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Subject: FPSC Docket 110001-EI - PCS Phosphate's Prehearing Statement
Attachments: PCS Prehearing Statement 2011 FINAL.pdf

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b. Docket No. 110001-EI, In Re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor

c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs

d. Total Pages = 12

e. PCS Phosphate's Prehearing Statement

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Fuel and Purchased Power)
Cost Recovery Clause with Generating)
Performance Incentive Factor)
_____)

Docket No. 110001-EI
Filed: October 11, 2011

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
D/B/A PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s February 25, 2011 *Order Establishing Procedure*, Order No. PSC-11-0132-PCO-EI (“*Procedural Order*”), as revised by the September 12, 2011 Revised Order Establishing Procedure, Order No. PSC-11-0383-PCO-EI, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorneys, files its Prehearing Statement.

A. APPEARANCES

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B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time:

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination:

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D. STATEMENT OF BASIC POSITION

The Commission should postpone recovery of any costs of replacement power due to the CR3 outage in excess of insurance reimbursements pending the resolution of Docket No. 100437-EI. In 2010, the Commission permitted recovery of such excess replacement fuel costs, subject to refund, largely on the strength of PEF's claim that Crystal River Unit 3 would return to service by the end of the first quarter of 2011. With the subsequent containment structure delamination caused by PEF's effort to repair the October 2009 delamination of the CR3 containment building, the expected return to service of the unit has been delayed to at least mid-2014. Also, pursuant to Order No. PSC-11-0352-PCO-EI, dated August 23, 2011, the Commission has established a schedule for resolving phase I of the CR3 prudence docket, Docket No. 100437-EI, and PEF filed its direct testimony in that matter on October 10, 2011. Given these circumstances, no further amounts associated with the CR3 outage should be recovered from ratepayers prior to a final Commission order in the prudence docket.

E. STATEMENT ON SPECIFIC ISSUES

With respect to the various issues presented in this proceeding, PCS Phosphate takes no position regarding the resolution of the issues with respect to any utility other than Progress Energy Florida. PCS Phosphate takes the following positions on the specific issues presented below as they pertain to Progress:

FUEL ISSUES

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida, Inc.

ISSUE 1A: Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF's April 2011 and August 2011 hedging reports?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 1B: Should the Commission approve PEF's 2012 Risk Management Plan?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 1C: Should PEF be permitted to recover the costs of replacement power due to the extended outage at Crystal River 3 in this docket?

POSITION: No. PEF's CR3 related replacement power costs should not be recovered in the 2012 fuel factor.

Florida Power & Light Company

ISSUE 2A: Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2011 and August 2011 hedging reports?

POSITION: No Position.

ISSUE 2B: Should the Commission approve FPL's 2012 Risk Management Plan?

POSITION: No position.

ISSUE 2C: What are the appropriate projected jurisdictional fuel savings associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

POSITION: No Position.

ISSUE 2D: Should the Commission approve FPL's Time of Use Rates for the period January 2012 through December 2012 that are calculated based on seasonally differentiated marginal fuel costs?

POSITION: No Position.

Florida Public Utilities Company

ISSUE 3A: Is it appropriate for FPUC to include unbilled fuel revenues in its fuel factor calculations for the Northwest and Northeast Divisions?

POSITION: No Position.

ISSUE 3B: Is FPUC's proposed method to allocate demand costs to the rate classes appropriate?

POSITION: No Position.

Gulf Power Company

ISSUE 4A: Should the Commission approve as prudent, GULF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in GULF's April 2011 and August 2011 hedging reports?

POSITION: No Position.

ISSUE 4B: Should the Commission approve Gulf's 2012 Risk Management Plan?

POSITION: No Position.

ISSUE 4C: Was Gulf Power Company prudent in commencing and continuing litigation against Coalsales II, LLC for breach of contract?

POSITION: No Position.

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent, TECO's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO's April 2011 and August 2011 hedging reports?

POSITION: No Position.

ISSUE 5B: Should the Commission approve TECO's 2012 Risk Management Plan?

POSITION: No Position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of FIPUG.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of FIPUG.

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of FIPUG.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Tampa Electric Company

ISSUE 15A: Should Tampa Electric's GPIF targets and ranges for 2011 be re-established, based on the corrected revised testimony and exhibit of Tampa Electric's witness Brain Buckley filed in this docket on April 11, 2011?

POSITION: No Position.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

POSITION: With respect to PEF, the utility's proposed levelized fuel cost recovery factor for 2012 should be reduced to remove the effect of CR3 outage-related replacement fuel costs.

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

POSITION: No position at this time.

CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida, Inc.

ISSUE 23A: Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

Florida Power & Light Company

ISSUE 24A: Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

POSITION: No Position.

ISSUE 24B: What are the appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2012 through December 2012?

POSITION: No Position.

ISSUE 24C: What amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

POSITION: No Position.

ISSUE 26A: Should the Commission approve Tampa Electric Company's proposal to charge incremental cybersecurity costs to the capacity cost recovery clause?

POSITION: No Position.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

F. STIPULATED ISSUES

PCS Phosphate is not a party to any stipulated issues.

G. PENDING MOTIONS

None.

H. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

I. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

J. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the *Procedural Order* with which PCS Phosphate cannot comply.

Respectfully submitted the 11th day of October, 2011.

BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.

s/ James W. Brew

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of PCS Phosphate's Prehearing Statement has been served by electronic and/or U. S. mail on this 11th day of October, 2011:

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