

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine need for Turkey  
Point Unit 5 electrical power plant, by Florida  
Power & Light Company.

DOCKET NO. 040206-EI

FILED: MAY 11, 2004

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-04-0325-PCO-EI, filed March 30, 2004, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

At this time, staff has no known witnesses.

b. All Known Exhibits

At this time, staff has not identified any exhibits which it intends to utilize at hearing. Staff reserves the right to identify exhibits at the Prehearing Conference and at hearing for the purpose of cross-examination.

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

**ISSUE 1:** Has Florida Power & Light Company met the requirements of Rule 25-22.082, Florida Administrative Code, "Selection of Generating Capacity"?

**POSITION:** No position at this time.

**ISSUE 2:** Is there a need for the proposed Turkey Point Unit 5, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

**POSITION:** No position at this time.

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FPSO-COMMISSION STAFF

**ISSUE 3:** Is there a need for the proposed Turkey Point Unit 5, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

**POSITION:** No position at this time.

**ISSUE 4:** Are there any conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed Turkey Point Unit 5?

**POSITION:** No position at this time.

**ISSUE 5:** Is the proposed Turkey Point Unit 5 the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

**POSITION:** No position at this time.

**ISSUE 6:** Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition to determine the need for the proposed Turkey Point Unit 5?

**POSITION:** No position at this time.

**ISSUE 7:** If an affirmative determination of need is granted, should Florida Power & Light Company be required to annually report the budgeted and actual cost compared to the \$580.3 million estimated total in-service cost of Turkey Point Unit 5?

**POSITION:** Yes. Although the bid rule does not require that a utility annually report budgeted and actual costs associated with a proposed power plant, fpl is amenable to providing such information on an annual basis. Some costs may be higher than estimated and other costs may be lower, but fpl agrees that providing this information on an annual basis will allow commission staff to monitor fpl's progress towards achieving its estimated total cost of \$580.3 million. The categories to be reported are: major equipment/epc, permitting, transmission interconnection and integration, fgt infrastructure upgrades, operations and start-up, project management, owners costs, and afudc. In providing this information by category fpl wants to clarify that the cost basis for selecting turkey point unit 5

as the most cost-effective resource option to meet fpl's 2007 need is the total estimated cost of \$580.3 million and that any underruns in one category will be used to off-set any overruns in another category. Per the bid rule, fpl would need to demonstrate that costs in addition to the \$580.3 million were prudently incurred and due to extraordinary circumstances for such additional costs to be recoverable. If, on the other hand, the actual total cost is less than \$580.3 million, customers will receive the benefit of such cost underruns.

**ISSUE 8:** Should this docket be closed?

**POSITION:** No position at this time.

e. Pending Motions

1. Motion for Oral Argument (filed 05/06/04 by Toshiba International Corporation)
2. Request for Oral Argument (filed 05/06/04 by Southern Power Company)
3. Motion to Compel Answers to Interrogatories and Production of Documents by Calpine (filed 05/07/04 by FPL)
4. Request for Oral Argument (filed 05/07/04 by FPL, with respect to FPL's 05/07/04 Motion to Compel)

f. Pending Confidentiality Claims or Requests


1. Motion Of Non-Party For Protective Order Of Confidential Document Number 05329-04, With Request For Parent Company, Summit Energy Partners, LLC, To Be Qualified Representative In Proceeding (filed 05/05/04 by SEP Homestead, LLC)
2. Motion for Protective Order (filed 05/06/04 by Toshiba International Corporation)
3. Motion for Protective Order (filed 05/06/04 by Progress Ventures, Inc.)
4. Motion for Protective Order based on confidentiality (filed 05/06/04 by Southern Power Company)
5. Motion for Protective Order Regarding Calpine's First Request for Production of Documents (filed 05/07/04 by FPL)

6. Request for Confidential Classification For Certain Information Filed In Response To Staff's Interrogatory Number 23 (filed 05/07/04 by FPL)

g. Compliance with Order No. PSC-04-0325-PCO-EI

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

Respectfully submitted this 11<sup>th</sup> day of May, 2004.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement was furnished to **Mr. R. Wade Litchfield**, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, Florida 33408, **Mr. Bill Walker**, Florida Power & Light Company, 215 S. Monroe Street, Suite 810, Tallahassee, Florida 32301-1859, and **Jon C. Moyle, Esquire**, Moyle, Flanigan, Katz, Raymond, & Sheehan, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301, by U.S. Mail, on this 11th day of May, 2004.



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