

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

AUGUST 15, 2000

RE: DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

Issue 1: 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?

Recommendation: Yes. The shareholder incentive should be eliminated because: 1) the objectives of Order No. 12923 have been met; 2) many factors which affect the magnitude of non-separated sales are outside a utility's control; 3) utilities have expanded the application of Order No. 12923 without prior Commission approval; and, 4) the incentive may be duplicative of the Generating Performance Incentive Factor.

DENIED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

J. Terry Deane
[Signature]
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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

09873 AUG 15 8

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Issue 2: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, what types of non-separated, non-firm, wholesale sales should be eligible to receive the shareholder incentive?

Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If staff's recommendation in Issue 1 is denied, at a minimum the Commission should clarify Order No. 12923 to state that only Schedules C and X are eligible for a shareholder incentive. If the Commission decides to expand the current shareholder incentive, then the incentive should apply to all non-separated sales with the exclusion of emergency sales.

APPROVED *with the clarification that incentives are to provide maximum benefit to rate-payers and apply to all non-separated sales with the exception of emergency sales.*

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Issue 3: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, how should the incentive be structured?

Primary Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive, a three-year moving average of the gains on the types of sales approved in Issue 2 should be used to set a threshold for the incentive. Gains made above this threshold should be split 80/20 between ratepayers and shareholders, respectively, from the date of a final Commission order.

APPROVED (*See decision on issue 2.*)

Alternative Recommendation: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive in Issue 2, the Commission should allocate the gain on the eligible sales on a 95/5 percent basis between the ratepayers and shareholders, respectively, from the date of a final Commission order.

DENIED

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Issue 4: How should the gains on non-separated sales discussed in Issues 2 and 3 be calculated?

Recommendation: Total gains should be the transaction price less fuel, O&M, SO₂, transmission, and capacity charges.

APPROVED

Issue 5: Should this docket be closed?

Recommendation: The docket should be closed after the time for filing an appeal on Issues 1, 2, and 3 has run or upon issuance of a consummating order on Issue 4, whichever occurs later.

APPROVED