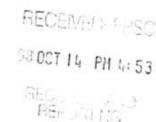
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Matthew M Childs PA

October 14, 1998

Blanca S. Bayó, Director Division of Records and Reporting Florida Public Service Commission 4075 Esplanade Way, Room 110 Tallahassee, FL 32399

> RE: DOCKET NO. 980001-EI/ TRANSMISSION RECONSIDERATION

Dear Ms. Bayó:

Enclosed for filing please find the original and ten (10) copies of the Direct Testimony of K.M. Dubin filed on behalf of Florida Power & Light Company in the above referenced docket.

Very truly yours,

Matthew M. Childs, P.A. APP MMC:ml CAF CMU ____Enclosure All Parties of Record EASTONIMarin LEG Little OFE ROH DOCUMENT --- PATE WAS

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OTH _

CERTIFICATE OF SERVICE DOCKET NO. 980001-EI TRANSMISSION RECONSIDERATION

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Direct Testimony of K.M. Dubin have been furnished by Hand Delivery,** or U.S. Mail this 16th day of October, 1998, to the following:

Leslie J. Paugh, Esq.** Division of Legal Services FPSC 2540 Shumard Oak Blvd. Rm.370 Tallahassee, FL 32399-0850

Joseph A. McGlothlin, Esq. Vicki Gordon Kaufman, Esq. McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, P.A. 117 South Gadsden Street Tallahassee, FL 32301

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Ms. Angela Llewellyn Regulatory Specialist Regulatory & Business Specialist Tampa Electric Co. Post Office Box 111 Tampa, FL 33601 John Roger Howe, Esq. Office of Public Counsel 111 West Madison Street Room 812 Tallahassee, FL 32399

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James A. McGee, Esq. Florida Power Corporation P. O. Box 14042 St. Petersburg, FL 33733

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Frank C. Cressman President Florida Public Utilities Co. P.O. Box 3395 West Palm Beach, FL 33402

By: Matthew M. Childs, P.A.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 980001-E! FLORIDA POWER & LIGHT COMPANY

OCTOBER 14, 1998

IN RE: FUEL COST RECOVERY CLAUSE

TRANSMISSION RECONSIDERATION

TESTIMONY OF:

K. M. DUBIN

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FREC-RECORDS/REPORTING

1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		FLORIDA POWER & LIGHT COMPANY
3		TESTIMONY OF KOREL M. DUBIN
4		DOCKET NO. 980001-EI
5		October 14, 1998
6		
7	Q.	Please state your name and address.
8	A.	My name is Korel M. Dubin and my business address is 9250 West
9		Flagler Street, Miami, Florida 33174.
10		
11	Q.	By whom are you employed and in what capacity?
12	A.	I am employed by Florida Power & Light Company (FPL) as Principal
13		Rate Analyst in the Rates and Tariffs Department.
1.4		
15	Q.	Have you previously testified in this docket?
16	A.	Yes, I have.
17		
18	Q.	What is the purpose of your testimony?
19	A.	The purpose of my testimony is to address issues set forth in
0 9		Attachment A of Commission Order No. PSC-98-1270-PCO-EI
21		issued September 25, 1998 regarding transmission revenues
22		associated with economy transactions.
23		
24		

Q. 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?
 A. Yes, In Order No. 888, issued in Docket Nos. RM95-8-000 and

Yes. In Order No. 888, issued in Docket Nos. RM95-8-000 and RM94 -7-001 the FERC stated "The Final Rule's general requirement for non-discriminatory transmission access and pricing by public utilities, and its specific requirement that public utilities inbundle their transmission rates and take transmission service under their own tariffs, apply to all public utilities' wholesale sales and purchases of electric energy, including coordination transactions (mimeo page 266)." Additionally, in 1993 for New England Power Co. (FERC 61,153), FERC accepted transmission rates that reflected a credit to the transmission cost of service for nonfirm transmission services provided to others. In that same case, FERC also required the company to credit the transmission cost of service to reflect the transmission component of off-system power sales revenues.

Q.

A.

1"

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

For FPL, transmission revenue associated with economy transactions should continue to be separated based on energy. Although it may be appropriate to use a demand separator, FPL's current energy

	separation factor and demand separation factor produce virtually the
	same results. Also, currently all fuel and fuel related costs and
	revenues that are included in the Fuel Cost Recovery factors are
	separated based on energy. Introducing another step in the
	calculation of our fuel factors that would not materially affect the
	results does not seem beneficial at this time.
	FPL's separation factor for energy is calculated by taking actua
	annual Total Retail Energy at Generation and dividing it by Total
	Company Energy at Generation. FPL's current separation factor for
	energy is 98.56%.
	FPL's current separation factor for demand is 98.05%. FPL's
	separation factor for demand is calculated by taking actual annual
	Retail Average 12 CP at Generation and dividing it by Total Company
	Average 12 CP at Generation.
Q.	Does this conclude your testimony.
A.	Yes, it does.
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