

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power) DOCKET NO. 960001-EI
Cost Recovery Clause and) ORDER NO. PSC-96-1100-PHO-EI
Generating Performance Incentive) ISSUED: August 27, 1996
Factor.)
_____)

Pursuant to Notice, a Prehearing Conference was held Tuesday, August 20, 1996, in Tallahassee, Florida, before Commissioner J. Terry Deason, as Prehearing Officer.

APPEARANCES:

Matthew M. Childs, Esquire, Steel Hector & Davis, 215 South Monroe Street, Suite 601, Tallahassee, Florida 32301

On behalf of Florida Power & Light Company.

James A. McGee, Esquire, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042

On behalf of Florida Power Corporation.

Norman H. Horton, Jr., Esquire, Messer, Caparello, Madsen, Goldman & Metz, P.O. Box 1876, Tallahassee, Florida 32302-1876

On behalf of Florida Public Utilities Company.

Jeffrey A. Stone, Esquire and Russell A. Badders, Esquire, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32576-2950

On behalf of Gulf Power Company.

James D. Beasley, Esquire, and Lee L. Willis, Esquire, Ausley & McMullen, 227 South Calhoun Street, Tallahassee, Florida 32301

On behalf of Tampa Electric Company.

Joseph A. McGlothlin, Esquire and Vicki Gordon Kaufman, Esquire, McWhirter, Reeves, McGlothlin, Davidson, Rief and Bakas, 117 South Gadsden Street, Tallahassee, Florida 32301

On behalf of Florida Industrial Power Users Group.

John Roger Howe, Esquire, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida.

Vicki D. Johnson, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Commission Staff.

DOCUMENT NUMBER-DATE

09122 AUG 27 86

FPSC-RECORDS/REPORTING

PREHEARING ORDER

I. CASE BACKGROUND

As part of the Commission's continuing fuel and environmental cost recovery proceedings, a hearing is set for August 29 - 30, 1996, in this docket and in Docket No. 960007-EI. The hearing will address the issues set out in the body of this prehearing order.

II. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

Post-hearing procedures

Rule 25-22.056(3), Florida Administrative Code, requires each party to file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. The rule also provides that if a party fails to file a post-hearing statement in conformance with the rule, that party shall have waived all issues and may be dismissed from the proceeding.

A party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 60 pages, and shall be filed at the same time. The prehearing officer may modify the page limit for good cause

shown. Please see Rule 25-22.056, Florida Administrative Code, for other requirements pertaining to post-hearing filings.

III. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

IV. ORDER OF WITNESSES

Witnesses whose names are preceded by an asterisk (*) have been excused. The parties have stipulated that the testimony of those witnesses will be inserted into the record as though read, and cross-examination will be waived. The parties have also stipulated that all exhibits submitted with the witnesses' testimony shall be identified as shown in Section VII of this Prehearing Order and admitted into the record.

<u>Witness</u>	<u>Appearing For</u>	<u>Issue #</u>
<u>Direct</u>		
Silva	FPL	1 - 8, 11a, 14, 15, 16a, 16b
Villard	FPL	1 - 8, 11b

<u>Witness</u>	<u>Appearing For</u>	<u>Issue #</u>
Morley	FPL	1 - 8, 11b, 19, 21a, 22a, 23a, 20 - 24, 24a
Wade	FPL	11a
* Develle	FPC	1, 3, 19, 21
Wieland	FPC	2 - 9, 12b, 20, 22, 23
* Turner	FPC	14, 15
* Bachman	FPUC	1 - 10
* Oaks	Gulf	1, 2, 4
* Howell	Gulf	1, 2, 4, 19a, 20a, 22a
* Cranmer	Gulf	1 - 8, 19a, 20a, 21a, 22a, 23a
* Fontaine	Gulf	14, 15, 17
* Pennino	TECO	1 - 10, 13e, 19, 20 21, 22, 23
* Keselowsky	TECO	14, 15, 18
* Cantrell	TECO	13a, 13b, 13c, 13d
Ramil	TECO	9
Larkin	OPC	9
<u>Rebuttal</u>		
Ramil	TECO	9

V. BASIC POSITIONS

FPL: None necessary.

FPC: None necessary.

FPUC: Florida Public Utilities has properly projected its costs and calculated its true-up amounts and purchased power cost recovery factors. Those factors should be approved by the Commission.

GULF: It is the basic position of Gulf Power Company that the proposed fuel factors and capacity cost recovery factors present the best estimate of Gulf's fuel expense for the period October 1996 through March 1997 and purchased power capacity expense for the period October 1996 through September 1997 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

TECO: The Commission should approve Tampa Electric's calculation of its fuel adjustment and capacity cost recovery factors, including the proposed fuel adjustment factor of 2.401 cents per KWH before application of factors which adjust for variation in line losses and the proposed capacity cost recovery factor of .149 cents per KWH before applying the 12 CP and 1/13 allocation methodology; the company's calculation of a GPIF penalty of \$104,014; and Tampa Electric's proposed GPIF targets and ranges.

The Commission should adhere to its previous determinations in the fuel adjustment docket and in Tampa Electric's 1992 rate case that it is appropriate for Tampa Electric to utilize lower cost incremental fuel pricing in the company's separated off-system sales.

FIPUG: None at this time.

OPC: None necessary.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VI. ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

STIPULATED

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period October, 1995 through March, 1996?

POSITION: FPL: \$17,157,052 Underrecovery
FPC: \$29,993,960 Underrecovery
FPUC: Marianna: \$305,558 Underrecovery
Fernandina Beach: \$155,552 Underrecovery
GULF: \$7,291,590 Underrecovery
TECO: \$5,676,277 Underrecovery

STIPULATED

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period April, 1996 through September, 1996?

