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October 25, 2002

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 are the original and fifteen copies of its Prehearing Statement.

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 call me at 850/425-2313.

Very truly yours,



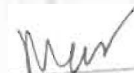
Richard D. Melson

RDM/jlm
Enclosures
cc: Certificate of Service

RECEIVED FPSC
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FPSC-BUREAU OF RECORDS DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

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

Docket No. 020007-EI
Filed: October 25, 2002

FLORIDA POWER CORPORATION'S
PREHEARING STATEMENT

Pursuant to the requirements of the Order on Procedure
(Order No. PSC-02-0338-PCO-EI), Florida Power Corporation ("FPC")
hereby submits its Prehearing Statement.

A. Known Witnesses

FPC intends to offer the direct testimony of:

<u>Witness</u>	<u>Issues</u>
Javier Portuondo	1-8, 12B, 12D
James Timothy Silar	2-4, 12A, 12C

B. Known Exhibits

FPC intends to offer the following exhibits:

<u>Witness</u>	<u>Exhibit</u>	<u>Description</u>
Javier Portuondo	JP-1	ECR Forms 42-1A through 42-5A (revised 10/23/02)
	JP-2	ECR Forms 42-1P through 42-7P (revised 10/23/02)
James Timothy Silar	JTS-1	Chapters 376 and 403, Florida Statutes

C. Basic Position

The Commission should approve FPC's petition for recovery through the ECRC of costs incurred in connection with its "Substation Environmental Investigation, Remediation, and Pollution Prevention Program" and its "Distribution System Environmental Investigation, Remediation, and Pollution Prevention Program."

D.-F. Issues and Positions

FPC's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

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

FPC: \$0

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

FPC: \$10,713 under-recovery

Issue 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

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

FPC: \$4,010,499

Issue 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.

Issue 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.

Issue 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
Curtailable	
@ Secondary Voltage	0.11
@ Primary Voltage	0.10
Interruptible	
@ Secondary Voltage	0.11
@ Primary Voltage	0.10
@ Transmission Voltage	0.10
Lighting	0.11

Issue 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.

Company Specific Environmental Cost Recovery Issues

FPC takes no position on Issues 9, 10 and 11, which relate to other utilities.

Issue 12A Should the Commission approve Florida Power Corporation's request for recovery of costs for Substation Environmental Investigation, Remediation, and Pollution Prevention?

FPC: Yes, these costs meet the requirements of Section

366.8255 for recovery through the Environmental Cost Recovery Clause.

Issue 12B How should the newly proposed environmental costs for the Substation Environmental Investigation, Remediation, and Pollution Prevention be allocated to rate classes?

FPC: These costs should be allocated to rate classes based on energy.

Issue 12C Should the Commission approve Florida Power Corporation's request for recovery of costs for Distribution Environmental Investigation, Remediation, and Pollution Prevention?

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

Issue 12D How should the newly proposed environmental costs for the Distribution Environmental Investigation, Remediation, and Pollution Prevention be allocated to rate classes?

FPC: These costs should be allocated to rate classes based on energy.

G. Stipulated Issues

FPC is not a party to any stipulations at this time.

H. Pending Motions

FPC has no pending motions.

I. Requests for Confidentiality

FPC has no pending requests for confidentiality.

J. Requirements of Order

FPC believes that this prehearing statement complies with all the requirements of the Order on Procedure.

K. Objections to Qualifications

FPC has no objection to the qualifications of any expert witnesses in this proceeding.

RESPECTFULLY SUBMITTED this 25th 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 25th day of October, 2002.

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