

ORIGINAL

Florida Power
CORPORATION

JAMES A. MCGEE
SENIOR COUNSEL

October 23, 2000

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. 000001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and ten copies of Florida Power Corporation's Final 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

APP	_____	JAM/kbd
CAF	_____	Enclosure
CMP	_____	
COM	<u>3</u>	cc: Parties of record
CTR	_____	
ECR	_____	
LEG	_____	
OPC	<u>1</u>	
PAI	_____	
RGO	<u>Handover</u>	
SEC	_____	
SER	<u>Bohman</u>	
OTH	_____	

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER - DATE
13541 OCT 24 8
FPSC-RECORDS/REPORTING

FLORIDA POWER CORPORATION

DOCKET NO. 000001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Florida Power Corporation's Final List of Issues and Positions has been furnished to the following individuals by regular U.S. Mail this 23rd day of October, 2000.

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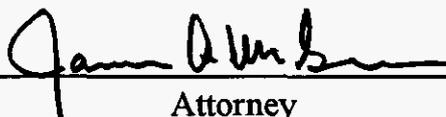
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Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 000001-EI

Submitted for filing:
October 23, 2000

**FLORIDA POWER CORPORATION'S
FINAL LIST OF ISSUES AND POSITIONS**

Florida Power Corporation (FPC), hereby submits its Final 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 2001, and states as follows:

Generic Fuel Adjustment Issues

1. **ISSUE:** What are the appropriate final fuel adjustment true-up amounts for the period January through December 1999?

FPC: \$903,442 under-recovery. (Scardino)

2. **ISSUE:** What are the appropriate estimated fuel adjustment true-up amounts for the period January through December 2000?

FPC: \$54,314,365 under-recovery (\$55,217,807 December 2000 ending balance, less \$903,442 December 1999 ending balance). (Wieland)

DOCUMENT NUMBER-DATE

13541 OCT 24 8

FLORIDA POWER CORPORATION

FPSC-RECORDS/REPORTING

3. **ISSUE:** What are the total fuel adjustment true-up amounts to be collected from January through December 2001?

FPC: \$27,608,904 under-recovery, based on FPC's proposal to recover half of the December 2000 ending true-up balance in 2001, with the remainder deferred for recovery in 2002. (Scardino/Wieland)

4. **ISSUE:** What is the appropriate levelized fuel cost recovery factor for the period of January through December 2001?

FPC: 2.521 cents per kWh (adjusted for jurisdictional losses), based on FPC's 50% true-up recovery proposal under Issue 3 above. (Wieland)

5. **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 2001, and thereafter through the last billing cycle for December 2001. The first billing cycle may start before January 1, 2001, and the last billing cycle may end after December 31, 2001, so long as each customer is billed for twelve months regardless of when the factors became effective.

6. **ISSUE:** What are the appropriate fuel recovery line 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	2.475	3.388	2.064
B.	Distribution Primary	2.500	3.423	2.085
C.	Distribution Secondary	2.525	3.457	2.106
D.	Lighting Service	2.358		

(Wieland)

8. **ISSUE:** What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January through December 2001?

FPC: 1.00072 (Wieland)

9. **ISSUE:** How should the Commission's decision as set forth by Order No. PSC-00-1744-PAA-EI, issued September 26, 2000 in Docket No. 991779-EI, concerning the application incentives to wholesale energy sales, be implemented?

FPC: Fuel costs should be credited with 80% of the difference between the estimated gain on non-separated wholesale energy sales for 2001, less the estimated three-year rolling average annual gain on such sales through 2000.
(Wieland)

10. **ISSUE:** What is the appropriate estimated benchmark level for calendar year 2001 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, issued September 26, 2000 in Docket No. 991779-EI, for each investor-owned electric utility?

FPC: For FPC, the estimated benchmark level is \$11,061,127, which is the three-year rolling average annual gain on non-separated wholesale energy sales based on actual data for 1998 and 1999 and estimated data for 2000, subject to true-up in future proceedings. (Wieland)

Company-Specific Fuel Adjustment Issues

12A 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 1999?

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. (Wieland)

12B 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)

12C ISSUE: Has FPC properly calculated the 1999 price for waterborne transportation services provided by Electric Fuels Corporation?

FPC: Yes. The 1999 waterborne transportation calculation has been properly made in accordance with the methodology used for prior years' calculations that have been approved by the Commission. (Wieland)

12D ISSUE: Should the Commission allow FPC to collect its estimated/actual true-up under-recovery for calendar year 2000 over a two-year period, commencing in 2001?

FPC: Yes. FPC's proposed two-year recovery period will mitigate the impact of the 2001 fuel adjustment increase on customers. (Wieland)

- 12E ISSUE: What is the appropriate regulatory treatment of the remainder of the estimated/actual true-up under-recovery that would be included for recovery in the fuel cost recovery factor for calendar year 2002?

