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**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

June 7, 1996

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

Re: Docket Nos. 960001-EI and 960002-EU

Dear Ms. Bayó:

Enclosed for filing in the subject dockets are an original and fifteen copies of revised Appendices A, B and C to Florida Power Corporation's Petition for Mid-course Correction previously filed on May 30, 1996, as well as Schedule E1 from Florida Power's original projections for the April - September 1996 period. As contemplated by the Petition, the revised appendices reflect actual data for the month of May 1996.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

ACK _____
AFA 2 _____
APP _____
CAF _____
CMU _____
CTR _____
EAG Bass JAM/jb
LEG Johnson Enclosure
LIN 3 cc: Parties of record
OPC _____ Ms. Roberta Bass (via fax)
RCH _____
SEC 1 _____
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Appendix A

In order to determine a midcourse correction increase that minimizes rate changes between the July-September and the October through March periods, Florida Power made a preliminary forecast of fuel and capacity cost revenues and expenses for the June 1996 through March 1997 period, using actual May balances and the same methodology and assumptions which will be used to prepare the upcoming fuel and capacity cost recovery filing. The forecast indicates that for the October 1996 through March 1997 period, the fuel cost factor (absent any fuel true-up) will decrease from the current 1.854 to 1.757 cents/kWh, while the capacity cost recovery factor will increase from 0.936 to 1.043 cents/kWh. When the current .037 cent per kWh true-up is taken into account, the net reduction is .027 cents/kWh. A true-up factor based on the projected September balance of \$64.2 million and July 1996 - March 1997 retail sales of 23,234,745 MWh results in an increase of 0.276 cents/kWh but does not levelize rates because of the projected reduction in rates in October. Using the actual May balance of \$60.6 million divided by sales in the 9 month period results in an increase of 0.261 cents per kWh in July and a retail under-recovery at the end of September of \$41 million. This balance, when combined with expected fuel and capacity costs for the October through March period will result in residential rates for that period which are approximately the same as they are in July through September.

To mitigate the increase in fuel cost for residential customers, the Company proposes to refund the actual May revenue decoupling balance (\$18.4 million including interest) over the same 9 month period. The reduction, calculated by dividing \$18.4 million by residential sales of 11,743 million kWh for July 1996 through March, 1997 is 0.157 cents per kWh. The net result is an increase in the typical residential bill for 1000 kWh of \$1.07 in July with a small reduction in October. Thus the Company's proposal facilitates staff review by relying on actual balances for fuel under-recovery and decoupling over-recovery, minimizes rate changes in October, and yet provides complete staff review of all assumptions used in projections as part of the regular filing process.

Projected Components of Residential Bill per 1000 kWh

<u>Rate component</u>	<u>April-Jun</u>	<u>Jul-Sept</u>	<u>Oct-March</u>
Base rate	49.05	49.05	49.05
Fuel	18.54	18.54	17.57
Fuel true-up ⁽¹⁾	0.37	2.98	2.87
Capacity Cost	9.36	9.36	10.43
ECCR ⁽²⁾	2.95	1.38	1.38
Gross Receipts tax	<u>2.06</u>	<u>2.09</u>	<u>2.09</u>
Total	82.33	83.40	83.39

⁽¹⁾ Includes the true-up in current rates and the midcourse correction of \$2.61.

⁽²⁾ Reflects the decoupling refund of \$1.57 for July 1996 through March, 1997.

Company: FPC

Appendix B
Sheet 1 of 2

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE
WITH CALCULATION OF MID - COURSE CORRECTION
For the Period of: July 1996 through September 1996

1. Current Fuel Cost Factor	1.887	¢/kWh
2. Actual Retail Underrecovered True-up Balance through May '96	\$60,552,461	
3. Regulatory Assessment Fee	50,259	
4. Total Projected True-up Balance through May '96	\$60,602,720	
5. Jurisdictional Sales (July '96 - March '97)	23,234,745	MWH
6. Mid - Course Correction	0.261	¢/kWh
7. Fuel Cost Factor Including Mid - Course Correction	2.148	¢/kWh
8. Effective Jurisdictional Sales	23,190,221	MWH

