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**Subject:** FPSC Docket 090079 - PCS Phosphate Prehearing Statement  
**Attachments:** PCS Rate Case Prehearing Statement FINAL.doc



PCS Rate  
Prehearing St:

a. Person responsible for filing

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- b. Docket No. 090079-EI, In re: Petition for Rate Increase by Progress Energy Florida
- c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs
- d. Total Pages = 21
- e. The document being filed is PCS Phosphate's Pre-hearing Statement



Public Counsel (“OPC”). In particular, PCS Phosphate supports the testimony of OPC’s witnesses explaining why PEF should be required to amortize its excess depreciation reserve (compared to the theoretical reserve). PCS Phosphate also endorses the other adjustments to PEF's depreciation expense identified by OPC’s witnesses.

With respect to cost allocation and rate design, PCS Phosphate supports the testimony of the Florida Industrial Power Users Group’s (“FIPUG”) witnesses. In particular, PCS Phosphate agrees with FIPUG that PEF's proposed allocation of costs using the 12 CP and 50% methodology is inappropriate and is not consistent with either cost causation principles or Florida's express policies to manage peak load growth. PCS Phosphate further supports FIPUG's testimony concerning the need to substantially increase the credit provided for interruptible service. The credit contained in PEF’s existing tariffs is stale and is not indicative of current costs avoided by interruptible service or the other system reliability, economic and environmental benefits associated with interruptible service.

Finally, it is imperative that the Commission consider the economic circumstances surrounding the decision in this case. The lagging energy sales that PEF points to in this case are but an indicator of the severe challenges facing all Florida businesses and consumers.

**E. STATEMENT ON SPECIFIC ISSUES**

PCS Phosphate takes the following positions on the specific issues presented below as they pertain to Progress:

**ISSUE 1:** Is the rate increase, requested by Progress Energy Florida, Inc., a just and reasonable rate for its customers and is it in the public interest?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **TEST PERIOD AND FORECASTING**

**ISSUE 2:** Is PEF's projected test period of the twelve months ending December 31, 2010 appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 3:** What are the appropriate inflation, customer growth, and other trend factors for use in forecasting?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 4:** Are PEF's forecasts of customer growth, KWH by revenue class, and system KW for the projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 5:** Are PEF's forecasts of billing determinants by rate class for the projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **QUALITY OF SERVICE**

**ISSUE 6:** Is the quality and reliability of electric service provided by PEF adequate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **DEPRECIATION STUDY**

**ISSUE 7:** Should the current-approved depreciation rates, capital recovery schedules, and amortization schedules be revised?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 8:** What are the appropriate capital recovery schedules?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 9:** Is PEF's calculation of the average remaining life appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 10:** What are the appropriate depreciation parameters (remaining life, net salvage percent, and reserve percent), amortizations, and resulting rates for each production unit, including but not limited to coal, steam, combined cycle, etc.?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 11:** What life spans should be used for PEF's coal plants?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 12:** What life spans should be used for PEF's combined cycle plants?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 13:** What are the appropriate depreciation parameters (remaining life, net salvage percent, and reserve percent), amortizations, and resulting rates for each transmission, distribution, and general plant account?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 14:** Based on the application of the depreciation parameters that the Commission has deemed appropriate to PEF's data, and a comparison of the calculated theoretical reserves to the book reserves, what are the resulting differences?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 15:** What, if any, corrective reserve measures should be taken with respect to the differences identified in the Issue 14?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 16:** What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **FOSSIL DISMANTLEMENT COST STUDY**

**ISSUE 17:** Should the current-approved annual dismantlement provision be revised?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 18:** What, if any, corrective reserve measures should be approved?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 19:** What is the appropriate annual provision for dismantlement?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 20:** Are PEF's assumptions in the fossil dismantlement study with regard to site restoration reasonable?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 21:** In future dismantlement studies filed with the Commission, should PEF consider alternative demolition approaches?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **NUCLEAR DECOMMISSIONING COST STUDY**

**ISSUE 22:** Should the currently approved annual nuclear decommissioning accruals be revised?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 23:** What is the appropriate annual decommissioning accrual in equal dollar amounts necessary to recover future decommissioning costs over the remaining life Crystal River Unit 3 (CR3)?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**RATE BASE**

**ISSUE 24:** Has the company removed all non-utility activities from rate base?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 25:** Should any adjustments be made to rate base related to the Bartow Repowering Project?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 26:** Should an adjustment be made to reflect any test year or post test year revenue requirement impacts of “The American Recovery and Reinvestment Act” signed into law by the President on February 17, 2009?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 27:** Is PEF’s requested level of Plant in Service for the projected 2010 test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 28:** What adjustments, if any, should be made to accumulated depreciation to reflect revised depreciation rates, capital recovery schedules, and amortization schedules resulting from PEF’s depreciation study?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 29:** Is PEF’s requested level of Accumulated Depreciation and Amortization in the amount of \$4,437,117,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 30:** Is PEF's requested level of CWIP – No AFUDC in the amount of \$151,145,000 for the projected 2010 test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 31:** Is PEF's requested level of Plant Held for Future Use in the amount of \$25,723,000 for the projected 2010 test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 32:** Is PEF's requested level of Nuclear Fuel – No AFUDC (net) in the amount of \$126,566,000 for the projected 2010 test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 33:** Should an adjustment be made to PEF's requested storm damage reserve, annual accrual of \$14.9 million, and target level of \$150 million?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 34:** Should any adjustments be made to PEF's fuel inventories?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 35:** Should unamortized rate case expense be included in Working Capital?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 36:** Has PEF appropriately reflected the impact of SFAS 143 (Asset Retirement Obligations) in its proposed working capital calculation?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 37:** Is PEF's requested level of Working Capital Allowance in the amount of (\$9,041,000) for the projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.



