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DEPARTMENT OF THE AIR FORCE HEADQUARTERS AIR FORCE LEGAL OPERATIONS AGENCY (HOLERO)

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AFLOA/ULT 139 Barnes Dr, Suite 1 Tyndall AFB, FL 32403-5319 6 October 2006 COMMISSION CLERK

-VIA OVERNIGHT DELIVERY-

Blanca S Bayo Director, Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850

Re: Docket No. 060001-EI

Dear Ms. Bayo:

I am enclosing for filing in the above docket the original and fifteen (15) copies of the Federal Executive Agencies Pre-Hearing Statement.

If there are any questions regarding this transmittal, please contact me at 850-283-

6350.

| CMP | Sincerely | |
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| cc: Counsel for Parties of Record (w/encl.) | DISTRIBUTION CENTER | |
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.

Docket No: 060001-EI Filed: October 6, 2006

THE FEDERAL EXECUTIVE AGENCIES' PREHEARING STATEMENT OF ISSUES AND POSITIONS

The Federal Executive Agencies' (FEA), pursuant to Order No. PSC-06-0207-PCO-EI, hereby files its Prehearing Statement of Issues and Positions.

1. The name of all known witnesses that may be called by the party, and the subject matter of their testimony;

FEA prefiled testimony by Dennis W. Goins who will testify regarding whether Florida Power & Light should include CILC-1 Load Control demand in developing capacity cost recovery factors.

2. A description of all prefiled exhibits and other exhibits that may be used by the party, whether they may be identified on a composite basis, and the witness sponsoring each:

DWG-1 FEA Calculation of CCR Energy and Demand Allocators by Rate

DWG-2 FEA Proposed Capacity Cost Recovery Factors: Calculation of CCT

Factors by Rate

DWG-3 Capacity Cost Recovery Factors

Dennis W. Goins will sponsor each exhibit which was prefiled with his testimony.

3. A statement of the party's basic position in the proceeding

FPL should exclude nonfirm (Load Control) demands when calculating the demand-related production cost component of capacity cost recovery factors for CILC customers. CILC customers are interruptible customers and their service can be interrupted when FPL decides that it is necessary. FPL does not have to build or acquire capacity to serve this interruptible load. However, CILC customers are charged for demand-related purchase capacity cost which they are not causing FPL to incur.

4. A statement of each question of fact the party considers at issue, the party's position on each such issue, and which of the party's witnesses will address the issue.

Issue 38D: Should CILC-1 Load Control (nonfirm) demands be included in developing capacity cost recovery factors? No, they should be excluded. FEA intends to call Dennis W. Goins who will address this issue.

DOCUMENT NUMBER-CATE

The FEA has no position at this time on other issues, in order to save space we have not listed each issue. We reserve the right to adopt a position at a later time on other issues.

5. A statement of issues to which the parties have stipulated

None at this time.

6. A statement of all pending motions or other matters the party seeks action upon.

None at this time.

7. A statement identifying the party's pending requests or claims for confidentiality.

None at this time.

8. Any objections to a witness' qualification as an expert.

None at this time.

9. A statement as to any requirement set forth in this order that cannot be complied with, and the reasons therefore

FEA is not aware of any requirements in the Order Establishing Procedure with which it cannot comply, and believes that it has complied with all applicable requirements of that Order.

DAMUND E. WILLIAMS, Capt, USAF Utility Litigation and Negotiation Attorney AL Atty #ASB-9660-W54D

Attorney for the Federal Executive Agencies

CERTIFICATE OF SERVICE Docket No. 060001-E1

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

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