

# Hopping Green & Sams

Attorneys and Counselors

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July 15, 2005

## **BY HAND DELIVERY**

Blanca Bayó  
Director, Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 050007-EI

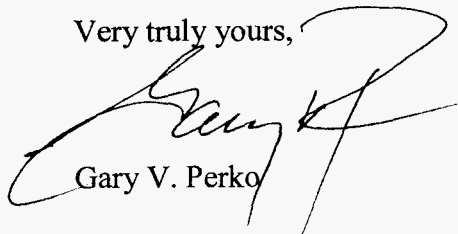
Dear Ms. Bayó:

On behalf of Progress Energy Florida, Inc., I have enclosed for filing the original and fifteen copies of PEF's Preliminary List of New Projects for Cost Recovery. I also have enclosed a diskette containing the document in Word format.

Copies of the document have been provided to the persons on the attached certificate of service.

Please stamp and return the enclosed extra copy of this filing. If you have any questions regarding this filing, please give me a call at 425-2359.

Very truly yours,



Gary V. Perko

GVP/dg  
Enclosures  
cc: Certificate of Service

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY, on behalf of Progress Energy Florida, Inc.'s Preliminary List of New Projects for Cost Recovery in Docket No. 050007-EI have been furnished by hand-delivery (\*) or regular U.S. mail to the following this 5<sup>th</sup> day of July, 2005.

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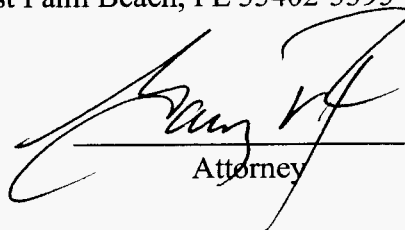
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**BEFORE THE PUBLIC SERVICE COMMISSION**

In re: Environmental cost recovery clause.

Docket No. 050007-EI

Dated: July 15, 2005

**PROGRESS ENERGY FLORIDA, INC.'S PRELIMINARY  
LIST OF NEW PROJECTS FOR COST RECOVERY**

PROGRESS ENERGY FLORIDA, INC., ("PEF"), pursuant to Order No. 05-0264-PCO-EI, hereby submits its preliminary description and justification for new projects for which PEF may seek cost recovery under the environmental cost recovery clause.

1. **Sea Turtle Streetlight Compliance Program:** PEF owns and leases high pressure sodium streetlights throughout its service territory. The Florida Department of Environmental Protection (FDEP), in collaboration with the Florida Fish and Wildlife Conservation Commission and the U.S. Fish & Wildlife Service, has developed a model Sea Turtle lighting ordinance. See Rule 62B-55.006, F.A.C. This ordinance contains new criteria for the siting and configuration of lighting, including streetlights, along the coast of Florida where sea turtles are known or expected to nest. The model ordinance is used by the local governments to develop and implement local ordinances within their jurisdiction. To date, new Sea Turtle lighting ordinances have come into effect in Franklin County (Ordinance No. 98-11), Gulf County (Ordinance No. 2001-09) and the City of Mexico Beach in Bay County (Ordinance No. 398). Additional coastal local governments are expected to implement similar ordinances. PEF is currently developing cost effective lighting solutions to comply with the new ordinances. Compliance options include retrofitting or replacing existing streetlights and, in certain cases, monitoring to determine the effectiveness of the new or retrofitted lights. Additional costs, not currently in existing base rates, will be incurred to perform these activities. PEF is in the process of estimating such compliance costs.

2. **New Underground Storage Tanks Program:** FDEP rules require that underground pollutant storage tanks and small diameter piping be upgraded with secondary containment by December 31, 2009. See Rule 62-761.510(5), F.A.C. PEF has identified four tanks that must comply with this rule: two at the Crystal River power plant and two at the Bartow power plant. The necessary work will be performed in 2006. The total capital cost is projected to be \$300,000 (\$200,000 at Crystal River and \$100,000 at Bartow).

3. **New Arsenic Groundwater Standard Program:** On January 22, 2001, the U.S. Environmental Protection Agency (USEPA) adopted a new maximum contaminant level (MCL) for arsenic in drinking water, replacing the previous standard of 0.050 mg/L with a new MCL of 0.010 mg/L (10ppb) . Effective January 1, 2005, FDEP established the USEPA MCL as Florida's drinking water standard. See Rule 62-550, F.A.C. The new standard has implications for land application and water reuse projects in Florida because the drinking water standard has been established as the groundwater standard by Rule 62-520.420(1), F.A.C. Lowering the arsenic standard will require new analytical methods for sampling groundwater at numerous PEF sites. Results from these tests will determine the extent of future compliance activities and associated costs. Current O&M projections for testing are \$50,000 for 2005. Future compliance activities and costs will depend on the analytical results and discussions with FDEP.

4. **Groundwater Compliance Program:** Historically, FDEP's industrial wastewater (IWW) permits for PEF's Bartow and Crystal River plants have required compliance with GII standards for groundwater discharges in Chapters 62-520 and 62-550, FAC. In the latest IWW permit for PEF's Bartow plant, FDEP has indicated that it will require compliance with more stringent criteria based on standards intended to protect adjacent surface waters. The upcoming renewal of the IWW permit for PEF's Crystal River plant is expected to include this change as well. As a result of these new requirements, PEF expects to incur additional

compliance costs for well installation, monitoring and other activities. PEF will be in a position to project the associated compliance costs after further discussions with FDEP which likely will occur later this summer.

RESPECTFULLY SUBMITTED this <sup>H</sup>~~15~~ day of July, 2005.

HOPPING GREEN & SAMS, P.A.

By:



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