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**Florida
Power**
CORPORATION

JAMES A. McGEE
SENIOR COUNSEL

August 8, 1996

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. 960001-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.

Very truly yours,

James A. McGee

JAM/kg
Enclosure

cc: Parties of record

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

GENERAL OFFICE

3201 Thirty-fourth Street South • Post Office Box 14042 • St. Petersburg, Florida 33733-4042 • (813) 866-5184 • Fax: (813) 866-4931

A Florida Progress Company

DOCUMENT NUMBER-DATE

08345 AUG-9 1996

EPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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

**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 1996 through March 1997, and states as follows:

Generic Fuel Adjustment Issues

1. **ISSUE:** What are the appropriate final fuel adjustment true-up amounts for the period of October 1995 through March 1996?

FPC: \$29,993,960 under-recovery. (Develle)

2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period of April through September 1996?

FPC: \$16,852,726 under-recovery. (Wieland)

3. **ISSUE:** What are the total fuel adjustment true-up amounts to be collected during the period of October 1996 through March 1997?

FPC: \$46,846,686 under-recovery. (Develle/Wieland)

DOCUMENT NUMBER-DATE

08346 AUG-9 1996

4. ISSUE: What are the appropriate levelized fuel cost recovery factors for the period of October 1996 through March 1997?

FPC: 2.054 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 October, 1996, and thereafter through the last billing cycle for March, 1997. The first billing cycle may start before October 1, 1996, and the last billing cycle may end after March 31, 1997, 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?

<u>FPC</u> :		Line Loss
<u>Group</u>	<u>Delivery Voltage Level</u>	<u>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> :		Fuel Cost Factors (cents/kWh)		
<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	2.017	2.382	1.868
B.	Distribution Primary	2.037	2.406	1.886
C.	Distribution Secondary	2.058	2.430	1.906
D.	Lighting Service	2.004		

(Wieland)

8. ISSUE: What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of October 1996 through March 1997?

FPC: 1.00083 (Wieland)

9. ISSUE: Should an electric utility be permitted to include, for retail fuel cost recovery purposes, fuel cost of generation at any of its units which exceed, on a cents-per-kilowatt-hour basis, the average fuel cost of total generation (wholesale plus retail) out of those same units?

FPC: The average fuel cost of the generating unit(s) from which a sale is made should be used for fuel cost recovery purposes, unless the sale satisfies each of the following criteria for using below average incremental cost pricing: (1) it is either a short term (less than one year) non-firm sale, or a firm sale from existing reserves that does not require the construction or purchase of additional capacity; (2) the sale is not subject to jurisdictional separation; and (3) all revenues from the sale (fuel and non-fuel) are credited back to customers through the fuel of CCR clauses, except for specifically approved incentives (e.g. the 80/20 sharing of economy sales profits). (Wieland)

Company-Specific Fuel Adjustment Issues

10. ISSUE: Has FPC properly calculated the market price true-up for coal purchases from Powell Mountain?

FPC: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 860001-EI-G. (Wieland)

Generic Generating Performance Incentive Factor Issues

11. ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1995 through March, 1996?

FPC: \$1,527,566 reward. (Turner)

12. ISSUE: What should the GPIF targets/ranges be for the period of October, 1996 through March, 1997?

FPC: See Attachment A. (Turner)

Generic Capacity Cost Recovery Issues

13. ISSUE: What is the appropriate final capacity cost recovery true-up amount for the period of October 1996 through March 1997?

FPC: \$12,864,473 over-recovery. (Develle)

14. ISSUE: What is the estimated capacity cost recovery true-up amount for the period of April through September 1996?

FPC: \$2,110,344 under-recovery. (Wieland)

15. ISSUE: What is the total capacity cost recovery true-up amount to be collected during the period of October 1996 through March 1997?

FPC: \$10,754,129 over-recovery. (Wieland)

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 1996 through March 1997?

FPC: \$120,528,144 (Wieland)

17. ISSUE: What are the projected capacity cost recovery factors for the period of October 1996 through March 1997?

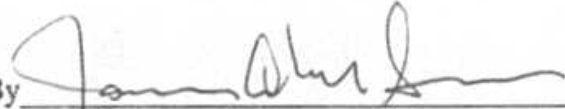
<u>FPC</u> :	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	1.030 cents/kWh
	General Service Non-Demand	.817 cents/kWh
	@ Primary Voltage	.809 cents/kWh
	@ Transmission Voltage	.801 cents/kWh
	General Service 100% Load Factor	.563 cents/kWh
	General Service Demand	.684 cents/kWh
	@ Primary Voltage	.677 cents/kWh
	@ Transmission Voltage	.670 cents/kWh
	Curtable	.573 cents/kWh
	@ Primary Voltage	.567 cents/kWh
	@ Transmission Voltage	.561 cents/kWh
	Interruptible	.573 cents/kWh
	@ Primary Voltage	.568 cents/kWh
	@ Transmission Voltage	.562 cents/kWh
	Lighting	.205 cents/kWh

(Wieland)

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By

A handwritten signature in dark ink, appearing to read 'James A. McGee', written over a horizontal line.

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CERTIFICATE OF SERVICE

Docket No. 960001

I HEREBY CERTIFY that a true and correct copy of the Preliminary List of Issues and Positions of Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 8th day of August, 1996:

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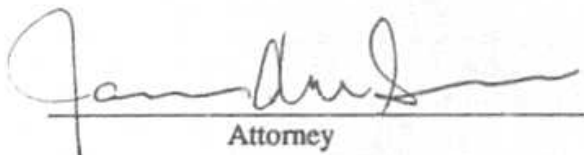
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