



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: September 6, 2001
TO: All Parties of Record
FROM: Cochran Keating, Senior Attorney
RE: Docket No. 010001-EI - Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

Via Facsimile

Based on recent staff audit reports, staff intends to raise the following issues for resolution at the hearing presently scheduled for November 20-21, 2001, in the above-referenced docket:

1. As stated in Audit Disclosure No. 1 in Audit Control No. 01-053-4-2, did Florida Public Utilities Company charge its ratepayers in its GSD class a fuel cost recovery factor that was less than the Commission-approved fuel cost recovery factor for that class?
2. If Florida Public Utilities Company did charge its ratepayers in its GSD class a fuel cost recovery factor that was less than the Commission-approved fuel cost recovery factor for that class, what are the appropriate corrective actions Florida Public Utilities Company should take?
3. As stated in Audit Disclosure No. 3 of Audit Control No. 01-053-1-1 and Audit Disclosure No. 3 of Audit Control No. 01-023-1-1, did Gulf Power Company overstate Interchange Sales reported for the year ended December 31, 2000, by \$385,796?
4. If Gulf Power Company did overstate Interchange Sales reported for the year ended December 31, 2000, by \$385,796, what are the appropriate corrective actions that Gulf Power Company should take?
5. Is FPL's aerial survey method of its coal inventory at Plant Scherer as stated in Audit Disclosure No. 1 of Audit Control No. 01-053-4-1 consistent with the method set forth in Order No. PSC-97-0359-FOF-EI, in Docket No. 970001-EI, issued March 31, 1997?
6. What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an affiliated company?
7. What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an unaffiliated company?
8. How should FPL allocate the costs associated with its sales of natural gas to Florida Power and Light Energy Services?

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9. What is the appropriate regulatory treatment of Florida Power and Light Energy Services' revenues and costs made to customers within FPL's service area?
10. What is the appropriate regulatory treatment of Florida Power and Light Energy Services' revenues and costs made to customer outside of FPL's service area?

Staff provides this notification so that parties may be able to address these issues as they see fit. If you have any questions concerning these issues, please call Todd Bohrmann at (850) 413-6445 or Cochran Keating at (850) 413-6193.

WCK/jb

cc: Division of Safety and Electric Reliability
Division of Regulatory Oversight
Division of Economic Regulation

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