LEVELIZED FUEL FACTORS:	Current Factors	Mid Course Correction	Revised Factors
9. Fuel Factor at Secondary Metering	1.891	0.261	2.152 ¢/kWh
10. Fuel Factor at Primary Metering	1.872	0.258	2.130 ¢/kWh
11. Fuel Factor at Transmission Metering	1.853	0.256	2.109 ¢/kWh

Company: FPC

Appendix B
Sheet 2 of 2

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE
CALCULATION OF FINAL FUEL COST FACTORS INCLUDING MID - COURSE CORRECTION

For the Period of: July 1996 through September 1996

Line:	Metering Voltage:	(1)	(2)	(3)
		LEVELIZED FACTORS \$/kWh	--- TIME OF USE --- ON-PEAK MULTIPLIER 1.309	OFF-PEAK MULTIPLIER 0.833
1.	Distribution Secondary	2.152	2.817	1.793
2.	Distribution Primary	2.130	2.788	1.774
3.	Transmission	2.109	2.761	1.757
4.	Lighting Service	1.984	-	-

Col. (1): Levelized Fuel Cost Factors.

Col. (2): Calculated as col.(1) * Off-Peak multiplier 1.309

Col. (3): Calculated as col.(1) * Off-Peak multiplier 0.833

Line 4: Calculated at secondary rate $2.152 * (18.7\% * \text{On-Peak multiplier } 1.309 + 81.3\% * \text{Off-Peak multiplier } 0.833)$.

Company: FPC

Appendix C

ENVIRONMENTAL CAPITAL COST RECOVERY CLAUSE
INCLUDING REVENUE DECOUPLING ADJUSTMENT
For the Period of July 1996 through March 1997

1. Current ECCR Factor	0.295	¢/kWh
2. Decoupling Revenue to be Applied	\$18,397,954	
3. Regulatory Assessment Fee	15,270	
4. Total Decoupling Revenue	<u>\$18,413,224</u>	
5. Residential Sales (July '96 - March '97)	11,742,820	MWh
6. Revenue Decoupling Adjustment	-0.157	¢/kWh
7. ECCR Factor Including Revenue Decoupling Adjustment	0.138	¢/kWh

For the Period of: April 1996 through September 1996

Classification	(A)	(B)	(C)
	DOLLARS	MWH	¢/kwh
1. Fuel Cost of System Net Generation (E3)	222,523,546	13,901,829	1.6007
2. Spent Nuclear Fuel Disposal Cost	2,809,162	3,004,452 (a)	0.0935
3. Coal Car Investment	0	0	-
4. Adjustments to Fuel Cost	487,259	0	-
5. TOTAL COST OF GENERATED POWER	225,819,967	13,901,829	1.6244
6. Energy Cost of Purchased Power (Excl. ECON & COGENS) (E7)	19,833,930	1,072,216	1.8498
7. Energy Cost of Sch.C,X Economy Purchases (Broker) (E9)	9,781,900	415,000	2.3571
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	1,141,301	56,405	2.0234
9. Energy Cost of Sched. E Economy Purchases (E9)	0	0	0.0000
10. Capacity Cost of Economy Purchases (E9)	340,800	0 (a)	0.0000
11. Payments to Qualifying Facilities (E8)	71,340,740	3,632,551	1.9639
12. TOTAL COST OF PURCHASED POWER	102,438,671	5,176,172	1.9790
13. TOTAL AVAILABLE KWH		19,078,001	
14. Fuel Cost of Economy Sales (E6)*	(7,058,200)	(390,000)	1.8098
14a. Gain on Economy Sales - 50% (E6)	(1,248,000)	(390,000)	0.3200
15. Fuel Cost of Other Power Sales (E6)	0	0	0.0000
15a. Gain on Other Power Sales (E6)	0	0	0.0000
16. Fuel Cost of Unit Power Sales (E6)	0	0	0.0000
16a. Gain on Unit Power Sales (E6)	0	0	0.0000
17. Fuel Cost of Stratified Sales (E6)	(15,721,770)	(368,944)	4.2613
18. TOTAL FUEL COST AND GAINS ON POWER SALES	(24,027,970)	(758,944)	3.1660
19. Net Inadvertent Interchange		0	
20. TOTAL FUEL AND NET POWER TRANSACTIONS	304,230,668	18,319,057	1.6607
21. Net Unbilled	10,684,064 *	(643,347)	0.0645
22. Company Use	1,569,362 *	(94,500)	0.0095
23. T & D Losses	17,010,683 *	(1,024,308)	0.1027
24. Adjusted System KWH Sales	304,230,668	16,556,902	1.8375
25. Wholesale KWH Sales (Excluding Supplemental Sales)	(9,692,677)	(528,012)	1.8357
26. Jurisdictional KWH Sales	294,537,991	16,028,890	1.8375
27. Jurisdictional KWH Sales Adjusted for Line Losses: x 1.0014	294,950,343	16,028,890	1.8401
28. Prior Period True-Up (E1-B, Sheet 1)**	5,915,935	16,028,890	0.0369
29. Total Jurisdictional Fuel Cost	300,866,278	16,028,890	1.87703
30. Revenue Tax Factor			1.00003
31. Fuel Cost Adjusted for Taxes	301,115,997		1.87859
32. GPIF **	1,381,926	16,028,890	0.00862
33. Fuel Factor adjusted for taxes including GPIF	302,497,923		1.88720
34. TOTAL FUEL COST FACTOR rounded to the nearest .001 ¢/kwh			1.887

