

Diamond Williams

100001 - EI

From: Al Taylor [Al.Taylor@bbrslaw.com]
Sent: Monday, October 11, 2010 4:02 PM
To: Filings@psc.state.fl.us
Cc: 'ken.rubin@fpl.com'; 'jbeasley@ausley.com'; 'jmcwhirter@mac-law.com';
 'wade_litchfield@fpl.com'; 'sdriteno@southernco.com'; 'vkaufman@kagmlaw.com'; Charles
 Rehwinkel; 'paul.lewisjr@pgnmail.com'; 'john.burnett@pgnmail.com';
 'Regdept@tecoenergy.com'; 'rab@beggslane.com'; 'jas@beggslane.com';
 'John_butler@fpl.com'; Beth Keating; 'RMiller@pcsphosphate.com'; Jay Brew;
 'shayla.mcneill@tyndall.af.mil'; 'george_bachman@chpk.com'; 'swright@yvlaw.net';
 'cecilia.bradley@myfloridalegal.com'; 'dmoore@esgconsult.com'; 'wigglaw@gmail.com';
 'christensen.patty@leg.state.fl.us'; J.R. Kelly; Russell A. Badders; Erik Saylor; Lisa Bennett
Subject: FPSC Docket No 100001 - PCS Phosphate's Prehearing Statement
Attachments: PCS Prehearing Statement 2010_FINAL.pdf

a. Person responsible for filing

James W. Brew
 Brickfield, Burchette, Ritts & Stone, P.C.
 1025 Thomas Jefferson Street, N.W.
 Eighth Floor West Tower
 Washington, D.C. 20007
 Tel: (202) 342-0800
 Fax: (202) 342-0807
jwb@bbrslaw.com

b. Docket No. 100001 -EI, In Re: Fuel and purchased power cost recovery clause with generating performance incentive factor

c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate - White Springs

d. Total Pages = 11

e. PCS Phosphate's Prehearing Statement

F. Alvin Taylor
 BRICKFIELD BURCHETTE RITTS & STONE, PC
 1025 Thomas Jefferson St, N.W.
 Eighth Floor, West Tower
 Washington, DC 20007
 202-342-0800
 Fax: 202-342-0807
ataylor@bbrslaw.com

FILE NUMBER-DATE

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10/11/2010

FPSC-COMMISSION CLERK

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In Re: Fuel and Purchased Power)
Cost Recovery Clause with Generating)
Performance Incentive Factor)
_____)**

**Docket No. 100001-EI
Filed: October 11, 2010**

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
D/B/A PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission's March 18, 2010 *Order Establishing Procedure*, Order No. PSC-10-0154-PCO-EI ("*Procedural Order*"), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs ("PCS Phosphate"), through its undersigned attorneys, files its Prehearing Statement.

A. APPEARANCES

James W. Brew
F. Alvin Taylor
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007
Tel: (202) 342-0800
Fax: (202) 342-0800
E-mail: jbrew@bbrslaw.com

B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time:

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time:

DOCUMENT NUMBER 0001
08480 OCT 11 2010
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D. STATEMENT OF BASIC POSITION

At this time, PCS Phosphate generally accepts and adopts the positions taken by the Florida Office of Public Counsel ("OPC") with respect to the fuel costs sought to be recovered by Progress Energy Florida ("Progress" or "PEF"). PCS Phosphate, however, agrees with the Florida Industrial Power Users Group ("FIPUG") that the prudence of replacement power costs associated with the extended outage of Crystal River Unit 3 should not be presumed. Recovery of such costs, if deemed prudent, should follow, rather than precede, the conclusion of the spin-off docket requested by PEF for that purpose.

E. STATEMENT ON SPECIFIC ISSUES

With respect to the various issues presented in this proceeding, PCS Phosphate takes no position regarding the resolution of the issues with respect to any utility other than Progress. PCS Phosphate takes the following positions on the specific issues presented below as they pertain to Progress:

ISSUE 1A: Should the Commission approve as prudent, Progress Energy Florida Inc.'s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Progress Energy Florida, Inc.'s April 2010 and August 2010 hedging reports?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 1B: Should the Commission approve Progress Energy Florida, Inc.'s 2011 Risk Management Plan?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

DOCUMENT NUMBER/DATE

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ISSUE 1C: Should the prudence of Progress Energy Florida, Inc.'s replacement power costs related to the extended outage at Crystal River Unit 3 be considered in a separate docket?

POSITION: Yes.

ISSUE 1D: Should Progress Energy Florida, Inc. be permitted to collect through the fuel clause, amounts related to replacement power due to the extended outage at Crystal River Unit 3 prior to the Commission's determination of the prudence of such costs in a separate docket?

POSITION: No. PCS Phosphate agrees with and adopts the position of FIPUG.

Florida Power & Light Company

ISSUE 2A: Should the Commission approve as prudent, Florida Power & Light Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Florida Power & Light Company's April 2010 and August 2010 hedging reports?

POSITION: No position.

ISSUE 2B: Should the Commission approve Florida Power & Light Company's 2011 Risk Management Plan?

POSITION: No position.

