

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor. | DOCKET NO. 050001-EI
| FILED: OCTOBER 3, 2005

STAFF'S PRELIMINARY LIST OF ISSUES

Staff proposes the following preliminary issues for the Commission's consideration in Docket No. 050001-EI:

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2004 through December 2004? (Bohrmann)

ISSUE 2: What are the appropriate fuel adjustment true-up amounts for the period January 2005 through December 2005? (Bohrmann)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2006 to December 2006? (Bohrmann)

ISSUE 4: 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 2006 through December 2006? (Slemkewicz)

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factors for the period January 2005 through December 2006? (Bohrmann)

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January 2006 through December 2006? (Draper)

ISSUE 7: 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? (Draper)

ISSUE 8: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses? (Draper)

ISSUE 9: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes? (Bohrmann)

DOCUMENT NUMBER-DATE
09375 OCT-3 05
FPSC-COMMISSION CLERK

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ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2005 for gains on non-separated wholesale energy sales eligible for a shareholder incentive? (Bohrmann)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive? (Bohrmann)

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida

ISSUE 12A: Has Progress Energy Florida confirmed the validity of the methodology used to determine the equity component of Progress Fuels Corporation's capital structure for calendar year 2004? (Windham)

ISSUE 12B: Has Progress Energy Florida properly calculated the 2004 price for waterborne transportation services provided by Progress Fuels Corporation? (Windham)

ISSUE 12C: Are PEF's proposed inverted residential fuel factors appropriate? (Draper, Buchan)

ISSUE 12D: Did Progress Energy Florida appropriately refund to its ratepayers the overpayments of \$6.1 million made to 16 qualifying facilities between August 2003 and August 2004? (Bohrmann)

ISSUE 12E: Did Progress Energy Florida prudently incur the additional \$17.5 million in incremental fuel costs due to the impact of the 2004 hurricane season? (VonFossen, Bohrmann, Windham)

ISSUE 12F: Should the Commission grant Progress Energy Florida's petition for approval of waterborne coal transportation service contracts? (Windham)

ISSUE 12G: Are costs associated with Progress Energy Florida's contract with Virginia Power Energy Marketing for long term natural gas supply and transportation reasonable and appropriate for recovery? (Bohrmann)

ISSUE 12H: Has Progress Energy Florida adequately mitigated the price risk for natural gas, residual oil, and purchased power for 2004 through 2006? (Bohrmann, VonFossen, Matlock)

ISSUE 12I: Is PEF's request for recovery of \$10,413,156 for coal car investment, carrying costs for coal in transit, and coal procurement reasonable? (Windham, Bohrmann)

ISSUE 12J: Should the Commission approve PEF's request for recovery of capacity and energy costs associated with PEF's wholesale purchase contract with Central Power & Lime, commencing in December 2005? (Haff, Sickel, VonFossen, Lee)

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ISSUE 12K: Did PEF prudently incur its incremental fuel costs due to the impact of the 2005 hurricane season? (VonFossen, Bohrmann, Windham)

No additional company-specific issues for Progress Energy Florida have been identified at this time. If such issues are identified, they shall be numbered 12L, 12M, 12N, and so forth, as appropriate.

Florida Power & Light Company

ISSUE 13A: Did Florida Power & Light prudently incur the additional \$50,162,000 in incremental fuel costs due to the impact of the 2004 hurricane season? (VonFossen, Bohrmann, Windham)

ISSUE 13B: Is FPL's incremental 2006 hedging O&M expense of \$496,485 reasonable and appropriate for recovery? (Bohrmann)

ISSUE 13C: Should the Commission authorize FPL to defer collecting \$384,681,845 of its 2005 actual/estimated true-up until 2007? (Bohrmann)

ISSUE 13D: Has FPL adequately mitigated the price risk of natural gas, residual oil, and purchased power for 2004 through 2006? (Bohrmann, VonFossen, Matlock)

ISSUE 13E: Are the replacement fuel and purchased power costs associated with the unplanned outage at Turkey Point Unit 4, commencing on June 27, 2005, reasonable and appropriate for recovery at this time? (Bohrmann, Jopling)

ISSUE 13F: Should the Commission approve FPL's request to recover through the fuel clause approximately \$30 million for its St. Lucie Unit 2 Steam Generator Sleeving Project? (Bohrmann, Jopling)

ISSUE 13G: Should FPL credit the net proceeds of \$6,442,183 from the settlement between the U.S. Department of Energy and FPL, among other parties, to the fuel clause? (Bohrmann, Slemkewicz)

ISSUE 13H: Are FPL's proposed inverted residential fuel factors appropriate? (Draper, Buchan)

ISSUE 13I: Did FPL prudently incur its incremental fuel costs due to the impact of the 2005 hurricane season? (VonFossen, Bohrmann, Windham)

No additional company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 13J, 13K, 13L, and so forth, as appropriate.

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Florida Public Utilities Company

ISSUE 14A: Has Florida Public Utilities Company made the adjustments as noted in Audit Exception No. 1 to Audit No. 05-028-4-2 to its Northeast Division's fuel revenues? (Bohrmann, Slemkewicz)

ISSUE 14B: What is the appropriate regulatory treatment for fees paid to Christensen and Associates to perform FPUC's request for proposals for wholesale capacity and energy commencing 2008 and develop a rate-smoothing surcharge for 2006 and 2007? (Bohrmann, Slemkewicz)

ISSUE 14C: Should the Commission grant Florida Public Utilities Company's request to adopt a surcharge to its fuel factor(s) to phase in future higher wholesale capacity and energy costs, expected to begin in January 2008? (Draper, Bohrmann, Slemkewicz)

ISSUE 14D: Should the Commission grant Florida Public Utilities Company's request to adopt a consolidated fuel factor for its two divisions? (Draper, Bohrmann)

No additional company-specific issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 14E, 14F, 14G, and so forth, as appropriate.

