



**Florida  
Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

July 28, 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 each of the Revised Direct Testimony of John Scardino, Jr. on behalf 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

ACK ✓ your assistance in this matter.

AFA Vandiver

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMU \_\_\_\_\_

CTR \_\_\_\_\_

EAG \_\_\_\_\_

LEG 1 JAM/kp  
Enclosure

LIN 3 + my cc: Parties of record

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC 1

WFS \_\_\_\_\_

Very truly yours,

James A. McGee

RECEIVED & FILED

GENERAL OFFICE

DOCUMENT NUMBER-DATE

07637 JUL 29 5

**CERTIFICATE OF SERVICE**

**Docket No. 970001**

I HEREBY CERTIFY that a true and correct copy of the Revised Direct Testimony of John Scardino, Jr. on behalf of Florida Power Corporation has been sent by regular U.S. mail to the following individuals this 28th day of July, 1997:

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  
Sheila Erstling, Esquire  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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

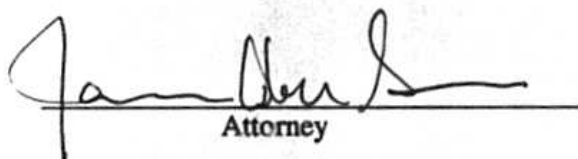
Roger Yott, P.E.  
Air Products & Chemicals, Inc.  
2 Windsor Plaza  
2 Windsor Drive  
Allentown, PA 18195

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

Kenneth A. Hoffman, Esq.  
William B. Willingham, Esq.  
Rutledge, Ecenia, Underwood, Purnell  
& Hoffman, P.A.  
P.O. Box 551  
Tallahassee, FL 32302-0551

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



Attorney

**FLORIDA POWER CORPORATION**

**DOCKET No. 970001-EI**

**Fuel and Capacity Cost Recovery  
Final True-up Amounts for  
October 1996 through March 1997**

**REVISED  
DIRECT TESTIMONY OF  
JOHN SCARDINO, JR.**

1 **Q. Please state your name and business address.**

2 **A. My name is John Scardino, Jr. My business address is Post Office Box**  
3 **14042, St. Petersburg, Florida 33733.**

4  
5 **Q. Are you the same John Scardino who previously filed true-up testimony**  
6 **on behalf of Florida Power Corporation?**

7 **A. Yes, my true-up testimony for the October 1996 through March 1997**  
8 **period was filed on May 21, 1997.**

9  
10 **Q. What is the purpose of your revised testimony?**

11 **A. The purpose of my revised testimony is to update my original filing to**  
12 **reflect the stipulation recently approved by the Commission in Order**  
13 **No. PSC-97-0840-S-EI, issued July 14, 1997 in Docket No. 970261-EI,**  
14 **regarding the treatment of replacement power costs associated with**  
15 **the extended outage of Florida Power's Crystal River 3 nuclear plant**  
16 **(CR3).**

DOCUMENT NUMBER-DATE

07637 JUL 29 97

FPSC-RECORDS/REPORTING

1 Q. What adjustment is necessary to incorporate the terms of the CR3  
2 stipulation into your true-up filing?

3 A. To incorporate the stipulation, it is necessary to remove the retail  
4 amount of CR3's replacement power costs and related interest through  
5 the end of March 1997. In accordance with the stipulation, I have  
6 calculated this amount in two components: One represents  
7 replacement fuel costs and interest for the months of September,  
8 October and November 1996, which Florida Power is entitled to  
9 recover, but only after CR3 has returned to service (the Recoverable  
10 component); the other component consists of replacement fuel costs  
11 and interest through the remainder of the period, which Florida Power  
12 must absorb (the Non-Recoverable component). Mr. Wieland's  
13 testimony addresses the removal of CR3's replacement power costs for  
14 the current April - September 1997 period and the October 1997 -  
15 March 1998 projection period.

16  
17 Q. How has the adjustment to remove CR3's replacement power costs  
18 been calculated?

19 A. The calculation of the adjustment was based on replacement power  
20 costs for CR3 derived from rigorous PROMOD simulations of the Florida  
21 Power system with and without CR3 using actual data, as is more fully  
22 described in Mr. Wieland's testimony. Sheet 1a of Exhibit No. \_\_\_ (JS-  
23 1) summarizes the calculation of the retail portion of these replacement  
24 power costs and related interest, by month, for each of the two  
25 components described above. This results in an adjustment, including

1 interest, of \$32,548,092 to remove the Recoverable component and  
2 \$38,803,781 to remove the Non-Recoverable component, or a total  
3 adjustment of \$71,351,873. This adjustment is shown without  
4 interest on lines 27 and 30 of Revised Sheet 1 to Exhibit No. \_\_\_ (JS-  
5 1), with combined interest shown on line 39.  
6

7 **Q. Taking this adjustment into account, what is Florida Power's true-up**  
8 **amount for the October 1996 - March 1997 period?**

