

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power) DOCKET NO. 920001-EI
Cost Recovery Clause and) ORDER NO. PSC-92-0271-FOF-EI
Generating Performance Incentive) ISSUED: 04/29/92
Factor.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION

ORDER GRANTING MID-COURSE
CORRECTION OF FUEL COST RECOVERY FACTOR

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On April 7, 1992, Florida Power Corporation (FPC) filed a petition for approval of a mid-course correction to its currently authorized fuel cost recovery factor for the period April through September, 1992. The calculation of FPC's April through September fuel cost recovery factor approved at the February 1992 hearings included a credit for an estimated true-up overrecovery of \$39.7 million through March 1992. The calculation was based on forecasted results for the months of December through March. Actual results now available for these months show that the overrecovery is \$62.1 million, or \$22.4 million greater than the estimate included in the current fuel cost recovery factor. While this rate of overrecovery is not expected to continue for the remainder of the April through September period, FPC anticipates a period-ending overrecovery in excess of the Commission's 10% threshold for mid-course corrections (Order No. 13694, Docket No. 840001-EI, issued September 20, 1984).

The overrecovery through March, 1992 is primarily the result of oil prices running lower than forecasted by around \$3 per barrel or more, Crystal River 3 operating at a higher capacity factor than forecasted, and lower system requirements related to mild weather and a weak economy.

DOCUMENT NUMBER-DATE

04196 APR 29 1992

FPC-RECORDS/REPORTING

The mid-course correction is made by reducing jurisdictional fuel costs originally projected for the April through September period in the amount of the \$22.4 million additional overrecovery experienced through March 1992, and then spreading the reduction over kWh sales for the remaining five months of the current period, May through September, 1992. This approach will allow the reduction to be implemented promptly, while keeping the period-ending true-up balance within the 10% guideline.

We approve the reduction requested by Florida Power Corporation. We note that there has been no prudence review of FPC's fuel estimates and expenditures, and we do not necessarily agree or disagree with FPC's figures at this time. However, the company's petition was made in compliance with Order 13694 in Docket No. 840001-EI, where we established a mid-course correction procedure to prevent substantial fluctuations in customer bills resulting from unanticipated large over or under recoveries of fuel costs. We believe it to be in the best interest of the ratepayers to approve the mid-course correction in this instance before the prudence review, which will take place during the August 1992 hearings.

We have reviewed the factors derived for FPC's various rate classes, and we have found them to be calculated according to established methods. Attachment A of this order reflects the levelized on-peak and off-peak factors for each class, and compares bills for 1,000 kWh of residential consumption before and after this mid-course correction.

FPC has requested an effective date beginning with Cycle 19 billings for the month of April, 1992. Although this effective date falls short of the normal 30-day notice requirement, due to the magnitude of the projected overrecovery, it is preferable to implement the revised levelized fuel adjustment factors immediately. We believe that such action is warranted to provide this fuel charge reduction to FPC's customers at the earliest practicable time, and in a manner which coincides with the effectiveness of interim rates authorized in Docket No. 910890-EI. We approve Florida Power Corporation's reduced fuel factor of 2.070 cents per kWh effective beginning with Cycle 19 billings for the month of April, 1992.

It is therefore

ORDERED by the Florida Public Service Commission that, for the reasons set forth in the body of this order, Florida Power Corporation's Petition for Adjustment to its Fuel Adjustment Factors is hereby granted. It is further

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ORDERED that the factors shown in Attachment "A" hereto are hereby approved, beginning with meters read on or after April 1992. It is further

ORDERED that this docket remain open.

By ORDER of the Florida Public Service Commission, this 29th day of April, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MCB:bmi

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 action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on May 20, 1992.

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In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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 and effective 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 sewer 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 effective date of this order, 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.

TOTAL FUEL COST FOR THE PERIOD:

May 1992 - September 1992

DIVISION OF ELECTRIC AND GAS

Note: This schedule reflects a mid-course correction for FPC effective April 23, 1992.

