

December 8, 2006

BY HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: Docket No. 060635-EU

Dear Ms. Bayo,

Enclosed for filing in the above-referenced docket are fifteen (15) copies of the Prehearing Statement of John Carl Whitton, Jr.

Thank you for your assistance.

Sincerely,



Brett M. Paben
Staff Attorney

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DOCUMENT NUMBER-DATE

11266 DEC-8 8

BEFORE THE STATE OF FLORIDA,
PUBLIC SERVICE COMMISSION

**In re: Petition for Determination of Need for
Electrical Power Plant in Taylor County by
Florida Municipal Power Agency, JEA,
Reedy Creek Improvement District, and
City of Tallahassee.**

**Docket No. 060635-EU
Dated: December 8, 2006**

PREHEARING STATEMENT OF JOHN CARL WHITTON, JR.

Pursuant to the Order Establishing Procedure in this docket, Order No. PSC-06-0819-PCO-EU, issued October 4, 2006, Intervenor John Carl Whitton, Jr. ("Whitton") hereby files his Prehearing Statement.

a. WITNESSES.

Whitton prefiled testimony by Dian Deevey who will testify that the Applicants have not adequately assessed less costly means of meeting their projected demand, in particular with regards to not adequately evaluating generation of electricity using woody biomass, and that the Applicants have not adequately estimated the compliance costs of future greenhouse gas emission reduction regulations.

b. PREFILED EXHIBITS.

- DD-1 Dian Deevey and David Harlos, Review of the Gainesville Regional Utilities' Proposal for a New Coal-Fired Power Plant (submitted to Alachua County Commission, September 15, 2005).
- DD-2 Alan Hodges and M. Rahmani, *Sustainability of Wood: How Much Do We Have and Where Is It Coming From?* (UF/IFAS Extension Fact Sheet, 2006).
- DD-3 Alan W. Hodges *et al.*, Economic Impacts of the Forest Industry in Florida, 2003 (University of Florida/IFAS, 2005).
- DD-4 Dian Deevey, Woody Biomass Fuel Available to Tallahassee (Presentation to Tallahassee City Commission, September 27, 2006).

- DD-5 Lucy Johnston *et al.*, Climate Change and Power: Carbon Dioxide Emissions and Electricity Resource Planning (Synapse Energy Economics, June 8, 2006).
- DD-6 Edward S. Rubin *et al.*, *Comparative Assessments of Fossil Fuel Power Plants*, Proceedings of 7th Int'l Conference on Greenhouse Gas Control Technologies (2004).
- DD-7 Sense of the Senate on Climate Change, H.R. 6 §1612, Energy Policy Act of 2005 (Approved 54-43)

c. STATEMENT OF BASIC POSITION.

The Applicants have not submitted sufficient data upon which the Public Service Commission ("PSC" or "Commission") can determine whether the proposed pulverized coal power plant is needed and the most cost effective alternative available. Because all the Applicants have not adequately considered demand-side management ("DSM"), energy efficiency and conservation, and innovative alternatives such as woody biomass utilization, the Applicants have not adequately attempted to diminish the need for this proposed coal power plant. Given the current volatility in the costs associated with constructing coal power plants and the commodity prices of coal, the undetermined costs of transportation to deliver coal to Taylor County, the reasonably anticipated future carbon costs as well as the direct health and environmental costs of operating a coal power plant, the Commission is unable to determine if this proposal is indeed the most cost effective based on the information submitted by the Applicants. Thus, the Commission should deny this Petition because the need has not been adequately demonstrated.

d. STATEMENT OF ISSUES AND POSITIONS.

ISSUE 1: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1a: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to JEA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1b: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to FMPA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1c: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to Tallahassee, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1d: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to RCID, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 2: Is there a need for the proposed TEC generating unit, 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.

ISSUE 2a: Does the TEC generating unit provide adequate electricity at a reasonable cost for JEA, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 2b: Does the TEC generating unit provide adequate electricity at a reasonable cost for FMPA, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 2c: Does the TEC generating unit provide adequate electricity at a reasonable cost for Tallahassee, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 2d: Does the TEC generating unit provide adequate electricity at a reasonable cost for RCID, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 3: Is there a need for the proposed TEC generating unit, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 3a: Does the TEC generating unit provide for fuel diversity and supply reliability on JEA's system, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 3b: Does the TEC generating unit provide for fuel diversity and supply reliability on FMPA's system, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 3c: Does the TEC generating unit provide for fuel diversity and supply reliability on Tallahassee's system, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 3d: Does the TEC generating unit provide for fuel diversity and supply reliability on RCID's system, as this criterion is used in Section 403.519, Florida Statute?