POSITION: FPL: \$149,035,547 Underrecovery
FPC: \$16,852,726 Underrecovery
FPUC: Marianna: \$145,351 Underrecovery
Fernandina Beach: \$95,956 Underrecovery
GULF: \$2,727,188 Underrecovery
TECO: \$1,157,170 Overrecovery

STIPULATED (Except as to FPL)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected/refunded during the period October, 1996 through March, 1997?

POSITIONS:

FPL: \$166,192,599 underrecovery. (MORLEY)

FPC: Agree with staff.

FPUC: Marianna: Agree with staff.
Fernandina Beach: Agree with staff.

GULF: Agree with staff.

TECO: Agree with staff.

FIPUG: No position.

OPC: FPL: No position.
FPC: No position.
FPUC: Marianna: No position.
Fernandina: No position.
GPC: No position.
TECO: No position.

STAFF: FPL: No position at this time pending resolution of
company-specific issue.
FPC: \$46,846,686 Underrecovery
FPUC: Marianna: \$450,909 Underrecovery
Fernandina Beach: \$251,508 Underrecovery
GULF: \$10,018,778 Underrecovery
TECO: \$4,519,107 Underrecovery

STIPULATED (Except as to FPL)

ISSUE 4: What are the appropriate levelized fuel cost
recovery factors for the period October, 1996
through March, 1997?

POSITIONS:

FPL: 2.037 cents/kwh is the levelized recovery charge.
(MORLEY)

FPC: Agree with staff.

FPUC: Agree with staff.

GULF: Agree with staff.

TECO: Agree with staff.

FIPUG: No position.

OPC: FPL: No position.
FPC: No position.
FPUC: Marianna: No position.
Fernandina: No position.
GPC: No position.
TECO: No position.

STAFF: FPL: No position at this time pending resolution of company-specific issue.
FPC: 2.054 ¢/kWh
FPUC: Marianna: 2.995 ¢/kWh
Fernandina Beach: 3.252 ¢/kWh
GULF: 2.317 ¢/kWh
TECO: 2.401 ¢/kWh

STIPULATED (Except as to FPL)

ISSUE 5: What should be the effective date of the new fuel adjustment charge and capacity cost recovery charge for billing purposes?

POSITIONS:

FPL: The new Fuel Cost Recovery Factors should become effective with customer billing on cycle day 3 of October 1996 and continue through customer billings on cycle day 2 of March 1997 and the new Capacity Cost Recovery Factors should become effective with customer billings on cycle day 3 of October 1996 and continue through cycle day 2 of September 1997. This will provide 6 months of billing on the Fuel Cost Recovery Factors and 12 months on the Capacity Cost Recovery Factors for all customers. (MORLEY)

FPC: Agree with staff.

FPUC: Agree with staff.

GULF: Agree with staff.

TECO: Agree with staff.

FIPUG: FPL's factor should remain a six-month factor. The factor should be effective beginning with the specified fuel cycle and thereafter for the period October, 1996, through March 1997. Billing cycles may start before April 1, 1996, and the last cycle may be read after September 31, 1996, so that each customer is billed for six months regardless of when the adjustment factor became effective.

OPC: Agree with staff.

STAFF: With the exception of FPL's and Gulf's capacity factors, the factors should be effective beginning with the

specified fuel cycle and thereafter for the period October, 1996 through March, 1997. Billing cycles may start before October 1, 1996, and the last cycle may be read after March 31, 1997, so that each customer is billed for six months regardless of when the adjustment factor became effective. FPL's and Gulf's capacity cost recovery factors should be effective beginning with the specified billing cycle and thereafter for the period October 1996 through September 1997. Billing cycles may start before October 1, 1996 and the last cycle may be read after September 30, 1997 so that each customer is billed for twelve months regardless of when the capacity cost recovery factor became effective.

STIPULATED

ISSUE 6: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

POSITION:

FPL:

<u>Group</u>	<u>Rate Schedules</u>	<u>Line Loss Multiplier</u>
A	RS-1, RST-1, GST-1, GS-1, SL-2	1.00201
A-1	SL-1, OL-1	1.00201
B	GSD-1, GSDD-1, CILC-1(G)	1.00200
C	GSLD-1, GSLDT-1, CS-1, CST-1	1.00173
D	GSLD-2, GSLDT-2, GS-2, CST-2, OS-2, MET	0.99640
E	GSLD-3, GSLDT-3, CS-3, CST-3, CILC-1(T), ISST-1(T)	0.96159
F	CILC-1(D), ISST-1(D)	0.99814

FPC:

<u>GROUP</u>	<u>RATE SCHEDULES</u>	<u>LINE LOSS MULTIPLIER</u>
A	Transmission Delivery	0.98000
B	Distribution Primary Delivery	0.99000
C	Distribution Secondary Delivery	1.00000
D	OL-1, SL-1	1.00000

FPUK: Marianna: All rate schedules: 1.00000
 Fernandina Beach: All rate schedules: 1.00000

GULF:

<u>Group</u>	<u>Rate Schedules</u>	<u>Line Loss Multiplier</u>
A	RS, GS, GSD, OS-III, OS-IV, SBS (100 to 499 kW)	1.01228
B	LP, SBS (Contract Demand of 500 to 7499 kW)	0.98106
C	PS, PST, RTP, SBS (Contract Demand above 7499 kW)	0.96230
D	OS-1, OS-2	1.01228

TECO:

<u>Group</u>	<u>Rate Schedules</u>	<u>Line Loss Multiplier</u>
A	RS, GS, TS	1.00720
A-1	SL-2, OL-1, 3	NA
B	GSD, EV-X, GSLD, SBF	1.00130
C	IS-1, IS-3, SBI-1 & 3	0.96870

