

100001-EI

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 090001-EI
FILED: October 10, 2010
COMMISSION CLERK

PREHEARING STATEMENT OF THE FLORIDA RETAIL FEDERATION

The Florida Retail Federation ("FRF"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-10-0154-EI, issued March 18, 2010, hereby submits its Prehearing Statement in this docket.

APPEARANCES:

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On behalf of the Florida Retail Federation

1. WITNESSES:

The Florida Retail Federation does not intend to call any witnesses for direct examination, but reserves its rights to cross-examine all witnesses and to rely upon the prefiled testimony of witnesses in this docket, as well as testimony on their cross-examination.

2. EXHIBITS:

The Florida Retail Federation will not introduce any exhibits on direct examination, but reserves its rights to introduce exhibits through cross-examination of other parties' witnesses.

3. STATEMENT OF BASIC POSITION

All of the investor-owned electric utilities bear the burden of proving the reasonableness and prudence of their expenditures for which they seek recovery through their Fuel and Purchased Power Cost Recovery Charges. The FRF agrees with FIPUG that Progress Energy Florida, Inc. (PEF) and Tampa Electric Company have overstated their forecasts of natural gas

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prices by relying on forecasts for NYMEX (New York Mercantile Exchange) forward gas prices from mid-June, whereas current forecasts, which are better evidence of likely gas prices in 2011, are significantly lower than those used by these utilities. If PEF's and Tampa Electric's fuel charges are based on these overstated projections, those fuel charges will be overstated and customers will pay more than the fuel costs that these utilities incur to serve them.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida, Inc.

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?

FRF POSITION: No.

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

FRF POSITION: No.

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?

FRF POSITION: Yes. The FRF supports addressing this issue, and all related issues, in a separate docket as requested by Progress. The spin-off docket should address all relevant issues relating to the CR3 outage.

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?

FRF POSITION: No. The FRF agrees with FIPUG that Progress's customers should not be required to pay for such replacement power costs before the Commission has made its final determinations in the spin-off docket requested by Progress.

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?

FRF POSITION: No.

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

FRF POSITION: No.

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")).

FRF POSITION: No position at this time, pending review of FPL's supplemental testimony updating the estimated WCEC-3 fuel cost savings. The FRF will endeavor to take a definite position on this issue as soon as practicable.

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).

FRF POSITION: No position at this time, pending review of FPL's supplemental testimony updating the estimated WCEC-3 fuel cost savings. The FRF will endeavor to take a definite position on this issue as soon as practicable.

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?

FRF POSITION: No position at this time.

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?

FRF POSITION: No.

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

FRF POSITION: No.

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?

FRF POSITION: (Tentative) No position at this time.

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?

FRF POSITION: No.

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

FRF POSITION: No.

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?

FRF POSITION: No position at this time.

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?

FRF POSITION: No position at this time.

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

FRF POSITION: No position at this time.

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

FRF POSITION: No position at this time.

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

FRF POSITION: 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 2011 to December 2011?

FRF POSITION: 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 2011 to December 2011?

FRF POSITION: No position at this time.

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

FRF POSITION: 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?

FRF POSITION: 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?

FRF POSITION: 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?

FRF POSITION: No position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) 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 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

FRF POSITION: No position at this time.

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?

FRF POSITION: No position at this time.

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?

FRF 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?

FRF POSITION: 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 2009 through December 2009?

FRF POSITION: No position at this time.

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

FRF POSITION: 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 2011 through December 2011?

FRF POSITION: 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 2011 through December 2011?

FRF POSITION: 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 2011 through December 2011?

FRF POSITION: No position at this time.

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

FRF POSITION: No position at this time.

5. **STIPULATED ISSUES:**

None at this time. The FRF is willing to stipulate that the testimony of any witnesses whom no party or Commissioner wishes to cross examine be inserted into the record as though read, cross examination waived, and the witness's attendance at the hearing be excused.

6. **PENDING MOTIONS:**

The FRF has no pending motions before the Commission in this docket.

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

The FRF has no pending requests for claims for confidentiality.

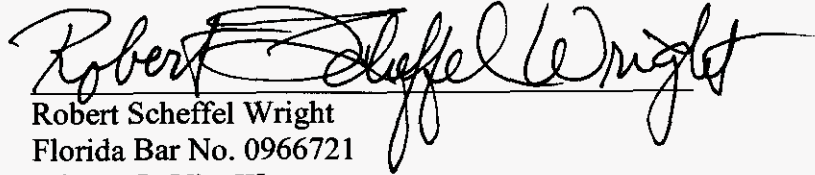
8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

As of the time of filing its prehearing statement, the FRF does not expect to challenge the qualification of any witness. However, the FRF believes that each party that intends to rely upon a witness's testimony as expert testimony should be required to identify the field or fields of expertise of such witness and to provide the basis for the witness's claimed expertise. The FRF agrees with FIPUG that it would be preferable to require that such claims and support be provided as part of prefiled testimony, although alternatively, a witness's expertise could be probed by *voir dire* examination.

9. 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 10th day of October, 2010.

A handwritten signature in black ink that reads "Robert Scheffel Wright". The signature is written in a cursive style with a horizontal line drawn through it.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by electronic and U. S. Mail on this 10th day of October, 2010.

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