POSITION: No.

ISSUE 4: Are there any conservation measures taken by or reasonably available to the Florida Municipal Power Agency, JEA, Reedy Creek Improvement District, and City of Tallahassee (Participants) which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4a: Are there any conservation measures taken by or reasonably available to JEA which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4b: Are there any conservation measures taken by or reasonably available to FMPA which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4c: Are there any conservation measures taken by or reasonably available to Tallahassee which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4d: Are there any conservation measures taken by or reasonably available to RCID which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 5: Does the proposed TEC generating unit include the costs for the environmental controls necessary to meet current and reasonably anticipated state and federal environmental requirements?

POSITION: No.

ISSUE 5a: Have the Applicants appropriately evaluated the cost of CO₂ emission mitigation costs in their economic analyses?

POSITION: No.

ISSUE 5b: Have the Applicants appropriately evaluated the cost of compliance with mercury, NO₂, SO₂, particulate emission and other applicable environmental and public health standards?

POSITION: No.

ISSUE 5c: Have the Applicants appropriately evaluated compliance costs associated with the Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule standards?

POSITION: No.

ISSUE 5d: Have the Applicants appropriately evaluated the economic costs of the potential detrimental effects on public health and the environment?

POSITION: The purpose of utilizing the most efficient and cost-effective energy conservation systems is “to protect the *health*, prosperity, and *general welfare* of the state and its citizens,” Section 366.81, Fla. Stat. (emphasis added). Furthermore, Sections “386.80-366.85 and 403.519 are to be liberally construed in order to meet the complex problems of ... increasing the overall efficiency and cost-effectiveness of electricity...” *Id.* Thus, it is necessary to consider health and environmental *costs* in this proceeding, which have not been addressed by the Applicants.

ISSUE 6: Is the proposed TEC generating unit the most cost effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 6a: Is the proposed TEC generating unit the most cost effective alternative available for FMPA?

POSITION: No.

ISSUE 6b: Is the proposed TEC generating unit the most cost effective alternative available for JEA?

POSITION: No.

ISSUE 6c: Is the proposed TEC generating unit the most cost effective alternative for Tallahassee?

POSITION: No.

ISSUE 6d: Is the proposed TEC generating unit the most cost effective alternative for RCID?

POSITION: No.

ISSUE 6e: Are the projected purchase prices and transportation costs for natural gas and coal used in the IRP reasonable?

POSITION: No position at this time.

ISSUE 6f: Are TEC's proposed construction costs reasonable in light of current increased costs of building coal plants?

POSITION: No.

ISSUE 6g: Have the Applicants requested available funding from DOE to construct an IGCC unit or other cleaner coal technology?

POSITION: No.

ISSUE 7: Based on the resolution of the foregoing issues, should the Commission grant the Participants' petition to determine the need for the proposed TEC generating unit?

POSITION: No.

ISSUE 8: Should this docket be closed?

POSITION: This docket should be closed when the Commission has issued its final order and all motions for reconsideration have been disposed of.

Other Issues:

ISSUE 9: Has each Applicant secured final approval of its respective governing body for the construction of the proposed TEC generating unit?

POSITION: No.

ISSUE 10: Is Commission approval of the need for the TEC generating unit consistent with the requirements of Section 366.81, Florida Statutes?

POSITION: No.

e. ISSUES TO WHICH THE PARTIES HAVE STIPULATED;

Whitton has not stipulated to any issues at this time.

f. PENDING MOTIONS OR OTHER MATTERS.

Whitton does not have any pending motions or other matters at this time.

g. PENDING CONFIDENTIALITY REQUESTS OR CLAIMS.

Whitton does not have any pending requests or claims for confidentiality at this time.

h. OBJECTIONS TO A WITNESS' QUALIFICATIONS AS AN EXPERT.

Whitton does not object to any witness' qualifications as an expert at this time.

i. COMPLIANCE WITH ORDER NO. PSC-06-0819-PCO-EU.

Whitton has complied with all requirements set forth

Dated this 8th day of December, 2006.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been furnished via e-mail and

U.S. mail on this 8th day of December, 2006, to the following:

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Respectfully submitted,



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