

BEFORE THE PUBLIC SERVICE COMMISSION

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In re: Petition for determination of need for Hines 4 power plant in Polk County by Progress Energy Florida, Inc. DOCKET NO. 040817-EI DATED: OCTOBER 11, 2004

COMMISSION CLERK

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-04-0808-PCO-EI, issued August 19, 2004, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff does not intend to offer a witness in this proceeding.

b. All Known Exhibits

Staff has no exhibits to identify at this time. In its continuing review of the utility's filing and related discovery, staff may identify exhibits that it wishes to offer at hearing. Staff intends to provide the utility with a list of such exhibits, if any, as early as possible and no later than one week prior to the hearing in this docket. Staff reserves the right to use additional exhibits for purposes of cross-examination, if necessary.

c. 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.

d. Staff's Position on the Issues

- CMP
COM 5
CTR
ECR
GCL
OPC
MMS
RCA
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SEC 1
OTH

ISSUE 1: Is there a need for the proposed Hines Unit 4, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position pending further review of the utility's filing and related discovery.

ISSUE 2: Is there a need for the proposed Hines Unit 4, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position pending further review of the utility's filing and related discovery.

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ISSUE 3: Are there any conservation measures taken by or reasonably available to Progress Energy Florida which might mitigate the need for the proposed Hines Unit 4?

POSITION: No position pending further review of the utility's filing and related discovery.

ISSUE 4: Is the proposed Hines Unit 4 the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position pending further review of the utility's filing and related discovery.

ISSUE 5: Has Progress Energy Florida provided adequate assurances regarding available natural gas and natural gas pipeline capacity to serve Hines Unit 4 at a reasonable cost?

POSITION: No position pending further review of the utility's filing and related discovery.

ISSUE 6: Based on the resolution of the foregoing issues, should the Commission grant Progress Energy Florida's petition to determine the need for the proposed Hines Unit 4?

POSITION: No position pending further review of the utility's filing and related discovery.

ISSUE 7: If an affirmative determination of need is granted, should Progress Energy Florida be required to annually report the budgeted and actual cost compared to the \$286.1 million estimated total in-service cost of Hines Unit 4?

POSITION: No position at this time.

ISSUE 8: Should this docket be closed?

POSITION: Yes. This docket should be closed after the time for filing an appeal of the Commission's post-hearing order has expired.

e. Pending Motions

Staff has no pending motions. There are no other pending motions in this docket as of the filing of this Prehearing Statement.

f. Pending Confidentiality Claims or Requests

Progress Energy Florida's Request for Confidential Classification of Document No. 08522-04, filed August 5, 2004, is pending.

Progress Energy Florida's Request for Confidential Classification of Document No. 10538-04, filed September 30, 2004, is pending.

g. Compliance with Order No. PSC-04-0808-PCO-EI

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

Respectfully submitted this 11th day of October, 2004.



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| DATED: OCTOBER 11, 2004

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT has been furnished by U.S. Mail, on this 11th day of October, 2004, to the following:

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