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**Florida  
Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

July 22, 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 ten copies of the Preliminary List of Issues and Positions of Florida Power Corporation.

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 2/Handwritten
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG Behrman
- LEG 1
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

JAM/kp  
Enclosures  
cc: Parties of record

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FPSC-BUREAU OF RECORDS

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DOCUMENT NUMBER: 07384-11236

GENERAL OFFICE

**CERTIFICATE OF SERVICE**

**Docket No. 970001**

I HEREBY CERTIFY that a true and correct copy of the Preliminary List of Issues and Positions of Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 22nd day of July, 1997:

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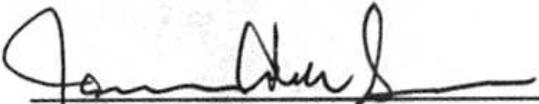
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\_\_\_\_\_  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 970001-EI  
Submitted for filing:  
July 22, 1997

**PRELIMINARY LIST OF ISSUES AND POSITIONS OF  
FLORIDA POWER CORPORATION**

Florida Power Corporation (FPC), hereby submits its Preliminary List of Issues and Positions with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of October 1997 through March 1998, and states as follows:

**Generic Fuel Adjustment Issues**

1. **ISSUE:** What is the appropriate final adjusted fuel adjustment true-up amount for the period of October 1996 through March 1997?  
**FPC:** \$18,213,754 under-recovery. (Scardino)
2. **ISSUE:** What is the estimated fuel adjustment true-up amount for the period of April through September 1997?  
**FPC:** \$8,880,912 over-recovery. (Wieland)
3. **ISSUE:** What is the total fuel adjustment true-up amount to be collected during the period of October 1997 through March 1998?  
**FPC:** \$9,332,842 under-recovery. (Scardino/Wieland)

DOCUMENT NUMBER-DATE

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4. **ISSUE:** What is the appropriate levelized fuel cost recovery factor for the period of October 1997 through March 1998?

**FPC:** 1.823 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, 1997, and thereafter through the last billing cycle for March, 1998. The first billing cycle may start before October 1, 1997, and the last billing cycle may end after March 31, 1998, 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:**

<u>Group</u>	<u>Delivery 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	1.790	2.114	1.658
B.	Distribution Primary	1.809	2.136	1.675
C.	Distribution Secondary	1.827	2.158	1.692
D.	Lighting Service	1.779		

(Wieland)

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of October 1997 through March 1998?

**FPC:** 1.00083 (Wieland)

9. **ISSUE:** What impact do Federal Energy Regulatory Commission (FERC) Orders 888 and 888-A have on Florida Broker transactions for fuel adjustment purposes?

**FPC:** FERC Orders 888 and 888-A require unbundling charges into generation and transmission cost components for sales agreements executed prior to July 9, 1996. The Company's proposal to credit both components to the retail fuel clause results in similar ratemaking treatment as afforded retail customers before FERC's unbundling requirement. It varies only by the recognition that the two components have different jurisdictional percentages which should be used in the calculation of the credit.

#### **Company-Specific Fuel Adjustment Issues**

10. **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)

11. **ISSUE:** Is the treatment of FPC's Crystal River 3 nuclear plant (CR3) in calculating the fuel cost recovery factors for the October 1997 - March 1998 period consistent with the Stipulation approved by the Commission on June 26, 1997 in Docket No. 970261-EI?

**FPC:** Yes. FPC has removed the replacement power costs associated with the current extended outage of CR3 from all true-up balances and projections by simulating the operation of its system as though CR3 were operational with normal availability. (Wieland)

12. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting an additional combustion turbine unit at its Debary generating site to burn natural gas?

**FPC:** Yes. FPC is requesting the same treatment for this unit as the Commission approved in prior hearings for eight other units at the Debary, Intercession City, Suwannee and Bartow plants. The estimated cost of conversion (\$734,000) is not included in FPC's base rates and will enable FPC to achieve fuel savings with a net present value of \$2.1 million over the next five years. (Wieland)

#### **Generic Generating Performance Incentive Factor Issues**

13. **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1996 through March, 1997?

