



ORIGINAL

Florida Power
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

September 3, 1998

Ms. Blanca Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 980002-EG

Dear Ms. Bayo:

Enclosed for filing in the subject docket are an original and fifteen copies of the Direct Testimony and Exhibits of Michael F. Jacob concerning Final Net True-up October 1997 through March 1998 filed 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 your assistance in this matter.

Very truly yours,

James A. McGee

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DIVISION OF RECORDS & REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery
Clauses of Electric Companies.

Docket No. 980002-EG

Submitted for filing:
September 3, 1998

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Testimony and Exhibits of Michael F. Jacob submitted by Florida Power Corporation has been furnished to the following individuals by regular U.S. Mail this 3rd day of September, 1998:

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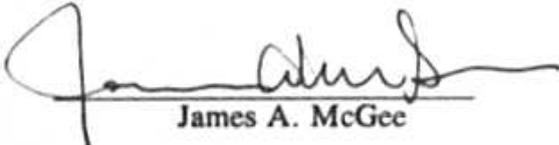
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James A. McGee



**Florida
Power**
CORPORATION

ORIGINAL

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET No. 980002-EG

**FINAL NET TRUE-UP
OCTOBER 1997 THROUGH MARCH 1998**

**DIRECT TESTIMONY
AND EXHIBITS OF
MICHAEL F. JACOB**

For Filing September 3, 1998

DOCUMENT # 980002-EG

09662 SEP-4 88

FILED-REGULATORY REPORTING

**FLORIDA POWER CORPORATION
DOCKET No. 980002-EG**

**DIRECT TESTIMONY OF
MICHAEL F. JACOB**

1 **Q. State your name and business address.**

2 A. My name is Michael F. Jacob. My business address is Florida Power
3 Corporation, 17757 U.S. Highway 19 North, Suite 660, Clearwater, Florida,
4 33757.

5

6 **Q. By whom are you employed and in what capacity?**

7 A. I am employed by Florida Power Corporation (FPC) as Manager of Regulatory
8 Evaluation and Planning.

9

10 **Q. Have your duties and responsibilities remained the same since you last
11 testified in this proceeding?**

12 A. Yes.

13

14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to compare the actual costs for implementing
16 programs during the October 1997 through March 1998 time frame with the
17 revenues collected pursuant to the conservation cost recover factor for that
18 same period of time.

1 **Q. For what programs does Florida Power Corporation seek recovery?**

2 **A. Florida Power seeks recovery pursuant to the Conservation Cost Recovery**
3 **Clause for the following conservation programs approved by the Commission**
4 **as part of FPC's DSM Plan:**

5 Home Energy Check

6 Home Energy Improvement

7 Residential New Construction

8 Energy Management (Residential and Commercial)

9 Business Energy Check

10 Better Business

11 Commercial/Industrial New Construction

12 Energy Monitor

13 Innovation Incentive

14 Standby Generation

15 Interruptible Service

16 Curtailable Service

17 Technology Development

18 Gas Demonstration

19 Qualifying Facility

20

21 **Q. Do you have any Exhibits to your testimony?**

22 **A. Yes, Exhibit No. ____ (MFJ-1) is entitled, "Florida Power Corporation Energy**
23 **Conservation Adjusted Net True-Up for the Period October, 1997 through**
24 **March, 1998." There are five (5) schedules to this exhibit.**

1 **Q. Will you please explain your exhibit**

2 A. Yes. My exhibit presents Schedules CT-1 through CT-5. These schedules set
3 out the actual costs incurred for all programs during the six month period from
4 October 1997 through March 1998. These pages also describe the variance
5 between actual costs and previously estimated values that were based on two
6 months actual and four months projected data for the same time period.
7 Schedule CT-5 provides a brief summary report for each program that includes
8 a program description, fiscal expenditures for the October 1997 through March
9 1998 period, program accomplishments over the same period, and a summary
10 of program progress.

11

12 **Q. Would you please discuss Schedule CT-1?**

13 A. Yes. Schedule CT-1 for the six month period ending March 1998 shows that
14 Florida Power Corporation over-recovered \$12,735,283, including principal,
15 interest, and a revenue decoupling adjustment, in its Conservation Cost
16 Recovery Clause. This amount is \$1,576,523 more than what was previously
17 projected.

18

19 **Q. Does this conclude your direct testimony?**

20 A. Yes.

SCHEDULE CT-1
OCTOBER 1997 THROUGH MARCH 1998

FLORIDA POWER CORPORATION
ENERGY CONSERVATION ADJUSTED NET TRUE-UP
FOR THE PERIOD OCTOBER, 1997 THROUGH MARCH, 1998

LINE
NO.

