

**Florida
Power**
CORPORATION

ORIGINAL
FILE COPY

JAMES A. MCGEE
SENIOR COUNSEL

July 11, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

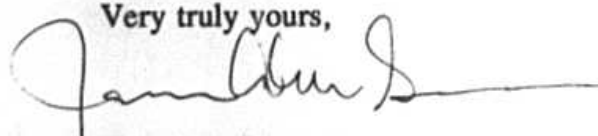
Re: Docket No. 950001-EI


Dear Ms. Bayo:

Enclosed for filing in the subject docket please find the original and 15 copies of the Prehearing Statement of Florida Power Corporation.

Please acknowledge your receipt of the above filings 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.

ACK ✓
APR 3-7
JAM

Very truly yours,

James A. McGee


1 JAM/jb
3 Enclosures

cc: Parties of Record

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JUL 12 1995

FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE

06604 JUL 12 1995

FPSC-RECORDS/REPORTING

GENERAL OFFICE

3201 Thirty-fourth Street South, Post Office Box 14042, St. Petersburg, Florida 33733-4042; (813) 866-5184; Fax: (813) 866-4931
A Florida Progress Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 950001-EI

Submitted for filing:
July 12, 1995

**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 levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of October 1995 through March 1996 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>
David P. Develle	Fuel Adjustment True-up	1-3, 8a
Karl H. Wieland	Fuel Adjustment Projections	4-7, 8b, 8c, 11-14
Larry G. Turner	GPIF: Reward/Penalty and Targets/Ranges	9 and 10

DOCUMENT NUMBER-DATE

06604 JUL 12 1995

C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(DPD-1)</u>	Develle	True-up Variance Analysis
<u>(DPD-2)</u>	Develle	Schedules A1 through A13
<u>(KHW-1)</u>	Wieland	Forecast Assumptions (Parts A-C), and Capacity Cost Recovery Factors (Part D)
<u>(KHW-2)</u>	Wieland	Schedules E1 through E10 and H1
<u>(LGT-1)</u>	Turner	Standard Form GPIF Schedules (Reward/Penalty)
<u>(LGT-2)</u>	Turner	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, 1994 through March, 1995?

EPC: \$2,021,124 under-recovery. (Develle)

2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period of April through September 1995?

FPC: \$8,628,314 under-recovery. (Develle)

3. **ISSUE:** What are the total true-up amounts to be collected during the period of October, 1995 through March, 1996?

FPC: \$10,649,438 under-recovery. (Develle)

4. **ISSUE:** What are the appropriate levelized fuel cost recovery factors for the period of October, 1995 through March, 1996?

FPC: 1.783 cents per kWh (adjusted for jurisdictional losses). (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?

FPC: The new factors should be effective beginning with the first billing cycle for October, 1995, and thereafter through the last billing cycle for March, 1996. The first billing cycle may start before October 1, 1995, and the last billing cycle may end after March 31, 1996, 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?

FPC:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss Multiplier</u>	
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?

FPC:		Fuel Cost Factors (cents/kWh)		
Group	Delivery Voltage Level	Standard	Time Of Use	
			On-Peak	Off-Peak
A.	Transmission	1.750	2.140	1.591
B.	Distribution Primary	1.768	2.162	1.607
C.	Distribution Secondary	1.786	2.184	1.623
D.	Lighting Service	1.728		

(Wieland)

Company-Specific Fuel Adjustment Issues

- 8a. **ISSUE:** Has FPC confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1994?

FPC: Yes. The annual audit of EFC's revenue requirements under a full utility-type regulatory treatment confirms the appropriateness of the "short cut" methodology used to determine the equity component of EFC's capital structure. (Develle)

- 8b. **ISSUE:** Has FPC properly calculated the market price true-up for coal purchases from Powell Mountain?

FPC: Yes. The calculation has been made in accordance with the market pricing methodology approved by the Commission in Docket No. 860001-EI-G. (Wieland)

- 8c. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting its Intercession City combustion turbine units P7 and P9 to burn natural gas?

FPC: Yes. The cost of conversion (\$2.2 million plus a one-time metering cost of \$272,000) is not included in FPC's base and will enable FPC to achieve fuel savings in excess of \$20 million over the next five years. (Wieland)

Generic Generating Performance Incentive Factor Issues

9. ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1994 through March, 1995?

FPC: \$183,528 reward. (Turner)

10. ISSUE: What should the GPIF targets/ranges be for the period of October, 1995 through March, 1996?

FPC: See Attachment A. (Turner)

Generic Capacity Cost Recovery Issues

11. ISSUE: What is the appropriate final capacity cost recovery true-up amount for the period of October, 1994 through March, 1995?

FPC: \$ 4,061,575 under-recovery. (Wieland)

12. ISSUE: What is the estimated capacity cost recovery true-up amount for the period of April through September, 1995?

FPC: \$3,449,626 over-recovery. (Wieland)

13. ISSUE: What is the total capacity cost recovery true-up amount to be collected during the period of October, 1995, through March, 1996?

FPC: \$611,949 under-recovery. (Wieland)

14. ISSUE: What are the appropriate capacity cost recovery factors for the period of October, 1995 through March, 1996?

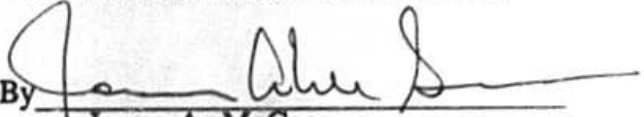
FPC: See Attachment B. (Wieland)

- 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
(813) 866-5184

CERTIFICATE OF SERVICE

Docket No. 950001-EI

I HEREBY CERTIFY that true and correct copies of the Prehearing Statement of Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 12th day of July, 1995:

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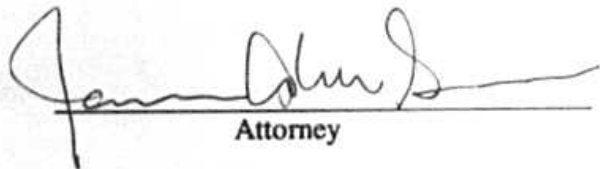
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Attorney

Attachment A

Original Sheet No. 7.103.1

GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Oct. 1995 - Mar. 1996

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
ANC. 1	0.52	98.68	98.79	98.47	33.4	177.7
ANC. 2	1.24	81.05	81.23	80.68	79.1	284.9
C.R. 1	1.14	85.88	91.19	75.27	72.9	640.5
C.R. 2	18.56	60.31	67.10	47.94	1182.9	12412.9
C.R. 3	16.06	79.79	81.08	77.13	1023.2	2294.8
C.R. 4	4.94	94.02	96.83	88.27	314.9	881.7
C.R. 5	2.72	94.49	97.07	89.21	173.5	584.2
-----						-----
GPIF System	45.20				2879.9	17276.7

Plant/Unit	Weighting Factor (%)	ANOHR Target		ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	2.09	9679	75.4	9315	10043	133.2	133.2
ANC. 2	2.41	9703	61.8	9352	10054	153.4	153.4
C.R. 1	4.18	10124	60.8	9894	10353	266.6	266.6
C.R. 2	8.30	9767	87.4	9511	10023	528.7	528.7
C.R. 3	14.16	10382	101.6	10232	10532	902.1	902.1
C.R. 4	13.15	9329	78.9	9162	9496	837.8	837.8
C.R. 5	10.52	9160	94.1	9010	9310	670.1	670.1
-----						-----	-----
GPIF System	54.80					3491.9	3491.9

Issued by: FPC

Filed:
 Suspended:
 Effective:
 Docket No.:
 Order No.:

FLORIDA POWER CORPORATION
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF CAPACITY COST RECOVERY FACTOR

Florida Power Corporation
Docket 950001-EI
Witness: K. H. Wieland
Exhibit No. _____
Part D
Sheet 5 of 5

For the Period of: October 1995 through March 1996

RATE CLASS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	AVERAGE 12 CP DEMAND MW	%	ANNUAL AVERAGE DEMAND MW	%	12/13 of 12 CP 12/13 * (2)	1/13 of Ann. Demand 1/13 * (4)	Demand Allocation (5) + (6)	Dollar Allocation (7) * \$122803909	Effective MWhs @ Secondary Level (Oct 95 - Mar 96)	Capacity Cost Recovery Fact (¢/kWh)
I. Residential Service	3,267.1	61.364%	1,665.3	49.929%	56.644%	3.841%	60.484%	\$73,793,424	6,876,575	1.073
II. General Service Non-Demand Transmission									0	0.834
Primary									3,642	0.843
Secondary									<u>505,463</u>	0.851
Total	188.5	3.541%	123.3	3.696%	3.268%	0.284%	3.553%	\$4,374,549	509,105	
III. GS - 100% L.F.	4.9	0.093%	4.9	0.146%	0.085%	0.011%	0.097%	\$117,869	20,090	0.587
IV. General Service Demand Transmission									12,119	0.699
Primary									1,093,377	0.706
Secondary									<u>4,062,060</u>	0.713
Total	1,575.3	29.589%	1,249.4	37.459%	27.313%	2.881%	30.194%	\$36,838,150	5,167,556	
V. Curtailable Service Transmission									0	0.585
Primary									104,270	0.591
Secondary									<u>1,155</u>	0.597
Total	26.4	0.495%	25.3	0.760%	0.457%	0.058%	0.516%	\$629,294	105,425	
VI. Interruptible Service Transmission									360,330	0.586
Primary									650,422	0.592
Secondary									<u>7,903</u>	0.598
Total	255.5	4.799%	244.8	7.340%	4.430%	0.565%	4.994%	\$6,092,979	1,018,655	
VII. Lighting Service	6.4	0.120%	22.3	0.670%	0.110%	0.052%	0.162%	\$197,643	92,281	0.214
TOTAL RETAIL	5,324.1	100.000%	3,335.4	100.000%	92.308%	7.692%	100.000%	\$122,003,909	13,789,687	0.883063 <small>(¢ / kWh)</small>

Col (1): Copied from Sheet 4, col (5)

Col (3): Copied from Sheet 4, col (9)

Col (8): Computed from Sheet 1, line 37

Col (9): Is Sheet 4, col (1) adjusted by metering reduction factor of 1% for primary and 2% for transmission

Col (10): Secondary factors calculated as total col (8) + total col (9) + 10, primary factors reflect 1% reduction and transmission reflect 2% reduction

Attachment B