BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause and generating performance incentive factor.	DOCKET NO. 990001-EI ORDER NO. PSC-99-2271-PHO-EI ISSUED: November 18, 1999

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on November 4, 1999, in Tallahassee, Florida, before Commissioner Susan F. Clark, as Prehearing Officer.

APPEARANCES:

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On behalf of Florida Power & Light. (FPL)

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

NORMAN H. HORTON, JR., ESQUIRE, and FLOYD R. SELF, ESQUIRE, Messer, Caparello & Self, P.A., Post Office Box 1876, Tallahassee, Florida 32302-1876
On behalf of Florida Public Utilities Company. (FPUC)

JEFFREY A. STONE, ESQUIRE, and RUSSELL A. BADDERS, ESQUIRE, of Beggs & Lane, 700 Blount Building, 3 West Garden Street, P.O. Box 12950, Pensacola, FL 32576-2950
On behalf of Gulf Power Company. (GULF)

LEE L. WILLIS, ESQUIRE, and JAMES D. BEASLEY, ESQUIRE, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company. (TECO)

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On Behalf of the Florida Industrial Power Users Group. (FIPUG)

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On behalf of the Citizens of the State of Florida. (OPC)

WM. COCHRAN KEATING, IV, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff. (STAFF)

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

As part of the Commission's continuing fuel and purchased power cost recovery clause and generating performance incentive factor proceedings, an administrative hearing is set for November 22-23, 1999, to address the issues set forth in the body of this Prehearing Order. The parties have stipulated to several issues as shown in Section VIII of this Order.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

* As a result of discussions at the prehearing conference, each witness whose name is preceded by an asterisk (*) has been excused from this hearing if no Commissioner assigned to this case seeks to cross-examine the particular witness. Parties shall be notified as to whether any such witness shall be required to be present at hearing. The testimony of excused witnesses will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony shall be identified as shown in Section IX of this Prehearing Order and be admitted into the record.

Witness	Proffered By	Issues #
Direct		
*R. Silva	FPL	1-8, 16B, 20A, 20B, 20C, 21
R.L. Wade	FPL	1-8, 16A, 16B
K.M. Dubin	FPL	1-8, 16A, 16C, 23-26
*John Scardino, Jr.	FPC	1, 3, 22, 24

Witness	Proffered By	Issues #
Karl H. Wieland	FPC	2-13, 17A-17E, 23-36
*Rebecca J. McClintock	FPC	20B, 20C, 21
*George M. Bachman	FPUC	1-8
*M.F. Oaks	GPC	1, 2, 4, 18A, 18B
T.A. Davis	GPC	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 23, 25, 26, 27, 28
*J.R. Douglass	GPC	20B, 20C, 21, 22
M.W. Howell	GPC	1, 2, 4, 9, 10, 11, 12, 23, 25, 27
*J.O. Vick	GPC	18A
Karen O. Zwolak	TECO	1, 2, 3, 4, 5, 6, 7, 8, 13, 19B, 19F, 19K, 24, 25, 26, 27, 28
*G.A. Keselowsky	TECO	4, 20B, 20C, 21
W.L. Brown	TECO	4, 19H, 19I, 31
Thomas L. Hernandez	TECO	4, 9, 10, 11, 12, 14, 19J, 19O
*Mark J. Hornick	TECO	4, 15, 19A, 19B, 19C, 19D
Charles R. Black	TECO	4, 19E
Mark D. Ward	TECO	4, 19E, 19I
Kent D. Taylor	FIPUG	4, 9-15, 19D, 19E, 19H, 19J, 19L, 19M, 19N, 19O, 29, 31
David E. Dismukes	OPC	11

Witness	Proffered By	Issues #
Judy G. Harlow	PSC	11
Rebuttal		
M.W. Howell	GPC	10, 11, 12
Thomas L. Hernandez	TECO	11, 19J
Charles R. Black	TECO	19E
Mark Ward	TECO	19H, 31
W.L. Brown	TECO	19H, 31

VII. BASIC POSITIONS

FPC: None necessary.

FPL: None necessary.

FPUC: FPU has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those amounts and factors should be approved by the Commission.

GULF: It is the basic position of Gulf Power Company that the proposed fuel factors present the best estimate of Gulf's fuel expense for the period January 2000 through December 2000 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

TECO: The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery and GPIF true-up calculations, including the proposed fuel adjustment factor of 2.243 cents per KWH before application of factors which adjust for variations in line losses; the proposed capacity cost recovery factor of 0.204 cents per KWH before applying the 12CP and 1/13th application methodology; and a GPIF penalty of $276,901.

FIPUG: It is FIPUG's position that the 80/20 split should be eliminated. Utilities should not receive a reward for acting prudently on behalf of customers. TECo should not be permitted to foist the replacement fuel costs resulting from the Gannon accident onto ratepayers. These costs should be disallowed, unless and until, TECo proves neither it or its employees were at fault. TECo's proposed treatment for the FMPA wholesale transaction should not be permitted as it is not in the best interests of ratepayers. The Hardee Power Station contract should not be approved, as TECo has offered no proof that it is in consumers' interest for TECo to enter into a long-term contract with its affiliate.

OPC: None necessary.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

GENERIC FUEL ADJUSTMENT ISSUES

STIPULATED
ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April, 1998 through December, 1998?

POSITION: FPC: $15,103,811 overrecovery
FPL: $33,531,098 overrecovery
FPUC-Fernandina Beach: $277,585 overrecovery
FPUC-Marianna: $250,799 overrecovery
GULF: $2,450,200 underrecovery
TECO: $7,879,936 overrecovery

ISSUE 2: What are the appropriate estimated fuel adjustment true-up amounts for the period January, 1999 through December, 1999?

POSITIONS:

FPC: $28,941,574 under-recovery. (Wieland)

FPL: $8,846,485 overrecovery. (Dubin)

FPUC:
Marianna: $101,570(under-recovery)
Fernandina Beach: $467,151 (over-recovery)

GULF:
Under recovery $11,302,259. (Oaks, Howell, Davis)

TECO:
$11,546,819 underrecovery. (Witness: Zwolak)

FIPUG:
No position.