1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$14,075,034)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(6,593,184)	
4	INTEREST (CT 3, PAGE 2 of 3)	(390,445)	
5	PRIOR TRUE-UP REFUND	8,323,380	
6	ADJUSTMENTS	<u>0</u>	(\$12,735,283)
7	LESS: PROJECTED TRUE-UP FROM JANUARY 1998 FILING		
8	(OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$14,075,034)	
10	PRINCIPAL	(5,016,815)	
11	INTEREST	(390,291)	
12	PRIOR TRUE-UP REFUND	8,323,380	
13	ADJUSTMENTS	<u>0</u>	(\$11,158,760)
14	VARIANCE TO PROJECTION		<u>(\$1,576,523)</u>

SCHEDULE CT-2
OCTOBER 1997 THROUGH MARCH 1998

FLORIDA POWER CORPORATION

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS. ESTIMATED
 FOR THE PERIOD OCTOBER, 1997 THROUGH MARCH, 1998

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	3,453,989	3,443,025	10,964
2	PAYROLL AND BENEFITS	2,253,005	2,359,018	(106,013)
3	MATERIALS AND SUPPLIES	201,905	71,791	130,114
4	OUTSIDE SERVICES	1,100,207	1,343,156	(242,949)
5	ADVERTISING	594,256	712,106	(117,850)
6	INCENTIVES	28,895,015	29,975,311	(1,280,296)
7	VEHICLES	118,623	151,698	(33,075)
8	OTHER	873,032	1,238,559	(365,527)
9	PROGRAM REVENUES	<u>(11,749)</u>	<u>(11,749)</u>	<u>(0)</u>
10	TOTAL PROGRAM COSTS	37,278,283	39,282,915	(2,004,632)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	35,548,088	35,978,350	(428,264)
13	PRIOR TRUE-UP	<u>14,075,034</u>	<u>14,075,034</u>	<u>0</u>
14	TRUE-UP BEFORE INTEREST	(12,344,838)	(10,768,469)	(1,576,369)
15	AUDIT & REV DECOUPLING ADJUSTMENT	0	0	0
16	INTEREST PROVISION	<u>(390,445)</u>	<u>(390,291)</u>	<u>(154)</u>
17	END OF PERIOD TRUE-UP	<u>(12,735,283)</u>	<u>(11,158,760)</u>	<u>(1,576,523)</u>

() REFLECTS OVERRECOVERY

FLORIDA POWER CORPORATION

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD OCTOBER, 1987 THROUGH MARCH, 1998

LINE NO	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	23,139	0	266	1,410	111,825	1,481	0	138,221	0	138,221
2	ENERGY MONITOR	0	566	0	0	0	0	4	0	570	0	570
3	GAS DEMONSTRATION	0	168	0	0	0	0	0	0	168	0	168
4	RESID NEW CONSTRUCTION	0	131,423	1,664	28,237	108,852	27,485	7,735	12,124	318,550	0	318,550
5	HOME ENERGY IMPROV	0	185,550	1,798	26,589	94,669	1,413,564	8,195	4,757	1,728,130	0	1,728,130
6	CI NEW CONSTRUCTION	0	1,808	0	0	0	20,100	42	0	21,950	0	21,950
7	HOME ENERGY CHECK	4,096	689,070	25,628	263,614	135,427	53	48,822	43,894	1,210,862	0	1,210,862
8	BUSINESS ENERGY ANALYSIS	0	0	0	0	0	0	0	0	0	0	0
9	BUSINESS ENERGY CHECK	81	73,725	142	597	942	0	5,982	6,354	87,303	0	87,303
10	CONSERVATION PROG ADMIN	382,261	360,330	8,226	92,609	0	0	1,252	474,616	1,310,303	0	1,310,303
11	RESID AC DUCT TEST/REPAIR	0	0	0	0	0	0	0	0	0	0	0
12	QUALIFYING FACILITY	1,681	88,894	567	(40,569)	0	0	58	16,354	78,166	0	78,166
13	CI AC DUCT TEST/REPAIR	0	0	0	0	0	0	0	0	0	0	0
14	COMBND HVAC REPLACEMENT	0	0	0	0	0	0	0	0	0	0	0
15	INNOVATIVE INCENTIVE	0	4,488	0	1,348	0	0	202	0	6,038	0	6,038
16	TECHNOLOGY DEVELOPMENT	0	4,580	2,010	157	0	8,152	185	486	15,570	(11,749)	3,821
17	STANDBY GENERATION	0	5,052	2,698	3,149	0	228,109	146	3,518	242,673	0	242,673
18	INTERRUPTIBLE SVS PROGRAM	0	481	3,974	2,678	0	8,740,487	168	0	8,747,768	0	8,747,768
19	CURTAINABLE SVS PROGRAM	0	(115)	0	0	0	347,267	0	0	347,152	0	347,152
20	RES ENERGY (LOAD) MANAGEMENT	3,065,700	673,932	153,954	715,469	291,226	16,538,083	43,630	310,629	21,754,623	0	21,754,623
21	COM ENERGY (LOAD) MANAGEMENT	0	8,916	238	5,785	0	258,810	40	0	273,789	0	273,789
22	TOTAL ALL PROGRAMS	3,453,689	2,253,005	201,605	1,100,207	564,256	28,695,015	118,623	873,032	37,260,032	(11,749)	37,248,283

