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FLORIDA PUBLIC SERVICE COMMISSION  
Capital Circle Office Center • 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

JUNE 13, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (BASS, DRAPER, COLSON) *DRW*  
 DIVISION OF LEGAL SERVICES (JOHNSON, ERSTLING) *HE* *RLT*

RE: DOCKET NO. 960001-EI - FLORIDA POWER CORPORATION - FUEL  
 AND PURCHASED POWER COST RECOVERY CLAUSE AND GENERATING  
 PERFORMANCE INCENTIVE FACTOR

DOCKET NO. 960002-EG - FLORIDA POWER CORPORATION - ENERGY  
 CONSERVATION COST RECOVERY CLAUSE

AGENDA: JUNE 25, 1996 - REGULAR AGENDA - TARIFF FILING -  
 INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\960001EU.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve Florida Power Corporation's petition to increase its current fuel cost recovery factor from 1.887 cents/kWh to 2.148 cents/kWh?

RECOMMENDATION: Yes. The Commission should approve the increased fuel factor of 2.148 cents/kWh effective for customer bills beginning with Cycle 1 billings for the month of July, 1996 through September 30, 1996.

STAFF ANALYSIS: On May 30, 1996, Florida Power Corporation (FPC) filed a petition for adjustment to its currently authorized fuel and purchased power cost recovery factor for the period April 1996 through September 1996. The calculation of FPC's April through September fuel adjustment factor approved at the February hearings included a projected underrecovery of \$5,915,935. Actual data now available through May, 1996 indicates an actual underrecovery of \$60,552,461 million. Attempting to levelize the impact on overall rates over the remainder of the current period and the upcoming six-month period, FPC proposes to divide the actual underrecovery

DOCUMENT NUMBER-DATE

06391 JUN 13 1996

FPSC-RECORDS/REPORTING

DOCKET NO. 960001-EI  
DATE: JUNE 13, 1996

**ISSUE 2:** Should the Commission approve Florida Power Corporation's petition to reduce its current energy conservation cost recovery factor from .295 cents/kWh to .138 cents/kWh?

**RECOMMENDATION:** Yes. The Commission should approve the decreased energy conservation cost recovery factor of .138 cents/kWh effective for residential customer bills beginning with Cycle 1 billings for the month of July, 1996 through March, 1997.

**STAFF ANALYSIS:** In its petition, FPC proposes to mitigate the increase in fuel cost for its residential customers by refunding the actual May revenue decoupling balance of \$18,413,224, including interest, during the July 1996 through March 1997 period. This amount normally would be credited to customer billings through the Energy Conservation Cost Recovery clause in April 1997. Attachment B provides the calculations that result in the new energy conservation cost recovery factor of .138 cents/kWh.

Staff believes the refund of revenue decoupling dollars will help to mitigate the increase in fuel costs for FPC's residential customers. FPC has requested an effective date beginning with Cycle 1 billings for the month of July, 1996. Although this effective date falls short of the normal 30-day notice requirement, staff believes that such treatment is warranted. Staff believes that FPC's customers should begin receiving the revenue decoupling refund at the earliest practicable time. Based on the foregoing, Staff recommends that FPC's decreased energy conservation cost recovery factor of .138 cents/kWh should be approved. Since energy conservation cost recovery factors are set once a year, the reduced factor will be in effect through March, 1997.

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FPC-RECORDS/REPORTING

DOCKET NO. 960001-EI  
DATE: JUNE 13, 1996

through May, 1996 by forecasted sales for the nine-month July 1996 through March 1997 period. The company expects this treatment to result in minimal rate changes between the July through September period and the October through March period.

The projected underrecovery is primarily the result of unseasonably cold weather in the months of January, February and March, 1996, compounded by oil prices approximately \$2 per barrel higher than forecasted and a refueling outage at the Crystal River 3 nuclear unit that extended longer than forecasted.

We note that there has been no prudence review of FPC's fuel estimates and expenditures and we do not necessarily agree or disagree with FPC's figures at this time. However, one of the purposes of mid-course corrections as described in Commission Order No. 13694 is to assure a levelized fuel adjustment and avoid rate shock ratepayers experience when factors are adjusted. It is, therefore, in the best interest of the ratepayers to approve the mid-course correction without the prudence review which will take place during subsequent fuel adjustment hearings.

