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**Subject:** FPSC Docket 120001-EI - PCS Phosphate's Prehearing Statement

**Attachments:** PCS Prehearing Statement 2012 FINAL.pdf

- a. Person responsible for filing

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- b. Docket No. 120001-EI, In Re: Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor
- c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs
- d. Total Pages = 11
- e. PCS Phosphate's Prehearing Statement

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

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

**Docket No. 120001-EI  
Filed: October 8, 2012**

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

Pursuant to the Florida Public Service Commission's February 10, 2012 *Order Establishing Procedure*, Order No. PSC-12-0061-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, but may introduce exhibits during the course of cross-examination.

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**D. STATEMENT OF BASIC POSITION**

Progress Energy Florida ("Progress" or "PEF") has requested that the Commission approve a Progress-specific capacity cost recovery factor that is premised, in part, on its claim in the Nuclear Cost Recovery Clause proceeding, Docket No. 120009-EI, that in 2011, Progress prudently expended approximately \$66 million (including carrying costs) for the engineering, procurement and construction of the Crystal River Unit 3 ("CR3) Extended Power Uprate ("EPU") project. As PCS Phosphate explained in its post-hearing statement in that proceeding, Progress has failed to establish the feasibility of the EPU project and thus the 2011 expenditures cannot be deemed prudent. As a result, subject to the final outcome of Docket No. 120009-EI, the capacity cost recovery factor must be reduced to reflect the disallowance of Progress' 2011 expenditures for the CR3 EPU project.

With respect to the remaining issues in this proceeding, PCS Phosphate generally accepts and adopts the positions taken by the OPC.

**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 Energy Florida. PCS Phosphate takes the following positions on the specific issues presented below as they pertain to Progress:

## **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?

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

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

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

**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?

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

### **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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2011 through December 2011?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2013 through December 2013?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

#### **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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

#### **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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

### **CAPACITY 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?

**PCS Phosphate:** The amount to be included in the Capacity Cost Recovery Clause, for PEF's 2013 nuclear cost recovery should be adjusted to reflect the removal of all 2011 expenditures, including carrying costs, for the CR3 EPU project.

#### **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?

**PCS Phosphate:** With respect to PEF, the utility's proposed capacity cost recovery true-up amounts for the period January 2011 through December 2011 should be adjusted to reflect the removal of all 2011 expenditures, including carrying costs, for the CR3 EPU project.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, the total capacity cost recovery true-up amounts to be collected/refunded during the period January 2013 through December 2013 should be adjusted to reflect the removal of all 2011 expenditures, including carrying costs, for the CR3 EPU project.

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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?

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

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

**PCS Phosphate:** With respect to PEF, the capacity cost recovery factors for the period January 2013 through December 2013 must reflect the removal all of 2011 expenditures, including carrying costs, for the CR3 EPU project.



**EFFECTIVE DATE**

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

**PCS Phosphate:** With respect to PEF, PCS Phosphate agrees with and adopts the position of the OPC.

**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 8<sup>th</sup> day of October, 2012.

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

*s/ James W. Brew*

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*Attorneys for*

*White Springs Agricultural Chemicals, Inc.*

*d/b/a/ PCS Phosphate – White Springs*

**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 8<sup>th</sup> day of October, 2012:

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CERTIFICATE OF SERVICE  
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/s/ Al Taylor  
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