

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 060001-EI

FILED: SEPTEMBER 22, 2006

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-06-0001-PCO-EI, issued January 3, 2006, and Order No. PSC-06-0207-PCO-EI, issued March 15, 2006, establishing the prehearing procedure in this docket, the Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues and Positions.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2005 through December 2005?

POSITION: Staff takes no position at this time.

ISSUE 2: What are the appropriate fuel adjustment true-up amounts for the period January 2006 through December 2006?

POSITION: Staff takes no position at this time.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2007 to December 2007?

POSITION: Staff takes no position at this time.

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 2007 through December 2007?

POSITION: Staff takes no position at this time.

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery factor to be included in the recovery factor for the period January 2007 through December 2007?

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POSITION: Staff takes no position at this time.

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January 2007 through December 2007?

POSITION: Staff takes no position at this time.

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?

POSITION: Staff takes no position at this time.

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

POSITION: Staff takes no position at this time.

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

POSITION: Staff takes no position at this time.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: Staff takes no position at this time.

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: Staff takes no position at this time.

ISSUE 12: What is the appropriate methodology for calculating over and under recoveries of projected fuel costs, pursuant to Commission Order Nos. 13694 and PSC-98-0691?

POSITION: Staff takes no position at this time.

ISSUE 13: At what point in time should a utility notify the Commission that an over or under recovery exceeds 10% of the projected fuel costs?

POSITION: Staff takes no position at this time.

ISSUE 14: What are the appropriate credits for emissions allowances for power sales for each investor-owned electric utility for the years 2005 through 2007?

POSITION: Staff takes no position at this time.

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida

ISSUE 15A: Were the prices that PEF paid to Progress Fuels Corporation for coal reasonable in amount? If not, what adjustment should be made?

POSITION: Staff takes no position at this time.

ISSUE 15B: What were the energy conservation effects of PEF's inverted fuel factors during 2006?

POSITION: Staff takes no position at this time.

ISSUE 15C: Has PEF adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2005 through 2007?

POSITION: Staff takes no position at this time.

Florida Power & Light Company

ISSUE 16A: Has FPL adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2005 through 2007?

POSITION: Staff takes no position at this time.

ISSUE 16B: What were the energy conservation effects of FPL's inverted fuel factors for the year 2006?

POSITION: Staff takes no position at this time.

ISSUE 16C: Are the costs associated with FPL's proposed participation in the Southeast Supply Header Pipeline Project appropriate for recovery through the fuel cost recovery clause beginning in 2008?

POSITION: Staff takes no position at this time.

ISSUE 16D: What is the appropriate calculation of fuel savings associated with the addition of Turkey Point Unit 5?

POSITION: Staff takes no position at this time.

ISSUE 16E: Should FPL's proposal to levelize the 1000 kWh residential bill because of fuel savings associated with Turkey Point Unit 5 be approved?

POSITION: Staff takes no position at this time.

Florida Public Utilities Company

ISSUE 17A: Are FPUC's purchased power costs as proposed for recovery in its 2007 fuel factor and as reflected in its purchased power agreements, prudent and reasonable?

POSITION: Staff takes no position at this time.

Gulf Power Company

ISSUE 18A: Are the natural gas storage costs that are included in the calculation of Gulf's 2007 fuel factor prudent and reasonable?

POSITION: Staff takes no position at this time.

ISSUE 18B: Has Gulf adequately mitigated the price risk for natural gas and purchased power for 2005 through 2007?

POSITION: Staff takes no position at this time.

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ISSUE 18C: Has Gulf taken reasonable and prudent steps to find replacement fuel at reasonable costs in order to mitigate the coal shortfall caused by a contract dispute with a coal provider?

POSITION: Staff takes no position at this time.

Tampa Electric Company

ISSUE 19A: Are the natural gas storage costs that are included in the calculation of TECO's 2007 fuel factor, prudent and reasonable?

POSITION: Staff takes no position at this time.

ISSUE 19B: Has TECO taken reasonable steps to date to pursue rail transport of coal as required by Order No. PSC-04-0999-FOF-EI?

POSITION: Staff takes no position at this time.

ISSUE 19C: Has TECO adequately mitigated the price risk for natural gas and purchased power for 2005 through 2007?

POSITION: Staff takes no position at this time.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 20: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2006 through December 2006 for each investor-owned electric utility subject to the GPIF?

POSITION: Staff takes no position at this time.

ISSUE 21: What should the GPIF targets/ranges be for the period January 2007 through December 2007 for each investor-owned electric utility subject to the GPIF?

POSITION: Staff takes no position at this time.

ISSUE 22: Should the Commission amend or modify the existing GPIF mechanism so as to incorporate a "dead band" around the scale of Generating Performance Incentive Points in the amounts proposed by OPC?

POSITION: Staff takes no position at this time.

ISSUE 23: If the "dead band" amendment to the GPIF mechanism is implemented by the Commission should it be applied for the current year so that the rewards or penalties are applied commencing January 1, 2007?

POSITION: Staff takes no position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE 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 24A, 24B, 24C, 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 25A, 25B, 25C, 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 26A, 26B, 26C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 27A, 27B, 27C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2005 through December 2005?

POSITION: Staff takes no position at this time.

ISSUE 29: What are the appropriate capacity cost recovery true-up amounts for the period January 2006 through December 2006?

POSITION: Staff takes 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 2007 through December 2007?

POSITION: Staff takes 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 2007 through December 2007?

POSITION: Staff takes no position at this time.

ISSUE 32: What are the appropriate capacity cost recovery factors for the period January 2007 through December 2007?

POSITION: Staff takes no position at this time.

ISSUE 33: What are the appropriate credits for transmissions allowances for power sales for each investor-owned electric utility for the years 2005 through 2007?

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 34A, 34B, 34C, 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 35A, 35B, 35C, 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 36A, 36B, 36C, 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 37A, 37B, 37C, and so forth, as appropriate.

Dated this 22nd day of September, 2006.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS was furnished to the following, by U.S. Mail, on this 22nd day of September 22, 2006:

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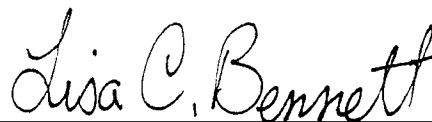
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