Staff has reviewed the factors derived for FPC's various delivery voltage levels and we have found them to be calculated using the same methods that have been accepted in the past. Attachment A of this recommendation reflects the levelized factors for each delivery voltage level and compares bills for 1,000 kWh of residential consumption before and after this fuel factor adjustment.

FPC has requested an effective date beginning with Cycle 1 billings for the month of July, 1996. Although this effective date falls short of the normal 30-day notice requirement, staff believes that such treatment is warranted given the magnitude of the projected underrecovery. Staff believes that FPC's customers should begin paying the fuel cost underrecovery at the earliest practicable time. Based on the foregoing, staff recommends that the Commission approve FPC's increased fuel adjustment factor of 2.148 cents/kWh.



DOCKET NO. 960001-EI  
DATE: JUNE 13, 1996

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DOCKET NO. 960001-EI  
DATE: JUNE 13, 1996

ISSUE 3: Should these Dockets be closed?

RECOMMENDATION: No. The Fuel and Purchased Power Cost Recovery Clause (Docket No. 960001-EI) and the Energy Conservation Cost Recovery Clause (Docket No. 960002-EG) should remain open. If Issues 1 and 2 are approved, this tariff should become effective beginning with Cycle 1 billings for the month of July, 1996. If a protest is filed within 21 days of the issuance of the Order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest.

STAFF ANALYSIS: The Fuel and Purchased Power Cost Recovery Clause and the Energy Conservation Cost Recovery Clause are on-going dockets and should remain open.

**RESIDENTIAL FUEL FACTORS FOR THE PERIOD: July - September 1996**

CULP/PUB/REG/0001.000

Page 1 of 10

NOTE: This schedule reflects a mid-course correction for Florida Power Corporation and Florida Power and Light effective July 1, 1996.

6/25/96

|                           |                       | Florida Power & Light | Florida Power Corporation | Tampa Electric Company | Gulf Power Company | Florida Public Utilities Co. (2) |                  |
|---------------------------|-----------------------|-----------------------|---------------------------|------------------------|--------------------|----------------------------------|------------------|
|                           |                       |                       |                           |                        |                    | Marianna                         | Fernandina Beach |
| Present (cents per kwh):  | April - June 1996     | 2.075                 | 1.891                     | 2.407                  | 2.193              | 5.122                            | 4.737            |
| Proposed (cents per kwh): | July - September 1996 | 2.205                 | 2.152                     | 2.407                  | 2.193              | 5.122                            | 4.737            |
|                           | Increase/Decrease:    | 0.130                 | 0.261                     | 0.000                  | 0.000              | 0.000                            | 0.000            |

**TOTAL COST FOR 1,000 KILOWATT HOURS - RESIDENTIAL SERVICE**

| PRESENT: April - June 1996  |  | Florida Power & Light | Florida Power Corporation | Tampa Electric Company | Gulf Power Company | Florida Public Utilities Co. (2) |                  |
|-----------------------------|--|-----------------------|---------------------------|------------------------|--------------------|----------------------------------|------------------|
|                             |  |                       |                           |                        |                    | Marianna                         | Fernandina Beach |
| Base Rate                   |  | 47.46                 | 49.05                     | 51.92                  | 43.25              | 20.43                            | 19.20            |
| Fuel                        |  | 20.75                 | 18.91                     | 24.07                  | 21.93              | 51.22                            | 47.37            |
| Energy Conservation         |  | 2.09                  | 2.95                      | 1.62                   | 0.41               | 0.19                             | 0.09             |
| Environmental Cost Recovery |  | 0.15                  | N/A                       | N/A                    | 1.36               | N/A                              | N/A              |
| Capacity Recovery           |  | 4.42                  | 9.36                      | 1.93                   | 1.68               | N/A                              | N/A              |
| Gross Receipts Tax (1)      |  | 0.77                  | 2.06                      | 2.04                   | 0.70               | 1.84                             | 0.68             |
| <b>Total</b>                |  | <b>\$75.64</b>        | <b>\$82.33</b>            | <b>\$81.58</b>         | <b>\$69.33</b>     | <b>\$73.68</b>                   | <b>\$67.34</b>   |