**FPC:** \$255,522 penalty. (Zuloaga)

14. **ISSUE:** What should the GPIF targets/ranges be for the period of October, 1997 through March, 1998?

**FPC:** See Attachment A. (Zuloaga)

#### **Generic Capacity Cost Recovery Issues**

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

**FPC:** \$4,074,376 under-recovery. (Scardino)

16. **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of April through September 1997?

**FPC:** \$4,287,565 under-recovery. (Wieland)

17. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected during the period of October 1997 through March 1998?

**FPC:** \$8,361,941 under-recovery. (Wieland)

18. **ISSUE:** What is the appropriate projected net purchase power capacity cost recovery amount to be included in the recovery factor for the period October 1997 through March 1998?

**FPC:** \$151,667,854 (Wieland)

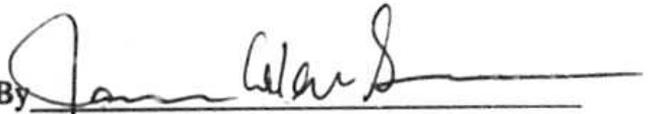
19. **ISSUE:** What are the projected capacity cost recovery factors for the period of October 1997 through March 1998?

<b>FPC:</b>	<b>Rate Class</b>	<b>CCR Factor</b>
	Residential	1.261 cents/kWh
	General Service Non-Demand	.999 cents/kWh
	@ Primary Voltage	.989 cents/kWh
	@ Transmission Voltage	.979 cents/kWh
	General Service 100% Load Factor	.683 cents/kWh
	General Service Demand	.830 cents/kWh
	@ Primary Voltage	.822 cents/kWh
	@ Transmission Voltage	.813 cents/kWh
	Curtable	.695 cents/kWh
	@ Primary Voltage	.688 cents/kWh
	@ Transmission Voltage	.681 cents/kWh
	Interruptible	.651 cents/kWh
	@ Primary Voltage	.644 cents/kWh
	@ Transmission Voltage	.638 cents/kWh
	Lighting	.240 cents/kWh

(Wieland)

Respectfully submitted,

**OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION**

By 

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Original Sheet No. 7.103.1

## GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation  
 Period of: Oct. 1997 - Mar. 1998

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel	Max. Fuel
			Max. (%)	Min. (%)	Savings (\$000)	Loss (\$000)
ANC. 1	0.06	76.80	78.66	73.06	3.9	28.0
ANC. 2	0.22	92.69	94.32	89.33	14.4	90.9
C.R. 1	0.95	79.90	83.88	71.98	62.3	650.4
C.R. 2	7.15	82.78	88.68	69.36	466.8	881.4
C.R. 3	7.45	91.37	95.41	83.16	486.4	734.7
C.R. 4	11.43	79.71	82.78	73.51	746.5	1077.6
C.R. 5	5.10	96.49	98.15	93.06	332.8	629.4
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GPIF System	32.36				2113.1	4092.4

Plant/Unit	Weighting Factor (%)	ANQHR Target		ANQHR Min. (%)	RANGE Max. (%)	Max. Fuel	Max. Fuel
		(BTU/KWH)	NOF			Savings (\$000)	Loss (\$000)
ANC. 1	12.31	9944	48.2	9446	10442	803.8	803.8
ANC. 2	10.33	10019	41.8	9589	10448	674.5	675.5
C.R. 1	7.70	9623	92.7	9388	9857	502.6	502.6
C.R. 2	6.84	9453	99.5	9303	9603	446.6	446.6
C.R. 3	6.61	12917	51.1	12767	13067	431.5	431.5
C.R. 4	10.25	9307	87.6	9157	9457	669.1	669.1
C.R. 5	13.61	9248	97.6	9098	9398	888.9	888.9
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GPIF System	67.64					4417.0	4417.0

Issued by: FPC

Filed:  
 Suspended:  
 Effective:  
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 Order No.: