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Writer's Direct Dial No.  
(850) 425-2359

September 9, 2002

**BY HAND DELIVERY**

Blanca Bayó  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket 020007-EI

RECEIVED - FPSC  
02 SEP - 9 PM 4: 02  
COMMISSION  
CLERK

Dear Ms. Bayó:

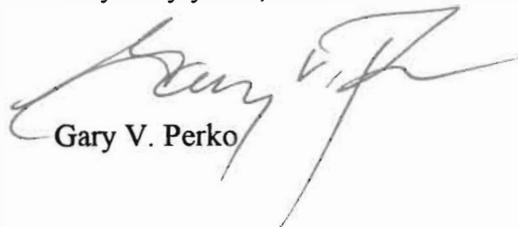
Enclosed for filing on behalf of Florida Power Corporation are the original and fifteen copies of it's Petition for Approval of Environmental Cost Recovery for Certain Environmental Compliance Activities in the above referenced docket. Also included is the Direct Testimony of James Javier Portuondo and Timothy Silar.

09546-02 09545-02

By copies of this letter, these documents have been furnished to the parties listed on the attached service list.

If you have any questions please feel free to call me at 425-2359.

Very truly yours,



Gary V. Perko

AUS \_\_\_\_\_  
CAI \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
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Enclosures  
cc: Certificate of Service

RECEIVED & FILED

RLM

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09542 SEP -9 88

FPSC-COMMISSION CLERK

**CERTIFICATE OF SERVICE**  
**Docket No. 020007-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by United States Mail this 9<sup>th</sup> day of September, 2002, to the following:

Robert Vandiver, Esq.  
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111 West Madison Street  
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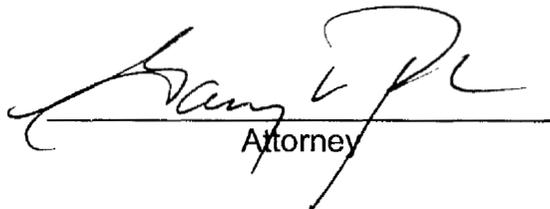
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Miami, FL 33131-2398

Marlene Stern, Esq.  
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Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

  
\_\_\_\_\_  
Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental cost recovery )  
clause. )  
\_\_\_\_\_ )

Docket No. 020007-EI  
Dated: September 9, 2002

**FLORIDA POWER CORPORATION'S PETITION FOR  
APPROVAL OF ENVIRONMENTAL COST RECOVERY FOR  
CERTAIN ENVIRONMENTAL COMPLIANCE ACTIVITIES**

Florida Power Corporation ("Florida Power" or "the Company"), hereby petitions the Commission for approval of cost recovery for certain environmental compliance activities pursuant to Section 366.8255, Florida Statutes. In support, Florida Power incorporates the prepared direct testimony and exhibits of Javier Portuondo and James Timothy Silar filed with this Petition and states:

**Background**

1. Florida Power is a Florida corporation whose principal offices are located at 100 Central Avenue, St. Petersburg, Florida 33701. The Company is an investor-owned electric utility subject to the regulatory jurisdiction of the Florida Public Service Commission under Chapter 366, Florida Statutes.
2. The representatives of the Company to receive notices and pleadings in this docket are:

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St. Petersburg, FL 33701-3324  
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Fax: (727) 820-5519

DOCUMENT NUMBER DATE  
09542 SEP-9 8  
FPSC-COMMISSION CLERK

3. The Environmental Cost Recovery Clause ("ECRC"), Section 366.8255, Florida Statutes, authorizes the Commission to review and approve recovery of environmental compliance costs prudently incurred by electric utilities.

4. The following discussion, together with the prepared testimony of Javier Portuondo and James Timothy Silar filed with this Petition, addresses the minimum filing requirements established by the Commission for petitions seeking approval of ECRC cost recovery for environmental compliance activities. See, Order No. PSC-99-2513-FOF-EI (Dec. 22, 1999).

5. Florida Power is submitting this Petition with prepared testimony to facilitate the Commission's review of this Petition in conjunction with the annual ECRC proceeding in Docket No. 020007-EI.

