

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for approval of long-term fuel supply and transportation contracts for Hines Unit 4 and additional system supply and transportation, by Progress Energy Florida, Inc.

DOCKET NO. 041414-EI

FILED: APRIL 4, 2005

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-05-0128-PCO-EI, filed January 31, 2005, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None at this time.

b. All Known Exhibits

None at this time. Staff reserves the right to identify additional exhibits at the Prehearing Conference and at hearing for purposes of cross-examination.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

ISSUE 1: Did Progress Energy Florida (PEF) adequately solicit potential natural gas providers to provide fuel to the Hines 4 generating unit? (VonFossen, McNulty, Bohrmann)

POSITION: No position pending further discovery and evidence adduced at the hearing.

ISSUE 2: Is the proposal contemplated in PEF's petition the most cost-effective option considering price and non-price factors? (Harlow, Sickel, VonFossen, Bulecza-Banks, Makin, Lester)

POSITION: No position pending further discovery and evidence adduced at the hearing.

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ISSUE 3: Is the 20-year term of the contracts contemplated in PEF's petition appropriate?
(VonFossen, McNulty, Bohrmann)

POSITION: No position pending further discovery and evidence adduced at the hearing.

ISSUE 4: Based on the resolution of the foregoing issues, should the Commission grant
~~PEF's petition?~~ (VonFossen, McNulty, Bohrmann)

POSITION: No position pending further discovery and evidence adduced at the hearing.

ISSUE 5: Should this docket be closed? (Vining)

POSITION: No position at this time.

e. Stipulated Issues

There are no issues that have been stipulated at this time.

f. Pending Motions

PEF's First Motion for Temporary Protective Order, filed February 28, 2005

PEF's Second Motion for Temporary Protective Order, filed March 14, 2005

PEF's Third Motion for Temporary Protective Order, filed March 29, 2005

PEF's Fourth Motion for Temporary Protective Order, filed March 31, 2005

BG LNG Services, LLC's Petition to Intervene, filed March 30, 2005

BG LNG Services, LLC's Request for Representation by Qualified Representative, filed
March 30, 2005

g. Pending Confidentiality Claims or Requests

PEF's First Request for Confidential Classification, filed December 20, 2004

STAFF'S PREHEARING STATEMENT
DOCKET NO. 041414-EI
PAGE 3

PEF's Second Request for Confidential Classification, filed February 1, 2005

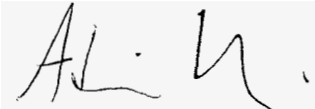
PEF's Third Request for Confidential Classification, filed March 1, 2005

PEF's Fourth Request for Confidential Classification, filed March 14, 2005

h. Compliance with Order No. PSC-05-0128-PCO-EI

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

Respectfully submitted this 4th day of April, 2005.



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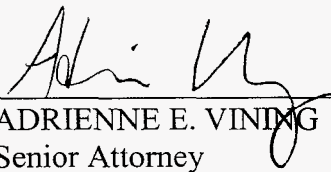
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement was furnished to the following, by U.S. Mail, on this 4th day of April, 2005:

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