

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power ) DOCKET NO. 960001-EI  
Cost Recovery Clause and )  
Generating Performance Incentive ) FILED: FEBRUARY 8, 1996  
Factor. )  
\_\_\_\_\_ )

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-96-0061-PCO-EI, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None.

c. Staff's Statement of Basic Position

Staff takes no basic statement of position pending the evidence developed at hearing.

d. Staff's Position on the Issues

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April, 1995 through September, 1995?

POSITION:

FPC: Staff takes no position at this time.  
FPL: \$33,181,566 underrecovery.  
FPUC: Marianna: \$131,269 overrecovery  
Fernandina Beach: \$19,084 underrecovery.  
GULF: Staff takes no position at this time.  
TECO: \$437,285 underrecovery.

DOCUMENT NUMBER-DATE

01536 FEB-8 96

FPSC-RECORDS/REPORTING

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

**ISSUE 2:** What are the estimated fuel adjustment true-up amounts for the period October, 1995 through March, 1996?

**POSITION:**

FPC: Staff takes no position at this time.

FPL: \$64,536,189 underrecovery. However, staff and FPL will review the effect of January's abnormally cold weather before the hearing to determine if revised projections are needed to avoid a midcourse-correction.

FPUC: Marianna: \$207 overrecovery.  
Fernandina Beach: \$71,764 overrecovery.

GULF: Staff takes no position at this time.

TECO: Staff takes no position pending resolution of company specific Oil Backout issue.

**ISSUE 3:** What are the total fuel adjustment true-up amounts to be collected during the period April, 1996 through September, 1996?

**POSITION:**

FPC: Staff takes no position at this time.

FPL: \$97,684,026 underrecovery. However, staff and FPL will review the effect of January's abnormally cold weather before the hearing to determine if revised projections are needed to avoid a midcourse-correction. The total true-up amount includes a \$33,729 overrecovery Oil Backout true-up amount as set forth in Order No. PSC-95-1089-FOF-EI.

FPUC: Marianna: \$131,476 overrecovery.  
Fernandina Beach: \$52,680 overrecovery.

GULF: Staff takes no position at this time.

TECO: Staff takes no position pending resolution of company specific Oil Backout issue.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1996 through September, 1996?

POSITION:

FPC: Staff takes no position at this time.

FPL: 2.071 cents/Kwh. However, staff and FPL will review the effect of January's abnormally cold weather before the hearing to determine if revised projections are needed to avoid a midcourse-correction.

FPUC: Marianna: 2.898  
Fernandina Beach: 3.295

GULF: Staff takes no position at this time.

TECO: Staff takes no position pending resolution of company specific Oil Backout issue.

ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost recovery charge for billing purposes?

POSITION: The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1996 through September, 1996. Billing cycles may start before April 1, 1996, and the last cycle may be read after September 30, 1996, so that each customer is billed for six months regardless of when the adjustment factor became effective.

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?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna: Staff takes no position at this time.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

Fernandina Beach: Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:  
Staff takes no position at this time.

Fernandina Beach:  
Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of April, 1996, through September, 1996?

POSITION:

FPC: Staff takes no position at this time.

FPL: Staff takes no position at this time.

FPUC: Marianna:  
Staff takes no position at this time.

Fernandina Beach:  
Staff takes no position at this time.

GULF: Staff takes no position at this time.

TECO: Staff takes no position at this time.

STAFF'S PREHEARING STATEMENT  
DOCKET NO.: 960001-EI

ISSUE 9: Is it appropriate to recover the cost of SO<sub>2</sub> emission allowances through the Fuel and Purchased Cost Recovery Clause?

POSITION: Staff takes no position at this time.

Company-Specific Fuel Adjustment Issues

Florida Power and Light Company

ISSUE 10: Should Florida Power and Light recover replacement energy costs incurred as a result of outages at Plant St. Lucie and Plant Turkey Point during the period September 1994 through September 1995?

