



Florida Power

A Progress Energy Company

ORIGINAL

JAMES A. MCGEE

ASSOCIATE GENERAL COUNSEL

April 8, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-PPSC
02 APR - 8 PM 1:35
COMMISSION
CLERK

Re: Docket No. 020001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and ten copies of the Petition of Florida Power Corporation to Reduce its Fuel Adjustment Factors.

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/scc
Enclosure

cc: Parties of record
Parties to Docket No. 000824-EI

- AUS _____
- CAF _____
- CMP _____
- COM 5 _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1 _____
- OTH _____

RECEIVED & FILED

RJM
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

03912 APR - 8 2002

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 020001-EI

Submitted for filing:
April 8, 2002

**PETITION OF FLORIDA POWER CORPORATION
TO REDUCE ITS FUEL ADJUSTMENT FACTORS**

Florida Power Corporation (Florida Power) hereby petitions this Commission, in conjunction with its approval of the Stipulation and Settlement requested in Docket No. 000824-EI, to approve an \$85 million reduction in Florida Power's currently authorized fuel and purchased power cost recovery factors for the remainder of calendar year 2002, effective with May Cycle 1 billings. In support of this petition, Florida Power states as follows:

1. On March 27, 2002, the parties to Florida Power's pending rate case proceeding, Docket No. 000824-EI, filed a Joint Motion requesting the Commission to approve a Stipulation and Settlement that will resolve all issues in that proceeding. In recognition of projected fuel cost over-recoveries, Section 12 of the Stipulation and Settlement requires that Florida Power reduce its fuel cost recovery factors in the amount of \$50 million for the remainder of calendar year 2002, beginning with May cycle billings. In addition, Section 14 of the Stipulation and Settlement requires that Florida Power refund interim revenues collected subject to refund in Docket No.

DOCUMENT NUMBER-DATE

03912 APR-8 2002

FPSC-COMMISSION CLERK

000824-EI in the amount of \$35 million through a further reduction of its fuel cost recovery factors in conjunction with the \$50 million reduction described above. This petition is intended to provide the procedural vehicle to implement these two sections of the Stipulation and Settlement upon its approval by the Commission.

2. The revised fuel cost recovery factors set forth in Exhibit A to this petition have been calculated to achieve the combined \$85 million reduction provided for in Sections 12 and 14 of the Stipulation and Settlement. The revised fuel factors will decrease the monthly bills of residential customers using 1,000 kWh by \$3.25 during the remainder of calendar year 2002.

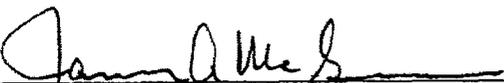
3. In order to allow the revised fuel cost recovery factors to commence with Cycle 1 billings for the month of May, 2002, as contemplated by the Stipulation and Settlement, Florida Power requests that this petition be approved immediately upon approval of the Stipulation and Settlement, which is currently scheduled for consideration at the Commission's April 23, 2002 Agenda Conference, and that a final order reflecting such approval of the revised fuel factors be entered promptly thereafter.

WHEREFORE, Florida Power respectfully requests that the Commission approve its revised fuel and purchased power cost recovery factors, as set forth in Exhibit A, for application on customer bills beginning with Cycle 1 billings for the

month of May 2002 and thereafter until modified by subsequent order of the Commission.

Respectfully submitted,

FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

EXHIBIT A

**FLORIDA POWER CORPORATION
DOCKET No. 020001-EI**

**SCHEDULES SUPPORTING
PETITION TO REDUCE FUEL ADJUSTMENT FACTORS**

- Schedule E1 Calculation of Revised Jurisdictional Fuel Cost
Recovery Factor**
- Schedule E1-D Calculation of Revised Fuel Cost Recovery Factors
Adjusted For Delivery Metering Voltages**
- Schedule E1-E Calculation of Revised Final Fuel Cost Recovery
Factors For Standard and Time Of Use Rates by
Delivery Metering Voltages**

FLORIDA POWER CORPORATION
FUEL AND PURCHASED POWER COST RECOVERY CLAUSE
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2002

