offer any exhibits into evidence.
3. The Citizens basic position is that it is not necessary for the Commission to depart from its current practice of separating economy energy sales profit based on the production separation factor.

4. Issues of fact and policy are addressed in paragraph 6, below.
5. The Citizens raise the following legal issue:

Is Florida Power Corporation (FPC) estopped from taking the position that "the jurisdictional portion of transmission revenues should be treated as a revenue credit when base rates are established."
[Testimony of William C. Slusser, Jr.; p. 5, l. 7,8]

Citizens position:

Yes, FPC should be estopped. This hearing is being held pursuant to the Commission's grant of reconsideration to FPC. In its motion for reconsideration, FPC requested that the original order be revised "to provide for the jurisdictional separation of transmission revenues from economy sales to be credited to the fuel clause using transmission-related separation factors." [p. 6][emphasis added]. The Commission

granted reconsideration on the issue of the proper separation factor, but not on the issue of crediting the revenue to base rates.

6. The Citizens take the respective positions on the following issues that were specified in Order No. PSC-98-1272-PCO-EI:

Issue 1: Does the FERC require that revenue from non-firm transmission services subject to FERC jurisdiction be reflected as a revenue credit in the derivation of firm transmission service rates subject to FERC jurisdiction?

OPC Position: This issue remains to be proven during the hearing.

Issue 2: How should the transmission revenues associated with economy transactions over the Energy Broker Network be separated between the retail and wholesale jurisdictions?

OPC Position: By using the production-related, separation factor.

Issue 3: How should Florida Power Corporation allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

OPC Position: By using the production-related, separation factor.

Issue 4: How should Florida Power & Light allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

OPC Position: By using the production-related, separation factor.

Issue 5: How should Gulf Power Company allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

OPC Position: By using the production-related, separation factor.

Issue 6: How should Tampa Electric Company allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

OPC Position: By using the production-related, separation factor.

7. Other than the agreements of the Issue Identification Meeting, the Citizens are not aware of any stipulation at this point.

8. The Citizens do not have any pending motions in this proceeding.

9. The Citizens are not aware of any requirement of Order No. PSC-98-1270-PCO-EI that cannot be complied with.

Respectfully submitted,
Jack Shreve
Public Counsel


Stephen C. Burgess
Deputy Public Counsel

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Attorneys for the Citizens
of the State of Florida

**CERTIFICATE OF SERVICE
DOCKET NO. 980001-EI**

I HEREBY CERTIFY that a true and correct copy of Citizen's Prehearing Statement has been furnished to the following parties by hand-delivery(*) or U.S. Mail this 5th day of January, 1999:

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