

ORIGINAL

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

March 6, 2007

REBUTTAL TESTIMONY OF
DAN LAWTON

Harold McLean
Public Counsel

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c/o The Florida Legislature
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of the State of Florida

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DOCKET NO. 060658-EI**

3 **REBUTTAL TESTIMONY OF DANIEL J. LAWTON**

4 **ON BEHALF OF CITIZENS OF THE STATE OF FLORIDA**

5 **QUALIFICATIONS, BACKGROUND AND INTRODUCTION**

6 **Q. Please state your name and business address.**

7 A. My name is Daniel J. Lawton and my business address is 12113 Roxie Drive,
8 Suite 110 Austin, Texas 78728.

9 **Q. By whom are you employed?**

10 A. I am a principal in the firm of Diversified Utility Consultants, Inc. (“DUCI”).

11 **Q. Please describe your educational background and work experience.**

12 A. I have been working in the utility business as an economist for the last 25 years.
13 Consulting engagements have included electric utility load and revenue
14 forecasting, cost of capital and financial analyses, revenue requirement/cost of
15 service issues, prudence inquiries, and rate design/cost allocation studies in
16 litigated rate proceedings as well as developing rate studies for municipally
17 owned utilities. In addition to my duties at DUCI, I also have a law practice
18 based in Austin, Texas. My main areas of practice include Administrative Law
19 representing municipalities in utility rate matters before regulatory agencies and
20 contract matters and litigation. I have included a brief description of my relevant
21 educational background and professional experience in my Schedule (DJL-1).

22 **Q. Have you previously filed testimony in rate proceedings?**

1 A. Yes. A list of cases where I have previously filed testimony is included in my
2 Schedule (DJI-1).

3 **Q. On whose behalf are you filing testimony in this proceeding?**

4 A. DUCI has been retained by the Office of Public Counsel (“OPC”) to review and
5 respond to the direct testimony of Progress Energy Florida, Inc.’s (“PEF” or
6 “Company”) witness Steven M. Fetter.

7 **Q. What is the purpose of your testimony in this proceeding?**

8 A. As noted above, the purpose of my testimony is to address the issues raised in the
9 direct testimony of Company witness Steven M. Fetter. Specifically, I will
10 address the following topics raised by Mr. Fetter’s testimony:

- 11 a) the appropriate standard/regulatory policy that a regulator should consider
12 in reviewing fuel costs;
- 13 b) the investment community expectations regarding regulatory finality and
14 the recovery of prudently incurred costs;
- 15 c) the potential impact on utility capital costs and rates resulting from
16 consistent application of regulatory requirements and standards; and
- 17 d) when are fuel costs final as a matter of regulatory policy.

18 My analysis of these issues is based on my background in utility regulation as a
19 consultant and advisor to regulatory authorities.

20 Additionally, I will comment briefly on the implications, in terms of the issue of
21 PEF’s prudence and the Commission’s ability to consider the prudence question,
22 of certain factual assertions made and supported by other OPC witnesses.

1 **Q. Have you reviewed the testimony of OPC witness Robert L. Sansom?**

2 A. Yes, I have read the testimony of Mr. Sansom to get an idea of the issues
3 underlying the \$134.5 million (before interest carrying cost) prudence related
4 damage claim in this case. I have not independently investigated any of the
5 underlying fact issues raised in Mr. Sansom's testimony or those of other
6 witnesses.

7 **Q. Please address how fuel costs are generally recovered and reviewed.**

8 A. There is typically a distinction between base rates and fuel rates. Base rates are
9 set to recover a utility's non-fuel operating costs plus a reasonable return on used
10 and useful utility investment. Base rates are set prospectively based on a utility's
11 actual cost in cost of service employing a test year of operations adjusted for
12 known and reasonably measurable changes.

13 A. Fuel rates and charges are established so that the utility recovers its actual
14 prudently incurred costs no more, no less. As a practical matter, regulatory
15 authorities cannot embark upon and decide a new rate case with each variation in
16 fuel prices. Regulatory authorities generally employ a fuel factor to address
17 market fluctuations in fuel prices. A fuel factor applicable at any one time is
18 typically derived from the sum of a utility's known and uncollected historical
19 costs for fuel plus the reasonably projected costs of fuel. The latter element
20 renders the fuel factor sum a mere estimate of the utility's fuel costs.

