

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination that the Osprey Plant acquisition or, alternatively, the Suwannee Simple Cycle Project is the most cost effective generation alternative to meet remaining need prior to 2018, by Duke Energy Florida, Inc.

DOCKET NO.: 150043-EI

FILED: May 6, 2015

**FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-15-0110-PCO-EI, files its Prehearing Statement in the above-referenced matter.

A. APPEARANCES:

Jon C. Moyle, Jr.
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Attorneys for the Florida Industrial Power Users Group

B. WITNESSES AND EXHIBITS:

No FIPUG witnesses have filed direct testimony in this case.

FIPUG reserves the right to question witnesses listed by other parties and to introduce exhibits when/if questioning witnesses.

C. STATEMENT OF BASIC POSITION:

DEF must meet its burden of proof to that there is a need for additional energy and capacity. The most cost-effective, reliable option to meet this need, if such need exists, should be approved by the Commission. If the Commission decides that the purchase of the Osprey unit should be pursued, the risks associated with this transaction, including, but not limited to possible delay or denial of the transaction involving the Osprey generating plant by the Federal Energy Regulatory Commission ("FERC"), should be borne by DEF and the Calpine; these transactional risks should not be borne by the ratepayers. Accordingly, the Commission should expressly provide in its Final Order, should DEF's petition be approved, that all transaction risks

of the sale and transfer of the Osprey unit will be the responsibility of DEF and/or Calpine and will not be placed on ratepayers.

D. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 1: Does DEF have a need for additional generation capacity prior to 2018?

FIPUG: DEF must meet its burden of proof on this issue.

ISSUE 2: Is the acquisition of Calpine's Osprey Plant the most cost-effective way to meet DEF's generation need prior to 2018?

FIPUG: DEF must meet its burden of proof on this issue.

ISSUE 3: Does the Asset Purchase and Sale Agreement for the Osprey Plant contain adequate provisions to protect DEF's customers?

FIPUG: DEF must meet its burden of proof. The risks associated with this transaction, including, but not limited to possible delay or denial of the transaction involving the Osprey generating plant by the Federal Energy Regulatory Commission ("FERC"), should be borne by DEF and the Calpine; these transactional risks should not be borne by the ratepayers. Accordingly, the Commission should expressly provide in its Final Order, should DEF's petition be approved, that all transaction risks of the sale and transfer of the Osprey unit will be the responsibility of DEF and/or Calpine and will not be placed on ratepayers.

ISSUE 4: If the Osprey Plant cannot be acquired under the terms and conditions of the Asset Purchase and Sale Agreement, is construction of the DEF Suwannee Generation Project the next most cost-effective way to meet DEF's generation need prior to 2018?

FIPUG: DEF must meet its burden of proof on this issue.

ISSUE 5: Given the resolution of the foregoing issues, how and when may DEF request recovery of the final costs for the Osprey Plant acquisition or the Suwannee Simple Cycle Project?

FIPUG: Costs should not be recovered until the asset(s) in question is placed into service and is providing energy and/or capacity for the use and benefit of ratepayers.

E. STIPULATED ISSUES:

Duke Energy Florida, Inc. provides electrical service to FIPUG members; this proceeding affects the substantial interests of FIPUG members who receive electrical service from Duke Energy Florida, Inc.; FIPUG has standing in this matter for trial and appellate purposes.

F. PENDING MOTIONS:

None at this time.

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

None at this time.

H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

Only a witness who is tendered as an expert witness, and who expressly identifies his/her field of expertise, should be qualified and treated as an expert witness. If a witness has not been tendered as an expert witness and has not identified his/her area of subject matter expertise, the witness should be treated as a fact witness, not as an expert witness, and FIPUG would object to characterizing such a fact witness as an expert witness.

I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

At this time, FIPUG is not aware of any provision set forth within the Order Establishing Procedure entered in this case with which FIPUG is not able to comply.

/s/ Jon C. Moyle

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Industrial Power Users Group's Prehearing Statement has been furnished by electronic mail this 6th day of May, 2015, to the following:

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