

3:50pm
Law

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Environmental Cost) DOCKET NO. 950007-EI
Recovery Clause)
_____) FILED: FEBRUARY 6, 1995

ORIGINAL
FILE COPY

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-95-0076-PCO-EI, issued January 13, 1995, establishing the prehearing procedure in this docket, the Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues and Positions.

GENERIC ENVIRONMENTAL COST RECOVERY ISSUES

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period ending September 30, 1994?

POSITION: FPL: \$111,561 overrecovery for the period including interest.

GULF: No position at this time pending the resolution of other issues.

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period October, 1994 through March, 1995?

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OND _____
- ROH _____
- SEC / _____
- WAS _____
- OTH _____

POSITION: FPL: \$351,379 overrecovery for the period including interest.

GULF: No position at this time pending the resolution of other issues.

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected during the period April, 1995 through September, 1995?

POSITION: FPL: \$462,940 overrecovery for the period including interest.

GULF: No position at this time pending the resolution of other issues.

DOCUMENT NUMBER-DATE
01338 FEB-6 95
FPSC-RECORDS/REPORTING

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS
DOCKET NO. 950007-EI

ISSUE 4: What are the appropriate projected environmental cost recovery amounts for the period April, 1995 through September, 1995?

POSITION: FPL: \$3,893,554

GULF: No position at this time pending the resolution of other issues.

ISSUE 5: What should be the effective date of the new environmental cost recovery factors for billing purposes?

POSITION: The factor should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period April, 1995 through September, 1995. Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

ISSUE 6: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected during the period April, 1995 through September, 1995?

POSITION: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service.

ISSUE 7: How should the newly proposed environmental costs be allocated to the rate classes?

POSITION: FPL: The costs of the Continuous Emission Monitoring Systems Operation and Maintenance project should be allocated on an energy basis.

FPL: The costs of the Resource Conservation and Recovery Act (RCRA) Corrective Action Operation and Maintenance project should be allocated on a demand basis.

GULF: The allocation of dismantlement associated with ECRC investments should be based on the allocation of the ECRC investments.

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS
DOCKET NO. 950007-EI

GULF: The costs of the Clean Air Act Amendments of 1990, Title V Permit Operation and Maintenance activity should be allocated on an energy basis.

GULF: The costs of the Plant Daniel Groundwater Monitoring Program associated with the closure of the Plant Daniel Ash Pond activity should be allocated on a demand basis.

ISSUE 8: What are the appropriate Environmental Cost Recovery Factors for the period April, 1995 through September, 1995 for each rate group?

<u>POSITION:</u> FPL:	<u>Rate Class</u>	<u>ECRC Factor (\$/KWH)</u>
	RS1	0.00010
	CS1	0.00010
	GSD1	0.00010
	OS2	0.00009
	GSLD1/CS1	0.00010
	GSLD2/CS2	0.00009
	GSLD3/CS3	0.00009
	ISST1D	0.00010
	SST1T	0.00009
	SST1D	0.00009
	CILC D/CILC G	0.00009
	CILC T	0.00009
	MET	0.00010
	OL1/SL1	0.00008
	SL2	0.00009

GULF: No position at this time pending the resolution of other issues.

COMPANY - SPECIFIC ENVIRONMENTAL COST RECOVERY ISSUES

Gulf Power Company

ISSUE 9A: Should the Commission approve Gulf Power Company's request to recover the cost for dismantlement associated with ECRC investments through the Environmental Cost Recovery Clause?

POSITION: No. The Commission has not approved dismantlement costs for recovery through the Environmental Cost Recovery Clause for the period ending September 30, 1994, therefore, all dismantlement costs should be disapproved at this time.

This issue should be deferred until the August hearing to allow for testimony from all parties on the appropriate methodology for determining the projected dismantlement amounts, if any, to be included in the clause.

ISSUE 9B: Should the Commission approve Gulf Power Company's request to recover the cost for the Title V Permit Operation and Maintenance activity through the Environmental Cost Recovery Clause?

POSITION: Yes. This activity is a requirement of the Clean Air Act Amendments of 1990. All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism and were not considered at the time of Gulf Power Company's last rate case.

ISSUE 9C: Should the Commission approve Gulf Power Company's request to recover the cost for the Plant Daniel Groundwater Monitoring Program through the Environmental Cost Recovery Clause?

POSITION: Yes. This activity is a requirement of the Mississippi Department of Environmental Quality associated with the closure of the Plant Daniel Ash Pond. All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism and were not considered at the time of Gulf Power Company's last rate case.

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS
DOCKET NO. 950007-EI

ISSUE 9D: Should Gulf Power Company be allowed to recover the cost of meals through the environmental cost recovery clause?

POSITION: Only the meal costs incurred for an employee's own consumption while traveling on environmental cost recovery clause business should be charged to ECRC accounts and recovered through the ECRC. Any meal costs incurred for employees of other companies and any meal costs incurred in connection with meetings held at local restaurants as a matter of convenience should not be recovered through the ECRC. Gulf Power Company should make the necessary adjustments to remove the costs of meals previously charged to ECRC accounts that do not comply with the above stated policy.

Florida Power & Light Company

ISSUE 10A: Should the Commission approve Florida Power & Light Company's request to recover the cost for the Resource Conservation and Recovery Act (RCRA) Corrective Action Operation and Maintenance project through the Environmental Cost Recovery Clause?

POSITION: Yes. The expenses are required to comply with the RCRA Facility Assessments and other activities associated with the RCRA Corrective Action process. All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism and were not considered at the time of Florida Power & Light Company's last rate case.

ISSUE 10B: Should the Commission approve Florida Power & Light Company's request to recover the cost for the Continuous Emission Monitoring Systems Operation and Maintenance activity?

POSITION: Yes. This activity is associated with the Continuous Emission Monitoring Systems capital investments already included in the ECRC and is required to comply with the Clean Air Act Amendments of 1990. All expenses were incurred after April 13, 1993, are not being recovered in any other cost recovery mechanism and were not considered at the time of Florida Power & Light Company's last rate case.

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS
DOCKET NO. 950007-EI

Dated this 6th day of February, 1995.

Respectfully submitted,

Martha Carter Brown

MARTHA CARTER BROWN
VICKI D. JOHNSON
Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION
101 East Gaines Street
Fletcher Bldg., Room 226
Tallahassee, Florida 32399-0863
(904)487-2740

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Environmental Cost) DOCKET NO. 950007-EI
Recovery Clause)
_____) FILED: FEBRUARY 6, 1995

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the one copy of Staff's Preliminary List of Issues and Positions has been furnished by U.S. Mail this 6th day of February, 1995, to the following:

Beggs & Lane
Jeffery Stone, Esquire
P.O. Box 12950
Pensacola, FL 32576-2950

Gulf Power Company
Mr. Jack L. Haskins
P.O. Box 13470
Pensacola, FL 32591-3470

McWhirter Reeves McGlothlin
Davidson and Bakas
Vicki Gordon Kaufman, Esquire
315 S. Monroe St., #716
Tallahassee, FL 32301-1838

Florida Power and Light Co.
Mr. Bill Walker
215 S. Monroe St., #810
Tallahassee, FL 32301-1859

McWhirter Reeves McGlothlin
Davidson and Bakas
John McWhirter, Esquire
P.O. Box 3350
Tampa, FL 33601-3350

Florida Power and Light Co.
Steel Hector and Davis
Matthew Childs, Esquire
215 S. Monroe St., #601
Tallahassee, FL 32301

Florida Power Corporation
James A. McGee, Esquire
P.O. Box 14042
St. Petersburg, FL 33733-4042

Florida Public Utilities
Mr. Frank C. Cressman
P.O. Box 3395
W Palm Bch., FL 33402

CERTIFICATE OF SERVICE
DOCKET NO. 950007-EI

Tampa Electric Company
Mr. Russell Chapman
Regulatory Affairs Department
P.O. Box 111
Tampa, FL 33601-0111

Martha Carter Brown

MARTHA CARTER BROWN
VICKI D. JOHNSON
Staff Counsel

Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0863
(904) 487-2740