| PROPOSED: July - September 1996 |  | Florida Power & Light | Florida Power Corporation | Tampa Electric Company | Gulf Power Company | Florida Public Utilities Co. (2) |                  |
|---------------------------------|--|-----------------------|---------------------------|------------------------|--------------------|----------------------------------|------------------|
|                                 |  |                       |                           |                        |                    | Marianna                         | Fernandina Beach |
| Base Rate                       |  | 47.46                 | 49.05                     | 51.92                  | 43.25              | 20.43                            | 19.20            |
| Fuel                            |  | 22.05                 | 21.52                     | 24.07                  | 21.93              | 51.22                            | 47.37            |
| Energy Conservation             |  | 2.09                  | 1.38 (3)                  | 1.62                   | 0.41               | 0.19                             | 0.09             |
| Environmental Cost Recovery     |  | 0.15                  | N/A                       | N/A                    | 1.36               | N/A                              | N/A              |
| Capacity Recovery               |  | 4.42                  | 9.36                      | 1.93                   | 1.68               | N/A                              | N/A              |
| Gross Receipts Tax (1)          |  | 0.78                  | 2.08                      | 2.04                   | 0.70               | 1.84                             | 0.68             |
| <b>Total</b>                    |  | <b>\$76.95</b>        | <b>\$83.32</b>            | <b>\$81.58</b>         | <b>\$69.33</b>     | <b>\$73.68</b>                   | <b>\$67.34</b>   |

| PROPOSED INCREASE / (DECREASE) |  | Florida Power & Light | Florida Power Corporation | Tampa Electric Company | Gulf Power Company | Florida Public Utilities Co. (2) |                  |
|--------------------------------|--|-----------------------|---------------------------|------------------------|--------------------|----------------------------------|------------------|
|                                |  |                       |                           |                        |                    | Marianna                         | Fernandina Beach |
| Base Rate                      |  | 0.00                  | 0.00                      | 0.00                   | 0.00               | 0.00                             | 0.00             |
| Fuel                           |  | 1.30                  | 2.61                      | 0.00                   | 0.00               | 0.00                             | 0.00             |
| Energy Conservation            |  | 0.00                  | -1.57                     | 0.00                   | 0.00               | 0.00                             | 0.00             |
| Environmental Cost Recovery    |  | 0.00                  | N/A                       | N/A                    | 0.00               | N/A                              | N/A              |
| Capacity Recovery              |  | 0.00                  | 0.00                      | 0.00                   | 0.00               | N/A                              | N/A              |
| Gross Receipts Tax (1)         |  | 0.01                  | 0.02                      | 0.00                   | 0.00               | 0.00                             | 0.00             |
| <b>Total</b>                   |  | <b>\$1.31</b>         | <b>\$1.06</b>             | <b>\$0.00</b>          | <b>\$0.00</b>      | <b>\$0.00</b>                    | <b>\$0.00</b>    |

(1) Additional gross receipts tax is 1% for Gulf, FPL and FPUC-Fernandina Beach. FPC, TECO and FPUC-Marianna have removed all GRT from their rates, and thus entire 2.5% is shown separately. (2) Fuel costs include purchased power demand costs of 2.187 for Marianna and 1.442 cents/KWH for Fernandina allocated to the residential class. (3) Energy Conservation for FPC reflects residential decoupling refund (for period January-May 1996) of \$1.57 for July 1996 through March 1997.