	<u>DOLLARS</u>	<u>MWH</u>	<u>CENTS/KWH</u>
1. Fuel Cost of System Net Generation	848,829,151	32,645,940	2.60011
2. Spent Nuclear Fuel Disposal Cost	6,164,383	6,592,923 *	0.09350
3. Coal Car Investment	0	0	0.00000
4. Adjustment to Fuel Cost	<u>10,962,000</u>	<u>0</u>	<u>0.00000</u>
5. TOTAL COST OF GENERATED POWER	865,955,534	32,645,940	2.65257
6. Energy Cost of Purchased Power (Excl. Econ & Cogens) (E7)	59,300,216	3,319,365	1.78649
7. Energy Cost of Sch. C,X Economy Purchases (Broker) (E9)	0	0	0.00000
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	20,107,161	678,000	2.96566
9. Energy Cost of Schedule E Economy Purchases (E9)	0	0	0.00000
10. Capacity Cost of Economy Purchases (E9)	0	0 *	0.00000
11. Payments to Qualifying Facilities (E8)	<u>158,644,508</u>	<u>6,510,148</u>	<u>2.43688</u>
12. TOTAL COST OF PURCHASED POWER	238,051,885	10,507,513	2.26554
13. TOTAL AVAILABLE KWH		43,153,453	
14. Fuel Cost of Economy Sales (E6)	0	0	0.00000
14a. Gain on Economy Sales - 80% (E6)	0	0 *	0.00000
15. Fuel Cost of Other Power Sales (E6)	(34,059,150)	(1,035,000)	3.29074
15a. Gain on Other Power Sales (E6)	(4,765,728)	(1,035,000) *	0.46046
16. Fuel Cost of Unit Power Sales (E6)	0	0	0.00000
16a. Gain on Unit Power Sales (E6)	0	0	0.00000
17. Fuel Cost of Stratified Sales (E6)	<u>(71,009,729)</u>	<u>(1,800,987)</u>	<u>3.94282</u>
18. TOTAL FUEL COST AND GAINS ON POWER SALES	(109,834,607)	(2,835,987)	3.87289
19. Net Inadvertent Interchange		0	
20. TOTAL FUEL AND NET POWER TRANSACTIONS	994,172,812	40,317,466	2.46586
21. Net Unbilled	(3,456,275)	140,165	(0.00910)
22. Company Use	3,550,840	(144,000)	0.00930
23. T & D Losses	53,830,888	(2,183,046)	0.14118
24. Adjusted System KWH Sales	994,172,812	38,130,585	2.60724
25. Wholesale KWH Sales (Excluding Supplemental Sales)	(26,252,741)	(1,014,477)	2.58781
26. Jurisdictional KWH Sales	967,920,071	37,116,108	2.60782
27. Jurisdictional KWH Sales Adjusted for Line Losses	972,856,464	37,116,108	2.62112
27a. Reduction per Stipulation, Sections 12 & 14 - May-Dec. (Jurisd.)	(83,670,000)	25,798,741	(0.32432)
28. Prior Period True-Up (E1-B, Sheet 1)	23,640,300	37,116,108	0.06369
29. Total Jurisdictional Fuel Cost	912,826,764	37,116,108	2.36049
30. Revenue Tax Factor			1.00072
31. Fuel Cost Adjusted for Taxes	913,483,999	37,116,108	2.36219
32. GPIF	266,919	37,116,108	0.00072
33. Fuel Factor Adjusted for taxes including GPIF	913,750,918	37,116,108	2.36291
34. Total Fuel Cost Factor (rounded to the nearest .001 cents/ KWH)			2.363

* For Informational Purposes Only

FLORIDA POWER CORPORATION
CALCULATION OF LEVELIZED FUEL ADJUSTMENT FACTORS
(PROJECTED PERIOD)
FOR THE PERIOD OF: MAY THROUGH DECEMBER 2002

1. Reduction per Stipulation, Section 12 - May - Dec. (Jurisdictional)	\$ (48,670,000)
2. Reduction per Stipulation, Section 14 - May - Dec.	(35,000,000)
3. Regulatory Assessment Fee	<u>(60,243)</u>
4. Total Adjustment to Fuel Cost	\$ (83,730,243)
5. Jurisdictional Sales	25,798,741 Mwh
6. Jurisdictional Cost per Kwh Sold (Line 4 / Line 5 / 10)	-0.325 Cents/kwh
7. Effective Jurisdictional Sales	25,758,300 Mwh

DECREASE TO FUEL FACTORS:

8. Fuel Factor at Secondary Metering (Line 4 / Line 7 / 10)	-0.325 Cents/kwh
9. Fuel Factor at Primary Metering (Line 8 * 99%)	-0.322 Cents/kwh
10. Fuel Factor at Transmission Metering (Line 8 * 98%)	-0.319 Cents/kwh

ADJUSTED LEVELIZED FUEL FACTORS:

	<u>CURRENT</u>	<u>PROPOSED</u>
11. Fuel Factor at Secondary Metering	2.692	2.367 Cents/kwh
12. Fuel Factor at Primary Metering	2.665	2.343 Cents/kwh
13. Fuel Factor at Transmission Metering	2.638	2.319 Cents/kwh

**FLORIDA POWER CORPORATION
CALCULATION OF FINAL FUEL COST FACTORS
FOR THE PERIOD OF: MAY THROUGH DECEMBER 2002**

<u>Line:</u>	<u>Metering Voltage</u>	(1)	(2)	(3)
		Levelized Factors Cents/Kwh	On-Peak Multiplier 1.216	Off-Peak Multiplier 0.907
			-----Time of Use-----	
1.	Distribution Secondary	2.367	2.878	2.147
2.	Distribution Primary	2.343	2.849	2.125
3.	Transmission	2.319	2.820	2.103
4.	Lighting Service	2.284	--	--

Line 4 Calculated as secondary rate 2.367 * (18.7% * On-Peak Multiplier 1.216 + 81.3% * Off-Peak Multiplier 0.907).

