



Florida Power

A Progress Energy Company

ORIGINAL

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL

October 15, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED - FPSC
OCT 15 PM 4:07
COMMISSION
CLERK

Re: Docket No. 020001-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 3½ inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

AUS ___ JAM/scc
CAF ___ Enclosure
CMP ___
COM 5 cc: Parties of record
CTR ___
ECR ___
GCL ___
OPC ___
MMS ___
SEC I
OTH ___

RECEIVED & FILED

RLM
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE
11215 OCT 15 02
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 020001-EI

Submitted for filing:
October 15, 2002

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

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 2003, 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 2001?
FPC: \$25,141,094 over-recovery. (Portuondo)
2. ISSUE: What are the appropriate estimated fuel adjustment true-up amounts for the period January through December 2002?
FPC: \$4,771,808 over-recovery. (Portuondo)
3. ISSUE: What are the total fuel adjustment true-up amounts to be refunded from January through December 2003?
FPC: \$29,912,902 over-recovery. (Portuondo)
4. ISSUE: What is the appropriate levelized fuel cost recovery factor for the period of January through December 2003?
FPC: 2.348 cents per kWh (adjusted for jurisdictional losses). (Portuondo)
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 2003, and thereafter through the last billing cycle for December

DOCUMENT NUMBER-DATE

11215 OCT 15 02

2003. The first billing cycle may start before January 1, 2003, and the last billing cycle may end after December 31, 2003, 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	(Portuondo)

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	2.053	2.810	2.086
B.	Distribution Primary	2.328	2.838	2.107
C.	Distribution Secondary	2.352	2.867	2.129
D.	Lighting Service	2.267		

(Portuondo)

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 2003?

FPC: 1.00072 (Portuondo)

9. ISSUE: What is the appropriate benchmark level for calendar year 2002 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, for each investor-owned electric utility?

FPC: \$11,052,574 (Portuondo)

10. ISSUE: What is the appropriate estimated benchmark level for calendar year 2003 for gains on non-separated wholesale energy sales eligible for a shareholder incentive as set forth by Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, for each investor-owned electric utility?

FPC: \$8,238,615 (Portuondo)

Company-Specific Fuel Adjustment Issues

11A. 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 2001?

FPC: Yes. Florida Power's Audit Services Department has reviewed the analysis performed by Electric Fuels Corporation and has confirmed the appropriateness of the "short cut" method previously approved by the Commission. (Portuondo)

11B. 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. (Portuondo)

11C. ISSUE: Has FPC properly calculated the 2001 price for waterborne transportation services provided by Progress Fuels Corporation?

FPC: Yes. The waterborne transportation calculation has been properly made in accordance with the methodology consistently used for previous calculations that have been approved by the Commission. (Portuondo)

Generic Generating Performance Incentive Factor Issues

12. ISSUE: What is the appropriate GPIF reward or penalty for performance achieved during the period of January through December 2001?

FPC: \$608,057 reward. (Jacob)

13. ISSUE: What should the GPIF targets/ranges be for the period of January through December, 2003?

FPC: See Attachment A (page 3 of Exhibit MFJ-1). (Jacob)

Generic Capacity Cost Recovery Issues

14. ISSUE: What is the appropriate final capacity cost recovery true-up amount for the period of January through December 2001?

FPC: \$7,787,524 under-recovery. (Portuondo)

15. ISSUE: What is the appropriate estimated capacity cost recovery true-up amount for the period of January through December 2002?

FPC: \$3,022,637 over-recovery. (Portuondo)

16. ISSUE: What is the appropriate total capacity cost recovery true-up amount to be collected during the period January through December 2003?

FPC: \$4,764,887 under-recovery. (Portuondo)

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 2003?

FPC: \$357,252,657. (Portuondo)

18. ISSUE: What are the appropriate jurisdictional separation factors to be applied to determine the capacity costs to be recovered during the period January through December 2003?

FPC: Base - 95.957%, Intermediate - 86.574%, Peaking - 74.562%.
(Portuondo)

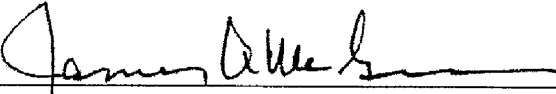
19. ISSUE: What are the projected capacity cost recovery factors for the period January through December 2003?

<u>FPC</u> :	<u>Rate Class</u>	<u>CCR Factor</u>
	Residential	1.163 cents/kWh
	General Service Non-Demand	.872 cents/kWh
	@ Primary Voltage	.863 cents/kWh
	@ Transmission Voltage	.855 cents/kWh
	General Service 100% Load Factor	.639 cents/kWh
	General Service Demand	.757 cents/kWh
	@ Primary Voltage	.750 cents/kWh
	@ Transmission Voltage	.742 cents/kWh
	Curtaileable	.538 cents/kWh
	@ Primary Voltage	.533 cents/kWh
	@ Transmission Voltage	.528 cents/kWh
	Interruptible	.629 cents/kWh
	@ Primary Voltage	.622 cents/kWh
	@ Transmission Voltage	.616 cents/kWh
	Lighting	.185 cents/kWh

(Portuondo)

Respectfully submitted,

FLORIDA POWER CORPORATION

By 

James A. McGee

Post Office Box 14042

St. Petersburg, FL 33733-4042

Telephone: (727) 820-5184

Facsimile: (727) 820-5519

FLORIDA POWER CORPORATION

DOCKET NO. 020001-EI

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 the 15th day of October, 2002.

Wm. Cochran Keating, IV, Esquire
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Robert Vandiver, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

Lee L. Willis, Esquire
James D. Beasley, Esquire
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302

John T. Butler, Esquire
Steel Hector & Davis
200 S. Biscayne Blvd., Suite 4000
Miami, Florida 33131

Jeffrey A. Stone, Esquire
Russell A. Badders, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Norman Horton, Jr., Esquire
Messer, Caparello & Self
P. O. Box 1876
Tallahassee, FL 32302

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, et al.
100 N. Tampa Street, Suite 2900
Tampa, FL 33602

Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, et al.
117 S. Gadsden Street
Tallahassee, FL 32301


Attorney