#### **Discussion**

6. By this Petition, Florida Power seeks authorization to recover environmental compliance costs associated with environmental investigation, remediation, and pollution prevention activities associated with its substation and distribution system. As discussed below, these activities are required to comply with environmental laws and regulations. Furthermore, Florida Power is not seeking recovery of any compliance costs that are currently being recovered through base rates or other rate adjustment clauses.

7. Florida Power has determined that the substation and distribution system-related investigation, remediation, and pollution prevention activities are required for Florida Power to continue to be in compliance with Chapters 376 (Pollutant Discharge Prevention and Removal) and 403 (Environmental Control), Florida Statutes. Chapter 376, Florida Statutes, requires that any person discharging a prohibited pollutant shall

immediately undertake to contain, remove and abate the discharge to the satisfaction of the Florida Department of Environmental Protection. Chapter 403, Florida Statutes, provides that it is prohibited to cause pollution so as to harm or injure human health or welfare, animal, plant, or aquatic life or property.

8. The Commission previously approved recovery of costs associated with similar environmental investigation, remediation, and pollution prevention activities conducted by two other regulated electric utilities. See, Order No. PSC-97-1047-FOF-EI (approving ECRC recovery of projected costs for Florida Power and Light's (FPL's) Substation Pollutant Discharge and Removal Project); Order No. PSC-94-0044-FOF-EI (approving ECRC recovery of projected costs for Gulf Power's investigation of possible environmental impacts from historical substation herbicide treatment programs under the general heading "Water Quality"); Order No. PSC-93-1580-FOF-EI (approving ECRC recovery of projected costs for FPL's Clean Closure Equivalency Project); and Order No. PSC-95-0384-FOF-EI (approving ECRC recovery of projected costs for FPL's RCRA Corrective Action Project addressing hazardous waste contamination).

9. Florida Power is requesting to recover \$ 4,363,721 in Operating and Maintenance ("O&M") costs for environmental investigation, remediation, and pollution prevention activities at its substation and distribution system facilities for the period from October 1, 2002 through December 31, 2003. This amount includes the investigation and remediation of soil and, where necessary, ground water, as well as implementation of best management and pollution prevention measures. The total cost of activities over the life of this effort cannot be estimated at this time since the presence, magnitude, and extent of

contamination and the need for implementation of pollution prevention measures at these facilities and sites is unknown.

10. By this Petition, Florida Power is only seeking recovery of costs incurred on a going-forward basis as of October 1, 2002. Moreover, as explained in the testimony of Javier Portuondo, Florida Power is not seeking recovery of costs that are currently being recovered through the Company's base rates or any other cost recovery clause.

11. Florida Power also requests that the Commission approve the ECRC billing factors described in the prepared testimony and exhibits of Javier Portuondo. The Company proposes to begin applying these factors in the January 2003 billing cycle for the recovery of costs incurred starting October 1, 2002. Following the establishment of initial cost recovery factors, Florida Power proposes that the ongoing administration of its environmental cost recovery be incorporated into the annual environmental cost recovery docket, as is the case with other investor-owned electric utilities.

#### **RELIEF REQUESTED**

WHEREFORE, Florida Power Corporation respectfully requests that the Commission: (a) approve for recovery the environmental compliance costs described in this Petition and in the prepared testimony and exhibits submitted with this Petition; (b) approve the ECRC billing factors set forth in the testimony and exhibits of Javier Portuondo for application beginning with the January 2003 billing cycle; and (c) grant such other relief as the Commission deems appropriate.

RESPECTFULLY SUBMITTED this 9th day of September, 2002.

By:



Richard D. Melson  
Gary V. Perko

Hopping Green & Sams, P.A.  
P O Box 6526  
Tallahassee, FL 32314

and

James A. McGee  
Associate General Counsel  
Florida Power Corporation  
100 Central Avenue  
St. Petersburg, FL 33701-3324

Attorneys for Florida Power Corporation

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**Docket No. 020007-EI**

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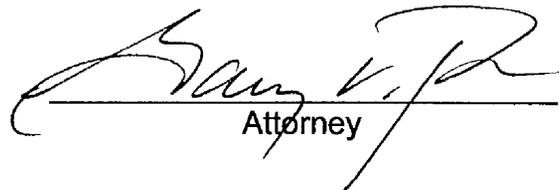
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Attorney