OPC: This is a fall-out issue. No position pending evidence adduced at hearing.

STAFF:

FPC:	No position pending resolution of other issues.
FPL:	No position pending resolution of other issues.
FPUC-Fernandina Beach:	$467,151 overrecovery
FPUC-Marianna:	$101,570 underrecovery
GULF:	$11,302,259 underrecovery
TECO:	$11,546,819 underrecovery

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January, 2000 to December, 2000?

POSITIONS:

FPC: $7,346,176 under-recovery. (Scardino/Wieland)

FPL: $42,377,583 overrecovery. (Dubin)

FPUC:
Marianna: $149,229 to be refunded
Fernandina Beach: $744,736 to be refunded

GULF:
Under recovery $13,752,459. (Davis)

TECO:
$3,666,883 underrecovery through December 31, 1999. (Witness: Zwolak)

FIPUG:
No position.

OPC:
This is a fall-out issue. No position pending evidence adduced at hearing.

STAFF:
FPC: No position pending resolution of other issues.
FPL: No position pending resolution of other issues.
FPUC-Fernandina Beach: $744,736 overrecovery
FPUC-Marianna: $149,229 overrecovery
GULF: $13,752,459 underrecovery
TECO: $3,666,883 underrecovery

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period January, 2000 to December, 2000?

POSITIONS:

FPC: 2.050 cents per kWh (adjusted for jurisdictional losses). (Wieland)

FPL: 1.894 cents/kwh is the levelized recovery charge to be collected during the period January, 2000 through December, 2000. (Dubin)

FPUC:
Marianna: 2.209¢/kwh
Fernandina Beach: 1.819¢/kwh

GULF:
1.950¢/KWH. (Oaks, Howell, Davis)

TECO:
The appropriate factor is 2.243 cents per KWH before the normal application of factors that adjust for variations in line losses. (Witnesses: Black, Brown, Hernandez, Hornick, Keselowsky, Ward, and Zwolak)

FIPUG:
Fuel costs vary with demand on the system. An average annual factor discriminates against high load factor consumers. Fuel factors should track fuel costs at least seasonally to provide a conservation incentive during the summer peak season and to adequately reflect cost-causing behavior.

OPC:
This is a fall-out issue. No position pending evidence adduced at hearing.

STAFF:
FPC: No position pending resolution of other issues.
FPL: No position pending resolution of other issues.
FPUC-Fernandina Beach: 1.819 cents per kwh.
FPUC-Marianna: 2.209 cents per kwh.
GULF: No position pending resolution of other issues.
TECO: No position pending resolution of other issues.

STIPULATED
ISSUE 5: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

POSITION: The new factors should be effective beginning with the first billing cycle for January, 2000, and thereafter through the last billing cycle for December, 2000. The first billing cycle may start before January 1, 2000, and the last billing cycle may end after December 31, 2000, so long as each customer is billed for twelve months regardless of when the factors became effective.

STIPULATED
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?

POSITION:

FPC:

Group	Delivery Voltage Level	Line Loss Multiplier
A.	Transmission	0.9800
B.	Distribution Primary	0.9900
C.	Distribution Secondary	1.0000
D.	Lighting Service	1.0000

FPL: See FPL position on Issue 7.

FPUC: Rate Schedule

Marianna	Multiplier
All Rate Schedules	1.0000
Fernandina Beach	
All Rate Schedules	1.0000

GULF: See table below:

Group	**Rate Schedules***	**Line Loss Multipliers**
A	RS, GS, GSD,GSDT, SBS,OSIII, OSIV	1.01228
B	LP,LPT,SBS	0.98106
C	PX,PXT, SBS, RTP	0.96230
D	OSI, OSII	1.01228

*The multiplier applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO:

Group	Multiplier
Group A	1.0071
Group A1	n/a*
Group B	1.0016
Group C	0.9681

*Group A1 is based on Group A, 15% of On-Peak and 85% of Off-Peak.

ISSUE 7: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

POSITIONS:

FPC:

				Fuel Cost Factors (cents/kWh)
				Time Of Use
Group	Delivery Voltage Level	Standard	On-Peak	Off-Peak
A.	Transmission	2.012	2.539	1.781
B.	Distribution Primary	2.032	2.564	1.798
C.	Distribution Secondary	2.053	2.591	1.817
D.	Lighting Service	1.962		(Wieland)

FPL:

Group	Rate Schedule	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1,GS-1,SL-2	1.894	1.00225	1.899
A-1*	SL-1,OL-1,PL1	1.857	1.00225	1.861
B	GSD-1	1.894	1.00216	1.898
C	GSLD-1 & CS-1	1.894	1.00087	1.896

Group	Rate Schedule	Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
D	GSLD-2,CS-2,OS-2 & MET	1.894	0.99510	1.885
E	GSLD-3 & CS-3	1.894	0.95792	1.815
A	RST-1,GST-1 ON-PEAK OFF-PEAK	 2.069 1.817	 1.00225 1.00225	 2.074 1.821
B	GSDT-1,CILC-1(G) ON-PEAK OFF-PEAK	 2.069 1.817	 1.00216 1.00216	 2.073 1.821
C	GSLDT-1 & CST-1 ON-PEAK OFF-PEAK	 2.069 1.817	 1.00087 1.00087	 2.071 1.819
D	GSLDT-2 & CST-2 ON-PEAK OFF-PEAK	 2.069 1.817	 0.99510 0.99510	 2.059 1.808
E	GSLDT-3, CST-3 CILC-1(T) &ISST-1(T) ON-PEAK OFF-PEAK	 2.069 1.817	 0.95792 0.95792	 1.982 1.741
F	CILC-1(D) & ISST-1(D) ON-PEAK OFF-PEAK	 2.069 1.817	 0.99465 0.99465	 2.058 1.807

*Weighted Average 16% On-Peak and 84% Off-Peak (DUBIN)

FPUC:

Marianna:

