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November 20, 2006

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0800

Re: Docket No. 060635-EU

Dear Ms. Bayo:

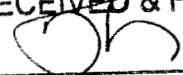
Attached please find the original and fifteen copies of the Second Revised NRDC Preliminary Statement of Issues and Positions in the above styled docket.

Should you have questions or need any additional information, please contact me.

Very truly yours,


Suzanne Brownless
Attorney for NRDC

CMP _____
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DOCUMENT NUMBER-DATE

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for determination of need for electrical power plant in Taylor County by Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and the City of Tallahassee.

DOCKET NO. 060635-EU
FILED: November 20, 2006

SECOND REVISED NRDC PRELIMINARY STATEMENT OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-06-0819-PCO-EU, issued on October 4, 2006, establishing the prehearing procedure in this docket, the National Resources Defense Council (NRDC) hereby files its Preliminary List of Issues and Positions.

ISSUE 1: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1a: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to JEA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1b: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to FMPA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1c: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to the City of Tallahassee, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 1d: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity with regard to RCID, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

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ISSUE 2: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 2a: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost for JEA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 2b: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost for FMPA, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 2c: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost for City of Tallahassee, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 2d: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost for RCID, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 3: Is there a need for the proposed TEC generating unit, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: The NRDC recognizes in principle the value of fuel diversity in the state's current generation mix. However, fuel diversity would be better served by an IGCC unit. Diversity should also include serious consideration of renewable sources of energy.

ISSUE 3a: Does the TEC generating unit provide for fuel diversity and supply reliability on JEA's system, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 3b: Does the TEC generating unit provide for fuel diversity and supply reliability on FMPA's system, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position at this time.

ISSUE 3c: Does the TEC generating unit provide for fuel diversity and supply reliability on City of Tallahassee's system, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position at this time.

ISSUE 3d: Does the TEC generating unit provide for fuel diversity and supply reliability on RCID's system, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No position at this time.

ISSUE 4: Are there any conservation measures taken by or reasonably available to the Florida Municipal Power Agency, JEA, Reedy Creek Improvement District, and City of Tallahassee (Participants) which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes, due to the fact that the total benefits of DSM opportunities and total cost of the proposed TEC generating unit have not been adequately evaluated in the economic analyses conducted by the Participants.

ISSUE 4a: Are there any conservation measures taken by or reasonably available to FMPA which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4b: Are there any conservation measures taken by or reasonably available to JEA which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4c: Are there any conservation measures taken by or reasonably available to the City of Tallahassee which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 4d: Are there any conservation measures taken by or reasonably available to RCID which might mitigate the need for the proposed TEC generating unit?

POSITION: Yes.

ISSUE 5: Does the proposed TEC generating unit include the costs for the environmental controls necessary to meet current and reasonably anticipated state and federal environmental requirements?

POSITION: No.

ISSUE 5a: Have the Applicants appropriately evaluated the cost of CO₂ emission mitigation costs in their economic analyses?

POSITION: No.

ISSUE 5b: Have the Applicants appropriately evaluated the cost of compliance with mercury, NO₂ and SO₂ emission standards?

POSITION: No position at this time.

ISSUE 5c: Have the Applicants appropriately evaluated compliance costs associated with the Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR) standards?

POSITION: No position at this time.

ISSUE 5d: Have the Applicants adequately evaluated the economic costs of the potential detrimental effects on public health and the environment?

POSITION: No.

ISSUE 6: Is the proposed TEC generating unit the most cost effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: No.

ISSUE 6a: Are the projected purchase prices and transportation costs for natural gas and coal used in the IRP reasonable?

POSITION: No position at this time.

ISSUE 6b: Are TEC's proposed construction costs reasonable in light of increased demand for construction materials due to reconstruction efforts associated with Hurricane Katrina?

POSITION: No position at this time.

ISSUE 6c: Have the Applicants requested available funding from DOE to construct an IGCC unit or other cleaner coal technology?

POSITION: No.

ISSUE 6d: Does the operation of the selective catalytic reduction (SCR) equipment for NO₂ control on a year round basis make the TEC generating unit no longer cost effective when compared to other alternatives?

POSITION: No position at this time.

ISSUE 6e: Does passing all 800 MW of flue gas through the wet electrostatic precipitators (Wet ESP) 24 hours per day of the year make the TEC generating unit no longer cost effective when compared to other alternatives?

POSITION: No position at this time.

NEW ISSUE: Has each Applicant secured final approval of its respective governing body for the construction of the proposed TEC generating unit?

POSITION: No.


ISSUE 7: Based on the resolution of the foregoing issues, should the Commission grant the Participants' petition to determine the need for the proposed TEC generating unit?

POSITION: No.

ISSUE 8: Should this docket be closed?

POSITION: This docket should be closed when the Commission has issued its final order and all motions for reconsideration have been disposed of.

Respectfully submitted this 20th day of November, 2006 by:


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been provided by electronic mail as listed and U.S. Mail, this 20th day of November, 2006 to the following:

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