

**Diamond Williams**

100001-EI

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**Sent:** Friday, October 15, 2010 10:51 AM  
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**Cc:** Lisa Bennett; White, Karen S Civ USAF AFLOA JACL-ULT/AFLOA/JACL-ULT; McNeill, Shayla L Capt USAF AFLOA JACL-ULT/AFLOA/JACL-ULT; Filings@psc.state.fl.us  
**Subject:** RE: FEA Prehearing statement in Docket 100001-EI (fuel docket)  
**Signed By:** There are problems with the signature. Click the signature button for details.  
**Attachments:** FEA Updated Position on Issues in Docket 100001-EI (Fuel Docket).doc



FEA Updated  
Position on Issues

Ma'am/Sir-

Attached, please find the Federal Executive Agencies' (FEA) Prehearing Statement and List of Issues and Positions in Docket 100001-EI. Please note that this filing is a few days late-please let me know if anyone anticipates any issues with this filing. Also, please note that my colleague, Ms. Karen White, will be the attorney making an appearance at the fuel docket. Thanks.

1. Captain Shayla L. McNeill, 139 Barnes Ave, Suite 1 Tyndall AFB, FL 32403 is the person responsible for this electronic filing;
2. The filing is to be made in Docket 100001-EI, In re: Fuel and purchased cost recovery clause;
3. The filing is made on behalf of the FEA;
4. The total number of pages is 10; and
5. The attached document is The FEAs' Prehearing Statement and Positions in Docket 100001-EI.

Thanks. Kind regards,

Shayla

SHAYLA L. MCNEILL, Capt, USAF  
Utility Law Field Support Center (ULFSC)  
Staff Attorney

DOCUMENT NUMBER-DATE

08656 OCT 15 09

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THIS EMAIL CONTAINS INFORMATION PROTECTED FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 5 USC 552.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery  
clause with generating performance incentive  
factor.

DOCKET NO. 100001-EI

DATED: October 12, 2010

FEA'S PREHEARING STATEMENT

Pursuant to Order No. PSC-10-0154-PCO-EI, filed March, 18 2010, the FEA files its Prehearing Statement.

- a. Appearances: Karen S. White, Staff Attorney, AFLOA/JACL-ULFSC  
139 Barnes Dr, Suite 1  
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Telephone: 850-283-6348  
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- b. All Known Witnesses: None.
- c. All Known Exhibits: None.
- c. FEA's Statement of Basic Position

FEA's positions are preliminary and based on materials filed by the parties and on discovery. FEA's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

- d. FEA's Position on the Issues

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**Progress Energy Florida, Inc.**

**ISSUE 1A:** Should the Commission approve as prudent, Progress Energy Florida Inc.'s actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Progress Energy Florida, Inc.'s April 2010 and August 2010 hedging reports?

**POSITION:** No position at this time.

**ISSUE 1B:** Should the Commission approve Progress Energy Florida, Inc.'s 2011 Risk Management Plan?

**POSITION:** No position at this time.

DOCUMENT NUMBER-DATE

08656 OCT 15 0

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**ISSUE 1C:** Should the prudence of Progress Energy Florida, Inc.'s replacement power costs related to the extended outage at Crystal River Unit 3 be considered in a separate docket?

**POSITION:** No position at this time

**ISSUE 1D:** Should Progress Energy Florida, Inc. be permitted to collect through the fuel clause, amounts related to replacement power due to the extended outage at Crystal River Unit 3 prior to the Commission's determination of the prudence of such costs in a separate docket?

**POSITION:** No position at this time.

**Florida Power & Light Company**

**ISSUE 2A:** Should the Commission approve as prudent, Florida Power & Light Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Florida Power & Light Company's April 2010 and August 2010 hedging reports?

**POSITION:** No, agree with FIPUG.

**ISSUE 2B:** Should the Commission approve Florida Power & Light Company's 2011 Risk Management Plan?

**POSITION:** No, agree with FIPUG.

**ISSUE 2C:** What are the appropriate projected jurisdictional fuel savings associated with West County Energy Center Unit 3 ("WCEC-3") for the period January 2011 through December 2011? (This issue will not be required if the Commission were to reject the Stipulation and Settlement that was entered into on August 20, 2010, by FPL and the Office of Public Counsel, the Attorney General of the State of Florida, the Florida Industrial Power Users Group, the Florida Retail Federation, the South Florida Hospital and Healthcare Association, the Federal Executive Agencies, and Associated Industries of Florida in Docket No. 080677-EI (the "Settlement Agreement")).