Rate Schedule	**Adjustment**
RS	$.03999
GS	$.03936
GSD	$.03504

GSLD	$.03381
OL	$.02645
SL	$.02608

Fernandina Beach:

Rate Schedule	**Adjustment**
RS	$.03526
GS	$.03364
GSD	$.03064
CSL	$.02102
OL	$.02102
SL	$.02102

GULF:

See table below: (Davis)

Group	**Rate Schedules***	**Fuel Cost Factors ¢/KWH**		
		Standard	**Time of Use**	
			On-Peak	**Off-Peak**
A	RS, GS, GSD, SBS, OSIII, OSIV	1.974	2.431	1.731
B	LP, SBS	1.913	2.356	1.678
C	PX, RTP, SBS	1.876	2.311	1.646
D	OSI, OSII	1.906	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO:

	Standard	On-Peak	Off-Peak
Group A	2.259	3.074	1.905
Group A1	2.080	N/A	N/A
Group B	2.247	3.057	1.895
Group C	2.171	2.955	1.832

(Witness: Zwolak)

FIPUG:
No position at this time.

OPC: No position pending evidence adduced at hearing.

STAFF:
FPC: No position pending resolution of other issues.
FPL: No position pending resolution of other issues.
FPUC-Fernandina Beach:

Rate Schedule	
RS	3.455¢/kwh
GS	3.392¢/kwh
GSD	3.176¢/kwh
OL	2.443¢/kwh
SL, CSL	2.443¢/kwh

FPUC-Marianna:

Rate Schedule	
RS	3.943¢/kwh
GS	3.925¢/kwh
GSD	3.599¢/kwh
GSLD	3.356¢/kwh
OL, OL-2	2.645¢/kwh

	SL-1, SL-2	2.608¢/kwh
GULF:	No position pending resolution of other issues.	
TECO:	No position pending resolution of other issues.	

STIPULATED
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?

POSITION:

FPC:	1.00072
FPL:	1.01597
FPUC-Fernandina Beach:	1.01597
FPUC-Marianna:	1.00072
GULF:	1.01597
TECO:	1.00072

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)?

POSITIONS:

FPC: Agrees with Staff so long as these revenues are considered for incentive treatment under Issue 11.

FPL: It is appropriate to credit transmission revenue from these sales to the retail customers through the capacity clause. (Dubin)

GULF:
The transmission revenue associated with the sale of energy should be credited to the customer through the fuel clause. (Howell, Davis)

TECO:

The treatment should be the same as if the transaction were made through the EBN. Transmission revenues from economy sales should be separated on an energy basis. Eighty percent of those revenues should be credited to retail ratepayers through the Fuel Clause. The company should retain the remaining 20 percent. (Witness: Hernandez)

FIPUG:

All such revenues should be flowed back to ratepayers through the fuel clause.

OPC: It should be treated the same as sales made through the EBN.

STAFF:

All transmission revenue from these wholesale energy sales should be flowed back to the ratepayers through the Capacity Cost Recovery Clause.

ISSUE 10: What is the appropriate regulatory treatment for the generation-related gain on non-separated wholesale energy sales not made through the EBN?

POSITIONS:

FPC: Agrees with Staff so long as these revenues are considered for incentive treatment under Issue 11.

FPL: FPL is currently crediting 100% of these gains to our retail customers through the capacity clause. FPL believes it would be appropriate to split these gains between the customers and the shareholders as an incentive to encourage these sales. (Dubin)

GULF:

The profit on economy sales should be split 80/20 between the customer and the company. The customers' portion should be passed to the customer through the fuel clause. (Howell, Davis)

TECO:
The treatment should be the same as if the transaction were made through the EBN. Eighty percent of those gains are assigned to the retail jurisdiction and should be credited to ratepayers through the Fuel Clause. The company should retain 20 percent of the gain from such sales. (Witness: Hernandez)

FIPUG:
All such revenues should be flowed back to ratepayers through the capacity clause.

OPC: The entire gain should be passed through the fuel adjustment clause.

STAFF:
All generation-related gain from economy wholesale energy sales not made through the EBN should be flowed back to the ratepayers through the Fuel and Purchased Power Cost Recovery Clause.

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?

POSITIONS:

FPC: No. In Order No. 12923, the Commission correctly acknowledged that "a positive incentive will preserve current levels of economy sales and may result in increased sales and that the 20% incentive is large enough to maximize the amount of economy sales and provide a net benefit to the ratepayer". The benefits of incentives are as great or greater today than they were when this order was written. As the generation market becomes more competitive, the case for incentives for regulated utilities becomes more compelling since they are competing with market entrants that retain 100% of profits for their shareholders. (Wieland)

FPL: No. The shareholder incentive should be retained for gains on economy sales through the EBN and extended to allow shareholders an incentive for other opportunity sales. (Dubin)

GULF:
No. (Howell)

TECO:
No. If anything, the incentive should be increased. Elimination of the 20 percent incentive will negatively impact both sellers and purchasers. The shareholder incentive should be retained to encourage sellers to offer their as- available energy within the state and provide mutual benefits for customers of both sellers and purchasers. (Witness: Hernandez)

FIPUG:
Yes. Utilities should not receive an additional incentive to act prudently on behalf of ratepayers.

OPC: Yes.

STAFF:
Yes, the Commission should eliminate the 20 percent shareholder incentive.

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?

POSITIONS:

FPC: All economy sales should be eligible for the 20% shareholder incentive that was set forth in Order No. 12923. Inconsistent application of incentives on economy sales could predispose utilities to favor sales that provide shareholder incentives over sales that maximize customer benefits. (Wieland)

FPL: All economy sales should be eligible for the 20% shareholder incentive consistent with FPL's position in Issue No. 11. (Dubin)

GULF:

In the case of Gulf Power Company, the 20 percent shareholder incentive should be applied to all of Gulf's non-separated wholesale economy energy sales. These sales are categorized by Gulf as "economy" sales and "external" sales to differentiate the sales based on whether they are made to non-affiliated utilities that are directly interconnected to the Southern electric system ("economy") or to non-affiliated utilities and power marketers that are not directly interconnected to the Southern electric system ("external"). (Howell)

TECO:

The 20 percent shareholder incentive should apply to all types of economy energy sales regardless of whether they are made through the broker or off-broker. (Witness: Hernandez)

FIPUG:

The Commission should eliminate the 20% incentive.

