

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 930001-EI

Submitted for filing:
July 16, 1993

**PRELIMINARY LIST OF ISSUES AND
PREHEARING STATEMENT OF
FLORIDA POWER CORPORATION**

ORIGINAL
FILE COPY

Florida Power Corporation (FPC), pursuant to Rule 25-22.038, Florida Administrative Code, hereby submits its Preliminary List of Issues and Prehearing Statement with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of October, 1993 through March, 1994 and states as follows:

A. APPEARANCES

JAMES A. MCGEE, Esquire, Post Office Box 14042, St. Petersburg, FL
33733-4042

On behalf of Florida Power Corporation

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Karl H. Wieland	Fuel Adjustment: True-up and Projections	1-8, 11-16
William C. Micklon	GPIF: Reward/Penalty and Targets/Ranges	9 and 10

DOCUMENT NUMBER-DATE

07708 JUL 1993

FPSC-RECORDS/REGISTRATION

C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(KHW-1)</u>	Wieland	True-up Variance Analysis
<u>(KHW-2)</u>	Wieland	Schedules A1 through A13 (True-up)
<u>(KHW-3)</u>	Wieland	Forecast Assumptions (Parts A-C), Capacity Cost Recovery Factors (Part D), and Other Supporting Information (Parts E-G)
<u>(KHW-4)</u>	Wieland	Schedules E1 through E11 and H1 (Projections)
<u>(WCM-1)</u>	Micklon	Standard Form GPIF Schedules (Reward/Penalty)
<u>(WCM-2)</u>	Micklon	Standard Form GPIF Schedules (Targets/Ranges)

D. STATEMENT OF BASIC POSITION

None necessary.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

1. ISSUE: What are the appropriate final true-up amounts for the period of October, 1992 through March, 1993?

FPC: \$228,132 under-recovery. (Wieland)

2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period of April through September 1993?

EPC: \$10,056,545 under-recovery. (Wieland)

3. **ISSUE:** What are the total true-up amounts to be collected during the period of October, 1993 through March, 1994?

EPC: \$10,284,677 under-recovery. (Wieland)

4. **ISSUE:** What are the appropriate levelized fuel cost recovery factors for the period of October, 1993 through March, 1994?

EPC: 1.881 cents per kWh - Standard rates^{*}
2.176 cents per kWh - TOU On-Peak rates^{*}
1.757 cents per kWh - TOU Off-Peak rates^{*}

^{*} Before line loss adjustment. (Wieland)

5. **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, 1993, and thereafter through the last billing cycle for March, 1994. The first billing cycle may start before October 1, 1993, and the last billing cycle may end after March 31, 1994, so long as each customer is billed for six months regardless of when the factors became effective.

6. **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	0.9725
B.	Distribution Primary	0.9826
C.	Distribution Secondary	1.0038
D.	Lighting Service	1.0038

(Wieland)

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

FPC:

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		Standard	Time Of Use	
			On-Peak	Off-Peak
A.	Transmission	1.829	2.116	1.709
B.	Distribution Primary	1.848	2.138	1.726
C.	Distribution Secondary	1.888	2.184	1.764
D.	Lighting Service	1.842		

(Wieland)

Company-Specific Fuel Adjustment Issues

Florida Power Corporation

8. **ISSUE:** Should the Commission grant FPC's request for approval of a market pricing mechanism for water-borne transportation services provided by Electric Fuels Corporation (EFC)?

FPC: Yes, the Commission should approve FPC's proposal to establish a base market price for the transportation of coal to its Crystal River plant site by water of \$23.00 per ton, effective January 1, 1993, adjusted January 1 of each year thereafter by applying a composite index comprised of five specific published indices to 90% of the base price. The market price would be subject to further adjustment for the cost of governmental impositions, *i.e.*, new or modified requirements imposed by legislative, judicial, or regulatory bodies which cause an increase or decrease in EFC's water-borne transportation costs not in effect as of December 31, 1992.

Generic Generating Performance Incentive Factor Issues

9. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1992 through March, 1993?

FPC: \$1,230,140 reward. (Micklon)

10. **ISSUE:** What should the GPIF targets/ranges be for the period of October, 1993 through March, 1994?

FPC: See Attachment A. (Micklon)

Generic Capacity Cost Recovery Issues

11. **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of October, 1992 through March, 1993?

FPC: \$1,446,627 under-recovery. (Wieland)

12. **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of April through September, 1993?

FPC: \$1,526,096 over-recovery. (Wieland)

13. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected during the period of October, 1993 through March, 1994?

FPC: \$79,469 over-recovery. (Wieland)

14. **ISSUE:** What are the appropriate capacity cost recovery factors for the period of October, 1993 through March, 1994?

FPC: See Attachment B. (Wieland)

Company-Specific Capacity Cost Recovery Issues

15. **ISSUE:** Should FPC's recently negotiated contract for the purchase of capacity from TECO be approved for capacity cost recovery purposes?

FPC: Yes. The contract is a revision to the purchase power agreement between TECO and the Sebring Utilities Commission that was assumed by FPC as part of its Sebring acquisition and was approved by this Commission in Docket No. 920949-EU. The revised contract is for 50 MWs of capacity and will provide additional annual savings in excess of \$1 million above the savings provided under the original contract. (Wieland)

16. **ISSUE:** Should FPC's Unit Power Sales (UPS) contract for the purchase of capacity from the Southern Company be approved for capacity cost recovery purposes?

FPC: Yes. The UPS contract provides for the purchase of 400 MWs of capacity from Southern's Miller and Scherer plants, beginning with 200 MWs on January 1, 1994 and an additional 200 MWs on January 1, 1995. The contract was entered into in 1988 based on FPC's 1987-88 Generation Facility Study, which showed the UPS purchase to be the least-cost alternative to satisfy its capacity needs. Compared with FPC's 1991 QF offer for coal capacity, the UPS purchase will save its customer more than 25%, or \$336 million, over the contract term. (Wieland)

F. **STIPULATED ISSUES:** None at this time.

G. **PENDING MOTIONS:** None.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

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CERTIFICATE OF SERVICE

Docket No. 930001-EI

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Preliminary List of Issues and Prehearing Statement has been furnished to the following individuals by U.S. Mail this 16th day of July, 1993:

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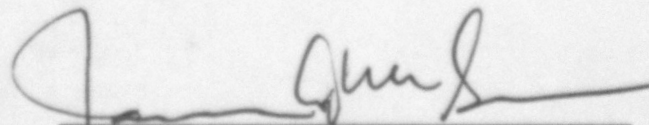
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