FLORIDA POWER CORPORATION
 VARIANCE IN ENERGY CONSERVATION PROGRAM COSTS
 SIX MONTHS ACTUAL VERSUS
 SIX MONTHS ESTIMATED
 FOR THE PERIOD OCTOBER, 1987 THROUGH MARCH, 1988

LINE NO	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	5,438	0	(1,357)	(7,368)	(134,541)	(2,070)	(1,452)	(141,300)	0	(141,300)
2	ENERGY MONITOR	0	(54)	0	0	0	0	4	0	(54)	0	(54)
3	GAS DEMONSTRATION	0	(1,906)	(1,248)	(3,125)	0	0	(37)	(270)	(6,656)	0	(6,656)
4	RESID NEW CONSTRUCTION	0	23,741	1,568	(7,519)	(902)	(215,340)	(1,502)	(1,150)	(201,152)	0	(201,152)
5	HOME ENERGY IMPROV	0	(7,933)	1,873	13,086	(8,618)	228,749	11,524	(33,600)	113,429	0	113,429
6	CI NEW CONSTRUCTION	0	(2,763)	0	0	(12,866)	(68,830)	(368)	(327)	(83,294)	0	(83,294)
7	HOME ENERGY CHECK	0	21,044	18,545	(97,362)	(10,914)	0	3,196	(8,521)	(74,053)	0	(74,053)
8	BUSINESS ENERGY ANALYSIS	(81)	(98,834)	(2,478)	(30,397)	(3,372)	(12,468)	(15,837)	(12,333)	(175,830)	0	(175,830)
9	BUSINESS ENERGY CHECK	81	73,725	142	597	942	0	5,662	6,304	87,503	0	87,503
10	CONSERVATION PROGRAM ACTIVITIES	0	(15,990)	3,853	(98,965)	(10,825)	0	(2,822)	(135,893)	(258,842)	0	(258,842)
11	RESID AC DUCT TEST/REPAIR	(1,861)	(127,133)	(33)	(1,139)	0	0	(762)	(25,342)	(156,271)	0	(156,271)
12	QUALIFYING FACILITY	1,861	88,804	567	(45,444)	0	(79,866)	(9,145)	12,577	(30,778)	0	(30,778)
13	CI AC DUCT TEST/REPAIR	0	(7,198)	(1,250)	(8,504)	0	(8,375)	(493)	(9,757)	(35,327)	11,749	(23,578)
14	COMING HVAC REPLACEMENT	0	(8,578)	(4,912)	(8,049)	(2,499)	(20,032)	(589)	0	(271,759)	0	(271,759)
15	INNOVATIVE INCENTIVE	0	2,200	(14,265)	1,348	0	(9,887,079)	(248)	0	(9,898,043)	0	(9,898,043)
16	TECHNOLOGY DEVELOPMENT	0	4,695	(5,480)	157	0	(408,739)	185	488	(408,709)	(11,749)	(420,458)
17	STANDBY GENERATION	0	(413,754)	(22,288)	(121,449)	(235,176)	(17,015,728)	(14,478)	(438,822)	(18,282,895)	0	(18,282,895)
18	INTERUPTIBLE SVS PROGRAM	(790,169)	(320,956)	638	(544,042)	0	9,740,432	(25,453)	(27,405)	8,223,043	0	8,223,043
19	CLUTTABLE SVS PROGRAM	(2,264,567)	(115)	0	0	0	347,267	0	0	(1,917,415)	0	(1,917,415)
20	RES ENERGY (LOAD) MANAGEMENT	3,085,700	668,694	153,954	715,469	251,828	18,325,305	43,830	310,928	21,535,807	0	21,535,807
21	COM ENERGY (LOAD) MANAGEMENT	0	8,916	238	(8,202)	0	258,810	40	0	259,801	0	259,801
22	TOTAL ALL PROGRAMS	10,964	(108,013)	130,114	(242,949)	(117,800)	(1,280,295)	(33,075)	(365,527)	(2,004,632)	(0)	(2,004,632)

