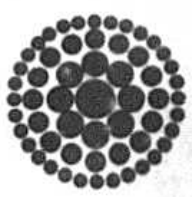


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FILE COPY



**Florida
Power**
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

January 25, 1997

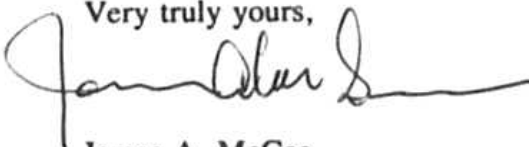
Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. **970001-EI**

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Prehearing Statement.

Please acknowledge your receipt of the above filing 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.

Very truly yours,

James A. McGee

- ACK _____
- AFA 1
- APP _____
- CAF _____
- CMU _____
- CTR _____ JAM/jb
- EAG Has Enclosure
- LEG 1 cc: Parties of record
- LIN 3
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

RECEIVED & FILED

DOCUMENT NUMBER - DATE

01087 JAN 28 5

CERTIFICATE OF SERVICE

Docket No. 970001

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement by Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 27th day of January, 1997:

Matthew M. Childs, Esq.
Steel, Hector & Davis
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Tallahassee, FL 32301-1804

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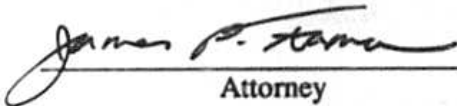
Roger Yott, P.E.
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Mr. Frank C. Cressman
President
Florida Public Utilities Company
P.O. Box 3395
West Palm Beach, FL 33402-3395



Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 970001-EI

Submitted for filing:
January 27, 1997

**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 April through September 1997 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>
John Scardino, Jr.	Fuel Adjustment True-up	1, 14
Karl H. Wieland	Fuel Adjustment Projections	2-10, 15-18
Dario B. Zuloaga	GPIF: Reward/Penalty and Targets/Ranges	11-13

DOCUMENT NUMBER - DATE

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C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(JS-1)</u>	Scardino	True-up Variance Analysis
<u>(JS-2)</u>	Scardino	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>(DBZ-1)</u>	Zuloaga	Standard Form GPIF Schedules (Reward/Penalty)
<u>(DBZ-2)</u>	Zuloaga	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 fuel adjustment true-up amounts for the period of April through September 1996?

FPC: \$59,049,902 under-recovery. (Scardino)

2. **ISSUE:** What are the estimated fuel adjustment true-up amounts for the period of October 1996 through March 1997?

FPC: \$43,124,413 under-recovery. (Wieland)

3. **ISSUE:** What are the total fuel adjustment true-up amounts to be collected during the period of April through September 1997?

FPC: \$102,174,315 under-recovery. However, FPC proposes to collect \$54,288,997 of the under-recovery during the April - September 1997 period (see company-specific issue __ below). (Wieland)

4. **ISSUE:** What are the appropriate levelized fuel cost recovery factors for the period of April through September 1997?

FPC: 2.385 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 April, 1997, and thereafter through the last billing cycle for September, 1997. The first billing cycle may start before April 1, 1997, and the last billing cycle may end after September 30, 1997, 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?

<u>FPC:</u>		Fuel Cost Factors (cents/kWh)		
<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Standard</u>	<u>Time Of Use</u>	
			<u>On-Peak</u>	<u>Off-Peak</u>
A.	Transmission	2.342	3.031	1.967
B.	Distribution Primary	2.366	3.062	1.987
C.	Distribution Secondary	2.390	3.093	2.008
D.	Lighting Service	2.210		

(Wieland)

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of April through September, 1997?

FPC: 1.00083 (Wieland)

Company-Specific Fuel Adjustment Issues

9. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting 4 additional combustion turbine units at Debary(1), Suwannee(1), and Bartow(2) to burn natural gas?

FPC: Yes. FPC is requesting the same treatment for these units as the Commission approved in prior hearings for Intercession City units 7 - 10. The cost of conversion (\$7.5 million) is not included in FPC's base rates and will enable FPC to achieve fuel savings in excess of \$22 million over the next five years. (Wieland)

10. **ISSUE:** Should the Commission approve FPC's proposal to collect the March-ending true-up under-recovery over a 12-month period beginning in April 1997?

