

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power )	DOCKET NO. 960001-EI
Cost Recovery Clause and )	
Generating Performance Incentive )	
Factor. )	
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In Re: Conservation Cost )	DOCKET NO. 960002-EG
Recovery Clause. )	ORDER NO. PSC-96-0908-FOF-EI
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	ISSUED: July 15, 1996

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON

ORDER APPROVING MID-COURSE CORRECTION  
FOR FLORIDA POWER CORPORATION

BY THE COMMISSION:

On May 31, 1996, Florida Power Corporation (FPC) filed a petition to adjust its currently authorized fuel and purchased power cost recovery factor for the period April 1996 through September 1996. FPC requests that its fuel factor be increased from 1.877 cents per kWh to 2.148 cents per kWh.

The calculation of FPC's April through September fuel adjustment factor approved at the February hearings included a projected underrecovery of \$5,915,935. Actual data now available through May, 1996 indicates an actual underrecovery of \$60,552,461 million. Attempting to levelize the impact on overall rates over the remainder of the current period and the upcoming six-month period, FPC proposes to divide the actual underrecovery through May, 1996 by forecasted sales for the nine-month July 1996 through March 1997 period. The company expects this treatment to result in minimal rate changes between the July through September period and the October through March period.

The projected underrecovery is primarily the result of unseasonably cold weather in the months of January, February and March, 1996, compounded by oil prices approximately \$2 per barrel higher than forecasted and a refueling outage at the Crystal River 3 nuclear unit that extended longer than forecasted.

We note that there has been no prudence review of FPC's fuel estimates and expenditures and we do not necessarily agree or

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disagree with FPC's figures at this time. However, one of the purposes of mid-course corrections as described in Commission Order No. 13694 is to assure a levelized fuel adjustment and avoid rate shock ratepayers experience when factors are adjusted. It is, therefore, in the best interest of the ratepayers to approve the mid-course correction without the prudence review which will take place during subsequent fuel adjustment hearings.

We have reviewed the factors derived for FPC's various delivery voltage levels and find them to be calculated using the same methods that have been accepted in the past. Attachment A of this Order reflects the levelized factors for each delivery voltage level and compares bills for 1,000 kWh of residential consumption before and after this fuel factor adjustment.

FPC requests an effective date beginning with cycle 1 billings for the month of July, 1996. Although this effective date falls short of the normal 30-day notice requirement, we believe such treatment is warranted given the magnitude of the projected underrecovery. FPC's customers should begin paying the fuel cost underrecovery at the earliest practicable time. Thus, we approve a fuel adjustment factor of 2.148 cents per kWh.

FPC proposes to mitigate the increase in fuel cost for its residential customers by refunding the actual May revenue decoupling balance of \$18,413,224, including interest, during the July 1996 through March 1997 period. This amount normally would be credited to customer billings through the Energy Conservation Cost Recovery clause in April 1997. FPC's proposal would reduce its current energy conservation cost recovery factor from .295 cents per kWh to .138 cents per kWh.

FPC requests that the new conservation factor be made effective beginning with cycle 1 billings for the month of July, 1996. Although this effective date falls short of the normal 30-day notice requirement, we believe such treatment is warranted. FPC's customers should begin receiving the revenue decoupling refund at the earliest practicable time. Thus, we find that an energy conservation cost recovery factor of .138 cents per kWh should be approved. Since energy conservation cost recovery factors are set once a year, the reduced factor will be in effect through March, 1997.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's fuel factor is increased to 2.148 cents per kWh, effective for customer bills beginning with cycle 1 billings

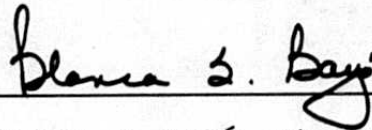
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for the month of July, 1996 through September 30, 1996. It is further

ORDERED that Florida Power Corporation's conservation cost recovery factor is reduced to .138 cents per kWh effective with Cycle 1 billings for the month of July, 1996. It is further

ORDERED that if a protest is filed in accordance with the requirement set forth below, the tariff shall remain in effect with any increase in revenues held subject to refund pending resolution of the protest.

