

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power )  
Cost Recovery with Generating )  
Performance Incentive Factor )  
\_\_\_\_\_ )

DOCKET NO. 140001-EI  
Filed: September 26, 2014

PREHEARING STATEMENT OF  
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.  
d/b/a PCS PHOSPHATE – WHITE SPRINGS

Pursuant to the Florida Public Service Commission's February 4, 2014, *Order Establishing Procedure*, Order No. PSC-14-0084-PCO-EI, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs ("PCS Phosphate"), through its undersigned attorneys, files its Prehearing Statement in the above matter.

A. APPEARANCES

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B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time.

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination.

**D. STATEMENT OF BASIC POSITION**

PCS Phosphate generally accepts and adopts the positions taken by the Florida Office of Public Counsel ("OPC").

**E. STATEMENT ON SPECIFIC ISSUES**

**FUEL ISSUES**

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**Duke Energy Florida, Inc.**

**ISSUE 1A:** Should the Commission approve as prudent DEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in DEF's April 2014 and August 2014 hedging reports?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 1B:** Should the Commission approve DEF's 2015 Risk Management Plan?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 1C:** Has Duke made appropriate adjustments, if any are needed, to account for replacement power costs associated with April 2014 forced outage (transformer fire) at the Bartow Unit? If appropriate adjustments are needed and have not been made, what adjustment(s) should be made?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**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 2014 and August 2014 hedging reports?

**PCS Phosphate:** No position.

**ISSUE 2B:** Should the Commission approve FPL's 2015 Risk Management Plan?

**PCS Phosphate:** No position.

**ISSUE 2C:** What is the total gain in 2013 under the Incentive Mechanism approved in Order No. PSC-13-0023-S-EI, and how is that gain to be shared between FPL and customers? *FPL*

**PCS Phosphate:** No position.

**ISSUE 2D:** What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs?

**PCS Phosphate:** No position.

**ISSUE 2E:** What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours?

**PCS Phosphate:** No position.

### **Florida Public Utilities Company**

**ISSUE 3A:** Should the Commission approve consolidation of the fuel factors for FPU's Northeast and Northwest Divisions for purposes of fuel cost recovery beginning in 2015?

**PCS Phosphate:** No position.

**ISSUE 3B:** If consolidation of fuel factors for FPU's Northeast and Northwest Divisions is not approved, should FPU be allowed to continue to allocate transmission costs consistent with the methodology approved by Order No. PSC-13-0665-FOF-EI?

**PCS Phosphate:** No position.

**ISSUE 3C:** Should the Commission approve FPU's proposal to under-recover fuel costs in 2015 in order to mitigate rate increases to customers?

**PCS Phosphate:** No position.

**ISSUE 3D:** If the Commission approves FPUC's request in Docket No. 140025-EI to consolidate the Company's current outdoor lighting (OL-2) and street lighting (SL-3) rate classes into a single Lighting Service (LS) rate class, what is the appropriate consolidated fuel rate for the new LS rate class?

**PCS Phosphate:** No position.

### **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 2014 and August 2014 hedging reports?

**PCS Phosphate:** No position.

**ISSUE 4B:** Should the Commission approve Gulf's 2015 Risk Management Plan?

**PCS Phosphate:** No position.

**ISSUE 4C:** Should the Commission approve the amended and restated contract between Gulf Power Company (Gulf) and Bay County, Florida, for purchase of the entire generation of the Bay County Resource Recovery Facility by Gulf?

**PCS Phosphate:** No position.

### **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 2014 and August 2014 hedging reports?

**PCS Phosphate:** No position.

**ISSUE 5B:** Should the Commission approve TECO's 2015 Risk Management Plan?

**PCS Phosphate:** No position.

### **GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2014 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2015 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 8:** What are the appropriate final fuel adjustment true-up amounts for the period January 2013 through December 2013?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2014 through December 2014?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2015 to December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

## **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 2013 through December 2013 for each investor-owned electric utility subject to the GPIF?

**PCS Phosphate:** No position at this time.

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2015 through December 2015 for each investor-owned electric utility subject to the GPIF?

**PCS Phosphate:** No position at this time.

## **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 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**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 2015 through December 2015?

**PCS Phosphate:** No position.

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**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?

**PCS Phosphate:** No position.

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

**PCS Phosphate:** No position at this time.

## **CAPACITY ISSUES**

### **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

#### **Duke Energy Florida, Inc.**

**ISSUE 23A:** Has DEF included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 140009-EI?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

#### **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. 140009-EI?

**PCS Phosphate:** No position.

**ISSUE 24B:** What are the appropriate 2015 projected non-fuel revenue requirements for West County Energy Center Unit 3 (WCEC-3) to be recovered through the Capacity Clause?

**PCS Phosphate:** No position.

### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate capacity cost recovery final true-up amounts for the period January 2013 through December 2013?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2014 through December 2014?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**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 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**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 2015 through December 2015?

**PCS Phosphate:** No position.

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2015 through December 2015?

**PCS Phosphate:** PCS agrees with the Office of Public Counsel.

**EFFECTIVE DATE**

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

**PCS Phosphate:** No position.

**ISSUE 35:** Should this docket be closed?

**PCS Phosphate:** No position.

**F. PENDING MOTIONS**

None.

**G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY**

None.

**H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT**

None at this time.

**I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE**

There are no requirements of the *Procedural Order* with which PCS Phosphate cannot comply.

Respectfully submitted

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

*s/ James W. Brew*

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Dated: September 26, 2014

### 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 1<sup>st</sup> day of August 2014 to the following:

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*/s/ Owen J. Kopon*