

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition for Determination of Need	)	
For Citrus County Combined Cycle Power	)	DOCKET NO. 140110-EI
Plant, by Duke Energy Florida, Inc.	)	
In Re: Petition for Determination of Cost	)	
Effective Generation Alternative to Meet Need	)	DOCKET NO. 140111-EI
Prior to 2018 for Duke Energy Florida, Inc.	)	Filed on: August 1, 2014

**CONSOLIDATED PREHEARING STATEMENT OF  
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.  
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Commission’s Orders Establishing Procedure in these dockets, Order No. PSC-14-0274-PCO-EI and Order No. PSC-14-0275-PCO-EI, issued May 29, 2014, and the “*Third Order Establishing Procedure and Order Granting Motion for Alternative Testimony Filing Dates,*” Order No. PSC-14-0341-PCO-EI, dated July 3, 2014, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorney, files its consolidated Prehearing Statement in the above matters.

**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.

**D. STATEMENT OF BASIC POSITION**

Duke Energy Florida, Inc. (“Duke”) filed its petitions in Docket Nos. 140110 and 140111 ostensibly to replace lost generating capacity associated with the closure of the utility’s ruined Crystal River 3 nuclear plant, to replace aging existing coal and peaking generation, and to meet summer peak demand needs, although its winter peak is higher and normally used for capacity planning purposes. The Revised and Restated Stipulation and Settlement Agreement (RRSSA) approved by the Commission last year permits Duke to request such determinations and attendant cost recovery in rates, but it does not appear at this juncture that either petition is in the public interest.

With respect to the application for a determination of need for the Citrus County, the burden of proving both the need for 1,640 MWs of combined cycle generation capacity (summer) by the end of December 2018 and the reasonableness of the proposed \$1.5 billion in capital costs lies with Duke. The record to this point does not demonstrate that need at this time. In fact, it appears that the project should be deferred by at least three years. Also, considering the on-going rate impacts to Duke’s customers imposed by the utility’s three failed nuclear ventures at Crystal River and Levy County, Duke should pursue all available options for meeting its capacity needs while minimizing customer impacts.

With respect to the Hines chiller and combustion turbine investments proposed in Docket No. 140111, intervenors have proposed competing solutions which they claim are more cost-effective in meeting the need that Duke asserts exists both before and after 2018. Based on the testimony filed to date, it does not appear that Duke has met its burden of establishing the reasonableness of the estimated costs of its proposed self-build options.

**E. STATEMENT ON SPECIFIC ISSUES**

**Docket No. 140111-EI**

**Issue 1: Is the proposed Citrus County combined cycle plant needed, taking into account the need for electric system reliability and integrity?**

**PCS Phosphate:** No. Duke carries the burden of demonstrating the reasonableness of its forecasts, and the utility has not demonstrated that capacity additions of the size proposed in the Citrus County project are needed by 2018. Considering the abbreviated schedule associated with this need proceeding and the fact that Duke has not filed its rebuttal testimony as of this date, there are substantial questions that must be resolved concerning the demand forecasts that Duke relies upon and the suitability of the proposed projects.

**Issue 2: Is the proposed Citrus County combined cycle plant needed, taking into account the need for adequate electricity at a reasonable cost?**

**PCS Phosphate:** No. Duke carries the burden of demonstrating the reasonableness of its forecasts, and the utility has not demonstrated that capacity additions of the size proposed in the Citrus County project are needed by 2018. Considering the abbreviated schedule associated with this need proceeding and the fact that Duke has not filed its rebuttal testimony as of this date, there are substantial questions that must be resolved concerning the demand forecasts and the suitability of the proposed projects.

**Issue 3: Is the proposed Citrus County combined cycle plant needed, taking into account the need for fuel diversity and supply reliability?**

**PCS Phosphate:** No. Duke carries the burden of demonstrating the reasonableness of its forecasts, and the utility has not demonstrated that capacity additions of the size proposed in the Citrus County project are needed by 2018. Duke's proposal to construct additional natural gas-fired generation is creating a more gas-reliant system rather than expanding fuel diversity. Considering the abbreviated schedule associated with this need proceeding and the fact that Duke has not filed its rebuttal testimony as of this date, there are substantial questions that must be resolved concerning the demand forecasts and the suitability of the proposed projects.