OPC: Only those sales going through the EBN.

STAFF:

No position pending further discovery and evidence adduced at the hearing.

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?

POSITIONS:

FPC: A schedule for submitting projection filings and testimonies for the year 2001 similar to the schedule used for the year 2000 would be appropriate. (Wieland)

FPL: We see no reason to change the current schedules; however, FPL is willing to work with Staff on any proposed schedule change. (Dubin)

GULF:

In order to incorporate the best reasonably available data for 2001, the utilities should submit their projection filings and testimonies to set their 2001 levelized fuel and capacity cost factors on October 2, 2000. (Davis)

TECO:

October 2, 2000. (Witness: Zwolak)

FIPUG:

Such filings should be submitted at least three months prior to the hearing date to allow sufficient time for parties to conduct discovery and analyses of the utilities' proposals.

OPC: No position at this time.

STAFF:

Utilities should file their projection filings and testimonies to set their 2001 levelized fuel and capacity cost factors on September 5, 2000. Order No. PSC-98-0691-FOF-PU in Docket No. 980269-PU established the current schedule which requires utilities to file projection filings and testimonies in October of each year. Therefore, sufficient time does not exist for intervenors and staff to analyze each issue raised by each utility.

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

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 15, 19L, 19M, 19N, 19O, and 29.

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

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 19L, 19M, 19N, 19O, and 29.

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?

POSITIONS

FPL: Yes. Amortization of the "last core", on a going forward basis, would appropriately match the total costs of fuel to the customers receiving service related to those costs. (DUBIN,WADE)

FIPUG:
No. This suggested treatment is untimely and is a base rate issue.

OPC: No. This suggested treatment is untimely and is a base rate issue.

STAFF:
No position pending further discovery and evidence adduced at the hearing.

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?

* This issue is withdrawn.

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 QF contract between the two parties?

POSITIONS:

FPL: Yes. The payment is for energy purchased by FPL from the Cedar Bay cogeneration facility over the last several years and it represents the difference between the amount FPL originally paid to Cedar Bay and the amount FPL would have paid based on the Court's interpretation of fuel pricing, including interest. (DUBIN)

FIPUG:
No position.

OPC: This issue should not be addressed by the PSC at this time in this forum.

STAFF:
The full Commission has considered the policy implications of a similar dispute between Florida Power and Lake Cogen, Ltd. on several occasions in Docket Nos. 940771-EQ, 961477-EQ, and 980509-EQ. Staff recommends that the full Commission address this issue.

Florida Power Corporation

STIPULATED ISSUE 17A: 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 1998?

POSITION: Yes. The annual audit of EFC's revenue requirements under a full utility-type regulatory treatment confirms the appropriateness of the "short-cut" methodology used to determine the equity component of EFC's capital structure.

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

POSITION: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 860001-EI-G.

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

POSITION: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 930001-EI.

ISSUE 17D: Should the Commission allow Florida Power to recover the cost of purchasing 18,000 tons of SO_2 emission allowances in the year 2000 through the fuel and purchased power cost recovery clause?

* This issue is withdrawn.

STIPULATED
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?

POSITION: The full Commission has considered the policy implications of the dispute between Florida Power and Lake Cogen, Ltd. on several occasions in Docket Nos. 940771-EQ, 961477-EQ, and 980509-EQ. Staff recommends that the full Commission address this issue.

Gulf Power Company

STIPULATED 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?

POSITION: Yes. The Clean Air Act Compliance Strategy for the Southern Company determined that fuel switching and the use of SO2 allowances is a more cost-effective strategy for compliance than the installation of additional pollution control equipment at Plant Smith. Furthermore, according to Southern Company's Fuel Price Forecast for 1999, the use of low sulfur coal at Plant Smith is shown to be more economical than the use of high sulfur coal plus additional allowances.

STIPULATED 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?

POSITION: Yes. The decision to switch back to 100% bituminous coal at Plant Daniel was based on Decker Powder River Basin (PRB) coal no longer being available after expiration of the contract and the economics associated with alternative fuels considered feasible for the plant to burn. The overall economic choice was to burn bituminous coal at Plant Daniel year-round.

Tampa Electric Company

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

POSITION: $43.89/Ton.

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?

* This issue is eliminated because Tampa Electric Company is not seeking recovery of any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1998 benchmark price.

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

POSITION: $28.14 per ton.

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?

* This issues is eliminated.

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?

POSITION:

TECO:

Yes. Tampa Electric took reasonable precautions to guard against an explosion during the maintenance outage of Gannon Unit 6. The company had sufficient safety practices and procedures in place. In a timely manner, the company prudently repaired the Gannon units to minimize costs of replacement power. The company has adequately supported its calculation of the total cost of replacement fuel and purchased power. (Witnesses: Black, Ward)

FIPUG:

No. The OSHA finding indicate that TECo was at fault for the explosion, so ratepayers should not be responsible for the additional fuel costs.

OPC: No.

STAFF:

No position pending further discovery and evidence adduced at the hearing.

STIPULATED ISSUE 19F: 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?

POSITION: $435,939 overrecovery

STIPULATED 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?

POSITION: As stated in Order No. PSC-96-1300-S-EI, Tampa Electric Company, the Office of Public Counsel, and the Florida Industrial Power Users Group agreed in their stipulation that any over- or under-recovery associated with the $25 million temporary base rate reduction would be handled as a true-up component of Tampa Electric Company's fuel cost recovery proceedings. However, the stipulation also calls for Tampa Electric Company to refund any revenues contributing to a net return on equity in excess of 12.75 percent for 1998. Because Tampa Electric Company is within the 100 percent sharing range for 1998, any additional revenues such as this true-up would ultimately be refunded to Tampa Electric Company's ratepayers. Therefore, Tampa Electric Company proposes not to recover this true-up. This proposal avoids collecting the true-up from ratepayers only to refund it back to the ratepayers under the deferred revenue calculation formula. Staff agrees with Tampa Electric Company, and recommends Commission approval.