SCHEDULE CT-3
OCTOBER 1997 THROUGH MARCH 1998

FLORIDA POWER CORPORATION

ACTUAL CONSERVATION PROGRAM COSTS BY MONTH
 FOR THE PERIOD OCTOBER 1997 THROUGH MARCH 1998

LINE NO	PROGRAM TITLE	OCT 97	NOV 97	DEC 97	JAN 98	FEB 98	MAR 98	TOTAL
1	BETTER BUSINESS	12,424	4,424	32,563	5,468	31,305	12,007	138,221
2	ENERGY MONITOR	351	(27)	166	80	0	0	570
3	GAS DEMONSTRATION	(110)	278	0	0	0	0	168
4	RESIDENTIAL NEW CONSTRUCTION	45,917	32,266	93,175	34,228	47,749	65,215	318,550
5	HOME ENERGY IMPROVEMENT	232,678	387,205	343,852	219,817	208,017	346,561	1,736,130
6	COMM / IND NEW CONSTRUCTION	2,280	19,068	30	30	712	(200)	21,890
7	HOME ENERGY CHECK	212,209	233,194	229,948	123,474	195,828	216,209	1,210,682
8	BUSINESS ENERGY ANALYSIS *	0	0	0	0	0	0	0
9	BUSINESS ENERGY CHECK	17,011	13,884	8,401	40,240	(2,300)	10,267	87,503
10	RESID AC DUCT TEST/REPAIR *	0	0	0	0	0	0	0
11	QUALIFYING FACILITY	48,338	(40,569)	(9,507)	17,277	25,987	38,690	78,168
12	C / I AC DUCT TEST/REPAIR *	0	0	0	0	0	0	0
13	COMM / IND AC REPLACEMENT	0	0	0	0	0	0	0
14	INNOVATION INCENTIVE	3,188	595	2,130	55	(112)	180	6,036
15	TECHNOLOGY DEVELOPMENT	3,621	573	949	650	4,827	4,950	15,570
16	STANDBY GENERATION	33,544	35,955	31,378	54,038	38,836	48,122	242,873
17	INTERRUPT LOAD MANAGEMENT	1,601,397	1,822,075	1,383,203	1,586,413	1,717,421	1,628,257	9,747,768
18	CURTAL LOAD MANAGEMENT	107,095	54,566	52,242	60,107	16,802	56,340	347,152
19	RESIDENTIAL LOAD MANAGEMENT	3,846,766	3,183,551	3,490,564	3,965,381	3,678,474	3,561,687	21,754,623
20	COMMERCIAL LOAD MANAGEMENT	48,859	47,526	29,895	63,564	44,753	39,202	273,789
21	CONSERVATION PROGRAM ADMIN	235,706	213,181	278,705	158,030	191,694	232,997	1,310,303
22	TOTAL ALL PROGRAMS	6,451,274	6,047,745	5,967,684	6,367,882	6,198,703	6,258,684	37,290,032
23	LESS BASE RATE RECOVERY	0	0	0	0	0	0	0
24	NET RECOVERABLE (CT-3 PAGE 2)	6,451,274	6,047,745	5,967,684	6,367,882	6,198,703	6,258,684	37,290,032

* GROSS EXPENDITURES ONLY. AUDIT PROGRAM REVENUES ARE ACCOUNTED FOR IN CALCULATION OF TRUE-UP SCHEDULE CT-3. PAGE 2 OF 3

FLORIDA POWER CORPORATION

ENERGY CONSERVATION/ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD OCTOBER 1997 THROUGH MARCH 1998

LINE NO	OCT 97	NOV 97	DEC 97	JAN 98	FEB 98	MAR 98	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0
1B ENERGY MONITOR	0	0	0	0	0	0	0
1C HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0
1D HOME ENERGY CHECK	0	0	0	0	0	0	0
1E BUSINESS ENERGY ANALYSIS *	0	0	0	0	0	0	0
1F TECHNOLOGY DEVELOPMENT	11,749	0	0	0	0	0	11,749
1G SUBTOTAL - FEES	11,749	0	0	0	0	0	11,749
2 CONSERVATION CLAUSE REVENUES	7,130,713	5,692,610	(1,487,144)	6,108,736	5,565,732	5,514,152	35,548,086
2A CURRENT PERIOD GRT REFUND	0	0	0	0	0	0	0
3 TOTAL REVENUES	7,151,463	5,692,610	5,417,144	6,108,736	5,565,732	5,514,152	35,559,836
4 PRIOR FPSC APPROVED ECCR TRUE-UP OVER/UNDER	1,387,230	1,387,230	1,387,230	1,387,230	1,387,230	1,387,230	8,323,360
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	8,538,693	7,079,840	6,804,374	7,495,966	6,952,962	6,901,382	43,683,216
6 CONSERVATION EXPENSES (CT-3, PAGE 1, LINE 73)	6,451,274	6,047,745	5,967,684	6,387,682	6,196,763	6,158,684	37,260,032
7 TRUE-UP THIS PERIOD (OJAU)	(2,087,419)	(1,032,095)	(916,690)	(1,128,084)	(796,199)	(642,698)	(8,593,184)
8 CURRENT PERIOD INTEREST	(96,476)	(67,761)	(67,479)	(65,727)	(62,767)	(60,235)	(350,445)
9 ADJUSTMENTS PER AUDIT (RDC ORDR)	0	0	0	0	0	0	0
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF MONTH (OJAU)	(14,075,034)	(14,841,699)	(14,554,325)	(14,151,263)	(13,957,844)	(13,419,580)	(14,075,034)
10A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED (COLLECTED) Refro 494-10/94	1,387,230	1,387,230	1,387,230	1,387,230	1,387,230	1,387,230	8,323,360
12 END OF PERIOD NET TRUE-UP	(14,841,699)	(14,554,325)	(14,151,263)	(13,957,844)	(13,419,580)	(12,735,263)	(12,735,263)

