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COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 110001-EI DATED: October 10, 2011

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-11-0383-PCO-EI, filed September 12, 2011, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Witness	Subject	Issue
Ronald A. Mavrides	Hedging Activities Audit (PEF)	1A, 1B
Kathy L. Welch	Hedging Activities Audit (FPL)	2A, 2B
Donna D. Brown	Hedging Activities Audit (Gulf)	4A, 4B
Tomer Kopelovich	Hedging Activities Audit (TECO)	5A, 5B

b. All Known Exhibits

Witness	Exhibit	Title
Ronald Mavrides	RAM-1	Audit Report - PEF Hedging Activities, 12 Months ended July 31, 2011
Kathy Welch	KLW-1	History of Testimony, Kathy L. Welch
Kathy Welch	KLW-2	Audit Report - FPL Hedging Activities, 12 Months ended July 31, 2011
Donna Brown	DDB-1	Audit Report - Gulf Hedging Activities, 12 Months ended July 31, 2011
Tomer Kopelovich	TK-1	Audit Report - TECO Hedging Activities, 12 Months ended July 31, 2011

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

I. FUEL ISSUES

Progress Energy Florida, Inc.

ISSUE 1A: Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF's April 2011 and August 2011 hedging reports?

POSITION: Yes. PEF's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent.

ISSUE 1B: Should the Commission approve PEF's 2012 Risk Management Plan?

POSITION: Yes. PEF's 2012 Risk Management Plan is consistent with the Hedging Guidelines.

Florida Power & Light Company

ISSUE 2A: Should the Commission approve as prudent, FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2011 and August 2011 hedging reports?

POSITION: Yes. FPL's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent.

ISSUE 2B: Should the Commission approve FPL's 2012 Risk Management Plan?

POSITION: Yes. FPL's 2012 Risk Management Plan is consistent with the Hedging Guidelines.

ISSUE 2C: What are the appropriate projected jurisdictional fuel savings associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

POSITION: No position at this time.

ISSUE 2D: Should FPL's proposal to develop time-of-use fuel factors based on seasonally differentiated marginal fuel cost be approved?

POSITION: No position at this time.

Florida Public Utilities Company

ISSUE 3A: Is it appropriate for FPUC to include unbilled fuel revenues in its fuel factor calculations for the Northwest and Northeast Divisions?

POSITION: Yes. It is appropriate for FPUC to include unbilled fuel revenues in its fuel factor calculations for the Northwest and Northeast Divisions.

ISSUE 3B: Is FPUC's proposed method to allocate demand costs to the rate classes appropriate?

POSITION: No position at this time.

Gulf Power Company

ISSUE 4A: Should the Commission approve as prudent, Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf's April 2011 and August 2011 hedging reports?

POSITION: Yes. Gulf's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent.

ISSUE 4B: Should the Commission approve Gulf's 2012 Risk Management Plan?

POSITION: Yes. Gulf's 2012 Risk Management Plan is consistent with the Hedging Guidelines.

ISSUE 4C: Was Gulf Power Company prudent in commencing and continuing litigation against Coalsales II, LLC for breach of contract?

POSITION: Yes. Commission staff has conducted continuing discovery and an audit regarding the litigation between Gulf Power Company Coalsales II, LLC for a breach of contract for coal sales. Commission staff believes it is prudent for a utility to commence and continue litigation for breach of contract to the benefit of ratepayers. Accordingly, staff recommends that it is appropriate to include the costs of litigation in the fuel and purchased power cost recovery clause. Those costs are as shown in Table 4-C below:

Summary of Litigation Costs			
Year	**Outside Legal Fees ($)**	**Administrative Costs ($)**	**Total ($)**
2005	0.00	0.00	0.00
2006	89,906.47	2,746.31	92,652.78
2007	64,506.92	67.35	64,574.27
2008	356,264.64	5,139.12	361,403.76
2009	286,753.44	0.00	286,753.44
2010	395,806.46	0.00	395,806.46
2011	(9,191.73)	0.00	(9,191.73)
Estimated 2012	100,000.00	0.00	100,000.00

Table 4-C

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent, TECO's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO's April 2011 and August 2011 hedging reports?