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COMPANY	PROPOSED May 1992 - September 1992			PRESENT April 1992			DIFFERENCE			RESIDENTIAL LINE LOSS MULTIPLIER	PROPOSED RESIDENTIAL FUEL FACTOR
	Levelized	OnPeak	OffPeak	Levelized	OnPeak	OffPeak	Levelized	OnPeak	OffPeak		
Fla. Power & Light (5)	1.822	1.998	1.737	1.822	1.998	1.737	0.000	0.000	0.000	1.00123	1.824
Fla. Power Corp.	2.070	3.124	1.526	2.262	3.316	1.718	-0.192	-0.192	-0.192	1.00420	2.079
Tampa Electric	2.463	3.133	2.517	2.663	3.133	2.517	0.000	0.000	0.000	1.01470	2.702
Gulf Power	2.185	2.392	2.088	2.185	2.392	2.088	0.000	0.000	0.000	1.01228	2.212
Fla. Public											
Marianna (1)	4.827	NA	NA	4.827	NA	NA	0.000	NA	NA	1.01240	4.888
Fernandina (1)(2)	5.916	NA	NA	5.916	NA	NA	0.000	NA	NA	1.00000	5.916

COST FOR 1,000 KWH RESIDENTIAL SERVICE

PRESENT: April 1 - April 22, 1992

	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	44.96	50.34	42.87	17.22	19.20
Fuel (3)	18.24	22.71	27.02	22.12	48.88	59.16
Oil Backout	-0.15	NA	1.06	NA	NA	NA
Energy Conservation	1.35	2.43	1.30	0.19	0.10	0.06
Capacity Recovery	5.90	NA	NA	NA	NA	NA
Gross Receipts Tax (4)	0.56	0.54	0.61	0.50	0.51	0.60
Total	173.28	170.64	180.33	165.68	166.71	179.02

PROPOSED: April 23, 1992 - September 1992

	Fla. Power & Light	Fla. Power Corp. (5)(6)	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	47.38	46.50	50.34	42.87	17.22	19.20
Fuel (3)	18.24	20.79	27.02	22.12	48.88	59.16
Oil Backout	-0.15	NA	1.06	NA	NA	NA
Energy Conservation	1.35	2.43	1.30	0.19	0.10	0.06
Capacity Recovery	5.90	NA	NA	NA	NA	NA
Gross Receipts Tax (4)	0.56	0.54	0.61	0.50	0.51	0.60
Total	173.28	170.64	180.33	165.68	166.71	179.02

DIFFERENCE	Fla. Power & Light	Fla. Power Corp.	Tampa Electric	Gulf Power	Florida Public Utilities	
					Marianna	Fernandina
Base	0.00	1.54	0.00	0.00	0.00	0.00
Fuel (3)	0.00	-1.93	0.00	0.00	0.00	0.00
Oil Backout	0.00	NA	0.00	NA	NA	NA
Energy Conservation	0.00	0.00	0.00	0.00	0.00	0.00
Capacity Recovery	0.00	NA	NA	NA	NA	NA
Gross Receipts Tax (4)	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	-0.39	0.00	0.00	0.00	0.00

(1) Fuel costs include purchased power demand costs of 2.024 for Marianna and 0.872 cents/KWH for Fernandina allocated to the residential class.

(2) All classes except OSLD. (3) Adjusted for line loss. (4) Additional gross receipts tax of .75%. Effective July 1, 1992, tax will increase by .25%.

This increase is not reflected in the above rates. (5) FPC base rates include an interim rate increase of 3.42% effective April 23, 1992.

(6) FPC proposed fuel rates reflect a midcourse correction effective for Cycle 19 billings beginning on April 23, 1992.

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

Note: This schedule reflects a mid-course correction for FPC effective April 23, 1992.

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COMPANY	GROUP	RATE SCHEDULES	WITHOUT LINE LOSS MULTIPLIER				WITH LINE LOSS MULTIPLIER			
			Levelized	* On/Peak	Off/Peak	LINE LOSS MULTIPLIER	Levelized	On/Peak	Off/Peak	
FP&L	A	RS-1,OS-1,SL-2	1.822	1.998	1.737	1.80125	1.824	2.000	1.739	
	A-1	SL-1,OL-1	1.778	NA	NA	1.80125	1.780	NA	NA	
	B	GSD-1	1.822	1.998	1.737	1.80121	1.824	2.000	1.739	
	C	GSLD-1,CS-1	1.822	1.998	1.737	1.80048	1.823	1.999	1.738	
	D	GSLD-2,CS-2,OS-2,MET	1.822	1.998	1.737	0.99673	1.816	1.991	1.731	
	E	GSLD-3,CS-3,IST-1(T),ISST-1(T)	1.822	1.998	1.737	0.97075	1.769	1.939	1.686	
	F	IST-1(D),ISST-1(D)	1.998	1.998	1.737	0.99442	1.987	1.987	1.727	
FPC	A	Distribution Secondary Delivery	2.070	3.124	1.526	1.00420	2.079	3.137	1.532	
	A-1	OL-1,SL-1	1.824	NA	NA	1.80420	1.832	NA	NA	
	B	Distribution Primary Delivery	2.070	3.124	1.526	0.98240	2.034	3.069	1.499	
	C	Transmission Delivery	2.070	3.124	1.526	0.97230	2.013	3.037	1.484	
TECO	A	RS,GSTS	2.663	3.133	2.517	1.01470	2.702	3.179	2.554	
	A-1	SL-1,2,3,OL-1,2	2.610	NA	NA	1.01470	2.648	NA	NA	
	B	GSD,GSLD	2.663	3.133	2.517	0.99750	2.656	3.125	2.511	
	C	IS-1,IS-3	2.663	3.133	2.517	0.96860	2.579	3.035	2.438	
GULF	A	RS,OS,GSD,OS-III,OS-IV	2.185	2.392	2.088	1.01228	2.212	2.421	2.114	
	B	LP	2.185	2.392	2.088	0.98106	2.144	2.347	2.048	
	C	FX	2.185	2.392	2.088	0.96230	2.103	2.302	2.009	
	D	OS-1,OS-2	2.115	NA	NA	1.01228	2.141	NA	NA	
FPUC <u>Fernandina</u>	A	RS	5.916	NA	NA	1.00000	5.916	NA	NA	
	B	GS	5.756	NA	NA	1.00000	5.756	NA	NA	
	C	GSD	5.642	NA	NA	1.00000	5.642	NA	NA	
	D	OL, OL-2, SL-2, SL-3, CSL	5.291	NA	NA	1.00000	5.291	NA	NA	
	E	GSLD					5.014 (1)			
					\$3.77/CP KW					
<u>Marianna</u>	A	RS	4.827	NA	NA	1.01260	4.888	NA	NA	
	B	GS	4.571	NA	NA	0.99630	4.554	NA	NA	
	C	GSD	4.146	NA	NA	0.99630	4.131	NA	NA	
	D	OL, OL-2	2.803	NA	NA	1.01260	2.838	NA	NA	
	E	SL-1, SL-2, SL-3	2.803	NA	NA	0.98810	2.770	NA	NA	

(1) Informational Purposes Only - GSD class is billed actual fuel cost

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PROPOSED CAPACITY RECOVERY FACTORS
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Rate Class	Florida Power & Light (Cents per KWH)
RS1	0.590
GS1	0.618
GSD1	0.553
OS2	0.382
GSLD1/CS1	0.509
GSLD2/CS2	0.462
GSLD3/CS3	0.417
IST1D	0.375
IST1T	0.401
ISST1D	0.447
SST1T	0.456
SST1D	0.350
CHCD	0.400
CHCT	0.338
MET	0.515
GL1/SL1	0.357
SL2	0.407

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**FUEL & PURCHASED POWER COST RECOVERY
 CLAUSE CALCULATION**

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Note: This schedule reflects a mid-course correction effective April 23, 1992

ESTIMATED FOR THE PERIOD: April - September 1992

FLORIDA POWER CORPORATION

CLASSIFICATION	Classification	Classification	Classification
	Associated	Associated	Associated
	\$	KWH	cents/KWH
1 Fuel Cost of System Net Generation (E3)	292,502,538	14,353,781,000	2.03781
2 Spent NUC Fuel Disposal Cost (E3A)	1,666,226	1,666,226,000 (a)	0.10000
3 Coal Car Investment	0	0	0.00000
4 Adjustments to Fuel Cost	0	0	0.00000
5. TOTAL COST OF GENERATED POWER	294,168,764	14,355,781,000	2.04942
6 Energy Cost of Purchased Power - Firm (E8)	282,779	3,671,000	7.70117
7 Energy Cost of Sch.C.X Economy Purchases (Broker) (E9)	20,709,330	518,193,000	3.99645
8 Energy Cost of Economy Purchases (Non-Broker) (E9)	3,955,750	112,186,000	3.52606
9 Energy Cost of Sch.E Purchases (E9)	20,184,710	941,541,000	2.14380
10 Capacity Cost of Sch.E Economy Purchases (E9)	11,100,000	941,541,000 (a)	1.17892
11 Payments to Qualifying Facilities (E8A)	21,590,544	572,915,000	3.76854
12. TOTAL COST OF PURCHASED POWER	77,823,044	2,148,506,000	3.62219
13. TOTAL AVAILABLE KWH		16,502,287,000	
14 Fuel Cost of Economy Sales (E7)	(5,197,600)	(240,000,000)	1.85629
14a Gain on Economy Sales - 80% (E7A)	(515,200)	(280,000,000)(a)	0.18400
15 Fuel Cost of Other Power Sales (E7)	0	0	0.00000
15a Gain on Other Power Sales (E8)	0	0 (a)	0.00000
16 Fuel Cost of Seminole Backup Sales (E7)	0	0	0.00000
16a Gain on Seminole Back-up Sales (E7B)	0	0 (a)	0.00000
17 Fuel Cost of Seminole Supplemental Sales (E7)	(7,440,200)	(252,209,000)	2.95001
18. TOTAL FUEL COST AND GAINS OF POWER SALES	(13,153,000)	(532,209,000)	2.47140
19 Net Inadvertent Interchange (E4)	0	0	
20. TOTAL FUEL AND NET POWER TRANSACTIONS	358,838,808	15,970,078,000	2.24694
21 Net Unbilled (E4)	8,681,999 (a)	(386,399,000)	0.06048
22 Company Use (E4)	2,055,914 (a)	(91,500,000)	0.01432
23 T & D Losses (E4)	25,527,997 (a)	(1,136,143,000)	0.17782
24 Adjusted System KWH Sales	358,838,808	14,356,036,000	2.49957
25 Wholesale KWH Sales (Excluding Seminole Supplemental)	(15,515,085)	(621,475,000)	2.49649
26 JURISDICTIONAL KWH SALES	343,323,723	13,734,561,000	2.49971
27 Jurisdictional KWH Sales Adjusted for Line Loss - 1.0019	343,976,038	13,734,561,000	2.50446
28 Prior Period True-Up *	(39,702,699)	13,734,561,000	-0.28907
28a Correction for Actual Oct. '91 - Mar. '92 True-up Balance	(22,418,369)	11,856,245,000	-0.18908
29. TOTAL JURISDICTIONAL FUEL COST	281,854,970	13,734,561,000	2.02630
30 Revenue Tax Factor			1.01609
31 Fuel Cost Adjusted for Taxes			2.05890
32 GPFP*	1,571,087	13,734,561,000	0.01140
33 Total fuel cost including GPFP	283,426,057	13,734,561,000	2.07030
34. TOTAL FUEL COST FACTOR ROUNDED TO THE NEAREST .001 CENTS PER KWH:			2.070

*Based on Jurisdictional Sales

Effective dates for billing purposes: Cycle 1 billings for May, 1992

(a) Included for informational purposes only.