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October 16, 2003

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COMMISSION
CLERK

-VIA FEDERAL EXPRESS-

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 030007-EI

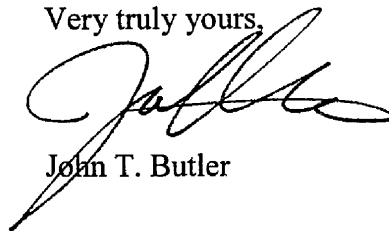
Dear Ms. Bayó:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Revised Prehearing Statement, together with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows 2000, and the word processing software in which the documents appear is Word 2000. FPL has revised its prehearing statement to address issues 9G and 9H, which were included in Staff's prehearing statement but not in its earlier list of issues.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

AUS _____
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OTH _____

Very truly yours,



John T. Butler

Enclosure

cc: Counsel for Parties of Record (w/encl.)

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REGISTRATION CENTER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental)
Recovery Clause)
_____)

DOCKET NO. 030007-EI
FILED: October 17, 2003

**FLORIDA POWER & LIGHT COMPANY'S
PREHEARING STATEMENT (REVISED)**

Pursuant to Order No. PSC-03-0114-PCO-EI, issued January 21, 2003, as amended by Order No. PSC-03-0412-PCO-EI, issued March 25, 2003 establishing the prehearing procedure in this docket, Florida Power & Light Company, ("FPL") hereby submits its Prehearing Statement.

A. APPEARANCES

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B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
K.M. DUBIN	ECRC Projections and Factors for January through December 2004	3 - 8
K.M. DUBIN	ECRC Estimated/Actual True-up for January through December 2003	2
K.M. DUBIN	ECRC Final True-up for January through December 2002	1
K.M. DUBIN	Recovery of FPL's UST Replacement /	9A

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

R.R. LABAUVE	Removal Project	
K.M. DUBIN	Allocation of UST Replacement / Removal Project	9B
K.M. DUBIN R.R. LABAUVE	Recovery of FPL's LQWS Project	9C
K.M. DUBIN	Allocation of LQWS Project	9D
K.M. DUBIN R.R. LABAUVE	Recovery of FPL's Pt. Everglades ESP Technology Project	9E
K.M. DUBIN	Allocation of Pt. Everglades ESP Technology Project	9F
K.M. DUBIN R.R. LABAUVE	Recovery of FPL's Manatee Plant under approved WSDER Project?	9G
K.M. DUBIN	Allocation of FPL's Manatee Plant under approved WSDER Project	9H

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
(KMD-1)	K.M. DUBIN	Environmental Cost Recovery Final True-up January - December 2002 Commission Forms 42 - 1A through 42 - 8A
(KMD-2)	K.M. DUBIN	Appendix I Environmental Cost Recovery Estimated/Actual Period January Through December 2003 Commission Forms 42-1E - 42-8E
(KMD-3)	K.M. DUBIN	Appendix I Environmental Cost Recovery Projections January - December 2004 Commission Forms 42-1P - 42-7P
(RRL-1)	R.R. LABAUVE	Florida Administrative Code, Title 62- Department of Environmental Protection, Rule 62-761.500

(RRL-2)	R.R. LABAUVE	FPL's Existing Underground Storage Tank Systems
(RRL-3)	R.R. LABAUVE	St. John's River Water Management District Consumptive Use Permit Number 10652, Cape Canaveral Plant
(RRL-4)	R.R. LABAUVE	St. John's River Water Management District Consumptive Use Permit Number 9202, Sanford Plant
(RRL-5)	R.R. LABAUVE	Draft Title V Air Permit, Port Everglades Plant
(RRL-6)	R.R. LABAUVE	Advantages/Disadvantages - Particulate Removal Technologies
(RRL-7)	R.R. LABAUVE	Advantages/Disadvantages - SO ₃ Removal Technologies

D. STATEMENT OF BASIC POSITION

None necessary

E. STATEMENT OF ISSUES AND POSITIONS

GENERIC ENVIRONMENTAL COST RECOVERY ISSUES

1. What are the final environmental cost recovery true-up amounts for the period ending December 31, 2002?
FPL: \$205,349 over-recovery. (DUBIN)
2. What are the estimated environmental cost recovery true-up amounts for the period January 2003 through December 2003?
FPL: \$850,933 over-recovery. (DUBIN)
3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2004 through December 2004?
FPL: \$1,056,282 over-recovery. (DUBIN)
4. What are the projected environmental cost recovery amounts for the period January 2004 through December 2004?

FPL: The projected environmental cost recovery amount for the period January through December 2004 is 13,798,551. (DUBIN)

5. 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 January 2004 through December 2004?

FPL: 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 as approved by the FPSC. (DUBIN)

6. What are the appropriate jurisdictional separation factors for the projected period January 2004 through December 2004?

FPL: Energy Jurisdictional Factor: 98.750007%
CP Demand Jurisdictional Factor: 98.84301%
GCP Demand Jurisdictional Factor: 100.000000% (DUBIN)

7. What are the appropriate environmental cost recovery factors for the period January 2004 through December 2004 for each rate group?

