

**Diamond Williams**

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**Sent:** Wednesday, October 12, 2011 3:57 PM  
**To:** Filings@psc.state.fl.us  
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**Subject:** 110001-EI Electronic Filing  
**Attachments:** OPC's 110001-EI Prehearing Statement.pdf

Electronic Filing

a. Person responsible for this electronic filing:

Patricia A. Christensen, Deputy Public Counsel  
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b. Docket No. ~~090001-EI~~ 110001-EI

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

- c. Document being filed on behalf of Office of Public Counsel
- d. There are a total of 12 pages.
- e. The document attached for electronic filing is Citizens' 110001-EI Prehearing Statement

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10/12/2011

DOCUMENT NUMBER-DATE  
07490 OCT 12 =  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Fuel and Purchased Power ) DOCKET NO. 110001-EI  
Cost Recovery Clause with )  
Generating Performance Incentive ) FILED: October 12, 2011  
Factor )  
\_\_\_\_\_)

**PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL**

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-11-0383-PCO-EI, issued September 12, 2011, submit this Prehearing Statement.

**APPEARANCES:**

PATRICIA A. CHRISTENSEN, Esquire  
Associate Public Counsel  
JOSEPH A. MCGLOTHLIN  
Associate Public Counsel  
CHARLES REHEINKEL, Esquire  
Deputy Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida.

1. **WITNESSES:**

None

2. **EXHIBITS:**

None

DOCUMENT NUMBER-DATE

07490 OCT 12 =

FPSC-COMMISSION CLERK

3. STATEMENT OF BASIC POSITION

None

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time pending outstanding discovery.

**ISSUE 2D:** Should FPL's proposal to develop time-of-use fuel factors based on seasonally differentiated marginal fuel cost be approved?

**OPC:** No Position at this time.

#### **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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

#### **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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

## **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

### **Progress Energy Florida, Inc.**

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

### **Florida Power & Light Company**

No company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

### **Gulf Power Company**

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

**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?

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

**ISSUE 19:** What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

## **II. 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?

**OPC:** No Position at this time.

#### **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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

### **Gulf Power Company**

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 25A, 25B, 25C, and so forth, as appropriate.

### **Tampa Electric Company**

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

**OPC:** OPC has no objection to the withdrawal of this issue.

### **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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

**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?

**OPC:** No Position at this time.

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

**OPC:** No Position at this time.

**III. EFFECTIVE DATE**

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

**OPC:** No Position at this time.

5. **STIPULATED ISSUES**

OPC is not aware of any stipulated issues at this time.

6. **PENDING MOTIONS**

OPC has no pending motions at this time.

7. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

OPC has no pending requests for confidentiality at this time.

8. OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

OPC has no objections to any witnesses' qualifications at this time.

9. COMPLIANCE WITH ORDER NO. PSC-11-0383-PCO-EI

OPC has complied with all requirements of the Order Establishing Procedure entered in this docket.

Dated this 10<sup>th</sup> day of October, 2010.

Respectfully submitted,



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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of OPC'S PREHEARING STATEMENT was furnished to the following, by U.S. Mail, on this 12<sup>th</sup> day of October, 2011:

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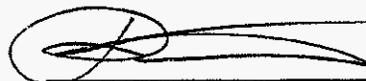
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