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**Subject:** Electronic Filing - Docket 110001-EI  
**Attachments:** 110001.FRF.PHS.10-12-11.pdf

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b. 110001-E1

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

c. Document being filed on behalf of the Florida Retail Federation.

d. There are a total of 11 pages.

e. The document attached for electronic filing is Prehearing Statement of the Florida Retail Federation.

(see attached file: 110001.FRF.PHS.10-12-11.pdf)

Thank you for your attention and assistance in this matter.

**Rhonda Dulgar**

**Secretary to Jay LaVia & Schef Wright**

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DOCUMENT NUMBER: 07481 OCT 12 =  
FPSC-COMMISSION CLERK

10/12/2011

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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. 110001-EI  
FILED: October 12, 2011

**PREHEARING STATEMENT OF THE FLORIDA RETAIL FEDERATION**

The Florida Retail Federation ("FRF"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-11-0132-PCO-EI, issued February 25, 2011, hereby submits its Prehearing Statement in this docket.

**APPEARANCES:**

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On behalf of the Florida Retail Federation

1. **WITNESSES:**

The Florida Retail Federation does not intend to call any witnesses for direct examination, but reserves its rights to cross-examine all witnesses and to rely upon the prefiled testimony of witnesses in this docket, as well as testimony on their cross-examination.

2. **EXHIBITS:**

The Florida Retail Federation will not introduce any exhibits on direct examination, but reserves its rights to introduce exhibits through cross-examination of other parties' witnesses.

3. **STATEMENT OF BASIC POSITION**

All of the investor-owned electric utilities bear the burden of proving the reasonableness and prudence of their expenditures for which they seek recovery through their Fuel and Purchased Power Cost Recovery Charges.

DOCUMENT NUMBER-DATE

07481 OCT 12 =

FPSC-COMMISSION CLERK

As a matter of fairness to customers, and recognizing that Progress Energy Florida has not demonstrated the prudence of its actions relative to the CR3 steam generator replacement project and the delamination that resulted from PEF's cutting an additional opening in the CR3 containment building, the Commission should not allow PEF to collect from its customers any replacement power expenses related to the continuing outage at CR3. When the Commission permitted the recovery of such costs last year, that permission was largely based on Progress's representation that CR3 would be returned to serving customers by the end of March 2011. PEF now predicts that the unit will not come back on line until the end of 2014, if then. Ratepayers should not be required to pay hundreds of millions of dollars for replacement power costs resulting from Progress's actions, where PEF has the burden of proving that it is entitled to any recovery of such replacement power costs, and when the Commission has not yet decided if PEF's actions regarding CR3 were prudent. That determination will be made in Docket No. 100437-EI, and no money should be collected from ratepayers related to the extended CR3 outage (i.e., the outage period beyond that originally scheduled as part of the steam generator replacement project) until that docket is concluded.

#### 4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

##### I. FUEL ISSUES

##### COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

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

**ISSUE 1A:** 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 2011 and August 2011 hedging reports?

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

**ISSUE 1B:** Should the Commission approve PEF's 2012 Risk Management Plan?

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

**ISSUE 1C:** Should PEF be permitted to recover the costs of replacement power due to the extended outage at Crystal River 3 in this docket?

**FRF:** No. PEF should not be permitted to recover any costs of replacement power due to the CR3 outage pending resolution of the issues in Docket No. 100437-EI.

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

**ISSUE 2A:** 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 2011 and August 2011 hedging reports?

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

**ISSUE 2B:** Should the Commission approve FPL's 2012 Risk Management Plan?

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

**ISSUE 2C:** What are the appropriate projected jurisdictional fuel savings associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

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

**ISSUE 2D:** Should the Commission approve FPL's Time of Use Rates for the period January 2012 through December 2012 that are calculated based on seasonally differentiated marginal fuel costs?

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

### **Florida Public Utilities Company**

**ISSUE 3A:** Is it appropriate for FPUC to include unbilled fuel revenues in its fuel factor calculations for the Northwest and Northeast Divisions?

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

**ISSUE 3B:** Is FPUC's proposed method to allocate demand costs to the rate classes appropriate?

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

### **Gulf Power Company**

**ISSUE 4A:** 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 2011 and August 2011 hedging reports?

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

**ISSUE 4B:** Should the Commission approve Gulf's 2012 Risk Management Plan?

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

**ISSUE 4C:** Was Gulf Power Company prudent in commencing and continuing litigation against Coalsales II, LLC for breach of contract?

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

**Tampa Electric Company**

**ISSUE 5A:** 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 2011 and August 2011 hedging reports?

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

**ISSUE 5B:** Should the Commission approve TECO's 2012 Risk Management Plan?

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

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

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

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

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

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

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

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

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

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

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

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

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

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

**Tampa Electric Company**

**ISSUE 15A:** Should Tampa Electric's GPIF targets and ranges for 2011 be re-established, based on the corrected revised testimony and exhibit of Tampa Electric's witness Brain Buckley filed in this docket on April 11, 2011?

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

**GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 16:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

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

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

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

**FUEL FACTOR CALCULATION ISSUES**

**ISSUE 18:** 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 2012 through December 2012?

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

**ISSUE 19:** 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 2012 through December 2012?

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

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

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

**ISSUE 21:** 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?

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

**ISSUE 22:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

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

## **II. CAPACITY ISSUES**

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

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

**ISSUE 23A:** Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

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

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

**ISSUE 24A:** Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

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

**ISSUE 24B:** What are the appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2012 through December 2012?

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

**ISSUE 24C:** What amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County



Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

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

### **Tampa Electric Company**

**ISSUE 26A:** Should the Commission approve Tampa Electric Company's proposal to charge incremental cybersecurity costs to the capacity cost recovery clause?

**FRF:** The FRF understands that this issue is to be stipulated. The FRF does not object to, but does not join in the stipulation. (No position.)

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

**ISSUE 27:** What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

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

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011?

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

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

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

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

**FRF:** 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 2012 through December 2012?

**FRF:** 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 2012 through December 2012?

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

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

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

### **III. EFFECTIVE DATE**

**ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

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

5. **STIPULATED ISSUES:**

None at this time. The FRF is willing to stipulate that the testimony of any witnesses whom no party or Commissioner wishes to cross examine be inserted into the record as though read, cross examination waived, and the witness's attendance at the hearing be excused.

6. **PENDING MOTIONS:**

The FRF has no pending motions before the Commission in this docket.

7. **STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

The FRF has no pending requests for claims for confidentiality.

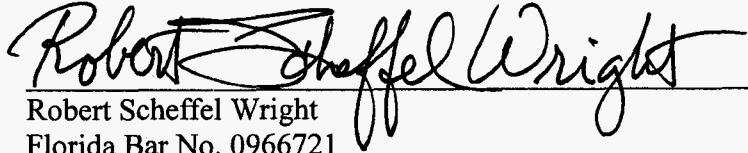
8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

As of the time of filing its prehearing statement, the FRF does not expect to challenge the qualification of any witness. However, the FRF believes that each party that intends to rely upon a witness's testimony as expert testimony should be required to identify the field or fields of expertise of such witness and to provide the basis for the witness's claimed expertise.

9. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which the Florida Retail Federation cannot comply.

Dated this 12<sup>th</sup> day of October, 2011.

A handwritten signature in black ink that reads "Robert Scheffel Wright". The signature is written in a cursive style with a horizontal line drawn across the bottom of the text.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by electronic and U. S. Mail on this 12th day of October, 2011.

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