

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.

DOCKET NO. 150075-EI

DATED: June 23, 2015

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-15-0143A-PCO-EI, filed June 5, 2015, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

There are no known witnesses at this time.

2. All Known Exhibits

There are no known exhibits at this time.

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Agreed Issues

**ISSUE 1:** What is the fair value of the existing purchase power agreement with Cedar Bay Genco that FPL is acquiring?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 2:** Is FPL's purchase price for the equity ownership interest of CBAS Power, Inc. fair and reasonable?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 3:** Is FPL's purchase and sale agreement between FPL and CBAS Power Holdings, LLC., and termination of the existing purchase power agreement with Cedar Bay Genco cost-effective?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

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**ISSUE 3A:** In its economic evaluation of and selection of the proposed transaction, did FPL take into account all reasonable measures to mitigate future PPA impacts to ratepayers?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 4:** If the Commission approves FPL's proposed Cedar Bay transaction, how will existing contracts between third party providers and CBAS Power, Inc. or subsidiaries be handled, what are the projected costs of fulfilling or terminating such contracts, and how should these costs be recovered?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 5:** What are the operational and regulatory risks associated with the FPL's proposed Cedar Bay transaction and has FPL appropriately accounted for these risks under the transaction?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 6:** Should the Commission approve as prudent FPL's request to approve the purchase and sale agreement between FPL and CBAS Power HOLDINGS, LLC. and terminate the existing purchase power agreement with Cedar Bay Genco?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 7:** If the Commission approves FPL's proposed Cedar Bay transaction, what is the proper accounting treatment for the transaction?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 8:** If the Commission approves FPL's proposed Cedar Bay transaction, what is the proper rate of return?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

**ISSUE 9:** If FPL's petition is approved, how should the Cedar Bay Generating Facility acquisition costs be recovered?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

5. Staff's Position on the Contested Issues

**ISSUE \_\_\_:** Are continued payments under the existing PPA in the public interest?

**POSITION:** Staff has no position pending evidence adduced at the hearing.

6. Stipulated Issues

There are no stipulated issues at this time.

7. Pending Motions

Staff has no pending motions at this time.

8. Pending Confidentiality Claims or Requests

There are several pending confidentiality requests. Some of the requests are pending clarification by the parties. Staff is working on reviewing the requests and will complete and submit draft orders prior to hearing.

9. Objections to Witness Qualifications as an Expert

Staff has no objection to witnesses' qualifications as experts.

10. Compliance with Order No. PSC-15-0143A-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 23rd day of June, 2015.

*/s/ Martha F. Barrera*

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MARTHA F. BARRERA

STAFF COUNSEL

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic mail on this 23rd day of June, 2015:

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*/s/ Martha F. Barrera*

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