

**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

January 22, 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 Florida Power Corporation's Preliminary Issues and Positions.

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

ACK *Venturei*
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAC *Bahrmann*
LEG 1
LIV 3
OJ _____
RCH _____
SEC 1
WAS _____

JAM/kp
Enclosure

cc: Parties of record

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RECORDS

GENERAL OFFICE

DOCUMENT NUMBER-DATE

01276 JAN 23 1998

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:
January 23, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Preliminary Issues and Positions has been furnished to the following individuals by regular U.S. Mail this 22nd day of January, 1998:

Matthew M. Childs, Esq.
Steel, Hector & Davis
215 South Monroe Avenue
Suite 601
Tallahassee, FL 32301-1804

Barry N.P. Huddleston
Public Affairs Specialist
Destec Energy, Inc.
2500 CityWest Blvd., Ste. 150
Houston, TX 77210-4411

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen, Esqs.
P.O. Box 391
Tallahassee, FL 32302

J. Roger Howe, Esquire
Office of the Public Counsel
111 West Madison Street
Room 182
Tallahassee, FL 32399-1400

G. Edison Holland, Jr., Esq.
Jeffrey A. Stone, Esq.
Beggs & Lane
P.O. Box 12950
Pensacola, FL 32576-2950

Suzanne Brownless, Esq.
1311-B Paul Russell Road
Suite 202
Tallahassee, FL 32301

Joseph A. McGlothlin, Esq.
Vicki Gordon Kaufman, Esq.
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
100 North Tampa Street
Suite 2800
Tampa, FL 33602-5126

Peter J.P. Brickfield, Esq.
Brickfield, Burchette & Ritte, P.C.
1025 Thomas Jefferson Street, N.W.
Eighth Floor, West Tower
Washington, DC 20007

Mr. Frank C. Cressman, President
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395

Roger Yott, P.E.
Air Products & Chemicals, Inc.
2 Windsor Plaza
2 Windsor Drive
Allentown, PA 18195

Leslie Paugh, Esq.
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Kenneth A. Hoffman, Esq.
William B. Willingham, Esq.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P.O. Box 551
Tallahassee, FL 32302-0551

Mr. Don Bruegmann
Seminole Electric Cooperative, Inc.
16313 No. Dale Mabry Highway
Tampa, FL 33688-2000


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:
January 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 April through September, 1998, and states as follows:

Generic Fuel Adjustment Issues

1. ISSUE: What are the appropriate final fuel adjustment true-up amounts for the period of April through September 1997?

FPC: \$8,219,498 under-recovery. (Scardino)

2. ISSUE: What are the estimated fuel adjustment true-up amounts for the period of October 1997 through March 1998?

FPC: \$10,226,809 over-recovery. (Wieland)

3. ISSUE: What are the total fuel adjustment true-up amounts to be collected during the period of April through September 1998?

FPC: \$2,007,311 over-recovery. (Wieland)

4. ISSUE: What are the appropriate levelized fuel cost recovery factors for the period of April through September 1997?

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EPC: 2.015 cents per kWh (adjusted for jurisdictional losses).
 2.122 cents per kWh if CR3 returns to service before the April -
 September 1998 period. (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 April, 1998, and thereafter through the last billing cycle for September, 1997. The first billing cycle may start before April 1, 1998, and the last billing cycle may end after September 30, 1998, 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:

Group	Delivery Voltage Level	Line Loss Multiplier	
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?

EPC:

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		Standard	On-Peak	Off-Peak
A.	Transmission	1.987	2.554	1.665
B.	Distribution Primary	1.998	2.579	1.682
C.	Distribution Secondary	2.018	2.605	1.699
D.	Lighting Service	1.869		

(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, 1997?

FPC: 1.00083 (Wieland)

Company-Specific Fuel Adjustment Issues

- 9A. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting Suwannee Unit 3 to burn natural gas?

FPC: Yes. FPC is requesting the same treatment for this unit as the Commission approved in prior hearings for numerous other combustion turbines on the FPC system. The cost of conversion (\$1.9 million) is not included in FPC's base rates and will enable FPC to achieve fuel savings in excess of \$3.2 million over the next five years. (Wieland)

- 9B. **ISSUE:** Has FPC properly calculated the replacement fuel costs associated with the Crystal River 3 outage as directed by Order No. PSC-97-0840-S-EI, issued July 14, 1997 in Docket No. 970261-EI?