21 Because actual fuel costs may and probably will vary from the fuel cost estimate,
22 the utility will collect more or less than its actual fuel costs. Such over / under
23 collections are addressed through subsequent fuel factor true-up calculations.

1 **Q. Are fuel costs subject to a reasonableness or prudence review by regulators?**

2 A. Yes. Some jurisdictions subject fuel purchasers to periodic reconciliation review.
3 My understanding of the process in Florida is that the fuel expense fluctuations
4 are addressed through a continuous fuel adjustment proceeding. Such a process
5 works to the utility's benefit in that fuel cost charges are collected close in time to
6 the actual charge, thus reducing regulatory lag and operating cash flow issues.
7 But, it is also my understanding that Commission precedent and decisions by the
8 Florida Supreme Court make clear that the continuous fuel adjustment proceeding
9 does not "... divest the commission of the jurisdiction and power to review the
10 prudence of these [fuel] costs." (*Gulf Power Company v. Florida Public Service*
11 *Commission*, 487 S.2d 1036, 1037 (Florida 1986)).

12 **Q. What is your understanding of how fuel costs are recovered and reviewed in**
13 **Florida?**

14 A. Utilities are allowed to collect fuel related expenses on an ongoing basis. In other
15 words, it is a forward looking cost recovery clause. There is no specified time
16 limit for reconciliation or review of the fuel costs, once known, for
17 reasonableness. The issue of review on reconciliation was addressed by this
18 Commission in its Final Order No. 12645 where it stated:

19 **At the true-up hearing that follows an annual period, a**
20 utility will still be free to present whatever evidence of
21 prudence it chooses to provide...

22 We will therefore accept any relevant proof a utility
23 chooses to present at true-up, but we will not adjudicate the

1 question of prudence, nor consider ourselves bound to do
2 so until all relevant facts are analyzed and placed before us.
3 We will be free to revisit any transaction until we explicitly
4 determine the matter to be fully and finally adjudicated.

5 (In re: Investigation of Fuel Adjustment Clauses of Electric Utilities, Docket No,
6 830001-EU, Order No. 12645 at 9. Florida Public Service Commission
7 (November 3, 1983)). A number of issues are made clear by this Commission
8 decision. First, utility companies were invited to present whatever evidence of
9 prudence to prove up fuel costs. Failure by the utility only delays the final
10 adjudication of the issue. Second, the Commission made it clear that prudence
11 issues related to fuel costs will not be finally decided until all relevant facts are
12 before the Commission. Again, the Commission could not have been clearer.
13 OPC's prudence challenge regarding past coal procurement is in line with the
14 Commission's previous rulings on fuel cost reviews.

15 **Q. Have you reviewed company documents that acknowledge that the**
16 **regulatory authority has the jurisdiction and POWER TO disallow**
17 **imprudent fuel expenditures?**

18 A. Yes. The Progress Energy 10-K filed on March 10, 2006 at page 33 addresses
19 risk factors associated with fluctuating fuel prices and states: “[w]hile each state
20 commission allows electric utilities to recover certain of these costs through
21 various cost recovery clauses, there is the potential that a portion of these future
22 costs could be deemed imprudent by the respective commissions.” Thus, the
23 Company recognizes and reports in its financial filings a potential risk of recovery

1 of fuel expenses if such expenses are deemed imprudent expenses by the
2 regulator.

3 **Q. Does Mr. Fetter's testimony also acknowledge that investors expect a**
4 **regulated company be reimbursed only its prudent expenditures?**

5 A. Yes. Mr. Fetter states:

6 "Investors provide financing to a utility so that company
7 management can construct and maintain infrastructure adequate to
8 ensure that customers receive reliable service. In return, regulators
9 must take timely action to provide an appropriate capital markets-
10 based return to investors along with providing reimbursement of
11 company expenditures that are prudently made."

12 (Direct Testimony of Steven M. Fetter at 3:16-20) No utility or investor can
13 reasonably expect that imprudent expenditures be reimbursed by customers. All
14 parties in this case agree that imprudent expenditures should not be passed on to
15 customers. Moreover, the investment community does not expect imprudent
16 expenditures to be passed on to the customers.

