BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause and generating performance incentive factor.	DOCKET NO. 010001-EI ORDER NO. PSC-01-2273-PHO-EI ISSUED: November 19, 2001

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on November 8, 2001, in Tallahassee, Florida, before Commissioner Lila A. Jaber, as Prehearing Officer.

APPEARANCES:

JAMES A. MCGEE, ESQUIRE, Florida Power Corporation, P. O. Box 14042, St. Petersburg, Florida 33733-4042
On behalf of Florida Power Corporation ("FPC").

MATTHEW M. CHILDS, ESQUIRE, Steel Hector & Davis LLP, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301
On behalf of Florida Power & Light Company ("FPL").

NORMAN H. HORTON, JR., ESQUIRE, Messer, Caparello & Self, P. A., P. O. Box 1876, Tallahassee, Florida 32302-1876
On behalf of Florida Public Utilities Company ("FPU").

JEFFREY A. STONE, ESQUIRE, Beggs & Lane, 700 Blount Building, 3 West Garden Street, P. O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company ("Gulf").

LEE L. WILLIS, ESQUIRE, and JAMES D. BEASLEY, ESQUIRE, Ausley & McMullen, P. O. Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company ("TECO").

PETER ANTONACCI, ESQUIRE, Gray, Harris and Robinson, P. A., 201 S. Bronough Street, Suite 600, Tallahassee, Florida 32301
On behalf of Publix Super Markets, Inc. ("Publix").

DOCUMENT NUMBER-DATE
14703 NOV 19 ō
FPSC-COMMISSION CLERK

JOHN W. MCWHIRTER, JR., ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, P. A., 400 North Tampa Street, Suite 2450, Tampa, Florida 33601-3350 and VICKI GORDON KAUFMAN, ESQUIRE, McWhirter Reeves McGlothlin Davidson Decker Kaufman Arnold & Steen, P. A., 117 South Gadsden Street, Tallahassee, Florida 32301
On behalf of Florida Industrial Power Users Group ("FIPUG").

ROBERT D. VANDIVER, ESQUIRE, Associate Public Counsel, Office of 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 ("OPC").

WM. COCHRAN KEATING, IV, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff ("Staff").

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

As part of the Commission's continuing fuel and purchased power cost recovery clause and generating performance incentive factor proceedings, an administrative hearing is set for November 20-21, 2001, to address the issues set forth in the body of this Prehearing Order. The Commission has the option to render a bench decision on any or all of the issues set forth herein.

Opening statements, if any, shall not exceed ten minutes per party.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any party intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

a) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.

c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.

e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Commission Clerk and Administrative Service's confidential files.

IV. <u>POST-HEARING PROCEDURES</u>

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

As a result of discussions at the prehearing conference, each witness whose name is preceded by an asterisk (*) has been excused from this hearing if no Commissioner assigned to this case seeks to cross-examine the particular witness. Parties shall be notified by Friday, November 16, 2000, as to whether any such witness shall be required to be present at hearing. The testimony of excused witnesses will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony shall be identified as shown in Section IX of this Prehearing Order and be admitted into the record.

Witness	Proffered By	Issues #
Direct		
J. Denise Jordan	TECO	1-10, 15, 16, 21F, 21G, 21H, 25-30
*Brian S. Buckley (Mr. Buckley's testimony is being adopted by George Keselowsky, listed below)	TECO	23
*George A. Keselowsky	TECO	23, 24, 24A, 24B
W. Lynn Brown	TECO	21C, 21D, 21E, 21G, 27
*Joann T. Wehle	TECO	21A, 21B
Mark J. Hornick	TECO	21D
Brian Collins	FIPUG	7, 21C, 21D, 21G, 21H
Jeffry Pollock	FIPUG	1-4, 7, 21C, 21D, 21G, 21H
Rebuttal		
W. Lynn Brown	TECO	21C, 21D, 21G, 21H
J. Denise Jordan	TECO	21C, 21D, 21G, 21H
Direct		
Javier Portuondo	FPC	1-10, 15-16, 19A-19C, 19F, 25-30
*Michael F. Jacob	FPC	23, 24

Witness	Proffered By	Issues #
*Thomas R. Connolly (Supplemental)	FPC	19E
*G. Yupp	FPL	1, 2, 3, 4, 5, 6, 7, 8, 18H-18I
J. R. Hartzog	FPL	1-8
J. R. Hartzog (Supplemental)	FPL	18L
K. M. Dubin	FPL	1-10, 15-16, 18B-18G, 18J, 25-30
K. M. Dubin (Supplemental)	FPL	17B, 17C, 18L
L. E. Green (Supplemental)	FPL	4, 7, 17C, 30
*R. Silva	FPL	23, 24
*M. F. Oaks	Gulf	1, 2, 4, 22A
T. A. Davis	Gulf	1-10, 15, 16, 25-31
*J. R. Douglas	Gulf	23, 24
*M. W. Howell	Gulf	1, 2, 4, 9, 10, 22A, 25, 26, 28
*R. J. McMillan	Gulf	15, 22B, 22C
*George M. Bachman	FPU	1-8
*Kathy L. Welch	Staff	18B, 18C, 18D, 20A

VII. BASIC POSITIONS

FPC: None necessary.

FPL: None necessary.

FPU: FPU has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those amounts and factors should be approved by the Commission.

GULF: It is the basic position of Gulf Power Company that the proposed fuel factors present the best estimate of Gulf's fuel expense for the period January 2002 through December 2002 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

TECO: The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery and GPIF true-up and projection calculations, including the proposed fuel adjustment factor of 3.301 cents per KWH before application of factors which adjust for variations in line losses; the proposed capacity cost recovery factor of 0.296 cents per KWH before applying the 12CP and 1/13th allocation methodology; a GPIF reward of $1,095,745 and approval of the company's proposed GPIF targets and ranges for the forthcoming period. Tampa Electric also requests approval of its calculated wholesale incentive benchmark of $2,283,019 for calendar year 2002.

PUBLIX: TECO is attempting to increase its retail rates based on fuel recovery adjustments at a time when other electric utilities are maintaining the same fuel recovery rates or are in fact lowering such fuel recovery rates. Further, TECO is claiming an under-recovery of fuel costs while at the same time showing excessive profits. The fuel related cost increases which have prompted TECO to seek an increase in its rates has resulted not from rising fuel prices in the operation of TECO's generation assets, but from TECO's practice of allocating high cost wholesale electricity purchases to native retail customers while providing its wholesale customers with TECO's lowest cost generation and purchased power. This practice unfairly burdens TECO's retail customers. It forces them to bear the high costs of replacement power that TECO must purchase in the wholesale markets to replace the low cost power from TECO's generation assets which is provided to its wholesale customers. Retail customers are forced to pay through approved tariff rates the costs incurred by TECO to construct, operate and maintain its low cost coal-fired generating assets. At the same time, retail customers are failing to realize the benefit of such low cost generation capability.

Instead, retail customers continue to pay significantly higher fuel costs for wholesale electricity generated by higher cost facilities. TECO's practice of allocating high cost wholesale purchases by TECO entirely to native retail customers drives retail prices higher. The retail customers are in effect subsidizing TECO's long-term wholesale contracts.

The Commission should not permit TECO's 2002 fuel rates to be adjusted from current levels until a determination on these proceedings is completed. The Commission should also require TECO to more fairly allocate the costs associated with expensive replacement power between retail and wholesale customers. Finally, the Commission should determine if TECO's wholesale costing, hedging and pricing practices with its affiliates is prudent and if such practices unfairly burden its retail customers and favor wholesale transactions.

FIPUG: TECO has placed its own interests, and those of its long-term wholesale contract customers, ahead of the interests of its retail native load customers. While wholesale customers directly benefit from TECO's lowest cost generation and low-cost power purchases, its retail customers must bear the excessive costs of power that TECO must purchase in volatile deregulated wholesale markets to replace internal generation.

Since 1997, TECO's non-firm customers have experienced dramatic increases in both frequency and duration of interruptions. The result is a 200% increase in Optional Provision Purchases since 1997. In addition, the deteriorating reliability of TECO's internal generation has resulted in more frequent interruptions and an increase in off-system purchases for non-firm customers. Despite these circumstances, during which non-firm customers are being curtailed and TECO is having to purchase expensive replacement power, TECO's wholesale customers are continuing to receive their full entitlement to TECO's cheap coal-fired capacity.

Not only are retail customers receiving an inferior quality of service, they are paying excessively for it.

Retail customers pay the fixed costs incurred by TECO to construct, operate and maintain its generating capacity, including several large relatively low operating cost coal-fired units, in their base rates. However, despite supporting the fixed costs of TECO's generation capacity, retail customers are paying significantly higher fuel costs. These higher costs may be attributed to the fact that the cost of all replacement purchases are allocated by TECO entirely to native retail customers. This practice is unfair. The retail customers who are supporting the fixed costs of generation capacity should be the beneficiaries of the lower operating costs of this capacity. To do otherwise would be tantamount to a forced subsidy by retail customers of TECO's long-term wholesale contracts.

