

Crystal Card

From: Keating, Beth <BKeating@gunster.com>
Sent: Monday, October 07, 2013 3:36 PM
To: Filings@psc.state.fl.us
Cc: Martha Barrera
Subject: Docket No. 130001-EI
Attachments: 2013 Prehearing Statement (filed).PDF; Prehearing Statement 2013 (Fuel) Final.DOC

Attached for electronic filing, please find Florida Public Utilities Company's Prehearing Statement in the referenced docket.

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a. Person responsible for this electronic filing:

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b. Docket No. 130001-EI - In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

c. On behalf of: Florida Public Utilities Company

d. Number of Pages: PDF – 11 pages
Word DOC – 10 pages

e. Description: Prehearing Statement



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October 7, 2013

BY ELECTRONIC FILING

Ms. Ann Cole, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 130001-EI: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor

Dear Ms. Cole:

Attached for electronic filing, please find a copy of the Prehearing Statement of Florida Public Utilities Company in the above-referenced docket. Also included with this filing is a version of the Company's Prehearing Statement in native format.

Thank you for your assistance with this filing.

Sincerely,

Beth Keating
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(850) 521-1706

MEK
cc:/(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 130001-EI

DATED: October 7, 2013

**FLORIDA PUBLIC UTILITIES COMPANY'S
PREHEARING STATEMENT**

In accordance with the Order Establishing Procedure for this Docket, Order No. PSC-13-0069-PCO-EI, issued February 4, 2013, Florida Public Utilities Company ("FPUC" or "Company") hereby files its Prehearing Statement.

a. All Known Witnesses

<u>Witness</u>	<u>Subject</u>	<u>Issue</u>
Curtis D. Young	Final True Up 2012 ¹	8
Curtis D. Young	Estimated/Actual 2013(Revised) ²	3A, 8, 9, 10
Curtis D. Young	Projection for 2013	3A, 11, 19, 20, 21, 22, 23, 35
Cheryl M. Martin	Application of Gulf Payment to Existing Regulatory Asset	Issue 3B
P. Mark Cutshaw	Transmission Cost Allocation	Issue 3A

b. All Known Exhibits

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>
Young	CDY-1 (Composite)	Final True Up Schedules (Schedules F-1 and M-1 for FPUC's Divisions) ³

¹ Revised April 22, 2013.

² Revised August 30, 2013.

³ Revised April 22, 2013.

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>
Young	CDY-2 (Composite)	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1 for the Northwest Division and E1-A, E1-B, and E1-B1 for the Northeast Division)(Second Revised) ⁴
Young	CDY-3 (Composite)	Schedules E1, E1A, E2, E7, and E10 for the Northwest Division and E1, E1A, E2, E7, E8, and E10 for the Northeast Division
Martin	CMM-1 (Composite)	Schedule A (Litigation Costs) and Schedule B (Gulf Power Scenario Savings)
Cutshaw	PMM-1	Schedule C (Schedule of Revenue Requirements for Transmission Plant)

c. FPUC's Statement of Basic Position

FPUC: The Company has properly projected its costs. Likewise, the Company has calculated its true-up amounts and purchased power cost recovery factors appropriately. As such, the Company would ask that these amounts and factors be approved by the Commission with the proposed allocation of transmission costs applied.

d. FPUC's Position on the Issues

COMPANY-SPECIFIC ISSUES – FLORIDA PUBLIC UTILITIES

Florida Public Utilities Company

ISSUE 3A: Is FPUC's proposed method to allocate transmission costs appropriate?

FPUC's Position: Yes. Reallocation to the Northeast Division of a portion of the transmission costs included in the Generation Services Agreement (“PPA”) with Gulf Power Company for power to serve the Northwest Division (Marianna) will reduce the interdivisional inequities associated

⁴ Revised August 30, 2013.

with the fact that transmission assets that serve only the Northeast Division (Fernandina Beach) are currently embedded in base rates, and thus, recovered from both of the Company's electric divisions.

(Cutshaw, Young)

ISSUE 3B: How should the lump sum payment made by Gulf Power Company (Gulf) to Florida Public Utilities Company (FPUC) to true-up capacity payments upon the reinstatement of Amendment No. 1 to FPUC's Agreement for Generation Services with Gulf be addressed?

