

ORIGINAL

BEFORE THE PUBLIC SERVICE COMMISSION

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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 City of Tallahassee.

DOCKET NO. 060635-EU

FILED: DECEMBER 8, 2006

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-06-0819-PCO-EU, filed October 4, 2006, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff is not sponsoring any witnesses.

b. All Known Exhibits

Staff has no direct exhibits.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

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?

CMP _____

COM 5 **POSITION:** Staff has no position at this time.

CTR _____

ECR _____

GCL _____

ISSUE 1A: Is there a need for the proposed 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?

OPC **POSITION:** Staff has no position at this time.

RCA _____

SCR _____

SGA _____

SEC 1 _____

OTH _____

DOCUMENT NUMBER-DATE

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STAFF'S PREHEARING STATEMENT

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ISSUE 1B: Is there a need for the proposed 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: Staff has no position at this time.

ISSUE 1C: Is there a need for the proposed 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: Staff has no position at this time.

ISSUE 1D: Is there a need for the proposed 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: Staff has no position at this time.

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: Staff has no position at this time.

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: Staff has no position at this time.

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: Staff has no position at this time.

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 the City of Tallahassee, as this criterion is used in Section 403.519, Florida Statutes?

POSITION: Staff has no position at this time.

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: Staff has no position at this time.

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: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has 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 (Applicants) which might mitigate the need for the proposed TEC generating unit?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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: Staff has no position at this time.

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: Staff has no position at this time.

ISSUE 5: Does the proposed TEC generating unit include the costs for the environmental controls necessary to meet current state and federal environmental requirements? (Note: Intervenors Whitton, Armstrong, NRDC, and Sierra Club propose adding the phrase, "to meet current and reasonably anticipated state and federal..." to Issue 5)

POSITION: Staff has no position at this time.

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: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

ISSUE 8: Should this docket be closed?

POSITION: Staff has no position at this time.

ADDITIONAL ISSUES

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

ISSUE: Is Commission approval of the need for the TEC generating unit consistent with the requirements of Section 366.81, Florida Statutes?

POSITION: Staff has no position at this time.

ISSUE: Are the projected purchase prices and transportation costs for natural gas and coal used in the Applicants' need filing reasonable?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

ISSUE: Have the Applicants appropriately evaluated the cost of compliance with mercury, NO₂, SO₂, particulate emission and other applicable environmental and public health standards?

POSITION: Staff has no position at this time.

ISSUE: Are TEC's estimated construction costs reasonable?

POSITION: Staff has no position at this time.

ISSUE: Should the Participants be required to report to the Commission substantial revisions to capital costs and O&M costs which were not projected in the application, but which must be incurred at the time the plant becomes operational, and, should the Participants analyze these "actual" costs in a least cost analysis?

POSITION: Staff has no position at this time.

e. Stipulated Issues

Staff is aware of no stipulated issues at this time.

f. Pending Motions

Staff has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests at this time.

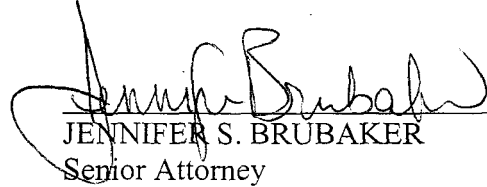
h. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness' qualifications as an expert in this proceeding.

i. Compliance with Order No.PSC-06-0819-PCO-EU

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 8th day of December, 2006.


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Senior Attorney

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DATED: DECEMBER 8, 2006

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S PREHEARING STATEMENT was furnished to the following, by electronic and U.S. Mail, on this 8th day of December, 2006.

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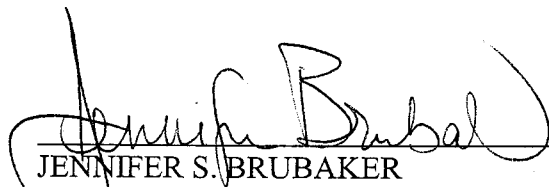
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