

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 12000
FILED: October 8, 2012

PREHEARING STATEMENT OF THE FLORIDA RETAIL FEDERATION

The Florida Retail Federation ("FRF"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-12-0061-PCO-EI, issued February 10, 2012, 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.

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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.

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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 2012 and August 2012 hedging reports?

FRF: No position at this time.

ISSUE 1B: Should the Commission approve PEF's 2013 Risk Management Plan?

FRF: No position at this time.

(OPC proposed addition:)

ISSUE 1C: Has PEF correctly reflected the \$129 million refund pursuant to the Settlement approved in Order No. PSC-12-0104-FOF-EI in the calculation of the 2013 fuel factor? (Note: PEF agrees with proposed addition).

FRF: No position at this time.

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 2012 and August 2012 hedging reports?

FRF: No position at this time.

ISSUE 2B: Should the Commission approve FPL's 2013 Risk Management Plan?

FRF: No position at this time.

ISSUE 2C: Should FPL's fuel factors for the new RTR-1 rider be approved?

Proposed Stipulation (By PSC Staff): In its rate case, Docket No. 120015-EI, FPL proposed a new optional residential time-of-use rider, RTR-1. If the Commission approves the RTR-1 rider in the rate case, the proposed fuel factors for the RTR-1 rider should be approved. If the Commission denies the RTR-1 rider in the rate case, this issue is moot.

FRF: The FRF would neither oppose nor join this stipulation.

Florida Public Utilities Company

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

FRF: No position at this time.

ISSUE 3B: Should FPUC be allowed to recover through the Fuel Clause the legal and consulting fees incurred in developing the Company's Time of Use and Interruptible Rates for its Northwest Division? (Proposed by FPUC.)

FRF: No.

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 2012 and August 2012 hedging reports?

FRF: No position at this time.

ISSUE 4B: Should the Commission approve Gulf's 2013 Risk Management Plan?

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 2012 and August 2012 hedging reports?

FRF: No position at this time.

ISSUE 5B: Should the Commission approve TECO's 2013 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 2012 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 2013 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 2011 through December 2011?

FRF: No position at this time.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2012 through December 2012?

FRF: No position at this time.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2013 to December 2013?

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 2013 through December 2013?

FRF: No position at this time.

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

Progress Energy Florida, Inc.

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, 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 13A, 13B, 13C, 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 14A, 14B, 14C, 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 15A, 15B, 15C, and so forth, as appropriate.

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 2011 through December 2011 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 2013 through December 2013 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 2013 through December 2013?

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 2013 through December 2013?

FRF: No position at this time.

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2013 through December 2013?

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 COST RECOVERY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida, Inc.

ISSUE 23A: What is the amount to be included in the Capacity Cost Recovery Clause, for PEF's 2013 nuclear cost recovery?

Proposed Stipulation: For the Crystal River 3 Uprate project, the amount to be included is that which is approved, if any, by the Commission at its November 20, 2012, Agenda

Conference. For the Levy Nuclear Project, the amount will be a function of the rates approved for collection in PEF's Settlement Agreement consistent with page 147 of Order No. PSC-12-0104-FOF-EI. After the Commission votes on November 20, 2012, PEF will submit to the Commission, with copies to all parties, its revised schedules showing the calculation of the 2013 capacity cost recovery factors. Commission staff is granted administrative authority to verify that the schedules are consistent with the Commission's vote on November 20, 2012 and Order No. PSC-12-0104-FOF-EI as described above. (Proposed by PEF, approved by staff) (Underlined language "if any" proposed by FIPUG and supported by PCS).

FRF: Consistent with its positions stated in Docket No. 120009-EI, PEF should not collect any CR3 EPU costs in 2013. The FRF would not oppose a stipulation that PEF be authorized to collect costs associated with the Levy Nuclear Project that are calculated consistently with the provisions of the Settlement Agreement between PEF and Consumer Parties, including the FRF.

Florida Power & Light Company

ISSUE 24A: What is the amount to be included in the Capacity Cost Recovery Clause, for FPL's 2013 nuclear cost recovery?

Proposed Stipulation: The amount to be included is that which is approved by the Commission at its November 20, 2012, Agenda Conference. After the Commission votes on November 20, 2012, FPL will submit to the Commission, with copies to all parties, its revised schedules showing the calculation of the 2013 capacity cost recovery factors. Commission staff is granted administrative authority to verify that the schedules are consistent with the Commission's vote on November 20, 2012. (FPL agrees, (Keith)).

FRF: The FRF would neither oppose nor join this stipulation.

ISSUE 24B: Should an adjustment be made to transfer incremental security costs from the Capacity Cost Recovery Clause to base rates?

FRF: Yes. These security costs are not the type of costs that the clause was intended to recover.

ISSUE 24C: If the Commission approves the Proposed FPL Rate Case Settlement Agreement, 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 2013 through December 2013?

FRF: The FRF did not dispute the amounts of WCEC-3 rate base and operating costs that FPL requested in the main/primary rate case when FPL's proposed to move the revenue requirements from the clause to base rates, nor did the FRF dispute FPL's proposal to move the revenue requirements for WCEC-3 to base rates. (The FRF, like all of the Consumer intervenor parties to the rate case, disputes the return to be earned on all of FPL's rate base, in including WCEC-3.) However, the FRF opposes the proposed FPL/FIPUG/FEA/SFHHA Settlement Agreement because it is procedurally invalid and substantively contrary to the public interest.

ISSUE 24D: Should FPL be permitted to recover incremental Fukushima compliance costs incurred after January 1, 2013 through the Capacity Cost Recovery Clause?

FRF: No. Such costs do not qualify for inclusion in the Capacity Cost Recovery Clause and should be recovered through base rates.

ISSUE 24E: If the Commission approves the Proposed FPL Rate Case Settlement Agreement that was filed in Docket No. 120015-EI on August 15, 2012 ("the "Proposed Settlement Agreement"), should the Commission approve FPL's proposed GBRA factor of 3.527 percent for the Canaveral Modernization Project?

FRF: No. In the public interest, the Commission should reject the Proposed Settlement Agreement and determine the amount that FPL should recover for the addition of the Canaveral Modernization Project by voting on the Canaveral issues that were litigated in the rate case.

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 2011 through December 2011?

FRF: No position at this time.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2012 through December 2012?

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 2013 through December 2013?

FRF: No position at this time.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2013 through December 2013?

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 2013 through December 2013?

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 2013 through December 2013?

FRF: No position at this time.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2013 through December 2013?

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:**

See the proposed stipulations above regarding Issues 2C, 23A, and 24A; the FRF's positions are stated with respect to each proposed stipulation. 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.

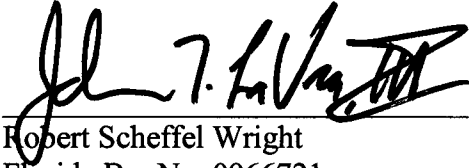
8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

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.

Respectfully submitted this 8th day of October, 2012.

A handwritten signature in black ink, appearing to read "John T. LaVia, III". The signature is written in a cursive style with a horizontal line extending from the end of the signature.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by electronic mail on this 8th day of October, 2012.

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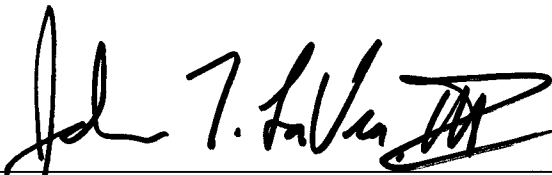
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