**ISSUE 38:** Is PEF's requested level of Rate Base in the amount of \$6,238,617,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **COST OF CAPITAL**

**ISSUE 39:** What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 40:** What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 41:** Should PEF's requested pro forma adjustment to equity to offset off-balance sheet purchased power obligations be approved?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 42:** What is the appropriate equity ratio that should be used for PEF for purposes of setting rates in this proceeding?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 43:** Have rate base and capital structure been reconciled appropriately?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 44:** What is the appropriate capital structure for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 45:** What is the appropriate cost rate for short-term debt for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 46:** What is the appropriate cost rate for long-term debt for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 47:** What is the appropriate return on equity (ROE) for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 48:** What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the projected capital structure?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

#### **NET OPERATING INCOME**

**ISSUE 49:** Is PEF's projected level of total operating revenues in the amount of \$1,517,918,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 50:** What are the appropriate adjustments to reflect the base rate increase for the Bartow Repowering Project authorized in Order No. PSC-09-0415-PAA-EI?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 51:** Has PEF made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Conservation Cost Recovery Clause?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 52:** Has PEF made the appropriate test year adjustments to remove fuel and purchased power revenues and expenses recoverable through the Fuel and Purchased Power Cost Recovery Clause?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 53:** Has PEF made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 54:** Has PEF made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 55:** Has PEF made the appropriate adjustments to remove charitable contributions?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 56:** Has PEF made the appropriate adjustments to remove Aviation cost for the test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 57:** Should an adjustment be made to advertising expenses?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 58:** Has PEF made the appropriate adjustments to remove lobbying expenses?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 59:** Is PEF's proposed allowance of \$2,412,100 for directors and officers liability insurance appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 60:** Is PEF's proposed allowance of \$3,669,000 for 2010 injuries and damages expense appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 61:** Is PEF's proposed allowance of \$23,228,000 for 2010 A&G office supplies and expenses appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 62:** Should an adjustment be made to PEF's proposed 2010 allowance for O&M expense to reflect productivity improvements, if any?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 63:** Should an adjustment be made to PEF's requested level of salaries and employee benefits for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 64:** Are PEF's proposed increases to average salaries for 2010 appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 65:** Are PEF's proposed increases in employee positions for 2010 appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 66:** Should the proposed 2010 allowance for incentive compensation be adjusted?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 67:** Should the Company's proposed 2010 allowance for employee benefit expense be adjusted?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 68:** Should an adjustment be made to the accrual for property damage for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 69:** Should an adjustment be made to PEF's 2010 generation O&M expense?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 70:** Should an adjustment be made to PEF's 2010 transmission O&M expense?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 71:** Should an adjustment be made to PEF's 2010 distribution O&M expense?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 72:** Should an adjustment be made to Operating and Maintenance (O&M) expenses to normalize the number of outages PEF has projected for the 2010 projected test year?

**POSITION:** This issue is no longer being contested.

**ISSUE 73:** What is the appropriate amount and amortization period for PEF's rate case expense for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 74:** Should an adjustment be made to bad debt expense for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 75:** What adjustments, if any, should be made to the 2010 projected test year depreciation expense to reflect revised depreciation rates, capital recovery schedules, and amortization schedules resulting from PEF's depreciation study?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 76:** What is the appropriate amount of depreciation and fossil dismantlement expense for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 77:** What is the appropriate amount of nuclear decommissioning expense for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 78:** What adjustments, if any, should be made to the amortization of End of Life Material and Supplies inventories?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 79:** What adjustments, if any, should be made to the amortization of the costs associated with the last core of nuclear fuel?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 80:** Should an adjustment be made to taxes other than income taxes for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 81:** Is it appropriate to make a parent debt adjustment as per Rule 25-14.004, Florida Administrative Code?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 82:** Should an adjustment be made to Income Tax expense for the 2010 projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 83:** Is PEF's requested level of Operations Expense in the amount of \$1,249,372,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 84:** Is PEF's projected net operating income in the amount of \$268,546,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 85:** Has PEF appropriately accounted for affiliated transactions? If not, what adjustment, if any, should be made?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **REVENUE REQUIREMENTS**

**ISSUE 86:** What is the appropriate projected test year revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for PEF?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 87:** Is PEF's requested annual operating revenue increase of \$499,997,000 for the 2010 projected test year appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **COST OF SERVICE AND RATE DESIGN**

