

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition on behalf of Citizens of the)
State of Florida to require Progress Energy)
Florida, Inc. to refund customers)
\$143 million)

DOCKET NO. 060658-EI

FILED: April 30, 2007

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POSTHEARING STATEMENT OF WHITE SPRINGS

Pursuant to the Orders Establishing Procedure in this docket, Order No. PSC-07-0048-PCO-EI, issued January 16, 2007, Order No. PSC-07-0132-PCO-EI, dated February, 15, 2007, and Order No. PSC-07-0191--PCO-EI, issued March 2, 2007, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate White Springs ("White Springs") hereby files its Posthearing Statement.

BASIC POSITION

White Springs adopts as its own the positions on all of the issues taken by the Office of Public Counsel, and further adopts as its own the positions taken by AARP as to penalty matters (Issue 5).

ISSUES AND POSITIONS

ISSUE 1: Did PEF act prudently in purchasing coal for Crystal River Units 4 and 5 beginning in 1996 and continuing to 2005?

White Springs:

* No. PEF has not satisfied its burden of demonstrating that its coal purchases for CR units 4 and 5 were prudent over this period. The testimony and evidence of the OPC witnesses establish that PEF unreasonably avoided purchasing a blend of bituminous and sub-bituminous coals for these units even though there was ample evidence that such a blend was more economical and the units were designed to burn such a blend to lower fuel costs to consumers.*

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Environmental Permitting

White Springs:

White Springs adopts the position of OPC as its own.

Coal Procurement Practices

White Springs:

White Springs adopts the position of OPC as its own.

CR-3

White Springs:

CR3 went into commercial operation in March 1977. CR4 and CR5 came on line years later in 1982 and 1984. PEF's efforts to solicit bids from PRB sources and to test burn PRB coal at Crystal River have not been impeded in any manner by the presence of CR3 or its licensing requirements with the Nuclear Regulatory Commission. PEF's conjecture on the results of its as-yet unperformed risk and safety evaluations associated with PRB use at Crystal River, or possible NRC reactions to such assessments, is no defense to PEF's otherwise imprudent actions. The delay of the CR3 staff in undertaking those assessments, however, should be considered a separate instance of imprudence should it delay the use of PRB coals at the site.

CR-4 & CR-5 Operational Matters

White Springs:

White Springs adopts the position of OPC as its own.

Megawatt Capacity

White Springs:

White Springs adopts the position of OPC as its own.

Coal Availability and Costs

White Springs:

White Springs adopts the position of OPC as its own.

Affiliates

White Springs:

White Springs adopts the position of OPC as its own.

Other Factors

White Springs:

White Springs adopts the position of OPC as its own.

ISSUE 2: If the Commission determines that PEF acted imprudently in its coal purchases, should PEF be required to refund customers for coal purchased to run Crystal River Units 4 and 5 during the time period of 1996 – 2005?

White Springs:

* Yes. White Springs agrees with OPC and other Intervenor parties that findings of imprudent management of coal purchases require an order directing PEF to refund excessive charges to consumers.*

ISSUE 3: Under the circumstances of this case, does the Commission have the authority to grant the relief requested by OPC?

White Springs:

* Yes. It is well settled that the Commission possesses the authority to conduct this prudence review and order the relief requested by OPC and AARP in this docket.*

ISSUE 4: If the Commission determines that PEF should be required to refund customers for coal purchased to run Crystal River Units 4 and 5, what amount should be refunded, and how and when should such refund be accomplished?

White Springs:

* White Springs adopts OPC's calculation of the refund required, including interest. The refunds should be accomplished through credits to the fuel factor implemented over a period not exceeding one year.*

ISSUE 5: **If the Commission determines that PEF willfully violated any lawful rule or order of the Commission or any provision of Chapter 366, Florida Statutes, should the Commission impose a penalty on PEF, and what should be the amount of such penalty?**

White Springs:

* If the Commission determines that PEF willfully violated a rule or order of the Commission or provision of Chapter 366, Florida Statutes, by purchasing more expensive affiliate-supplied coal or coal products than reasonably available non-affiliate coal, further Commission action is warranted, and White Springs adopts AARP's position on this issue.*

ISSUE 6: **Should this docket be closed?**

White Springs:

Yes. The docket should be closed following completion of all refunds to consumers.

Respectfully submitted the 30th day of April, 2007.

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

/s/ James W. Brew

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement has been furnished by electronic mail and U.S. Mail this 9th day of March, 2007 to the following individuals:

/s/ James W. Brew

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