POSITION: Yes. TECO's actions to mitigate the price volatility of natural gas, residual oil and purchased power prices were reasonable and prudent.

ISSUE 5B: Should the Commission approve TECO's 2012 Risk Management Plan?

POSITION: Yes. TECO's 2012 Risk Management Plan is consistent with the Hedging Guidelines.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: The appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive should be as follows:

FPL: $10,707,967
Gulf: $1,004,362
PEF: $1,138,637

TECO: $2,719,531

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: The appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive should be as follows:

FPL: $6,763,028
Gulf: $868,270
PEF: $905,703
TECO: $2,482,588

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

POSITION: The appropriate fuel adjustment true-up amounts for the period of January 2010 through December 2010 are:

FPL: No position at this time.
FPUC Northwest Division: $885,786 over-recovery.
FPUC Northeast Division: $856,166 over-recovery.
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

POSITION: The appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011 are:

FPL: No position at this time.
FPUC Northwest Division: $682,002 over-recovery
FPUC Northeast Division: $2,292,856 over-recovery
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

POSITION: The appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012 are:

FPL: No position at this time.
FPUC Northwest Division: $1,567,788 over-recovery
FPUC Northeast Division: $3,149,022 over-recovery
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

POSITION: The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012 are:

FPL: No position at this time.
FPUC Northwest Division: $34,443,981
FPUC Northeast Division: $40,276,293
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Progress Energy Florida, Inc.

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

Tampa Electric Company

ISSUE 15A: Should Tampa Electric's GPIF targets and ranges for 2011 be re-established, based on the corrected revised testimony and exhibit of Tampa Electric's witness Brian Buckley filed in this docket on April 11, 2011?

POSITION: Yes. Tampa Electric's GPIF targets and ranges for 2011 should be re-established, based on the corrected revised testimony and exhibit of Tampa Electric's witness Brian Buckley filed in this docket on April 11, 2011.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

POSITION: The appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF should be as follows:

FPL: A reward in the amount of $6,571,449.
Gulf: A reward in the amount of $645,511 reward.
PEF: A penalty in the amount of $2,980,090.
TECO: A reward in the amount of $2,054,696.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

POSITION: The GPIF targets/ranges for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF should be as follows:

FPL: The GPIF targets and ranges should be as shown in Table 17-1 below:
Gulf: The GPIF targets and ranges should be as shown in Table 17-2 below:
PEF: The GPIF targets and ranges should be as shown in Table 17-3 below:
TECO: The GPIF targets and ranges should be as shown in Table 17-4 below:

2012 GPIF Targets and Ranges for FPL		
Plant / Unit	**EAF Target (%)**	**Heat Rate Target (BTU / KWH)**
Ft. Myers 2	91.6	7,105
Martin 8	91.4	7,025
Manatee 3	93.9	6,930
Sanford 4	92.5	7,252
Scherer 4	72.5	9,948
St. Lucie 1	68.7	10,771
St. Lucie 2	60.1	10,724
Turkey Point 3	49.9	10,875
Turkey Point 4	78.0	11,263
Turkey Point 5	92.6	6,936

Table 17-1

2012 GPIF Targets and Ranges for Gulf				
Unit	**EAF**	**POF**	**EUOF**	**Heat Rate**
Crist 4	97.7	0.0	2.3	11,479
Crist 5	97.9	0.0	2.1	11,471
Crist 6	74.8	19.7	5.6	11,457
Crist 7	72.6	21.6	5.9	10,683
Smith 1	93.6	0.0	6.4	10,628
Smith 2	87.7	6.3	6.0	10,533
Daniel 1	84.1	10.1	5.8	10,703
Daniel 2	93.4	0.0	6.6	10,630
EAF = Equivalent Availability Factor (%) POF = Planned Outage factor (%) EUOF = Equivalent Unplanned Outage factor (%)				