17 **Q. At page 6 of Mr. Fetter's testimony, he addresses the standards he believes**
18 **are appropriate in this case as a matter of regulatory policy. do you have any**
19 **comments?**

20 A. Yes. I have a number of comments. First, the appropriate standard in this case is
21 prudence. In other words, based on a consideration of all relevant facts, did the
22 Company pay and pass on to customers' excessive prices for coal costs as detailed

1 in Mr. Sansom's testimony? I do not have a problem with Mr. Fetter's prudence
2 standard outlined at pages 6-7 of his testimony. I do have a problem with his
3 effort to ignore the Commission's pronouncements and claim the issue is out of
4 reach, as it is OPC's position, as presented in the testimony of other OPC
5 witnesses, that PEF did not present all relevant facts bearing on prudence in
6 earlier phases of the continuous fuel cost recovery proceeding. Acceptance of Mr.
7 Fetter's position would reward PEF for such omissions and send the message that
8 selective presentations are more likely to avoid scrutiny than to expose the utility
9 to the possibility of subsequent disallowances. I am sure the Florida Commission
10 is quite able to properly apply the prudence standard without any assistance from
11 experts.

12 **Q. Mr. Fetter at page 8 of his testimony raises the issue that the Company is**
13 **being held to long-term or perpetual jeopardy related to major fuel**
14 **procurement decisions. Do you have any comments?**

15 A. Yes, the Company's fuel procurement decisions are subject to review by the
16 regulators. As I noted earlier in my testimony, the Supreme Court of Florida has
17 concluded that the "...authorization to collect fuel costs close to the time they are
18 incurred should not be used to divest the commission of the jurisdiction and
19 power to review the prudence of these costs." (*Gulf Power Company v. Florida*
20 *Public Service Commission*, 487 S.2d 1036, 1037 (Florida 1986)) There is no
21 magical date for such a review and there certainly is no concealment of material
22 facts standard as proposed by Mr. Fetter, although I am aware that OPC witnesses
23 Robert Sansom and Joseph Barsin have asserted in rebuttal testimony that PEF

1 has been disingenuous and misleading with some of its principal “defenses” to
2 OPC’s Petition. While I do not agree with Mr. Fetter’s claim that “concealment
3 of material facts” is a prerequisite to a prudence review where relevant facts not
4 previously known or considered are presented, the matters discussed by these
5 witnesses would be relevant to a determination of prudence.

6 **Q. Please provide examples of what you have in mind.**

7 A. For instance, Mr. Sansom will testify that when OPC observed that PEF had not
8 awarded a contract to the lowest bidder in its 2004 RFP, PEF’s explanation was
9 that the bidder offered Powder River Basin sub bituminous coal, which PEF is not
10 allowed to burn under the terms of its environmental permits. Mr. Sansom will
11 testify that PEF failed to add at the time that PEF obtained authority to burn a
12 blend of PRB and bituminous coals from the Governor and Cabinet under
13 Florida’s Power Plant Siting Act, but subsequently elected to exclude PRB coal
14 from the scope of its application for a federal Title V air permit, only later to point
15 to the resulting lack of authority as justification for not purchasing the most
16 economical fuel.

17
18 Similarly, I am informed that the utility witnesses have testified the units would
19 not have produced energy at the same high output with the 50/50 design blend of
20 coals that provides the basis for Mr. Sansom’s adjustment. In their rebuttal
21 testimony OPC witnesses Joseph Barsin and David Putman will point to design
22 criteria guaranteed by the vendors to produce the same high output when burning
23 the 50/50 blend that PEF achieved with bituminous coal. They also will refer to

1 PEF's failure to test Crystal River Units 4 and 5 with the 50/50 PRB/bituminous
2 blend of coals on which equipment specifications were based at the outset of
3 operations, when contractors' and designers' performance guarantees could have
4 been enforced if necessary.