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?

POSITIONS:

TECO:

Yes. Tampa Electric entered into these agreements in order to maintain overall system reliability for its retail ratepayers. Each purchase is for firm capacity and energy priced at the best available market price for the required periods of time. (Witness: Brown, Ward)

FIPUG:

TECo has the burden to prove the prudency of its actions in entering into these contracts. The Hardee contract is a long-term contract and TECo has not provided the contract for review nor has it demonstrated in any way that it is prudent to enter into this long-term contract with its affiliate. Therefore, the costs should not be approved for recovery.

OPC: Agrees with FIPUG.

STAFF:
Staff does not oppose Tampa Electric recovering the energy costs associated with these five purchased power agreements through the fuel and purchased power cost recovery clause at this time. However, staff will continue to perform discovery on this issue and may raise this issue in a future fuel docket.

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?

POSITIONS:

TECO:
Yes. The acceleration of Polk Unit 2 will provide operational reserves for Tampa Electric. (Witness: Brown, Ward)

FIPUG:
No position.

OPC: No position.

STAFF:
Staff does not oppose Tampa Electric recovering the fuel costs associated with operating Polk Unit 2 from October 2000 to December 2000 through the fuel and purchased power cost recovery clause at this time. However, staff will continue to perform discovery on this issue and may raise this issue in a future fuel docket.

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?

POSITIONS:

TECO:
Yes. This transaction provides significant net benefits to ratepayers. This Commission should approve the company's proposed revenue flow through treatment of this sale which avoids harming the company while still providing significant benefits to Tampa Electric's customers. (Witness: Hernandez)

FIPUG:
No. It does not appear that consumers would benefit from TECo's proposal.

OPC: No.

STAFF:
No position pending further discovery and evidence adduced at the hearing.

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?

* This issue is eliminated.

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?

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 15, 19M, 19N, 19O, and 29.

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

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 15, 19L, 19N, 19O, and 29.

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

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 15, 19L, 19M, 19O, and 29.

ISSUE 19O: Are Tampa Electric Company's wholesale revenues from third-party sales being treated correctly?

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 15, 19L, 19M, 19N, and 29.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

STIPULATED 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?

POSITION: See Attachment 1.

STIPULATED 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?

POSITION: See Attachment 1.

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

POSITION: See Attachment 1.

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

POSITION: See Attachment 1.

* FIPUG's position is that all heat rates should be 9000 BTU/kwh or better before they are considered for reward, and all heat rates over 10,000 BTU/kwh should be penalzied. FIPUG stipulates as to the GPIF targets/ranges for January 2000 to December 2000, but may address the issue of appropriate heat rates in the next GPIF proceeding.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Gulf Power Company

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

POSITION: Yes. Gulf has included a new BTU per pound independent variable in the Plant Daniel target heat rate equations in order to produce equations that can account for planned changes in coal type and heat content. This change will produce reasonable target heat rate equations and resulting heat rate targets that are valid when different fuels are used.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

STIPULATED

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?

POSITION:

FPL: The final true-up for the period ending December 1998 to be carried forward for collection in the year 2000 is a $5,204,837 overrecovery, as stated in Issue 24. In Order No. PSC-98-1715-FOF-EI, issued December 18, 1998, the Commission approved $77,177,787 for the period 10/97 - 12/98. This amount was composed of $11,771,496 for final true-up plus $65,406,291 for estimated/actual for the period April through December 1998, to be collected in 1999.

GULF: $81,124 overrecovery

STIPULATED

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

POSITION:

FPC: $222,119 overrecovery
TECO: $442,999 overrecovery
FPL: $5,204,837 overrecovery

STIPULATED
(EXCEPT AS TO FPL)

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

POSITIONS:

STAFF:

FPC:	$33,092,530 overrecovery
GULF:	$12,942 underrecovery
TECO:	$2,930,803 underrecovery
FPL:	No position pending further discovery and evidence adduced at the hearing.

FPL: $79,064,052 overrecovery. (DUBIN)

STIPULATED
(EXCEPT AS TO FPL)

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?

POSITIONS:

STAFF:

FPC:	$33,314,649 overrecovery
GULF:	$68,182 overrecovery
TECO:	$2,487,804 underrecovery
FPL:	No position pending further discovery and evidence adduced at the hearing.

FPL: $84,268,889 overrecovery. (DUBIN)

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?

POSITIONS

FPC: $274,665,906 (Wieland)

FPL: $375,954,541. (DUBIN)

GULF:
$14,086,953. (Howell, Davis)

TECO:
$33,983,354. (Witness: Zwolak)

FIPUG:
No position at this time.

OPC: No position at this time.

STAFF:
No position pending further discovery and evidence adduced at the hearing.

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

POSITIONS:

FPC:

Rate Class	CCR Factor
Residential	.972 cents/kWh
General Service Non-Demand @Primary Voltage @Transmission Voltage	.816 cents/kWh .808 cents/kWh .800 cents/kWh
General Service 100% Load Factor	.530 cents/kWh
General Service Demand @Primary Voltage @Transmission Voltage	.641 cents/kWh .634 cents/kWh .628 cents/kWh
Curtailable @Primary Voltage @Transmission Voltage	.540 cents/kWh .534 cents/kWh .529 cents/kWh
Interruptible @Primary Voltage @Transmission Voltage	.504 cents/kWh .499 cents/kWh .494 cents/kWh

Lighting	.184 cents/kWh (Wieland)

FPL:

