**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Fuel and Purchased Power )

Cost Recovery Clause with ) DOCKET NO. 090001-EI

Generating Performance Incentive ) FILED: October 6, 2009

Factor )

)

**PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL**

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-09-0142-PCO-EI, issued March 06, 2009, submit this Prehearing Statement.

APPEARANCES:

PATRICIA A. CHRISTENSEN, Esquire

Associate Public Counsel

CHARLIE BECK, Esquire

Deputy Public Counsel

Office of 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

2. EXHIBITS:

None

1. STATEMENT OF BASIC POSITION

None

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

**COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES**

**Progress Energy Florida, Inc.**

**ISSUE 1A:** Should the Commission approve as prudent, PEF’s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF’s April 2009 and August 2009 hedging reports?

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

**ISSUE 1B:** Should the Commission approve PEF’s 2010 Risk Management Plan?

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

**Florida Power & Light Company**

**ISSUE 2A:** Should the Commission approve as prudent, FPL’s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL’s April 2009 and August 2009 hedging reports?

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

**ISSUE 2B:** Should the Commission approve FPL’s 2010 Risk Management Plan?

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

**ISSUE 2C:** With respect to the February 26, 2008 outages, should FPL or its customers be responsible for replacement power costs associated with the outages?

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

**Florida Public Utilities Company**

**ISSUE 3A:** Has FPUC pursued all reasonable avenues to protect its ratepayers from mid- course increases in fuel and demand charges from JEA in 2009?

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

**ISSUE 3B:** Should the Commission approve FPUC’s proposal to use a portion of storm hardening revenues to mitigate increases to customers in the Northwest Division?

**OPC:** No position at this time pending review of outstanding discovery.

**Gulf Power Company**

**ISSUE 4A:** Should the Commission approve as prudent, GULF’s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in GULF’s April 2009 and August 2009 hedging reports?

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

**ISSUE 4B:** Should the Commission approve GULF’s 2010 Risk Management Plan?

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

**ISSUE 4C:** Should the Commission approve GULF’s proposal to include the costs associated with construction and operation of the Perdido landfill Gas to Energy Facility in the fuel clause?

**OPC:** No position at this time pending review of outstanding discovery.

**Tampa Electric Company**

**ISSUE 5A:** Should the Commission approve as prudent, TECO’s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO’s April 2009 and August 2009 hedging reports?

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

**ISSUE 5B:** Should the Commission approve TECO’s 2010 Risk Management Plan?

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

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6**: What are the appropriate actual benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

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

**ISSUE 7**: What are the appropriate estimated benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

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

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2008 through December 2008?

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

**ISSUE 9**: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

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

**ISSUE 10**: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2010 to December 2010?

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

**ISSUE 11**: 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 2010 through December 2010?

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

**ISSUE 12**: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2010 through December 2010?

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

**ISSUE 13**: What are the appropriate levelized fuel cost recovery factors for the period January 2010 through December 2010?

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

**ISSUE 14**: 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:**  No position at this time.

**ISSUE 15**: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

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

**ISSUE 16**: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

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

**COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**Progress Energy Florida, Inc.**

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 17A, 17B, 17C, 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 18A, 18B, 18C, 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 19A, 19B, 19C, 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 20A, 20B, 20C, and so forth, as appropriate.

**GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 21**: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2008 through December 2008 for each investor-owned electric utility subject to the GPIF?

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

**ISSUE 22**: What should the GPIF targets/ranges be for the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

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

**COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

**Progress Energy Florida, Inc.**

**ISSUE 23A:** Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 090009-EI?

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

**Florida Power & Light Company**

**ISSUE 24A:** Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 090009-EI?

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

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

**GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27**: What are the appropriate capacity cost recovery true-up amounts for the period January 2008 through December 2008?

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

**ISSUE 28**: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

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

**ISSUE 30**: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2010 through December 2010?

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

**ISSUE 31**: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2010 through December 2010?

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

**ISSUE 32**: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2010 through December 2010?

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

**ISSUE 33**: What are the appropriate capacity cost recovery factors for the period January 2010 through December 2010?

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

5. STIPULATED ISSUES

OPC is not aware of any stipulated issues at this time.

6. PENDING MOTIONS

OPC has no pending motions at this time.

7. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

OPC has no pending requests for confidentiality at this time.

8. OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

OPC has no objections to any witnesses’ qualifications at this time.

9. COMPLIANCE WITH ORDER NO. PSC-09-0142-PCO-EI

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

Dated this 6th day of October, 2009.

Respectfully submitted,

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Patricia A. Christensen

Associate Public Counsel

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c/o The Florida Legislature

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### Attorney for the Citizens

of the State of Florida

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of OPC'S PREHEARING STATEMENT was furnished to the following, by U.S. Mail, on this 6th day of October, 2009:

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| R. W. Litchfield/J. T. Butler/N. F. Smith  Florida Power & Light Company  700 Universe Blvd.  Juno Beach, FL 33408 | | 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  P.O. Box 3350  Tampa, FL 33601-3350 | | Gulf Power Company  Susan D. Ritenour  One Energy Place  Pensacola, FL 32520-0780 |
| Jeffrey A. Stone, Russell A. Badders, and Steven Griffin  Beggs & Lane Law Firm  P. O. Box 12950  Pensacola, Florida 32591-2950 | | Florida Power & Light Company  Bill Walker  215 South Monroe Street, Ste. 810  Tallahassee, FL 32301-1859 |
| Tampa Electric Company  Paula K. Brown  P. O. Box 111  Tampa, FL 33601-0111 | | Florida Public Utilities Company  G. Bachman/C. Martin/M. Khojasteh  P. O. Box 3395  West Palm Beach, FL 33402-3395 |
| Vicki Gordon Kaufman  Jon C. Moyle, Jr.  Keefe Anchors Gordon & Moyle, PA  118 N Gadsden St  Tallahassee, Florida 32301-1508 | Lisa Bennett  Senior Attorney  Florida Public Service Commission  2540 Shumard Oak Boulevard  Tallahassee, Florida 32399-0850 |
| Progress Energy Florida, Inc.  Paul Lewis, Jr.  106 East College Avenue, Suite 800  Tallahassee, FL 32301-7740 | White Springs Agricultural Chemicals, Inc.  P.O. Box 300  White Springs, FL 32096 |
| James Beasley and Lee Willis, Esquires  Ausley & McMullen Law Firm  P. O. Box 391  Tallahassee, FL 32302 | James W. Brew  Brickfield, Burchette, Ritts & Stone, P.C.  1025 Thomas Jefferson St., NW  Eighth Floor, West Tower  Washington, DC 20007-5201 |
| Karin S. Torain  PCS Administration (USA), Inc.  Suite 400  Skokie Boulevard  Northbrook, IL 60062 | Office of Attorney General  Cecilia Bradley  The Capitol – PL01  Tallahassee, FL 32399-1050 |
| R. Scheffel Wright/John LaVia  c/o Florida Retail Federation  Young Law Firm  225 South Adams Street, Suite 200  Tallahassee, FL 32301 | Progress Energy  John T. Burnett, Esquire  Service Company, LLC  Post Office Box 14042  St. Petersburg, FL 33733-4042 |
| Capt. Al Jungels  Federal Executive Agencies c/o AFCESA/JACL-ULT 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 | Capt. Shayla L.  Federal Executive Agencies c/o AFCESA/JACL-ULT 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 |

Respectfully submitted,

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Patricia A. Christensen

Associate Public Counsel