



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 21, 1999
TO: ALL PARTIES OF RECORD
FROM: WM. COCHRAN KEATING, SENIOR ATTORNEY, DIVISION OF LEGAL SERVICES *RVE WCK*
RE: DOCKET NO. 990001-EI - FUEL AND PURCHASED POWER COST RECOVERY CLAUSE AND GENERATING PERFORMANCE INCENTIVE FACTOR

Attached is a compilation of the issues raised in each party's Preliminary List of Issues. Staff used its preliminary issue list as a basis for this compilation. Staff attempted to eliminate issues listed by the parties that were substantially covered in staff's preliminary issue list. Issues unique to a particular party's issue list were included in this compilation.

This compilation of issues is provided as an attempt by staff to simplify the issues so that all parties may work from the same issue list in preparing their prehearing statements and in preparing for the prehearing conference. It is not intended as a final list of issues for hearing; parties may dispute the appropriateness of specific issues until a final list of issues for hearing is determined at the prehearing conference. Please contact me at (850) 413-6193 if you dispute the appropriateness or the wording of any issue or if you have any questions concerning this memorandum.

WCK

Attachment

cc: Division of Electric and Gas
 Division of Auditing and Financial Analysis

- AFA _____
- APP _____
- CAP _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAG _____
- OPC _____
- PAJ _____
- SEC _____
- TAW _____
- ETH _____

DOCUMENT NUMBER DATE

12967 OCT 21 99

1999-10-21 09:00:00

STAFF'S COMPILED LIST OF ISSUES

October 21, 1999

IN RE: DOCKET NO. 990001-EI - FUEL AND PURCHASED POWER COST RECOVERY CLAUSE AND GENERATING PERFORMANCE INCENTIVE FACTOR

GENERIC FUEL ADJUSTMENT ISSUES

- ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April, 1998 through December, 1998?
- ISSUE 2: What are the appropriate estimated fuel adjustment true-up amounts for the period January, 1999 through December, 1999?
- ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2000 to December, 2000?
- ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period January, 2000 to December, 2000?
- ISSUE 5: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?
- ISSUE 6: 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?
- ISSUE 7: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?
- ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January, 2000 to December, 2000?
- ISSUE 9: What is the appropriate regulatory treatment for transmission revenue received from non-separated wholesale energy sales not made through the Energy Broker Network (EBN)?
- ISSUE 10: What is the appropriate regulatory treatment for the generation-related gain on non-separated wholesale energy sales not made through the EBN?
- ISSUE 11: Should the Commission eliminate the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B?

ISSUE 12: If the Commission should decide to maintain the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B, what types of economy energy sales should be eligible for the 20 percent shareholder incentive?

ISSUE 13: When should the utilities subject to the Commission's fuel and purchased power cost recovery clause submit their projection filings and testimonies to set their 2001 levelized fuel and capacity cost factors?

ISSUE 14: Do electric utilities provide uniform treatment to wholesale sales and purchases to ensure that retail ratepayers are not disadvantaged?

ISSUE 15: Should amounts that electric utilities pay to affiliated companies be publicly disclosed if the utility seeks recovery through a cost recovery clause?

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power & Light Company

ISSUE 16A: Should the Commission allow Florida Power & Light Company (FPL) to amortize the cost of its nuclear units' "last core" of nuclear fuel over the remaining life of each plant and recover those costs in the fuel and purchased power cost recovery clause?

ISSUE 16B: What is the appropriate fuel price forecast for fuel oil and natural gas when determining FPL's appropriate levelized fuel cost recovery factor for the period January, 2000 to December, 2000?

ISSUE 16C: Should the Commission allow FPL to recover the payment made to Cedar Bay in the fuel and purchased power cost recovery clause as a result of a court's interpretation of a contract dispute over the energy pricing provision of a Q&Q contract between the two parties?

Florida Power Corporation

ISSUE 17A: Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuel's Corporation's capital structure for calendar year 1998?

ISSUE 17B: Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?

ISSUE 17C: Has Florida Power Corporation properly calculated the 1998 price for waterborne transportation services provided by Electric Fuels Corporation?

ISSUE 17D: Should the Commission allow Florida Power to recover the cost of purchasing 18,000 tons of SO₂ emission allowances in the year 2000 through the fuel and purchased power cost recovery clause?

ISSUE 17E: Should the Commission allow Florida Power to recover the payment made to Lake Cogen, Ltd. as ordered by a final judgment entered in a lawsuit brought against Florida Power by Lake Cogen, Ltd. regarding a dispute over the energy pricing provision of a negotiated QF contract between the two parties?

Gulf Power Company

ISSUE 18A: Is Gulf Power's proposal to burn low sulfur coal in its Smith Units 1 and 2 the most cost effective strategy to comply with Phase II of the 1990 Amendment to the Clean Air Act?