STIPULATED (Except as to FPL)

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

POSITIONS:

FPL:

GROUP	RATE SCHEDULE	AVERAGE FACTOR	FUEL RECOVERY LOSS MULTIPLIER	FUEL RECOVERY FACTOR
A	RS-1, GS-1, SL-2	2.037	1.00201	2.041
A-1	SL-1, OL-1	2.014	1.00201	2.018
B	GSD-1	2.037	1.00200	2.041
C	GSLD-1 & CS-1	2.037	1.00173	2.041
D	GSLD-2, CS-2, OS-2 & MET	2.037	0.99640	2.030
E	GSLD-3 & CS-3	2.037	0.96159	1.959
A	RST-1, GST-1			
	ON-PEAK	2.174	1.00201	2.178
	OFF-PEAK	1.984	1.00201	1.988
B	GSDT-1 ON-PEAK	2.174	1.00200	2.178
	CILC-1(G) OFF-PEAK	1.984	1.00200	1.988
C	GSLDT-1 & ON-PEAK	2.174	1.00173	2.177
	CST-1 OFF-PEAK	1.984	1.00173	1.987
D	GSLDT-2 & ON-PEAK	2.174	0.99640	2.166
	CST-2 OFF-PEAK	1.984	0.99640	1.977
E	GSLDT-3, CST-3			
	ON-PEAK	2.174	0.96159	2.090
	CILC-1(T) & ISST-1(T)			
	OFF-PEAK	1.984	0.96159	1.908
F	CILC-1(D) &			
	ON-PEAK	2.174	0.99814	2.170
	ISST-1(D) OFF-PEAK	1.984	0.99814	1.980

(MORLEY)

FPC: Agree with staff.

FPUC: Marianna: Agree with staff.
 Fernandina Beach: Agree with staff.

GULF: Agree with staff.

TECO: Agree with staff.

FIPUG: No position.

OPC: FPL: No position.
 FPC: No position.
 FPUC: Fernandina: No position.
 Marianna: No position.
 GPC: No position.
 TECO: No position.

STAFF:

FPL: No position at this time pending resolution of company-specific issue.
 FPC:

<u>Group</u>	<u>Rate Schedules</u>	<u>Standard</u>	<u>On/Peak</u>	<u>Factors</u>
				<u>Time of Use</u> <u>Off/Peak</u>
A	Transmission Delivery	2.017	2.382	1.868
B	Distribution Primary Delivery	2.037	2.406	1.886
C	Distribution Secondary Delivery	2.058	2.430	1.906
D	OL-1, SL-1	2.004	NA	NA

FPUC:

	<u>Rate Schedule</u>	<u>Cents/kWh</u>
Marianna:	RS	4.951
	GS	4.882
	GSD	4.410
	GSLD	4.276
	OL, OL-2	3.463
	SL-1, SL-2	3.463

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Fernandina Beach:	RS	5.053
	GS	4.883
	GSD	4.565
	OL, OL-2, SL-2, SL-3, CSL	3.550

GULF:

<u>GROUP</u>	<u>RATE SCHEDULES</u>	<u>STANDARD</u>	<u>ON/PEAK</u>	<u>FACTORS TIME OF USE OFF/PEAK</u>
A	RS, GS, GSD, OS-III, OS-IV, SBS (100 to 499 kW)	2.345	2.420	2.318
B	LP, SBS (Contract Demand of 500 to 7499 kW)	2.273	2.345	2.246
C	PX, PXT, RTP, SBS (Contract Demand above 7499 kW)	2.230	2.301	2.203
D	OS-1, OS-2	2.340	NA	NA

TECO:

<u>GROUP</u>	<u>RATE SCHEDULES</u>	<u>STANDARD</u>	<u>ON/PEAK</u>	<u>FACTORS TIME OF USE OFF/PEAK</u>
A	RS, GS, TS	2.418	2.841	2.258
A-1	SL-2, OL-1, 3	2.345	NA	NA
B	GSD, EV-X, GSLD, SBF	2.404	2.825	2.245
C	IS-1, IS-3, SBI-1 & 3	2.326	2.733	2.172

STIPULATED

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October, 1996 through March, 1997?

POSITION: FPL: 1.01609
FPC: 1.00083
FPUC: Marianna: 1.00083
Fernandina Beach: 1.01609
GULF: 1.01609
TECO: 1.00083

ISSUE 9: Should an electric utility be permitted to include, for retail fuel cost recovery purposes, fuel costs of generation at any of its units which exceed, on a cents-per-kilowatt-hour basis, the average fuel cost of total generation (wholesale plus retail) out of those same units?

POSITIONS:

FPL: No position.

FPC: The average fuel cost of the generating unit(s) from which a sale is made should be used for fuel cost recovery purposes, unless the sale satisfies each of the following criteria for using below average incremental cost pricing: (1) it is either a short term (less than one year) non-firm sale, or a firm sale from existing reserves that does not require the construction or purchase of additional capacity; (2) the sale is not subject to jurisdictional separation; and (3) all revenues from the sale (fuel and non-fuel) are credited back to customers through the fuel of CCR clauses, except for specifically approved incentives (e.g. the 80/20 sharing of economy sales profits). (Wieland)

FPUC: No position.

GULF: Yes. There are many hours in which the average and incremental costs will be above or below the period average. The fuel cost average is that, an average of points above and below the resulting average. Incremental costs almost always are lower than average costs in "valley" hours, and both incremental and average costs for peak hours are above the six-month period

average. These relationships have nothing to do with whether it is prudent to make an off-system sale. If a sale is profitable for the customer and the utility, it should be made. The customer receives 80% of the profit from an off-system sale. The utilities' customers should not be denied this opportunity.