ISSUE 2C: What are the appropriate projected jurisdictional fuel savings associated with West County Energy Center Unit 3 ("WCEC-3") for the period January 2011 through December 2011? (This issue would not be required if the Commission were to reject the Stipulation and Settlement that was entered into on August 20, 2010 by FPL and the Office of Public Counsel, the Attorney General of the State of Florida, the Florida Industrial Power Users Group, the Florida Retail Federation, the South Florida Hospital and Healthcare Association, the Federal Executive Agencies, and Associated Industries of Florida in Docket No. 080677-EI (the "Settlement Agreement")).

POSITION: No position.

ISSUE 2D: What are the appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2011 through December 2011? (This issue would not be required if the Commission were to reject the Settlement Agreement).

POSITION: No position.

Florida Public Utilities Company

ISSUE 3A: Has the bankruptcy filing of the Jefferson Smurfit Company had any effect on Florida Public Utilities Company's northeast division fuel factors?

POSITION: No position.

Gulf Power Company

ISSUE 4A: Should the Commission approve as prudent, Gulf Power Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf Power Company's April 2010 and August 2010 hedging reports?

POSITION: No position.

ISSUE 4B: Should the Commission approve Gulf Power Company's 2011 Risk Management Plan?

POSITION: No position.

ISSUE 4C: Should the Commission approve Gulf Power Company's fuel clause recovery of the projected costs of landfill gas associated with the Perdido Landfill Gas to Energy Facility for the years 2010 and 2011?

POSITION: No position.

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent, Tampa Electric Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Tampa Electric Company's April 2010 and August 2010 hedging reports?

POSITION: No position.

ISSUE 5B: Should the Commission approve Tampa Electric Company's 2011 Risk Management Plan?

POSITION: No position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the FIPUG.

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the FIPUG.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2011 to December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the FIPUG.

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 2011 to December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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 2011 to December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2011 to December 2011?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the FIPUG.

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?

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the FIPUG.

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

POSITION: With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

No PEF-specific issues have been identified at this time.

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 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 22: What should the GPIF targets/ranges be for the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida, Inc.

ISSUE 23A: Has Progress Energy Florida, Inc. included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

POSITION: No position at this time.

Florida Power & Light Company

ISSUE 24A: Has Florida Power & Light Company included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

POSITION: No position.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2011 through December 2011?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

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 2011 through December 2011?

POSITION: PCS Phosphate agrees with and adopts the position of the OPC.

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 2011 through December 2011?

POSITION: No position at this time.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2011 through December 2011?

POSITION: No position at this time.

F. STIPULATED ISSUES

PCS Phosphate is not a party to any stipulated issues.

G. PENDING MOTIONS

None.

H. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

I. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

J. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the *Procedural Order* with which PCS Phosphate cannot comply.

Respectfully submitted the 11^h day of October, 2010.

BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.

s/ James W. Brew
James W. Brew
F. Alvin Taylor
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007
Tel: (202) 342-0800
Fax: (202) 342-0800
E-mail: jbrew@bbrslaw.com

*Attorneys for
White Springs Agricultural Chemicals, Inc.
d/b/a/ PCS Phosphate – White Springs*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of PCS Phosphate's Prehearing Statement has been served by electronic and/or U. S. mail on this 11th day of October, 2010:

Florida Power & Light Company
John T. Butler/Ken Hoffman
700 Universe Boulevard
Juno Beach, FL 33408-0420

Beth Keating
Akerman Law Firm
106 East College Avenue, Suite 1200
Tallahassee, FL 32301

Florida Industrial Power Users Group
c/o John McWhirter, Jr.
McWhirter Law Firm
P.O. Box 3350
Tampa, FL 33601-3350

R. Scheffel Wright/John LaVia
c/o Florida Retail Federation
Young Law Firm
225 South Adams Street, Suite 200
Tallahassee, FL 32301

Jeffrey A. Stone/Russell A. Badders
Beggs & Lane
P.O. Box 12950
Pensacola, FL 32591-2950

Gulf Power Company
Susan D. Ritenour
One Energy Place
Pensacola, FL 32520-0780

Tampa Electric Company
Paula K. Brown
P. O. Box 111
Tampa, FL 33601-0111

Florida Public Utilities Company
G. Bachman/C. Martin
P. O. Box 3395
West Palm Beach, FL 33402-3395

Progress Energy Service Company, LLC
John T. Burnett/R. Alexander Glenn
P. O. Box 14042
100 Central Avenue
St. Petersburg, FL 33733-4042

Office of Public Counsel
J.R. Kelly/Patricia Christensen
c/o The Florida Legislature
111 West Madison Street, #812
Tallahassee, FL 32399-1400

Progress Energy Florida, Inc.
Paul Lewis, Jr.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Capt. Shayla L. McNeill/
Federal Executive Agencies
c/o AFCESA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319

Ausley Law Firm (10)
James D. Beasley/J. Jeffry Wahlen
Post Office Box 391
Tallahassee, FL 32302

Vicki Gordon Kaufman/Jon C. Moyle, Jr.
Keefe Anchors Gordon & Moyle, PA
118 N Gadsden St
Tallahassee, Florida 32301-1508

CERTIFICATE OF SERVICE
DOCKET NO. 100001-EI
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Office of Attorney General
Cecilia Bradley
The Capitol – PL01
Tallahassee, FL 32399-1050

/s/ Al Taylor
F. Alvin Taylor