ISSUE 18B: Is Gulf Power's proposal to burn bituminous coal at its Plant Daniel the most cost effective strategy to increase Gulf Power's capacity resources by 52 MW?

Tampa Electric Company

ISSUE 19A: What is the appropriate 1998 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

ISSUE 19B: Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1998 benchmark price?

ISSUE 19C: What is the appropriate 1998 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

ISSUE 19D: Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1998 waterborne transportation benchmark price?

ISSUE 19E: Should the Commission allow the incremental costs of replacement fuel and purchased power costs

associated with the explosion that occurred at Gannon Unit 6 on April 9, 1999 to be recovered?

ISSUE 19E: What is the appropriate true-up amount for the temporary base rate reduction as approved in Order No. PSC-96-1300-S-EI, in Docket No. 960409-EI, issued October 24, 1996?

ISSUE 19G: What is the appropriate regulatory treatment for the true-up amount for the temporary base rate reduction as approved in Order No. PSC-96-1300-S-EI, in Docket No. 960409-EI, issued October 24, 1996?

ISSUE 19H: Are the energy costs associated with five purchased power agreements between Tampa Electric Company and Okeelanta Corporation, Farmland Hydro, Auburndale Power Partners, and Hardee Power Partners Limited prudent and appropriate for recovery through the fuel and purchased power cost recovery clause?

ISSUE 19I: Are the costs associated with accelerating the commercial in-service date of Polk Unit 2, Tampa Electric Company's next generation unit, from January, 2001 to October, 2000 prudent?

ISSUE 19J: Should the Commission approve Tampa Electric Company's proposed regulatory treatment for its wholesale power supply agreement with Florida Municipal Power Agency for January 1, 2000 through March 15, 2001?

ISSUE 19K: How should Tampa Electric Company implement the \$11,226,598 combined refund as ordered by the Commission in Order No. PSC-99-1940-PAA-EI in Docket No. 950379-EI, issued October 1, 1999 and by the Commission's decision at the September 7, 1999 agenda?

ISSUE 19L: In order to ensure that Tampa Electric Company makes prudent purchases on behalf of its retail ratepayers, should Tampa Electric Company's recovery of fuel costs be limited to an amount no greater than what it receives for fuel sales?

ISSUE 19M: Should the Commission impose price restrictions on the amount Tampa Electric pays for coal purchase, handling, and transportation from affiliated companies?

ISSUE 19N: Should all short-term wholesale sales be subject to interruption to assure that sufficient capacity is available for retail ratepayers?

ISSUE 190: Are Tampa Electric Company's wholesale revenues from third-party sales being treated correctly?

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 20A: What is the appropriate GPIF reward or penalty for performance achieved by Florida Power & Light Company during the period October, 1997 through September, 1998?

ISSUE 20B: 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 April, 1998 through September, 1998?

ISSUE 20C: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1998 through December, 1998?

ISSUE 21: What should the GPIF targets/ranges be for the period January, 2000 through December, 2000?

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Gulf Power Company

ISSUE 22: Should Gulf Power include a new Btu per pound independent variable in the Plant Daniel target heat rate equations?

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What is the appropriate final capacity cost recovery true-up amount for Florida Power & Light Company and Gulf Power Company for the period October, 1997, through December, 1998?

ISSUE 24: What is the appropriate final capacity cost recovery true-up amount for Florida Power Corporation and Tampa Electric Company for the period April, 1998 through December, 1998?

ISSUE 25: What is the appropriate estimated capacity cost recovery true-up amount for the period January, 1999 through December, 1999?

ISSUE 26: What is the appropriate total capacity cost recovery true-up amount to be collected/refunded during the period January, 2000 through December, 2000?

ISSUE 27: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period January, 2000 through December, 2000?

ISSUE 28: What are the projected capacity cost recovery factors for the period January, 2000 through December, 2000?

ISSUE 29: Should all revenue from wholesale power contracts that utilities count as firm power supply be subject to public disclosure and scrutiny for prudence?

COMPANY-SPECIFIC CAPACITY COST RECOVERY CLAUSE ISSUES

Florida Power & Light Company

ISSUE 30: Should the Commission allow FPL to recover the payment made to Ceder Bay in the capacity cost recovery clause as a result of a court's interpretation of a contract dispute over the capacity pricing provision of a QF contract between the two parties?

Tampa Electric Company

ISSUE 31: Are the capacity costs associated with five purchased power agreements between Tampa Electric Company and Okeelanta Corporation, Farmland Hydro, Auburndale Power Partners, and Hardee Power Partners Limited prudent and appropriate for recovery through the capacity cost recovery clause?