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October 21, 2002

BY HAND DELIVERY

Blanca Bayó
Director, Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket 020007-EI

Dear Ms. Bayó:

Enclosed herewith for filing in the above referenced docket on behalf of Florida Power Corporation (FPC) are the original and fifteen copies of its Preliminary Statement of Issues and Positions with diskette.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions concerning this filing, please contact me at 850/425-2313.

Thank you for your assistance in connection with this matter.


Very truly yours,



Richard D. Melson

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FPSC-BUREAU OF RECORDS

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental cost)
recovery clause.)
_____)

Docket No. 020007-EI
Filed: October 21, 2002

FLORIDA POWER CORPORATION'S
PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

The following is Florida Power Corporation's Preliminary
Statement of Issues and Positions:

1. What are the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 2001?

FPC: \$0

2. What are the estimated environmental cost recovery true-up amounts for the period January 2002 through December 2002?

FPC: \$10,713 under-recovery

3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2003 through December 2003?

FPC: \$10,713 under-recovery

4. What are the appropriate projected environmental cost recovery amounts for the period January 2003 through December 2003?

FPC: \$4,010,499

5. What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2003 through December 2003?

FPC: No depreciation rate is required for Florida Power Corporation, since there are no capital costs associated with the current programs for which cost recovery is sought.

6. What are the appropriate jurisdictional separation factors for the projected period January 2003 through December 2003?

FPC: The energy jurisdictional separation factors are calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.

7. What are the appropriate environmental cost recovery factors for the period January, 2003, through December, 2003, for each rate group?

FPC: The appropriate factors are as follows:

Rate Class	ECR Factor cents/kWh
Residential	0.11
General Service Non-Demand	
@ Secondary Voltage	0.11
@ Primary Voltage	0.10
@ Transmission Voltage	0.10
General Service 100% Load Factor	0.11
General Service Demand	
@ Secondary Voltage	0.11

@ Primary Voltage	0.10
@ Transmission Voltage	0.10
Curtable	
@ Secondary Voltage	0.11
@ Primary Voltage	0.10
Interruptible	
@ Secondary Voltage	0.11
@ Primary Voltage	0.10
@ Transmission Voltage	0.10
Lighting	0.11

8. What should be the effective date of the environmental cost recovery factors for billing purposes?

FPC: The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January, 2003, through December, 2003. Billing cycles may start before January 1, 2003, and the last cycle may be read after December 31, 2003, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

9. Should the Commission approve Florida Power Corporations' request for recovery through the Environmental Cost Recovery Clause of costs for environmental investigation, remediation, and pollution prevention efforts related to its substation and distribution system?

FPC: Yes, these costs meet the requirements of Section 366.8255 for recovery through the Environmental Cost Recovery Clause.

RESPECTFULLY SUBMITTED this 21st day of October, 2002.

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Attorneys for Florida Power
Corporation

Certificate of Service

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. mail and/or hand-delivery (*) to all known parties of record in Docket No. 020007-EI this 21st day of October, 2002.

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