

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Environmental Cost Recovery Clause

Docket No: 140007-EI

Filed: July 10, 2014

**FLORIDA POWER & LIGHT COMPANY'S PRELIMINARY LIST OF NEW
PROJECTS TO BE SUBMITTED FOR COST RECOVERY**

Florida Power & Light Company hereby submits the attached Preliminary List of New Projects to be Submitted for Cost Recovery.

Respectfully submitted this 10th day of July, 2014.

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CERTIFICATE OF SERVICE
Docket No. 140007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service this 10th day of July, 2014 to the following:

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PRELIMINARY LIST OF NEW PROJECTS TO BE SUBMITTED FOR COST RECOVERY

Project: Clean Water Act - Waters of the United States Rulemaking

Law/Regulation:

On April 21, 2014 The U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Army Corps) published a proposed rule in the federal register defining the scope of waters protected under the Clean Water Act (CWA). The proposed rule revises the definition for “Waters of the United States” (WOUS) at 33 CFR Parts 328.3(a) and 40 CFR Parts 110.1,112.2, 116.3, 117.1, 122.2, 230.3, 232.2, 300.5, 300 App. E, 302.3, and 401.11.

Brief Description of Project:

The proposed changes to the definition of WOUS would result in an increased number of jurisdictional wetland and water body determinations impacting existing facilities and future electric utility projects. FPL contends the proposed rule revisions are overreaching and in conflict with previous Supreme Court decisions regarding WOUS. These revisions could result in FPL needing to purchase additional costly mitigation credits for future projects, and increase permitting and operational costs associated with existing and future power plant, transmission, distribution, pipeline and renewable generation related projects. Further, uncertainty about EPA’s intent and the rule language may result in a requirement to install cumbersome and very expensive compliance technologies on the cooling ponds or cooling canal systems at four FPL power plants. FPL proposes to request recovery of costs associated with legal and advocacy support to help limit the compliance cost impact of the proposed revision to the CWA.

FPL believes it is prudent at this time to engage in active legislative and regulatory advocacy to help limit the compliance cost impact of potential revisions to the CWA and encourage various government agencies (both Florida and federal) to support FPL’s positions concerning potential revisions to the proposed rule. To do this, FPL would need to educate various state and federal agencies, as well as lawmakers, in an attempt to have them support the rulemaking (and possibly legislative) process, so that compliance costs are minimized and a balanced and equitable rule is achieved.

In order to implement these actions, FPL proposes to contract with various law firms and consultants that would facilitate communication with the targeted authorized agencies and lawmakers, assist in writing comments (both through industry groups and as an individual entity) on any proposed rules, consider proposing necessary legislation and advise/assist in writing comments and briefs in any future court actions.

The initial O&M estimate for funding advocacy activities is \$228,500, to be incurred from August 2014 through December 2015. FPL’s goal for its advocacy is to reduce the impacts

associated with EPA's proposed addition of new terms that would result in expansion of jurisdictional wetlands. Further, FPL will advocate for an exclusion of cooling ponds and cooling canals at power plants as jurisdictional wetlands. FPL believes that its proposed advocacy activities are reasonable and prudent to help protect customers against the risk that FPL would have to incur large capital expenditures and O&M expenses to comply with future regulatory requirements. For example, if cooling ponds and cooling canals were designated as wetlands due to the new rule, it is projected that effluent treatment systems and aquatic organism impingement/entrainment controls could be required. These controls could cost approximately \$25 million to \$30 million in expenditures and approximately \$3 million to \$6 million in annual O&M expenses.