FIPUG asserts that the Commission should take several steps to ensure that the interests of the ratepayers are protected. First, TECO's 2002 fuel rates should not be adjusted from current levels until a thorough investigation into the issues presented in this testimony is completed. Second, TECO should be ordered to cease its current practice of allocating 100% of replacement power costs to retail customers. Finally, the Commission should convene an investigation and require TECO to quantify the impact of its wholesale costing and pricing practices on retail customers. The goal of this investigation would be to quantify the subsidies provided by retail customers to help underwrite TECO's low-cost wholesale sales and to assure that TECO's wholesale purchases from affiliate companies were prudent.

OPC: No position at this time.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

ISSUE 1: **What are the appropriate final fuel adjustment true-up amounts for the period January 2000 through December 2000?**

(This issue is stipulated as to FPU and Gulf only.)

POSITIONS:

FPC: $29,378,219 under-recovery (not including the under-recovery of $27,608,904 previously deferred for recovery in 2002). (Portuondo)

FPL: $76,807,071 underrecovery. This amount was approved by the Commission in Order No. PSC-01-0963-PCO-EI for recovery from April 2, 2001 through December, 2001 as a result of the midcourse correction. Additionally, pursuant to Commission Order No. PSC-00-2385-EI, FPL is including an underrecovery of $259,002,688 in the fuel factor for January 2002 through December 2002. This amount represents the remaining portion of the 2000 estimated/actual true-up underrecovery of $518,005,376 that is being recovered over 24 months. (DUBIN)

FPU: Marianna: $60,625 (under-recovery)
Fernandina Beach: $109,370 (under-recovery)

GULF: Over recovery $6,907,921. (Oaks, Howell, Davis)

TECO: $23,129,476 underrecovery. (Witness: Jordan)

PUBLIX: Until the Commission can determine if TECO's wholesale costing, hedging and pricing practices with its affiliates is prudent and if such practices unfairly burden its retail customers and favor wholesale transactions, TECO should not be permitted to collect any of its true-up request.

FIPUG: TECO should not be permitted to collect any of its true-up request pending the outcome of a Commission investigation into its wholesale practices.

OPC: No position at this time.

STAFF:

FPC: $29,378,219 underrecovery. Pending resolution of deferred Issue 19D, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.

FPL: $76,807,071 underrecovery. Pending resolution of deferred Issue 18A, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.

FPUC-Fernandina Beach: $109,370 underrecovery

FPUC-Marianna: $60,625 underrecovery

GULF: $6,907,921 overrecovery.

TECO: No position pending resolution of Issues 21C and 21D.

ISSUE 2: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January 2001 through December 2001?

(This issue is stipulated as to FPU and Gulf only.)

POSITIONS:

FPC: $33,346,822 over-recovery. (Portuondo)

FPL: $13,794,067 overrecovery. FPL calculated an estimated/actual true-up overrecovery of $151,894,067 for 2001, however FPL has reduced its fuel factors for the period October 2001 through December 2001 by $138,100,000 pursuant to Commission Order No. PSC-01-1945-PCO-EI. Therefore, FPL is requesting to include the remaining overrecovery of $13,794,067 in the fuel factor for January 2002 through December 2002. (DUBIN)

FPU:

Marianna: $1,548 (under-recovery)

Fernandina Beach: $92,507 (over-recovery)

GULF: Under recovery $17,609,612. (Oaks, Howell, Davis)

TECO: $65,543,259 underrecovery. (Witness: Jordan)

PUBLIX: Until the Commission can determine if TECO's wholesale costing, hedging and pricing practices with its affiliates is prudent and if such practices unfairly burden its retail customers and favor wholesale transactions, TECO should not be permitted to collect any of its true-up request.

FIPUG: TECO should not be permitted to collect any of its true-up request pending the outcome of a Commission investigation into its wholesale practices.

OPC: No position at this time.

STAFF:
FPC: $33,346,822 overrecovery. Pending resolution of deferred Issue 19D, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.
FPL: $13,794,067 overrecovery. Pending resolution of deferred Issue 18A, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.
FPUC-Fernandina Beach: $92,507 overrecovery
FPUC-Marianna: $1,548 underrecovery
GULF: $17,609,612 underrecovery.
TECO: No position pending resolution of Issues 21C and 21D.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2002 to December 2002?

(This issue is stipulated as to FPU and Gulf only.)

POSITIONS:

FPC: $23,640,300 under-recovery (including the previously deferred under-recovery in 2000). (Portuondo)

FPL: $245,208,621 underrecovery. (DUBIN)

FPU: Marianna: $62,173 to be collected
Fernandina Beach: $16,863 to be collected

GULF: Under recovery $10,701,691. (Davis)

TECO: $88,672,735 underrecovery. (Witness: Jordan)

PUBLIX: No position.

FIPUG: TECO should not be permitted to collect any of its true-up request pending the outcome of a Commission investigation into its wholesale practices.

OPC: No position at this time.

STAFF: FPC: $23,640,300 underrecovery. This amount includes the $27,608,904 underrecovery the Commission deferred for recovery until 2002. Pending resolution of deferred Issue 19D, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.

FPL: $245,208,621 underrecovery. Pending resolution of deferred Issue 18A, the Commission maintains jurisdiction over revenues credited and costs charged to the fuel and purchased power cost recovery clause.

FPUC-Fernandina Beach: $16,863 underrecovery

FPUC-Marianna: $62,173 underrecovery

GULF: $10,701,691 underrecovery.

TECO: No position pending resolution of Issues 21C and 21D.

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period January 2002 to December 2002?

(This issue is stipulated as to FPU, Gulf, and FPC only.)

POSITIONS:

FPC: 2.687 cents per kWh (adjusted for jurisdictional losses). (Portuondo)

FPL: 2.860 cents/kwh is the levelized recovery charge to be collected during the period January, 2002 through December, 2002. (DUBIN)

FPU: Marianna: 2.333¢/kwh
Fernandina Beach: 2.095¢/kwh

GULF: 2.212¢/KWH. (Oaks, Howell, Davis)

TECO: The appropriate factor is 3.301 cents per KWH before the normal application of factors that adjust for variations in line losses. (Witness: Jordan)

PUBLIX: Until the Commission can determine if TECO's wholesale costing, hedging and pricing practices with its affiliates is prudent and if such practices unfairly burden its retail customers and favor wholesale transactions, TECO's fuel factor should not be increased.

FIPUG: TECO's fuel factor should not be increased pending the outcome of a Commission investigation into its wholesale practices.

OPC: No position at this time.

STAFF:
FPC: 2.687 cents per kWh
FPL: No position pending resolution of Issues 17B and 18K.
FPUC-Marianna: 2.333 cents per kWh.
FPUC-Fernandina Beach: 2.095 cents per kWh.
GULF: 2.212 cents per kWh.
TECO: No position pending resolution of Issues 21C and 21D.

*The resolution of this issue for FPC and Gulf may be affected by the resolution of Issues 17B and 17C; for FPL by Issues 17B, 17C, and 18K; and for TECO by Issues 17B, 17C, 21C, 21D, 21G, and 21H.

ISSUE 5: Stipulated. See Section X. Proposed Stipulations.

ISSUE 6: Stipulated. See Section X. Proposed Stipulations.

ISSUE 7: **What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?**

(This issue is stipulated as to FPU, Gulf, and FPC only.)

POSITIONS:

FPC:

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh) Standard	Time Of Use On-Peak	Off-Peak
A.	Transmission	2.638	3.208	2.393
B.	Distribution Primary	2.665	3.241	2.417
C.	Distribution Secondary	2.692	3.273	2.442
D.	Lighting Service	2.597		

(Portuondo)

FPL:

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1,GS-1,SL2	2.860	1.00210	2.866
A-1*	SL-1,OL-1,PL-1	2.799	1.00210	2.805
B	GSD-1	2.860	1.00202	2.865
C	GSLD-1 & CS-1	2.860	1.00078	2.862
D	GSLD-2,CS-2,OS-2 & MET	2.860	.99429	2.843
E	GSLD-3 & CS-3	2.860	.95233	2.723

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RST-1,GST-1 ON-PEAK	3.138	1.00210	3.145

	OFF-PEAK	2.735	1.00210	2.741
B	GSDT-1,CILC-1(G)			
	ON-PEAK	3.138	1.00202	3.144
	OFF-PEAK	2.735	1.00202	2.740
C	GSLDT-1 & CST-1			
	ON-PEAK	3.138	1.00078	3.140
	OFF-PEAK	2.735	1.00078	2.737
D	GSLDT-2 & CST-2			
	ON-PEAK	3.138	.99429	3.120
	OFF-PEAK	2.735	.99429	2.719
E	GSLDT-3,CST-3			
	CILC-1(T)&ISST-1(T)	3.138	.95233	2.988
	ON-PEAK	2.735	.95233	2.604
	OFF-PEAK			
F	CILC-1(D) &			
	ISST-1(D)			
	ON-PEAK	3.138	.99331	3.117
	OFF-PEAK	2.735	.99331	2.717

