

**Matilda Sanders**

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**Sent:** Monday, October 03, 2005 11:01 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** CHRISTENSEN.PATTY; McGLOTHLIN.JOSEPH; Charles Beck; MERCHANT.TRICIA; DAVIS.PHYLLIS; BURNS.DANA; Adrienne Vining; Agnela Llewellyn, Administrator, Regulatory Coordination, TECO; Bill Walker; Cheryl Martin/Florida Public Utilities Company; Gary V. Perko; Jeffrey A. Stone; Jennifer Rodan; Jim McGee; John McWhirter; John T. Butler; Jon C. Moyle, Jr.; Lee Willis; Mark Hoffman; Mike Twomey; Patty Christensen; Schef Wright; Susan D. Ritenour; Thomas K. Churbuck; Tim Perry; Wade Litchfield  
**Subject:** e-filing  
**Attachments:** 050001.list of issues.doc

Electronic Filing

a. Person responsible for this electronic filing:

Patricia A. Christensen, Associate Public Counsel  
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c/o The Florida Legislature  
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b. Docket No. 050001-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 9 pages.

e. The document attached for electronic filing is the Office of Public Counsel's Preliminary List of Issues.

(See attached file: 050001.list of issues.doc)

MP \_\_\_\_\_

JM 5 \_\_\_\_\_

Thank you for your attention and cooperation to this request.

FR \_\_\_\_\_

BR \_\_\_\_\_ Brenda S. Roberts

CL \_\_\_\_\_ Secretary to Joseph A. McGlothlin, Associate Public Counsel.

Office of Public Counsel

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JTH 10/3/2005 \_\_\_\_\_

DOCUMENT NUMBER-DATE

09351 OCT-3 05

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power )  
Cost Recovery Clause with ) DOCKET NO. 050001-EI  
Generating Performance Incentive ) FILED: October 3, 2005  
Factor )  
\_\_\_\_\_ )

**OFFICE OF PUBLIC COUNSEL'S PRELIMINARY LIST OF ISSUES**

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 1:** What are the appropriate fuel adjustment true-up amounts for the period January 2004 through December 2004?

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

**ISSUE 2:** What are the appropriate fuel adjustment true-up amounts for the period January 2005 through December 2005?

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

**ISSUE 3:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2006 to December 2006?

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

**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 2006 through December 2006?

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

**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 2006 through December 2006?

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

**ISSUE 6:** What are the appropriate levelized fuel cost recovery factors for the period January 2006 through December 2006?

OPC POSITION; No position at this time.

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?

OPC POSITION; No position at this time.

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

OPC POSITION; No position at this time.

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

OPC POSITION; No position at this time.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2005 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

OPC POSITION; No position at this time.

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

OPC POSITION; No position at this time.

## **COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

### **Progress Energy Florida**

**ISSUE:** Were the prices that PEF paid to Progress Energy Fuels Corporation for coal reasonable in amount? If not, what adjustment should be made? (OPC has filed a motion to spin this issue out of Docket No. 050001-EI and into a separate docket for that purpose.)

**OPC:** OPC is awaiting the results of discovery. OPC takes no position at this time.

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

**ISSUE:** Should FPL recover costs for the St. Lucie Unit 2 steam generator tube sleeving project through the fuel cost recovery clause?

**OPC:** No. FPL will recover the estimated cost of \$30 million for the St. Lucie Unit 2 steam generator tube sleeving project through base rates.

### **Florida Public Utilities Company**

**ISSUE:** Should FPUC be required to remove from its 2006 fuel adjustment factor its proposed fuel surcharge requested in its petition to mitigate rate shock which is to be addressed by the commission in docket no. 050317-EI?

**OPC:** Yes, the Commission should require FPUC to remove its proposed fuel surcharge from its 2006 fuel adjustment factor. The Commission has not yet addressed and hence has not approved any rate shock fuel surcharge. Citizens have serious reservations regarding any proposal to require existing customers to pay for future fuel purchases that will commence no sooner than January 1, 2008. The matter should be and will be addressed in docket no. 050317-EI.

**ISSUE:** Should FPUC be authorized to change from its current, historical separate rates for its Northwest division (Marianna) and Northeast division (Fernandina Beach) to a consolidated rate for both its divisions?

**OPC:** No. The reasons stated by FPUC in its testimony fail to justify the need to change from its current, historical separate rates for its Northwest division (Marianna) and Northeast division (Fernandina Beach) to a consolidated rate for both divisions. Data filed in this docket substantiates the fact that these are separate areas, served by separate and distinctly different sources of generation that include distinctly different costs. Combination of these two separate operating entities would result in one group of customers subsidizing another group of customers, which is contrary to Commission policy and precedent.

**ISSUE:** Should FPUC be required to remove the costs for Christensen Associates from its 2006 fuel adjustment factor?

**OPC:** Yes, FPUC should be required to remove the costs for Christensen Associates from its 2006 fuel adjustment factor. It is inappropriate to include such costs in the fuel adjustment factor.

### **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 15A, 15B, 15C, and so forth, as appropriate.

## **Tampa Electric Company**

**ISSUE:** Is it appropriate for Tampa Electric to recover replacement coal costs prior to the resolution of its claim against No. 1 Contractor?

**OPC:** No, Tampa Electric should be required to resolve its claim against No. 1 Contractor for replacement coal costs and should not be allowed to recover those costs in the 2006 fuel adjustment factor.

## **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 2004 through December 2004 for each investor-owned electric utility subject to the GPIF?

**OPC POSITION;** No position at this time.

**ISSUE 18:** What should the GPIF targets/ranges be for the period January 2006 through December 2006 for each investor-owned electric utility subject to the GPIF?

**OPC POSITION;** No position at this time.

## **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 2004 through December 2004?

**OPC POSITION;** No position at this time.

**ISSUE 24:** What are the appropriate capacity cost recovery true-up amounts for the period January 2005 through December 2005?

**OPC POSITION;** No position at this time.

**ISSUE 25:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2006 through December 2006?

**OPC POSITION;** No position at this time.

**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 2006 through December 2006?

**OPC POSITION;** No position at this time.

**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 2006 through December 2006?

**OPC POSITION;** No position at this time.

**ISSUE 28:** What are the appropriate capacity cost recovery factors for the period January 2006 through December 2006?

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

## **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.

Dated this 3rd day of October, 2005.

Respectfully submitted,

s/ Patricia A. Christensen  
Patricia A. Christensen  
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**DOCKET NO. 050001-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing Office of Public Counsel Preliminary List of Issues has been furnished by U.S. Mail or hand-delivery to the following parties on this 3rd day of October, 2005.

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