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From: Rhonda Dulgar [rdulgar@yvlaw.net]
 Sent: Friday, October 06, 2006 1:43 PM
 To: James D. Beasley; Lee L. Willis; James Brew; Jeffrey Stone; Jeanne Costello; Bill Walker; John T. Butler; Cheryl Martin; John T. English; Joseph A. McGlothlin; Harold Mclean; John W. McWhirter, Jr.; Cecilia Bradley; Jack Shreve; Karin Torain; Filings@psc.state.fl.us; Lisa Bennett; Susan Ritenour; Michael Twomey; Brenda Irizarry; Major Craig Paulson; Capt. Damund Williams; Lt. Col. Karen White
 Subject: Electronic Filing - Dockets 060001-EI and 060362-EI
 Attachments: FRF.PrehearingStatement.Oct6.doc



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Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket Nos. 060001-EI and 060362-EI
 In re: Fuel and purchased power cost recovery clause with generating performance incentive factor and Petition to recover natural gas storage project costs through fuel cost recovery clause, by Florida Power & Light Company.

c. Document being filed on behalf of the Florida Retail Federation.

d. There are a total of 13 pages.

e. The document attached for electronic filing is Prehearing Statement of The Florida Retail Federation.

(see attached file: FRF.PrehearingStatement.Oct6.doc)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and purchased power cost)	DOCKET NO. 060001-EI
recovery clause with generating)	
performance incentive factor.)	
)	
Petition to recover natural gas storage)	DOCKET NO. 060362-EI
project costs through fuel cost recovery)	
clause, by Florida Power & Light Company.))	
_____)	FILED: October 6, 2006

PREHEARING STATEMENT OF THE FLORIDA RETAIL FEDERATION

The Florida Retail Federation, pursuant to the Orders Establishing Procedure in this docket, Order No. PSC-06-0207-PCO-EI, issued March 15, 2006, and Order No. PSC-06-0710-PCO-EI, issued August 23, 2006, hereby submits this Prehearing Statement.

A. APPEARANCES:

ROBERT SCHEFFEL WRIGHT, Young van Assenderp, P.A., 225 South Adams Street, Suite 200, Tallahassee, Florida 32301, and

JOHN T. LAVIA, III, Young van Assenderp, P.A., 225 South Adams Street, Suite 200, Tallahassee, Florida 32301.

On Behalf of the Florida Retail Federation.

B. WITNESSES:

None.

C. EXHIBITS:

The Florida Retail Federation has no pre-filed exhibits, but reserves its rights to introduce appropriate exhibits through the witnesses of the other parties to this proceeding.

D. STATEMENT OF BASIC POSITION

The Florida Retail Federation agrees with the statement of basic position set forth by the Office of Public Counsel, representing the Citizens of the State of Florida.

E. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2005 through December 2005?

FRF: Agree with OPC.

ISSUE 2: What are the appropriate estimated/actual fuel adjustment true-up amounts for the period January 2006 through December 2006?

FRF: Agree with OPC.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2007 to December 2007?

FRF: Agree with OPC.

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 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts factor to be included in the recovery factor for the period January 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 7: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charges to each rate class/delivery voltage level class?

FRF: Agree with OPC.

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

FRF: Agree with OPC.

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

FRF: Agree with OPC.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FRF: Agree with OPC.

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FRF: Agree with OPC.

ISSUE 12: What is the appropriate methodology for calculating over and under recoveries of projected fuel costs, pursuant to Commission Order Nos. 13694 and PSC-98-0691?

FRF: Agree with OPC.

ISSUE 13: At what point in time should a utility notify the Commission that an over or under recovery exceeds 10% of the projected fuel costs?

FRF: Agree with OPC.

ISSUE 14: What are the appropriate credits for emissions allowances for power sales for each investor-owned electric utility for the years 2005 through 2007?

FRF: Agree with OPC.

COMPANY SPECIFIC FUEL COST ISSUES

Progress Energy Florida

ISSUE 15A: Has PEF adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2005 through 2007?

FRF: Agree with OPC.

***ISSUE 15B:** Were the prices that PEF paid to Progress Fuel Corporation for coal reasonable in amount? If not, what adjustment should be made?

FRF: Agree with OPC that this issue is part of the spin off docket and should be removed from the 060001 Docket Issue List.

Florida Power & Light Co. (FPL)

ISSUE 16A: Has FPL adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2005 through 2007?

FRF: Agree with OPC.

ISSUE 16B: Are the costs associated with FPL's proposed participation in the Southeast Supply Header Pipeline Project appropriate for recovery through the fuel cost recovery clause beginning in 2008?

FRF: Agree with OPC the approval of this project through the fuel clause is premature, and that FPL should be required to file a separate petition for recovery of this project to allow parties sufficient opportunity to review the project in a comprehensive and thorough manner.

ISSUE 16C: What is the appropriate calculation of fuel saving associated with the addition of Turkey Point Unit 5?

FRF: Agree with OPC.

ISSUE 16E: Should the Commission approve FPL's proposal to levelize the Residential 1000 kWh Bill by offsetting the Generation base Rate Adjustment (GBRA) for Turkey Point Unit 5 with the fuel savings attributable to this new unit?

FRF: Agree with OPC.