**ISSUE 88:** Has PEF correctly calculated revenues at current rates for the projected test year?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 89:** Is PEF's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 90:** What is the appropriate Cost of Service Methodology to be used to allocate base rate and cost recovery costs to the rate classes?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 91:** If the Commission approves a cost allocation methodology other than the 12 CP and 1/13th Average Demand, should all cost recovery factors be adjusted to reflect the new cost of service methodology?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 92:** How should any change in revenue requirements approved by the Commission be allocated among the customer classes?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 93:** Is PEF's proposed treatment of unbilled revenue due to any recommended rate change appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 94:** Is PEF's proposed charge for Investigation of Unauthorized Use appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 95:** Should the Commission approve PEF's proposal to eliminate its IS-1, IST-1, CS-1, and CST-1 rate schedules and transfer the current customers to otherwise applicable rate schedules?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 96:** Is PEF's proposal to grandfather certain terms and conditions for existing IS-1, IST-1, CS-1, and CST-1 customers transferred to the IS-2, IST-2, CS-2, and CST-2 rate schedules appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.



**ISSUE 97:** Should PEF's proposal to close the RST-1 rate to new customers be approved?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 98:** Are PEF's proposed customer charges appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 99:** Are PEF's proposed service charges appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 100:** Is PEF's proposed charge for Temporary Service appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 101:** Is PEF's proposed Premium Distribution Service charge appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 102:** Are PEF's proposed tariffed LS-1 lighting rate schedule charges for standard equipment appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 103:** Are PEF's proposed monthly fixed charge carrying rates to be applied to the installed cost of customer-requested distribution equipment, lighting service fixtures, and lighting service poles, for which there are no tariffed charges, appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 104:** Are PEF's proposed delivery voltage credits appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 105:** Are PEF's power factor charges and credits appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 106:** Is PEF's proposed lump sum payment for time-of-use metering costs appropriate?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 107:** What is the appropriate method of designing time of use rates for PEF?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 108:** What are the appropriate charges under the Firm, Interruptible, and Curtailable Standby Service rate schedules?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 109:** What is the appropriate level of the interruptible credit?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 110:** Should the interruptible credit be load factor adjusted?

**POSITION:** PCS Phosphate agrees with and adopts the position of FIPUG.

**ISSUE 111:** What are the appropriate energy charges?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 112:** What are the appropriate demand charges?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 113:** What are the appropriate lighting charges?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 114:** Should PEF's proposal to revise its Leave Service Active (LSA) provision (tariff sheet No. 6.110) be approved?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 115:** What is the appropriate effective date for PEF's revised rates and charges?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

### **OTHER ISSUES**

**ISSUE 116:** Should any of the \$13,078,000 interim rate increase granted by Order No. PSC-09-0413-PCO-EI be refunded to the ratepayers?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 117:** Should PEF be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, earnings surveillance reports, and books and records which will be required as a result of the Commissions findings in this proceeding?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 118:** What are the appropriate guidelines for the pension fund regulatory asset?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 119:** Does the creation of a regulatory asset and the deferral of pension expenses from a period covered by the Stipulation approved by Order No. PSC-05-0945-S-EI to a future period violate the terms of the Stipulation and order?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 120:** Does the creation of a regulatory asset and the deferral of pension expenses from a period covered by the Stipulation and order to a future period constitute retroactive ratemaking?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 121:** Does the creation of a regulatory asset and the deferral of pension expenses from a period covered by the revenue sharing provisions of the Stipulation and order to a future period result in double recovery of those expenses?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**ISSUE 122:** Should this docket be closed?

**POSITION:** PCS Phosphate agrees with and adopts the position of the OPC.

**F. STIPULATED ISSUES**

PCS Phosphate accepts the stipulations agreed to by the OPC.

**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 the 31<sup>st</sup> day of August, 2009.

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

*s/ James W. Brew*

James W. Brew

F. Alvin Taylor

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*Attorneys for  
White Springs Agricultural Chemicals, Inc.  
d/b/a/ PCS Phosphate – White Springs*

**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 31<sup>st</sup> day of August 2009 to the following:

Carlton Fields Law Firm J. Michael Walls/Diane M. Tripplett Post Office Box 3239 Tampa, FL 33601-3239	Federal Executive Agencies Kay Davoodi, Director, Utility Rates c/o Naval Facilities Engineering Comma 1322 Patterson Avenue SE Washington Navy Yard, DC 20374-5065
Federal Executive Agencies Audrey Van Dyke c/o Naval Facilities Engineering Comma 720 Kennon Street, S.E. Building 36, R Washington Navy Yard, DC 20374-5065	Florida Industrial Power Users Group Vicki G. Kaufman/Jon C. Moyle, Jr. c/o Keefe Law Firm, The Perkins House 118 North Gadsden Street Tallahassee, FL 32301
Florida Retail Federation Robert Scheffel Wright/John T. LaVia c/o Young Law Firm 225 South Adams Street, Suite 200 Tallahassee, FL 32301	Office of Attorney General Bill McCollum/Cecilia Bradley The Capitol - PL01 Tallahassee, FL 32399-1050
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