

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FUEL COST AND PURCHASED POWER COST RECOVERY CLAUSE

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PREPARED DIRECT TESTIMONY OF SUSAN D. RITENOUR

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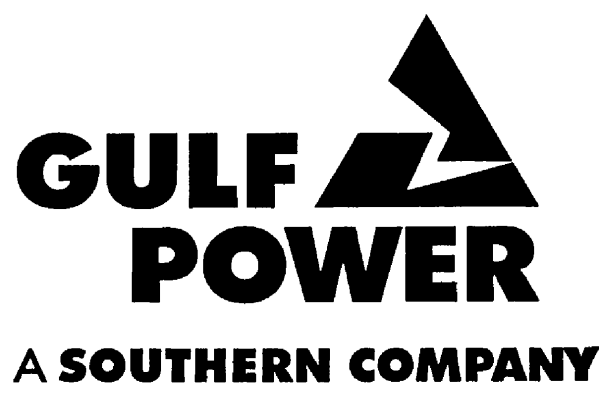
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1 these or other similar instances, an adjustment to automatically reduce a
2 company's earnings would be inappropriate. The administrative
3 requirements of gathering data and analyzing each situation would be
4 burdensome for both the utility and the FPSC staff, with no
5 corresponding benefit, since the Commission already has the ability to
6 analyze a utility's earnings based on information received each month in
7 the surveillance report. A final problem with Issue 17 as raised is a
8 matter of fairness. The issue poses a question dealing with the situation
9 occurring when a utility's ROE exceeds its allowed range, but not when
10 the ROE falls below the bottom of the range.

11

12 Q. Please summarize your testimony.

13 A. As a matter of sound policy, the Commission should not mix the issue of
14 what a utility is earning with the issue of what is recoverable through the
15 fuel and purchased power cost recovery clause. The purpose of this
16 clause is to provide for timely and full recovery of costs that are large in
17 magnitude and volatile in nature. The Commission already receives the
18 information it needs to monitor what a utility is earning each month, and
19 there are procedures in place for both the utility and the Commission to
20 address the appropriate level of earnings for the utility.

21

22 Q. Ms. Ritenour, does this conclude your testimony?

23 A. Yes, it does.

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