Gulf Power Company

ISSUE 15A: Should Gulf Power recover associated replacement fuel and purchased power costs prior to exhausting all avenues of redress against the party or parties which manufactured, delivered, or installed the turbine at the Smith Unit 3 which failed during 2005? (Bohrmann)

ISSUE 15B: Has Gulf Power adequately mitigated the price risk of natural gas and purchased power for 2004 through 2006? (Bohrmann, VonFossen, Matlock)

ISSUE 15C: Did Gulf Power prudently incur its incremental fuel costs due to the impact of the 2005 hurricane season? (VonFossen, Bohrmann, Windham)

ISSUE 15D: Is Gulf Power Company's incremental 2006 hedging O&M expense of \$28,080 reasonable and appropriate for recovery? (Bohrmann)

No additional company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 15E, 15F, 15G, and so forth, as appropriate.

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Tampa Electric Company

ISSUE 16A: Pursuant to Order No. PSC-04-0999-FOF-EI, in Docket No. 031033-EI, issued October 12, 2004, has Tampa Electric Company made the appropriate adjustments to its waterborne coal transportation costs for recovery purposes? (Windham)

ISSUE 16B: Did Tampa Energy Company prudently incur the additional \$2,736,764 in incremental fuel and purchased power costs due to the impact of the 2004 hurricane season? (VonFossen, Bohrmann, Windham)

ISSUE 16C: Did Tampa Electric Company prudently incur its incremental fuel costs due to the impact of the 2005 hurricane season? (VonFossen, Bohrmann, Windham)

ISSUE 16D: Should Tampa Electric recover associated replacement fuel and purchased power costs prior to exhausting all avenues of redress against the party or parties which manufactured, delivered, or installed the rotor at Polk Unit 1 which failed and caused an unplanned outage at Polk Unit 1, commencing January 18, 2005? (Windham, Bohrmann)

ISSUE 16E: Has Tampa Electric adequately mitigated the price risk of natural gas and purchased power for 2004 through 2006? (Bohrmann, VonFossen, Matlock)

ISSUE 16F: Should Tampa Electric recover associated replacement fuel costs prior to exhausting all avenues of redress against No. 1 Contractors for failure to deliver coal as set forth in its March, 2004, contract with Tampa Electric? (Windham)

ISSUE 16G: Is Tampa Electric's new long-term firm service agreement with Gulfstream Natural Gas System, LLC to provide natural gas transportation to Bayside Generating Station prudent? (Bohrmann)

ISSUE 16H: Is Tampa Electric Company's incremental 2006 hedging O&M expense of \$235,798 reasonable and appropriate for recovery? (Bohrmann)

ISSUE 16I: Was Tampa Electric Company's decision to purchase synthetic coal from Synthetic American Fuel, LLC, commencing January 2005, prudent? (Windham)

No additional company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 16J, 16K, 16L, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 17: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2004 through December 2004 for each investor-owned electric utility subject to the GPIF? (Matlock)

ISSUE 18: What should the GPIF targets/ranges be for the period January 2006 through December 2006 for each investor-owned electric utility subject to the GPIF? (Matlock)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

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 19A, 19B, 19C, and so forth, as appropriate.

Progress Energy Florida

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

Gulf Power Company

No additional company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 21A, 21B, 21C, and so forth, as appropriate.

Tampa Electric Company

ISSUE 22A: Should the Commission set a minimum equivalent availability factor target for each GPIF unit for determining Tampa Electric Company's 2006 reward/penalty? (Matlock, Windham)

No additional company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 22B, 22C, 22D, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23: What are the appropriate capacity cost recovery true-up amounts for the period January 2004 through December 2004? (Lee)

ISSUE 24: What are the appropriate capacity cost recovery true-up amounts for the period January 2005 through December 2005? (Lee)

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2006 through December 2006? (Lee)

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2006 through December 2006? (Lee)

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factors for the period January 2006 through December 2006? (Wheeler)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2006 through December 2006? (Wheeler)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida

No company-specific issues for Progress Energy Florida have been identified at this time. If such issues are identified, they shall be numbered 29A, 29B, 29C, and so forth, as appropriate.

Florida Power & Light Company

ISSUE 30A: Is FPL's requested post-9/11 security compliance cost for 2004, 2005, and 2006 (projected) at its nuclear power plants reasonable and appropriate for recovery? (Lee)

No additional company-specific issues for Florida Power & Light have been identified at this time. If such issues are identified, they shall be numbered 30B, 30C, 30D, 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 31A, 31B, 31C, 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 32A, 32B, 32C, and so forth, as appropriate.

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Dated this 3rd day of October, 2005.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PRELIMINARY LIST
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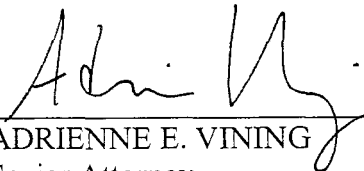
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