FLORIDA POWER CORPORATION
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD OCTOBER, 1997 THROUGH MARCH, 1998

LINE NO.	OCT 97	NOV 97	DEC 97	JAN 98	FEB 98	MAR 98
1 BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10)	(14,075,034)	(14,841,699)	(14,554,325)	(14,151,263)	(13,957,844)	(13,419,580)
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	<u>(14,775,223)</u>	<u>(14,466,564)</u>	<u>(14,063,784)</u>	<u>(13,892,117)</u>	<u>(13,356,813)</u>	<u>(12,675,048)</u>
3 TOTAL BEGINNING & ENDING TRUE-UP	<u>(28,850,257)</u>	<u>(29,328,262)</u>	<u>(28,638,109)</u>	<u>(28,043,380)</u>	<u>(27,314,657)</u>	<u>(26,094,628)</u>
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	<u>(14,425,128)</u>	<u>(14,664,131)</u>	<u>(14,319,054)</u>	<u>(14,021,690)</u>	<u>(13,657,328)</u>	<u>(13,047,314)</u>
5 INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH	5.53%	5.53%	5.56%	5.75%	5.50%	5.53%
6 INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH	<u>5.53%</u>	<u>5.56%</u>	<u>5.75%</u>	<u>5.50%</u>	<u>5.53%</u>	<u>5.55%</u>
7 TOTAL (LINE 5 AND LINE 6)	<u>11.06%</u>	<u>11.09%</u>	<u>11.31%</u>	<u>11.25%</u>	<u>11.03%</u>	<u>11.08%</u>
8 AVERAGE INTEREST RATE (50% OF LINE 7)	<u>5.530%</u>	<u>5.545%</u>	<u>5.655%</u>	<u>5.625%</u>	<u>5.515%</u>	<u>5.540%</u>
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	<u>(66,476)</u>	<u>(67,781)</u>	<u>(67,479)</u>	<u>(65,727)</u>	<u>(62,767)</u>	<u>(60,235)</u>
						<u>(390,445)</u>

SCHEDULE CT-4
OCTOBER 1997 THROUGH MARCH 1998

FLORIDA POWER CORPORATION

SCHEDULE OF CAPITAL INVESTMENT DEPRECIATION & RETURN
 FOR THE PERIOD OCTOBER 1, 1987 THROUGH MARCH, 1988

LINE NO	BEGINNING BALANCE	OCT 87	NOV 87	DEC 87	JAN 88	FEB 88	MAR 88	TOTAL
1 QUALIFYING FACILITY								
2 INVESTMENTS		0	0	0	0	0	0	0
3 RETIREMENTS		0	0	0	0	0	0	0
4 DEPRECIATION BASE		12,657	12,657	12,657	12,657	12,657	12,657	12,657
5								
6 DEPRECIATION EXPENSE		211	211	211	211	211	211	1,266
7								
8 CUMM NET INVEST	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657
9 LESS ACC NET DEPR	1,743	1,964	2,376	2,587	2,798	3,009	3,208	3,008
10 NET INVESTMENT	10,914	10,703	10,452	10,281	10,070	9,859	9,648	9,648
11 AVERAGE INVESTMENT	12,809	10,548	10,387	10,176	9,965	9,754	9,543	9,543
12 RETURN ON AVG INVEST	75	74	74	74	74	74	74	430
13								
14 RETURN REQUIREMENTS	104	102	100	98	97	94	94	595
15								
16 PROGRAM TOTAL	315	313	311	309	308	305	305	1,881
17								
18 BUSINESS ENERGY CHECK								
19 INVESTMENTS	0	0	0	0	0	0	0	0
20 RETIREMENTS	0	0	2,801	0	0	0	0	2,801
21 DEPRECIATION BASE	2,801	2,801	1,401	0	0	0	0	0
22								
23 DEPRECIATION EXPENSE	47	34	0	0	0	0	0	81
24								
25 CUMM NET INVEST	2,801	2,801	0	0	0	0	0	0
26 LESS ACC NET DEPR	2,720	2,787	0	0	0	0	0	0
27 NET INVESTMENT	81	34	0	0	0	0	0	0
28 AVERAGE INVESTMENT	0	17	0	0	0	0	0	0
29 RETURN ON AVG INVEST	0	0	0	0	0	0	0	0
30								
31 RETURN REQUIREMENTS	0	0	0	0	0	0	0	0
32								
33 PROGRAM TOTAL	47	34	0	0	0	0	0	81
34								
35 LOAD MANAGEMENT ASSETS								
36 INVESTMENTS	27,206	0	0	0	0	0	0	27,206
37 RETIREMENTS	270,964	89,798	0	0	0	0	0	477,487
38 DEPRECIATION BASE	6,552,960	6,395,212	6,341,314	6,341,314	6,341,314	6,102,581	6,102,581	6,102,581
39								
40 DEPRECIATION EXPENSE	109,218	108,437	105,689	105,689	105,689	101,710	101,710	634,430
41								
42 CUMM NET INVEST	6,431,110	6,341,314	6,341,314	6,341,314	6,341,314	6,341,314	6,341,314	6,341,314
43 LESS ACC NET DEPR	3,828,808	3,893,128	3,961,789	3,983,147	3,968,836	3,823,079	3,623,079	3,623,079
44 NET INVESTMENT	2,602,302	2,448,186	2,379,525	2,358,167	2,372,478	2,518,235	2,718,235	2,718,235
45 AVERAGE INVESTMENT	2,808,943	2,712,764	2,608,701	2,501,012	2,395,323	2,291,823	2,291,823	2,291,823
46 RETURN ON AVG INVEST	19,578	18,822	18,152	17,444	16,707	15,964	15,244	108,817
47								
48 RETURN REQUIREMENTS	27,099	26,191	25,167	24,145	23,125	22,125	22,125	147,852
49								
50 PROGRAM TOTAL	128,315	132,628	130,856	129,834	128,814	127,835	127,835	782,292