POSITION: This issue should be deferred until the August 1996, fuel hearing to allow time for additional discovery. FPL has identified over \$20 million associated with replacement energy costs in response to Staff's Interrogatory No. 21. The Commission should retain jurisdiction over these dollars pending review of prudence.

Florida Power Corporation

ISSUE 11: Should the Commission approve FPC's request to recover the cost of converting its Intercession City combustion turbine units P8 and P10 to burn natural gas?

POSITION: No position pending further discovery.

Gulf Power Company

ISSUE 12A: Should Gulf Power Company recover costs associated with the partial buyout of its fuel supply contract for deliveries of Venezuelan/Illinois coal with Peabody Coal Company?

POSITION: No position pending further discovery.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

ISSUE 12B: Should Gulf Power Company recover the cost of payments made to Georgia Power Company associated with the Seasonal Powder River Basin Fuel Program at Plant Daniel?

POSITION: No position pending further discovery.

Tampa Electric Company

ISSUE 13A: Should TECO separate Oil Backout Cost Recovery costs by wholesale and retail jurisdiction prior to calculating the oil backout factor?

POSITION: No position pending further discovery.

ISSUE 13B: Should TECO refund the non-jurisdictional portion of Oil Backout Cost Recovery costs previously recovered from its retail ratepayers?

POSITION: No position pending further discovery.

Generic Generating Performance Incentive Factor Issues

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1995 through September, 1995?

POSITION:

FPC: See staff Attachment 1, page 1 of 2.

FPL: See staff Attachment 1, page 1 of 2.

GULF: See staff Attachment 1, page 1 of 2.

TECO: See staff Attachment 1, page 1 of 2.

ISSUE 15: What should the GPIF targets/ranges be for the period April, 1996 through September, 1996?

POSITION:

FPC: See staff Attachment 1, page 2 of 2.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

FPL: See staff Attachment 1, page 2 of 2.

GULF: See staff Attachment 1, page 2 of 2.

TECO: See staff Attachment 1, page 2 of 2.

Company-Specific GPIF Issues

Tampa Electric Company

ISSUE 16A: Should the adjustments made by Tampa Electric Company to the heat rate results for Big Bend Unit #3 be included in the GPIF reward calculation?

POSITION: Yes.

ISSUE 16B: Should the adjustments made by Tampa Electric Company to the Big Bend Unit #3 heat rates be allowed in the heat rate target?

POSITION: Yes.

Florida Power & Light Company

ISSUE 17: Should the adjustments made by Florida Power and Light Company to the equivalent availability factors for St. Lucie Units #1 and #2, for externally caused events occurring at those units, be included in the GPIF reward calculation?

POSITION: Yes.

Generic Oil Backout Issues

ISSUE 18: What is the final oil backout true-up amount for the April, 1995 through September, 1995 period?

POSITION:  
FPL: Staff takes no position at this time.  
TECO: Staff takes no position at this time.

ISSUE 19: What is the estimated oil backout true-up amount for the period October, 1995 through March, 1996?

POSITION:

TECO: Staff takes no position at this time.

Company-Specific Oil Backout Issues

Staff knows of no company-specific oil backout issues at this time.

Generic Capacity Cost Recovery Issues

ISSUE 20: What is the appropriate final capacity cost recovery true-up amount for the period April, 1995 through September 1995?

POSITION:

FPC:	\$4,239,557	Overrecovery
FPL:	\$23,587,130	Overrecovery
TECO:	\$17,956	Underrecovery

ISSUE 21: What is the estimated capacity cost recovery true-up amount for the period October, 1995 through March 1996?

POSITION:

FPC:	\$120,500	Underrecovery
FPL:	\$38,959,291	Overrecovery
TECO:	\$179,568	Overrecovery

ISSUE 22: What is the total capacity cost recovery true-up amount to be collected during the period April, 1996 through September, 1996?

POSITION:

FPC:	\$4,119,057	Overrecovery
------	-------------	--------------



STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

FPL: \$62,546,424 Overrecovery  
TECO: \$161,612 Overrecovery

**ISSUE 23:** What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period April, 1996 through September, 1996?

**POSITION:** FPC: \$123,768,370  
FPL: \$160,561,638  
TECO: \$11,584,505

**ISSUE 24:** What are the projected capacity cost recovery factors for the period April, 1996 through September 1996?

**POSITION:**  
FPC:

<u>Rate Class</u>	<u>Cents/Kwh</u>
RS	.936
GS-Trans.	.728
GS-Pri.	.735
GS-Sec.	.743
GS-100% L.F.	.512
GSD-Trans.	.609
GSD Pri.	.616
GSD-Sec.	.622
CS-Trans.	.512
CS-Pri.	.517
CS-Sec.	.522
IS-Trans.	.512
IS-Pri.	.517
IS-Sec.	.522
Lighting	.187

FPL:

<u>Rate Class</u>	<u>Capacity Recovery Factor (\$/KW)</u>	<u>Capacity Recovery Factor (\$/KWH)</u>
RS1	--	.00442
GS1	--	.00434
GSD1	1.62	--

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

OS2	--	.00302
GSLD1/CS1	1.65	--
GSLD2/CS2	1.65	--
GSLD3/CS3	1.58	--
CILCD/CILCG	1.64	--
CILCT	1.58	--
MET	1.71	--
OL1/SL1	--	.00123
SL2	--	.00292

<u>Rate Class</u>	<u>Capacity Recovery Factor (Reservation Demand Charge) (\$/KW)</u>	<u>Capacity Recovery Factor (Sum of Daily Demand Charge) (\$/KW)</u>
ISST1D	.21	.10
SST1T	.20	.09
SST1D	.21	.10

TECO: The appropriate factors are as follows:

<u>Rate Schedules</u>	<u>Factor</u>
RS	.193 cents per KWH
GS, TS	.179 cents per KWH
GSD	.135 cents per KWH
GSLD/SBF	.123 cents per KWH
IS-1 & 3, SBI-1 & 3	.011 cents per KWH
SL, OL	.029 cents per KWH

e. Pending Motions

None.

f. Compliance with Order No. PSC-96-0061-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

STAFF'S PREHEARING STATEMENT  
DOCKET NO. 960001-EI

Respectfully submitted this 8th day of February, 1996.

  
\_\_\_\_\_  
VICKI D. JOHNSON

Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399  
(904)413-6199

STAFF'S PREHEARING STATEMENTS REWARDS/PENALTIES  
DOCKET NO. 960001-EI April 1995 to September 1995

Florida Power Corporation	\$1,456,161	Reward
Florida Power and Light Company	\$2,159,086	Reward
Gulf Power Company	(\$483,077)	Penalty
Tampa Electric Company	\$376,230	Reward

Utility/ Plant/Unit	EAF		Heat Rate	
	Target	Adj. Actual	Target	Adj. Actual
<b>FPC</b>				
Anclole 1	97.1	92.6	9,268	9,190
Anclole 2	97.2	89.1	9,565	9,680
Crystal River 1	60.2	61.3	10,130	9,962
Crystal River 2	83.6	92.0	10,053	9,843
Crystal River 3	94.0	99.0	10,532	10,411
Crystal River 4	92.9	95.9	9,377	9,408
Crystal River 5	90.6	90.9	9,274	9,297
<b>FPL</b>				
Cape Canaveral 1	91.2	95.9	9,230	9,393
Cape Canaveral 2	89.8	95.4	9,252	9,460
Fort Lauderdale 4	89.5	89.8	7,335	7,250
Fort Lauderdale 5	95.7	98.0	7,362	7,306
Fort Myers 2	91.7	93.5	9,337	9,891
Manatee 2	96.0	92.0	9,600	10,387
Port Everglades 3	85.6	87.7	9,209	9,681
Port Everglades 4	96.0	88.4	9,313	9,547
Putnam 1	96.0	95.6	8,540	8,796
Putnam 2	84.2	86.5	8,519	8,567
Riviera 3	93.6	95.5	9,610	9,898
Riviera 4	90.9	96.8	9,805	10,041
Sanford 5	96.0	97.1	9,694	9,881
Scherer 4	96.0	91.6	9,956	10,007
St. Lucie 1	93.6	65.9	10,882	10,946
St. Lucie 2	83.3	96.3	10,877	11,217
Turkey Point 1	82.7	84.8	9,309	9,488
Turkey Point 2	95.6	94.9	9,262	9,482
Turkey Point 3	85.1	89.7	11,133	11,210
Turkey Point 4	93.1	99.2	11,218	11,146
<b>Gulf</b>				
Crist 6	76.6	84.2	10,804	11,052
Crist 7	76.4	83.7	10,675	10,899
Smith 1	81.4	85.5	10,147	10,226
Smith 2	87.7	90.6	10,270	10,387
Daniel 1	90.5	85.4	10,291	10,618
Daniel 2	97.5	95.7	10,107	10,339
<b>TECO</b>				
Big Bend 1	83.4	87.9	10,137	10,109
Big Bend 2	88.1	88.5	10,055	10,032
Big Bend 3	67.1	62.0	9,607	9,692
Big Bend 4	90.6	92.4	10,036	9,975
Gannon 5	88.7	91.5	10,052	10,014
Gannon 6	80.4	87.4	10,335	10,372