5 **Q. How does this latter point bear on PEF's prudence?**

6 A. Accepting OPC's witnesses' factual assertions, it appears to me that one of two
7 things must be true. The first possibility is that when it elected to test the units'
8 performance with bituminous coal instead of the 50/50 blend on which vendor
9 guarantees were based, PEF was confident of the units' ability to produce at the
10 guaranteed high levels—in which case PEF's current claims that the units were
11 incapable of producing at the guaranteed level during 1996-2005 are contradictory
12 and not credible. The other possibility is that PEF was severely imprudent when
13 it failed to test the units on the blend while vendor guarantees were in force, in
14 which case the Commission should protect customers from all effects and higher
15 costs stemming from that imprudence. In either case, the matters discussed by
16 OPC's witnesses are highly relevant to the question of prudence. The
17 Commission should not be foreclosed from considering them simply because the
18 utility chose not to present them earlier.

19 **Q. At page 9 of Mr. Fetter's testimony, he asserts that putting the utility to the**
20 **burden of affirmatively providing "all" information about fuel procurement**
21 **decisions would essentially drag the fuel process down to a snail's pace, if not**
22 **a halt. Do you agree?**

1 A. No. Utilities prove up the reasonableness and necessity of costs and procurement
2 decisions everyday before regulatory commissions across the country. Certainly,
3 when the Company seeks a base rate change, it proves up costs for approval. Fuel
4 costs are no different and Mr. Fetter’s assertion that such a prove up is akin to
5 rocket science is just wrong. The utility need only provide the information it
6 believes is necessary to meet its burden of proof. If the utility provides too little
7 and fails to meet its burden, costs are disallowed. If the utility makes its case,
8 then costs are allowed. This is not a new, difficult or unfamiliar process for any
9 regulated utility.

10 **Q. What about Mr. Fetter’s claim that the utility would be placed in the**
11 **untenable position of having to affirmatively provide every detail of the fuel**
12 **procurement decision?**

13 A. Again Mr. Fetter seems to be sounding the alarm where no problem exists. The
14 Company needs to prove its fuel procurement decisions were prudent. Providing
15 sufficient detail to support the reasonableness of the procurement decision is what
16 is required. This is the same approach a utility uses to support cost claims in a
17 base rate case.

18 **Q. At page 9, Mr. Fetter states that finality “subject to certain conditions”**
19 **should attach no later than the fuel true-up process. Do you have any**
20 **comments?**

21 A. Yes, I have a number of comments. First, this Commission has already
22 considered this issue in Order No. 12645 and declined to adopt such an approach.
23 Specifically on this issue, the Commission stated, “...at the end of each six-month

1 period, we will consider only the question of comparing projected to actual
2 results. Questions of prudence require careful and often prolonged study.” The
3 Commission went on to state:

4 “From now on, each utility will be required at true-up only to
5 demonstrate how the amounts actually expended for fuel and
6 purchased power compare with the amounts projected for the prior
7 six-month period. Although the burden of proving the prudence of
8 its actions will remain with the utility, the question of prudence
9 will arise only as facts regarding fuel procurement justify scrutiny.
10 Hopefully, we will be presented with complete analyses of
11 procurement decision in a timely manner.”

12 It would appear that the Company has never presented to the Commission a
13 complete analysis of coal procurement decision along with a request for a final
14 decision on this issue. Now, Mr. Fetter suggests that the Company’s fuel
15 procurement should escape review because the issue has been dormant for a
16 sufficient amount of time. Such an approach or solution as suggested by Mr.
17 Fetter is not consistent with previous Commission Orders on this matter.

18 Second, Mr. Fetter’s suggestion that approval at true-up be a final order as to
19 prudence is a recipe for mischief for utility companies. As this Commission
20 stated in its Order No. 12645, prudence reviews of fuel procurement decisions are
21 “complex” subject matters often involving a large “quantity” and “quality” of
22 evidence. (Order No. 12645 at 9) These prudence review cases are not what the

1 Commission or stakeholders envisioned for the true-up process. Thus, Mr.
2 Fetter's suggestion of finality at the true-up hearing would ignore a reasonable
3 prudence review — or in the alternative, defeat the purpose of expedited fuel
4 review.

5 Again, if the Company seeks finality, they need to marshal the evidence sufficient
6 to satisfy a prudence inquiry on fuel procurement and petition the Commission for
7 a final order on the matter.

