

ORIGINAL

Matilda Sanders

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**Attachments:** Prehearing Statement (2).pdf

On behalf of Patricia A. Christensen Office of Public Counsel  
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1. This filing is to be made in Docket Number: 041414-EI, Progress Energy Florida, Inc.'s petition for approval of long-term fuel supply and transportation contracts Hines Unit 4 and additional system supply and transportation.
2. Attached for filing on behalf of Office of Public Counsel is its Prehearing Statement for the above referenced docket.
3. There are a total of four (4) pages in Adobe format for filing.

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DOCUMENT NUMBER-DATE

03268 APR -4 05

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 041414-EI

Filed: April 4, 2005

**CITIZENS' PREHEARING STATEMENT**

The Citizens of the State of Florida, through their attorney, the Public Counsel, pursuant to Order No. PSC-05-0128-PCO-EI hereby file this Prehearing Statement for the above-referenced docket.

**APPEARANCES:**

PATRICIA A. CHRISTENSEN, ESQUIRE  
Associate 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 at this time

**(2) EXHIBITS:**

None at this time

**(3) STATEMENT OF BASIC POSITION:**

Office of Public Counsel has no position at this time as to whether the Commission should grant Progress' Petition. However, OPC reserves that right to amend its position based on the evidence adduced at hearing. OPC has concerns that Progress by seeking approval of these contracts may be looking for pre-approval of the fuel costs associated with these contracts which have been traditionally addressed as part of the annual fuel clause proceedings. OPC does not

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believe that the Company should be able to obtain such pre-approval for fuel costs via this proceeding.

**(4) ISSUES AND POSITIONS:**

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

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

**ISSUE 2:** Is the proposal contemplated in PEF's petition the most cost-effective option considering price and non-price factors?

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

**ISSUE 3:** Is the 20-year term of the contracts contemplated in PEF's petition appropriate?

**OPC** OPC has concerns that Progress by seeking approval of these contracts, may be looking for pre-approval of the fuel costs associated with these contracts which have been traditionally addressed as part of the annual fuel clause proceedings. OPC does not believe that the Company should be able to obtain such pre-approval for fuel costs via this proceeding.

**ISSUE 4:** Based on the resolution of the foregoing issues, should the Commission grant PEF's petition?

**OPC:** No position at this time

**ISSUE 5:** Should this docket be closed?

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

**(5) STIPULATED ISSUES:**

The Citizens are not aware of any stipulated issues at this time.

**(6) PENDING MOTIONS**

The Citizens are not aware of any pending motions at this time.

**(7) PENDING CONFIDENTIALITY CLAIMS OR REQUESTS**

The Citizens are not aware of any confidentiality issues at this time.

**(8) COMPLIANCE WITH ORDER NO. PSC-05-0160-PCO-EI**

The Citizens are not aware of any requirements of Order No. PSC-05-0128-PCO-EI with which parties cannot comply.

**(9). OBJECTIONS TO WITNESS'S QUALIFICATIONS**

To the extent that opinion testimony has been offered in prefiled testimony, OPC makes no objection to the qualifications of the witness to render that opinion.

Respectfully submitted,

HAROLD MCLEAN  
PUBLIC COUNSEL

s/ Patricia A. Christensen  
Patricia A. Christensen  
Associate Public Counsel

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Attorneys for the Citizens of the  
State of Florida

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement has been furnished to the following individuals as indicated in the service list on this 4<sup>th</sup> day of April, 2005.

**Via electronic and US Mail**

R. Alexander Glenn  
Progress Energy Service Company  
100 Central Avenue  
St. Petersburg, Florida 33701-3324

**Via electronic and US Mail**

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Florida Public Service Commission  
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**Via electronic and US Mail**

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**Via electronic and US Mail**

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s/Patricia A. Christensen  
Patricia A. Christensen  
Associate Public Counsel