

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 070001-EI

FILED: OCTOBER 8, 2007

COMMISSION CLERK

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STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-07-0221-PCO-EI, filed March 12, 2007, 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 exhibits for purposes of cross-examination at the hearing.

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

GENERIC FUEL ADJUSTMENT ISSUES

CMP _____

COM ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2006 through December 2006?

CTR _____

ECR POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
GCL _____ FPUC-Marianna: No position pending resolution of outstanding issues.
OPC _____ GULF: No position pending resolution of outstanding issues.
RCA _____ PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

SCR _____

SGA ISSUE 2: What are the appropriate fuel adjustment true-up amounts for the period January 2007 through December 2007?

SEC _____

OTH _____

DOCUMENT NUMBER-DATE

09206 OCT-8 5

FPSC-COMMISSION CLERK

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2008 to December 2008?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 4: 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 2008 through December 2008?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2008 through December 2008?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January 2008 through December 2008?

POSITION: FPL: No position pending resolution of Issues 1-5.
FPUC-Fernandina Beach: No position pending resolution of Issues 1-5.
FPUC-Marianna: No position pending resolution of Issues 1- 5.
GULF: No position pending resolution of Issues 1- 5.
PEF: No position pending resolution of Issues 1- 5.
TECO: No position pending resolution of Issues 1- 5.

ISSUE 7: 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: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2008 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: FPL: No position pending resolution of outstanding issues.
FPUC-Fernandina Beach: No position pending resolution of outstanding issues.
FPUC-Marianna: No position pending resolution of outstanding issues.
GULF: No position pending resolution of outstanding issues.
PEF: No position pending resolution of outstanding issues.
TECO: No position pending resolution of outstanding issues.

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida

ISSUE 12A: Was PEF prudent in its coal procurement for CR4 and CR5 during the time period from 2006 through 2007?

POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 12B: Has PEF adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2006 through 2008?

POSITION: No position pending testimony and evidence presented at hearing.

Florida Power & Light Company

ISSUE 13A: With respect to the outage extension at Turkey Point Unit 3 which was caused by a drilled hole in the pressurized piping, should customers or FPL be responsible for the additional fuel cost incurred as a result of the extension?

POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 13B: Has FPL adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2006 through 2008?

POSITION: No position pending testimony and evidence presented at hearing.

Florida Public Utilities Company

ISSUE 14A: Are FPUC's proposed inverted fuel factors for the residential class appropriate?

POSITION: No position pending testimony and evidence presented at hearing.

Gulf Power Company

ISSUE 15A: Has Gulf adequately mitigated the price risk for natural gas and purchased power for 2006 through 2008?

POSITION: No position pending testimony and evidence presented at hearing.

Tampa Electric Company

ISSUE 16A: Has TECO adequately mitigated the price risk for natural gas and purchased power for 2006 through 2008?

POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 16B: What is the appropriate actual benchmark level for TECO for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: \$1,051,869

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2006 through December 2006 for each investor-owned electric utility subject to the GPIF?

POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 18: What should the GPIF targets/ranges be for the period January 2008 through December 2008 for each investor-owned electric utility subject to the GPIF?

POSITION: No position pending testimony and evidence presented at hearing.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Progress Energy Florida

No company-specific issues for Progress Energy Florida have been identified at this time. If such issues are identified, they shall be numbered 19A, 19B, 19C, 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 20A, 20B, 20C, 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 21A, 21B, 21C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 22A, 22B, 22C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What are the appropriate capacity cost recovery true-up amounts for the period January 2006 through December 2006?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

ISSUE 24: What are the appropriate capacity cost recovery true-up amounts for the period January 2007 through December 2007?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2008 through December 2008?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2008 through December 2008?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2008 through December 2008?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2008 through December 2008?

POSITION: FPL: No position pending testimony and evidence presented at hearing.
GULF: No position pending testimony and evidence presented at hearing.
PEF: No position pending testimony and evidence presented at hearing.
TECO: No position pending testimony and evidence presented at hearing.