Table 17-2

2012 GPIF Targets and Ranges for PEF						
Plant/ Unit	Weighting Factor (%)	EAF Target (%)	EAF Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
			Max (%)	Min (%)		
Bartow 4	9.63	81.81	85.95	73.42	7,684	(22,307)
CR 4	9.38	90.50	94.92	81.71	7,483	(21,288)
CR 5	5.54	85.12	87.62	80.06	4,419	(8,549)
Hines 1	3.12	84.31	87.29	78.37	2,488	(5,132)
Hines 2	2.93	86.26	88.74	81.17	2,335	(4,371)
Hines 3	1.97	79.62	80.98	76.79	1,575	(2,748)
Hines 4	2.60	82.61	84.69	78.32	2,076	(3,387)
GPIF System	35.16				28,060	(67,782)

Plant/ Unit	Weighting Factor (%)	ANOHR Target (BTU/ KWH)	NOF	ANOHR Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
				Minimum (BTU/ KWH)	Maximum (BTU/ KWH)		
Bartow 4	18.97	7,428	68.0	6,999	7,856	15,143	(15,143)
CR 4	12.29	9,947	83.5	9,334	10,560	9,808	(9,808)
CR 5	10.36	9,937	88.5	9,407	10,467	8,265	(8,265)
Hines 1	4.47	7,291	83.6	7,054	7,528	3,565	(3,565)
Hines 2	5.60	7,158	79.0	6,885	7,431	4,467	(4,467)
Hines 3	6.48	7,167	88.4	6,856	7,477	5,171	(5,171)
Hines 4	6.67	6,961	88.7	6,658	7,263	5,325	(5,325)
GPIF System	64.84					51,744	(51,744)

Table 17-3

2012 GPIF Targets and Ranges for TECO						
EQUIVALENT AVAILABILITY						
Plant/ Unit	Weighting Factor (%)	EAF Target (%)	EAF Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
			Maximum (%)	Minimum (%)		
Big Bend 1	0.30%	81.9	84.6	76.3	89.3	(936.3)
Big Bend 2	5.09%	76.2	80.1	68.4	1,512.2	(122.3)
Big Bend 3	9.20%	80.0	83.0	73.9	2,734.4	(1,685.0)
Big Bend 4	6.50%	77.4	80.9	70.3	1,932.3	(1,553.3)
Polk 1	0.81%	85.5	86.8	83.0	241.1	(84.9)
Bayside 1	1.35%	94.8	95.2	93.8	401.1	(1,665.7))
Bayside 2	0.95%	80.0	81.4	77.1	280.9	(224.1)
GPIF System	24.19%					

AVERAGE NET OPERATING HEAT RATE							
Plant/ Unit	Weighting Factor (%)	ANOHR Target (BTU/ KWH)	NOF	ANOHR Range		Max Fuel Savings ($000)	Max Fuel Loss ($000)
				Minimum (BTU/ KWH)	Maximum (BTU/ KWH)		
Big Bend 1	19.20%	10,468	92.9	9,836	11,101	5,705.6	(5,705.6)
Big Bend 2	12.41%	10,272	92.9	9,862	10,682	3,688.3	(3,688.3)
Big Bend 3	12.03%	10,614	86.1	10,209	11,018	3,576.1	(3,576.1)
Big Bend 4	11.77%	10.549	88.0	10,157	10,941	3,499.1	(3,499.1)
Polk 1	6.81%	10.220	94.2	9,915	10,525	2,023.9	(2,023.9)
Bayside 1	6.86%	7,248	82.6	7,120	7,377	2,040.2	(2,040.2)
Bayside 2	6.73%	7,316	83.2	7,189	7,442	1,998.9	(1,998.9)
GPIF System 75.81%							

Table 17-4

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: The appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012 should be as follows:

FPL: No Position at this time.

FPUC: No Position at this time.
Gulf: No Position at this time.
PEF: No Position at this time.
TECO: No Position at this time.

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012?

