

Diamond Williams

100009-EI

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Sent: Friday, July 23, 2010 12:12 PM
To: Filings@psc.state.fl.us
Cc: Nita Gorman
Subject: Docket 100009-EI: SACE's Notice of Filing of Corrected Exhibit AG-2 to Testimony of Arnold Gundersen

Attachments: Not Filing Corrected Exh AG-2.pdf

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b. Docket No. 100009-EI: In re: Nuclear Cost Recovery Clause

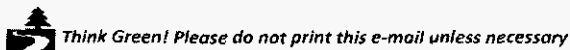
c. Filed on Behalf of Southern Alliance for Clean Energy ("SACE")

d. Total Pages: 6

e. Docket 100009-EI: SACE's Notice of Filing of Corrected Exhibit AG-2 to Testimony of Arnold Gundersen

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DOCUMENT NUMBER-DATE
 06045 JUL 23 09
 FPSC-COMMISSIONER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Plant Cost)
Recovery Clause)
)
)
_____)

DOCKET NO. 100009-EI
FILED: July 23, 2010

**SACE'S NOTICE OF FILING OF CORRECTED EXHIBIT AG-2 TO THE
TESTIMONY OF ARNOLD GUNDERSEN**

The Southern Alliance for Clean Energy ("SACE"), by and through its undersigned counsel, hereby gives notice of filing of a corrected Exhibit AG-2 to the testimony of Arnold Gundersen.

On July 8, 2010, SACE timely filed with the Florida Public Service Commission the direct testimony of Arnold Gundersen, including seven (7) Exhibits ("Gundersen Testimony"). Page 5 of the Gundersen Testimony properly lists Exhibits AG-1 through AG-7 with each exhibit's corresponding title. However, subsequent to the filing of the Gundersen Testimony, SACE became aware that Exhibit AG-2, titled "Sun Sentinel FPL Olivera," was improperly labeled in the upper right hand corner of the Exhibit as Exhibit "AG-3." Thus, the Gundersen testimony inadvertently contained two Exhibits labeled "AG-3."

Therefore, out of an abundance of caution, and in an attempt to ensure that there is no confusion as proceedings in this Docket continue, SACE hereby gives notice that it is filing a corrected Exhibit AG-2, which correctly labels the Exhibit titled "Sun Sentinel FPL Olivera" as Exhibit AG-2 to correspond with the listing contained on Page 5 of the Gundersen Testimony. The Corrected Exhibit AG-2 is attached hereto. There is no substantive change to the Exhibit itself; rather, it is simply renumbered in the upper right hand corner.

SACE respectfully requests that this corrected Exhibit AG-2, attached hereto, be made a part of the Gundersen Testimony.

DOCUMENT NUMBER DATE
06045 JUL 23 0
FPSC-COMMISSION CLERK

Respectfully submitted, this the 23rd day of July, 2010.

s/ James S. Whitlock
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CERTIFICATE OF SERVICE
Docket No. 100009-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing **NOTICE OF FILING OF CORRECTED EXHIBIT AG-2 TO THE TESTIMONY OF ARNOLD GUNDERSEN** has been furnished by electronic mail (e-mail) and/or U.S. Mail this the 23rd day of July, 2010.

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http://weblogs.sun-sentinel.com/business/realestate/housekeys/blog/2010/06/fpl_president_armando_oliveira.html

FPL President addresses criticism of the utility and renewable and nuclear energy

> Posted by Julie Patel on June 30, 2010 11:30 AM

Florida Power & Light President Armando Olivera met with the *Sun Sentinel* editorial board Tuesday.

He discussed the utility's plans to ask to pass costs to customers of a new \$900 million natural gas-fired power generator in western Palm Beach County that will open next year.

Some of our readers are already fuming about that. "If they want us to pay for this generator, are we going to own it? They want to have their cake and eat it, too. They're increasing their value but trying to pass it on to all of us," said Sam Nusinov, 88, a retired veteran in Boca Raton. "I'm on a very limited income and when I see what these high-living executives are trying to do, it just bothers me."

Olivera touched on a range of other utility and energy issues.