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0.166667 ON 20% ANNUALLY RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF 0.06875 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 10880-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.517%.

FLORIDA POWER CORPORATION

SCHEDULE OF CAPITAL INVESTMENT DEPRECIATION & RETURN
 FOR THE PERIOD OCTOBER, 1987 THROUGH MARCH, 1988

LINE NO	OCT 87	NOV 87	DEC 87	JAN 88	FEB 88	MAR 88	TOTAL
1	0	0	0	0	0	0	0
2	0	0	25,206	0	0	0	25,206
3	47,821	47,821	35,218	22,615	22,615	22,615	
4							
5							
6	797	797	587	377	377	377	3,312
7							
8	47,821	47,821	22,615	22,615	22,615	22,615	22,615
9	33,303	34,100	9,481	8,858	10,276	10,612	10,612
10	15,315	13,721	13,134	12,757	12,360	12,003	12,003
11	14,917	14,120	13,428	12,946	12,569	12,192	
12	504	58	83	90	88	85	508
13							
14	144	138	129	125	122	118	774
15							
16	941	613	716	502	499	495	4,056
17							
18	671	0	0	0	0	0	671
19	0	0	0	0	0	0	0
20	3,348,962	3,348,962	3,348,962	3,348,962	3,348,962	3,348,962	
21							
22	55,811	55,816	55,816	55,816	55,816	55,816	334,391
23							
24	3,348,962	3,348,962	3,348,962	3,348,962	3,348,962	3,348,962	3,348,962
25	2,419,508	2,475,324	1,531,140	2,565,956	2,642,772	2,698,568	2,698,568
26	884,614	873,658	817,842	782,528	758,210	693,384	693,384
27	857,944	801,566	645,790	788,834	734,118	678,302	
28	6,075	6,288	3,800	3,920	3,120	4,731	34,224
29							
30	9,228	8,705	8,156	7,625	7,087	6,548	47,370
31							
32	65,090	64,571	63,967	63,441	62,903	62,364	382,261
33							
34							
35	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0
41	0	0	0	0	0	0	0
42	0	0	0	0	0	0	0
43	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0
46	0	0	0	0	0	0	0
47	0	0	0	0	0	0	0
48	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0.166667
 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING
 A MONTHLY RATE OF 0.08975 (8.37% ANNUALLY) MOST PART AUTHORIZED BY THE
 FFSC IN DOCKET NO. 101060-E1. RETURN REQUIREMENTS ARE CALCULATED
 USING A COMBINED STATUTORY TAX RATE OF 38.575%.

FLORIDA POWER CORPORATION

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD OCTOBER, 1987 THROUGH MARCH, 1988

LINE NO	OCT 87	NOV 87	DEC 87	JAN 88	FEB 88	MAR 88	TOTAL
1	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0
6	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0
10	0	0	0	0	0	0	0
11	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0
15	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0
17	0	0	0	0	0	0	0
18	0	0	0	0	0	0	0
19	0	0	0	0	0	0	0
20	0	0	0	0	0	0	0
21	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0
41	0	0	0	0	0	0	0
42	0	0	0	0	0	0	0
43	0	0	0	0	0	0	0
44	0	0	0	0	0	0	0
45	0	0	0	0	0	0	0
46	0	0	0	0	0	0	0
47	0	0	0	0	0	0	0
48	0	0	0	0	0	0	0
49	0	0	0	0	0	0	0
50	0	0	0	0	0	0	0
51	0	0	0	0	0	0	0
52	202,868	198,429	192,860	194,206	182,524	186,889	1,170,571
	186,062	183,295	182,303	182,093	182,093	158,114	