*WEIGHTED AVERAGE 16% ON-PEAK AND 85% OFF-PEAK (DUBIN)

FPU: Marianna:

Rate Schedule	Adjustment
RS	$.04060
GS	$.04042
GSD	$.03654
GSLD	$.03492
OL	$.02529
SL	$.02526

Fernandina Beach:

Rate Schedule	Adjustment
RS	$.03983
GS	$.03732
GSD	$.03581
CSL	$.02591
OL	$.02591
SL	$.02591

GULF: See table below: (Davis)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, RSVP, GS, GSD, SBS, OSIII, OSIV	2.239	2.713	2.038
B	LP, LPT, SBS	2.170	2.629	1.975
C	PX, PXT, RTP, SBS	2.129	2.579	1.938
D	OSI, OSII	2.208	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO: The appropriate factors are

Rate Schedule	Fuel Charge Factor (cents per kWh)	
Average Factor	3.301	
RS, GS and TS	3.313	
RST and GST	4.535	(on-peak)
	2.793	(off-peak)
SL-2, OL-1 and OL-3	3.054	
GSD, GSLD, and SBF	3.304	
GSDT, GSLDT, EV-X and SBFT	4.523	(on-peak)
	2.786	(off-peak)

IS-1, IS-3, SBI-1, SBI-3	3.232	
IST-1, IST-3, SBIT-1, SBIT-3	4.425	(on-peak)
	2.725	(off-peak)

(Witness: Jordan)

PUBLIX: Agree with FIPUG.

FIPUG: TECO's fuel factor should not be increased pending the outcome of a Commission investigation into its wholesale practices.

OPC: No position at this time.

STAFF:

FPC:

		Fuel Cost Factors (cents/kWh)		
	Delivery		Time Of Use	
Group	Voltage Level	Standard	On-Peak	Off-Peak
A.	Transmission	2.638	3.208	2.393
B.	Distribution Primary	2.665	3.241	2.417
C.	Distribution Secondary	2.692	3.273	2.442
D.	Lighting Service	2.597		

FPL: No position pending resolution of Issues 17B and 18K.

FPUC:

Marianna Rate Schedule	
RS	4.060¢/kwh
GS	4.042¢/kwh
GSD	3.654¢/kwh
GSLD	3.492¢/kwh
OL, OL-2	2.529¢/kwh
SL-1, SL-2	2.526¢/kwh

Fernandina Beach Rate Schedule	
RS	3.983¢/kwh
GS	3.732¢/kwh
GSD	3.581¢/kwh
OL	2.591¢/kwh
SL, CSL	2.591¢/kwh

GULF: See table below:

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, GSDT, SBS OSIII, OSIV	2.239	2.713	2.038
B	LP, LPT, SBS	2.170	2.629	1.975
C	PX, PXT, SBS, RTP	2.129	2.579	1.938
D	OSI, OSII	2.208	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO: No position pending resolution of Issues 21C and 21D.

*The resolution of this issue for FPC and Gulf may be affected by the resolution of Issues 17B and 17C; for FPL by Issues 17B, 17C, and 18L; and for TECO by Issues 17B, 17C, 21C, 21D, 21G, and 21H.

ISSUE 8: Stipulated. See Section X. Proposed Stipulations.

ISSUE 9: Stipulated. See Section X. Proposed Stipulations.

ISSUE 10: Stipulated. See Section X. Proposed Stipulations.

ISSUE 11: **Has each investor-owned electric utility taken reasonable steps to manage the risks associated with its fuel transactions through the use of physical and financial hedging practices?**

ISSUE 12: **What is the appropriate regulatory treatment for gains and losses from hedging an investor-owned electric utility's fuel transactions through futures contracts?**

ISSUE 13: **What is the appropriate regulatory treatment for the premiums received and paid for hedging an investor-owned electric utility's fuel transactions through options contracts?**

ISSUE 14: **What is the appropriate regulatory treatment for the transaction costs associated with an investor-owned electric utility hedging its fuel transactions?**

*Consistent with the ruling in this Order granting OPC's Motion to Defer Issues, Issue 11-14 are deferred.

ISSUE 15: Stipulated. See Section X. Proposed Stipulations.

ISSUE 16: Stipulated. See Section X. Proposed Stipulations.

ISSUE 17: Issue 17 was withdrawn.

ISSUE 17A: **Should voluntary funding of the Gas Research Institute (GRI) surcharge be recovered through the fuel and purchased power cost recovery clause?**

*This issue is deferred for resolution at the evidentiary hearing to be held in November 2002, in Docket No. 020001-EI.

<u>ISSUE 17B:</u> **Should the Commission allow recovery of the investor-owned utilities' incremental security costs, related to recent national security concerns, through the Fuel and Purchased Power Cost Recovery Clause, on either an interim or permanent basis?**

<u>POSITIONS:</u>

<u>FPC:</u> FPC fully supports te recent statements issued by NARUC and FERC regarding the desirability of providing for recovery of the extraordinary increases in utility security costs resulting from the events of September 11, but has not yet determined the most appropriate vehicle for the recovery of its incremental security costs.

<u>FPL:</u> Yes. FPL believes it is essential to increase security to protect and maintain its fuel supply so that we can continue to provide economical nuclear and fossil generation. Clearly, the inability to operate one or more of our generating units, particularly our nuclear generation units, will have a significant adverse impact on our fuel costs. FPL believes it is appropriate to recover the incremental security costs through the fuel cost recovery clause. There are significant uncertainties in these costs. Moreover, it is vital that FPL respond to changing threat levels in a proactive manner.

<u>GULF:</u> Yes. Recovery of prudently incurred costs necessary to further safeguard reliability and security of the energy supply infrastructure should be allowed through a rate recovery mechanism separate and apart from a utility's base rates. The true-up mechanism associated with clause recovery provides a reasonable means of assuring timely and complete recovery of costs associated with safeguarding this critical component to the nation's economy during the unusual and unique times we are operating within.

TECO: Tampa Electric considers this an issue that should be determined on a case-by-case basis, taking into account the specific facts and circumstances of each particular case. At present, Tampa Electric is not seeking to address any type of recovery of its incremental security costs. (Witness: Jordan)

FIPUG: No.

OPC: No. Such costs should be recovered through base rates.

STAFF: No position pending review of pending discovery and evidence adduced at hearing.

ISSUE 17C: **Should the Commission require the investor-owned electric utilities' levelized fuel cost recovery factors and the net purchased power capacity cost recovery amounts for the period January 2002 through December 2002 to be based on updated energy, demand, and price forecasts that include the economic impact of increased national security concerns since September 11, 2001?**

POSITIONS:

FPC: No, the Commission should not require the utilities to revise the forecasts used for their 2002 fuel and capacity cost recovery factors. The true-up and mid-course correction mechanisms already in place provide adequate means to recognize utility-specific changes in the forecasts upon which the cost recovery factors are based. In addition, it would be premature at this time for FPC to revise the forecasts used for its 2002 cost recovery factors, since FPC has not yet completed its analysis of the economic impact on its system as a result of the events of September 11.

FPL: FPL believes it is appropriate to revise its originally filed fuel and capacity factors to reflect the revision to its sales forecast as a result of the events of

September 11, 2001. Commission Order No. 13694 dated September 20, 1984, addresses the timeliness and accuracy of testimony given at hearing. It states "While we recognize that fuel adjustment projections are compiled significantly in advance of hearing and are composed of many assumptions that are subject to change, we must, at the time of hearing, have the benefit of the most accurate and current information available to the utilities. This is not to say that every known change must be brought to our attention. Rather, we are concerned with material and significant changes in the basic assumptions supporting a company's request." As to there being a requirement for a revised factor or filing in all circumstances, this same Order No. 13694 sought to make clear "... that informing the Commission of changed assumptions will not necessitate a revised filing and revised factor unless the revision would otherwise require the filing of midcourse correction..." FPL has revised its sales forecast due to the events of September 11, 2001 which were not known at the time FPL filed its projected 2002 fuel and capacity factors. The impact on FPL's fuel costs is a reduction of more than $100 million from FPL's originally filed fuel cost projection. Therefore, on November 5, 2002 FPL filed revised fuel and capacity cost recovery factors for the period January 2002 through December 2002 reflecting the impact of this reduced sales forecast. (Dubin/ Green)

GULF: No. Each utility faces different circumstances as consequences of the events of September 11, 2001. Ultimately it is a judgment call for each utility whether the quality of information available is sufficient to warrant allocating limited resources to update its forecasts at this time. As a practical matter, there is not enough time available between now and the deadline for approving new cost recovery factors to be effective January 1, 2002, for Gulf to produce updated forecasts and calculate updated factors. Any updated forecast attempted by Gulf in the limited time remaining before the hearing would have a high degree of uncertainty embedded within it and therefore would not necessarily be any better predictor of future results than the current forecast. Even if Gulf had until the last scheduled day for hearings in this docket (12/3) to attempt an update to its forecasts, there would not be enough time for Gulf to complete an accurate update. Traditionally, the Commission has made a determination of the new cost recovery factors to be implemented for the next recovery cycle no later than 30 days prior to the beginning of the recovery period. With that in mind, based on the present hearing schedule, a bench decision approving cost recovery factors is needed by the end of the second scheduled day of hearings (11/21) in order to implement new cost recovery factors on January 1, 2002. Gulf believes that any financial impact on its fuel and purchased power costs resulting from the events of September 11, 2001 would fal within the range allowed before exceeding the threshold for reporting a possible need for mid-course correction of the factors.