ISSUE 16F: What was the additional fuel cost incurred as a result of the outage extension at Turkey Point Unit 3 in March and April, 2006?

FRF: Agree with OPC.

ISSUE 16G: With respect to the outage extension at Turkey Point Unit 3 which was caused by a drilled hole in the pressurized piping, should customers of FPL be responsible for the additional fuel cost incurred as a result of the extension?

FRF: Agree with OPC.

***ISSUE 16H:** What is the appropriate regulatory treatment of the base gas requirement for the MoBay gas storage contract?

FRF: Agree with OPC.

***ISSUE 16I:** What is the appropriate regulatory treatment for the carrying costs associated with any unamortized balance of MoBay base gas?

FRF: Agree with OPC.

***ISSUE 16J:** What is the appropriate regulatory treatment for the carrying costs associated with the MoBay and Bay Gas inventory?

FRF: Agree with OPC.

Florida Public Utilities Company

ISSUE 17A: Are FPUC's purchased power costs as proposed for recovery in its

2007 fuel factor and as reflected in its purchased power agreements, prudent and reasonable?

FRF: Agree with OPC.

Gulf Power Company

ISSUE 18A: What is the appropriate mechanism for recovery of the natural gas storage costs that are included in the calculation of Gulf's 2007 fuel factor?

FRF: Agree with OPC.

ISSUE 18B: Has Gulf adequately mitigated the price risk for natural gas and purchased power for 2005 through 2007?

FRF: Agree with OPC.

ISSUE 18C: Has Gulf taken reasonable and prudent steps to find replacement fuel at reasonable costs in order to mitigate the coal shortfall caused by a contract dispute with a coal provider?

FRF: Agree with OPC.

Tampa Electric Company

ISSUE 19A: What is the appropriate mechanism for recovery of the natural gas storage costs included in the calculation of TECO's 2007 fuel factor?

FRF: Agree with OPC.

ISSUE 19B: Has TECO taken reasonable steps to date to pursue rail transport of coal as required by Order No. PSC-04-0999-FOF-EI?

FRF: Agree with OPC.

ISSUE 19C: Has TECO adequately mitigated the price risk for natural gas and purchased power for 2005 through 2007?

FRF: Agree with OPC.

**GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR
ISSUES**

ISSUE 20: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2005 through December 2005 for each investor-owned electric utility subject to the GPIF?

FRF: Agree with OPC.

ISSUE 21: Should the Commission amend or modify the existing GPIF mechanism so as to incorporate a “dead band” around the scale of Generating Performance Incentive Points in the amounts proposed by OPC?

FRF: Agree with OPC.

ISSUE 22: If the “dead band” amendment to the GPIF mechanism is implemented by the Commission, should it be applied for the current year so that the rewards or penalties are applied commencing January 1, 2007?

FRF: Agree with OPC.

ISSUE 23: Should OPC’s proposed modification to the GPIF methodology be approved?

FRF: Agree with OPC.

ISSUE 24: What should the GPIF targets/ranges be for the period January 2007 through December 2007 for each investor-owned electric utility subject to the GPIF?

FRF: Agree with OPC.

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 25A, 25B, 25C, 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 26A, 26B, 26C, 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 27A, 27B, 27C, 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 28A, 28B, 28C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 29: What are the appropriate cost recovery true-up amounts for the period January 2005 through December 2005??

FRF: Agree with OPC.

ISSUE 30: What are the appropriate estimated/actual capacity cost recovery true-up amounts for the period January 2006 through December 2006?

FRF: Agree with OPC.

ISSUE 31: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2007

through December 2007?

FRF: Agree with OPC.

ISSUE 32: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 34: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2007 through December 2007?

FRF: Agree with OPC.

ISSUE 35: What are the appropriate credits for transmission allowances for the power sales for each investor-owned electric utility for the years 2005 through 2007?

FRF: Agree with OPC.

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 36A, 36B, 36C, 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 37A, 37B, 37C,

and so forth, as appropriate.

Florida Power & Light Company

ISSUE 38A: Pursuant to the stipulation signed by all parties to the prior rate proceeding and approved in Order No. PSC-05-0902-S-EI, issued September 14, 2005, in Docket No. 050045-EI what is the appropriate Generation Base Rate Adjustment (GBRA) for Turkey Point Unit 5?

FRF: Agree with OPC.

ISSUE 38B: Has FPL correctly calculated the GBRA as 3.271%?

FRF: Agree with OPC.

ISSUE 38C: Should the Commission approve FPL's proposal to recover the projected security costs associated with the recently issued by the North American Reliability Council (NERC) Cyber Security Standards through the Capacity Cost Recovery Clause?

FRF: Agree with OPC.

ISSUE 38D: Should CILC-1 Load Control (nonfirm) demands be included in developing capacity cost recovery factors?

FRF: Agree with OPC.

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 39A, 39B, 39C, and so forth, as appropriate.

F. STIPULATED ISSUES:

None.

G. PENDING MOTIONS:

None.

H. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

The Florida Retail Federation has no pending requests for claims for confidentiality.

I. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

The Florida Retail Federation does not expect to challenge the qualification of any witness.

J. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Florida Retail Federation cannot comply.

Dated this 6th day of October, 2005.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail and U.S. Mail on this 6th day of October, 2006, to the following:

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