FPC: The remainder of the estimated/actual true-up under-recovery, like all other over- or under-recoveries, should be included in the ongoing true-up balance. (Wieland)

- 12F ISSUE: Should the Commission approve FPC's proposed regulatory treatment for its wholesale power supply agreements with Seminole Electric Cooperative?

FPC: Yes, consistent with the Commission's long-standing practice regarding the Seminole agreements. (Wieland)

Generic Generating Performance Incentive Factor Issues

- 14 ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period of January through December 1999?

FPC: \$2,597,148 reward. (McClintock)

15. ISSUE: What should the GPIF targets/ranges be for the period of January through December, 2001?

FPC: See Attachment A. (McClintock)

Generic Capacity Cost Recovery Issues

16. **ISSUE:** What is the appropriate final capacity cost recovery true-up amount for the period of January through December 1999?

FPC: \$28,834,883 over-recovery. (Scardino)

17. **ISSUE:** What is the appropriate estimated capacity cost recovery true-up amount for the period of January through December 2000?

FPC: \$28,978,088 under-recovery (\$143,205 December 2000 ending under-recovery balance, less \$28,834,883 December ending over-recovery balance).
(Wieland)

18. **ISSUE:** What is the appropriate total capacity cost recovery true-up amount to be collected during the period January through December 2001?

FPC: \$143,205 under-recovery. (Scardino/Wieland)

19. **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 2001?

FPC: \$325,662,492 (Wieland)

20. **ISSUE:** What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January through December 2001?

FPC: Base - 97.232%, Intermediate - 70.241%, Peaking - 85.056%
(Based on FPC's projected jurisdictional separation study for the 12 months ending December 2000, as filed in FERC Docket No. ER 005 PRO 000.)

21. ISSUE: What are the projected capacity cost recovery factors for the period January through December 2001?

<u>FPC:</u>	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	1.108 cents/kWh
	General Service Non-Demand	0.834 cents/kWh
	@ Primary Voltage	0.826 cents/kWh
	@ Transmission Voltage	0.817 cents/kWh
	General Service 100% Load Factor	0.598 cents/kWh
	General Service Demand	0.703 cents/kWh
	@ Primary Voltage	0.695 cents/kWh
	@ Transmission Voltage	0.688 cents/kWh
	Curtaillable	0.621 cents/kWh
	@ Primary Voltage	0.614 cents/kWh
	@ Transmission Voltage	0.608 cents/kWh
	Interruptible	0.584 cents/kWh
	@ Primary Voltage	0.578 cents/kWh
	@ Transmission Voltage	0.573 cents/kWh
	Lighting	0.191 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: January, 2001- December, 2001

Plant/Unit	Weighting	EAF	EAF RANGE		Max. Fuel	Max. Fuel
	Factor	Target	Max.	Min.	Savings	Loss
	(%)	(%)	(%)	(%)	(\$000)	(\$000)
ANCLOTE 1	6.76	78.81	81.41	73.61	2895	(2,508)
ANCLOTE 2	4.70	92.81	96.17	86.00	2015	(2,724)
BARTOW 3	0.19	93.92	96.77	88.13	82	(1,123)
C.R. 1	6.09	76.39	81.11	67.15	2609	(7,876)
C.R. 2	21.13	84.16	91.38	70.54	9053	(12,722)
C.R. 3	2.22	85.48	86.90	82.54	953	(9,339)
C.R. 4	6.72	95.44	97.58	91.04	2880	(3,900)
C.R. 5	10.42	87.62	88.93	84.90	4466	(1,985)
TIGER BAY	2.82	78.71	81.49	73.11	1210	(2,602)
GPIF System	61.05				26163	(44,779)

Plant/Unit	Weighting	ANOHR Target		ANOHR RANGE		Max. Fuel	Max. Fuel
	Factor	(BTU/KWH)	NOF	Min.	Max.	Savings	Loss
	(%)	(BTU/KWH)		(BTU/KWH)	(BTU/KWH)	(\$000)	(\$000)
ANCLOTE 1	3.80	10091	53.5	9811	10371	1629.9	(1,629.9)
ANCLOTE 2	4.64	10083	52.0	9801	10365	1987.0	(1,987.0)
BARTOW 3	2.31	10105	62.9	9812	10399	988.6	(988.6)
C.R. 1	1.51	9831	83.2	9659	10003	647.3	(647.3)
C.R. 2	2.42	9788	73.2	9575	10001	1035.5	(1,035.5)
C.R. 3	5.03	10247	102.6	10097	10397	3443.1	(3,443.1)
C.R. 4	5.02	9389	90.7	9196	9582	2150.8	(2,150.8)
C.R. 5	5.48	9360	93.9	9132	9587	2346.4	(2,346.4)
TIGER BAY	5.74	7190	102.9	8709	7670	2461.9	(2,461.9)
GPIF System	38.95					16690.5	(16,690.5)

Issued by: FPC

Filed:

Suspended:

Effective:

Docket No.:

Order No.: