



ORIGINAL

**Florida Power**  
CORPORATION

**JAMES A. MCGEE**  
SENIOR COUNSEL

October 21, 1998

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

98 OCT 22 4:10:43  
MAIL ROOM

Re: Docket No. 980001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and ten copies of Florida Power Corporation's Preliminary List of Issues and Positions.

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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JAM/kma  
 Enclosure  
 cc: Parties of record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

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Docket No. 980001-EI

Submitted for filing:  
August 5, 1998

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Preliminary List of Issues and Positions has been furnished to the following individuals by regular U.S. Mail this 22nd day of October, 1998:

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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. 980001-EI

Submitted for filing:  
October 22, 1998

**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 January through December 1999, and states as follows:

**Generic Fuel Adjustment Issues**

1. **ISSUE:** What is the estimated fuel adjustment true-up amount for the period of April through December 1998?  
  
EPC: \$17,317,456 over-recovery. (Wieland)
2. **ISSUE:** What is the total fuel adjustment true-up amount to be refunded?  
  
EPC: \$6,491,587 over-recovery. (Scardino/Wieland)
3. **ISSUE:** What is the appropriate levelized fuel cost recovery factor for the period of January through December 1999?  
  
EPC: 1.893 cents per kWh (adjusted for jurisdictional losses). (Wieland)
4. **ISSUE:** What should be the effective date of the new fuel cost recovery factors for billing purposes?

**FPC:** The new factors should be effective beginning with the first billing cycle for January 1999, and thereafter through the last billing cycle for December 1999. The first billing cycle may start before January 1, 1999, and the last billing cycle may end after December 31, 1999, so long as each customer is billed for twelve months regardless of when the factors became effective.

5. **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:**

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)

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

**FPC:**

Group	Delivery Voltage Level	Fuel Cost Factors (cents/kWh)		
		Standard	On-Peak	Off-Peak
A.	Transmission	1.858	2.391	1.594
B.	Distribution Primary	1.877	2.416	1.610
C.	Distribution Secondary	1.896	2.440	1.627
D.	Lighting Service	1.779		

(Wieland)

7. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating the levelized fuel factor for the projection period of January through December 1999?

**FPC:** 1.00072 (Wieland)

#### Company-Specific Fuel Adjustment Issues

8. **ISSUE:** Should the Commission approve FPC's request to recover the cost of converting Debary Unit 8 to burn natural gas?

**FPC:** Yes. FPC is requesting the same treatment for this unit as the Commission approved in prior hearings for numerous other combustion turbines on the FPC system. The cost of conversion (\$1.4 million) is not included in FPC's base rates and will enable FPC to achieve fuel savings in excess of (\$3.4 million) over the next five years. (Wieland)

9. **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)

10. **ISSUE:** Has FPC confirmed the validity of the methodology used to determine the equity component of Electric Fuels Corporation's capital structure for calendar year 1997?

**FPC:** Yes. Florida Power's Audit Services Department has reviewed the analysis performed by Electric Fuels Corporation. Florida Power continues to believe that this analysis confirms the appropriateness of the "short cut" method.

11. **ISSUE:** Has FPC properly calculated the 1997 price for waterborne transportation services provided by Electric Fuels Corporation?

**FPC:** Yes. The 1997 waterborne transportation calculation has been reviewed by Staff and Public Counsel and deemed properly calculated.

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

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

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

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

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

14. **ISSUE:** What should the GPIF targets/ranges be for the period of January through December, 1999?

EPC: See Attachment B. (Zuloaga)

**Generic Capacity Cost Recovery Issues**

15. **ISSUE**: What is the estimated capacity cost recovery true-up amount for the period of April through December 1998?

EPC: \$2,544,950 under-recovery. (Wieland)

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

EPC: \$4,856,714 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 January through December 1999?

EPC: \$311,506,755 (Wieland)

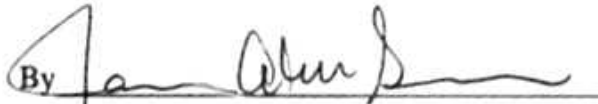
18. **ISSUE**: What are the projected capacity cost recovery factors for the period January through December 1999?

<u>EPC</u> :	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	1.154 cents/kWh
	General Service Non-Demand	.914 cents/kWh
	@ Primary Voltage	.905 cents/kWh
	@ Transmission Voltage	.896 cents/kWh
	General Service 100% Load Factor	.623 cents/kWh
	General Service Demand	.760 cents/kWh
	@ Primary Voltage	.753 cents/kWh
	@ Transmission Voltage	.745 cents/kWh
	Curtaillable	.638 cents/kWh
	@ Primary Voltage	.631 cents/kWh
	@ Transmission Voltage	.625 cents/kWh
	Interruptible	.597 cents/kWh
	@ Primary Voltage	.591 cents/kWh
	@ Transmission Voltage	.585 cents/kWh
	Lighting	.222 cents/kWh

(Wieland)

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL  
FLORIDA POWER CORPORATION

By 

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## GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation  
 Period of: Oct. 1998 - Dec. 1998

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
ANC. 1	0.84	88.77	90.47	85.32	30.1	52.6
ANC. 2	0.23	45.07	45.87	43.44	8.2	21.9
C.R. 1	3.00	91.74	95.60	83.98	107.5	25.1
C.R. 2	5.56	89.50	94.36	77.62	199.5	185.3
C.R. 3	34.77	90.71	95.06	81.91	1247.3	2413.1
C.R. 4	4.17	91.89	95.68	84.30	149.7	390.3
C.R. 5	2.68	89.60	90.92	86.85	96.1	127.3
GPIF System	51.24				1838.4	3215.6

Plant/Unit	Weighting Factor (%)	ANOHR Target		ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	4.40	10192	40.0	9904	10479	157.9	157.9
ANC. 2	2.38	10284	32.7	9955	10613	85.5	85.5
C.R. 1	5.96	9625	91.3	9445	9805	213.8	213.8
C.R. 2	6.31	9657	94.2	9507	9807	226.3	226.3
C.R. 3	10.00	10427	98.8	10277	10577	358.7	358.7
C.R. 4	8.91	9460	72.9	9310	9610	319.5	319.5
C.R. 5	10.80	9301	92.6	9151	9451	387.4	387.4
GPIF System	48.76					1749.1	1749.1

Issued by: FPC

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Original Sheet No. 7.103.1

## GPIF TARGET AND RANGE SUMMARY

Company: Florida Power Corporation  
 Period of: January, 1999 - December, 1999

Plant/Unit	Weighting Factor (%)	EAF Target (%)	EAF RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
			Max. (%)	Min. (%)		
ANC. 1	0.73	83.83	85.25	80.93	41.9	(31.4)
ANC. 2	0.15	94.89	97.29	90.04	8.4	(30.8)
C.R. 1	3.23	78.16	79.49	69.48	185.8	(15.5)
C.R. 2	6.02	85.23	91.13	73.88	346.4	(285.9)
C.R. 3	21.68	80.35	83.78	73.39	1247.3	(2,413.1)
C.R. 4	3.93	90.17	93.86	82.79	226.4	(568.4)
C.R. 5	3.11	83.80	84.98	81.34	179.2	(155.1)
<b>GPIF System</b>	<b>38.85</b>				<b>2235.4</b>	<b>(3,500.2)</b>

Plant/Unit	Weighting Factor (%)	ANOHR Target		ANOHR RANGE		Max. Fuel Savings (\$000)	Max. Fuel Loss (\$000)
		(BTU/KWH)	NOF	Min. (%)	Max. (%)		
ANC. 1	4.43	10008	53.5	9747	10265	255.1	(255.1)
ANC. 2	4.47	9912	58.1	9819	10205	257.1	(257.1)
C.R. 1	7.28	9841	82.9	9860	10021	418.6	(418.6)
C.R. 2	7.91	9764	90.0	9814	9914	455.4	(455.4)
C.R. 3	12.73	10404	100.3	10254	10554	732.5	(732.5)
C.R. 4	11.79	9395	88.3	9242	9548	678.2	(678.2)
C.R. 5	12.54	9330	97.2	9180	9480	721.5	(721.5)
<b>GPIF System</b>	<b>61.15</b>					<b>3518.4</b>	<b>(3,518.4)</b>

Issued by: FPC

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