**POSITION:** No position at this time.

**ISSUE 2D:** What are the appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2011 through December 2011? (This issue will not be required if the Commission were to reject the Settlement Agreement).

**POSITION:** No position at this time.

**Florida Public Utilities Company**

**ISSUE 3:** Has the bankruptcy filing of the Jefferson Smurfit Company had any effect on Florida Public Utilities Company's northeast division fuel factors?

**POSITION:** No position at this time.

***Gulf Power Company***

**ISSUE 4A:** Should the Commission approve as prudent, Gulf Power Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf Power Company's April 2010 and August 2010 hedging reports?

**POSITION:** No, agree with FIPUG.

**ISSUE 4B:** Should the Commission approve Gulf Power Company's 2011 Risk Management Plan?

**POSITION:** No, agree with FIPUG.

**ISSUE 4C:** Should the Commission approve Gulf Power Company's fuel clause recovery of the projected costs of landfill gas associated with the Perdido Landfill Gas to Energy Facility for the years 2010 and 2011?

**POSITION:** No, agree with FIPUG.

**Tampa Electric Company**

**ISSUE 5A:** Should the Commission approve as prudent, Tampa Electric Company's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Tampa Electric Company's April 2010 and August 2010 hedging reports?

**POSITION:** No, agree with FIPUG.

**ISSUE 5B:** Should the Commission approve Tampa Electric Company's 2011 Risk Management Plan?

**POSITION:** No, agree with FIPUG.

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** No position at this time.

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**POSITION:** No position at this time.

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

**POSITION:** No position at this time.

**ISSUE 9:** What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

**POSITION:** No position at this time.

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2011 to December 2011?

**POSITION:** No position at this time.

**ISSUE 11:** 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 2011 to December 2011?

**POSITION:** No position at this time.

**ISSUE 12:** What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2011 to December 2011?

**POSITION:** No position at this time.

**ISSUE 13:** What are the appropriate levelized fuel cost recovery factors for the period January 2011 to December 2011?

**POSITION:** No position at this time.

**ISSUE 14:** 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:** No position at this time.

**ISSUE 15:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

**POSITION:** No position at this time.

**ISSUE 16:** What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

**POSITION:** No position at this time.

#### **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES**

##### **Progress Energy Florida, Inc.**

No company-specific issues for Progress Energy Florida.

##### **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 18A, 18B, 18C, 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 19A, 19B, 19C, 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 20A, 20B, 20C, and so forth, as appropriate.

#### **GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 21:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

**POSITION:** No position at this time.

**ISSUE 22:** What should the GPIF targets/ranges be for the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF?

**POSITION:** No position at this time.

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

#### **Progress Energy Florida, Inc.**

**ISSUE 23:** Has Progress Energy Florida, Inc. included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

**POSITION:** No position at this time.

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

**ISSUE 24:** Has Florida Power & Light Company included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

**POSITION:** No position at this time.

#### **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 25A, 25B, 25C, 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 26A, 26B, 26C, and so forth, as appropriate.

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

**ISSUE 27:** What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

**POSITION:** No position at this time.

**ISSUE 28:** What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?



**POSITION:** No position at this time.

**ISSUE 30:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2011 through December 2011?

**POSITION:** No position at this time.

**ISSUE 31:** What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2011 through December 2011?

**POSITION:** No position at this time.

**ISSUE 32:** What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2011 through December 2011?

**POSITION:** No position at this time.

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2011 through December 2011?

**POSITION:** No position at this time.

e. Stipulated Issues

There are no stipulated issues at this time.

f. Pending Motions

FEA has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FEA has no pending requests for confidentiality at this time.

h. Objections to Witness Qualifications as an Expert

FEA has no objections to any witnesses' qualifications at this time.

i. Compliance with Order No. PSC-10-0154-PCO-EI

FEA has complied with all requirements of the Order Establishing Procedure entered in this docket.

FEA'S PREHEARING STATEMENT  
DOCKET NO. 100001-EI  
PAGE 8

Respectfully submitted this 12th day of October, 2010.

***Karen S. White***

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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. 100001-EI

DATED: October 12, 2010

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that FEA'S PREHEARING STATEMENT has been filed with  
Office of Commission Clerk and one copy has been furnished to the following by electronic-  
mail, on this 12th day of October, 2010:

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