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**Subject:** FPSC Docket No. 080001-EI - PCS Phosphate Prehearing Statement  
**Attachments:** PCS Prehearing Statement.doc

## a. Person responsible for filing

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## b. Docket No. 080001-EI, In Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor

## c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs

## d. Total Pages = 13

## e. Prehearing Statement of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate White Springs (attached as PCS Prehearing Statement.doc)

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FPSC-COMMISSION CLERK

10/13/2008

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**In Re: Fuel and Purchased Power )  
Cost Recovery Clause with Generating )  
Performance Incentive Factor )  
\_\_\_\_\_ )**

**Docket No. 080001-EI  
Filed: October 13, 2008**

**PREHEARING STATEMENT OF  
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.  
D/B/A PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission's March 11, 2008 *Order Establishing Procedure*, Order No. PSC-08-0148-PCO-EI ("*Procedural Order*"), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs ("PCS Phosphate"), through its undersigned attorneys, files its Prehearing Statement.

**A. APPEARANCES**

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**B. WITNESSES**

PCS Phosphate does not plan to call any witnesses at this time:

**C. EXHIBITS**

PCS Phosphate does not plan to offer any exhibits at this time:

DOCUMENT NUMBER-DATE  
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**D. STATEMENT OF BASIC POSITION**

PCS Phosphate generally accepts and adopts the positions taken by the Florida Office of Public Counsel ("OPC") with respect to the fuel costs sought to be recovered by Progress Energy Florida ("Progress").

**E. STATEMENT ON SPECIFIC ISSUES**

With respect to the various issues presented in this proceeding, PCS Phosphate takes no position regarding the resolution of the issues with respect to any utility other than Progress. PCS Phosphate takes the following positions on the specific issues presented below as they pertain to Progress:

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 1:** What are the appropriate fuel adjustment true-up amounts for the period January 2007 through December 2007?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 2:** What are the appropriate fuel adjustment true-up amounts for the period January 2008 through December 2008?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 3:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2009 to December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**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 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**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 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 6:** What are the appropriate levelized fuel cost recovery factors for the period January 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**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:** PCS Phosphate agrees with and adopts the position of the OPC.

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

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

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

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 10:** What are the appropriate actual benchmark levels for calendar year 2008 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 11:** What are the appropriate estimated benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

#### **Progress Energy Florida**

**ISSUE 12A:** Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in PEF's April 2008 and August 2008 hedging reports?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 12B:** Should the Commission approve PEF's 2009 Risk Management Plan?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 12C:** Does the fuel charge proposed by Progress Energy Florida contain items that do not change with the price of fuel, if so what is the amount included in its proposed fuel charge to cover these costs?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

#### **Florida Power & Light Company**

**ISSUE 13A:** Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in FPL's April 2008 and August 2008 hedging reports?

**POSITION:** No position.

**ISSUE 13B:** Should the Commission approve FPL's 2009 Risk Management Plan?

**POSITION:** No position.

**ISSUE 13C:** 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?

**POSITION:** No position.

**ISSUE 13D:** Should the Commission approve FPL's proposal to reduce the Generation Base Rate Adjustment (GBRA) factor for the Turkey Point Unit 5 from 3.271 percent to 3.129%?

**POSITION:** No position.

**ISSUE 13E:** Is \$9,296,089 the appropriate true-up credit associated with the Turkey Point Unit 5 GBRA factor reduction?

**POSITION:** No position.

**ISSUE 13F:** Should the Commission approve FPL's proposed GBRA factor of 3.583 percent for the West County Energy Center (WCEC) Unit 1?

**POSITION:** No position.

**ISSUE 13G:** Should the Commission approve FPL's proposed GBRA factor of 3.154 percent for the WCEC Unit 2?

**POSITION:** No position.

**ISSUE 13H:** What is the appropriate calculation of fuel savings associated with the addition of the WCEC Units 1 and 2?

**POSITION:** No position.

**ISSUE 13I:** Should the Commission approve FPL's proposal to levelize the Residential 1000 kWh Bill by offsetting the Generation Base Rate Adjustments (GBRAs) for West County Energy Center (WCEC) Units 1 and 2 with the fuel savings attributable to these new units?

**POSITION:** No position.

**ISSUE 13J:** Should the Commission approve FPL's Long-term Agreement for Full Requirement Electric Service with Lee County Electric Cooperative as prudent and consistent with the interests of FPL's retail customers?

