

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 16, 2007
TO: All Parties of Record and Interested Persons
FROM: Lisa C. Bennett, Attorney, Office Of The General Counsel
RE: Docket Number 060658-EI - Petition on behalf of Citizens of the State of Florida to require Progress Energy Florida, Inc. to refund customers \$143 million.

VIA ELECTRONIC MAIL

Please note that the Commission Staff will conduct an informal meeting with the parties of record in the above referenced docket at the following time and place:

Tuesday, February 20, 2007, at 2:30 p.m.
Gerald L. Gunter Building, Conference Room 362
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-FPSC
FEB 19 PM 1:27
COMMISSION
CLERK

The purpose of this meeting is for issue identification, a discussion of procedural matters and schedules in the above-referenced docket. Attendance is not required; however, all parties are encouraged to attend. Parties may participate telephonically in this meeting by dialing the call in number at the above-referenced time. Parties wishing to participate by phone should call the number to be provided by email at the start time for this meeting.

If you have any questions concerning this meeting, please call me at (850) 413-6230.

LCB/jb

- cc: Division of Economic Regulation (McNulty, Bulecza-Banks, Draper, Lester, Matlock, Slemkewicz, Von Fossen, Windham)
- Division of Competitive Markets & Enforcement (Coston, Fisher, Vinson)
- Office of the General Counsel (Helton, Holley)
- Office of the Commission Clerk and Administrative Services (Docket file)

COMPILATION OF ISSUES

- ISSUE 1:** During the period of 1996 through 2005, were there available to PEF sources of sub bituminous coal from the Powder River Basin suitable for use at Crystal River Unit 4 (CR4) and Crystal River Unit 5 (CR5) that were more economical than that purchased for CR4 and CR5 and that PEF knew or should have known about?
- ISSUE 2:** During the period of 1996 through 2005, were there available to PEF other sources of bituminous coal that were more economical than that purchased for CR4 and CR5 and that PEF knew or should have known about?
- ISSUE 3:** Did PEF act prudently in purchasing coal for CR4 and CR5 beginning in 1996 and continuing through 2005?
- ISSUE 4:** If the Commission determines that PEF acted imprudently in its CR4 and CR5 coal purchases during the time period of 1996 through 2005, should PEF be required to refund customers for any related excess costs, including coal costs and excess SO₂ allowance costs?
- ISSUE 5:** If the Commission determines that PEF should be required to refund customers for excess coal costs and/or excess SO₂ costs incurred to operate CR4 and CR5 from 1996 to 2005, what amounts should be refunded?
- ISSUE 6:** What is the appropriate methodology for calculating the interest, if any, associated with any refund required in this docket?
- ISSUE 7:** What amount of interest associated with excess coal costs and excess SO₂ costs, if any should be refunded to customers?
- ISSUE 8:** If the Commission determines that PEF should be required to refund customers for coal purchased to run CR4 and CR5, how and when should such refund be accomplished?
- ISSUE 9:** If the Commission determines that PEF acted imprudently, should the Commission impose a penalty on PEF?
- ISSUE 10:** If the Commission determines to impose a penalty on PEF, what should be the amount of the penalty and how should it be imposed?