8 **Q. At page 9 of Mr. Fetter's testimony, he asserts that there is ambiguity as to**
9 **the point in the fuel cost process at which regulatory finality attaches. Do**
10 **you agree?**

11 A. No. The fuel costs become final and not subject to additional review when the
12 Commission says they are final i.e after review. Commission precedent and the
13 Florida Supreme Court ruling in *Gulf* support this conclusion. Moreover, the
14 Company's filings with the SEC recognize fuel cost procurement is subject to
15 prudence review. There is no ambiguity – fuel costs are subject to review. Again,
16 if the Company seeks finality as Mr. Fetter suggests, then the Company that
17 maintains and controls the data and information regarding fuel procurement
18 should file a petition with the Commission seeking final review—and present all
19 relevant facts in support of its request.

20 **Q. Does Mr. Fetter acknowledge that past commission orders authorizing Fuel**
21 **cost recovery also stated that such fuel cost is subject to prudence review?**

22 A. Yes, but then Mr. Fetter's asserts that the future prudence review language
23 contained in the Commission's Final Orders is merely a reservation of right to

1 revisit those prudence determinations in the case of concealment of information
2 by the utility. Mr. Fetter has created this reservation of rights and concealment
3 standard out of whole cloth. Regulatory commissions do not revisit final orders –
4 final means final. But, Mr. Fetter asserts that the Florida Commission makes one
5 set of prudence determinations when it initially authorizes fuel cost recovery. If
6 the Florida Commission finds out there was a concealment of information, the
7 Commission can go back and revisit its final order. Talk about holding a
8 company in perpetual regulatory jeopardy. Mr. Fetter’s analysis should be
9 ignored as in most instances regulatory finality is never achieved.

10 **Q. Mr. Fetter asserts at page 13 that the Company regularly briefed**
11 **Commission staff and OPC on fuel procurement, coal procurement records**
12 **were open and accessible and the Company made regular required filings**
13 **setting out details of its coal procurement process. In you opinion, does that**
14 **process substitute for a prudence review?**

15 A. No. First, these filings were made with the Florida Commission, but the
16 Commission still put the Company on notice that its final costs are subject to
17 prudence review. Thus, the Commission has made clear that fuel procurement
18 prudence issues have not been resolved. Second, if all these records and details
19 are readily available, then it would have been a rather simple matter for the
20 Company to have filed a petition with the Commission requesting a final review
21 of fuel cost procurement. It is the Company, not Commission Staff or OPC, that
22 has the burden of production, persuasion and proof on these matters. Third, based
23 on OPC’s testimony, as discussed above it appears that many factors that bear on

1 PEF's prudence were not presented to the Commission in the utility's supporting
2 submissions.

3 **Q. At page 16 of Mr. Fetter's testimony, he discusses timelines as an important**
4 **matter in regulatory decision making. Please comment.**

5 A. I agree that stockholders and potential investors track regulatory and judicial
6 proceedings through the time of a final and non-appealable order has been
7 rendered. But, I do not agree that OPC's claim in this case would turn the
8 investment goal of regulatory finality on its head. Instead of blaming OPC for
9 raising an issue regarding customers' overcharges, Mr. Fetter should question
10 why the Company never came forward with all information relevant to a prudence
11 determination regarding past coal and/or fuel procurement. Mr. Fetter admits the
12 information is readily available. Mr. Fetter admits that previous Commission fuel
13 orders put the Company on notice that such fuel expenses were subject to
14 prudence review. Yet, Mr. Fetter never addresses why the Company never sought
15 resolution of this matter. Instead of answering the basic question, Mr. Fetter
16 resorts to demonizing OPC's proposal in this case.

17 **Q. Mr. Fetter asserts at pages 26-30 of his testimony that credit rating agencies**
18 **would not look favorably on the Commission's acceptance of OPC's**
19 **proposed disallowance. Please comment.**

20 A. If the Commission were to determine that the Company was imprudent in coal
21 procurement and disallowed \$134.5 million of over-charges – certainly credit
22 rating agencies would have concerns with Company management and practices.
23 However, it is not the function of the Commission to rescue imprudent