TECO: The issue is unclear and easily misunderstood as it is worded. However, based on the Office of Public Counsel's Prehearing Statement from the February 1996 fuel hearing, discussions with OPC and OPC witness Larkin's testimony, Tampa Electric has come to realize that the intent of OPC's issue is to question whether it is appropriate to price off-system sales at incremental cost.

Tampa Electric believes that wholesale sales at incremental cost are in the best interest of retail customer, so long as there are overall system benefits. For example, the pricing of economy broker transactions throughout the state is based on incremental cost. OPC's contrary view fails to consider the entire economic benefit from off-system sales on retail customers and is based on an erroneous and artificial distinction between short-term sales and longer term separated off-system sales.

In point of fact, the Commission has previously specifically reviewed and approved Tampa Electric's use of incremental fuel cost in off-system sales transactions in prior fuel adjustment proceedings. In addition, the Commission reviewed the overall treatment of Tampa Electric's wholesale sales in the company's last rate case.

Based on the foregoing and the other considerations discussed in the direct and rebuttal testimony of Tampa Electric witness, Mr. John B. Ramil, OPC's position on this issue, as set forth in the testimony of witness Larkin, should be rejected. (Witness: Ramil)

FIPUG: No. Agree with OPC.

OPC: No. A utility's decision to offer a wholesale customer less-than-average fuel costs on a longer term sale (e.g., non-economic transactions entered into to obtain a competitive advantage) out of a single or multiple generating units should not cause the fuel cost

responsibility of the retail jurisdiction to be greater than the average. (Larkin)

STAFF: Normally, the average fuel cost of the generating unit(s) from which the sale is made should be used for fuel cost recovery purposes, unless the utility has demonstrated to the Commission that an alternative treatment provides net benefits to the general body of ratepayers.

STIPULATED

ISSUE 10: Should the investor-owned electric utilities continue to file Fuel Cost Recovery Forms, PSC/EAG8(10/94) as required by Commission Directive issued April 24, 1980?

POSITION: Yes. Pursuant to a Commission Directive issued April 24, 1980, Fuel Cost Recovery Forms, PSC/EAG8(10/94) are part of the filings for the semi-annual proceedings in the Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor. These forms are included in Rule 25-22.004, Florida Administrative Code, which is being considered by the Commission for possible repeal. According to Section 120.535(10), Florida Statutes, "[a]gency statements that relate to cost-recovery clauses, factors, or mechanisms implemented pursuant to chapter 366 are exempt from [rulemaking] requirements." Therefore, these forms will be deleted from the rule without being incorporated by reference in another Commission rule. However, the Commission Directive requiring the investor-owned electric utilities to file Fuel Cost Recovery Forms PSC/EAG8(10/94) should be formalized by the Commission in this proceeding.

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Florida Power & Light Company

ISSUE 11a: Should Florida Power & Light Company recover replacement energy costs incurred as a result of outages at Plant St. Lucie during the period September 1994 through September 1995?

POSITIONS:

FPL: Yes. FPL's actions regarding the outages were reasonable and prudent and, therefore, FPL should recover all replacement energy costs. (WADE/SILVA)

FIPUG: No position at this time.

OPC: No position at this time.

STAFF: No position at this time.

ISSUE 11b: Should Florida Power & Light Company recover costs associated with the thermal power uprate of Turkey Point Units 3 and 4?

POSITIONS:

FPL: Yes. The uprate of each nuclear unit, from 2200 megawatts thermal to 2300 megawatts thermal, will increase the capacity of each nuclear unit by approximately 31 megawatts electric. The units are projected to increase power by January 1997. The cost of the thermal uprate for both units is estimated to be \$10 million. The Company has estimated that this uprating will yield fuel savings on a net present value basis in excess of \$88 million. From January 1997 through December 1998, the fuel savings are projected to exceed the cost of the project, therefore, FPL is requesting that it recover the depreciation and return on investment in this thermal power uprate project over this two year period. The Commission in Docket No. 850001-EI-B, Order No. 14546 issued on July 8, 1985 stated regarding the charges appropriately included in the calculation of fuel "Fossil fuel-related costs normally recovered through base rates but which were not recognized or anticipated in the cost levels used to determine current base rates

and, which, if expended, will result in fuel savings to customers. Recovery of such costs should be made on a case by case basis after Commission approval". This expenditure will result in significant fuel savings for FPL's customers and appears to be the type of a cost which the Commission contemplated being recovered through the clause. (VILLARD/MORLEY)

FIPUG: No. These are capital costs not appropriate for recovery through the fuel clause.

OPC: No position.

STAFF: Yes. Florida Power & Light Company's thermal power uprate of Turkey Point Units 3 and 4 will result in an estimated fuel savings of \$198 million, or a present value of \$97 million, through the year 2011 at a cost of approximately \$10 million. The savings are due to the difference between low cost nuclear fuel replacing higher cost fossil fuel. Order No. 14546, issued July 8, 1985, allows a utility to recover fossil-fuel related costs which result in fuel savings when those costs were not previously addressed in determining base rates. From January, 1997, through December, 1998, the fuel savings are projected to exceed the cost of the project, therefore FPL should be allowed to recover the projected cost of the thermal power uprate through its fuel clause beginning January 1, 1997, to be depreciated over the next two years using straight line depreciation. FPL should also be allowed to recover a return on average investment at its current weighted average cost of capital of 9.2897%, as well as applicable taxes. Staff will request an audit of actual costs once the thermal power uprate is completed to true-up original projections and to verify the prudence of the individual cost components included for recovery.