TECO: No. The Commission should allow but not require cost recovery factors to be based on updated forecasts. Tampa Electric will continue to monitor its actual results compared with its current forecast. To the extent any significant changes occur, Tampa Electric will take appropriate action. (Witness: Jordan)

FIPUG: The Commission should not require it, but if a utility presents evidence on the subject, FIPUG has no objection to the Commission giving it consideration.

OPC: No position at this time.

STAFF: No, but any evidence which supports updated fuel cost recovery factors and purchased power capacity cost recovery factors based on updated forecasts should be considered.

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power & Light Company

ISSUE 18A: **For the period March 1999 to March 2001, did FPL take reasonable steps to manage the risk associated with changes in natural gas prices?**

*Consistent with the ruling in this Order granting OPC's Motion to Defer Issues, Issue 18A is deferred.

ISSUE 18B: Stipulated. See Section X. Proposed Stipulations.

ISSUE 18C: **What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an affiliated company?**

ISSUE 18D: **What is the appropriate regulatory treatment for sales of natural gas and transportation capacity made by FPL to an unaffiliated company?**

ISSUE 18E: **How should FPL allocate the costs associated with its sales of natural gas to Florida Power and Light Energy Services?**

ISSUE 18F: **What is the appropriate regulatory treatment of Florida Power and Light Energy Services' revenues and costs made to customers within FPL's service area?**

ISSUE 18G: **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?**

*Issues 18C, 18D, 18E, 18F, and 18G have been withdrawn to be addressed in the FPL rate review proceeding in Docket No. 001148-EI which is set for hearing for April 10-12 and 15-16, 2002.

ISSUE 18H: Stipulated. See Section X. Proposed Stipulations.

ISSUE 18I: Stipulated. See Section X. Proposed Stipulations.

ISSUE 18J: Stipulated. See Section X. Proposed Stipulations.

ISSUE 18K: **If the Commission votes in the affirmative on Issue 17B, what is the appropriate level of FPL 2002 incremental security costs, related to recent increased national security concerns, allowed for recovery through the Fuel and Purchased Power Cost Recovery Clause?**

POSITIONS:

FPL: FPL currently projects its 2002 incremental power plant security costs to be $1,860,000.

FIPUG: No position.

OPC: No position at this time.

STAFF: No position pending review of pending discovery and evidence adduced at hearing.

Florida Power Corporation

ISSUE 19A: Stipulated. See Section X. Proposed Stipulations.

ISSUE 19B: Stipulated. See Section X. Proposed Stipulations.

ISSUE 19C: Stipulated. See Section X. Proposed Stipulations.

ISSUE 19D: **For the period March 1999, to March 2001, did Florida Power take reasonable steps to manage the risk associated with changes in natural gas prices?**

*Consistent with the ruling in this Order granting OPC's Motion to Defer Issues, Issue 19D is deferred.

ISSUE 19E: Stipulated. See Section X. Proposed Stipulations.

ISSUE 19F: Stipulated. See Section X. Proposed Stipulations.

Florida Public Utilities Company

ISSUE 20A: Stipulated. See Section X. Proposed Stipulations.

ISSUE 20B: Stipulated. See Section X. Proposed Stipulations.

Tampa Electric Company

ISSUE 21A: Stipulated. See Section X. Proposed Stipulations.

ISSUE 21B: Stipulated. See Section X. Proposed Stipulations.

ISSUE 21C: **For the period January 1998 to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale energy sales to Hardee Power Partners reasonable?**

POSITIONS:

TECO: Yes. The Hardee Power Partners coal-based purchases have been very beneficial to Tampa Electric's customers. (Witness: Brown)

PUBLIX: No.

FIPUG: No. The Commission should open a separate docket to conduct a thorough investigation of Tampa Electric Company's affiliate transactions and its procurement of power for its wholesale customers to determine whether

Tampa Electric Company's actions regarding affiliate transactions are prudent and beneficial to retail ratepayers.

OPC: No position at this time.

STAFF: No position pending review of discovery and evidence adduced at hearing.

ISSUE 21D: **For the period January 1998 to December 2000, were Tampa Electric Company's decisions regarding its wholesale energy purchases from and its wholesale energy sales to non-affiliated entities reasonable?**

POSITIONS:

TECO: Yes. (Witnesses: Brown, Hornick)

PUBLIX: No.

FIPUG: No. The Commission should open a docket to require TECO to quantify the magnitude of the past overcharges to retail customers due to its inappropriate management of its long-term contracts.

OPC: No position at this time.

STAFF: No position pending review of discovery and evidence adduced at hearing.

ISSUE 21E: Stipulated. See Section X. Proposed Stipulations.

ISSUE 21F: Stipulated. See Section X. Proposed Stipulations.

ISSUE 21G: **Does Tampa Electric currently allocate 100% of purchased power costs to retail customers? If so, what action, if any, should the Commission take?**

POSITIONS:

TECO: No, and no action by the Commission is required. (Witnesses: Jordan, Brown)

PUBLIX: Yes.

FIPUG: Yes, TECO currently allocates 100% of purchased power costs to retail customers. It should be ordered to cease this practice and be directed to allocate a pro rate share of all replacement power purchases to wholesale operations.

OPC: No position at this time.

STAFF: No, TECO does not allocate 100% of purchased power costs to retail customers. Purchased power costs include an energy and a capacity component. A jurisdictional separation factor is applied to TECO's projected total system fuel and purchased power costs for 2002, which includes the cost of generated power and the energy component of purchased power. The separation is shown in the testimony of Denise Jordan, filed September 20, 2001, Schedule E1, lines 28-30. A jurisdictional demand separation factor is applied to TECO's total capacity payments for 2002 as shown in the testimony of Denise Jordan, filed September 20, 2001, Exhibit JDJ-3, Document No. 1, Page 2 of 3, line 5. Issue 29 addresses the appropriate jurisdictional separation factor to be applied to the capacity costs. Applying energy and demand jurisdictional separation factors to TECO's total purchased power costs appropriately allocates a portion of TECO's purchased power costs to wholesale customers.

ISSUE 21H: **Should Tampa Electric's separated wholesale sales be charged average system fuel costs and should non-separated sales be charged system incremental costs?**

POSITIONS:

TECO: Separated and non-separated wholesale sales should be accounted for in accordance with the provisions of Order

No. PSC-97-0262-FOF-EI, issued by the Commission in Docket No. 970001-EI on March 11, 1997, and reaffirmed in subsequent orders of the Commission. (Witness: Jordan)

PUBLIX: Yes.

FIPUG: TECO fails to account for the costs of incremental power purchases in its calculations. Commission Order No. PSC-97-0262-FOF-EI was rendered at the conclusion of a 1996 docket studying fuel costs. It was rendered to prohibit gaming in fuel cost. TECO has incorrectly construed this order to enable it to shield its wholesale customers from any responsibility for replacement power costs. The Order does not stand for the proposition that retail customers must bear all the risks of extensive wholesale market transactions. When TECO uses wholesale transactions to provide the capacity needed to meet the demands on its system, the cost of purchased power should be allocated first to TECO's wholesale customers and second to retail customers.

OPC: No position at this time.

STAFF: By Order No. 97-0262-FOF-EI, in Docket No. 970001-EI, issued March 11, 1997, the Commission requires an investor-owned electric utility to credit system average fuel costs to its fuel and purchased power cost recovery clause for a utility's separated wholesale energy sales. The Commission may approve an alternative treatment if the utility demonstrates that the wholesale energy sale provides net benefits to the utility's retail ratepayers.

At its November 6, 2001, Agenda Conference, the Commission found in Docket No. 010283-EI that an investor-owned electric utility should credit system incremental energy costs to the utility's fuel and purchased power cost recovery clause for each non-separated wholesale energy sale. Under the Commission's decision, the utility would comply with this treatment whether the utility generated or purchased the energy used to make the non-separated wholesale energy sale.

Gulf Power Company

ISSUE 22A: Stipulated. See Section X. Proposed Stipulations.

