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LAW OFFICES
BRYANT, MILLER AND OLIVE, P.A.

201 South Monroe Street
Suite 500
Tallahassee, Florida 32301
(904) 222-8811

FAX: (904) 224-1544
(904) 224-0044

5825 Glenridge Drive
Building 3
Suite 101
Atlanta, Georgia 30328
(404) 705-8433

FAX: (404) 705-8437

Barnett Plaza
Suite 1265
101 East Kennedy Boulevard
Tampa, Florida 33602
(813) 273-6677

FAX: (813) 223-2705

ORIGINAL
FILE COPY

July 13, 1994

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Public Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0850

In re: Docket No. 940001-EI

Fuel and Purchased Power Cost Recovery Clause and Generating
Performance Incentive Factor.

Dear Ms. Bayo:

Enclosed please find the original and fifteen copies of the Preliminary List of Issues
and Positions to be filed on behalf of Orgulf Transport Co. in the above referenced docket.

ACK

AFA Please acknowledge receipt and filing of the above by stamping the duplicate copy
APP of this letter and return to the undersigned.

CIF Thank you for your attention in this matter.

CIN

CTR

EGG RECEIVED & FILED

LEG Broom

LIN 3 not

CPO MKL/ejc

ROH Enclosure (16)

SEC cc: All Parties of Record

WAS

OTH

Sincerely,
Erna Clay for
Mark K. Logan

DOCUMENT NUMBER-DATE

06973 JUL 13 1994

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause and Generating) Docket No.
Performance Incentive Factor) 940001-EI
_____)

PRELIMINARY LIST OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-94-0818-PCO-EI, issued on July 5, 1994 and Rule 25-22.038, Fla. Admin. Code, Orgulf Transport Co. ("Orgulf") files its Preliminary List of Issues and Positions and states:

A. Basic Position:

The Florida Public Service Commission should deny Gulf's petition with respect to all costs related to the Peabody Coal contract buy-out and any other costs related to the administration, suspension, and cancellation of the Orgulf transportation contract as these costs were not prudently incurred. The Commission should also deny recovery for any replacement fuel transportation costs incurred by Gulf Power outside of its transportation agreement with Orgulf.

Alternatively, the Commission should order that Gulf Power be prohibited from recovering all costs associated with the Peabody Coal contract buy-out and other costs relative to the Orgulf transportation agreement for the time period in question until the pending litigation between Gulf and Orgulf Transport is concluded. At such time the Commission can better determine whether costs associated with the administration of the Peabody and Orgulf contracts and other related transportation costs have been prudently incurred and are therefore recoverable from Gulf's

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ratepayers.

(B) Preliminary Statement of Issues and Positions:

Orgulf has no preliminary position with respect to all generic issues in this docket but reserves the right to take a position on any such issue or any issues raised by Gulf Power Company by the date of the prehearing conference.

Company-Specific Issues

ISSUE 1: Is Gulf Power requesting recovery through its fuel adjustment clause of any part of the costs associated with the Peabody Coal contract buy-out?

ORGULF: Yes.

ISSUE 2: If the answer to Issue 1 is yes, were those costs prudently incurred?

ORGULF: No.

ISSUE 3: If the answer to Issue 1 is yes, should the Commission approve recovery of such costs?

ORGULF: No.

ISSUE 4: Is Gulf Power requesting recovery through its fuel adjustment clause for any part of its costs associated with the administration, suspension, or cancellation of the Orgulf contract, including related transportation costs incurred by Gulf apart from its transportation agreement with Orgulf?

ORGULF: Yes.

ISSUE 5: If the answer to Issue 4 is yes, were those costs

prudently incurred?

ORGULF: No.

ISSUE 6: If the answer to Issue 4 is yes, should the Commission approve recovery of such costs?

ORGULF: No.

ISSUE 7: Is Gulf Power attempting to recover through its fuel adjustment clause any part of the costs associated with its civil litigation with Orgulf?

ORGULF: Yes.

ISSUE 8: If the answer to Issue 7 is yes, were those costs prudently incurred?

ORGULF: No.

ISSUE 9: If the answer to Issue 7 is yes, should the Commission approve recovery of such costs?

ORGULF: No.

ISSUE 10: Does Gulf Power Company's Updated Proforma "Ongoing Benefits Test" for the Peabody Coal Suspension Agreement (July, 1993-June, 1994) include any consideration of potential contract damages at issue in the litigation between Gulf Power and Orgulf?

