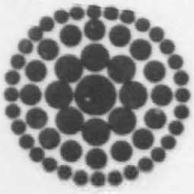


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**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

July 5, 1994

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0870

Re: Docket No. 940001-EI

X-ney DN

06331-94

Dear Ms. Bayo:

On June 27, 1994, Florida Power filed the direct testimony and exhibits of Karl H. Wieland regarding the Company's levelized fuel and capacity cost recovery factors for the period October 1994 through March 1995. After discussions with Staff, it has become apparent that two additional questions and answers should have been included in his testimony.

ACK

REF

APP _____

CAF _____

CMU _____

CTR _____

ENG _____

LES _____

LFV _____

CPG _____

ROH _____

SLC _____

W/H _____

QTH _____

5 Dudley
Brown
orig 13

Accordingly, please find enclosed for filing in the subject docket fifteen copies of revised pages 12 and 13 to Mr. Wieland's testimony. The revision is contained on page 12, line 13 through page 13, line 11, and has no effect on the remainder of his testimony or exhibits.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned.

Very truly yours,

James A. McGee

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JAM/jb
Enclosure

cc: Parties of record

DOCUMENT NUMBER - DATE

06683 JUL-64

FPSC-RECORDS/REPORTING

GENERAL OFFICE

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A Florida Progress Company

CERTIFICATE OF SERVICE

Docket No. 940001-EI

I HEREBY CERTIFY that a true copy of Florida Power Corporation's revised pages 12 and 13 of the direct testimony of Karl H. Wieland was mailed to the following individuals by U.S. Mail this 5th day of July, 1994:

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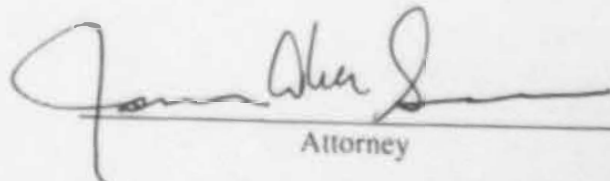
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Attorney

1 Q. Please discuss the treatment of capacity payments to Orlando
2 Cogen which are currently under dispute.

3 A. The Company is in a dispute with Orlando Cogen regarding the
4 installation of a backup fuel source for the unit. Pending resolution of
5 this dispute by the courts and/or the Commission, the Company is
6 withholding approximately one-third of the capacity payments. The
7 amount withheld is credited to an interest bearing account pending
8 resolution of the issue. The Company is reflecting the full cost of the
9 contracted capacity payments in the projection and plans to refund to
10 customers any amounts that are ultimately not paid to Orlando Cogen
11 by court order.
12

13 Q. In Order No. PSC-93-0251-PHO-EI, issued February 16, 1993, the
14 Commission approved a proposal by Florida Power and its
15 affiliated fuel supplier, Electric Fuels Corporation (EFC), for the
16 purchase of 21 locomotives over a five-year period. Does Florida
17 Power desire to accelerate this purchase period?

18 A. Yes. After purchasing six locomotives in 1993, EFC is currently
19 scheduled to purchase the remaining 15 at a rate of three per year
20 through 1998. Through recent discussions with CSX Transportation,
21 EFC learned of the opportunity to purchase six locomotives in 1994 and
22 the remaining nine locomotives in 1995.
23

24 Q. How will the accelerated purchase of these locomotives benefit
25 Florida Power's ratepayers?

1 A. As I explained to the Commission when the original purchase
2 arrangement was approved, EFC's ownership of the locomotives would
3 save Florida Power's ratepayers approximately \$10.9 million over the
4 10-year term of their lease to CSX. By accelerating the purchase
5 schedule, the ratepayers' estimated net savings will increase to
6 approximately \$14.5 million over the same 10-year term. The
7 calculation of these savings has been reviewed by Staff and the Office
8 of the Public Counsel. Because of this additional benefit to the
9 Company's ratepayers, Florida Power requests Commission approval to
10 accelerate EFC's purchase of these locomotives and to include them in
11 EFC's return on equity calculation at the time of their purchase.

12
13 **Q. Does this conclude your testimony?**

14 A. Yes.