* For Informational Purposes Only

** Based on Jurisdictional Sales

CERTIFICATE OF SERVICE
Docket Nos. 960001-EI & 960002-EI

I HEREBY CERTIFY that a true and correct copy of the revised Appendices A, B and C to Florida Power Corporation's Petition for Mid-Course Correction has been sent by regular U.S. mail to the following individuals this 7th day of June, 1996:

Matthew M. Childs, Esq.
Steel, Hector & Davis
215 South Monroe, Ste. 601
Tallahassee, FL 32301-1804

Lee L. Willis, Esquire
James D. Beasley, Esquire
Macfarlane Ausley Ferguson
& McMullen
P.O. Box 391
Tallahassee, FL 32302

G. Edison Holland, Jr., Esquire
Jeffrey A. Stone, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin,
Davidson & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

Vicki D. Johnson, Esquire
Shelia Erstling, Esquire
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Norman Horton, Jr., Esquire
Messer, Vickers, Caparello,
Frend & Madsen
P.O. Box 1876
Tallahassee, FL 32302

Barry N. P. Huddleston
Public Affairs Specialist
Destec Energy, Inc.
2500 CityWest Blvd., Suite 150
Houston, TX 77210-4411

J. Roger Howe, Esquire
Office of the Public Counsel
111 West Madison Street, Room 182
Tallahassee, FL 32399-1400

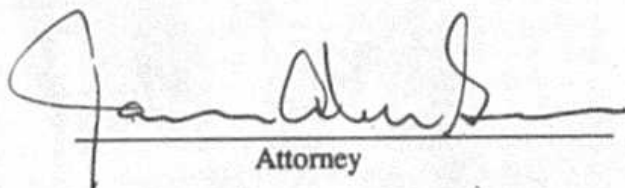
Suzanne Brownless, Esquire
1311-B Paul Russell Road
Suite 202
Tallahassee, FL 32301

Roger Yott, P.E.
Air Products & Chemicals, Inc.
2 Windsor Plaza
2 Windsor Drive
Allentown, PA 18195

John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin, Davidson
& Bakas, P.A.
100 North Tampa Street, Suite 2800
Tampa, FL 33602-5126

Peter J. P. Brickfield
Brickfield, Burchette & Ritte, P.C.
1025 Thomas Jefferson Street, N.W.
Eighth Floor, West Tower
Washington, D.C. 20007

Debra Swim, Esquire
Legal Environmental Assistance
Foundation, Inc.
1115 N. Gadsden Street
Tallahassee, FL 32303



Attorney