FPUC's Position: Agree with OPC. Pursuant to the Stipulation filed on September 3, 2013, in Docket No. 130233-EI, and submitted for approval by the Commission at the October 24, 2013, the lump sum payment will be applied to reduce the regulatory asset established by Order No. PSC-12-0600-PAA-EI, issued in Docket No. 120227-EI.

(Martin)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2013 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2014 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position at this time.

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2012 through December 2012?

FPUC's Position: Northwest Division (Marianna): \$1,118,689 (Under-recovery)
Northeast Division (Fernandina Beach): \$1,785,473 (Over-recovery)

(Young)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2013 through December 2013?

FPUC's Position:

Northwest Division (Marianna): \$363,316 (Over-recovery)

Northeast Division (Fernandina Beach): \$900,204 (Over-recovery)

(Young)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2014 to December 2014?

FPUC's Position: Northwest Division (Marianna): \$755,373 (Under-recovery)

Northeast Division (Fernandina Beach): \$2,685,677 (Over-recovery)

(Young)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2014 through December 2014?

FPUC's Position: Northwest Division (Marianna): \$31,438,731

Northeast Division (Fernandina Beach): \$33,272,998

(Young)

FUEL FACTOR CALCULATION ISSUES

ISSUE 19: 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 2014 through December 2014?

FPUC's Position: Northwest Division (Marianna): \$31,438,731

Northeast Division (Fernandina Beach): \$33,272,998

(Young)

ISSUE 20: 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 2014 through December 2014?

FPUC's Position: Northwest Division (Marianna): 1.00072

Northeast Division (Fernandina Beach): 1.00072

(Young)

ISSUE 21: What are the appropriate levelized fuel cost recovery factors for the period January 2014 through December 2014?

FPUC's Position: Northwest Division (Marianna): 6.069¢ /kwh

Northeast Division (Fernandina Beach): 4.844 ¢ /kwh

(Young)

ISSUE 22: 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?

FPUC's Position: Northwest Division (Marianna): 1.0000 (All rate schedules)

Northeast Division (Fernandina Beach): 1.0000 (All rate schedules)

(Young)

ISSUE 23: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

FPUC's Position: The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2014 through December 2014 for the Northwest Division, adjusted for line loss multipliers and including taxes, are as follows:

Northwest Division

Rate Schedule

Adjustment

RS	\$0.10185
GS	\$0.09829

GSD	\$0.09322
GSLD	\$0.08965
OL, OI1	\$0.07595
SL1, SL2, and SL3	\$0.07616
<u>Step rate for RS</u>	
RS with less than 1,000 kWh/month	\$0.09740
RS with more than 1,000 kWh/month	\$0.10990

Consistent with the fuel projections for the 2014 period, the appropriate adjusted Time of Use (TOU) and Interruptible rates for the 2014 period are:

Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18140	\$0.05840
GS	\$0.13829	\$0.04829
GSD	\$0.13322	\$0.06072
GSLD	\$0.14965	\$0.05965
Interruptible	\$0.07465	\$0.08965

The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2014 through December 2014 for the Company's Northeast Division, adjusted for

line loss multipliers and including taxes, are as follows:

Northeast Division

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.09337
GS	\$0.08335
GSD	\$0.08220
GSLD	\$0.08245
OL	\$0.05228
SL	\$0.05206
Step rate for RS	
RS with less than 1,000 kWh/month	\$0.08975
RS with more than 1,000 kWh/month	\$0.10225

(Young)

III. EFFECTIVE DATE

ISSUE 35: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

FPUC's Position: The effective date for FPUC's cost recovery factors should be the first billing cycle for January 1, 2014, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission. *(Young)*

ISSUE 36: Should this Docket be closed?

FPUC's Position: Yes.

e. Stipulated Issues

The Company and the Office of Public Counsel have reached as Stipulation with regard to Company-Specific Issue 3B, as follows:

Pursuant to the Stipulation filed on September 3, 2013, in Docket No. 130233-EI, and submitted for approval by the Commission at the October 24, 2013, the lump sum payment will be applied to reduce the regulatory asset established by Order No. PSC-12-0600-PAA-EI, issued in Docket No. 120227-EI.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC has no pending requests for confidentiality at this time.

h. Objections to Witness Qualifications as an Expert

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

i. Compliance with Order No. PSC-13-0069-PCO-EI

FPUC has complied with all requirements of the Order Establishing Procedure entered in this docket, as well as the subsequent orders issued modifying that Order.