STAFF'S PREHEARING STATEMENT  
 DOCKET NO. 960001-EI  
 GPIF TARGETS  
 April 1996 to September 1996

Utility/ Plant/Unit	Equivalent Availability			Staff	Heat Rate	
	Company				Company	Staff
FPC	EAF	POF	EUOF			
Anclote 1	96.1	0.0	4.0	Agree	9,665	Agree
Anclote 2	97.1	0.0	2.9	Agree	9,784	Agree
Crystal River 1	86.9	3.8	9.3	Agree	10,046	Agree
Crystal River 2	80.5	0.0	19.6	Agree	9,940	Agree
Crystal River 3	90.0	8.2	1.8	Agree	10,492	Agree
Crystal River 4	70.4	26.2	3.4	Agree	9,368	Agree
Crystal River 5	94.9	0.0	5.1	Agree	9,279	Agree
FPL	EAF	POF	EUOF			
Cape Canaveral 1	84.6	8.2	7.2	Agree	9,342	Agree
Cape Canaveral 2	92.2	0.0	7.8	Agree	9,331	Agree
Fort Lauderdale 4	96.0	0.0	4.0	Agree	7,308	Agree
Fort Lauderdale 5	96.0	0.0	4.0	Agree	7,375	Agree
Fort Myers 2	94.5	0.0	5.5	Agree	9,330	Agree
Manatee 2	90.8	3.8	5.4	Agree	9,450	Agree
Martin 1	93.5	2.7	3.8	Agree	6,946	Agree
Martin 2	74.6	2.2	23.2	Agree	6,942	Agree
Port Everglades 3	70.1	24.6	5.3	Agree	9,465	Agree
Port Everglades 4	92.3	0.0	7.7	Agree	9,449	Agree
Putnam 1	95.5	0.0	4.5	Agree	9,658	Agree
Putnam 2	96.0	0.0	4.0	Agree	8,379	Agree
Scherer 4	84.1	8.7	7.2	Agree	9,988	Agree
St. Lucie 1	53.1	31.7	15.2	Agree	10,937	Agree
St. Lucie 2	84.2	0.0	15.8	Agree	10,996	Agree
Turkey Point 1	95.8	0.0	4.2	Agree	9,088	Agree
Turkey Point 2	94.3	0.0	5.7	Agree	9,107	Agree
Turkey Point 3	93.6	0.0	6.4	Agree	11,140	Agree
Turkey Point 4	82.4	12.0	5.6	Agree	11,196	Agree
Gulf	EAF	POF	EUOF			
Crist 6	82.2	8.8	9.0	Agree	10,597	Agree
Crist 7	71.6	15.3	13.1	Agree	10,500	Agree
Smith 1	87.3	8.7	4.0	Agree	10,219	Agree
Smith 2	91.7	0.0	8.3	Agree	10,422	Agree
Daniel 1	92.8	0.0	7.2	Agree	10,493	Agree
Daniel 2	96.7	0.0	3.3	Agree	10,280	Agree
TECO	EAF	POF	EUOF			
Big Bend 1	86.7	0.0	13.3	Agree	10,077	Agree
Big Bend 2	85.9	0.0	14.1	Agree	10,020	Agree
Big Bend 3	87.1	0.0	12.9	Agree	9,746	Agree
Big Bend 4	89.7	0.0	10.3	Agree	10,149	Agree
Gannon 5	90.4	0.0	9.6	Agree	10,343	Agree
Gannon 6	64.8	27.3	7.9	Agree	10,443	Agree

