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January 27, 1989

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Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399

Re: Docket Nos. 890148-EI and 890001-EI

Dear Mr. Tribble:

I am enclosing, for filing and appropriate distribution, the original and 12 copies of FIPUG's Motion to Consolidate Dockets or Hold Certain Issues in Docket 890001-EI in Abeyance.

Yours truly,

Joseph A. McGlothlin
Joseph A. McGlothlin

ACK
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APP
CAF JAM/jfg
CMU Enclosures
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DOCUMENT NUMBER-DATE
01046 JAN 27 1989
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Florida
Industrial Power Users Group to
Discontinue Florida Power & Light
Company's Oil Backout Cost Recovery
Factor.

DOCKET NO. ~~890148-EI~~

In re: Investigation of Fuel Cost
Recovery Clauses of Investor-owned
Utilities.

DOCKET NO. 890001-EI

Submitted for Filing:
January 27, 1989

**FIPUG'S MOTION TO CONSOLIDATE DOCKETS OR HOLD
CERTAIN ISSUES IN DOCKET 890001-EI IN ABEYANCE**

The Florida Industrial Power Users' Group ("FIPUG"), through its undersigned counsel, moves for an order consolidating Docket Nos. 890148-EI and 890001-EI for purposes of the resolution of issues relating to the continued application by Florida Power & Light Company ("FPL") of its Oil Backout Cost Recovery Factor. Alternatively, FIPUG requests the Commission to hold in abeyance any decision on the issues pertaining to FPL's Oil Backout Cost Recovery Factor now scheduled for hearing on February 22-24, 1989 in Docket No. 890001-EI, pending the disposition of FIPUG's petition in Docket No. 890148-EI. In support, FIPUG states:

1. In 1982, the Commission issued Order No. 11217, Docket No. 820155-EU, in which it approved FPL's application to qualify two 500 KV transmission lines as an oil backout project under Rule 25-17.016, F.A.C. The Commission's decision was based on acceptance of FPL's projections of fuel prices and FPL's representation that the project would economically displace oil-fired generation on FPL's system.

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2. FPL's projections proved to be grossly in error. Some seven years after the Commission authorized FPL to recover the costs of the transmission lines through a special energy charge, the track record of the project shows substantial cumulative net losses rather than savings.

3. On January 26, 1989, FIPUG filed its Petition to Discontinue Florida Power and Light Company's Oil Backout Cost Recovery Factor. In that petition, FIPUG has asserted that to allow FPL to continue the application of the oil backout cost recovery factor under circumstances vastly different than those on which its approval was based would be unreasonable, unjust, and unduly discriminatory, particularly with respect to high load factor customers. FIPUG also maintains that certain revenues have been collected through the charge improperly because deferral benefits claimed by FPL in its recent calculations of net savings are nonexistent. FIPUG has requested the Commission to conduct a hearing on the issues raised in its petition and to thereafter require FPL to terminate the use of the oil backout cost recovery mechanism. FIPUG has demanded that FPL refund to customers all revenues collected on the basis of its "deferral benefits" theory.


4. Presently, the Commission allows FPL to present evidence concerning the appropriate level of the oil backout cost recovery charge as a part of the periodic proceedings in Docket No. 890001-EI, the ongoing docket involving the electric utilities' fuel cost recovery factors. In that docket, a hearing is scheduled for February 22-24, 1989 which includes the subject of

FPL's oil backout filings for the periods of April 1988-September 1988, October 1988-March 1989 and April 1989-September 1989.

5. The issues raised by FIPUG's petition overlap those scheduled to be considered in Docket No. 890001-EI. The time requirements of appropriate proceedings on FIPUG's petition will not enable the Commission to adjudicate the issues raised in its petition by the time of the hearings scheduled in Docket No. 890001-EI. The Commission should not enter any findings on the requests of FPL pending in Docket No. 890001-EI during the pendency of FIPUG's petition.

WHEREFORE, FIPUG requests the Commission to consolidate with Docket No. 890148-EI those matters in Docket No. 890001-EI which relate to FPL's oil backout cost recovery charge, and schedule the consolidated issues for simultaneous hearing.

Alternatively, FIPUG requests the Commission to hold in abeyance all issues pending in Docket No. 890001-EI which relate to FPL's oil backout cost recovery charge, pending disposition of FIPUG's petition in Docket No. 890148-EI.


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FIPUG's Motion to Consolidate Dockets or to Hold Certain Issues in Docket 890001-EI in Abeyance has been furnished either by U.S. Mail or by hand delivery* to the following parties of record, this 27th day of January, 1989.

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