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ORIGINAL

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To: Filings@psc.state.fl.us
Cc: Alex Glenn, Esq. ; Beth Keating; Harold Mclean ; James W. Brew; John Burnett; John McWhirter; Joseph A. McGlothlin; Karin S. Torain; Lisa Bennett; Michael B. Twomey; Patty Christensen, Esq.; Paul Lewis; Robert Scheffel Wright, Esq.; Triplett, Dianne; Walls, J. Michael
Subject: Dkt 070052-EI FIPUG Preliminary List of Issues
Attachments: 07629 FIPUG's preliminary list of issues.doc

1. John W. McWhirter, Jr., McWhirter Davidson & McLean, P.A., 400 N. Tampa St. Tampa, FI 33602, jmcwhirter@mac-law.com is the person responsible for this electronic filing;
2. The filing is to be made in Docket 070052-EI, In re: Progress Energy Certificate of Need et al The filing is made on behalf of the Florida Industrial Power Users Group;
3. The total number of pages is 3
4. The attached documents are The Florida Industrial Power User Group's 1st Preliminary List of Issues

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BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Petition by Progress Energy)	
Florida, Inc. to recover costs of)	DOCKET NO. 070052-EI
Crystal River Unit 3 uprate through)	
fuel clause)	Filed: June 29, 2007
_____)	

FIPUG'S PRELIMINARY LIST OF ISSUES

Florida Industrial Power User's Group through its undersigned attorney files this preliminary list of Issues.

ISSUE 1: Should PEF's request to recover CR 3 costs through the fuel clause be granted?

FIPUG POSITION: No

ISSUE 2 Does the petition violate PEF's settlement agreement in Docket 050078-EI?

FIPUG POSITION: Yes

ISSUE 3: Does the uprate cost qualify for recovery through the fuel clause?

FIPUG POSITION: No

ISSUE 4: Will recovery of the uprate costs through the fuel clause result in double recovery?

FIPUG POSITION: Yes

ISSUE 5: Is recovery through the fuel clause improper for other reasons?

FIPUG POSITION: PEF proposes to recover demand related costs through the fuel clause (which recovers costs on an energy basis) thereby improperly shifting costs between customer classes. The proposed collection procedure also creates intergenerational inequity because the costs would be recovered in only 10 years while the benefits will continue to accrue over the 28-year remaining life of CR 3.

ISSUE 6: Is the uprate idea an innovative, first of its kind project in the nuclear industry?

FIPUG POSITION: No

ISSUE 7: Even if it didn't breach the 2005 settlement agreement would it be appropriate to recovery major plant renovation capital costs through the fuel clause?

FIPUG POSITION: Not only is base rate recovery more appropriate to avoid double recovery, avoidance of tunnel vision and proper evaluation of post merger cost savings, depreciation expense and return should justification be shown to overlook these important aspects of ratemaking the capacity recovery clause is the more appropriate mechanism for the recovery of fixed costs and capital costs which do not vary with energy consumption.

ISSUE 8: Has PEF justified placing 100% of the cost on retail consumers with no cost to the co owners of the plant or consideration of the potential profits to PEF when it deals in the wholesale market?

FIPUG POSITION: No.

ISSUE 9: Should the Public Service Commission allow transmission plant and cooling tower costs to be recovered through the fuel clause?

FIPUG POSITION: No.

DOCKET NO. 070052-EI
CERTIFICATE OF SERVICE

I, HEREBY CERTIFY that a true and correct copy of the foregoing document sponsored by FIPUG has been furnished by electronic mail this 28th day of June, 2007, to the following:

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