RATE CLASS	CAPACITY RECOVERY FACTOR ($/KW)	CAPACITY RECOVERY FACTOR ($KWH)
RS1	-	0.00477
GS1	-	0.00459
GSD1	1.78	-
OS2	-	0.00216
GSLD1/CS1	1.78	-
GSLD2/CS2	1.76	-
GSLD3/CS3	1.87	-
CILCD/CILCG	1.83	-
CILCT	1.83	-
MET	1.94	-
OL1/SL1/PL1	-	0.00188
SL2	-	0.00322
RATE CLASS	CAPACITY RECOVERY FACTOR (RESERVATION DEMAND CHARGE) ($/KW)	CAPACITY RECOVERY FACTOR (SUM OF DAILY DEMAND CHARGE) ($/KW)
ISST1D	.23	.11
SST1T	.22	.10
SST1D	.23	.11

GULF:

RATE CLASS	**CAPACITY COST RECOVERY FACTORS ¢KWH**
RS,RST	**.167**
GS,GST	**.166**
GSD,GSDT	**.135**
LP,LPT	**.111**
PX,PXT,RTP,SBS	**.096**
OSI,OSII	**.041**
OSIII	**.101**
OSIV	**.270**

TECO:

Rate Class	**Capacity Cost Recovery Factors (cents/kwh)**
RS	0.271
GS, GST	0.230
GSD, EV-X	0.187
GSLD, SBF	0.169
IS-1, IS-3, SBI-1, SBI-3	0.015
SL/OL	0.054

FIPUG:

Computation of the factors depends on the resolution of company-specific issues.

OPC: No position at this time.

STAFF:
No position pending further discovery and evidence adduced at the hearing.

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

* This issue is eliminated and will be addressed in a separate proceeding along with Issues 14, 15, 19L, 19M, 19N, and 19O.

COMPANY-SPECIFIC CAPACITY COST RECOVERY CLAUSE ISSUES

Florida Power & Light Company

ISSUE 30: Should the Commission allow FPL to recover the payment made to Cedar 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?

POSITIONS

FPL: Yes. The payment is for capacity purchased by FPL from the Cedar Bay cogeneration facility over the last several years and it represents the difference between the amount FPL originally paid to Cedar Bay and the amount FPL would have paid based on the Court's interpretation of capacity pricing, including interest. (DUBIN)

FIPUG:
No position.

OPC: The Commission should not address this issue at this time in this forum.

STAFF:

The full Commission has considered the policy implications of a similar dispute between Florida Power and Lake Cogen, Ltd. on several occasions in Docket Nos. 940771-EQ, 961477-EQ, and 980509-EQ. Staff recommends that the full Commission address this issue.

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?

POSITIONS

TECO:

Yes. For the same reasons stated above relative to the energy costs associated with these contracts. (Witness: Brown)

FIPUG:

TECo has the burden to prove the prudency of its actions in entering into these contracts. The Hardee contract is a long-term contract and TECo has not provided the contract for review nor has it demonstrated in any way that it is prudent to enter into this long-term contract with its affiliate. Therefore, the costs should not be approved for recovery.

OPC: Agrees with FIPUG.

STAFF:

Staff does not oppose Tampa Electric recovering the capacity costs associated with these five purchased power agreements through the capacity cost recovery clause at this time. However, staff will continue to perform discovery on this issue and may raise this issue in a future fuel docket.

IX. EXHIBIT LIST

Witness	Proffered By	I.D. No.	Description
R.Silva	FPL	________ (RS-1)	Appendix I/Fuel Cost Recovery Forecast Assumptions
		________ (RS-2)	GPIF, Performance Results October 1997 - September 1998
R.Silva	FPL	________ (RS-3)	GPIF, Performance Results October 1998 - December 1998
		________ (RS-4)	GPIF, Targets and Ranges, January 2000-December 2000
K.M. Dubin	FPL	________ (KMD-1)	Appendix II/Fuel Cost Recovery, True-up Calculation-April through December 1998
		________ (KMD-2)	Appendix II/Fuel Cost Recovery, E Schedules
		________ (KMD-3)	Appendix III/Capacity Cost Recovery

Witness	Proffered By	I.D. No.	Description
		_______ (KMD-4)	Appendix III/Capacity Cost Recovery April-December 1998
John Scardino	FPC	_______ (JS-1)	True-up Variance Analysis
		_______ (JS-2)	Schedules A1 through A13
Karl H. Wieland	FPC	_______ (KHW-1)	Forecast Assumptions (Parts A-C), and Capacity Cost Recovery Factors (Part D)
		_______ (KHW-2)	Schedules E1 through E10 and H1
Rebecca J. McClintock	FPC	_______ (RJM-1)	Standard Form GPIF Schedules (Reward/Penalty, April - September 1998)
		_______ (RJM-2)	Standard Form GPIF Schedules (Reward/Penalty, October - December 1998)

Witness	Proffered By	I.D. No.	Description
		______ (RJM-3)	Standard Form GPIF Schedules (Targets/Ranges, January-December 2000)
George M. Bachman	FPUC	______ (GMB-2)	Schedules E1-E1-A,E1-B,E1-B1,E2,E7 and E10 (Marianna Division)
			Schedules E1-E1-A,E1-B,E1-B1,E2,E7,E8 and E10 (Fernandina Beach Division)
M.F. Oaks	GULF	______ (MFO-1)	Coal Suppliers/April-December 1998
		______ (MFO-2)	Projected vs. actual fuel cost of generated power/March 1990-December 2000

Witness	Proffered By	I.D. No.	Description
T.A. Davis	GULF	(TAD-1)	Fuel Calculation of Final True-up/April 1998-December 1998 - Capacity Calculation of Final true-up/October 1997 - December 1998
T.A. Davis	GULF	(TAD-2)	Schedules E-1 through E-11, CCE-1, CCE-2, H1/January 2000-December 2000
J.R. Douglas*		(GDF-1)	Gulf Power Company GPIF Results/April 1998-September 1998 and October 1998-December 1998
		(JRD-1)	Gulf Power Company GPIF Targets and Ranges/January 2000 - December 2000;Proposed change to GPIF Implementation Manual

