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March 4, 1999

VIA HAND DELIVERY

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

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RECORDS AND REPORTING

Re: Docket No. 990001-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and ten copies of the Florida Industrial Power Users Group's Post-Hearing Statement of Issues and Positions 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

ACK Vicki Gordon Kaufman

AFA Vicki Gordon Kaufman

APP VGK/pw

DET Encl.

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02836 MAR-4 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Fuel and Purchased Power)
Cost Recovery Clause and)
Generating Performance Incentive)
Factor.)
_____)

Docket No. 990001-EI

Filed: March 4, 1999

TRANSMISSION RECONSIDERATION

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
POST-HEARING STATEMENT OF ISSUES AND POSITIONS**

The Florida Industrial Power Users Group (FIPUG) hereby files its Post-Hearing Statement of Issues and Positions.

ISSUE 1

Does the FERC require that revenue from non-firm transmission services subject to FERC jurisdiction be reflected as a revenue credit in the derivation of firm transmission service rates subject to FERC jurisdiction?

FIPUG Position:*No position.*

ISSUE 2

How should the transmission revenues associated with economy transactions over the Energy Broker Network be allocated between the retail and wholesale jurisdictions?

FIPUG Position:*Transmission revenues should be allocated on an energy basis.*

ISSUE 3

How should Florida Power Corporation allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

FIPUG Position:*Transmission revenues should be allocated on an energy basis. FPC has shown no compelling reason to make a change in the current allocation.*

FPC is the only utility that is seeking a change in the way transmission revenues are currently allocated; the other three investor-owned utilities have not sought to change the

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transmission revenue allocation. The impetus for this change is FERC Order No. 888.

However, in this case the Commission is dealing only with existing contracts. (Tr. 45). These contracts do not have a separate charge for transmission service and FPC is not incurring any new costs to serve these existing contracts. (Tr. 45). Essentially, what FPC proposes is to reallocate the same amount of revenue it now collects, so that more of that revenue flows to the wholesale jurisdiction. FPC argues that if this is not done, there will be a "potential" revenue loss to the company. (Tr. 42).

FIPUG's response to this argument is two-fold. First, FPC has provided no concrete evidence of any "double dipping." It simply argues that there is the "potential" for this result. And in fact, Mr. Wieland testified that it is the same pot of dollars as before Order No. 888, simply being divided up differently. (Tr. 46). The Commission should require strict proof of such a problem before changing the allocation to the detriment of retail customers. Second, as FIPUG argued when FPC first raised this issue on reconsideration, it is this Commission which has jurisdiction over retail ratepayers and the transmission system for which they have paid. If this change is made, the retail customers' fuel adjustment charges will be higher. (Tr. 81). The Commission should not do anything to diminish the amount of revenues credited to retail ratepayers from the use of this system.

ISSUE 4

How should Florida Power & Light allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

FIPUG Position:*Transmission revenues should be allocated on an energy basis. FPL is not seeking any change in the methodology.*

ISSUE 5

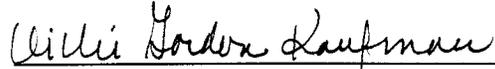
How should Gulf Power Company allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

FIPUG Position:*Transmission revenues should be allocated on an energy basis. Gulf is not seeking any change in the methodology and in fact, says that such a change would impose needless expense.*

ISSUE 6

How should Tampa Electric Company allocate transmission revenues associated with economy transactions over the Energy Broker Network between the retail and wholesale jurisdictions?

FIPUG Position:*Transmission revenues should be allocated on an energy basis.*



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Florida Industrial Power Users Group's Post-Hearing Statement of Issues and Positions** has been furnished by hand delivery(*) or by U.S. Mail to the following parties of record this **4th** day of **March, 1999**:

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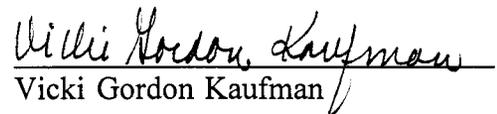
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