

**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

January 5, 1999

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

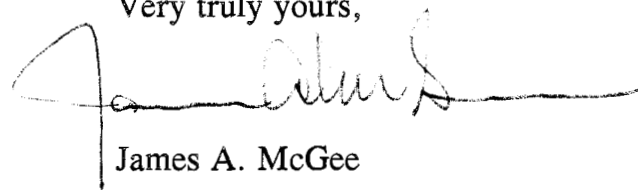
Re: Docket No. 990001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Prehearing Statement.

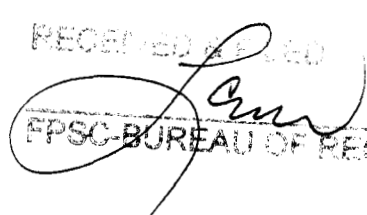
Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,



James A. McGee

- ACK _____
- AFA Handover
- APP _____
- CAF _____
- CM _____
- CT _____
- E Bahemano JAM/kma
- LEW 1 Enclosure
- LI 3 cc: Parties of record
- GPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

00388 JAN 11 99

FPSC-RECORDS/REPORTING

GENERAL OFFICE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990001-EI

Submitted for filing:
January 5, 1999

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Florida Power Corporation's Prehearing Statement regarding **Transmission Reconsideration** has been furnished to the following individuals by regular U.S. Mail the 8th day of January, 1999:

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Mr. Don Bruegmann
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Tampa, FL 33688-2000

Mr. Frank C. Cressman, President
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395



ATTORNEY

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990001-EI

Submitted for filing:
January 5, 1999

**TRANSMISSION
RECONSIDERATION**

**PREHEARING STATEMENT OF
FLORIDA POWER CORPORATION**

Pursuant to Order No. PSC-98-1270-PCO-EI, issued September 25, 1998,
Florida Power Corporation hereby submits its Prehearing Statement.

A. APPEARANCES

JAMES A. MCGEE, Esquire, Post Office Box 14042, St. Petersburg, FL
33733-4042
On behalf of Florida Power Corporation

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
William C. Slusser, Jr.	Transmission Revenue Allocation	1, 2, and 3

C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(WCS-1)</u>	Slusser	Extractions from FPC's Open Access Transmission Tariff
<u>(WCS-2)</u>	Slusser	Summary of Firm Transmission Loadings at Time of Monthly Peak Demand

DOCUMENT NUMBER-DATE

00388 JAN 11 99

FPSC-RECORDS/REPORTING

D. STATEMENT OF BASIC POSITION

None necessary.

E. STATEMENT OF ISSUES AND POSITIONS

1. **ISSUE:** 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 rates subject to FERC jurisdiction?

FPC: Yes. FERC's cost of service and ratemaking practices have traditionally required the crediting of non-firm revenues on a functional basis to the fully allocated costs assigned to firm customers.

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

FPC: FPC has for years consistently utilized a 12 CP methodology before the FERC and this Commission to establish jurisdictional transmission cost responsibility. A jurisdictional factor derived using this methodology should be used to separate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions.

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

FPC: For sales under existing economy sales agreements (*i.e.*, entered prior to Order 888), where revenues have simply been unbundled into generation and transmission components, the appropriate jurisdictional portions of both the generation and transmission components of economy sales should be treated as a credit to the retail customer's fuel charge. For new economy agreements (*i.e.*, entered into after Order 888), where a separate transmission charge is imposed in addition to a generation transaction price, the jurisdictional portion of generation-related revenues should be treated as a credit to the fuel charge and the jurisdictional portion of transmission revenues should be treated as a revenue credit when base rates are established.

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

FPC: N/A

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

FPC: N/A

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

FPC: N/A

F. STIPULATED ISSUES

None at this time.

G. PENDING MOTIONS

None at this time.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

James A. McGee
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& DAVIS

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RECORDS AND
REPORTING

Matthew M. Childs, P.A.

January 12, 1999

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399-0850

RE: DOCKET NO. 990001-EI
TRANSMISSION RECONSIDERATION

Dear Ms. Bayó:

Enclosed for filing please find Florida Power & Light
Company's Notice of Service of Response to Staff's Third Set
of Interrogatories (Nos. 7-14) in the above referenced docket.

Very truly yours,



Matthew M. Childs, P.A.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC I
- WAS _____
- OTH _____

MMC/ml

cc: All Parties of Record

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

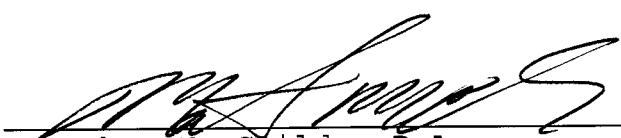
00447 JAN 12 99

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power) DOCKET NO. 990001-EI
 Cost Recovery Clause and)
 Generating Performance Incentive) DATE: JANUARY 12, 1999
 Factor)
 _____) **TRANSMISSION RECONSIDERATION**

FLORIDA POWER & LIGHT COMPANY'S
NOTICE OF SERVICE

NOTICE is hereby given that on January 12, 1999, Florida Power & Light Company served its Response to Staff's Third Set of Interrogatories (Nos. 7-14) upon William Cochran Keating, Esq., Gunter Building, Room 370, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399 by Hand Delivery.


 Matthew M. Childs, P.A.
 Steel Hector & Davis LLP
 215 South Monroe Street
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 Tallahassee, FL 32301
 Attorneys for Florida Power
 & Light Company

**CERTIFICATE OF SERVICE
DOCKET NO. 990001-EI
TRANSMISSION RECONSIDERATION**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Notice of Service of Response to Staff's Third Set of Interrogatories (7-14) has been furnished by Hand Delivery,** or U.S. Mail this 12th day of January, 1999, to the following:

Wm. Cochran Keating, Esq.**
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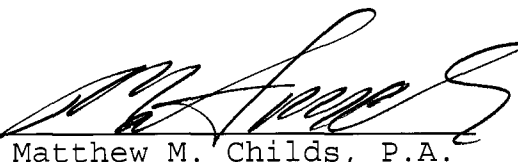
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By:


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