DEVELOPMENT OF TIME OF USE MULTIPLIERS

<u>Mo/Yr</u>	<u>ON-PEAK PERIOD</u>			<u>OFF-PEAK PERIOD</u>			<u>TOTAL</u>		
	<u>System MWH Requirements</u>	<u>Marginal Cost</u>	<u>Average Marginal Cost (¢/kWh)</u>	<u>System MWH Requirements</u>	<u>Marginal Cost</u>	<u>Average Marginal Cost (¢/kWh)</u>	<u>System MWH Requirements</u>	<u>Marginal Cost</u>	<u>Average Marginal Cost (¢/kWh)</u>
1/02	862,303	25,601,776	2.969	2,408,235	63,529,245	2.638	3,270,538	89,131,021	2.725
2/02	773,257	27,326,902	3.534	2,144,531	55,972,262	2.610	2,917,788	83,299,164	2.855
3/02	748,806	22,666,358	3.027	2,339,185	65,380,226	2.795	3,087,991	88,046,584	2.851
4/02	954,408	33,127,502	3.471	2,032,111	55,842,410	2.748	2,986,519	88,969,912	2.979
5/02	1,283,867	46,411,796	3.615	2,371,694	60,905,107	2.568	3,655,561	107,316,903	2.936
6/02	1,221,144	53,559,376	4.386	2,683,963	77,298,137	2.880	3,905,107	130,857,513	3.351
7/02	1,464,421	61,564,259	4.204	2,763,914	78,854,469	2.853	4,228,335	140,418,728	3.321
8/02	1,444,225	64,889,029	4.493	2,939,940	86,845,828	2.954	4,384,165	151,734,857	3.461
9/02	1,249,412	53,087,520	4.249	2,663,244	80,909,356	3.038	3,912,656	133,996,876	3.425
10/02	1,134,480	48,283,469	4.256	2,281,399	69,628,301	3.052	3,415,879	117,911,770	3.452
11/02	740,440	22,457,548	3.033	2,258,165	67,812,695	3.003	2,998,605	90,270,243	3.010
12/02	829,881	26,954,535	3.248	2,524,637	76,016,826	3.011	3,354,518	102,971,361	3.070
TOTAL	12,706,644	485,930,070	3.824	29,411,019	838,994,862	2.853	42,117,664	1,324,924,932	3.146

MARGINAL FUEL COST
WEIGHTING MULTIPLIER

ON-PEAK
1.216

OFF-PEAK
0.907

AVERAGE
1.000

FLORIDA POWER CORPORATION

DOCKET NO. 020001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Petition of Florida Power Corporation to Reduce its Fuel Adjustment Factors has been furnished to the following individuals by regular U.S. Mail the 8th day of April, 2002:

W. Cochran Keating, Esquire
Mary Anne Helton, Esquire
Office of General Counsel
Economic Regulation Section
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Robert Vandiver, Esquire
Charles J. Beck, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

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

John T. Butler, Esquire
Steel, Hector & Davis
200 South Biscayne Blvd., Suite 4000
Miami, FL 33131-2398

William G. Walker, III
Florida Power & Light Co.
215 South Monroe St., Suite 810
Tallahassee, FL 32301-1859

Michael B. Twomey, Esquire
Post Office Box 5256
Tallahassee, FL 32314

Jeffrey A. Stone, Esquire
Russell A. Badders, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

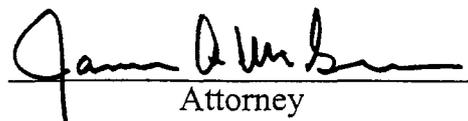
Norman Horton, Jr., Esquire
Messer, Caparello & Self
P. O. Box 1876
Tallahassee, FL 32302

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, et al.
100 N. Tampa Street, Suite 2900
Tampa, FL 33602

Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, et al.
117 S. Gadsden Street
Tallahassee, FL 32301

Thomas A. Cloud, Esquire
Gray, Harris & Robinson, P.A.
301 East Pine Street, Suite 1400
Orlando, Florida 32802

Ronald C. LaFace, Esquire
Seann M. Frazier, Esquire
Greenberg, Traurig, et al.
101 East College Avenue
Tallahassee, FL 32301


Attorney