NOTE: DEPR ONLY
 DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0.166667
 OR 2% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING
 A MONTHLY RATE OF .008975 (8.37% ANNUALLY) REPORT AUTHORIZED BY THE
 FFSIC IN DOCKET NO. 910890-01. RETURN REQUIREMENTS ARE CALCULATED
 USING A COMBINED STATUTORY TAX RATE OF 38.575%

FLORIDA POWER CORPORATION

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD OCTOBER, 1997 THROUGH MARCH, 1998

LINE NO.	BEGINNING BALANCE	OCT 97	NOV 97	DEC 97	JAN 98	FEB 98	MAR 98	TOTAL
1								
2								
3								
4		404,360	133,578	439,366	150,008	174,817	345,522	1,647,451
5		1,446,419	864,721	845,241	647,922	1,094,950	769,817	5,669,070
6		20,278,291	19,391,690	18,823,181	18,371,287	17,662,164	16,989,849	
7								
8		337,972	323,195	313,720	306,189	294,370	283,165	1,858,611
9								
10	20,799,321	19,757,262	19,026,119	18,620,244	18,122,330	17,201,997	16,777,702	16,777,702
11	13,367,938	12,259,491	11,717,965	11,186,444	10,844,711	10,044,131	9,557,479	9,557,479
12	7,431,383	7,497,771	7,308,154	7,433,800	7,277,619	7,157,866	7,220,223	7,220,223
13		7,464,577	7,402,962	7,370,977	7,355,710	7,217,743	7,189,044	
14		52,065	51,635	51,413	51,306	50,344	50,143	306,906
15								
16		72,066	71,471	71,164	71,016	69,684	69,406	424,807
17								
18		410,038	394,666	384,884	377,205	364,054	352,571	2,283,418

NOTE DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-E1). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

SCHEDULE CT-5

Program Description and Progress

Program Title: Home Energy Check

Program Description: The new Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides Florida Power Corporation's (FPC) residential customers with an analysis of energy consumption and recommendations on energy efficiency improvements. It acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures. It serves as the foundation of the residential Home Energy Improvement program and is a requirement for participation. There are four versions of this audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (BERS) and the mail-in audit.

Program Accomplishments October, 1997 through March, 1998: There were 24,209 customers that participated in this program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program are were \$1,207,136.

Program Progress Summary: The Home Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements.

Program Description and Progress

Program Title: Residential New Construction

Program Description: This program is designed to encourage builders to construct more energy efficient homes by choosing from a menu of energy saving measures such as duct sealing, duct layout, attic insulation, high efficiency heat pump, heat recovery water heating or dedicated heat pump. This is also an educational program which strives to teach builders, Realtors, HVAC dealers, and homebuyers the importance of energy efficiency. Incentives are awarded to the builder based on the level of efficiency they choose.

Program Accomplishments October, 1997 through March, 1998: There were 3,309 participants in the program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$318,551.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of homes built during this period. Participation has increased each year since its inception. Recent enhancements to the program are expected to continue this trend.

Program Description and Progress

Program Title: Home Energy Improvement

Program Description: This umbrella efficiency program provides existing residential customers incentives for energy efficient heating, air conditioning, water heating, ceiling insulation upgrade and duct leakage and repair.

Program Accomplishments October, 1997 through March, 1998: There were 11,841 customers that participated in this program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$1,736,129.

Program Progress Summary: Ceiling insulation and duct repair completions are stabilizing. Recent program enhancements including high efficiency space and water heating should increase participation during this period.

Program Description and Progress

Program Title: Energy Management (Residential & Commercial)

Program Description: The Load Management Program incorporates direct radio control of selected customer equipment to reduce system demand during peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage.

Program Accomplishments for October, 1997 through March, 1998: During this period 10,765 new participants were added to the program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Program expenditures during this period were \$18,962,709.

Program Progress Summary: As of March 31, 1998 there were 546,398 customers participating in the Load Management program. These participants attribute a total of 964 MW of winter peak demand under control.

Program Description and Progress

Program Title: Business Energy Check

Program Description: The Business Energy Check is an audit for non-residential customers, and has two parts. The free audit provides a no-cost energy audit for non-residential facilities. The paid audit provides a more thorough energy analysis for non-residential facilities. For each, a qualified energy auditor determines which energy-reducing actions apply to a customer's facility and operation. The cost of implementing recommended measures and the resulting savings are estimated in writing based on industry averages. The auditor also explains other Florida Power programs and incentives available to encourage implementation of the conservation recommendations.

Program Accomplishments October, 1997 through March, 1998: There were 225 customers that participated in this program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$87,522.

Program Progress Summary: The program is required for participation in most of the company's other commercial/industrial DSM incentive programs.