FOR THE PERIOD: July - September 1996

| COMPANY            | GROUP | RATE SCHEDULES                                | BEFORE LINE LOSSES |                     |          | LINE LOSS MULTIPLIER | FINAL FACTORS ADJUSTED FOR LINE LOSSES |                     |          |
|--------------------|-------|---|--------------------|---------------------|----------|----------------------|--|---------------------|----------|
|                    |       |   | Standard           | TIME OF USE On/Peak | Off/Peak |                      | Standard                               | TIME OF USE On/Peak | Off/Peak |
| FP&L               | A     | RS-1,RST-1,GST-1,GS-1,SL-2                    | 2.201              | 2.452               | 2.071    | 1.00197              | 2.205                                  | 2.457               | 2.075    |
|                    | A-1   | SL-1,OL-1                                     | 2.132              | NA                  | NA       | 1.00197              | 2.136                                  | NA                  | NA       |
|                    | B     | GSD-1,GSDT-1,CILC-1(G)                        | 2.201              | 2.452               | 2.071    | 1.00196              | 2.205                                  | 2.457               | 2.075    |
|                    | C     | GSLD-1,GSLDT-1,CS-1,CST-1                     | 2.201              | 2.452               | 2.071    | 1.00171              | 2.205                                  | 2.456               | 2.074    |
|                    | D     | GSLD-2,GSLDT-2,CS-2,CST-2,OS-2,MET            | 2.201              | 2.452               | 2.071    | 0.99678              | 2.194                                  | 2.444               | 2.064    |
|                    | E     | GSLD-3,GSLDT-3,CS-3,CST-3,CILC-1(T),ISST-1(D) | 2.201              | 2.452               | 2.071    | 0.96190              | 2.117                                  | 2.359               | 1.992    |
|                    | F     | CILC-1(D),ISST-1(D)                           | NA                 | 2.452               | 2.071    | 0.99827              | NA                                     | 2.448               | 2.067    |
| FPC                | A     | Transmission Delivery                         | 2.152              | 2.817               | 1.793    | 0.98000              | 2.109                                  | 2.761               | 1.757    |
|                    | B     | Distribution Primary Delivery                 | 2.152              | 2.817               | 1.793    | 0.99000              | 2.130                                  | 2.788               | 1.774    |
|                    | C     | Distribution Secondary Delivery               | 2.152              | 2.817               | 1.793    | 1.00000              | 2.152                                  | 2.817               | 1.793    |
|                    | D     | OL-1,SL-1                                     | 1.984              | NA                  | NA       | 1.00000              | 1.984                                  | NA                  | NA       |
| TECO               | A     | RS,GS,TS                                      | 2.392              | 2.893               | 2.154    | 1.00640              | 2.407                                  | 2.912               | 2.168    |
|                    | A-1   | SL-2,OL-1,3                                   | 2.392              | NA                  | NA       | NA                   | 2.280                                  | NA                  | NA       |
|                    | B     | GSD,GSLD,SBF                                  | 2.392              | 2.893               | 2.154    | 1.00120              | 2.395                                  | 2.896               | 2.157    |
|                    | C     | IS-1,IS-3,SBI-1 & 3                           | 2.392              | 2.893               | 2.154    | 0.97210              | 2.325                                  | 2.812               | 2.094    |
| GULF               | A     | RS,GS,GSD,OS-III,OS-IV,SBS(100 to 500 kW)     | 2.166              | 2.612               | 1.956    | 1.01228              | 2.193                                  | 2.644               | 1.980    |
|                    | B     | LP,SBS(Contract Demand of 500 to 7499 kW)     | 2.166              | 2.612               | 1.956    | 0.98106              | 2.125                                  | 2.563               | 1.919    |
|                    | C     | PX,SBS(Contract Demand above 7499 kW)         | 2.166              | 2.612               | 1.956    | 0.96230              | 2.084                                  | 2.514               | 1.882    |
|                    | D     | OS-1,OS-2                                     | 2.014              | NA                  | NA       | 1.01228              | 2.039                                  | NA                  | NA       |
| FPUC<br>Fernandina | A     | RS  | 4.737              | NA                  | NA       | 1.00000              | 4.737                                  | NA                  | NA       |
|                    | B     | GS  | 4.841              | NA                  | NA       | 1.00000              | 4.841                                  | NA                  | NA       |
|                    | C     | GSD   | 4.090              | NA                  | NA       | 1.00000              | 4.090                                  | NA                  | NA       |
|                    | D     | OL,OL-2,SL-2,SL-3,CSL                         | 3.833              | NA                  | NA       | 1.00000              | 3.833                                  | NA                  | NA       |
|                    | E     | GSLD  | NA                 |                     |          |                      | NA                                     |                     |          |
| Marianna           | A     | RS  | 5.058              | NA                  | NA       | 1.01260              | 5.122                                  | NA                  | NA       |
|                    | B     | GS  | 4.792              | NA                  | NA       | 0.99630              | 4.774                                  | NA                  | NA       |
|                    | C     | GSD   | 4.296              | NA                  | NA       | 0.99630              | 4.280                                  | NA                  | NA       |
|                    | D     | GLSD  | 4.259              | NA                  | NA       | 0.99630              | 4.243                                  | NA                  | NA       |
|                    | E     | OL,OL-2                                       | 2.987              | NA                  | NA       | 1.01260              | 3.025                                  | NA                  | NA       |
|                    | F     | SL-1,SL-2                                     | 2.978              | NA                  | NA       | 0.98810              | 2.943                                  | NA                  | NA       |