STIPULATED
ISSUE 11c:

Has Florida Power & Light Company appropriately included 42% of the Cypress Energy Company settlement payment for recovery through the fuel cost recovery clause as directed in Order No. PSC-96-0889-FOF-EU?

POSITION: Yes. Florida Power & Light Company has included 42%, or \$5,220,180 of the Cypress Energy Company settlement payment as directed in Order No. PSC-96-

0889-FOF-EU for recovery during the period October 1996 through March 1997.

Florida Power Corporation

STIPULATED

ISSUE 12a: Has Florida Power Corporation confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1995?

POSITION: Yes. The annual audit of EFC's revenue requirements under a full utility-type regulatory treatment confirms the appropriateness of the "short-cut" methodology used to determine the equity component of EFC's capital structure.

STIPULATED

ISSUE 12b: Has Florida Power Corporation properly calculated the market price true-up for coal purchases from Powell Mountain?

POSITION: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 860001-EI-G.

STIPULATED

ISSUE 12c: Has Florida Power Corporation appropriately included the Orlando Cogen, L.P. settlement payment for recovery through the fuel cost recovery clause as directed by Order No. PSC-96-0898-AS-EQ?

POSITION: Yes.

Tampa Electric Company

STIPULATED

ISSUE 13a: What is the appropriate 1995 benchmark price for coal Tampa Electric Company purchased from its affiliate, Gatliff Coal Company?

POSITION: \$41.12/ton

STIPULATED
ISSUE 13b:

Has Tampa Electric Company adequately justified any costs associated with the purchase of coal from Gatliff Coal Company that exceed the 1995 benchmark price?

POSITION: Yes. TECO's actual costs are below the benchmark as calculated by both Staff and the company, and therefore this issue is moot.

STIPULATED
ISSUE 13c:

What is the appropriate 1995 waterborne coal transportation benchmark price for transportation services provided by affiliates of Tampa Electric Company?

POSITION: The 1995 transportation benchmark for affiliated waterborne coal transportation services is \$27.08/ton.

STIPULATED
ISSUE 13d:

Has Tampa Electric Company adequately justified any costs associated with transportation services provided by affiliates of Tampa Electric Company that exceed the 1995 waterborne transportation benchmark price?

POSITION: Yes. TECO's actual costs are at or below the benchmark as calculated by both Staff and the company, and therefore this issue is moot.

STIPULATED
ISSUE 13e:

Has Tampa Electric Company appropriately calculated its proposed refund factors for refunding the \$25 million in excess earnings as required by Order No. PSC-96-0670-S-EI?

POSITION: Yes.

Generic Generating Performance Incentive Factor Issues

STIPULATED

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1995 through March, 1996?

POSITION: FPL: \$1,947,105 reward, see Staff Attachment 1, Page 1 of 4.
FPC: \$1,527,566 reward, see Staff Attachment 1, Page 1 of 4.
GULF: \$44,234 penalty, see Staff Attachment 1, Page 1 of 4.
TECO: \$104,014 penalty, see Staff Attachment 1, Page 1 of 4.

STIPULATED

ISSUE 15: What should the GPIF targets/ranges be for the period October, 1996 through March, 1997?

POSITION: See Staff Attachment 1, Pages 3 & 4 of 4.

Company-Specific GPIF Issues

Florida Power & Light Company

STIPULATED

ISSUE 16a: Should Florida Power & Light Company's request to exclude the outage hours due to excess cooling canal vegetation at Turkey Point Unit 3 be approved?

POSITION: Yes. Adjustments to a GPIF unit's actual Equivalent Ability Factor are permitted according to section 4.3.1 of the GPIF manual established by the FPSC in Order No. 10168, Docket No. 810001-CI, if these adjustments were caused by natural or externally imposed conditions. In this case, an abnormally large amount of dead aquatic cooling canal vegetation was accumulated by the wind on the intake manifold overwhelming the capacity of the debris removal equipment. This caused diminished cooling water supply to the unit resulting in operation at

reduced power on January 31, 1996 and complete removal from power production on February 16, 1996. Since the obstruction caused by the build up of dead cooling canal vegetation was an unpredictable, externally caused event, the loss in availability caused by the canal vegetation has been excluded from the GPIF calculation. This methodology is consistent with that used in the past to adjust for externally caused events such as Hurricane Andrew, and the jellyfish obstruction at the St. Lucie Nuclear Plant.

STIPULATED

ISSUE 16b:

Should Florida Power & Light Company's request to file targets on an annual basis rather than on a six-month basis be approved?

POSITION: Yes.

Gulf Power Company

STIPULATED

ISSUE 17:

Should Gulf Power Company be allowed to use seasonal historical data to project heat rates for the next period?

POSITION: Yes. The historical series of weekly data generated in periods when low Btu coal was being burned at Plant Daniel are now long enough to make projections using that type of data exclusively. This makes it possible to return the Daniel units to the program by using seasonal heat rate data.

Tampa Electric Company

STIPULATED

ISSUE 18:

Should the additional generation due to scrubbing be removed from Tampa Electric Company's heat rate calculation for Big Bend Unit 3?

POSITION: Yes. This type of adjustment was stipulated to and approved in the February 1996 fuel adjustment hearing. Such an adjustment will insure continuity of data, both before and after the scrubber integration of Big Bend Units 3 and 4, until sufficient operational history has been developed.

Generic Capacity Cost Recovery Issues

STIPULATED

ISSUE 19:

What is the appropriate final capacity cost recovery true-up amount for the period October, 1995 through March, 1996?

POSITION: FPL: \$28,927,083 Overrecovery
FPC: \$12,864,473 Overrecovery
TECO: \$785,067 Overrecovery

STIPULATED

ISSUE 19a:

What is the appropriate final capacity cost recovery true-up amount for the period April, 1995 through September, 1995?

