

ORIGINAL



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June 25, 2001

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

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RECORDS AND REPORTING

RE: Docket No. 010283-EI

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of Citizens' Prehearing Statement for filing in the above referenced docket.

Also enclosed is a 3.5 inch diskette containing Citizens' Prehearing Statement in WordPerfect for Windows 6.1. Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

RECEIVED & FILED

Mon R.
FPSC-BUREAU OF RECORDS

Sincerely,

Stephen C. Burgess
Stephen C. Burgess
Deputy Public Counsel

SCB/dsb
Enclosures

- APP _____
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DOCUMENT NUMBER-DATE

07840 JUN 25 01

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Calculation of gains and)
appropriate regulatory treatment)
for non-separated wholesale)
energy sales by investor-owned)
electric utilities.)
_____)

Docket No. 010283-EI

Filed: June 25, 2001

CITIZENS' PREHEARING STATEMENT

The Citizens of the State of Florida, through their attorney, the Public Counsel, in conformance with Order No. PSC-01-0517-PCO-EI, hereby file this prehearing statement.

APPEARANCES

STEPHEN C. BURGESS, Esquire
Deputy Public Counsel
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

A. WITNESSES:

The Citizens do not intend to call any witnesses to testify.

B. EXHIBITS:

The Citizens do not intend to use any exhibits.

C. STATEMENT OF BASIC POSITION

Retail customers are supporting all the assets used for non-separated wholesale sales and are thus entitled to the proceeds from such sales. The Commission has adopted a formula to split the gains between the IOU's and their customers, but the split was adopted only for the explicit purpose of maximizing the off-system sales for the benefit of the retail ratepayers. Accordingly, any implementation procedure must be consistent with the stated purpose of benefitting the retail customers.

DOCUMENT NUMBER-DATE

07840 JUN 25 01

FPSC-RECORDS/REPORTING

D. E.& F. STATEMENT OF FACTUAL, LEGAL AND POLICY ISSUES AND POSITIONS:

ISSUE 1: What is the appropriate regulatory treatment for Gulf Power Company's SO₂ emission allowances associated with its non-separated wholesale energy sales?

OPC POSITION: Within its own context, the regulatory treatment sought by Gulf is reasonable. The Citizens are concerned, however, with any disparate applications of generic principles.

ISSUE 2: What is the appropriate regulatory treatment for the cost of fuel and purchased power associated with non-separated wholesale energy sales?

OPC POSITION: The treatment should assure that retail customers will never incur financial disadvantages from transactions involving retail assets. To achieve this end, the cost of non-separated wholesale sales should be removed from the retail cost recovery clause(s) on an incremental basis. For this purpose "incremental" should be considered as the highest cost fuel burned or power purchased during the hour that the respective wholesale sale was transacted.

ISSUE 3: What is the appropriate regulatory treatment for the operation and maintenance (O&M) expenses associated with non-separated wholesale energy sales?

OPC POSITION: No position at this time.

G. STIPULATED ISSUES: The Citizens are not aware of any issues that have been stipulated at this time.

H. PENDING MOTIONS: The Citizens are not seeking action on any motion or other matter pending at this time.

I. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY: The Citizens have no requests for confidentiality.

J. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE: The Citizens are not aware of any requirement of Order No. PSC-01-0517-PCO-EI with which the Citizens cannot comply.

Respectfully submitted,



STEPHEN C. BURGESS
Deputy Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

(850) 488-9330

Attorneys for the Citizens of the
State of Florida

**CERTIFICATE OF SERVICE
DOCKET NO. 010283-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing CITIZENS' PREHEARING STATEMENT has been furnished by U.S. Mail or *Hand-delivery to the following parties on this 25th day of June, 2001.

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