On FPL's rate hike request:

Olivera said he is "clearly disappointed" in the PSC's decision to reject all but 6 percent of the \$1.27 billion base rate hike FPL requested. He said he was especially disappointed that in the 9 to 11 percent return on shareholders' investment that the commission set. "We came out of this with the lowest return on equity...even though we have the lowest rates and reliability that's better than the national average," he said.

On the structure of utility regulation in Florida:

The Florida Senate proposed sweeping legislation to bar private conversations between key regulators and utilities and to have commissioners act more like judges. The House proposed studying the idea of creating a new regulatory agency that reports to the Legislature.

"We certainly have talked about that," Olivera said, adding that FPL consultant and former Florida Attorney General "Bob Butterworth and I have talked about what is the right structure."

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FPSC-COMMISSION CLERK

He said it's important that utility regulation is balanced in how it views utilities and consumers, and add that consumers should feel they "are getting a fair shake."

He said making the PSC an administrative law panel, much like the Division of Administrative Hearings, could work. "If it takes a DOAH process to get there, so be it," he said. But he said there are benefits of the current structure worth considering "before we throw out the proverbial baby with the bath water."

"What we have has worked well," he said. He said FPL customers have the lowest monthly bills in the state, reliability that is higher than the national average and a low greenhouse gas emissions rates compared to utilities its size: "By those measures, it's a pretty good result."

On criticism last year of conversations between FPL and PSC representatives over meals, by phone and via instant messages:

Olivera said FPL reviewed the conversations and found "it is all legal."

"The practice in Florida has been that the parties...can have discussions with the staff," he said.

But he acknowledged that "it seemed inappropriate" so FPL employees are no longer engaging in conversations outside of formal regulatory settings.

"We don't have any conversations" like that, he said. "We don't want to be in that situation again."

On FPL Group's name change:

Olivera said FPL's parent company changed its name to NextEra Energy Resources in part to reflect its reach outside of Florida. It is operating in 26 states and Canada and it's developing a project in Spain.

The name change also highlights the importance of renewable energy to the future of the company, he said.

On FPL's renewable energy projects:

Olivera said FPL's solar projects – a 10-megawatt plant at Kennedy Space Center, a 25-megawatt plant in DeSoto County and a 75-megawatt plant in Martin County that will open this year – are "dear to my heart."

He said the utility could have 10 percent of its energy come from solar power in the next few years. "It's largely dependent on what happens with a few public policy [proposals] and if we can get cost recovery for it," he said.

He said the company is promoting renewable energy legislation at the state and federal level because "from our point of view, it is an insurance for the future."

He said the company pushed for state legislation this year to allow utilities to recover the costs of renewable energy projects. The legislation – which died in the Senate due to concerns about its cost to customers – would granted higher profit margin to utilities on renewable energy plants but Olivera said that provision is not necessary for FPL to move forward on building new solar plants.

FPL did not advocate legislation supported by environmentalists and non-utility producers of renewable energy that would have required utilities to have a certain percentage of their energy be made up of renewable resources by 2020.

"We didn't think it had a chance...but we support it," he said.

He said wind energy is also a "hard sell" in Florida because the wind only blows along the coast where land is expensive and people don't want to look at large wind turbines.

On nuclear energy:

"Frankly, we wish we had more nuclear," he said. "Our bills would be even lower than they are today."

If said if upgrades at FPL's Turkey Point and St. Lucie County plants were done five years ago, customers would have saved an estimated \$1.2 billion in fuel costs.

FPL is moving forward with getting permits for the building two new reactors at Turkey Point as well but it's unclear if that project will ultimately get done, Olivera said. "Natural gas prices are down so the economics...are not as attractive," he said. Plus, he noted that the design FPL and other utilities are using hasn't been approved; The Nuclear Regulatory Commission has concerns about its resistance to hurricanes.

On nuclear waste storage:

A panel of Nuclear Regulatory Commission judges ruled on Tuesday that the Obama administration could not withdraw the Energy Department's application to open a nuclear waste dump at Yucca Mountain in Nevada because Congress required it.

Olivera said "it's not the best public policy to store the spent fuel" at about 100 locations throughout the country. "Each one needs safeguards," he said.