**Issue 4: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Duke Energy Florida that might mitigate the need for the proposed Citrus County combined cycle plant?**

**PCS Phosphate:** At this time, it appears that Duke has appropriately incorporated into its analysis all renewable energy sources and technologies reasonably available to the company, but Duke's forecasted growth in peak demand while usage per customer generally flattens or declines suggests that Duke's efforts to manage peak load growth are insufficient.

**Issue 5: Is the proposed Citrus County combined cycle plant the most cost-effective alternative available to meet the needs of Duke Energy Florida and its customers?**

**PCS Phosphate:** At this time, Duke has not met its burden of proving that constructing the proposed Citrus County combined cycle plant for an in-service date of December 2018 is the most cost-effective alternative available to meet the needs of Duke Energy Florida and its customers.

**Issue 6: Did Duke Energy Florida reasonably evaluate all alternative scenarios for cost effectively meeting the needs of its customers over the relevant planning horizon?**

**PCS Phosphate:** No position at this time.

**Issue 7: Based on the resolution of the foregoing issues, should the Commission grant the requested determination of need for the proposed Citrus County combined cycle plant?**

**PCS Phosphate:** No. Duke has not met its burden of proving that constructing the proposed Citrus County combined cycle plant for an in-service date of December 2018 is the most cost-effective alternative available to meet the needs of Duke Energy Florida and its customers.

**Issue 8: Should this docket be closed?**

**PCS Phosphate:** No position.

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**Issue 9: Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for electric system reliability and integrity?**

**PCS Phosphate:** PCS agrees with the Office of Public Counsel that there are material issues of fact that need to be resolved and that Duke bears the burden of demonstrating the reasonableness of its forecast and the reasonableness of its self-build proposals compared to other viable alternatives that intervenors have put forth.

**Issue 10: Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for adequate electricity at a reasonable cost?**

**PCS Phosphate:** PCS agrees with the Office of Public Counsel that there are material issues of fact that need to be resolved and that Duke bears the burden of demonstrating the reasonableness of its forecast and the reasonableness of its self-build proposals compared to other viable alternatives that intervenors have put forth.

**Issue 11: Are the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project needed, taking into account the need for fuel diversity and supply reliability?**

**PCS Phosphate:** PCS agrees with the Office of Public Counsel that there are material issues of fact that need to be resolved and that Duke bears the burden of demonstrating the reasonableness of its forecast and the reasonableness of its self-build proposals compared to other viable alternatives that intervenors have put forth.

**Issue 12: Are there any renewable energy sources and technologies or conservation measures taken by or reasonably available to Duke Energy Florida, Inc. that might mitigate the need for the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project?**

**PCS Phosphate:** At this time, it appears that Duke has appropriately incorporated into its analysis all renewable energy sources and technologies reasonably available to the company, but Duke's forecasted growth in peak demand while usage per customer generally flattens or declines suggests that Duke's efforts to manage peak load growth are insufficient.

**Issue 13: Are the proposed Suwannee Simple Cycle Project in 2016 and Hines Chillers Power Uprate Project in 2017 the most cost-effective alternatives available to meet the needs of Duke Energy Florida, Inc. and its customers?**

**PCS Phosphate:** There are material issues of fact that need to be resolved and Duke has not met its burden of demonstrating the reasonableness of its forecast and the reasonableness of its self-build proposals compared to other viable alternatives that intervenors have put forth.

**Issue 14: Did Duke Energy Florida, Inc. reasonably evaluate all alternative scenarios for cost effectively meeting the needs of its customers over the relevant planning horizon?**

**PCS Phosphate:** There are material issues of fact that need to be resolved and Duke has not met its burden of demonstrating the reasonableness of its forecast and the reasonableness of its self-build proposals compared to other viable alternatives that intervenors have put forth.

**Issue 15: Based on the resolution of the foregoing issues, should the Commission grant the requested determination that the proposed Suwannee Simple Cycle Project and Hines Chillers Power Uprate Project are the most cost-effective generation alternatives to meet Duke's needs prior to 2018?**

**PCS Phosphate:** No position at this time.

**Issue 16: Should this docket be closed?**

**PCS Phosphate:** No position at this time.

**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

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

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

Dated: August 1, 2014

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by electronic mail and/or U.S. Mail this 1<sup>st</sup> day of August 2014 to the following:

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