9 **A. As adjusted, the actual ending balance as of March 31, 1997 for true-**  
10 **up purposes is an underrecovery of \$18,213,754. When the estimated**  
11 **underrecovery of \$88,684,203 to be collected during the current April -**  
12 **September 1997 period is taken into account, the final net true-up**  
13 **amount attributable to the six-month period ended March 31, 1997 is**  
14 **an overrecovery of \$70,470,449.**

15  
16 **Q. Does this conclude your testimony?**

17 **A. Yes, it does**

**FLORIDA POWER CORPORATION**  
**Fuel Adjustment Clause**  
**Summary of Final True-Up Amount**  
**October 1996 through March 1997**

Florida Power Corporation  
Docket No. 970001-EI  
Witness: Scardino  
Exhibit No. (JS-1)  
Sheet 1 of 3  
**REVISED**

Line No.	Description	Contribution to Over/(Under) Recovery Period to Date
1	<b>KWH Sales:</b>	
2	Jurisdictional KWH Sales	(278,531,661)
3	Non-Jurisdictional KWH Sales	113,011,727
4	Total System KWH Sales	
5	Schedule A2, pg 2 of 4, Line C1 through C3	<u>(165,519,934)</u>
6		
7	<b>System:</b>	
8	Fuel and Net Purchased Power Costs - Difference	
9	Schedule A2, page 3 of 4, Line D4	<u>\$ 72,342,271</u>
10		
11	<b>Jurisdictional:</b>	
12	Fuel Revenues - Difference	
13	Schedule A2, page 3 of 4, Line D3	\$ (5,248,348)
14		
15	True Up Provision for the Period Over/(Under)	
16	Collection - Estimated	
17	Schedule A2, page 3 of 4, Line D7	<u>(1,496,974)</u>
18		
19	Net Fuel Revenues	(6,745,322)
20		
21	Fuel and Net Purchased Power Costs - Difference	
22	Schedule A2, page 3 of 4, Line D6 + D12	<u>68,510,631</u>
23		
24	True Up Amount for the Period	(75,255,953)
25		
26	Recoverable Replacement fuel once Nuclear Unit Returns to	
27	Service in Accordance with above Stipulation (Ref. JS-1, Sheet 1a, Line # 8)	32,321,458
28		
29	Exclusion of Nuclear Replacement Fuel in Accordance with	
30	PSC Stipulation in Docket # 970281-E1 (Ref. JS-1, Sheet 1a, Line # 25)	37,797,354
31		
32	True Up Revenues for the Prior Period - Actual	
33	Schedule A2, page 3 of 4, Line D9+D10	(12,203,216)
34		
35	Interest Provision - Actual	
36	Schedule A2, page 3 of 4, Line D8	(2,106,458)
37		
38	Exclude Interest Related to Nuclear Replacement Fuel Line 27 & 30	
39	Line 27 & 30 (Ref. JS-1, Sheet 1a, Line 10 + Line 27)	<u>1,233,061</u>
40		
41	Actual True Up ending balance for the period	
42	October through March 1997	(18,213,754)
43		
44	Estimated True Up ending balance for the period included in	
45	filing of Levelized Fuel Cost Factors April through September 1997,	
46	Docket No. 970001-EI, Schedule E1-B, Sheet 1, Line 20	(88,684,203)
47		
48	Variance for the period October 1996 through	
49	March 1997 (Line 42 - Line 46)	<u>\$ 70,470,449</u>

Regulatory Accounting

D:\TRUEUP\MARCH97\FUELTRUP.XLS

7/24/97

Revised to Exclude Nuclear Replacement Fuel (Lake Cogen Settlement Payment was Excluded in Original)

**FLORIDA POWER CORPORATION**  
**Fuel Adjustment Clause**  
**Summary of Adjustment to Remove CR3**  
**Replacement Power Costs through March 1997**

Line No.	DESCRIPTION				Adj. Required Per Docket # 97026 i-EI
1					
2	<b>Recoverable Nuclear Replacement Fuel</b>				
3					
4		Sep-96	Oct-96	Nov-96	
5					
6	System Principal	\$ 12,109,000	\$ 11,449,000	\$ 10,233,000	
7					
8	Retail Principal	11,575,491	10,797,832	9,948,135	\$ 32,321,458
9					
10	Interest	26,160	76,673	123,801	<u>226,634</u>
11					
12	Recoverable Replacement Fuel Costs				<u>\$ 32,548,092</u>
13					
14					
15					
16					
17					
18	<b>Nuclear Replacement Fuel Non Recoverable through the Fuel Adjustment Clause</b>				
19					
20					
21		Dec-96	Jan-97	Feb-97	Mar-97
22					
23	System Principal	\$ 11,850,000	\$ 10,565,000	\$ 8,448,000	\$ 8,274,000
24					
25	Retail Principal	11,452,489	10,201,074	8,130,774	8,013,017
26					
27	Interest	181,803	234,094	278,157	312,373
28					
29	Non Recoverable Nuclear Replacement Fuel Costs				<u>\$ 38,803,781</u>