FPC: Yes. Spreading the collection of the true-up under-recovery over a 12-month period will lessen the rate impact on customers. (Wieland)

Generic Generating Performance Incentive Factor Issues

11. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of April through September, 1996?

FPC: \$431,674 reward. (Zuloaga)

12. **ISSUE:** What should the GPIF targets/ranges be for the period of April through September, 1997?

FPC: See Attachment A. (Zuloaga)

Company-Specific Generating Performance Incentive Factor Issues

13. **ISSUE:** How should FPC's Crystal River 3 nuclear unit be treated in the GPIF for April - September 1997 period in view the unit's extended outage?

FPC: Consistent with past Commission practice, Crystal River 3 should be removed from FPC's GPIF calculation for the upcoming period. A revised GPIF filing reflecting the exclusion of Crystal River 3 will be submitted shortly. (Zuloaga)

Generic Capacity Cost Recovery Issues

14. **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of April through September 1996?

FPC: \$3,700,279 over-recovery. (Scardino)

15. **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of October 1996 through March 1997?

FPC: \$8,476,789 under-recovery. (Wieland)

16. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected during the period of April through September 1997?

FPC: \$4,776,510 under-recovery. (Wieland)

17. **ISSUE:** What is the appropriate projected net purchase power capacity cost recovery amount to be included in the recovery factor for the period April through September 1997?

FPC: \$146,689,671 (Wieland)

18. **ISSUE:** What are the projected capacity cost recovery factors for the period of April through September 1997?

<u>FPC:</u>	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	1.068 cents/kWh
	General Service Non-Demand	.845 cents/kWh
	@ Primary Voltage	.837 cents/kWh
	@ Transmission Voltage	.829 cents/kWh
	General Service 100% Load Factor	.583 cents/kWh
	General Service Demand	.704 cents/kWh
	@ Primary Voltage	.697 cents/kWh
	@ Transmission Voltage	.689 cents/kWh
	Curtaillable	.590 cents/kWh
	@ Primary Voltage	.585 cents/kWh
	@ Transmission Voltage	.579 cents/kWh
	Interruptible	.553 cents/kWh
	@ Primary Voltage	.547 cents/kWh
	@ Transmission Voltage	.542 cents/kWh
	Lighting	.204 cents/kWh (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

GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation
 Period of: Apr. 1997 - Sep. 1997

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (9000)	Max. Fuel Loss (9000)
			Max. (%)	Min. (%)		
ANC. 1	1.20	92.60	94.28	89.20	198.7	432.7
ANC. 2	1.74	96.57	98.19	93.24	287.8	667.9
C.R. 1	6.79	88.73	92.96	80.28	1125.9	130.4
C.R. 2	16.35	83.52	90.07	71.01	2710.0	-1470.9
C.R. 3	35.19	91.17	95.06	83.26	5833.6	0.0
C.R. 4	5.04	94.08	96.87	88.37	836.2	1766.9
C.R. 5	2.01	75.53	77.02	72.48	334.0	763.5
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GPIF System	68.32				11326.2	2290.5

Plant/Unit	Weighting Factor (%)	ANOWR Target (BTU/KWH)	NOF	ANOWR RANGE		Max. Fuel Savings (9000)	Max. Fuel Loss (9000)
				Min. (%)	Max. (%)		
ANC. 1	5.99	9765	77.2	9400	10090	993.3	993.3
ANC. 2	4.23	9761	71.8	9481	10001	701.3	701.3
C.R. 1	1.87	9346	80.6	9796	10096	309.9	309.9
C.R. 2	2.58	9788	94.3	9638	9938	428.0	428.0
C.R. 3	7.93	10473	99.3	10304	10642	1315.4	1315.4
C.R. 4	4.80	9378	87.5	9220	9520	796.0	796.0
C.R. 5	4.27	9278	99.0	9120	9420	707.1	707.1
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GPIF System	31.68					5251.0	5251.0

Issued by: FPC

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

ATTACHMENT A