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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Environmental cost recovery clause.

DOCKET NO. 130007-EI

COMMISSION  
CLERK

DATED: October 7, 2013

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-13-0070-PCO-EI issued on February 4, 2013, Order No. PSC-13-0115-PCO-PU issued on March 7, 2013, and Order No. PSC-13-0165-PCO-PU issued on April 22, 2013, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

There are no known witnesses at this time.

b. All Known Exhibits

There are no known exhibits at this time.

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

GENERIC ISSUES

**ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2012 through December 2012?**

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

**ISSUE 2: What are the actual/estimated environmental cost recovery true-up amounts for the period January 2013 through December 2013?**

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

**ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2014 through December 2014?**

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

**ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2014 through December 2014?

**Staff:** 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 2014 through December 2014?

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

**ISSUE 6:** What are the appropriate jurisdictional separation factors for the projected period January 2014 through December 2014?

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

**ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2014 through December 2014 for each rate group?

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

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

**Staff:** The new factors should be effective beginning with the first billing cycle for January 2014 and thereafter through the last billing cycle for December 2014. The first billing cycle may start before January 1, 2014, and the last cycle may be read after December 31, 2014, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. The new factors shall continue in effect until modified by this Commission.

### **COMPANY-SPECIFIC ISSUES**

#### **Florida Power & Light (FPL)**

**Issue 9:** Should the Commission approve FPL's Supplemental Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR) and Clean Air Visibility Rule (CAVR)/ Best Available Retrofit Technology (BART) filing as reasonable?

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

**Issue 10:** Should the Commission approve FPL's Petition for approval of the proposed NO2 compliance project involving the retirement and installation of peaking generating units for cost recovery through the ECRC?

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

**Issue 10.A.:** Is FPL required by current environmental regulations to reduce NO2 emissions at the Lauderdale, Port Everglades and Ft. Myers sites and if so, when must the emissions be reduced?

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

**Issue 10.B.:** Is FPL's proposed installation of combustion turbines at the Lauderdale and Ft. Myers plants required by current environmental regulations?

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

**Issue 10.C.:** Do more cost effective alternatives exist as compared to FPL's proposed installation of combustion turbines at the Lauderdale and Ft. Myers plants?

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

**Issue 11.:** How should the costs associated with the NO2 compliance project be allocated to the rate classes?

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

**Duke Energy Florida (DEF)**

**Issue 12:** Should the Commission approve DEF's Review of Integrated Clean Air Compliance Plan as reasonable?

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

**Issue 13:** Should the Commission approve modification of DEF's previously approved Integrated Clean Air Compliance Program to encompass alternative coal trials associated with the Crystal River Units 1 and 2 MATS compliance project, such that the costs associated with such activities may be recovered through the ECRC?

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

**Issue 14:** Should the Commission approve DEF's petition for approval of the Revised Effluent Limitations Guidelines and Standards Project and recovery of the associated cost through the ECRC?

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

**Issue 15:** **How should the costs associated with DEF's proposed Revised Effluent Limitations Guidelines and Standards Project be allocated to the rate classes?**

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

**Gulf Power Company (Gulf)**

**Issue 16:** **Should the Commission approve Gulf's Environmental Compliance Program Update as reasonable?**

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

**Issue 17:** **Should Gulf's proposal to allocate costs associated with the Clean Air Act Amendments of 1990 (CAAA) and other air quality capital costs to the rate classes on a 12 Coincident Peak (CP) and 1/13 energy basis be approved?**

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

**Tampa Electric Company (TECO)**

None at this time

e. **Stipulated Issues**

None at this time.

f. **Pending Motions**

On October 3, 2013, the Florida Industrial Power Users Group filed a Motion to Establish Separate "Spin-Off" Docket to Examine FPL's Petition to Replace Existing Peaking Gas Turbines with New Combustion Turbine Equipment.

On October 4, 2013, the DeSoto County Generating Company, LLC, and the Office of Public Counsel filed a Joint Motion for Leave to File Surrebuttal Testimony.

On October 7, 2013, Duke Energy Florida filed a Motion for Leave to File Revised Testimony and Exhibits.

g. **Pending Confidentiality Claims or Requests**

There are several pending.

h. **Objections to Witness Qualifications as an Expert**

None at this time.

i. **Compliance with Orders Nos. PSC-13-0070-PCO-EI, PSC-13-0115-PCO-PU, and PSC-13-0165-PCO-PU.**

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

Respectfully submitted this 7th day of October, 2013.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic and U.S. Mail, on this 7th day of October, 2013:

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