

Ruth Nettles

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Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 070001-EI

In re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor

c. Docket being filed on behalf of Federal Executive Agencies

d. There are a total of 10 pages

e. The document attached for electronic filing is FEA Prehearing Statement of Issues and Positions

Thank you for your attention and cooperation to this request.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery
Clause with Generating Performance
Incentive Factor

Docket No: 070001-EI
Filed: October 8, 2007

THE FEDERAL EXECUTIVE AGENCIES'
PREHEARING STATEMENT OF ISSUES AND POSITIONS

The Federal Executive Agencies' (FEA), pursuant to Order No. PSC-07-0221-PCO-EI, hereby files its Prehearing Statement of Issues and Positions.

A. APPEARANCES:

LT COL KAREN WHITE, AFCESA/ULT, 139 Barnes Drive, Suite 1, Tyndall AFB, FL 32403-5319
and
CAPT DAMUND WILLIAMS, AFCESA.ULT, 139 Barnes Drive, Suite 1, Tyndall AFB, FL 32403-5319.

On Behalf of the Federal Executive Agencies.

B. WITNESSES:

None.

C. EXHIBITS:

None. However, FEA reserves the right to introduce exhibits during cross-examination.

D. STATEMENT OF BASIC POSITION:

FEA agrees with the basic position as stated by FIPUG.

E. STATEMENT OF ISSUES AND POSITIONS:

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 1: What are the appropriate fuel adjustment true-up amounts for the period January 2006 through December 2006?

FEA: No position at this time.

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

2007 through December 2007?

FEA: No position at this time.

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2008 to December 2008?

FEA: 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 2008 through December 2008?

FEA: No position at this time.

ISSUE 5: What are the appropriate projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the period January 2008 through December 2008?

FEA: No position at this time.

ISSUE 6: What are the appropriate levelized fuel cost recovery factors for the period January 2008 through December 2008?

FEA: 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?

FEA: 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?

FEA: 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?

FEA: No position at this time.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2007 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FEA: No position at this time.

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2008 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FEA: No position at this time.

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Progress Energy Florida

ISSUE 12A: Was PEF prudent in its coal procurement for CR4 and CR5 during the time period from 2006 through 2007?

OPC's wording for ISSUE 12A: Were the costs of the fuel that Progress Energy Florida incurred to operate Crystal River Units 4 and 5 during calendar year 2006 unreasonably high as a consequence of its failure to position itself to burn a blend of Powder River Basin subbituminous coal and bituminous coal in the units when the blend was more economical for customers? If so, by what amount should the true-up for 2006 be adjusted to account for the unreasonable fuel costs?

FEA: Agree with OPC.

ISSUE 12B: Has PEF adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2006 through 2008?

FEA: No position at this time.

Florida Power & Light Company

ISSUE 13A: With respect to the outage extension at Turkey Point Unit 3 which was caused by a drilled hole in the pressurized piping, should customers or FPL be responsible for the additional fuel cost incurred as a result of the extension?

FEA: FPL

ISSUE 13B: Has FPL adequately mitigated the price risk for natural gas, residual oil, and purchased power for the years 2006 through 2008?

FEA: No position at this time.

Florida Public Utilities Company

ISSUE 14A: Are FPUC's proposed inverted fuel factors for the residential class appropriate?

FEA: No position at this time.

Gulf Power Company

ISSUE 15A: Has Gulf adequately mitigated the price risk for natural gas and purchased power for 2006 through 2008?

FEA: No position at this time.

Tampa Electric Company

ISSUE 16A: Has TECO adequately mitigated the price risk for natural gas and purchased power for 2006 through 2008?

FEA: No position at this time.

ISSUE 16B: What is the appropriate actual benchmark level for TECO for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FEA: No position at this time.

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 2006 through December 2006 for each investor-owned electric utility subject to the GPIF?

FEA: No position at this time.

ISSUE 18: What should the GPIF targets/ranges be for the period January 2008 through December 2008 for each investor-owned electric utility subject to the GPIF?

FEA: 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 19A, 19B, 19C, 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 20A, 20B, 20C, 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 21A, 21B, 21C, 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 22A, 22B, 22C, 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 2006 through December 2006?

FEA: No position at this time.

ISSUE 24: What are the appropriate capacity cost recovery true-up amounts for the period January 2007 through December 2007?

FEA: No position at this time.

ISSUE 25: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2008 through December 2008?

FEA: No position at this time.

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 2008 through December 2008?

FEA: No position at this time.

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2008 through December 2008?

FEA: No position at this time.

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2008 through December 2008?

FEA: No position at this time.

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

No company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 30A, 30B, 30C, 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.

ADDITIONAL ISSUES FOR THE 2007 FUEL PROCEEDING

ISSUE 33: Should the Commission continue its fuel cost recovery and prudence review policies, as established by Order No. 12645, issued November 3, 1983, in Docket No. 830001-EU, In re: Investigation of Fuel Adjustment Clauses of Electric Utilities.

FEA: Concurs with Staff to postpone this issue until a later hearing.

F. STIPULATED ISSUES:

None.

G. PENDING MOTIONS OR OTHER MATTERS:

FEA has filed a petition to intervene.

H. PENDING REQUESTS OR CLAIMS OF CONFIDENTIALITY:

FEA has no pending confidentiality requests or claims.

I. OBJECTIONS TO WITNESS' QUALIFICATIONS AS AN EXPERT

None at this time.

J. COMPLIANCE WITH PROCEDURAL ORDERS:

FEA is not aware of any requirements in the Order Establishing Procedure with which it cannot comply, and believes that it has complied with all applicable requirements of that Order.

s/ Karen White

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s/ Damund E. Williams

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been furnished by electronic mail or by United States First Class Mail this 8th day of October, 2007 to the following:

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