

ORIGINAL

Timolyn Henry

041272-EJ

From: Mike Twomey [miketwomey@talstar.com]
Sent: Tuesday, March 01, 2005 4:53 PM
To: Burnett, John
Cc: Filings@psc.state.fl.us; Jennifer Brubaker; tperry@mac-law.com; jmcwhirter@mac-law.com; Christensen.patty@leg.state.fl.us; John McWhirter; Joseph McGlothlin; Gary L. Sasso; Walls, J. Michael
Subject: Re: PEF Storm Recovery-- Docket No. 041272
Attachments: SUGARMILL WOODS prehearingstatement 030105.rtf

Attached for filing is Buddy Hansen's and Sugarmill Woods Prehearing Statement for this docket. It contains a number of formatting errors that I could not eliminate and will have to correct later. In the event there is any confusion, I have attempted to take the same issue positions as the Office of Public Counsel.

Mike Twomey

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DOCUMENT NUMBER-DATE
 02142 MAR-1 8
 FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of storm cost recovery clause for recovery of extraordinary expenditures related to Hurricanes Charley, 1, 2005 Frances, Jeanne, and Ivan, by Progress Energy Florida, Inc.

Docket No. 041272-EI
Filed: March

HANSEN/SUGARMILL WOODS' PREHEARING STATEMENT

Buddy Hansen and the Sugarmill Woods Civic Association, Inc., through their undersigned attorney, pursuant to Order No. PSC-04-1151-PCO-EI hereby file this Prehearing Statement in the above-referenced docket.

APPEARANCES:

MICHAEL B. TWOMEY
Post Office Box 5256
Tallahassee, Florida 32314-5256

(1) WITNESSES:

<u>NAME</u>	<u>ISSUES</u>
Stephen A. Stewart	15, 16

(2) EXHIBITS:

None.

DOCUMENT NUMBER-DATE

02142 MAR-18

FPSC-COMMISSION CLERK

(3) STATEMENT OF BASIC POSITION:

SMW: Same position as Office of Public Counsel

(4-6) ISSUES AND POSITIONS:

ISSUES 1 – 14 ARE STORM-RELATED COST ISSUES

ISSUE 1: Did PEF act reasonably and prudently prior to the storms to minimize storm-related costs? If not, to what extent should the proposed recovery amount be adjusted?

SMW No position.

ISSUE 2: Has PEF quantified the appropriate amount of non-management employee labor payroll expense that should be charged to the storm reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 3: Has PEF properly treated payroll expense associated with managerial employees when determining the costs that should be charged to the storm reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 4: At what point in time should PEF stop charging costs related to the 2004 storm season to the storm damage reserve?

SMW: Same position as Office of Public Counsel

ISSUE 5: Has PEF charged to the storm reserve appropriate amounts relating to employee training for storm restoration work? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 6: Has PEF properly quantified the costs of tree trimming that should be charged to the storm reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 7: Has PEF properly quantified the costs of company-owned fleet vehicles that should be charged to the storm reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 8: Has PEF properly determined the costs of call center activities that should be charged to the storm damage reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 9: Has PEF appropriately charged to the storm reserve any amounts related to advertising expense or public relations expense for the storms? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 10: Has uncollectible expense been appropriately charged to the storm damage reserve? If not, what adjustments should be made?

SMW: Same position as Office of Public Counsel

ISSUE 11: Should PEF be required to offset its storm damage recovery claim by revenues it has received from other utilities for providing assistance in their storm restoration activities? If so, what amount should be offset?

SMW: Same position as Office of Public Counsel

ISSUE 12: Has PEF appropriately removed from the costs it seeks in its petition all costs that should be booked as capital costs associated with its retirement (including cost of removal) and replacement of plant items affected by the 2004 storms? If not, what adjustments should be made? (This was identified as a possible stipulation.)

SMW: Same position as Office of Public Counsel

ISSUE 13: Has PEF appropriately quantified the costs of materials and supplies used during storm restoration that should be charged to the storm reserve? If not, what adjustments should be made? (This was identified as a possible stipulation.)

SMW: Same position as Office of Public Counsel

ISSUE 14: Taking into account any adjustments identified in the preceding issues, what is the appropriate amount of storm-related costs to be charged against the storm

damage reserve?

