

ORIGINAL

**Florida  
Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

September 8, 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

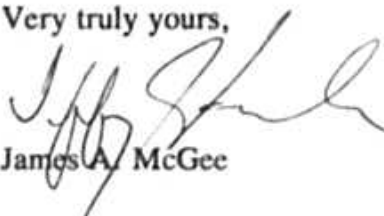
Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen 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 Handwritten
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG Behermann
- LES 1
- LIN 3
- OPD \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

RECEIVED & FILED  
  
 FPSC-BUREAU OF RECORDS  
 JAM/kma  
 Enclosure  
 cc: Parties of record

Very truly yours,  
  
 for James A. McGee

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DOCUMENT NUMBER-DATE  
 09743 SEP-8 86  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 980001-EI

Submitted for filing:  
September 4, 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 8th day of September, 1998:

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DOCUMENT NUMBER-DATE

09743 SEP-8 88

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\_\_\_\_\_  
ATTORNEY

## 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. 980001-EI

Submitted for filing:  
September 8, 1998

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

Florida Power Corporation (FPC), hereby submits its Preliminary List of Issues and Positions with respect to the Commission's reconsideration of the appropriate jurisdictional separation factors for application to transmission revenues from economy broker sales.

1. **ISSUE:** Should transmission revenues from economy broker sales be credited to the retail fuel adjustment clause in the same proportion that the retail jurisdiction supports the cost of the transmission system used in making these sales?

**Position:** Yes. Energy-related generation revenues from broker sales have always been credited to the retail fuel adjustment clause in proportion to the retail jurisdiction's responsibility for energy-related generation costs. Now that a portion of broker sales revenues are required to be attributed to the transmission system needed to make these sales, those revenues must likewise be credited to the retail jurisdiction in proportion to its cost responsibility for the transmission system.

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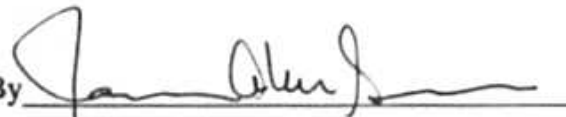
2. **ISSUE:** In Order No. PSC-98-0073-FOF-EI (the order subject to reconsideration), the Commission stated: "We find that to the extent possible, stockholders and ratepayers should not be harmed by the FERC Order [888]." Would the requirement to use an energy-related generation separation factor to credit transmission revenues to the retail jurisdiction be contrary to this objective?

**Position:** Yes. To the extent that a utility's energy-related generation separation factor allocates a higher percentage to the retail jurisdiction than its transmission separation factor, requiring the utility to use an energy-related generation separation factor to credit transmission revenues to the retail jurisdiction, coupled with the requirement of FERC to use a transmission separation factor to credit the same transmission revenues to the wholesale jurisdiction, would force the utility to credit more revenues than it received. This harmful result to the utility's stockholders can be avoided, consistent with the Commission's stated objective, by using a transmission separation factor to credit transmission revenues to the retail jurisdiction.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By



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