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August 11, 1997

HAND-DELIVERED

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

Re: Docket No. 970001-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and ten copies of Florida Industrial Power Users Group's Supplemental Prehearing Statement in the above docket. A disk in WordPerfect 5.1 format is also enclosed contained the document as "01SUPPHS.JUL."

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OTH _____

JAM/pw
Encls.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,

Joseph A. McGlothlin

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EPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08148 AUG 11 97

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 970001-EI

Filed: August 11, 1997

**FLORIDA INDUSTRIAL POWER
 USERS GROUP'S SUPPLEMENTAL PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), through its undersigned counsel, files its Supplemental Prehearing Statement addressing issues 9 through 13.

A. SUPPLEMENTAL APPEARANCES:

JOSEPH W. McWHIRTER, McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, Post Office Box 3350, Tampa, Florida 33601

On behalf of the Florida Industrial Power Users Group.

9. **ISSUE:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities?

FIPUG: FIPUG agrees with the Office of Public Counsel that the Commission should examine this issue further in a separate docket. In the interim, the transaction price should be the average of (1) the buyer's incremental cost and (2) the sum of the transmission cost and the seller's incremental cost.

10. **ISSUE:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction between two directly interconnected utilities, how should the costs of this transmission be recovered?

FIPUG: It should be treated as part of the fuel cost to the purchasing utility and part of the fuel revenue to the selling utility (to be passed through the fuel adjustment clause).

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FPSC-RECORDS/REPORTING

11. **ISSUE:** How should the transmission costs be accounted for when determining the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities?

FIPUG: The Commission should examine this issue further in a separate docket. In the interim, the transaction price should be the average of (1) the buyer's incremental cost and (2) the sum of the transmission cost and the seller's incremental cost.

12. **ISSUE:** If the cost of transmission is used to determine the transaction price of an economy, Schedule C, broker transaction that requires wheeling between two non-directly interconnected utilities, how should the costs of this transmission be recovered?

FIPUG: It should be treated as part of the fuel cost to the purchasing utility and part of the fuel revenue to the wheeling utility (to be passed through the fuel adjustment clause).


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Telephone: (904) 222-2525

Attorneys for the Florida Industrial
Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Industrial Power Users Group's Supplemental Prehearing Statement has been furnished by hand delivery(*) or by U.S. Mail to the following parties of record this 11th day of August, 1997:

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