RESPECTFULLY SUBMITTED this 7th day of October, 2013.

BY: _____



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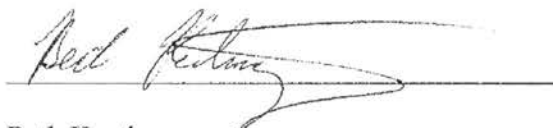
Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served upon the following by Electronic Mail this 7th day of October, 2013.

<p>Martha Barrera Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 mbarrera@psc.state.fl.us</p>	<p>James D. Beasley/J. Jeffrey Wahlen Ausley Law Firm Post Office Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com</p>
<p>Jeffrey Stone/Russell Badders/Steven Griffin Beggs & Lane P.O. Box 12950 Pensacola, FL 32591-2950 Email: jas@beggslane.com</p>	<p>James W. Brew/F. Alvin Taylor Brickfield Law Firm Eighth Floor, West Tower 1025 Thomas Jefferson Street, NW Washington, DC 20007 Email: jbrew@bbrslaw.com</p>
<p>John T. Butler Florida Power & Light Company 700 Universe Boulevard Juno Beach, FL 33408-0420 Email: John.Butler@fpl.com</p>	<p>Kenneth Hoffman Florida Power & Light Company 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 Email: Ken.Hoffman@fpl.com</p>
<p>Captain Samuel Miller USAF/AFLOA/JACL/ULFSC Federal Executive Agencies 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319 Email: Samuel.Miller@Tyndall.af.mil</p>	<p>Jon C. Moyle, Jr. Moyle Law Firm 118 North Gadsden Street Tallahassee, FL 32301 Email: jmoyle@moylelaw.com</p>
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<p>Robert L. McGee Gulf Power Company One Energy Place Pensacola, FL 32520 Email: rlmcgee@southernco.com</p>	<p>J. Kelly/P. Christensen/C. Rehwinkel/Joe McGlothlin Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 Email: Christensen.patty@leg.state.fl.us</p>

<p>Paul Lewis, Jr. Progress Energy Florida, Inc. 106 East College Avenue, Suite 800 Tallahassee, FL 32301 FAX: 521-1421 Email: Paul.lewisjr@duke-energy.com</p>	<p>John T. Burnett/Dianne M. Triplett Progress Energy Service Company, LLC Post Office Box 14042 St. Petersburg, FL 33733 Phone: 727-820-5184 FAX: 727-820-5519 Email: John.burnett@duke-energy.com</p>
<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P. O. Box 111 Tampa, FL 33601-0111 Phone: (813) 228-1444 FAX: (813) 228-1770 Email: Regdept@tecoenergy.com</p>	<p>Randy B. Miller White Springs Agricultural Chemicals, Inc Post Office Box 300 White Springs, FL 32096 Email: RMiller@pcsphosphate.com</p>



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Pursuant to the Stipulation filed on September 3, 2013, in Docket No. 130233-EI, and submitted for approval by the Commission at the October 24, 2013, the lump sum payment will be applied to reduce the regulatory asset established by Order No. PSC-12-0600-PAA-EI, issued in Docket No. 120227-EI.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC has no pending requests for confidentiality at this time.

h. Objections to Witness Qualifications as an Expert

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

i. Compliance with Order No. PSC-13-0069-PCO-EI

FPUC has complied with all requirements of the Order Establishing Procedure entered in this docket, as well as the subsequent orders issued modifying that Order.

RESPECTFULLY SUBMITTED this 7th day of October, 2013.

BY: s/Beth Keating

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Attorneys for Florida Public Utilities Company

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<p>Ms. Paula K. Brown Tampa Electric Company Regulatory Affairs P. O. Box 111 Tampa, FL 33601-0111 Phone: (813) 228-1444 FAX: (813) 228-1770 Email: Regdept@tecoenergy.com</p>	<p>Randy B. Miller White Springs Agricultural Chemicals, Inc Post Office Box 300 White Springs, FL 32096 Email: RMiller@pcsphosphate.com</p>

s/Beth Keating

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