Witness	Proffered By	I.D. No.	Description
M.W. Howell	GULF	_____ (MWH-1)	Gulf Power Company Projected Purchased Power Contract Transactions/ January 2000-December 2000
Karen O. Zwolak	TECO	_____ (KOZ-2)	Fuel Cost Recovery January 1999-December 1999
Karen O. Zwolak	TECO	_____ (KOZ-2)	Fuel Adjustment Projection January 2000-December 2000
		_____ (KOZ-3)	Capacity Cost Recovery Projection, January 2000-December 2000
G.A. Keselowsky	TECO	_____ (GAK-2)	Generating Performance Incentive Factor Results January 1999-December 1999
		_____ (GAK-3)	Generating Performance Incentive Factor Estimated January 2000-December 2000

Witness	Proffered By	I.D. No.	Description
Thomas L. Hernandez	TECO	_______ (TLH-1)	FMPA Power Sales Agreement
Mark J. Hornick	TECO	_______ (MJH-1)	Transportation Benchmark Calculation/Coal Benchmark Calculation
Charles R. Black	TECO	_______ (CRB-1)	Gannon Unit 6 Outage Activities
		_______ (CRB-2)	Job Planning Procedure
W.L. Brown	TECO	_______ (WLB-2)	Hardee Power Partners Contract and Petition
Mark D. Ward	TECO	_______ (MDW-1)	Total Fuel and Purchased Power Costs Due to the Gannon Unit 6 Accident
		_______ (MDW-2)	Cost-Effectiveness Analysis
Kent D. Taylor	FIPUG	_______ (KDT-1)	Credentials
		_______ (KDT-2)	OSHA Excerpts
		_______ (KDT-3)	Wheeler testimony

Witness	Proffered By	I.D. No.	Description
		______ (KDT-4)	Excerpt from TECo rate case order
Judy G. Harlow	Staff	______ (JGH-1)	Previous testimony of Mr. Karl Wieland in Docket No. 990001-EI
		______ (JGH-2) composite	Selected interrogatory responses of FPL, FPC, Gulf, and TECO

*J.R. Douglas adopts the testimony and exhibit of G.D. Fontaine.

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

The parties have stipulated to several issues, as shown in Section VIII of this Order.

XI. PENDING MOTIONS

There are no pending motions at this time.

It is therefore,

ORDERED by Commissioner Susan F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Susan F. Clark, as Prehearing Officer, this 18th day of November, 1999.

Susan F. Clark
SUSAN F. CLARK
Commissioner and Prehearing Officer

(S E A L)

WCK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Attachment 1

GPIF REWARDS/PENALTIES

April 1998 to September 1998

Utility	Amount	Reward/Penalty
Florida Power Corporation	$340,289	Reward
Gulf Power Company	($75,355)	Penalty
Tampa Electric Company	($229,924)	Penalty

Utility/ Plant/Unit	EAF		Heat Rate	
FPC	Target	Adjusted Actual	Target	Adjusted Actual
Anclote 1	95.5	96.2	9,785	9,865
Anclote 2	95.5	83.9	9,846	9,892
Crystal River 1	73.3	65.6	9,805	9,808
Crystal River 2	85.5	77.8	9,773	9,732
Crystal River 3	92.9	97.8	10,463	10,401
Crystal River 4	80.5	83.6	9,438	9,462
Crystal River 5	96.9	95.8	9,344	9,454
Gulf	Target	Adjusted Actual	Target	Adjusted Actual
Crist 6	85.2	86.5	10,584	10,732
Crist 7	87.0	85.0	10,291	10,290
Smith 1	83.4	86.2	10,197	10,187
Smith 2	72.8	70.7	10,311	10,016
Daniel 1	67.9	68.5	10,508	10,481
Daniel 2	91.1	75.7	10,270	10,369
TECO	Target	Adjusted Actual	Target	Adjusted Actual
Big Bend 1	78.3	79.0	10,267	10,117
Big Bend 2	86.4	85.6	10,225	9,970
Big Bend 3	68.8	64.3	9,778	9,899
Big Bend 4	91.9	89.2	9,831	9,885
Gannon 5	84.8	84.2	10,377	10,321
Gannon 6	81.1	75.8	10,527	10,643

Attachment 1

GPIF REWARDS/PENALTIES

October 1997 to September 1998

Utility	Amount	Reward/Penalty
Florida Power and Light Company	$9,669,694	Reward

Utility/ Plant/Unit	EAF		Heat Rate	
FPL	Target	Adjusted Actual	Target	Adjusted Actual
Cape Canaveral 1	93.6	96.6	9,378	9,489
Cape Canaveral 2	89.3	94.3	9,437	9,587
Fort Lauderdale 4	88.7	90.4	7,212	7,268
Fort Lauderdale 5	93.5	95.4	7,263	7,316
Fort Myers 2	93.7	96.3	9,294	9,287
Martin 3	95.2	95.4	7,003	6,909
Martin 4	93.0	93.4	7,016	6,840
Port Everglades 3	80.8	84.4	9,741	9,714
Riviera 3	76.5	76.7	9,518	9,727
Riviera 4	92.5	94.5	9,764	9,780
Sanford 5	94.3	88.4	9,947	10,236
Turkey Point 3	92.8	98.0	10,971	11,027
Turkey Point 4	89.1	94.8	11,044	11,016
St Lucie 1	72.7	77.5	10,913	10,792
St Lucie 2	93.6	99.4	10,940	10,826
Scherer 4	87.6	90.2	9,994	10,039

GPIF REWARDS/PENALTIES

October 1998 to December 1998

Utility	Amount	Reward/Penalty
Florida Power Corporation	$706,851	Reward
Florida Power and Light Company	$1,697,372	Reward
Gulf Power Company	$38,676	Reward
Tampa Electric Company	($46,977)	Penalty

Utility/ Plant/Unit	EAF		Heat Rate	
FPC	Target	Adjusted Actual	Target	Adjusted Actual
Anclote 1	88.8	90.0	10,192	10,200
Anclote 2	45.1	45.9	10,284	10,370
Crystal River 1	91.7	87.7	9,625	9,598
Crystal River 2	89.5	93.7	9,657	9,551
Crystal River 3	90.7	98.4	10,427	10,317
Crystal River 4	91.9	84.8	9,460	9,540
Crystal River 5	89.6	77.8	9,301	9,361

