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100007-EI

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Subject: Docket No. 100007-EI; Environmental Cost Recovery Clause
Attachments: FIPUG's Prehearing Statement 10.1.10.docx

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

- a. The name, address, telephone number and email for the person responsible for the filing is:

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- b. This filing is made in Docket No. 100007-EI.
- c. The document is filed on behalf of Florida Industrial Power Users Group.
- d. The total pages in the document are 7 pages.
- e. The attached document is Florida Industrial Power Users Group's Prehearing Statement.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause

DOCKET NO. 100007-EI

Filed: October 1, 2010

**FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

Pursuant to Order No. PSC-10-0097-PCO-EI, issued February 22, 2010, establishing the prehearing procedure in this docket, the Florida Industrial Power Users Group (FIPUG) hereby files its Prehearing Statement.

A. APPEARANCES:

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On Behalf of the Florida Industrial Power Users Group

B. WITNESSES:

None.

C. EXHIBITS:

None; however, FIPUG reserves the right to use appropriate exhibits during cross-examination.

D. STATEMENT OF BASIC POSITION

FIPUG's Statement of Basic Position:

The Commission should strictly review all items submitted for recovery through the environmental cost recovery clause to ensure that the criteria for recovery are met. In this docket, FPL has submitted two programs (ESP project and CAIR and CAMR compliance) which do not meet the requirements for recovery.

E. STATEMENT OF ISSUES AND POSITIONS:

GENERIC ISSUES

Issue 1 **What are the final environmental cost recovery true-up amounts for the period ending December 31, 2009?**

FIPUG: No position at this time.

Issue 2 **What are the estimated environmental cost recovery true-up amounts for the period January 2010 through December 2010?**

FIPUG: No position at this time.

Issue 3 **What are the projected environmental cost recovery amounts for the period January 2011 through December 2011?**

FIPUG: No position at this time.

Issue 4 **What are the final environmental cost recovery amounts, including true-up amounts, for the period January 2011 through December 2011?**

FIPUG: No position at this time.

Issue 5 **What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2011 through December 2011?**

FIPUG: No position at this time.

Issue 6 **What are the appropriate jurisdictional separation factors for the projected period January 2011 through December 2011?**

FIPUG: No position at this time.

Issue 7 **What are the appropriate environmental cost recovery factors for the period January 2011 through December 2011 for each rate group?**

FIPUG: The factors are a mathematical calculation based on the resolution of company-specific issues.

Issue 8 **What should be the effective date of the new environmental cost recovery factors for billing purposes?**

FIPUG: The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2011 through December 2011. Billing cycles may start before January 1, 2011 and the last cycle may be read after December 31, 2011, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

COMPANY-SPECIFIC ISSUES

Florida Power & Light (FPL)

Issue 9A Should FPL be allowed to recover the costs associated with its proposed St. Lucie Turtle Net - Update Project?

FIPUG: No position at this time.

Issue 9B Should FPL be allowed to recover the costs associated with its proposed Martin Plant Barley Swamp Iron (BBS – Iron) Project?

FIPUG: No position at this time.

Issue 9C How should the costs associated with FPL’s proposed Martin Plant BBS – Iron Project be allocated to the rate classes?

FIPUG: If this project is approved for recovery, it should be allocated on a 12 CP demand basis.

Issue 9D Should FPL be allowed to recover the costs associated with its proposed 800 MW Unit Units Electro Static Precipitators (ESPs) Project for complying with the proposed¹ maximum achievable control technology (MACT) rule?

FIPUG: No. The rule toward which this project is directed has not yet been adopted. Programs to comply with a yet to be adopted rule should not be approved for cost recovery.

Issue 9E How should the costs associated with FPL’s proposed 800 mw units ESPs be allocated to the rate classes?

FIPUG: If the project is approved, costs should be allocated on a demand basis.

Issue 9F Should FPL submit to the Commission monthly schedules to report the operation status of its three Next Generation Solar Energy Centers?

FIPUG: Yes.

¹ FIPUG suggests a wording change to this issue as the rule in question has not been adopted.

Issue 9G **Should the Commission approve FPL's 2010 Supplemental Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR) and Clean Air Visibility Rule (CAVR) filing?**

FIPUG: No position at this time.

Issue 9H **Should FPL be allowed to recover the costs associated with its proposed CAIR and CAMR Compliance - Update Project?**

FIPUG: No. This project does meet the requirements for recovery through the environmental cost recovery clause.

Progress Energy Florida (PEF)

Issue 10A **Should the Commission grant PEF's Petition for approval of cost recovery for the Effluent Limitation Guidelines-related Information Collection Request (ELG-ICR) Project?**

FIPUG: No position at this time.

Issue 10B **How should the costs associated with PEF's proposed ELG – ICR Project be allocated to the rate classes?**

FIPUG: If the project is approved, costs should be allocated on a demand basis.

Issue 10C **Should the Commission approve PEF's updated Review of Integrated Clean Air Compliance Plan that was submitted on April 1, 2010?**

FIPUG: No position at this time.

Gulf Power Company (Gulf)

Issue 11A **Should the Commission approve Gulf's Environmental Compliance Program Update for the Clean Air Interstate Rule and Clean Air Visibility Rule (Compliance Program) that was submitted on April 1, 2010?**

FIPUG: No position at this time.

Issue 11B **Should the Commission grant Gulf's Petition for approval of the inclusion of the Plant Daniel Units 1 and 2 Selective Catalytic Reduction Systems (SCRs) in the Company's Compliance Program and for recovery of the associated costs through the ECRC?**

FIPUG: No position at this time.

Issue 11C **Should the Commission approve Gulf's newly proposed Information Collection Request-related Effluent Limitation Guidelines (ICR-ELG) Project?**

FIPUG: No position at this time.

Issue 11D **How should the costs associated with Gulf's proposed LCR – ELG Project be allocated to the rate classes?**

FIPUG: If the project is approved, costs should be allocated on a demand basis.

Tampa Electric Company (TECO)

None at this time.

F. STIPULATED ISSUES:

FIPUG: None at this time.

G. PENDING MOTIONS:

FIPUG: FIPUG has no pending motions at this time.

H. PENDING REQUEST OR CLAIMS FOR CONFIDENTIALITY:

FIPUG: FIPUG has no pending confidentiality claims or requests.

I. OBJECTIONS TO A WITNESS' QUALIFICATION AS AN EXPERT:

FIPUG: None at this time.

J. REQUIREMENTS THAT CANNOT BE COMPLIED WITH:

FIPUG: None.

s/ Vicki Gordon Kaufman

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FIPUG's Prehearing Statement was furnished to the following, by electronic mail and U.S. Mail, on this 1st day of October, 2010:

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