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ORIGINAL

From: Pam Ingram [Pam.Ingram@bbrslaw.com]
Sent: Friday, May 11, 2007 5:59 PM
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Subject: Electronic Filing - Docket No. 070052-EI
Attachments: PCS Phosphate_interv 05 11.doc

a. Person responsible for this electronic filing:

James W. Brew
 Brickfield, Burchette, Ritts & Stone, P.C.
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b. Docket No. 070052-E

Petition for determination of need for expansion of Crystal River 3 nuclear power plant, for exemption Bid Rule 25-22.082, F.A.C., and for cost recovery through the fuel clause.

c. Document being filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate - White Springs.

d. There are a total of 6 pages.

e. The document attached for electronic filing is *Petition to Intervene of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate - White Springs.*

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In Re: Petition by Progress Energy Florida, Inc.)
to recover costs of Crystal River Unit 3 uprate)
through fuel clause)**

**Docket No. 070052-EI
Filed: May 11, 2007**

**PETITION TO INTERVENE OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC. D/B/A
PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to Sections 120.569 and 120.57(1), Florida Statutes and Rules 25-22.039 and 28-106.205, Florida Administrative Code, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS White Springs”), through its undersigned attorney, files its Petition to Intervene. In support thereof, PCS White Springs states as follows:

1. The name and address of the affected agency is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. The name and address of the petitioner is:

White Springs Agricultural Chemicals, Inc.
d/b/a PCS Phosphate – White Springs
15843 SE 78th Street, P.O. Box 300
White Springs, Florida 32096

3. All pleadings, motions, orders and other documents directed to

the petitioner should be served on:

James W. Brew
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower
Washington, DC 20007 -
5201
Phone: (202) 342-0800

DOCUMENT NUMBER-DATE
03986 MAY 14 5
FPSC-COMMISSION CLERK

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Karin S. Torain
PCS Administration (USA),
Inc. Suite 400
1101 Skokie Boulevard
Northbrook, IL 60062
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4. PCS White Springs is a manufacturer of fertilizer products with plants and operations located within Progress Energy Florida's ("PEF") electric service territory. PCS White Springs receives service under PEF's IS-1, IST-1, SS-2, GS-1, GSD-1, GSDT-1, and LS-1 Rates.

5. Statement of Affected Interests. PCS White Springs constitutes one of the largest loads on the PEF system and pays electric charges to PEF that amount to millions of dollars annually. In the above-referenced docket, the Commission will decide whether PEF should be allowed to recover through its fuel clause an estimated \$382 million in capital upgrades to its Crystal River Unit 3 ("CR3") and the PEF transmission network that will produce a capacity increase in the CR3 unit of 180 MWe.¹ If approved, PEF's request would promote a dangerous mis-application of the fuel adjustment clause to capital investments that are properly recovered in base rates. The PEF proposal raises basic rate setting, cost recovery and rate design concerns that will materially affect the level of energy costs and overall electric rates that are charged to PCS White Springs.

¹ See amended testimony of Javier Portuondo, pp. 4-5.

6. Disputed Issues of Material Fact and Disputed Legal Issues. PCS White Springs recognizes that a tentative list of issues in this proceeding has been developed and is appended to the Order Establishing Procedure (PSC-07-0390-PCO-EI), and that the scope of this proceeding will be based on those issues as well as any others identified up to and during the Prehearing Conference scheduled for July 9, 2007. PCS White Springs maintains that capital upgrades to the CR3 unit designed to increase the capacity of a base load steam electric generating unit should not be recovered through fuel adjustment charges, but should be addressed in the context of a base rate case. Piece-meal rate making of these proposed improvements is inconsistent with basic rate setting principles and appears to be inconsistent with PEF's commitments in its current base rate settlement.

7. Statement of Ultimate Facts Alleged. The proposed cost recovery that PEF requests attempts to circumvent the Commission's order approving PEF's 2005 base rate stipulation. (PSC-05-0945-S-EI). The capital upgrades that PEF contemplates involve costs that historically have, and under accepted ratemaking practice should, be added to rate base and recovered in base rates when they are introduced to commercial operation. PEF offers no rational basis for deviating from accepted rate practice in this instance. There are significant rate, revenue requirement and cost recovery aberrations that will be created by PEF's proposed recovery of these capital costs in fuel adjustment charges.

WHEREFORE, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs respectfully requests that the Commission enter an order allowing it to intervene as a full party in this docket and requiring all parties to serve copies of pleadings, notices and other documents on PCS White Springs’ representative.

Respectfully submitted this 11th day of May, 2007.

/s/ James W. Brew

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*Attorney for White Springs Agricultural
Chemicals Inc. d/b/a PCS Phosphate –
White Springs*

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Petition to Intervene has been furnished by electronic mail and U.S. Mail this 11th day of May 2007 to the following individuals:

/s/ James W. Brew

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