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March 21, 1997

HAND-DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Re: Docket No. 970261-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and fifteen copies of FIPUG's Response to Florida Power Corporation's Motion to Confirm Scope of Hearing and Sever Workshop in the above docket.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

ACK
AFA 2
APP _____
CAF _____
CMU _____ VGK/pw
CTR _____ Encls.
EAG Bayo
LEG 2
LIN 5
OPC _____
RCH 1
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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Review of nuclear outage)
 at Florida Power Corporation's)
 Crystal River Unit No. 3.)

Docket No. 970261-EI

Filed: March 21, 1997

**The Florida Industrial Power Users Group's
 Response to Florida Power Corporation's
Motion to Confirm Scope of Hearing and Sever Workshop**

Pursuant to rule 25-22.037, Florida Administrative Code, the Florida Industrial Power Users Group (FIPUG), files its response to Florida Power Corporation's (FPC) Motion to Confirm Scope of Hearing and Sever Workshop. FPC's motion should be conditionally granted.

1. At the February 1997 fuel adjustment hearing FPC sought permission from the Commission to recover approximately \$90 million from ratepayers for the cost of replacement fuel due to the extended outage at its Crystal River No. 3 nuclear unit. At the time of the hearing, FPC did not provide the Commission or the parties with any information as to the reason for or the duration of the outage.

2. The Commission granted FPC temporary permission to recover the replacement fuel costs pending a thorough investigation of the problems at Crystal River 3. The Commission directed its Staff to immediately investigate the outage and promptly advise the Commission of its findings. The Commission made it clear that other parties would have the opportunity to participate in the investigation.¹ The result of the Commission's direction was that this docket was opened, certain proceedings were scheduled, and FPC was directed to file a preliminary report. Order No. PSC-97-0246-PCO-EI established the procedure for a prudency hearing to deal

¹ The Commission granted FIPUG's request to intervene in this docket in Order No. PSC-97-0252-PCO-EI.

with economic issues pending restoration of the plant to service. FPC alleges that this "early hearing" cannot be fully dispositive of the issues.

3. FPC has petitioned the Commission to limit the scope of the proceeding to currently ascertained facts and to further rule that the workshop the Commission has scheduled not be a part of the record in this proceeding.

4. At a meeting held March 13, 1997 between the parties of record, the Commission Staff explained that purpose of the scheduled Staff workshop was to aid the Staff in discovery and to provide timely public information concerning the outage. It was further explained that all information concerning the outage may not be available by the time of the hearing scheduled for June 1997.

5. Under the circumstances recited in paragraph 4, FIPUG has no objection to an order providing that the informal workshop will not be part of the record in this docket, provided that FPC acknowledges for the record, at or prior to the workshop, that its due process rights are unaffected by the proceedings.

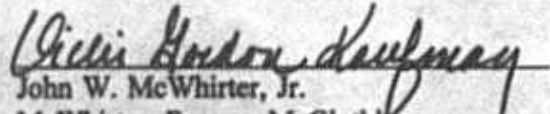
6. FIPUG believes it is the Commission's intent to fully investigate the Crystal River outage. FPC requests that the current prudency hearing be limited to known facts. FPC claims it cannot address other issues and to require it to do so would be premature. FIPUG agrees with this position provided that the hearings scheduled for June will not be *res adjudicata* with respect to the final determination of financial responsibility for the shut down. If newly discovered evidence justifies relieving customers of all or partial responsibility for bearing the economic loss occasioned by the plant shut down, FIPUG on its own behalf and on behalf of other customers similarly situated reserves the right to petition the Commission for further consider the matter.

7. The circumstances here are reminiscent of Docket No. 770316-EU, styled:

Petition of Florida Power Corporation to modify its rate schedules to reflect the true net savings resulting from the generation of electricity from its Crystal River nuclear plant.

In that proceeding, the promised savings failed to materialize and the Commission by Order No. 8260 granted FIPUG's petition for reconsideration and ordered a full revenue requirements case.

WHEREFORE, FIPUG requests that FPC's motion be granted subject to the conditions stated herein.



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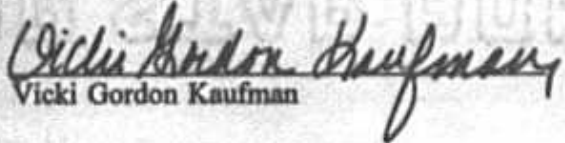
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing FIPUG Response to Florida Power Corporation's Motion to Confirm Scope of Hearing and Sever Workshop has been furnished by *hand delivery or U.S. Mail to the following this 21st day of March, 1997:

*Bob Elias
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Room 370N
Tallahassee, Florida 32399-0850

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Vicki Gordon Kaufman

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March 21, 1997

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 970261-EI

Dear Ms. Bayó:

Enclosed are an original and fifteen copies each of a Notice of Intervention and a Response in Opposition to Florida Power Corporation's Motion to Confirm Scope of Hearing and Sever Workshop for filing in the above-referenced docket. 03040-97

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter. 03041-97

Sincerely,

John Roger Howe
Deputy Public Counsel

- ACK
- AFA 2
- APP _____
- CAF _____
- CMU _____
- CTR JRH/dsb
- Enclosures
- EAG Pass
- LEG 2
- LIN 5
- OPC _____
- RCH 1
- SEC 1
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- OTH _____

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