By ORDER of the Florida Public Service Commission, this 15th day of July, 1996.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This

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petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 5, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this Order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this Order becomes final on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the date this Order becomes final, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

RESIDENTIAL FUEL FACTORS FOR THE PERIOD: July - September 1996

CELESTIAL VALUE

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NOTE: This schedule reflects a mid-course correction for Florida Power Corporation and Florida Power and Light effective July 1996.

		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
Present (cents per kwh):	April - June 1996	2.075	1.891	2.407	2.193	5.122	4.737
Approved (cents per kwh):	July - September 1996	2.205	2.152	2.407	2.193	5.122	4.737
	Increase/Decrease:	0.130	0.261	0.000	0.000	0.000	0.000

TOTAL COST FOR 1,000 KILOWATT HOURS - RESIDENTIAL SERVICE

		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
<b>PRESENT:</b>	April - June 1996						
Base Rate		47.46	49.05	51.92	43.25	20.43	19.20
Fuel		20.75	18.91	24.07	21.93	51.22	47.37
Energy Conservation		2.09	2.95	1.62	0.41	0.19	0.09
Environmental Cost Recovery		0.15	N/A	N/A	1.36	N/A	N/A
Capacity Recovery		4.42	9.36	1.93	1.68	N/A	N/A
Gross Receipts Tax (1)		0.77	2.06	2.04	0.70	1.84	0.68
<b>Total</b>		<b>\$75.64</b>	<b>\$82.33</b>	<b>\$81.58</b>	<b>\$69.33</b>	<b>\$73.68</b>	<b>\$67.34</b>

		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
<b>APPROVED:</b>	July - September 1996						
Base Rate		47.46	49.05	51.92	43.25	20.43	19.20
Fuel		22.05	21.52	24.07	21.93	51.22	47.37
Energy Conservation		2.09	1.38 (3)	1.62	0.41	0.19	0.09
Environmental Cost Recovery		0.15	N/A	N/A	1.36	N/A	N/A
Capacity Recovery		4.42	9.36	1.93	1.68	N/A	N/A
Gross Receipts Tax (1)		0.78	2.08	2.04	0.70	1.84	0.68
<b>Total</b>		<b>\$76.95</b>	<b>\$83.39</b>	<b>\$81.58</b>	<b>\$69.33</b>	<b>\$73.68</b>	<b>\$67.34</b>

		Florida Power & Light	Florida Power Corporation	Tampa Electric Company	Gulf Power Company	Florida Public Utilities Co. (2)	
						Marianna	Fernandina Beach
<b>APPROVED INCREASE / (DECREASE)</b>							
Base Rate		0.00	0.00	0.00	0.00	0.00	0.00
Fuel		1.30	2.61	0.00	0.00	0.00	0.00
Energy Conservation		0.00	-1.57	0.00	0.00	0.00	0.00
Environmental Cost Recovery		0.00	N/A	N/A	0.00	N/A	N/A
Capacity Recovery		0.00	0.00	0.00	0.00	N/A	N/A
Gross Receipts Tax (1)		0.01	0.02	0.00	0.00	0.00	0.00
<b>Total</b>		<b>\$1.31</b>	<b>\$1.06</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

- (1) Additional gross receipts tax is 1% for Gulf, FPL and FPUC-Fernandina Beach. FPC, TECO and FPUC-Marianna have removed all GRT from their rates, and thus entire 2.5% is shown separately. (2) Fuel costs include purchased power demand costs of 2.187 for Marianna and 1.442 cents/KWH for Fernandina allocated to the residential class. (3) Energy Conservation for FPC reflects residential decoupling refund (for period January-May 1996) of \$1.57 for July 1996 through March 1997.

