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September 9, 2003

VIA HAND DELIVERY

Blanca S. Bayo, Director Division of Records and Reporting **Betty Easley Conference Center** 4075 Esplanade Way Tallahassee, Florida 32399-0870

Re: Docket No.: 020898-EQ

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and 15 copies of Revised Exhibit RFF-6. Please substitute the attached exhibit to the direct testimony of Roger F. Fernandez for Exhibit RFF-6 filed on September 3, 2003.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copy to me. Thank you for your assistance.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Sincerely,

Vicki Gordon Kaufman

VGK

Enclosure

cc: Parties of Record w/enclosure

US AF MP OM 3+1 original

FPSC-CONMISSION CLERK

Feds call TECO deal inadequate

The Justice Department says it will continue its suit against the utility because the state settlement doesn't go far enough.

By CRAIG PITTMAN

©© St. Petersburg Times, published December 9, 1999

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Last month the two federal agencies took TECO and six of the nation's other utilities to court over what they said were longstanding Clean Air Act violations that harmed the health of children, the elderly and anyone with a respiratory disease. Their lawsuits demanded the companies either clean up their act or shut their plants down.

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Tuesday, TECO and Struhs announced that the utility would spend \$1-billion over the next decade to reduce air pollution. The agreement calls for three of the company's six coal-powered generators at the Gannon plant to be scrapped, and the other three converted to natural gas.

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TECO spokesman Mitch Lubitz said other utilities have asked TECO for details about the landmark settlement with the state -- a settlement that company officials strongly defended.

"We did what we felt was in the best interests of the people of Florida, and the people closest to the situation in Florida agreed with us, and that includes Secretary Struhs and Gov. Bush," TECO president John Hamil (sic) said in a prepared statement Wednesday.

By burning cheap and abundant coal in its Gannon and Big Bend power plants, TECO has been able to keep utility rates comparatively low while serving more and more customers. But environmental advocates have consistently labeled it one of the dirtiest polluters in the state.

In 1997, stationary sources of air pollution, primarily TECO's power plants, put 78,500 tons of nitrogen oxide into the air over Tampa Bay. On sunny days, nitrogen oxide combines with hydrocarbons to form ozone. Ozone irritates the eyes, nose, mouth and lungs, and causes sore throats, chest pains, coughing and headaches. Studies have shown that ozone can travel up to 500 miles from its source.

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The agreement between TECO and the state also says everything depends on "receiving "acceptable regulatory treatment' from the state, including the ability to recover your compliance costs, apparently from rate payers," Fisherow of the Justice Department wrote. "As a result we question whether you will undertake even its modest commitments."

Lubitz said TECO will be spending \$1-billion to clean up its plant's emissions. That, he said, is hardly a modest commitment.

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Struhs, who once worked as a consultant for utility companies, said Tuesday that the agreement "reflects the state's commitment to dramatically reduce harmful pollutants. . . . This is a great day for Florida."