

LAW OFFICES

McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, P.A.

Lysnood F. Arnold, Jr.
John W. Baras, Jr.
C. Thomas Davidson
Stephen O. Decrea
Linda E. Jorge
Vieri Gordon Kalpman
Joseph A. McGizphlan
John W. McWinster, Jr.
Richard W. Reeves
Frank J. Jeff, HI
David W. Steph

PAUL A. STRASKE

TAMPA, FLORIDA 33602-5126

Mailing Address: Tampa P.O. Box 3350, Tampa, Florida 33001-3350 TALLAHARREE OFFICE 117 S. GADRIEN TALLAHARREE, PLORIDO 32301

Telephone (850) 222-2525 Fax (850) 222-5006

TELEPHONE (813) 224-0866

FAX (813) 221-1854

CABLE GRANDLAW

PLEASE REPLY TO: TALLAHASSEE

February 9, 1998

VIA HAND DELIVERY

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

Re: Docket No. 980001-EI

Dear Ms. Bayo:

Sincerely,

Enclosed for filing and distribution are the original and ten copies of the Florida Industrial Power Users Group's Response to Florida Power Corporation's Motion for Reconsideration 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.

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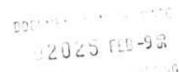
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| In re: Fuel and purchased power |) | Docket No. 980001-EI |
|---------------------------------|---|-------------------------|
| cost recovery clause. |) | |
| |) | Filed: February 9, 1998 |

THE FLORIDA INDUSTRIAL POWER USERS GROUP'S RESPONSE TO FLORIDA POWER CORPORATION'S MOTION FOR RECONSIDERATION

The Florida Industrial Power Users Group (FIPUG), pursuant to rule 25-22.060, Florida Administrative Code, files its Response to the Motion for Reconsideration filed by Florida Power Corporation (FPC). FPC's motion should be denied for the following reasons.

- 1. FPC asks this Commission to reconsider Order No. PSC-98-0073-FOF-EI (Order). However, FPC has failed to meet the standard for reconsideration. The purpose of a motion for reconsideration is to point out to the Commission a matter of fact or law which it has overlooked. <u>Diamond Cab. Co. of Miami v. King</u>, 146 So.2d 889 (Fla. 1962); <u>Pingree v. Quaintance</u>, 394 So.2d 161 (Fla. 1st DCA 1981). In this instance, FPC has not pointed out any matter which the Commission has overlooked but rather is merely rearguing points it made without success at hearing.
- In fact, as FPC recognizes, the Commission recited FPC's arguments in some detail in its Order and then clearly stated: "We do not agree with FPC." Order at 8. Thus, FPC's motion does not meet the standard for reconsideration.
- 3. In essence, FPC takes issue with the Commission's decision that no "transmission separation factor" should be applied to economy sales. However, the Commission clearly understood and plainly rejected FPC's testimony on this point:



According to FPC's calculations, applying the transmissionrelated separations factor to this revenue results in a reduced credit to retail customers through the fuel clause for sales under exiting economy agreements.

We see no compelling reason for applying a base rate separations factor to non-separated sales. Previously, we have clearly stated that revenues from non-separated sales should be credited to retail customers to compensate them for supporting the investment used in making these sales.

Order at 8.

- 4. FPC provides three reasons for its reconsideration request; each is without merit and should be rejected. First, FPC states that the Commission has misunderstood the proper use of a transmission separation factor. However, as the quoted language above indicates, the Commission understood the use of a transmission separation factor, as urged by FPC, and found that in this instance there was no compelling reason to apply such a factor.
- 5. Second, FPC argues that the Commission erred in concluding that retail customers support FPC's transmission investment. But retail customers do support the transmission system and as the Commission recognized, "revenues from nonseparated sales should be credited to retail customers to compensate them for supporting the investment used in making these sales."
- 6. Finally, FPC argues that the Commission has overlooked the import of FERC Order 888 and that the Commission's Order would require it to credit excess revenues to the retail ratepayers. However, the manner in which revenue derived from the Florida Broker system is credited is a matter within this Commission's jurisdiction

not the FERC's and the Commission should use its jurisdiction to protect retail ratepayers as it has done in regard to the ruling to which FPC objects.

WHEREFORE, FPC's has failed to show a basis for its motion for reconsideration and such motion should be denied.

Clicker Sockon Lawfman) John W. McWhirter, Jr.

McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, P.A.

Post Office Box 3350 Tampa, Florida 33601

Telephone: (813) 224-0866

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
Telephone: (850) 222-2525

Attorneys for the Florida Industrial Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Florida Industrial Power Users Group's foregoing Response to Florida Power Corporation's Motion for Reconsideration has been furnished by hand delivery(*) or by U.S. Mail to the following parties of record this 9th day of February, 1998:

Leslie Paugh*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gerald L. Gunter Building, Room 3900
Tallahassee, Florida 32399-0850

G. Edison Holland Jeffrey A. Stone Beggs and Lane Post Office Box 12950 Pensacola, Florida 32576

James A. McGee Florida Power Corporation Post Office Box 14042 St. Petersburg, Florida 33733

Suzanne Brownless 1311-B Paul Russell Road Suite 201 Tallahassee, Florida 32301 Jack Shreve, Public Counsel
John Roger Howe
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

Lee L. Willis James D. Beasley Ausley & McMullen Post Office Box 391 Tallahassee, Florida 32302

Kenneth A. Hoffman Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A. Post Office Box 551 Tallahassee, Florida 32302

Matthew M. Childs
Steel Hector & Davis
First Florida Bank Building
Suite 601
215 South Monroe Street
Tallahassee, Florida 32301-1804

Vicki Gordon Kaufman (man)