**POSITION:** No position.

**ISSUE 13K:** May FPL recover incremental O&M costs associated with non-separated off-system sales from combined cycle and conventional steam units commencing January 1, 2009, as it currently recovers such costs associated with sales from gas turbine units?

**POSITION:** No position.

**ISSUE 13L:** Does the fuel charge proposed by FPL contain items that do not change with the price of fuel, if so what is the amount included in its proposed fuel charge to cover these costs?

**POSITION:** No position.

#### **Florida Public Utilities Company**

**ISSUE 14A:** Should the Commission approve FPUC's proposal to allocate a portion of the costs for the substation in the Northwest division to both divisions?

**POSITION:** No position.

#### **Gulf Power Company**

**ISSUE 15A:** Should the Commission approve as prudent, GULF's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in GULF's April 2008 and August 2008 hedging reports?

**POSITION:** No position.

**ISSUE 15B:** Should the Commission approve Gulf's 2009 Risk Management Plan?

**POSITION:** No position.

**Tampa Electric Company**

**ISSUE 16A:** Should the Commission approve as prudent, TECO's actions to mitigate the volatility of natural gas, residual oil and purchased power prices, as reported in TECO's April 2008 and August 2008 hedging reports?

**POSITION:** No position.

**ISSUE 16B:** Should the Commission approve TECO's 2009 Risk Management Plan?

**POSITION:** No position.

**ISSUE 16C:** In procuring transportation contracts, has TECO complied with the requirements of Order No. PSC-04-0999-FOF-EI, issued October 12, 2004, in Docket No. 031033?

**POSITION:** No position.

**ISSUE 16D:** For 2007 and 2008, has TECO properly calculated the adjustment to coal transportation rates required by Order No. PSC-04-0999-FOF-EI, issued October 12, 2004, in Docket No. 031033?

**POSITION:** No position.

**ISSUE 16E:** Should the Commission approve TECO's proposed inverted fuel factors for the residential class?

**POSITION:** No position.

**ISSUE 16F:** Should the Commission approve TECO's proposal to establish fuel factors by voltage level?

**POSITION:** No position.



**ISSUE 16G:** Does the fuel charge proposed by Tampa Electric Company contain items that do not change with the price of fuel, if so what is the amount included in its proposed fuel charge to cover these costs?

**POSITION:** No position.

#### **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 2007 through December 2007 for each investor-owned electric utility subject to the GPIF?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 18:** What should the GPIF targets/ranges be for the period January 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

#### **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

No company-specific issues have been identified at this time.

#### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 23:** What are the appropriate capacity cost recovery true-up amounts for the period January 2007 through December 2007?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 24:** What are the appropriate capacity cost recovery true-up amounts for the period January 2008 through December 2008?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 25:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**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 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**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 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 28:** What are the appropriate capacity cost recovery factors for the period January 2009 through December 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

## **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

### **Progress Energy Florida**

**ISSUE 29A:** Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 080009-EI?

**POSITION:** PCS Phosphate takes no position at this time.

### **Florida Power & Light Company**

**ISSUE 30A:** Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 080009-EI?

**POSITION:** No position.

**ISSUE 30B:** What adjustments, if any, should be made to FPL's incremental security costs related to the performance of security guards at FPL's nuclear power plants?  
(Lester)

**POSITION:** No position.

### **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**

**ISSUE 32A:** Should the Commission approve TECO's projected capacity cost recovery factors effective in May 2009 based on TECO's rate design modifications proposed in Docket No. 080317-EI?

**POSITION:** No position.

**ISSUE 32B:** Should the Commission approve TECO's proposal to recover capacity costs on a demand basis from demand-measured customers effective May 2009?

**POSITION:** No position.

### **F. STIPULATED ISSUES**

PCS Phosphate is not a party to any stipulated issues.

### **G. PENDING MOTIONS**

None.

### **H. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY**

None.

### **I. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT**

None at this time.

**J.     REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE**

There are no requirements of the *Procedural Order* with which PCS Phosphate cannot comply.

Respectfully submitted the 13<sup>th</sup> day of October, 2008.

BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.

s/ James W. Brew  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of PCS Phosphate's Prehearing Statement has been served by electronic and/or U. S. mail on this 13<sup>th</sup> day of October, 2008:

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