1 management from costs that arise from its imprudence—and that include higher
2 capital costs, if any. The Commission should shield customers from any such
3 higher capital costs in the same way it should filter out any unreasonable fuel
4 charges from the costs borne by customers. In this case, the Commission is the
5 finder of fact and will determine whether Company management was prudent in
6 fuel procurement. Turning the issue on its head and asserting the Commission
7 would cause credit market problems is just not correct; any credit market
8 problems arising from a disallowance will be the result of management conduct.
9 This Commission has consistently stated through its orders that all fuel costs can
10 be subject to a future prudence review. PEF enjoyed the benefit of the current
11 recovery of costs; now that the Commission is exercising the jurisdiction and
12 power to make that prudence review based on relevant facts, neither Wall Street
13 nor the Company can credibly claim they are stunned. (Steven Fetter Direct at
14 29:14)

15
16 Moreover, Mr. Fetter never outlines the alternative to the prudence review. That
17 alternative is to allow the Company to escape any review and, even if costs are
18 imprudent, to allow such excess charges be passed on to customers. For example,
19 if the utility were to squander its annual earnings by wasteful spending or
20 depositing such amounts in the Gulf of Mexico, credit rating agencies would
21 likely react unfavorably to such reckless behavior. But, that does not mean that
22 the regulatory authority should increase rates to recover past earnings in an effort
23 to bail out a Company's poor management and avoid the cost of adverse impacts

1 on credit facilities. Instead, customers should be protected from imprudent
2 expenditures *and* any higher capital costs resulting from the disallowance of those
3 imprudent expenditures. No rating agency expects that a regulatory authority
4 should allow imprudent costs resulting from failed management to be passed on to
5 customers.

6 **Q. have the issues raised by mr. fetter regarding rating agency concerns related**
7 **to a prudence disallowance been raised in the past?**

8 A. Yes. Mr. Fetter makes many of the same arguments that were discussed in the
9 1980's across the country regarding nuclear prudence disallowances. During the
10 1980's, billions in electric power plant investments were disallowed as imprudent
11 investment and industry responded that such disallowances were a violation of the
12 implicit "regulatory contract" between regulators and regulated firms. Regulators
13 were accused of renegeing on their end of the deal employing 20-20 hindsight.
14 Utilities argued that the abrogation of the regulatory contract would cause Wall
15 Street to increase capital costs along with a resistance to further investment
16 activities.

17
18 Some utilities that were found to be imprudent and incurred large prudence
19 disallowances were downgraded — not because of regulatory opportunism, but
20 because of imprudent actions by utility management. One empirical study of
21 these regulatory disallowances concluded, "[s]pillover effects from regulatory
22 disallowances may have actually led to a net increase in investment, due to the

1 positive effects on firms building non-nuclear generating units.” (Regulatory
2 Opportunism and Investment Behavior: Evidence From the U.S. Electric Utility
3 Industry, Thomas P. Lyon and John W. Mayo, June 2000.)

4 The construction process of nuclear plants required enormous capital
5 expenditures over a long period and such expenditures were subject to regulatory
6 disallowance. Thus, any claim by Mr. Fetter that utility expenditures are not
7 subject to a disallowance exposure over long periods of time is not quite correct.

8 Commission determination of fuel procurement costs in this case could have a
9 similar effect. Utilities will be on notice that fuel costs will be reviewed by the
10 Commission and prudent utility management will make all efforts to assure fuel
11 expense requests are just, reasonable and at the lowest cost possible.

12
13 As stated earlier, this Commission has put all on notice that the Commission is
14 free to revisit any fuel transaction until the matter is fully and finally adjudicated
15 as to the prudence of fuel procurement. Unless an issue of fuel procurement was
16 specifically and finally adjudicated, the Commission can address these prudence
17 issues. (In re: Investigation of Fuel Adjustment Clauses of Electric Utilities,
18 Order No.12645 at 9 (November 3, 1983)).

19 **Q. Will the proposed disallowance have a large impact on the company’s annual**
20 **earnings?**

21 A. Yes. I would expect a \$134 million disallowance would substantially impact
22 annual earnings. Any disallowance could be spread over time at the

1 Commission's discretion to ameliorate any negative impact on earnings and any
2 negative impact on the Company's Cost of Capital.

3 **Q. Does this conclude your testimony?**

4 **A. Yes.**

DOCKET NO. 060658-EI
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of foregoing Rebuttal Testimony of Dan Lawton has been furnished by U.S. Mail on this 6th day of March, 2007, to the following:

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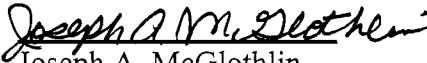
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