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ATTACHMENT A



AND PURCHASED POWER COST RECOVERY CLAUSES  
CALCULATION OF BASIC FACTOR

For the Period of: April 1996 through September 1996

| Classification  | (A)          | (B)           | (C)     |
|---|--------------|---------------|---------|
|   | DOLLARS      | MWH           | ¢/kwh   |
| 1. Fuel Cost of System Net Generation (E3)                      | 222,523,546  | 13,901,829    | 1.6007  |
| 2. Spent Nuclear Fuel Disposal Cost                             | 2,809,162    | 3,004,452 (a) | 0.0935  |
| 3. Coal Car Investment  | 0            | 0             | -       |
| 4. Adjustments to Fuel Cost                                     | 487,259      | 0             | -       |
| 5. TOTAL COST OF GENERATED POWER                                | 225,819,967  | 13,901,829    | 1.6244  |
| 6. Energy Cost of Purchased Power (Excl. ECON & COGENS) (E7)    | 19,833,930   | 1,072,216     | 1.8498  |
| 7. Energy Cost of Sch.C,X Economy Purchases (Broker) (E9)       | 9,781,900    | 415,000       | 2.3571  |
| 8. Energy Cost of Economy Purchases (Non-Broker) (E9)           | 1,141,301    | 56,405        | 2.0234  |
| 9. Energy Cost of Sched. E Economy Purchases (E9)               | 0            | 0             | 0.0000  |
| 10. Capacity Cost of Economy Purchases (E9)                     | 340,800      | 0 (a)         | 0.0000  |
| 11. Payments to Qualifying Facilities (E8)                      | 71,340,740   | 3,632,551     | 1.9639  |
| 12. TOTAL COST OF PURCHASED POWER                               | 102,438,671  | 5,176,172     | 1.9790  |
| 13. TOTAL AVAILABLE KWH   |              | 19,078,001    |         |
| 14. Fuel Cost of Economy Sales (E6)                             | (7,058,200)  | (390,000)     | 1.8098  |
| 14a. Gain on Economy Sales - 80% (b6)                           | (1,248,000)  | (390,000)     | 0.3200  |
| 15. Fuel Cost of Other Power Sales (E6)                         | 0            | 0             | 0.0000  |
| 15a. Gain on Other Power Sales (E6)                             | 0            | 0             | 0.0000  |
| 16. Fuel Cost of Unit Power Sales (E6)                          | 0            | 0             | 0.0000  |
| 16a. Gain on Unit Power Sales (E6)                              | 0            | 0             | 0.0000  |
| 17. Fuel Cost of Stratified Sales (E6)                          | (15,721,770) | (368,944)     | 4.2613  |
| 18. TOTAL FUEL COST AND GAINS ON POWER SALES                    | (24,027,970) | (758,944)     | 3.1660  |
| 19. Net Inadvertent Interchange                                 |              | 0             |         |
| 20. TOTAL FUEL AND NET POWER TRANSACTIONS                       | 304,230,668  | 18,319,057    | 1.6607  |
| 21. Net Unbilled  | 10,684,064 * | (643,347)     | 0.0645  |
| 22. Company Use   | 1,569,362 *  | (94,500)      | 0.0095  |
| 23. T & D Losses  | 17,010,683 * | (1,024,308)   | 0.1027  |
| 24. Adjusted System KWH Sales                                   | 304,230,668  | 16,556,902    | 1.8375  |
| 25. Wholesale KWH Sales (Excluding Supplemental Sales)          | (9,692,677)  | (528,012)     | 1.8357  |
| 26. Jurisdictional KWH Sales                                    | 294,537,991  | 16,028,890    | 1.8375  |
| 27. Jurisdictional KWH Sales Adjusted for Line Losses: x 1.0014 | 294,950,343  | 16,028,890    | 1.8401  |
| 28. Prior Period True-Up (E1-B, Sheet 1)**                      | 5,915,935    | 16,028,890    | 0.0369  |
| 29. Total Jurisdictional Fuel Cost                              | 300,866,278  | 16,028,890    | 1.87703 |
| 30. Revenue Tax Factor  |              |               | 1.00083 |
| 31. Fuel Cost Adjusted for Taxes                                | 301,115,997  |               | 1.87859 |
| 32. GPIF **   | 1,381,926    | 16,028,890    | 0.00862 |
| 33. Fuel Factor adjusted for taxes including GPIF               | 302,497,923  |               | 1.88720 |
| 34. TOTAL FUEL COST FACTOR rounded to the nearest .001 ¢/kwh    |              |               | 1.887   |