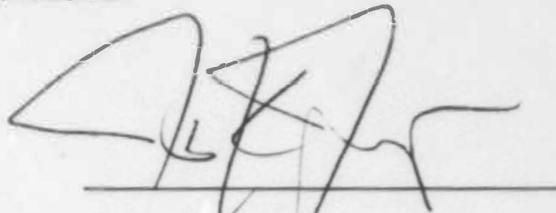
ORGULF: No. Orgulf's position is that a real analysis of any potential cost or savings associated with the Peabody buy out must include a determination with respect to potential contractual damages at issue in the litigation between Orgulf and Gulf Power.

ISSUE 11: Should the Commission withhold determination as to the recoverability of the Peabody Coal buyout and Orgulf transportation-related costs pending the conclusion of the

litigation between Gulf Power and Orgulf?

ORGULF: Orgulf's position is that the costs associated with the Peabody Coal buy-out and other costs related to Orgulf's coal transportation contract with Gulf Power are not recoverable. However, to the extent the Commission determines that it is inappropriate to deny recoverability at this time, the Commission should withhold final determination on these issues until such time as the Orgulf litigation is concluded.

Respectfully submitted.



Mark K. Logan
(Fla. Bar No. 0494208)
Bryant, Miller and Olive, P.A.
201 South Monroe Street
Suite 500
Tallahassee, Florida 32301
904.222.8611

Attorney for Intervenor Orgulf
Transport Co.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clause and Generating) Docket No.
Performance Incentive Factor) 940001-EI

CERTIFICATE OF SERVICE

I certify that a copy of Orgulf's Preliminary List of Issues and Positions has been furnished to the following by U.S. Mail or hand delivery (*) this 13th day of July, 1994:

Martha Brown, Esq.*
Division of Legal Services
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

Mr. Kenneth Hoffman
Mr. Floyd Self
Messer, Vickers, Caparello,
Madsen, Lewis, Goldman & Metz
P.O. Box 1876
Tallahassee, FL 32301-1876

Mr. James A. McGee
Senior Counsel
Florida Power Corporation
P.O. Box 14042
St. Petersburg, FL 33733

Mr. Ross Burnaman
L.E.A.F.
1115 North Gadsden Street
Tallahassee, FL 32308

Mr. Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin
Davidson & Bakas
315 S. Calhoun St., Suite 716
Tallahassee, FL 32301

Mr. Jeffrey Stone
G. Eddison Holland Jr.
Beggs & Lane
P.O. Box 12950
Pensacola, FL 32576

Mr. Jack Shreve
Office of Public Counsel
Room 812
111 West Madison Street
Tallahassee, FL 32399-1400

Mr. Everett Boyd
Ervin, Varn et al
P.O. Box 1170
Tallahassee, FL 32302

Mr. Charles A. Guyton
Steel Hector & Davis
215 S. Monroe St., Suite 601
Tallahassee, FL 32301

Mr. Bill Feaster
Florida Power & Light Co.
215 S. Monroe St., Suite 810
Tallahassee, FL 32301-1888

Mr. John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
P.O. Box 3350
Tampa, FL 33601

Mr. Jim Beasley
McFarlane, Ausley et al
P.O. Box 391
Tallahassee, FL 32302

Mr. Eugene M. Trisko
United Mine Workers of America
P.O. Box 596
Berkeley Springs, WV 25411

Mr. John Stark
Peoples Gas Company
3706 Bobbin Brook Circle
Tallahassee, FL 32312

Mr. Bruce Page
Assistant Counsel
Officer of General Counsel
1300 City Hall
Jacksonville, FL 32202

Mr. Jack Langer
President and CEO
City Gas Company of Florida
955 East 25th Street
Hialeah, FL 33013

William B. Willingham
Moore, Williams, et al
306 E. College Ave
P.O. Box 1169
Tallahassee, FL 32302

Ms. Michelle Hershel
FECA
P.O. Box 590
Tallahassee, FL 32302

Mr. Raymond O. Manasco, Jr.
City of Gainesville
P.O. Box 147117, Station A-138
Gainesville, FL 32614-7117

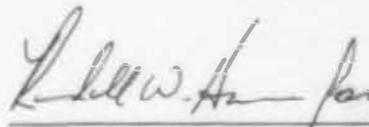
Mr. Russell D. Chapman
Tampa Electric Company
TECO Plaza
P.O. Box 111
Tampa, FL 33601-0111

Mr. Jack Haskins
Gulf Power Company
P.O. Box 1151
Pensacola, FL 32591

Mr. Ansley Watson, Jr.
Matthew R. Costa
McFarlane Law Firm
P.O. Box 1531
Tampa, FL 33601

Florida Client Council
c/o Benjamin Ochshorn
Florida Legal Services
511 Beverly Street
Tallahassee, FL 32301

Mr. P.G. Para
JEA
21 West Church Street
Jacksonville, FL 32202



Mark K. Logan