ISSUE 22B: Stipulated. See Section X. Proposed Stipulations.

ISSUE 22C: Stipulated. See Section X. Proposed Stipulations.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 23: Stipulated. See Section X. Proposed Stipulations.

ISSUE 24: Stipulated. See Section X. Proposed Stipulations.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 24A: Stipulated. See Section X. Proposed Stipulations.

ISSUE 24B: Stipulated. See Section X. Proposed Stipulations.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 25: Stipulated. See Section X. Proposed Stipulations.

ISSUE 26: Stipulated. See Section X. Proposed Stipulations.

ISSUE 27: Stipulated. See Section X. Proposed Stipulations.

ISSUE 28: Stipulated. See Section X. Proposed Stipulations.

ISSUE 29: Stipulated. See Section X. Proposed Stipulations.

ISSUE 30: Stipulated. See Section X. Proposed Stipulations.

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 31: Stipulated. See Section X. Proposed Stipulations.

IX. EXHIBIT LIST

Witness	Proffered By	I.D. No.	Description
Direct			
Javier Portuondo	FPC	______ (JP-1)	True-up Variance Analysis
		______ (JP-2)	Schedules A1 through A13
		______ (JP-3)	Forecast Assumptions (Parts A-C), and Capacity Cost Recovery Factors (Part D)
		______ (JP-4)	Schedules E1 through E10 and H1
Michael F. Jacob	FPC	______ (MFJ-1)	Standard Form GPIF Schedules (Reward/Penalty, January-December 2000)
		______ (MFJ-2)	Standard Form GPIF Schedules (Targets/Ranges, January-December 2002)

Witness	Proffered By	I.D. No.	Description
G. Yupp	FPL	________ (GY-1)	Fuel Cost Recovery Forecast Assumptions
		________ (GY-2)	Levelized Fuel Cost Recovery Factors for January 2002 - December 2002
K. M. Dubin	FPL	________ (KMD-1)	Levelized Fuel Cost Recovery
		________ (KMD-2)	Capacity Cost Recovery Final True-up for January 2000 - December 2000
		________ (KMD-3)	Fuel Cost Recovery and Capacity Cost Recovery
		________ (KMD-4)	Estimated/Actual True-up January 2001 - December 2001
		________ (KMD-5)	Levelized Fuel Cost Recovery Factors for January 2002 - December 2002
		________ (KMD-6)	Capacity Cost Recovery Factors for January 2002 - December 2002

Witness	Proffered By	I.D. No.	Description
		_____ (KMD-7)	Revised Fuel Cost Recovery Factors for January 2002 - December 2002
		_____ (KMD-8)	Revised Capacity Cost Recovery Factors for January 2002 - December 2002
L. E. Green	FPL	_____ (LEG-1)	Forecast Assumptions
J. R. Hartzog	FPL	_____ (JRH-1)	Levelized Fuel Cost Recovery Factors for January 2002 - December 2002
R. Silva	FPL	_____ (RS-1)	GPIF, Performance Results January 2000 - December 2000
		_____ (RS-2)	GPIF, Incentive Factor Targets & Ranges January 2002 - December 2002
George M. Bachman	FPU	_____ (GMB-1)	Composite. Schedules E1, E1-A, E1-B, E1-B1,E-2, E7, E10 (Marianna Division)

Witness	Proffered By	I.D. No.	Description
		(GMB-2)	Composite. Schedules E1, E1-A, E1-B, E1-B1, E-2, E7, E10 (Fernandina Beach Division)
M. F. Oaks	Gulf	(MFO-1)	Coal Suppliers - January 2000-December 2000
		(MFO-2)	Projected vs. actual fuel cost of generated power March 1991-December 2002
T. A. Davis	Gulf	(TAD-1)	Calculation of Final True-up for Fuel and Capacity, January 2000-December 2000
		(TAD-2)	Calculation of Estimated True-up for Fuel and Capacity, January 2001-December 2001
		(TAD-3)	Calculation of Projected Costs for Fuel and Capacity, January 2002-December 2002

Witness	Proffered By	I.D. No.	Description
J. R. Douglas	Gulf	______ (JRD-1)	Gulf Power Company GPIF Results, January 2000-December 2000
		______ (JRD-2)	Gulf Power Company GPIF Targets and Ranges, January 2002-December 2002
M. W. Howell	Gulf	______ (MWH-1)	Gulf Power Company Projected Purchased Power Contract Transactions, January 2002-December 2002
J. Denise Jordan	TECO	______ (JDJ-1)	Fuel Cost Recovery, January 2000 - December 2000. Capacity Cost Recovery, January 2000 - December 2000
		______ (JDJ-2)	Fuel Cost Recovery, Projected January 2001 - December 2001

Witness	Proffered By	I.D. No.	Description
		(JDJ-3)	Fuel Adjustment Results January 2001 - December 2001. Fuel Cost Recovery, Projected January 2002 - December 2002. Capacity Cost Recovery, January 2001 - December 2001. Capacity Cost Recovery, Projected January 2002 - December 2002
		(JDJ-4)	Wholesale Projected Average System Fuel Cost Adjustment January 2002 - December 2002.
Brian S. Buckley	TECO	(BSB-1)	Generating Performance Incentive Factor Results January 2000 - December 2000 (Adopted and sponsored by George A. Keselowsky)
George A. Keselowsky	TECO	(GAK-1)	Generating Performance Incentive Factor Estimated January 2002-December 2002.

Witness	Proffered By	I.D. No.	Description
Joann T. Wehle	TECO	_____ (JTW-1)	Transportation Benchmark Calculation Coal Benchmark Calculation.
Brian C. Collins	FIPUG	_____ (BCC-1)	Summary of Wholesale Contracts
		_____ (BCC-2)	Average Fuel Costs
		_____ (BCC-3)	Tampa Electric Schedules A6 and A7
		_____ (BCC-4)	Wholesale Power Sales 1999-2000
		_____ (BCC-5)	Power Purchased 1999-2000
		_____ (BCC-6)	Purchased Power on Selected Days
		_____ (BCC-7)	System Outages and Wholesale Sales
		_____ (BCC-8)	System Outages and Wholesale Sales
		_____ (BCC-9)	System Outages and Wholesale Sales
		_____ (BCC-10)	System Outages and Wholesale Sales
		_____ (BCC-11)	TECO's Response to Interrogatories

Witness	Proffered By	I.D. No.	Description
		______ (BCC-12)	Subsidy to Wholesale Customers
		______ (BCC-13)	Calculation of Wholesale Subsidy
		______ (BCC-14)	Equivalent Forced Outage Rates
		______ (BCC-15)	Equivalent Availability Factors
		______ (BCC-16)	Comparison of Power Purchased
Jeffry Pollock	FIPUG	______ (JP-1)	History of Service Interruptions
		______ (JP-2)	History of Economic Interruptions
Kathy L. Welch	STAFF	______ (KLW-1)	Staff Audit Report, Florida Power & Light, Fuel Adjustment (2000)
		______ (KLW-2)	Staff Audit Report, Florida Power & Light, Natural Gas Audit

Witness	Proffered By	I.D. No.	Description
		_______ (KLW-3)	Staff Audit Report, Florida Public Utilities Company, Fuel Adjustment (2000)
Various	STAFF	_______ (STAFF-1)	Composite Exhibit: Transcript of Deposition of Gerard Yupp; Transcript of Deposition of Korel M. Dubin; Transcript of Deposition of Javier Portuondo and Late-Filed Exhibits 1-3; Late-Filed Exhibit 1 of Deposition of Richard McMillan; FPUC's Responses to Staff's First Set of Interrogatories (Nos. 1-6)

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

STIPULATED
ISSUE 5: **What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?**

POSITION: The new factors should be effective beginning with the first billing cycle for January 2002 and thereafter through the last billing cycle for December 2002. The first billing cycle may start before January 1, 2002, and the last billing cycle may end after December 31, 2002, so long as each customer is billed for twelve months regardless of when the factors became effective.

STIPULATED ISSUE 6: **What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/ delivery voltage level class?**

POSITION:

FPC:

Group	Delivery Voltage Level	Line Loss Multiplier
A.	Transmission	0.9800
B.	Distribution Primary	0.9900
C.	Distribution Secondary	1.0000
D.	Lighting Service	1.0000

FPL: Staff's position will be reflected in its position on Issue 7.

FPUC:

Marianna	Multiplier
All Rate Schedules	1.0000
Fernandina Beach	
All Rate Schedules	1.0000

GULF: See table below:

Group	Rate Schedules*	Line Loss Multipliers
A	RS, GS, GSD, GSDT, SBS, OSIII, OSIV	1.01228
B	LP, LPT, SBS	0.98106

C	PX, PXT, SBS, RTP	0.96230
D	OSI, OSII	1.01228

*The multiplier applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

TECO:

Group	Multiplier
Group A	1.0035
Group A1	n/a*
Group B	1.0009
Group C	0.9792

*Group A1 is based on Group A, 15% of On-Peak and 85% of Off-Peak.

