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April 19, 2000
VIA Hand Delivery

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

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00 APR 19 AM 10:26
RECORDS AND REPORTING

Re: Docket No.991779-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and 15 copies of:

- The Florida Industrial Power Users Group's Prehearing Statement.

Also enclosed is a disk with the Prehearing Statement on it.

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

Yours truly,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

AFA	<u>Revell</u>
APP	_____
CAF	_____
CMU	_____
CTR	_____
EAG	<u>Hale</u>
LEG	<u>1</u>
MAS	<u>5</u> encls.
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04773 APR 19 2000
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

Docket No. 991779-EI

Filed: April 19, 2000

**The Florida Industrial Power Users Group
Prehearing Statement**

Pursuant to Order No. PSC-00-0195-PCO-EI, The Florida Industrial Power Users Group (FIPUG) files its Prehearing Statement.

A. APPEARANCES:

John W. McWhirter, Jr., McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, P.A., 400 North Tampa Street, Suite 2450, Tampa, Florida 33601-3350 and Joseph A. McGlothlin and 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.

C. EXHIBITS.

None.

D. STATEMENT OF BASIC POSITION:

FIPUG's Statement of Basic Position:

Utilities should not be provided with an additional incentive to do what they are required to do pursuant to statute and Commission rules and orders. FIPUG believes additional compensation for a specific utility management responsibility should not be permitted. As a fundamental proposition, utilities should prudently manage all aspects of their business and be willing to do so in return for regulated returns.

E. STATEMENT OF ISSUES AND POSITIONS:

1. **ISSUE:** Should the Commission provide for stockholder incentives to encourage non-separated, non-firm, wholesale sales?

FIPUG: No. No additional incentive should be provided in order for utilities to perform their required managerial duties.

2. **ISSUE:** If a stockholder incentive is approved in Issue 1, what types of non-separated, non-firm, wholesale sales should be eligible to receive the stockholder incentive?

FIPUG: No incentive should be provided; however, if the Commission does provide an incentive it should apply *only* to broker sales as is supposed to be the current practice.

3. **ISSUE:** If a stockholder incentive is approved in Issue 1, how should the incentive be structured?

FIPUG: No incentive should be provided; however, if the Commission does provide an incentive, it should be even-handed; that is there should be a penalty as well as an incentive.

F. STIPULATED ISSUES:

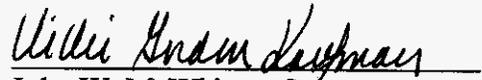
None.

G. PENDING MOTIONS:

FIPUG has no pending motions.

H. OTHER MATTERS:

None at this time.



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Attorneys for the Florida Industrial Power Users
Group

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing FIPUG Prehearing Statement has been furnished by (*) hand delivery or U.S. Mail to the following parties of record this 19th day of April 2000:

(*)William Cochran Keating
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