POSITION: GULF: \$410,705 Overrecovery

STIPULATED

ISSUE 20:

What is the estimated capacity cost recovery true-up amount for the period April, 1996 through September, 1996?

POSITION: FPL: \$13,378,068 Overrecovery
FPC: \$2,110,344 Underrecovery
TECO: \$318,287 Overrecovery

STIPULATED

ISSUE 20a:

What is the estimated capacity cost recovery true-up amount for the period October, 1995 through September, 1996?

POSITION: GULF: \$374,156 Overrecovery

STIPULATED

ISSUE 21:

What is the total capacity cost recovery true-up amount to be collected during the period October, 1996 through March, 1997?

POSITION: FPC: \$10,754,129 Overrecovery
TECO: \$1,103,354 Overrecovery

STIPULATED

ISSUE 21a: What is the total capacity cost recovery true-up amount to be collected during the period October, 1996 through September, 1997?

POSITION: FPL: \$42,305,151 Overrecovery
GULF: \$784,861 Overrecovery

STIPULATED

ISSUE 22: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1996 through March, 1997?

POSITION: FPC: \$120,528,144
TECO: \$10,226,956

STIPULATED

ISSUE 22a: What is the appropriate projected net purchased power capacity cost recovery amount to be included in the recovery factor for the period October, 1996 through September, 1997?

POSITION: FPL: \$430,838,159
GULF: \$12,118,326

STIPULATED
ISSUE 23:

What are the projected capacity cost recovery factors for the period October, 1996 through March, 1997?

POSITION:

FPC:	<u>Rate Class</u>	<u>Cents/kWh</u>
	RS	1.030
	GS-Trans.	0.801
	GS-Pri.	0.809
	GS-Sec.	0.817
	GS-100% L.F.	0.563
	GSD-Trans.	0.670
	GSD-Pri.	0.677
	GSD-Sec.	0.684
	CS-Trans.	0.561
	CS-Pri.	0.567
	CS-Sec.	0.573
	IS-Trans.	0.562
	IS-Pri.	0.568
	IS-Sec.	0.573
	Lighting	0.205

TECO:	<u>Rate Schedules</u>	<u>Cents/kWh</u>
	RS	0.198
	GS, TS	0.191
	GSD, EV-X	0.146
	GSLD/SBF	0.130
	IS-1 & 3, SBI-1 & 3	0.011
	SL, OL	0.024

STIPULATED (Except as to FPL)

ISSUE 23a: What are the projected capacity cost recovery factors for the period October, 1996 through September, 1997?

POSITIONS:

FPL: Agree with staff.

GULF: Agree with staff.

FIPUG: FIPUG has no position at this time pending resolution of Issue 24a, but reserves the right to take a position on this issue by the date of the prehearing conference.

OPC: No position.

STAFF:

FPL:

<u>Rate Class</u>	<u>Capacity Recovery Factor (\$/kW)</u>	<u>Capacity Recovery Factor (\$/kWh)</u>
RS1	--	.00621
GS1	--	.00562
GSD1	2.14	--
OS2	--	.00407
GSLD1/CS1	2.15	--
GSLD2/CS2	2.19	--
GSLD3/CS3	2.15	--
CILCD/CILG	2.21	--
CILCT	2.20	--
MET	2.31	--
OL1/SL1	--	.00102
SL2	--	.00395

FPL (Continued):

<u>Rate Class</u>	<u>Capacity Recovery Factor (Reservation Factor Demand Charge) (\$/kW)</u>	<u>Capacity Recovery (Sum of Daily Demand Charge) (\$/kW)</u>
ISST1D	0.28	0.13
SST1T	0.27	0.13
SST1D	0.28	0.13

GULF:

<u>Rate Class</u>	<u>Factor</u>
RS, RST	0.167
GS, GST	0.161
GSD, GSDT	0.121
LP, LPT	0.110
PX, PXT, RTP	0.091
OS-1, OS-II	0.040
OS-III	0.096
OS-IV	0.203
SBS	0.114

Company Specific Capacity Cost Recovery

Florida Power & Light Company

**STIPULATED
ISSUE 24:**

Has Florida Power & Light Company appropriately included 58% of the Cypress Energy Company settlement payment for recovery through the capacity cost recovery clause as directed in Order No. PSC-96-0889-FOF-EU?

POSITION: Yes. Florida Power & Light Company has included 58%, or \$ 8,768,730 of the Cypress Energy Company settlement payment as directed in Order No. PSC-96-0889-FOF-EU for recovery during the period October, 1996 through September, 1997.

ISSUE 24a: Should the Commission approve Florida Power & Light Company's request to implement its capacity cost recovery factor on an annual basis for the period October, 1996 through September, 1997?

POSITIONS:

FPL: Yes. Experience has shown that the capacity costs now are sufficiently predictable and, therefore an annual filing is appropriate. In addition, filing on an annual basis will greatly reduce the amount of paperwork produced, filed and processed by FPL, the Commission, and other parties. (MORLEY)

FIPUG: No.

OPC: No position.

STAFF: Yes. Florida Power & Light Company's capacity costs do not vary widely from the current six-month recovery period to the next. By changing the recovery cycle to one set of twelve-month factors established on an annual basis, FPL's customers will benefit because the resulting factors will be leveled over the year.