STIPULATED ISSUE 8: **What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January, 2002 to December, 2002?**

POSITION:

FPC:	1.00072
FPL:	1.01597
FPUC-Fernandina Beach:	1.01597
FPUC-Marianna:	1.00072
GULF:	1.01597
TECO:	1.00072

STIPULATED
ISSUE 9: **What is the appropriate benchmark level for calendar year 2001 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, for each investor-owned electric utility?**

POSITION:

FPC:	$11,880,954
FPL:	$52,953,147
GULF:	$886,926
TECO:	$4,768,644

STIPULATED
ISSUE 10: **What is the appropriate estimated benchmark level for calendar year 2002 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, for each investor-owned electric utility?**

POSITION:

FPC:	$11,354,219
FPL:	$37,870,079
GULF:	$1,208,241
TECO:	$2,283,019

STIPULATED
ISSUE 15: **What is the appropriate regulatory treatment for capital projects with an in-service date on or after January 1, 2002, that are expected to reduce long-term fuel costs?**

POSITION: The appropriate regulatory treatment for capital projects that are expected to reduce fuel costs is the treatment prescribed by the Commission in Order No. 14546 in Docket No. 850001-EI-B where the Commission listed the types of costs that are recoverable through the Fuel Cost Recovery Clause. Item No. 10 in the Order States:

"Fossil fuel-related costs normally recovered through base rates but which were not recognized or anticipated in the cost levels used to determine current base rates and which, if expended, will result in fuel savings to customers. Recovery of such costs should be made on a case by case basis after Commission approval."

STIPULATED ISSUE 16: **What is the appropriate rate of return on the unamortized balance of capital projects with an in-service date on or after January 1, 2002, that are expected to reduce long-term fuel costs?**

POSITION: The appropriate rate of return on the unamortized balance of capital projects with an in-service date on or after January 1, 2002, is the utility's cost of capital based on the midpoint of its authorized return on equity (ROE).

STIPULATED ISSUE 18B: **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?**

POSITION: No. Plant Scherer is located in Georgia and is operated by Georgia Power Company. The accounting procedures required of Georgia Power Company by the Georgia Public Service Commission are similar to those stated in Order No. PSC-97-0359-FOF-EI, with some differences. These different accounting procedures produce nearly identical coal inventory adjustments. However, FPL agrees to report aerial survey results and calculations of necessary coal inventory adjustments as soon as Georgia Power Company provides these adjustments to FPL. It is understood that this exception to the method specified in Order No. PSC-97-0359-FOF-EI is applicable to Plant Scherer only.

STIPULATED ISSUE 18H: **Are the costs associated with Florida Power & Light Company's purchase of 50 MW firm capacity and associated energy from Florida Power Corporation reasonable?**

POSITION: Yes. FPL reasonably evaluated the cost of this purchase against the market price for similar capacity and energy.

STIPULATED ISSUE 18I: **Are the costs associated with Florida Power & Light Company's purchase of approximately 1,000 MW of capacity and associated energy from Progress Energy Ventures, Reliant Energy Services, and Oleander Power Project L.P. reasonable?**

POSITION: Yes. FPL reasonably evaluated the cost of this purchase against the market price for similar capacity and energy.

STIPULATED ISSUE 18J: **Should the Commission allow Florida Power & Light Company to recover through the fuel and capacity cost recovery clauses payments made to Cedar Bay resulting from litigation between FPL and Cedar Bay?**

POSITION: Yes. In Order No. PSC-99-2512-FOF-EI, Docket No. 990001-EI, the panel consisting of three Commissioners allowed FPL to recover these costs as proposed through the Fuel and Capacity Cost Recovery Clauses pending resolution of this issue by the full Commission. After the Commission's decision in December of 1999, Docket No. 991780-EG was opened so that the full Commission could address this fuel and capacity clause issue. Waiting on completion of the appeals process, no schedule had been established in Docket No. 991780-EG. Since, all appeals have been exhausted and all payments have been made, and because a change was made this past year for the fuel panel to consist of the full Commission, it is appropriate to bring this issue to closure in this docket.

Florida Power Corporation

STIPULATED
ISSUE 19A: **Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 2000?**

POSITION: Yes. The annual audit of EFC's revenue requirements under a full utility-type regulatory treatment confirms the appropriateness of the "short-cut" methodology used to determine the equity component of EFC's capital structure.

STIPULATED
ISSUE 19B: **Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?**

POSITION: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 860001-EI-G.

STIPULATED
ISSUE 19C: **Has Florida Power Corporation properly calculated the 2000 price for waterborne transportation services provided by Electric Fuels Corporation?**

POSITION: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 930001-EI.

STIPULATED
ISSUE 19E: **Were Florida Power's replacement fuel costs for the unplanned outage at Crystal River Unit 2, commencing on June 1, 2000, reasonable?**

POSITION: Yes. The outage began when a high voltage disconnect switch failed, which resulted in a high energy fault that caused significant damage to the generator rotor.

FPC could not have foreseen that the operation of this switch, which had been operated under similar circumstances many times, would lead to the damage that occurred. The resulting three-month outage to remove, repair, and reinstall the generator rotor was reasonable. Therefore, the replacement fuel costs associated with the unplanned outage were reasonable.

<u>**STIPULATED**</u>
<u>**ISSUE 19F:**</u> **Should the Commission allow Florida Power to recover payments made to Lake Cogen, Ltd. resulting from litigation between Florida Power and Lake Cogen, Ltd.?**

<u>**POSITION:**</u> Yes. Florida's Fifth District Court of Appeals ruled that FPC is required to pay Lake the firm energy rate for all hours that the avoided unit would operate and that the avoided unit would operate at all times other than periods for maintenance and repair. This ruling led to a stipulation requiring FPC to pay Lake $19,860,307 to resolve the historical energy pricing dispute. This amount is appropriate for recovery through the fuel clause. The stipulation also provides 45 days per year for maintenance periods during which Lake will be paid the as-available energy rate. The ruling by the court and subsequent stipulation results in costs over the life of the contract approximately $60 million (NPV) greater than the costs would have been under FPC's position in the litigation, but approximately $13.7 million (NPV) less than the costs would have been under Lake's position in the litigation. The energy payments FPC is to make to Lake on a going forward basis are appropriate for recovery through the fuel clause.

Florida Public Utilities Company

<u>**STIPULATED**</u>
<u>**ISSUE 20A:**</u> **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?

POSITION: Yes. For the period October 2000 through September 2001, Florida Public Utilities Company billed its GSD customers in the Marianna Division under the Street Lighting (SL) fuel cost recovery factor, which is lower than the GSD fuel cost recovery factor. The Commission-approved SL fuel cost recovery factor was 2.608 cents/Kwh for the period October 2000 through December 2000, and 2.421 cents/kWh for the period January 2001 through September 2001. The Commission-approved GSD fuel cost recovery factor was 3.599 cents/kWh for the period October 2000 through December 2000, and 3.472 cents/kWh for the period January 2001 through September 2001.

STIPULATED ISSUE 20B: **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?**

POSITION: Florida Public Utilities Company should backbill the affected customers for the shortfall through an adjustment on their future bill(s). As provided by Rule 25-6.106(1), Florida Administrative Code, Florida Public Utilities Company shall allow the customers to pay for the unbilled service over the same length of time as the error occurred, or some other mutually agreeable time period.

Tampa Electric Company

STIPULATED ISSUE 21A: **What is the appropriate 2000 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?**

POSITION: $26.23 per ton

STIPULATED ISSUE 21B: **Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 2000 waterborne transportation benchmark price?**

POSITION: Yes. Tampa Electric Company's actual costs are below the benchmark. Therefore, this issue is moot.

STIPULATED ISSUE 21E: **Is Tampa Electric's lease of 39 portable generators to provide 70 MW of peaking capacity reasonable?**

POSITION: Yes. TECO reasonably evaluated the cost of the portable generators against the market price for similar capacity and energy.

STIPULATED ISSUE 21F: **Is Tampa Electric's proposal to refund $6.37 million from 1999 earnings to its ratepayers from January 2002 to March 2002, reasonable?**

POSITION: Yes. Order No. PSC-01-0113-PAA-EI, issued in Docket No. 950379-EI, provides that TECO refund $6,102,126, plus interest, as of December 31, 2000 to the time the actual refund is completed. The Office of Public Counsel has protested this order, and staff can not determine the final refund amount at this time. However, the amount will be at least the $6.37 million that has been included in the current filing. Tampa Electric has properly allocated the $6.37 million among its rate classes. (This stipulation is contingent on the Commission addressing the TECO earnings review by the December 4, 2001, Agenda Conference, as scheduled.)

