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Subject: Dkt 070052-EI PCS Phosphate Preliminary List of Issues
Attachments: PCS Phosphate preliminary list of issues.doc

ORIGINAL

1. James W. Brew, Brickfield, Burchette, Ritts & Stone, P.C., 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, D.C. 20007, Tel: (202) 342-0800, jbrew@bbrslaw.com is the person responsible for this electronic filing;
2. The filing is to be made in Docket 070052-EI, In re: Progress Energy Certificate of Need et al. The filing is made on behalf of the PSC Phosphate;
3. The total number of pages is 3

The attached document is PCS Phosphate's Preliminary List of Issues

DOCUMENT NUMBER-DATE

05198 JUN 29 5

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Petition by Progress Energy)	
Florida, Inc. to recover costs of)	DOCKET NO. 070052-EI
Crystal River Unit 3 uprate through)	
fuel clause)	Filed: June 29, 2007
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PCS PHOSPHATE'S PRELIMINARY LIST OF ISSUES

White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate –White Springs through its undersigned attorney files this preliminary list of Issues.

ISSUE 1: Should PEF's request to recover CR 3 costs through the fuel clause be granted?

PCS PHOSPHATE POSITION: No

ISSUE 2 Does the petition violate PEF's settlement agreement in Docket 050078-EI?

PCS PHOSPHATE POSITION: Yes

ISSUE 3: Does the uprate cost qualify for recovery through the fuel clause?

PCS PHOSPHATE POSITION: No

ISSUE 4: Will recovery of the uprate costs through the fuel clause result in double recovery?

PCS PHOSPHATE POSITION: Yes

ISSUE 5: Is recovery through the fuel clause improper for other reasons?

PCS PHOSPHATE POSITION: Yes. PEF proposes to recover demand related costs through the fuel clause, the proposed collection procedure creates intergenerational inequity because the 10 year recovery period is too short and the NPV analysis is inappropriate for utility consumers because current consumers are required to pay higher current rates to fund energy savings for future consumers.

ISSUE 6: Is the uprate idea an innovative, first of its kind project in the nuclear industry?

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PCS PHOSPHATE POSITION: No

ISSUE 7: Even if it did not breach the 2005 settlement agreement, would it be appropriate to recover major plant renovation capital costs through the fuel clause?

PCS PHOSPHATE POSITION: No. Base rate recovery of such capital investment is required to avoid double recovery, to ensure a proper evaluation of post-merger cost savings, depreciation expense and return. If base rate recovery is not required, the capacity recovery clause is the more appropriate mechanism for the recovery of fixed costs and capital costs that do not vary with energy consumption.

ISSUE 8: Has PEF justified placing 100% of the cost on retail consumers with no cost to the co-owners of the plant or consideration of the potential profits to PEF when it deals in the wholesale market?

PCS PHOSPHATE POSITION: No.

ISSUE 9: Should the Public Service Commission allow transmission plant and cooling tower costs to be recovered through the fuel clause?

PCS PHOSPHATE POSITION: No.

/s/ James W. Brew
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DOCKET NO. 070052-EI
CERTIFICATE OF SERVICE

I, **HEREBY CERTIFY** that a true and correct copy of PCS Phosphate's preliminary list of issues has been furnished by electronic mail on this 29th day of June, 2007, to the following:

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