

ORIGINAL



Florida Power
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

July 23, 1998

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 980001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and ten copies of the Preliminary List of Issues and Positions of Florida Power Corporation.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

- ACK _____
- AFA Vandum
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 1
- LIN 3
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

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FPSO-BUREAU OF RECORDS

Very truly yours,
[Signature]
James A. McGee

JAM/kp
Enclosure
cc: Parties of record

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FPSO-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power
cost recovery clause and
generating performance incentive
factor.

Docket No. 980001-EI

Submitted for filing:
July 23, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Preliminary List of Issues and Positions of Florida Power Corporation has been furnished to the following individuals by regular U.S. Mail this 23rd day of July, 1998:

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ATTORNEY

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 980001-EI
Submitted for filing:
July 22, 1998

**PRELIMINARY LIST OF ISSUES AND POSITIONS OF
FLORIDA POWER CORPORATION**

Florida Power Corporation (FPC), hereby submits its Preliminary List of Issues and Positions with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of October through December 1998, and states as follows:

Generic Fuel Adjustment Issues

1. **ISSUE:** What is the appropriate final adjusted fuel adjustment true-up amount for the period of October 1997 through March 1998?
EPC: \$10,825,869 under-recovery. (Scardino)
2. **ISSUE:** What is the estimated fuel adjustment true-up amount for the period of April through September 1998?
EPC: \$7,578,770 over-recovery. (Wieland)
3. **ISSUE:** What is the total fuel adjustment true-up amount to be collected?
EPC: \$3,247,099 under-recovery. (Scardino/Wieland)

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4. **ISSUE:** What is the appropriate recovery period to collect the total fuel adjustment true-up amount?

EPC: October through December 1998.

5. **ISSUE:** Should the Commission allow the electric utilities to keep their levelized fuel cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, in Docket No. 980001-EI, issued March 20, 1998, for the period October 1998 through December 1998?

EPC: Yes. In Florida Power's case, continuation of the Fuel and Capacity Cost Recovery factors produce an estimated December ending true-up over-recovery of \$4,361,745, which represents only 1% of Florida Power's projected fuel and capacity costs.

6. **ISSUE:** What is the appropriate levelized fuel cost recovery factor for the period of October through December 1998?

EPC: 2.122 cents per kWh (adjusted for jurisdictional losses). (Wieland)

7. **ISSUE:** What should be the effective date of the new fuel cost recovery factors and oil backout factors, if any, for billing purposes?

EPC: The new factors should be effective beginning with the first billing cycle for October, 1998, and thereafter through the last billing cycle for December, 1998. The first billing cycle may start before October 1, 1998, and the last billing cycle may end after December 31, 1998, so long as each customer is billed for six months regardless of when the factors became effective.

8. **ISSUE:** What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate/delivery voltage level group?

EPC:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss Multiplier</u>	
A.	Transmission	0.9800	
B.	Distribution Primary	0.9900	
C.	Distribution Secondary	1.0000	
D.	Lighting Service	1.0000	(Wieland)

9. **ISSUE:** What are the appropriate fuel cost recovery factors for each rate/delivery voltage level group, adjusted for line losses?

EPC:

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		Standard	Time Of Use	
			On-Peak	Off-Peak
A.	Transmission	2.083	2.689	1.754
B.	Distribution Primary	2.105	2.718	1.772
C.	Distribution Secondary	2.126	2.745	1.790
D.	Lighting Service	1.969		

(Wieland)

10. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of October through December 1998?

EPC: 1.00083 (Wieland)

Generic Generating Performance Incentive Factor Issues

- 11A **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1997 through March, 1998?

EPC: \$436,639 penalty. (Zuloaga)

- 11B **ISSUE:** What should the GPIF targets/ranges be for the period of October, through December, 1998?

EPC: See Attachment A. (Zuloaga)

Generic Capacity Cost Recovery Issues

- 12A **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of October 1997 through March 1998?

EPC: \$2,311,764 under-recovery. (Scardino)

13A **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of April through September 1998?

EPC: \$3,306,747 under-recovery. (Wieland)

14. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected?

EPC: \$5,618,511 under-recovery. (Wieland)

15. **ISSUE:** What is the appropriate recovery period to collect the total capacity cost recovery true-up amount?

EPC: October through December 1998.

16. **ISSUE:** What is the appropriate projected net purchase power capacity cost recovery amount to be included in the recovery factor for the period October through December 1998?

EPC: \$80,217,280 (Wieland)

17. **ISSUE:** Should the Commission allow the electric utilities to keep their capacity cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, in Docket No. 980001-EI, issued March 20, 1998, for the period October 1998 through December 1998?

EPC: Yes. In Florida Power's case, continuation of the Fuel and Capacity Cost Recovery factors produce an estimated December ending true-up over-recovery of \$4,361,745, which represents only 1% of Florida Power's projected fuel and capacity costs.

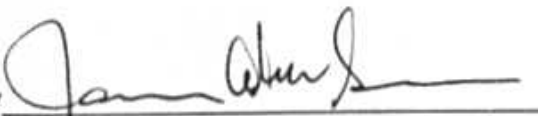
18. **ISSUE:** What are the projected capacity cost recovery factors for the period October through December 1998?

EPC:	Rate Class	CCR Factor
	Residential	1.275 cents/kWh
	General Service Non-Demand	1.010 cents/kWh
	@ Primary Voltage	.999 cents/kWh
	@ Transmission Voltage	.989 cents/kWh
	General Service 100% Load Factor	.695 cents/kWh
	General Service Demand	.840 cents/kWh
	@ Primary Voltage	.831 cents/kWh
	@ Transmission Voltage	.823 cents/kWh
	Curtable	.705 cents/kWh
	@ Primary Voltage	.698 cents/kWh
	@ Transmission Voltage	.691 cents/kWh
	Interruptible	.659 cents/kWh
	@ Primary Voltage	.653 cents/kWh
	@ Transmission Voltage	.646 cents/kWh
	Lighting	.243 cents/kWh

(Wieland)

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

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GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Oct. 1998 - Dec. 1998

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
ANC. 1	0.84	88.77	90.47	85.32	30.1	52.6
ANC. 2	0.23	45.07	45.87	43.44	8.2	21.9
C.R. 1	3.00	91.74	95.60	83.98	107.5	25.1
C.R. 2	5.56	89.50	94.36	77.62	199.5	185.3
C.R. 3	34.77	90.71	95.06	81.91	1247.3	2413.1
C.R. 4	4.17	91.89	95.68	84.30	149.7	390.3
C.R. 5	2.68	89.60	90.92	86.85	96.1	127.3
GPIF System	51.24				1838.4	3215.6

Plant/Unit	Weighting Factor (%)	ANOHR Target		ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	4.40	10192	40.0	9904	10479	157.9	157.9
ANC. 2	2.38	10284	32.7	9955	10613	85.5	85.5
C.R. 1	5.96	9625	91.3	9445	9805	213.8	213.8
C.R. 2	6.31	9657	94.2	9507	9807	226.3	226.3
C.R. 3	10.00	10427	98.8	10277	10577	358.7	358.7
C.R. 4	8.91	9460	72.9	9310	9610	319.5	319.5
C.R. 5	10.80	9301	92.6	9151	9451	387.4	387.4
GPIF System	48.76					1749.1	1749.1

Issued by: FPC

Filed:
 Suspended:
 Effective:
 Docket No.:
 Order No.: