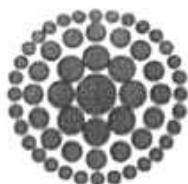


ORIGINAL



**Florida Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

RECEIVED  
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ADMINISTRATIVE  
MAIL ROOM

August 4, 1998

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. 980001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of the Prehearing Statement 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.

RECEIVED & FILED  
FPSC-BUREAU OF RECORDS

Very truly yours,  
*James A. McGee*  
James A. McGee

- WCK \_\_\_\_\_
- WFA Handwritten
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- AG Bohannon
- LEG 1
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

JAM/kma  
Enclosure  
cc: Parties of record

DOCUMENT NUMBER-DATE

08251 AUG-5 88

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

GENERAL OFFICE

A Florida Progress Company

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Fuel and purchased power  
cost recovery clause and  
generating performance incentive  
factor.

---

Docket No. 980001-EI

Submitted for filing:  
August 5, 1998

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the Prehearing Statement of Florida  
Power Corporation has been furnished to the following individuals by regular U.S.

Mail this 5th day of August, 1998:

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08251 AUG-5 88

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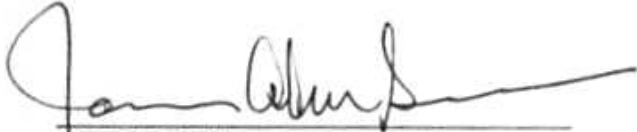
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West Palm Beach, FL 33402-3395



ATTORNEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

---

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

---

Docket No. 980001-EI

Submitted for filing:  
August 5, 1998

**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 through December 1998 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, 3, 12A, 14
Karl H. Wieland	Fuel Adjustment Projections	2-10, 13-18
Dario B. Zuloaga	GPIF: Reward/Penalty and Targets/Ranges	11A-11B

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), Capacity Cost Recovery Factors (Part D), and Comparison of December ending True-up Balances with Current and Projected Factors (Part E).
<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 is the appropriate final adjusted fuel adjustment true-up amount for the period of October 1997 through March 1998?

**EPC:** \$10,825,869 under-recovery. (Scardino)

2. ISSUE: What is the estimated fuel adjustment true-up amount for the period of April through September 1998?

EPC: \$7,578,770 over-recovery. (Wieland)

3. ISSUE: What is the total fuel adjustment true-up amount to be collected?

EPC: \$3,247,099 under-recovery. (Scardino/Wieland)

4. ISSUE: What is the appropriate recovery period to collect the total fuel adjustment true-up amount?

EPC: October through December 1998. (Wieland)

5. ISSUE: Should the Commission allow the electric utilities to keep their levelized fuel cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, in Docket No. 980001-EI, issued March 20, 1998, for the period October 1998 through December 1998?

EPC: Yes. In Florida Power's case, continuation of the Fuel and Capacity Cost Recovery factors produce an estimated December ending true-up over-recovery of \$4,361,745, which represents only 1% of Florida Power's projected fuel and capacity costs. (Wieland)

6. ISSUE: What is the appropriate levelized fuel cost recovery factor for the period of October through December 1998?

EPC: 2.122 cents per kWh (adjusted for jurisdictional losses). (Wieland)

7. ISSUE: What should be the effective date of the new fuel cost recovery factors and oil backout factors, if any, for billing purposes?

EPC: The new factors should be effective beginning with the first billing cycle for October, 1998, and thereafter through the last billing cycle for December, 1998. The first billing cycle may start before October 1, 1998, and the last billing cycle may end after December 31, 1998, so long as each customer is billed for three months regardless of when the factors became effective.

8. **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?

**EPC:**

Group	Delivery Voltage Level	Line Loss	
		Multiplier	
A.	Transmission	0.9800	
B.	Distribution Primary	0.9900	
C.	Distribution Secondary	1.0000	
D.	Lighting Service	1.0000	(Wieland)

9. **ISSUE:** What are the appropriate fuel cost recovery factors for each rate/delivery voltage level group, adjusted for line losses?

**EPC:**

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		Standard	Time Of Use	
			On-Peak	Off-Peak
A.	Transmission	2.083	2.689	1.754
B.	Distribution Primary	2.105	2.718	1.772
C.	Distribution Secondary	2.126	2.745	1.790
D.	Lighting Service	1.969		

(Wieland)

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

**EPC:** 1.00083 (Wieland)

### Generic Generating Performance Incentive Factor Issues

- 11A **ISSUE:** What is the appropriate GPIF reward or penalty for performance achieved during the period of October, 1997 through March, 1998?

**EPC:** \$436,639 penalty. (Zuloaga)

11B **ISSUE:** What should the GPIF targets/ranges be for the period of October, through December, 1998?

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

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

12A **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of October 1997 through March 1998?

**EPC:** \$2,311,764 under-recovery. (Scardino)

13A **ISSUE:** What is the estimated capacity cost recovery true-up amount for the period of April through September 1998?

**EPC:** \$3,306,747 under-recovery. (Wieland)

14. **ISSUE:** What is the total capacity cost recovery true-up amount to be collected?

**EPC:** \$5,618,511 under-recovery. (Scardino/Wieland)

15. **ISSUE:** What is the appropriate recovery period to collect the total capacity cost recovery true-up amount?

**EPC:** October through December 1998.

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

**EPC:** \$80,217,280 (Wieland)



17. **ISSUE:** Should the Commission allow the electric utilities to keep their capacity cost recovery factors at the rate set by Order No. PSC-98-0412-FOF-EI, in Docket No. 980001-EI, issued March 20, 1998, for the period October 1998 through December 1998?

**EPC:** Yes. In Florida Power's case, continuation of the Fuel and Capacity Cost Recovery factors produce an estimated December ending true-up over-recovery of \$4,361,745, which represents only 1% of Florida Power's projected fuel and capacity costs.

18. **ISSUE:** What are the projected capacity cost recovery factors for the period of October through December 1998?

<b>EPC:</b>	<b>Rate Class</b>	<b>CCR Factor</b>
	Residential	1.004 cents/kWh
	General Service Non-Demand	.795 cents/kWh
	@ Primary Voltage	.787 cents/kWh
	@ Transmission Voltage	.779 cents/kWh
	General Service 100% Load Factor	.548 cents/kWh
	General Service Demand	.662 cents/kWh
	@ Primary Voltage	.655 cents/kWh
	@ Transmission Voltage	.648 cents/kWh
	Curtable	.555 cents/kWh
	@ Primary Voltage	.549 cents/kWh
	@ Transmission Voltage	.544 cents/kWh
	Interruptible	.519 cents/kWh
	@ Primary Voltage	.514 cents/kWh
	@ Transmission Voltage	.509 cents/kWh
	Lighting	.192 cents/kWh (Wieland)

F. STIPULATED ISSUES

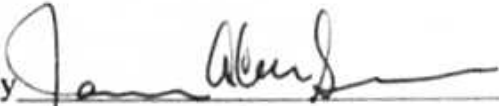
None at this time.

G. PENDING MOTIONS

None.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By 

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