Gulf Power Company

STIPULATED ISSUE 22A: **Were Gulf Power's replacement fuel costs for the unplanned outage at Crist Unit 2, commencing on August 2, 2000, reasonable?**

POSITION: Yes. Gulf did not buy any additional fuel to specifically compensate for the unavailability of this peaking unit. During the majority of this unplanned outage, Crist Unit 2 would not have been called upon in economic dispatch had it been available.

STIPULATED ISSUE 22B: **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?**

POSITION: Yes. Gulf Power inadvertently overstated the emission allowance costs related to Interchange Sales in August 2000, which understated net recoverable fuel expense by $385,796 in 2000.

STIPULATED ISSUE 22C: **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?**

POSITION: Gulf Power inadvertently overstated the emission allowance costs related to Interchange Sales in August 2000, which understated net recoverable fuel expense by $385,796 in 2000. Gulf Power made a correcting entry in July 2001. Gulf has included this amount for recovery in this docket but is not requesting any back interest on the understated fuel expense.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

STIPULATED
ISSUE 23: **What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2000 through December 2000 for each investor-owned electric utility subject to the GPIF?**

POSITION: The stipulated positions are shown in Attachment A to this Order, which is incorporated herein by reference.

STIPULATED
ISSUE 24: **What should the GPIF targets/ranges be for the period January, 2002 through December, 2002 for each investor-owned electric utility subject to the GPIF?**

POSITION: The stipulated positions are shown in Attachment A to this Order, which is incorporated herein by reference.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

STIPULATED
ISSUE 24A: **Should the actual 2000 heat rates for the Big Bend Units #1 and #2 be adjusted for the flue gas desulfurization's (FGD) impact on Tampa Electric's 2000 reward/penalty?**

POSITION: Yes. The Commission approved similar adjustments to the actual data for Big Bend Unit 3 from July 1995 to March 1998, when Tampa Electric initiated flue gas desulfurization for that unit. In the next three fuel adjustment hearings, these adjustments will be necessary for the actual heat rate data for the years 2001, 2002, and 2003.

STIPULATED
ISSUE 24B: **Should the heat rate targets for the year 2002 for Big Bend Units #1 and #2 be adjusted for the FGD's impact on Tampa Electric's eventual 2002 reward/penalty?**

POSITION: Yes. Adjustments to the heat rates for these units ensures comparability between heat rate targets, which are modeled using historical data, and the actual data for the same periods. These adjustments will also be necessary for the heat rate targets for the year 2003, in Docket No. 020001-EI.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

STIPULATED ISSUE 25: **What are the appropriate final capacity cost recovery true-up amounts for the period January 2000 through December 2000?**

POSITION:

FPC:	$1,402,548 underrecovery.
FPL:	$2,850,420 underrecovery.
GULF:	$340,856 overrecovery.
TECO:	$589,079 underrecovery.

STIPULATED ISSUE 26: **What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January 2001 through December 2001?**

POSITION:

FPC:	$2,309,584 underrecovery.
FPL:	$25,003,277 overrecovery.
GULF:	$1,515,391 overrecovery.
TECO:	$4,971,024 underrecovery.

STIPULATED ISSUE 27: **What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2002 through December 2002?**

POSITION:

FPC:	$3,712,132 to be collected.
FPL:	$22,152,857 to be refunded.
GULF:	$1,856,247 to be refunded.
TECO:	$5,560,103 to be collected.

STIPULATED
ISSUE 28: **What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2002 through December 2002?**

POSITION:

FPC:	$343,015,424
FPL:	$573,968,082
GULF:	$2,346,103
TECO:	$47,002,518

STIPULATED
ISSUE 29: **What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January 2002 through December 2002?**

POSITION:

FPC:	Base - 97.560%, Intermediate - 71.248%, Peaking - 76.267%.
FPL:	99.03598%
GULF:	96.50747%
TECO:	91.89189%

STIPULATED
ISSUE 30: **What are the projected capacity cost recovery factors for each rate class/delivery class for the period January 2002 through December 2002?**

(This issue is stipulated as to FPC, Gulf, and TECO. FPL's factors are contingent on acceptance of its revised forecasts, as addressed in Issue 17C.)

POSITION:

FPC:

Rate Class	Capacity Recovery Factor (cents/kWh)
Residential	1.132
General Service Non-demand - Secondary	0.849
@Primary Voltage	0.840
@Transmission Voltage	0.832

General Service 100% Load Factor	0.621
General Service Demand - Secondary	0.737
@Primary Voltage	0.730
@Transmission Voltage	0.722
Curtailable - Secondary	0.526
@Primary Voltage	0.520
@Transmission Voltage	0.515
Interruptible - Secondary	0.612
@Primary Voltage	0.606
@Transmission Voltage	0.599
Lighting	0.181

FPL:

Rate Class	Capacity Recovery Factor ($/kW)	Capacity Recovery Factor ($/kWh)
RS1	-	.00701
GS1	-	.00608
GSD1	2.34	-
OS2	-	.00310
GSLD1/CS1	2.40	-
GSLD2/CS2	2.38	-
GSLD3/CS3	2.49	-
CILCD/CILCG	2.51	-
CILCT	2.53	-
MET	2.55	-
OL1/SL1/PL-1	-	.00182
SL2	-	.00445

Rate Class	Capacity Recovery Factor (Reservation Demand Charge) ($/kW)	Capacity Recovery Factor (Sum of Daily Demand Charge) ($/kw)
ISST1D	.31	.15
SST1T	.29	.14
SST1D	.30	.14

GULF:

Rate Class	Capacity Recovery Factor (cents/kWh)
RS, RST, RSVP	.027
GS, GST	.027
GSD, GSDT	.021
LP, LPT	.018
PX, PXT, RTP, SBS	.016

OS-I, OS-II	.003
OS-III	.016
OS-IV	.008

TECO:

Rate Class	Capacity Recovery Factor ($/kWh)
RS	.00379
GS, TS	.00350
GSD	.00269
GSLD, SBF	.00245
IS-1, IS-3, SBI-1, SBI-3	.00022
SL/OL	.00041

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

STIPULATED

ISSUE 31: **What is the appropriate adjustment to Gulf Power Company's total recoverable capacity payments to reflect the former capacity transactions embedded in the company's base rates, as reflected on line 8 of Schedule CCE-1?**

POSITION: The appropriate adjustment to Gulf's total recoverable capacity payments to reflect the former capacity transactions (credit) embedded in Gulf's base rates should be based on the time period from January 1, 2002, up to the date Gulf's new base rates become effective. According to information provided by Staff for Gulf's rate case synopsis, the effective date of new base rates is expected to be June 6, 2002. The adjustment to recoverable capacity payments to reflect the capacity embedded in base rates should cover the period from January 1, 2002, through June 5, 2002, a period of 156 days. The amount of the adjustment should be $706,060.27 ($1,652,000 / 365 days x 156 days). If the effective date of Gulf's new base rates varies from June 6, 2002, the amount of the adjustment should be revised, with an appropriate adjustment to the true-up amount to reflect the revised amount.

Gulf's current base rate increase request, as filed, reflects adjustments to remove capacity transactions consistent with the calculations currently being made for the purchased capacity cost recovery clause. It is Gulf's position that if the partial year adjustment is made to the PPCC as described above, a corresponding adjustment should be made to Gulf's base rate increase request. This will ensure that the new base rates resulting from Docket No. 010949-EI and the PPCC factors established in this docket are calculated on a consistent basis. The adjustment to Gulf's base rate increase request is appropriately addressed in Docket No. 010949-EI.

XI. PENDING MOTIONS

1. TECO's Motion for Protective Order related to Late-Filed Deposition Exhibit No. 1 of W. Lynn Brown, filed November 6, 2001, is pending. Responses to this motion are due by November 19, 2001.

2. TECO's Motion for Reconsideration of a Portion of Order No. PSC-01-2176-PCO-EI, filed November 8, 2001, is pending.

XII. PENDING CONFIDENTIALITY MATTERS

1. Florida Power Corporation's Request for Confidential Classification for specified responses to Staff's Second Set of Interrogatories and Staff's First Request for Production of Documents, filed October 11, 2001, is pending.

2. Florida Power & Light Company's Request for Confidential Classification for specified responses to Staff's First Set of Interrogatories and Staff's First Request for Production of Documents, filed September 24, 2001, is pending.

3. Gulf Power Company's Request for Confidential Classification for specified responses to Staff's Second Set of Interrogatories and Staff's First Request for Production of Documents, filed October 9, 2001, is pending.

4. Gulf Power Company's Request for Confidential Classification for specified responses to Staff's Second Set of Interrogatories, filed November 6, 2001, is pending.

5. Tampa Electric Company's Request for Confidential Classification for specified responses to Staff's Second Set of Interrogatories, filed September 26, 2001, is pending.

XIII. RULINGS

1. On November 2, 2001, OPC filed its Motion to Defer Consideration of Issues. OPC seeks to have consideration of Issue 11-14, 18A, and 19D deferred to a later date to allow the parties additional time to explore these issues. No party objects to the motion. Upon consideration, OPC's motion is granted.

2. On October 31, 2001, Publix filed its Petition to Intervene in this docket. No party objects to Publix' motion. It appears that the substantial interests of Publix, as a consumer of electricity at retail in this state, will be affected by the Commission's actions in this docket. Accordingly, Publix' petition to intervene is granted. Publix takes the case as it finds it.

3. On November 5, 2001, FPL filed a Petition for Approval of Revised Levelized Fuel Cost Recovery Factors and Capacity Cost Recovery Factors, and filed Supplemental Direct Testimony of three witnesses in support of the petition. The revised factors take into account FPL's revised retail energy sales forecast and include $1.8 million in incremental security costs. No party objects to FPL filing this supplemental testimony. Upon consideration, FPL is granted leave to file this supplemental testimony.

4. On November 2, 2001, Tampa Electric Company filed its Request for Confidential Classification for certain information provided by TECO and included in the Prepared Direct Testimony and Exhibit of FIPUG witness Brian Collins. This type of information has been granted confidential classification in previous orders in this docket. No party objects to TECO's request. Upon consideration, TECO's request is granted.

5. The deadline for discovery related to Issues 17B, 17C, and 18K is extended until Thursday, November 15, 2001.

XIV. OTHER MATTERS

On November 15, 2001, TECO filed a Notice of Intent to Request Official Recognition of Orders.

It is therefore,

ORDERED by Commissioner Lila A. Jaber, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Lila A. Jaber, as Prehearing Officer, this 19th day of November, 2001.

LILA A. JABER
Commissioner and Prehearing Officer

(S E A L)

WCK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural, or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

Attachment A

Page 1 of 4

GPIF REWARDS/PENALTIES

January 2000 to December 2000

Utility	Amount	Reward/Penalty
Florida Power Corporation	$ 266,919	Reward
Florida Power and Light Company	$ 9,004,713	Reward
Gulf Power Company	$ 379,732	Reward
Tampa Electric Company	$ 1,095,745	Reward

Utility/ Plant/Unit	EAF		Heat Rate	
FPC	Target	Adjusted Actual	Target	Adjusted Actual
Anclote 1	92.4	84.5	10,022	10,177
Anclote 2	83.9	86.7	10,025	10,085
Crystal River 1	90.3	89.1	9,851	9,840
Crystal River 2	75.3	53.4	9,851	9,735
Crystal River 3	93.4	96.8	10,357	10,333
Crystal River 4	75.7	77.1	9,422	9,308
Crystal River 5	94.0	91.2	9,394	9,313
Bartow 3	82.8	80.9	10,140	10,201
Tiger Bay	79.1	81.0	7,590	7,695
FPL	Target	Adjusted Actual	Target	Adjusted Actual
Cape Canaveral 1	92.4	90.8	9,511	9,541
Cape Canaveral 2	78.2	77.2	9,690	9,764
Fort Lauderdale 4	93.5	91.3	7,349	7,334
Fort Lauderdale 5	93.5	89.9	7,358	7,303
Fort Myers 2	92.7	88.9	9,321	9,442
Manatee 2	71.7	81.1	10,162	10,131
Martin 3	94.2	95.3	6,996	6,770
Martin 4	91.6	95.3	6,906	6,685
Port Everglades 3	95.8	94.6	9,748	9,631
Port Everglades 4	88.2	83.7	9,664	9,647
Putnam 1	91.2	92.9	8,937	8,934
Sanford 4	92.3	90.8	10,016	10,522
Sanford 5	89.3	91.8	10,290	10,247
Turkey Point 3	84.6	90.1	11,066	11,095
Turkey Point 4	84.6	89.2	11,093	11,088
St. Lucie 1	93.6	100.0	10,854	10,805
St. Lucie 2	84.6	90.3	10,872	10,837
Scherer 4	94.2	98.0	9,989	10,036

GPIF REWARDS/PENALTIES

January 2000 to December 2000

Utility/ Plant/Unit	EAF		Heat Rate	
	Target	Adjusted Actual	Target	Adjusted Actual
Gulf				
Crist 6	84.3	73.5	10,629	10,515
Crist 7	77.3	79.2	10,236	10,241
Smith 1	90.6	92.6	10,332	10,227
Smith 2	89.2	91.5	10,137	10,143
Daniel 1	75.3	80.0	10,237	10,267
Daniel 2	74.5	81.3	10,105	10,046
	Target	Adjusted Actual	Target	Adjusted Actual
TECO				
Big Bend 1	78.1	74.3	10,127	10,091
Big Bend 2	80.6	83.2	10,061	9,811
Big Bend 3	76.3	79.6	10,197	9,841
Big Bend 4	84.4	86.1	9,976	9,799
Gannon 5	75.3	57.2	10,562	10,766
Gannon 6	72.2	28.2	10,507	10,529

Attachment A

Page 3 of 4

GPIF TARGETS

January 2002 to December 2002

Utility/ Plant/Unit	EAF				Heat Rate	
		Company		Staff	Company	Staff
FPC	EAF	POF	EUOF			
Anclote 1	91.7	0.0	8.3	Agree	10,183	Agree
Anclote 2	81.7	13.2	5.2	Agree	10,090	Agree
Bartow 3	80.1	11.5	8.4	Agree	10,053	Agree
Crystal River 1	86.8	0.0	13.3	Agree	9,750	Agree
Crystal River 2	65.1	20.6	14.3	Agree	9,619	Agree
Crystal River 3	96.2	0.0	3.8	Agree	10,283	Agree
Crystal River 4	76.5	20.0	3.5	Agree	9,413	Agree
Crystal River 5	94.5	0.0	5.5	Agree	9,376	Agree
Tiger Bay	80.3	13.4	6.3	Agree	8,267	Agree
		Company		Staff	Company	Staff
FPL	EAF	POF	EUOF			
Cape Canaveral 1	90.3	0.0	9.7	Agree	9,163	Agree
Cape Canaveral 2	88.2	3.8	7.7	Agree	9,209	Agree
Ft Lauderdale 4	91.8	2.7	5.5	Agree	7,351	Agree
Ft Lauderdale 5	91.9	2.7	5.4	Agree	7,303	Agree
Manatee 1	81.5	7.7	10.8	Agree	9,861	Agree
Manatee 2	85.4	7.9	6.4	Agree	10,054	Agree
Martin 1	89.2	4.1	6.4	Agree	9,147	Agree
Martin 2	90.8	4.1	4.8	Agree	8,884	Agree
Martin 3	94.9	0.0	5.1	Agree	6,828	Agree
Martin 4	87.9	4.2	5.4	Agree	6,734	Agree
Port Everglades 3	94.3	0.0	5.7	Agree	9,355	Agree
Port Everglades 4	86.0	7.9	5.8	Agree	9,192	Agree
Putnam 1	84.7	4.8	5.7	Agree	8,679	Agree
Riviera 3	84.4	0.0	15.6	Agree	9,809	Agree
Riviera 4	93.1	0.0	6.9	Agree	9,797	Agree
Turkey Point 1	85.4	7.4	6.9	Agree	8,960	Agree
Turkey Point 2	94.3	0.0	5.7	Agree	9,410	Agree
Turkey Point 3	93.6	0.0	6.4	Agree	11,137	Agree
Turkey Point 4	86.0	8.2	5.8	Agree	11,079	Agree
St Lucie 1	86.0	8.2	5.8	Agree	10,793	Agree
St Lucie 2	93.6	0.0	6.4	Agree	10,826	Agree
Scherer 4	84.4	11.8	3.6	Agree	10,098	Agree

GPIF TARGETS

January 2002 to December 2002

Utility/ Plant/Unit	EAF				Heat Rate	
		Company		Staff	Company	Staff
Gulf	EAF	POF	EUOF			
Crist 4	90.9	6.3	2.8	Agree	10,499	Agree
Crist 6	77.3	15.9	6.8	Agree	10,546	Agree
Crist 7	79.7	10.1	10.2	Agree	10,196	Agree
Smith 1	90.7	6.8	2.5	Agree	10,054	Agree
Smith 2	86.6	10.7	2.7	Agree	10,050	Agree
Daniel 1	88.0	2.5	9.5	Agree	10,191	Agree
Daniel 2	70.7	21.6	7.7	Agree	9,906	Agree
		Company		Staff	Company	Staff
TECO	EAF	POF	EUOF			
Big Bend 1	77.3	3.8	18.9	Agree	10,111	Agree
Big Bend 2	66.7	19.2	14.1	Agree	9,815	Agree
Big Bend 3	67.5	15.3	17.2	Agree	10,036	Agree
Big Bend 4	82.6	5.8	11.6	Agree	10,089	Agree
Gannon 5	56.7	15.3	27.9	Agree	10,716	Agree
Gannon 6	63.9	18.1	18.0	Agree	10,704	Agree
Polk 1	78.0	7.7	14.3	Agree	10,087	Agree