FPL	Target	Adjusted Actual	Target	Adjusted Actual
Cape Canaveral 2	93.6	88.2	9,613	9,745
Fort Lauderdale 4	96.0	99.7	7,262	7,289
Fort Lauderdale 5	63.7	62.2	7,257	7,279
Fort Myers 2	93.9	82.4	9,156	9,220
Manatee 2	88.8	95.5	10,198	10,263
Martin 3	81.5	82.7	6,999	6,790
Martin 4	96.0	98.4	6,913	6,751
Port Everglades 3	96.0	88.6	9,801	10,013
Riviera 3	94.4	92.8	9,781	10,021
Riviera 4	93.6	87.9	9,913	9,973
Sanford 5	89.9	91.4	9,955	10,334
Turkey Point 3	67.1	68.5	11,030	10,890
Turkey Point 4	93.6	100.0	11,138	11,023
St Lucie 1	92.8	99.6	10,871	10,790
St Lucie 4	57.1	60.6	10,876	10,804
Scherer 4	94.6	92.7	10,175	10,336

Utility/ Plant/Unit	EAF		Heat Rate	
Gulf	Target	Adjusted Actual	Target	Adjusted Actual
Crist 6	85.9	87.6	10,737	10,868
Crist 7	76.8	82.6	10,156	10,142
Smith 1	98.1	97.3	10,207	10,063
Smith 2	87.1	88.7	10,246	9,942
Daniel 1	17.3	2.2	10,655	14,676
Daniel 2	83.1	62.5	10,300	10,299

TECO	Target	Adjusted Actual	Target	Adjusted Actual
Big Bend 1	60.3	55.3	10,311	10,449
Big Bend 2	85.4	76.9	10,311	10,300
Big Bend 3	81.9	79.6	10,051	9,967
Big Bend 4	69.6	63.5	9,945	9,694
Gannon 5	66.2	71.5	10,242	9,919
Gannon 6	82.6	68.6	10,453	10,270

Attachment 1

GPIF TARGETS
January 2000 to December 2000

Utility/ Plant/Unit	EAF				Heat Rate	
	Company			Staff	Company	Staff
FPC	EAF	POF	EUOF			
Anclote 1	92.4	3.8	3.8	Agree	10,022	Agree
Anclote 2	83.9	9.6	6.5	Agree	10,025	Agree
Bartow 3	82.8	9.6	7.6	Agree	10,140	Agree
Crystal River 1	90.3	0.0	9.7	Agree	9,851	Agree
Crystal River 2	75.3	14.8	10.0	Agree	9,851	Agree
Crystal River 3	93.4	0.0	6.6	Agree	10,357	Agree
Crystal River 4	75.7	17.2	7.1	Agree	9,422	Agree
Crystal River 5	94.0	1.9	4.1	Agree	9,394	Agree
Tiger Bay	79.1	15.3	5.6	Agree	7,590	Agree
FPL	EAF	POF	EUOF			
Cape Canaveral 1	92.4	0.0	7.6	Agree	9,511	Agree
Cape Canaveral 2	78.2	15.8	6.0	Agree	9,690	Agree
Fort Lauderdale 4	93.5	2.7	3.8	Agree	7,349	Agree
Fort Lauderdale 5	93.5	2.7	3.8	Agree	7,358	Agree
Fort Myers 2	92.7	0.0	7.3	Agree	9,321	Agree
Manatee 2	71.7	13.9	14.4	Agree	10,162	Agree
Martin 3	94.2	1.8	4.0	Agree	6,996	Agree
Martin 4	91.6	2.9	5.5	Agree	6,906	Agree
Port Everglades 3	95.8	0.0	4.2	Agree	9,748	Agree
Port Everglades 4	88.2	8.2	3.6	Agree	9,664	Agree
Putnam 1	91.2	4.9	3.8	Agree	8,937	Agree
Sanford 4	92.3	0.0	7.7	Agree	10,016	Agree
Sanford 5	89.3	0.0	10.7	Agree	10,290	Agree
Turkey Point 3	84.6	9.6	5.8	Agree	11,066	Agree
Turkey Point 4	84.6	9.6	5.8	Agree	11,093	Agree
St Lucie 1	93.6	0.0	6.4	Agree	10,854	Agree
St Lucie 2	84.6	9.6	5.8	Agree	10,872	Agree
Scherer 4	94.2	0.0	5.8	Agree	9,989	Agree
Gulf	EAF	POF	EUOF			
Crist 6	84.3	11.7	4.0	Agree	10,629	Agree
Crist 7	77.3	13.7	9.0	Agree	10,236	Agree
Smith 1	90.6	6.8	2.6	Agree	10,332	Agree
Smith 2	89.2	7.4	3.4	Agree	10,137	Agree
Daniel 1	75.3	14.5	10.2	Agree	10,237	Agree
Daniel 2	74.5	16.4	9.1	Agree	10,105	Agree

Attachment 1

Utility/ Plant/Unit	EAF				Heat Rate	
		Company		Staff	Company	Staff
TECO	EAF	POF	EUOF			
Big Bend 1	78.1	5.7	16.1	Agree	10,127	Agree
Big Bend 2	80.6	4.9	14.5	Agree	10,061	Agree
Big Bend 3	76.3	5.7	18.0	Agree	10,197	Agree
Big Bend 4	84.4	1.9	13.7	Agree	9,976	Agree
Gannon 5	75.3	5.7	19.0	Agree	10,562	Agree
Gannon 6	72.2	5.7	22.1	Agree	10,507	Agree

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RECORDS AND REPORTING

M E M O R A N D U M

November 18, 1999

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) WCK RUE

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

2271-PHO

Attached is a PREHEARING ORDER, to be issued in the above-referenced docket. (Number of pages in order - 56)

WCK/anc
Attachment
cc: Division of Electric and Gas
I: 990001p2.wck

attach's online

Sent to MR. 11/18/99

MUST GO TODAY