VII. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Silva	FPL	_____ (RS - 1)	Appendix I/Fuel Cost Recovery Forecast Assumptions
Silva	FPL	_____ (RS - 2)	Document No. 1/GPIF Results (including revised pages 2, 4, 7, and 13)
Silva	FPL	_____ (RS - 3)	Document No. 1/GPIF Targets and Ranges (including revised pages 1 and 10)
Silva	FPL	_____ (RS - 4)	Document No. 1/Interrogatory 19
Villard	FPL	_____ (CV - 1)	Document No. 1/Thermal Uprate NPV Analysis

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Morley	FPL	<u>(RM - 1)</u>	Appendix I/Fuel Cost Recovery True-Up Calculation
Morley	FPL	<u>(RM - 2)</u>	Appendix II/Capacity Cost Recovery True-Up Calculation
Morley	FPL	<u>(RM - 3)</u>	Appendix II/Fuel Cost Recovery E-Schedules
Morley	FPL	<u>(RM - 4)</u>	Appendix III/Capacity Cost Recovery Calculation of Factors
Wade	FPL	<u>(RLW - 1)</u>	Document No. 1/Interrogatories Nos. 15, 16, 17, 18, 20 and 21
Wade	FPL	<u>(RLW - 2)</u>	Document No. 1/Revised Interrogatory No. 21
* Develle	FPC	<u>(DPD - 1)</u>	True-up Variance Analysis
* Develle	FPC	<u>(DPD - 2)</u>	Schedules A1 through A9
* Wieland	FPC	<u>(KHW - 1)</u>	Forecast Assumptions (Parts A-C), and Capacity Cost Recovery Factors (Part D)
* Wieland	FPC	<u>(KHW - 2)</u>	Schedules E1 through E10 and H1
* Turner	FPC	<u>(LGT - 1)</u>	Standard Form GPIF Schedules (Reward/Penalty)
* Turner	FPC	<u>(LGT - 2)</u>	Standard Form GPIF Schedules (Targets/Ranges)

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
* Bachman	FPUC	<u>(GMB - 1)</u>	Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E-8, E-10 and M-1 (Marianna Division)
			Schedules E1, E1-A, E1-B, E-1B-1, E2, E7, E8, E10 and F-1 (Fernandina Beach Division)
* Oaks	Gulf	<u>(MFO - 1)</u>	Gulf Power Company Coal Suppliers Oct. '95 - March '96
* Oaks	Gulf	<u>(MFO - 2)</u>	Projected vs. Actual Fuel Cost of Generated Power Sept. '87 - March '97
* Howell	Gulf	<u>(MWH - 1)</u>	Gulf Power Company -- Projected Purchased Power Contract Transactions Oct. '96 - Sept. '97
* Cranmer	Gulf	<u>(SDC - 1)</u>	Calculation of fuel cost recovery final true-up, 10/95 through 3/96; Calculation of capacity cost recovery final true-up, 4/95 through 9/95; Calculation of capacity cost recovery true-up and interest provision, 4/95 through 9/95; Calculation of capacity cost recovery interest provision, 4/95 through 9/95
* Cranmer	Gulf	<u>(SDC - 2)</u>	Schedules E-1 through E-12; H-1; CCE-1; CCE-2; A-1 through A-9 for Dec '95 - May '96

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
* Fontaine	Gulf	<u>(GDF - 1)</u>	Gulf Power Company GPIF Results Oct. '95 - March '96
* Fontaine	Gulf	<u>(GDF - 2)</u>	Gulf Power Company GPIF Target and Ranges Oct. '96 - March '97
* Pennino	TECO	<u>(MJP - 1)</u>	Levelized fuel cost recovery and capacity cost recovery final true-up, October 1995 - March 1996
* Pennino	TECO	<u>(MJP - 2)</u>	Fuel adjustment projection, October 1996 - March 1997
* Pennino	TECO	<u>(MJP - 3)</u>	Capacity cost recovery projection, October 1996 - March 1997
* Pennino	TECO	<u>(MJP - 4)</u>	Deferred Revenue Plan \$25 Million Refund - October 1996 - September 1997
* Keselowsky	TECO	<u>(GAK - 1)</u>	Generating Performance Incentive Factor Results, October 1995 - March 1996
* Keselowsky	TECO	<u>(GAK - 2)</u>	GPI Targets and Ranges for October 1996 - March 1997
* Keselowsky	TECO	<u>(GAK - 3)</u>	Estimated Unit Performance Data, October 1996 - March 1997
* Cantrell	TECO	<u>(WNC - 1)</u>	Transportation Benchmark Calculation, FPSC Order 93-0443- FOF-EI and FPSC Order No. 20298
Larkin	OPC	<u>(HL - 1)</u>	

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Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

VIII. PROPOSED STIPULATIONS

The parties have stipulated to all issues in the Prehearing Order except Issues 3, 4, 5, 7, 9, 11a, 11b, 23a and 24a.

IX. PENDING MOTIONS

No pending motions at this time.

It is therefore,

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner J. Terry Deason, as Prehearing Officer, this 27th day of August, 1996.



J. Terry Deason, Commissioner
and Prehearing Officer

(S E A L)

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

GPIF REWARDS/PENALTIES

October 1995 to March 1996

<u>Utility</u>	<u>Amount</u>	<u>Reward/Penalty</u>
Florida Power Corporation	\$1,527,566	Reward
Florida Power and Light Company	\$1,947,105	Reward
Gulf Power Company	(\$44,234)	Penalty
Tampa Electric Company	(\$104,014)	Penalty