Program Description and Progress

Program Title: Commercial/Industrial New Construction

Program Description: This umbrella efficiency program provides incentives for the design and construction of energy efficient commercial and industrial facilities. Incentives are provided for energy efficient heating, air conditioning, motors, water heating, and leak free ducts.

Program Accomplishments October, 1997 through March, 1998: One customer participated during the period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$21,951.

Program Progress Summary: There was one C/I New Construction program completion in 1998.

Program Description and Progress

Program Title: Better Business

Program Description: This umbrella efficiency program provides incentives to existing commercial and industrial customers for energy efficient lighting, heating, air conditioning, motors, water heating, roof insulation upgrade, duct leakage and repair, and window film.

Program Accomplishments October, 1997 through March, 1998: There were 95 customers that participated for the period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$138,222.

Program Progress Summary: The Better Business program was first implemented during the 1996 year. In previous years, measures eligible for incentives were implemented under separate programs which have been phased out.

Program Description and Progress

Program Title: Standby Generation

Program Description: Florida Power Corporation provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Accomplishments October, 1997 through March, 1998: There were 8 new customers added to this program.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$228,109.

Program Progress Summary: To date the program has 39 participants.

Program Description and Progress

Program Title: Innovation Incentive

Program Description: Significant conservation efforts that are not supported by other Florida Power programs can be encouraged through Innovation Incentive. Major equipment replacement or other actions that substantially reduce FPC peak demand requirements are evaluated to determine their impact on Florida Power's system. If cost effective, these actions may qualify for an economic incentive in order to shorten the "payback" time of the project.

Program Accomplishments October, 1997 through March, 1998: There were no participants during this period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$6,035.

Program Progress Summary: Many of the measures previously completed as a result of this program were high efficiency equipment replacements that are now covered under the company's Better Business program.

Program Description and Progress

Program Title: Interruptible Service Program

Program Description: The Interruptible program is a rate tariff which allows Florida Power to switch off electrical service to customers during times of capacity shortages. The signal to operate the automatic switch on the customer's service is activated by the Energy Control Center. In return for this, the customers receive a monthly rebate on their kW demand charge.

Program Accomplishments October, 1997 through March, 1998: There were no new participants during the period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$9,747,766.

Program Progress Summary: The original program filed as the IS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants would be placed on the new, cost-effective IS-2 tariff.

Program Description and Progress

Program Title: Curtailable Service Program

Program Description: The Curtailable Service is a dispatchable DSM program in which customers contract to curtail or shut down a portion of their load during times of capacity shortages. The curtailment is done voluntarily by the customer when notified by FPC. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

Program Accomplishments October, 1997 through March, 1998: No new participants were added during the period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$347,152.

Program Progress Summary: The original program filed as the CS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants would be placed on the new, cost-effective CS-2 tariff.

Program Description and Progress

Program Title: Energy Monitor

Program Description: The program assists customers in managing their energy use by providing services to improve the operation and maintenance of building the process systems.

Program Accomplishments October, 1997 through March, 1998: There were no new participants for the period.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$570.

Program Progress Summary: This program has been discontinued.

Program Description and Progress

Program Title: Gas Demonstration

Program Description: The purpose of Gas Demonstration is to conduct Commission required natural gas research and demonstration projects in the functional areas of heating, cooling, dehumidification and water heating.

Program Accomplishment October, 1997 through March, 1998: Data monitoring has continued for the Residential and Commercial Gas Demonstration Projects. There will be no additional participation beyond the two sites already in place.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$308.

Program Progress Summary: The residential gas powered York Triathlon has been installed and remotely monitored since August 1996. Monitoring of a commercial site Gas Regenerated Desiccant Wheel for the gas dehumidification research project has been in progress since August 1997.

Program Description and Progress

Program Title: Technology Development

Program Description: Florida Power Corporation will undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs. Currently, the Low Income Pilot, Dual Source Heat Pump Project and the Full Condensing Heat Pump (with Water Heater) Projects demonstration are in process.

Program Accomplishment October, 1997 through March, 1998: There were 64 customers served under the Low Income Pilot during this period. Collection of monitored data has been on-going for the Dual Source Heat Pump and the Full Condensing Heat Pump projects.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$15,569.

Program Progress Summary: The Low Income Pilot, as well as the two heat pump technologies, continue to provide the data required to support a final evaluation.

Program Description and Progress

Program Title. Qualifying Facility

Program Description: Power is purchased power from qualifying cogeneration and small power production facilities.

Program Accomplishment October, 1997 through March, 1998: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for October, 1997 through March, 1998: Expenses for this program were \$76,371.

Program Progress Summary: The total MW of qualifying facility capacity available at he end of 1997 was approximately 830 MW, excluding the Tiger Bay capacity that is now owned by FPC. As approved in Order No. PSC-97-0652-S-EQ Order Approving Stipulation and Supplemental Stipulation, the Tiger Bay QF payments will continue to be recovered as if the contracts are still in place.