FPL: Rate Class	Environmental Recovery Factor (\$/kWh)
RS-1	0.00013
GS-1	0.00013
GSD1	0.00012
OS2	0.00015
GSLD1/CS1	0.00012
GSLD2/CS2	0.00012
GSLD3/CS3	0.00011
SST1T	0.00010
SST1D	0.00012
CILC D/CILC G	0.00011
CILC T	0.00010
MET	0.00013
OL1/SL1/PL1	0.00009
SL2	0.00011

(DUBIN)

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

FPL: The new environmental cost recovery factors should become effective with customer bills for January 2004 through December 2004. This will provide 12 months of billing on the environmental cost recovery factors for all customers. (DUBIN)

COMPANY-SPECIFIC ENVIRONMENTAL COST RECOVERY ISSUES

- 9A. Should FPL be allowed to recover costs associated with the Underground Storage Tank (UST) Replacement/Removal Project?

FPL: Yes. Pursuant to Rule 62-761.500, F.A.C., the Florida Department of Environmental Protection (DEP) requires the removal or replacement of existing Category-A and Category-B storage tank systems with systems meeting the standards for Category-C storage tank systems by December 31, 2009. FPL's proposal represents a cost-effective response to this requirement, on a reasonable timetable that takes into account the hazardous nature of the contents in the tanks as well as the condition of those tanks and their inaccessibility for inspection. (LABAUVE)

- 9B. How should the newly proposed environmental costs for the UST Replacement/Removal Project be allocated to the rate classes?

FPL: Proposed costs for the UST Replacement/Removal Project should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

- 9C. Should FPL be allowed to recover costs associated with the Lowest Quality Water Source (LQWS) Project?

FPL: Yes. This project is required in order to comply with conditions in the consumptive use permits (CUPs) issued for FPL's Sanford and Cape Canaveral plants by the St. Johns River Water Management District. The purpose of those conditions is to preserve Florida's groundwater, an important environmental resource. The project will satisfy these CUP conditions in a cost-effective manner. (LABAUVE)

- 9D. How should the newly proposed environmental costs for the LQWS Project be allocated to the rate classes?

FPL: Proposed costs for the LQWS Project should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

- 9E. Should FPL be allowed to recover costs associated with the Port Everglades Electrostatic Precipitator (ESP) Technology Project?

FPL: Yes. This project is required to comply with visibility and particulate emission requirements imposed in the new title V air permit that has recently been issued by the DEP for the Port Everglades plant. Those permit conditions comply with current air-emission standards, anticipate new National Ambient Air Quality Standards for fine particulate emissions as well as other emerging air-emission requirements, and satisfy concerns about air emissions from the Port Everglades plant that were raised by Broward County and other stakeholders during the DEP's evaluation of the permit. The

project will satisfy the Title V permit conditions in a cost-effective manner. (LABAUVE)

9F. How should the newly proposed environmental costs for the Port Everglades ESP Technology Project be allocated to the rate classes?

FPL: Proposed costs for the Port Everglades ESP Technology Project should be allocated to the rate classes on an energy basis. (DUBIN)

9G. Should the Commission approve FPL's request for recovery of costs for the inclusion of the Manatee Plant in FPL's Wastewater/Stormwater Discharge Elimination & Reuse (WSDER) Project through the Environmental Cost Recovery Clause?

FPL: Yes. FPL must meet BMP3 requirements at its Manatee plant as a condition of the NPDES permit for that plant, as is the case for several other plants. FPL did not originally include the Manatee plant in its request for approval of the WSDER Project because it anticipated addressing wastewater and stormwater management issues through the Orimulsion certification that it was seeking at the time. (LABAUVE)

9H. How should FPL's newly proposed environmental costs for the WSDER Project be allocated to the rate classes?

FPL: Proposed costs for the WSDER Project should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT TITLES
K. M. DUBIN	FPL	ECRC projections for January through December 2004	KMD-3
R.R. LABAUVE	FPL	UST Replacement/Removal Project	RRL-1, RRL-2
		LQWS Project	RRL-3, RRL-4
		Port Everglades ESP Technology Project	RRL-5, RRL-6, RRL-7

K. M. DUBIN	FPL	ECRC Estimated/Actual True-up for January through December 2003	KMD-2
R.R. LABAUVE	FPL	Inclusion of Manatee plant in WSDER Project	
K. M. DUBIN	FPL	ECRC Final True-up for January through December 2002	KMD-1

F. STATEMENT OF POLICY ISSUES AND POSITIONS

FPL: None at this time

G. STIPULATED ISSUES

FPL: None at this time.

H. PENDING MOTIONS

FPL has no outstanding motions at this time.

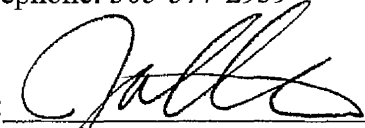
I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted,

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By: 
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CERTIFICATE OF SERVICE
Docket No. 030007-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Revised Prehearing Statement has been furnished by Federal Express (*) or U.S. Mail this 16th day of October, 2003 to the following:

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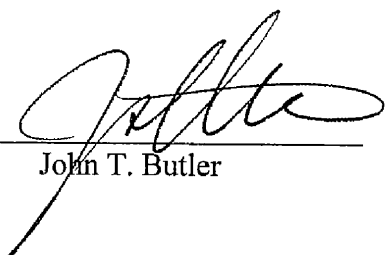
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