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power ) DOCKET NO. 960004-EE  
Cost Recovery Clause and )  
Generating Performance Incentive ) FILED: FEBRUARY 8, 1996  
Factor. )  
\_\_\_\_\_)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one copy of Staff's Prehearing Statement has been furnished by U.S. Mail this 8th day of February, 1996, to the following:

Air Products & Chemicals, Inc.  
Mr. Roger Yott  
2 Windsor Plaza  
Allentown, PA 18195-1501

Beggs & Lane  
Mr. Jeffery Stone, Esquire  
P. O. Box 12950  
Pensacola, FL 32576-2950

Brickfield Law Firm  
Mr. Peter Brickfield, Esquire  
1025 Thomas Jefferson St., N.W.  
Washington, D.C. 20007

Ms. Suzanne Brownless, Esquire  
1311 B Paul Russell Road  
Suite 202  
Tallahassee, FL 32301-4860

Dahlen Law Firm  
Mr. Stephen Yurek, Esquire  
2150 Dain Bosworth Plaza  
Minneapolis, MN 55402

Destec Energy, Inc.  
Mr. Barry Huddleston  
2500 CityWest Blvd., #150  
Houston, TX 77210-4411

Florida Industrial Power Users  
Group  
McWhirter Reeves McGlothlin  
Ms. Vicki Gordon Kaufman,  
Esquire  
117 S. Gadsden Street  
Tallahassee, FL 32301-1838

Gulf Power Company  
Mr. Jack L. Haskins  
P. O. Box 13470  
Pensacola, FL 32591-3470

Florida Power Corporation  
Mr. James A. McGee, Esquire  
P. O. Box 14042  
St. Petersburg, FL 33733-4042

Florida Public Utilities Company  
Mr. Frank C. Crennan  
P. O. Box 3395  
West Palm Beach, FL 33402-3395

DOCKET NO. 960001-EI  
CERTIFICATE OF SERVICE

Florida Steel Corporation  
5100 W. Lemon Street, #312  
Tampa, FL 33609

MacFarlane Ausley Ferguson  
Mr. James Beasley, Esquire  
P. O. Box 391  
Tallahassee, FL 32302

Tampa Electric Company  
Ms. Jana A. Hathorne  
Regulatory Affairs Department  
P. O. Box 111  
Tampa, FL 33601-0111

Salem Law Firm  
Richard Salem, Esquire  
101 E. Kennedy Blvd., #3200  
Tampa, FL 33601


Steel, Hector & Davis  
Matt Childs, Esquire  
215 S. Monroe, #601  
Tallahassee, FL 32301

Office of Public Counsel  
c/o The Florida Legislature  
111 W. Madison Street, #812  
Tallahassee, FL 32399-1400

McWhirter Reeves McGlothlin  
Davidson & Bakas  
P. O. Box 3350  
Tampa, FL 32601-3350

Messer Vickers Caparello Madsen  
Goldman & Metz, P.A.  
Mr. Norman Horton, Jr., Esquire  
P. O. Box 1876  
Tallahassee, FL 32302

United Mine Workers  
Mr. Eugene Trisko  
P. O. Box 596  
Berkley Spring, WV 25411

  
VICKI D. JOHNSON  
Staff Counsel

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399  
(904) 413-6199