\* For Informational Purposes Only

\*\* Based on Jurisdictional Sales

Company: FPC

Appendix B  
Sheet 1 of 2

**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE**  
**WITH CALCULATION OF MID - COURSE CORRECTION**  
 For the Period of: July 1996 through September 1996

|   |              |       |
|---|--------------|-------|
| 1. Current Fuel Cost Factor                                     | 1.887        | ¢/kWh |
| 2. Actual Retail Underrecovered True-up Balance through May '96 | \$60,552,461 |       |
| 3. Regulatory Assessment Fee                                    | 50,259       |       |
| 4. Total Projected True-up Balance through May '96              | \$60,602,720 |       |
| 5. Jurisdictional Sales (July '96 - March '97)                  | 23,234,745   | MWH   |
| 6. Mid - Course Correction                                      | 0.261        | ¢/kWh |
| 7. Fuel Cost Factor Including Mid - Course Correction           | 2.148        | ¢/kWh |
| 8. Effective Jurisdictional Sales                               | 23,190,221   | MWH   |

**LEVELIZED FUEL FACTORS:**

|  | Current<br>Factors | Mid Course<br>Correction | Revised<br>Factors |       |
|--|--------------------|--------------------------|--------------------|-------|
| 9. Fuel Factor at Secondary Metering     | 1.891              | 0.261                    | 2.152              | ¢/kWh |
| 10. Fuel Factor at Primary Metering      | 1.872              | 0.258                    | 2.130              | ¢/kWh |
| 11. Fuel Factor at Transmission Metering | 1.853              | 0.256                    | 2.109              | ¢/kWh |

Company: FPC

Appendix  
Sheet 2

**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE**  
**CALCULATION OF FINAL FUEL COST FACTORS INCLUDING MID-COURSE CORRECTION**  
 For the Period of: July 1996 through September 1996

| Line: | Metering Voltage:      | (1)                            | (2)   | (3)                             |
|-------|------------------------|--------------------------------|---|---------------------------------|
|       |                        | LEVELIZED<br>FACTORS<br>\$/kWh | --- TIME OF USE ---<br>ON-PEAK<br>MULTIPLIER<br>1.309 | OFF-PEAK<br>MULTIPLIER<br>0.833 |
| 1.    | Distribution Secondary | 2.152                          | 2.817   | 1.793                           |
| 2.    | Distribution Primary   | 2.130                          | 2.788   | 1.774                           |
| 3.    | Transmission           | 2.109                          | 2.761   | 1.757                           |
| 4.    | Lighting Service       | 1.984                          | -   | -                               |

Col. (1): Levelized Fuel Cost Factors

Col. (2): Calculated as col.(1) \* On-Peak multiplier 1.309

Col. (3): Calculated as col.(1) \* Off-Peak multiplier 0.833

Line 4: Calculated at secondary rate 2.152 \* ( 18.7% \* On-Peak multiplier 1.309 + 81.3% \* Off-Peak multiplier 0.833 ).

Company: FPC

Appendix C

ENVIRONMENTAL CAPITAL COST RECOVERY CLAUSE  
INCLUDING REVENUE DECOUPLING ADJUSTMENT  
For the Period of July 1996 through March 1997

|  |                     |       |
|--|---------------------|-------|
| 1. Current ECCR Factor                                 | 0.295               | ¢/kWh |
| 2. Decoupling Revenue to be Applied                    | \$18,397,954        |       |
| 3. Regulatory Assessment Fee                           | 15,270              |       |
| 4. Total Decoupling Revenue                            | <u>\$18,413,224</u> |       |
| 5. Residential Sales (July '96 - March '97)            | 11,742,820          | MWh   |
| 6. Revenue Decoupling Adjustment                       | -0.157              | ¢/kWh |
| 7. ECCR Factor Including Revenue Decoupling Adjustment | 0.138               | ¢/kWh |