POSITION: The appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012 is:

FPL: 1.00072
FPUC Northwest Division: 1.00072
FPUC Northeast Division: 1.00072
Gulf: 1.00072
PEF: 1.00072
TECO: 1.00072

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

POSITION: The appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012 are:

FPL: No position at this time.
FPUC Northwest Division: 6.544 cents/kWh.
FPUC Northeast Division: 5.961 cents/kWh.
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

POSITION: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class should be as follows:

FPL: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class should as shown in Table 21-1 below:

Gulf: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class should as shown in Table 21-2 below:

PEF: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class should as shown in Table 21-3 below:

TECO: The appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class should as shown in Table 21-4 below:

Fuel Recovery Line Loss Multipliers for FPL		
Fuel Recovery Factors – By Rate Group (Adjusted for Line/Transformational Losses)		
Group	Fuel Recovery Loss Multiplier	
A	RS-1 first 1,000 kWh	1.00233
	RS-1 all additional kWh	
A	1.00233	
A-1*	1.00233	
B	1.00233	
C	1.00225	
D	1.00107	
E	0.98972	
	0.95828	
Weighted Average 16% on-Peak and 84% off-Peak		

Table 21-1

Fuel Recovery Line Loss Multipliers for Gulf		
Group	Rate Schedules	Line Loss Multipliers
A	RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00525921
B	LP, LPT, SBS(2)	0.98890061
C	PX, PXT, RTP, SBS(3)	0.98062822
D	OS I / II	1.00529485
(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW (3) Includes SBS customers with a contract demand over 7,499 KW.		

Table 21-2

Fuel Recovery Line Loss Multipliers for PEF		
Group	Delivery Voltage Level	Line Loss Multipliers
A	Transmission	0.9800
B	Distribution Primary	0.9900
C	Distribution Secondary	1.000
D	Lighting Service	1.000

Table 21-3

Fuel Recovery Line Loss Multipliers for TECO	
Metering Voltage Schedule	Line Loss Multiplier
Distribution Secondary	1.0000
Distribution Primary	0.9900
Transmission	0.9800
Lighting Service	1.0000

Table 21-4

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

POSITION: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses should be as follows:

FPL: No position at this time.
FPUC Northwest Division: No position at this time.
FPUC Northeast Division: No position at this time.
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Progress Energy Florida, Inc.

ISSUE 23A: Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

POSITION: No position at this time.

Florida Power & Light Company

ISSUE 24A: Has FPL included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

POSITION: No position at this time.

ISSUE 24B: What are the appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2012 through December 2012?

POSITION: The appropriate projected jurisdictional non-fuel revenue requirements associated with WCEC-3 for the period January 2012 through December 2012 are $166,860,714.

ISSUE 24C: What amount should be included in the capacity cost recovery clause for recovery of jurisdictional non-fuel revenue requirements associated with West County Energy Center Unit 3 (WCEC-3) for the period January 2012 through December 2012?

POSITION: No position at this time.

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 25A, 25B, 25C, and so forth, as appropriate.

Tampa Electric Company

ISSUE 26A: Should the Commission approve Tampa Electric Company's proposal to charge incremental cybersecurity costs to the capacity cost recovery clause?

POSITION: No position at this time.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

POSITION: The appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010 are:

FPL: $ 3,364,670 over-recovery.
GULF: $ 1,217,382 over-recovery.
PEF: $14,684,019 over-recovery.
TECO: $ 461,060 under-recovery.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011?

POSITION: The appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011 are:

FPL: $ 25,243,602 over-recovery.
GULF: $ 7,179,724 over-recovery.
PEF: $ 5,983,484 over-recovery.
TECO: $ 254,524 under-recovery.

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

POSITION: The appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012 are:

FPL: $ 28,608,272 over-recovery.
GULF: $ 8,397,106 over-recovery.
PEF: $ 20,667,503 over-recovery.
TECO: $ 715,584 under-recovery.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

POSITION: The appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012 are:

FPL: $ 546,891,268, excluding the amounts under Issue 24A and Issue 24C.
GULF: $ 46,396,792.
PEF: $ 373,845,099, excluding the amount under Issue 23A.
TECO: No Position at this time.