SMW: Same position as Office of Public Counsel

ISSUE 15: Does the stipulation of the parties that the Commission approved in Order No. PSC-02-0655-AS-EI affect the amount or timing of storm-related costs that PEF can collect from customers? If so, what is the impact? (Legal issue)

SMW: Same position as Office of Public Counsel

ISSUE 16: In the event that the Commission determines the stipulation approved in Order No. PSC-02-0655-AS-EI does not affect the amount of costs that PEF can recover from ratepayers, should the responsibility for those costs be apportioned between PEF and retail ratepayers? If so, how should the costs be apportioned? (Contingent issue)

SMW: Same position as Office of Public Counsel

ISSUE 17: What is the appropriate amount of storm-related costs to be recovered from the customers? (Fallout issue)

SMW: Same position as Office of Public Counsel

ISSUE 18: If recovery is allowed, what is the appropriate accounting treatment for the unamortized balance of the storm-related costs subject to future recovery?

SMW: No position at this time.

ISSUE 19: Should PEF be authorized to accrue and collect interest on the amount of storm related costs permitted to be recovered from customers? If so, how should it be calculated? (This was identified as a possible stipulation as to the commercial paper rate.)

SMW: Same position as Office of Public Counsel *

ISSUE 20: What mechanism should be used to collect the amount of the storm-related costs authorized for recovery?

SMW: Same position as Office of Public Counsel

ISSUE 21: If the Commission approves recovery of any storm-related costs, how should they be allocated to the rate classes? (This was identified as a stipulation: The methodology for allocation of storm recovery costs should be that which is proposed in PEF's petition.)

SMW No position.

ISSUE 22: What is the proper rate design to be used for PEF to recovery storm-related

SMW No position.

ISSUE 23: What is the appropriate recovery

period? **SMW:** Two years.

ISSUE 24: If the Commission approves a mechanism for the recovery of storm-related costs from the ratepayers, on what date should it become effective?

SMW: Same position as Office of Public Counsel.

ISSUE 25: Should PEF be required to file tariffs reflecting the establishment of any Commission-approved mechanism for the recovery of storm-related costs from the ratepayers?

SMW: Yes.

ISSUE 26: Should the docket be closed?

SMW: No. The docket should remain open to enable parties and the Commission to ensure that PEF collects the appropriate amount

(7) STIPULATED ISSUES:

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

(8) PENDING MOTIONS

SMW is not aware of any pending motions at this time.

(9) PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

SMW is not aware of any confidentiality issues at this time.

10) COMPLIANCE WITH ORDER NO. PSC-04-1151-PCO-EI

SMW is not aware of any requirements of Order No. PSC-04-1151-PCO-EI with which parties cannot comply.

(11) OBJECTIONS TO WITNESS'S QUALIFICATIONS

To the extent that opinion testimony has been offered in prefiled testimony, SMW makes no objection to the qualifications of the witness to render that opinion.

Respectfully submitted,

Michael B. Twomey
Post Office Box 5256
Tallahassee, FL 32314-5256
(850) 421-9530

Attorney for Buddy Hansen and
Sugarmill Woods Civic
Association, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Prehearing Statement has been furnished to the following individuals as indicated in the service list on this 1st day of March, 2005.

Via electronic and U.S. Mail

Jennifer Brubaker, Esquire Office of
the General Counsel Florida Public
Service Commission 2540 Shumard
Oak Boulevard Tallahassee, FL
32399-0850

Via Electronic and U.S. Mail

John W. McWhirter, Esquire
McWhirter Reeves Davidson
Kaufman & Arnold, P.A. 400
North Tampa Street Tampa,
FL 33602

Via electronic and U.S. Mail

Vicki Gordon Kaufman, Esquire
McWhirter Reeves Davidson
Kaufman & Arnold, P.A.
117 South Gadsden Street
Tallahassee, FL 32301

Via electronic and U.S. Mail

Joseph A. McGlothlin, Esquire
Office of the Public Counsel
111 W. Madison Street, Rm 812
Tallahassee, FL 32399-1400

Via electronic and U.S. Mail

Gary L. Sasso/James Michael Walls/
John T. Burnett
Carlton Fields, P.A.
4221 West Boy Scout Boulevard
Tampa, FL 33607

Via electronic and U.S. Mail

R. Alexander Glenn
Deputy General Counsel – Florida
Progress Energy Service
Company, LLC
100 Central Avenue, Ste. 1D
St. Petersburg, FL 33701

Attorney