<u>Utility/ Plant/Unit</u>	<u>EAF</u>	<u>Adjusted Actual</u>	<u>Heat Rate Target</u>	<u>Adjusted Actual</u>
<u>FPC</u>	<u>Target</u>			
Anclote 1	98.7	95.8	9,679	9,886
Anclote 2	81.0	76.8	9,701	9,778
Crystal River 1	85.9	88.3	10,124	9,908
Crystal River 2	60.3	71.7	9,767	9,679
Crystal River 3	79.8	70.1	10,382	10,373
Crystal River 4	94.0	97.1	9,329	9,375
Crystal River 5	94.5	96.8	9,160	9,217
<u>FPL</u>	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
Cape Canaveral 1	91.1	98.8	9,330	9,228
Cape Canaveral 2	90.8	95.7	9,436	9,459
Fort Lauderdale 4	87.7	89.3	7,288	7,182
Fort Lauderdale 5	87.7	90.2	7,248	7,162
Fort Myers 2	94.1	95.4	9,308	9,506
Port Everglades 3	83.1	90.1	9,133	8,939
Port Everglades 4	96.0	96.0	9,132	8,911
Putnam 1	96.0	88.3	8,777	8,966
Putnam 2	95.3	94.8	8,596	8,685
St. Johns River 1	96.0	95.0	9,335	9,290
Scherer 4	96.0	99.9	9,939	10,064
St. Lucie 1	89.6	85.7	10,828	10,897
St. Lucie 2	58.8	67.8	10,856	10,728
Turkey Point 1	82.9	94.4	9,279	9,265
Turkey Point 2	95.2	96.6	9,524	9,148
Turkey Point 3	79.8	80.8	10,874	10,793
Turkey Point 4	76.8	82.6	10,912	10,869
<u>Gulf</u>	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
Crist 6	88.9	94.6	10,892	10,880
Crist 7	44.3	52.4	10,898	10,875
Smith 1	95.9	97.6	10,144	10,278
Smith 2	84.7	78.5	10,166	10,287
Daniel 1	47.4	50.9	10,295	10,498
Daniel 2	80.3	80.1	10,003	10,324

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<u>Utility/ Plant/Unit</u>	<u>EAF</u>	<u>Heat Rate</u>		
<u>TECO</u>	<u>Target</u>	<u>Adjusted Actual</u>	<u>Target</u>	<u>Adjusted Actual</u>
Big Bend 1	85.4	87.4	9,931	9,908
Big Bend 2	67.9	67.3	9,837	9,854
Big Bend 3	87.4	84.5	9,596	9,632
Big Bend 4	82.9	86.5	9,989	9,936
Gannon 5	63.6	62.6	10,178	10,124
Gannon 6	81.9	85.0	10,348	10,677

GPIF TARGETS
 October 1996 to March 1997

<u>Utility/ Plant/Unit</u>	<u>EAF</u>			<u>Staff</u>	<u>Heat Rate</u>	
	<u>Company</u>	<u>POF</u>	<u>EUOF</u>		<u>Company</u>	<u>Staff</u>
<u>FPC</u>						
Anclote 1	93.4	2.7	3.9	Agree	10,103	Agree
Anclote 2	63.1	34.4	2.5	Agree	10,098	Agree
Crystal River 1	69.6	23.5	6.9	Agree	10,009	Agree
Crystal River 2	65.3	21.9	12.9	Agree	9,420	Agree
Crystal River 3	96.2	0.0	3.8	Agree	10,371	Agree
Crystal River 4	95.4	0.0	4.6	Agree	9,351	Agree
Crystal River 5	81.7	14.8	3.6	Agree	9,148	Agree
<u>Gulf</u>						
Crist 6	90.0	4.9	5.1	Agree	10,710	Agree
Crist 7	81.8	4.9	13.3	Agree	10,626	Agree
Smith 1	92.1	4.9	3.0	Agree	10,269	Agree
Smith 2	91.8	4.9	3.3	Agree	10,354	Agree
Daniel 1	60.8	25.3	13.9	Agree	10,385	Agree
Daniel 2	79.8	13.7	6.5	Agree	10,141	Agree
<u>TECO</u>						
Big Bend 1	75.2	13.7	11.1	Agree	10,004	Agree
Big Bend 2	77.0	8.8	14.2	Agree	9,979	Agree
Big Bend 3	70.7	17.0	12.3	Agree	9,600	Agree
Big Bend 4	91.3	0.0	8.7	Agree	10,047	Agree
Gannon 5	83.4	7.7	8.9	Agree	10,258	Agree
Gannon 6	82.6	7.7	9.7	Agree	10,443	Agree

GPIF TARGETS
 October 1996 to September 1997

<u>Utility/ Plant/Unit</u>	<u>EAF</u>			<u>Staff</u>	<u>Heat Rate</u>	
	<u>Company</u>	<u>POF</u>	<u>EUOF</u>		<u>Company</u>	<u>Staff</u>
<u>FPL</u>						
Cape Canaveral 1	93.5	0.0	6.5	Agree	9,428	Agree
Cape Canaveral 2	92.7	0.0	7.3	Agree	9,479	Agree
FortLauderdale 4	93.4	2.7	3.9	Agree	7,277	Agree
Fort Lauderdale 5	91.8	4.4	3.8	Agree	7,270	Agree
Fort Myers 2	76.1	19.2	4.7	Agree	9,343	Agree
Martin 3	94.5	1.5	4.0	Agree	6,922	Agree
Martin 4	86.6	1.6	11.8	Agree	6,902	Agree
Port Everglades 3	94.9	0.0	5.1	Agree	9,462	Agree
Port Everglades 4	78.1	15.3	6.6	Agree	9,539	Agree
Putnam 1	87.3	5.5	7.2	Agree	8,705	Agree
Putnam 2	88.0	7.7	4.3	Agree	8,489	Agree
Scherer 4	86.6	7.7	5.7	Agree	9,994	Agree
St. Lucie 1	75.0	0.0	25.0	Agree	10,912	Agree
St. Lucie 2	81.5	12.3	6.2	Agree	10,935	Agree
Turkey Point 3	82.1	12.3	5.6	Agree	11,024	Agree
Turkey Point 4	89.4	4.4	6.2	Agree	11,066	Agree