FPC: Yes. CR3's replacement fuel costs have been properly excluded from the April - September 1997 true-up period in Mr. Scardino's testimony and from actual data for the months of October through December 1997 in the current period in Mr. Wieland's testimony. In addition, the replacement fuel costs stipulated for recovery have been included in FPC's contingent fuel cost factors for April - September 1998 (Wieland Exhibit, Part G) if CR3 returns to service before the period begins. (Scardino/Wieland)

- 9C. **ISSUE:** Has FPC properly removed the costs associated with the Lake Cogen settlement which had been previously included in fuel underrecovery balances in FPC's monthly "A" Schedules?

FPC: Yes. The costs associated with the Lake Cogen settlement have been properly excluded from the April - September 1997 true-up period in Mr. Scardino's testimony and from actual data for the months of October through December 1997 in the current period in Mr. Wieland's testimony. (Scardino/Wieland)

- 9D. **ISSUE:** Has FPC properly calculated the transmission revenue associated with economy, Schedule C, broker energy sales between itself and directly interconnected utilities as directed by Order No. PSC-98-0073-FOF-EI, issued January 13, 1998 in Docket No. 980001-EI?

FPC: Yes.

Generic Generating Performance Incentive Factor Issues

10. ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period of April through September, 1997?

EPC: \$1,172,147 reward. (Zuloaga)

11. ISSUE: What should the GPIF targets/ranges be for the period of April through September, 1998?

EPC: See Attachment A. (Zuloaga)

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 1997?

EPC: \$1,768,376 over-recovery. (Scardino)

13. ISSUE: What is the estimated capacity cost recovery true-up amount for the period of October 1997 through March 1998?

EPC: 2,238,788 over-recovery. (Wieland)

14. ISSUE: What is the total capacity cost recovery true-up amount to be collected during the period of April through September 1998?

EPC: \$4,007,164 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 1998?

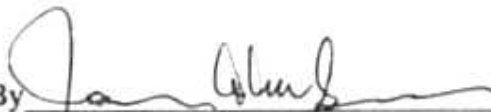
EPC: \$141,034,828 (Wieland)

16. ISSUE: What are the projected capacity cost recovery factors for the period of April through September 1997?

FPC:	Rate Class	CCR Factor
	Residential	1.004 cents/kWh
	General Service Non-Demand	.795 cents/kWh
	@ Primary Voltage	.787 cents/kWh
	@ Transmission Voltage	.779 cents/kWh
	General Service 100% Load Factor	.548 cents/kWh
	General Service Demand	.662 cents/kWh
	@ Primary Voltage	.655 cents/kWh
	@ Transmission Voltage	.648 cents/kWh
	Curtaileable	.555 cents/kWh
	@ Primary Voltage	.549 cents/kWh
	@ Transmission Voltage	.544 cents/kWh
	Interruptible	.519 cents/kWh
	@ Primary Voltage	.514 cents/kWh
	@ Transmission Voltage	.509 cents/kWh
	Lighting	.192 cents/kWh (Wieland)

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (813) 866-5184
Facsimile: (813) 866-4931

ATTACHMENT A

Original Sheet No. 7.103.1

GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Apr. 1998 - Sept. 1998

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)	
			Max. (%)	Min. (%)			
ANC. 1	0.68	95.51	97.61	91.26	61.4	277.1	
ANC. 2	0.38	95.49	97.61	91.15	34.4	74.4	
C.R. 1	4.15	73.26	76.56	66.66	372.7	886.1	
C.R. 2	15.51	85.51	91.18	72.39	1394.3	781.9	
C.R. 3	19.66	92.85	96.21	86.00	1766.9	3821.1	
C.R. 4	8.95	80.53	83.25	74.99	804.1	1280.2	
C.R. 5	2.23	96.85	98.34	93.75	200.1	482.0	
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GPIF System	51.55				4633.9	7602.8	

Plant/Unit	Weighting Factor (%)	ANOH Target		ANOH RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	7.30	9785	77.2	9554	10016	655.8	655.8
ANC. 2	8.25	9846	72.2	9573	10120	741.6	741.6
C.R. 1	3.13	9805	90.7	9655	9955	281.6	281.6
C.R. 2	4.80	9773	94.4	9623	9923	431.3	431.3
C.R. 3	8.03	10463	99.0	10313	10613	722.0	722.0
C.R. 4	7.17	9438	84.9	9288	9588	644.3	644.3
C.R. 5	9.78	9344	97.5	9194	9494	878.8	878.8
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GPIF System	48.45					4355.4	4355.4

Issued by: FPC

Filed:
 Suspended:
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