

**Florida  
Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

February 7, 1996

Ms. Blanca S. Bayó, Director  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 960001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are fifteen copies of the Prehearing Statement 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.

Very truly yours,

James A. McGee

JAM/jb  
Enclosures

cc: Parties of Record

In Jam/tael/960001/bayo.ltr

*McGee*  
FPC BUREAU OF RECORDS

GENERAL OFFICE

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A Florida Progress Company

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 960001-EI  
Submitted for filing:  
February 8, 1996

**PREHEARING STATEMENT OF  
FLORIDA POWER CORPORATION**

Florida Power Corporation (FPC), pursuant to Rule 25-22.038, Florida Administrative Code, hereby submits its Prehearing Statement with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of April through September 1996 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>
David P. Develle	Fuel Adjustment True-up	1-3
Karl H. Wieland	Fuel Adjustment Projections	4-9
Larry G. Turner	GPIF: Reward/Penalty and Targets/Ranges	10 and 11

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C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(DPD-1)</u>	Develle	True-up Variance Analysis
<u>(DPD-2)</u>	Develle	Schedules A1 through A13
<u>(KHW-1)</u>	Wieland	Forecast Assumptions (Parts A-C), and Capacity Cost Recovery Factors (Part D)
<u>(KHW-2)</u>	Wieland	Schedules E1 through E10 and H1
<u>(LGT-1)</u>	Turner	Standard Form GPIF Schedules (Reward/Penalty)
<u>(LGT-2)</u>	Turner	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 fuel adjustment true-up amounts for the period of April through September 1995?

FPC: \$617,142 over-recovery. (Develle)

2. ISSUE: What are the estimated fuel adjustment true-up amounts for the period of October 1995 through March 1996?

FPC: \$6,533,077 under-recovery. (Develle)

3. ISSUE: What are the total fuel adjustment true-up amounts to be collected during the period of April through September 1996?

FPC: \$5,915,935 under-recovery. (Develle)

4. ISSUE: What are the appropriate levelized fuel cost recovery factors for the period of April through September 1996?

FPC: 1.887 cents per kWh (adjusted for jurisdictional losses). (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?

FPC: The new factors should be effective beginning with the first billing cycle for April, 1996, and thereafter through the last billing cycle for September, 1996. The first billing cycle may start before April 1, 1996, and the last billing cycle may end after September 30, 1996, 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?

FPC:

<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)

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

<u>FPC:</u>		<u>Fuel Cost Factors (cents/kWh)</u>		
<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Standard</u>	<u>Time Of Use</u>	
			<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	1.853	2.426	1.544
B.	Distribution Primary	1.872	2.450	1.559
C.	Distribution Secondary	1.891	2.475	1.575
D.	Lighting Service	1.744		

(Wieland)

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of April through September, 1996?

FPC: 1.00083 (Wieland)

#### Company-Specific Fuel Adjustment Issues

9. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting its Intercession City combustion turbine units P8 and P10 to burn natural gas?

FPC: Yes. FPC is requesting the same treatment for units 8 and 10 as the Commission approved at the August 1995 hearings for units 7 and 9. The cost of conversion (\$2.6 million) is not included in FPC's base rates and will enable FPC to achieve fuel savings in excess of \$20 million over the next five years. (Wieland)

#### Generic Generating Performance Incentive Factor Issues

10. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1994 through March, 1995?

FPC: \$1,456,161 reward. (Turner)

11. ISSUE: What should the GPIF targets/ranges be for the period of October, 1995 through March, 1996?

FPC: See Attachment A. (Turner)

### Generic Capacity Cost Recovery Issues

12. ISSUE: What is the appropriate final capacity cost recovery true-up amount for the period of April through September 1995?

FPC: \$4,239,557 over-recovery. (Develle)

13. ISSUE: What is the estimated capacity cost recovery true-up amount for the period of October 1995 through March 1996?

FPC: \$120,500 under-recovery. (Wieland)

14. ISSUE: What is the total capacity cost recovery true-up amount to be collected during the period of April through September 1996?

FPC: \$4,119,057 over-recovery. (Wieland)

15. ISSUE: What is the appropriate projected net purchase power capacity cost recovery amount to be included in the recovery factor for the period April through September 1996?

FPC: \$123,768,370 (Wieland)

16. ISSUE: What are the projected capacity cost recovery factors for the period of April through September 1996?

<u>FPC</u> :	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	.936 cents/kWh
	General Service Non-Demand	.743 cents/kWh
	@ Primary Voltage	.735 cents/kWh
	@ Transmission Voltage	.728 cents/kWh
	General Service 100% Load Factor	.512 cents/kWh

General Service Demand	.622 cents/kWh
@ Primary Voltage	.616 cents/kWh
@ Transmission Voltage	.609 cents/kWh
Curtaillable	.522 cents/kWh
@ Primary Voltage	.517 cents/kWh
@ Transmission Voltage	.512 cents/kWh
Interruptible	.522 cents/kWh
@ Primary Voltage	.517 cents/kWh
@ Transmission Voltage	.512 cents/kWh
Lighting	.187 cents/kWh (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. 960001-EI

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 7th day of February, 1996:

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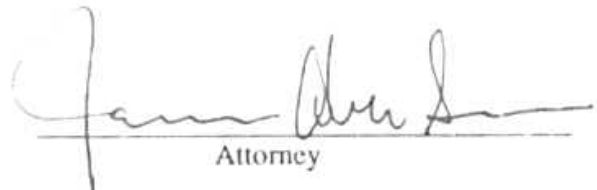
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