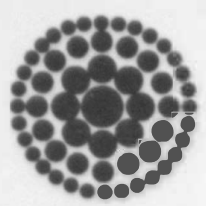


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**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

July 21, 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

Dear Ms. Bayo:

Enclosed for filing in the subject docket are fifteen copies of the Prehearing Statement of Florida Power Corporation. Also enclosed is a formatted double sided double density 3.5 inch diskette containing the Prehearing Statement for Florida Power Corporation.

- ACK
- AFA
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG 6-Dudley
- LEG Brewer
- LIN 3
- OPC _____
- RCM _____
- SEC /
- WAS _____
- OTH _____

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
James A. McGee

JAM/jb
Enclosure
cc: All parties of record

REC'D & FILED
88

DOCUMENT NUMBER - DATE
07437 JUL 22 1994
FPSC-RECORDS/REPORTING

GENERAL OFFICE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Unrecorded
FILE COPY

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

Docket No. 940001-EI

Submitted for filing:
July 21, 1994

**PREHEARING STATEMENT OF
FLORIDA POWER CORPORATION**

Florida Power Corporation (FPC), pursuant to Rule 25-22.038, Florida Administrative Code, hereby submits its Prehearing Statement with respect to its leveled fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of October, 1994 through March, 1995 and states as follows:

A. APPEARANCES

JAMES A. MCGEE, Esquire, Post Office Box 14042, St. Petersburg, FL
33733-4042
On behalf of Florida Power Corporation

B. WITNESSES

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Karl H. Wieland	Fuel Adjustment: True-up and Projections	1-9, 12-15
William C. Micklon	GPIF: Reward/Penalty and Targets/Ranges	10 and 11

DOCUMENT NUMBER-DATE
07437 JUL 22 1994
FPSC-RECORDS/REPORTING

C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(KHW-1)</u>	Wieland	True-up Variance Analysis
<u>(KHW-2)</u>	Wieland	Schedules A1 through A13 (True-up)
<u>(KHW-3)</u>	Wieland	Forecast Assumptions (Parts A-C), Capacity Cost Recovery Factors (Part D), and Other Supporting Information (Parts E-G)
<u>(KHW-4)</u>	Wieland	Schedules E1 through E11 and H1 (Projections)
<u>(WCM-1)</u>	Micklon	Standard Form GPIF Schedules (Reward/Penalty)
<u>(WCM-2)</u>	Micklon	Standard Form GPIF Schedules (Targets/Ranges)

D. STATEMENT OF BASIC POSITION

None necessary.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

1. ISSUE: What are the appropriate final true-up amounts for the period of October, 1993 through March, 1994?

EPC: \$5,074,211 under-recovery. (Wieland)

2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period of April through September 1994?

EPC: \$26,512,241 under-recovery. (Wieland)

3. **ISSUE:** What are the total true-up amounts to be collected during the period of October, 1994 through March, 1995?

EPC: \$31,586,452 under-recovery. (Wieland)

4. **ISSUE:** What are the appropriate levelized fuel cost recovery factors for the period of October, 1994 through March, 1995?

EPC: 2.055 cents per kWh (2.051 cents per kWh adjusted for Effective Jurisdictional Sales.) (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?

EPC: The new factors should be effective beginning with the first billing cycle for October, 1994, and thereafter through the last billing cycle for March, 1995. The first billing cycle may start before October 1, 1994, and the last billing cycle may end after March 31, 1995, 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?

EPC:		Line Loss	
	Group	Metering Voltage Level	Multiplier
	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?

EPC:

<u>Group</u>	<u>Metering Voltage Level</u>	<u>Fuel Cost Factors (cents/kWh)</u>		
		<u>Standard</u>	<u>Time Of Use</u>	
			<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	2.014	2.560	1.790
B.	Distribution Primary	2.034	2.585	1.808
C.	Distribution Secondary	2.055	2.612	1.827
D.	Lighting Service	1.974		

(Wieland)

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the the projection period of October 1994 through March 1995?

EPC: 1.00083 (Wieland)

Company-Specific Fuel Adjustment Issues

Florida Power Corporation

- 9a. **ISSUE:** Should the Commission approve FPC's request to accelerate the purchase of 21 locomotives by Electric Fuels Corporation (EFC) previously approved by Order No. PSC-93-0251-PHO-EI?

EPC: Yes. Allowing the locomotive purchase to be completed by 1995 instead of 1998, as previously approved, will increase the savings to Florida Power and its ratepayers from \$10.9 million to \$14.5.

- 9b. **ISSUE:** Is it appropriate for FPC to differentiate fuel charges by metering voltage?

EPC: Yes. Differentiating fuel charges in this manner will ensure consistency with the treatment of base rate charges, the ECCR and the CCR. (Wieland)

Generic Generating Performance Incentive Factor Issues

10. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1993 through March, 1994?

EPC: \$1,009,345 reward. (Micklon)

11. **ISSUE:** What should the GPIF targets/ranges be for the period of October, 1994 through March, 1995?

EPC: See Attachment A. (Micklon)

Generic Capacity Cost Recovery Issues

12. **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of October, 1993 through March, 1994?

EPC: \$69,905 under-recovery. (Wieland)

13. **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of April through September, 1994?

EPC: \$4,622,826 over-recovery. (Wieland)

14. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected during the period of October, 1994 through March, 1995?

EPC: \$4,552,921 over-recovery. (Wieland)

15. **ISSUE:** What are the appropriate capacity cost recovery factors for the period of October, 1994 through March, 1995?

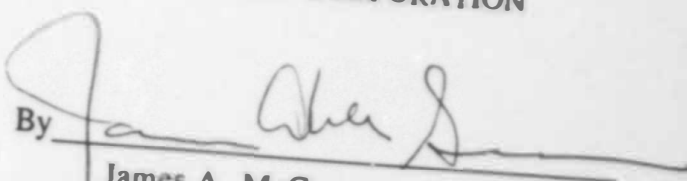
EPC: See Attachment B. (Wieland)

F. STIPULATED ISSUES: None at this time.

G. PENDING MOTIONS: None.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (813) 866-5184
Facsimile: (813) 866-4931

CERTIFICATE OF SERVICE

Docket No. 940001-EI

I HEREBY CERTIFY that a true copy of the Prehearing Statement of Florida Power Corporation was sent by regular U.S. mail to the following individuals this 22nd day of July,

1994:

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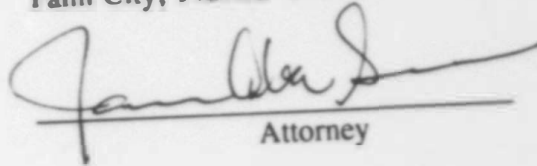
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