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: The appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012 are:

FPL: $ 518,656,161, excluding the amounts under Issue 24A and Issue 24C.
GULF: $ 38,027,046.
PEF: $ 353,431,884, excluding the amount under Issue 23A.
TECO: No Position at this time.

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2012 through December 2012?

POSITION: The appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2012 through December 2012 should be as follows:

FPL: FPSC 98.01395%
FERC 1.98605%
Gulf: 96.44582%.
PEF: Base -- 92.792%
Intermediate – 72.541%
Peaking – 91.972%.
TECO: 99.58152.%

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

POSITION: The appropriate capacity cost recovery factors for the period January 2012 through December 2012 should be as follows:

FPL: No position at this time.
FPUC: No position at this time.
Gulf: No position at this time.
PEF: No position at this time.
TECO: No position at this time.

III. EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

POSITION: The new factors should be effective beginning with the first billing cycle for January 2012 through the last billing cycle for December 2012. The first billing cycle may start before January 1,2012, and the last billing cycle may end after December 31,2012, so long as each customer is billed for twelve months regardless of when the factors became effective.

e. Stipulated Issues

There are no stipulated issues at this time.

f. Pending Motions

Staff has no pending motions at this time.

g. <u>Pending Confidentiality Claims or Requests</u>

Staff has no pending requests for confidentiality at this time.

h. <u>Objections to Witness Qualifications as an Expert</u>

Staff has no objections to any witnesses' qualifications at this time.

i. <u>Compliance with Order No. PSC-11-0383-PCO-EI</u>

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

Respectfully submitted this 10th day of October, 2011.

Lisa C. Bennett

LISA C. BENNETT
SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone: (850) 413-6199

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 110001-EI DATED: October 10, 2011

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic and U.S. Mail, on this 10th day of October, 2011:

John T. Butler
Managing Attorney
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408

Kenneth Hoffman
Vice President, Regulatory Relations
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301-1858

Florida Public Utilities Company
Tom Geoffroy
401 South Dixie Highway
West Palm Beach, FL 33401-5886

Beth Keating
Gunster, Yoakley & Stewart, P.A.
215 South Monroe Street, Suite 618
Tallahassee, FL 32301

Office of Public Counsel
Patricia Christensen/Charles Rehwinkel/
Joseph McGlothlin
c/o The Florida Legislature
111 West Madison Street, #812
Tallahassee, FL 32399-1400

R. Scheffel Wright/John LaVia, III
Gardner, Bist, Wiener, Wadsworth, Bowden
Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

Paula K. Brown
Administrator, Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa, FL 33601-0111

Karen S. White
AFCESA/ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB FL 32403-5319

Progress Energy Service Company, LLC
John T. Burnett/Dianne M. Triplett
P. O. Box 14042
St. Petersburg, FL 33733-4042

Vicki Gordon Kaufman/Jon C. Moyle, Jr.
Keefe Anchors Gordon & Moyle, PA
118 N Gadsden St
Tallahassee, Florida 32301-1508

Paul J. Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

James W. Brew/F. Alvin Taylor
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007-5201

James Beasley and J. Jeffry Wahlen, Esquires
Ausley & McMullen Law Firm
P. O. Box 391
Tallahassee, FL 32302

Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Randy B. Miller
White Springs Agricultural Chemicals, Inc.
P.O. Box 300
White Springs, FL 32096

Jeffrey A. Stone
Russell A. Badders, Steven Griffin
Beggs & Lane Law Firm
P.O. Box 12950
Pensacola, FL 32591-2950

AFFIRM
Attn: Dan Moore
316 Maxwell Road, Suite 400
Alpharetta, GA 30009

Patrick K. Wiggins
Grossman, Furlow & Bayó, L.L.C.
2022-2 Raymond Diehl Road
Tallahassee, FL 32308

Lisa C. Bennett

LISA C. BENNETT
SENIOR ATTORNEY
FLORIDA PUBLIC SERVICE COMMISSION
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone: (850) 413-6199