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida

No company-specific issues for Progress Energy Florida have been identified at this time. If such issues are identified, they shall be numbered 29A, 29B, 29C, 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 30A, 30B, 30C, 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 31A, 31B, 31C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 32A, 32B, 32C, and so forth, as appropriate.

ADDITIONAL ISSUES FOR THE 2007 FUEL PROCEEDING

ISSUE 33: Should the Commission continue its fuel cost recovery and prudence review policies, as established by Order No. 12645, issued November 3, 1983, in Docket No. 830001-EU, In re: Investigation of Fuel Adjustment Clauses of Electric Utilities.

POSITION: No position at this time.

e. Stipulated Issues

Staff has no stipulated issues at this time.

f. Pending Motions

Staff has no pending motions.

g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

h. Objections to Witness Qualifications as an Expert

Staff has no objections to qualifications of any witnesses as expert.

i. Compliance with Order No. PSC-07-0221-PCO-EI

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

Respectfully submitted this 8th day of October, 2007.



LISA C. BENNETT,

Senior Attorney

FLORIDA PUBLIC SERVICE COMMISSION

Gerald L. Gunter Building

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0863

Telephone: (850) 413-6230

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clause with generating performance incentive
factor. || DOCKET NO. 070001-EI
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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 electronic and U. S. Mail, this 8th day of October, 2007:

James Beasley and Lee Willis, Esquires
Ausley & McMullen Law Firm
P. O. Box 391
Tallahassee, Florida 32302

Messer Caparello & Self, P. A.
Norman H. Horton, Jr.
P. O. Box 15579
Tallahassee, FL 32317

Florida Industrial Power Users Group
c/o John McWhirter, Jr./Harold McLean
McWhirter Reeves Law Firm
400 N. Tampa Street, Ste. 2450
Tampa, FL 33602

AARP
c/o Michael B. Twomey
P. O. Box 5256
Tallahassee, FL 32314-5256

Gulf Power Company
Susan D. Ritenour
One Energy Place
Pensacola, FL 32520-0780

Florida Power & Light Company
Bill Walker
215 South Monroe Street, Ste. 810
Tallahassee, FL 32301-1859

Jeffrey A. Stone, Russell A. Badders,
and Steven Griffin
Beggs & Lane Law Firm
P. O. Box 12950
Pensacola, Florida 32591-2950

Florida Public Utilities Company
George Bachman/Cheryl Martin
P. O. Box 3395
West Palm Beach, FL 33402-3395

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Tampa Electric Company
Paula K. Brown
P. O. Box 111
Tampa, FL 33601-0111

Florida Retail Federation
100 East Jefferson Street
Tallahassee, FL 32301

Young Van Assenderp, P.A.
R. Scheffel Wright/John T. LaVia, III
225 South Adams Street, Suite 200
Tallahassee, FL 32301

Progress Energy Florida, Inc.
Paul Lewis, Jr.
106 East College Avenue
Suite 800
Tallahassee, FL 32301-7740

James W. Brew, Esquire
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201

R. Wade Litchfield, Esquire
and John T. Butler, Esquire
700 Universe Blvd.
Juno Beach, FL 33408

Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol – PL01
Tallahassee, Florida 32399-1050

Office of Public Counsel
Patricia Christensen, Esquire
JOSEPH A. MCGLOTHLIN, Esquire
STEPHEN C. BURGESS, Esquire
c/o The Florida Legislature
111 West Madison Street, #812
Tallahassee, FL 32399-1400

Progress Energy Service Company, LLC
John T. Burnett/R. Alexander Glenn
P. O. Box 14042
100 Central Avenue
St. Petersburg, FL 33733-4042

Lt. Colonel Karen White/Capt. Damund E. Williams
AFLSA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403-5319

Karin S. Torain
PCS Administration (USA), Inc.
Skokie Boulevard, Suite 400
Northbrook, IL 60062



LISA C. BENNETT
Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6230