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ATTACHMENT A

FUEL ADJUSTMENT FACTORS IN CENTS PER KWH BASED ON LINE LOSSES BY RATE GROUP

FOR THE PERIOD: July - September 1996

COMPANY	GROUP	RATE SCHEDULES	BEFORE LINE LOSSES			LINE LOSS MULTIPLIER	FINAL FACTORS ADJUSTED FOR LINE LOSSES		
			Standard	TIME OF USE On/Peak	Off/Peak		Standard	TIME OF USE On/Peak	Off/Peak
FP&L	A	RS-1,RST-1,GST-1,GS-1,SL-2	2.201	2.452	2.071	1.00197	2.205	2.457	2.075
	A-1	SL-1,OL-1	2.132	NA	NA	1.00197	2.136	NA	NA
	B	GSD-1,GSDT-1, CILC-1(G)	2.201	2.452	2.071	1.00196	2.205	2.457	2.075
	C	GSLD-1,GSLDT-1, CS-1, CST-1	2.201	2.452	2.071	1.00171	2.205	2.456	2.074
	D	GSLD-2,GSLDT-2, CS-2, CST-2, OS-2, MET	2.201	2.452	2.071	0.99678	2.194	2.444	2.064
	E	GSLD-3,GSLDT-3,CS-3,CST-3,CILC-1(T),ISST-1(G)	2.201	2.452	2.071	0.96190	2.117	2.359	1.992
	F	CILC-1(D),ISST-1(D)	NA	2.452	2.071	0.99827	NA	2.448	2.067
FPC	A	Transmission Delivery	2.152	2.817	1.793	0.98000	2.109	2.761	1.757
	B	Distribution Primary Delivery	2.152	2.817	1.793	0.99000	2.130	2.788	1.774
	C	Distribution Secondary Delivery	2.152	2.817	1.793	1.00000	2.152	2.817	1.793
	D	OL-1,SL-1	1.984	NA	NA	1.00000	1.984	NA	NA
TECO	A	RS,GS,TS	2.392	2.893	2.154	1.00640	2.407	2.912	2.168
	A-1	SL-2,OL-1,3	2.392	NA	NA	NA	2.280	NA	NA
	B	GSD,GSLD,SBF	2.392	2.893	2.154	1.00120	2.395	2.896	2.157
	C	IS-1,IS-3, SBI-1 & 3	2.392	2.893	2.154	0.97210	2.325	2.812	2.094
GULF	A	RS,GS,GSD,OS-III,OS-IV, SBS(100 to 500 kW)	2.166	2.612	1.956	1.01228	2.193	2.644	1.980
	B	LP, SBS(Contract Demand of 500 to 7499 kW)	2.166	2.612	1.956	0.98106	2.125	2.563	1.919
	C	PX, SBS(Contract Demand above 7499 kW)	2.166	2.612	1.956	0.96230	2.084	2.514	1.882
	D	OS-1,OS-2	2.014	NA	NA	1.01228	2.039	NA	NA
FPUC Fernandina	A	RS	4.737	NA	NA	1.00000	4.737	NA	NA
	B	GS	4.841	NA	NA	1.00000	4.841	NA	NA
	C	GSD	4.090	NA	NA	1.00000	4.090	NA	NA
	D	OL, OL-2, SL-2, SL-3, CSL	3.833	NA	NA	1.00000	3.833	NA	NA
	E	GSLD	NA				NA		
Marianna	A	RS	5.058	NA	NA	1.01260	5.122	NA	NA
	B	GS	4.792	NA	NA	0.99630	4.774	NA	NA
	C	GSD	4.296	NA	NA	0.99630	4.280	NA	NA
	D	GLSD	4.259	NA	NA	0.99630	4.243	NA	NA
	E	OL, OL-2	2.987	NA	NA	1.01260	3.025	NA	NA
	F	SL-1, SL-2	2.978	NA	NA	0.98810	2.943	NA	NA

NOTE: This schedule reflects a mid-course correction for Florida Power Corporation and Florida Power and Light effective July 1996.