VOTE SHEET

AUGUST 15, 2000

RE: DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

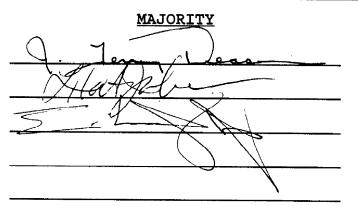
<u>Issue 1</u>: Should the Commission eliminate the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B? <u>Recommendation</u>: Yes. The shareholder incentive should be eliminated

because: 1) the objectives of Order No. 12923 have been met; 2) many factors which affect the magnitude of non-separated sales are outside a utility's control; 3) utilities have expanded the application of Order No. 12923 without prior Commission approval; and, 4) the incentive may be duplicative of the Generating Performance Incentive Factor.

DENIED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES



REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

DISSENTING

FESC-RECORDS/REPORTING

8

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<u>Issue 2</u>: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, what types of nonseparated, non-firm, wholesale sales should be eligible to receive the shareholder incentive? <u>Recommendation</u>: If staff's recommendation in Issue 1 is approved, this issue is moot. If staff's recommendation in Issue 1 is denied, at a minimum the Commission should clarify Order No. 12923 to state that only

Schedules C and X are eligible for a shareholder incentive. If the Commission decides to expand the current shareholder incentive, then the incentive should apply to all non-separated sales with the exclusion of emergency sales.

APPROVED with the clarification that incentives are to provide marginum benefit to rate-payers and apply to all non-separated payers and apply to all non-separated sales with the exception of emergency sales.

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DENIED

<u>Issue 3</u>: If the Commission decides to maintain the 20 percent shareholder incentive in Issue 1 or approves a new incentive, how should the incentive be structured?

<u>Primary Recommendation</u>: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive, a three-year moving average of the gains on the types of sales approved in Issue 2 should be used to set a threshold for the incentive. Gains made above this threshold should be split 80/20 between ratepayers and shareholders, respectively, from the date of a final Commission order.

APPROVED (See decision on chose 2.)

<u>Alternative Recommendation</u>: If staff's recommendation in Issue 1 is approved, this issue is moot. If the Commission decides to expand the current incentive in Issue 2, the Commission should allocate the gain on the eligible sales on a 95/5 percent basis between the ratepayers and shareholders, respectively, from the date of a final Commission order. VOTE SHEET AUGUST 15, 2000 DOCKET NO. 991779-EI - Review of the appropriate application of incentives to wholesale power sales by investor-owned electric utilities.

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<u>Issue 4</u>: How should the gains on non-separated sales discussed in Issues 2 and 3 be calculated? <u>Recommendation</u>: Total gains should be the transaction price less fuel, O&M, SO2, transmission, and capacity charges.

APPROVED

<u>Issue 5</u>: Should this docket be closed?

<u>Recommendation</u>: The docket should be closed after the time for filing an appeal on Issues 1, 2, and 3 has run or upon issuance of a consummating order on Issue 4, whichever occurs later.

APPROVED