

**Ruth Nettles**

**From:** John\_Butler@fpl.com  
**Sent:** Monday, July 16, 2007 1:50 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Charles Beck; garyp@hgslaw.com; jas@beggslane.com; jbeasley@ausley.com; johnmac@tampabay.rr.com; john.burnett@pgnmail.com; Martha Brown  
**Subject:** Re: Docket No. 070007-EI -- FPL's Preliminary List of New Projects to be Submitted for Cost Recovery -- RESUBMITTED  
**Attachments:** FPL - 2007 Preliminary ECRC Projects (with COS).doc

**ORIGINAL**

At the request of the Clerk's office, I am resubmitting for filing Florida Power & Light Company's Preliminary List of New Projects To Be Submitted for Cost Recovery, with the accompanying certificate of service incorporated into the same Word document. There are no substantive changes. I apologize for any confusion that filing them as separate Word documents may have caused. Best regards, John Butler

▼ John Butler

**John Butler** To: filings@psc.state.fl.us  
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12:09 PM garyp@hgslaw.com, johnmac@tampabay.rr.com  
Subject: Docket No. 070007-EI -- FPL's Preliminary List of New Projects to be Submitted for Cost Recovery

**Electronic Filing**

a. Person responsible for this electronic filing:

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b. Docket No. 070007-EI

c. Document is being filed on behalf of Florida Power & Light Company

d. There are 3 pages total.

e. The document attached for electronic filing is Florida Power & Light Company's Preliminary

7/16/2007

DOCUMENT NUMBER - DATE  
05943 JUL 16 06  
FPSC-COMMISSION CLERK

List of New Projects To Be Submitted for Cost Recovery, with an accompanying certificate of service.

*(See attached file: FPL - 2007 Preliminary ECRC Projects (with COS).doc)*

ORIGINAL

Florida Power & Light Company  
Environmental Cost Recovery  
Docket No. 070007-EI  
July 16, 2007

**PRELIMINARY LIST OF NEW PROJECTS TO BE SUBMITTED FOR COST RECOVERY**

**Project: Martin Plant Drinking Water System Compliance Project**

Law/Regulation: Department of Environmental Protection (DEP) Rule 62-550.310(3), Florida Administrative Code (FAC), Environmental Protection Agency (EPA) Rule, 40 CFR Parts 9, 141, and 142.

Brief Description of Project: The purpose of the proposed Martin Plant Drinking Water System Compliance Project is to bring the nontransient, noncommunity public water system at FPL's Martin power plant into compliance with DEP Rule 62-550.310(3), FAC, which established maximum contaminant levels (MCLs) for trihalomethanes (THMs) and haloacetic acids (five) (HAA5s). On February 16, 1999, the EPA promulgated its Stage 1 Disinfection and Byproducts Rule, 40 CFR Parts 9, 141, and 142, to impose drinking water limits on Disinfectants and Disinfection Byproducts (DBP). The EPA Rule applies to community water systems (CWSs) and nontransient noncommunity water systems (NTNCWSs) that treat their water with a chemical disinfectant for either primary or residual treatment. The Martin Plant drinking water system is a NTNCWS subject to the EPA Rule.

Samples collected from the Martin Plant drinking water system on March 15, 2005, April 12, 2005, September 14, 2005, and December 28, 2005, were all found to be above the levels permitted for THMs and HAA5s. On September 22, 2006, FPL and the DEP entered into a Consent Order to reach a settlement on the matter of the system's continuing non-compliance with the DEP Rule. Per the Consent Order FPL has submitted a corrective action plan that includes the implementation of a pilot test plan to determine the most cost-effective and reliable treatment option to achieve compliance.

FPL is requesting to recover costs associated with the implementation of the most cost-effective and reliable treatment option resulting from the pilot test plan. FPL expects to begin incurring expenses for the Martin Plant Drinking Water System Compliance Project in October of 2007. Following are FPL's preliminary Capital estimates for potential treatment options:

- Addition of larger carbon bed - \$40,000 - \$60,000
- Addition of multimedia filter bed - \$30,000 - \$50,000
- Addition of high velocity stripper - \$15,000 - \$30,000

Additionally, annual O&M estimates for the removal and replacement of the exhausted carbon bed and multimedia filter bed (every 8 to 12 months) are \$11,000 to \$17,000 to begin in 2009.

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## **Project: Low-Level Radioactive Waste (LLW) Storage Project**

**Law/Regulation:** Title 48, Chapter 46 of South Carolina Statutes, prohibiting the South Carolina Budget and Control Board from authorizing the disposal of non-regional LLW at the Barnwell Low-Level Radioactive Waste Disposal Facility located in Barnwell County, South Carolina. Nuclear Regulatory Commission (NRC) Regulations regarding Standards for Protection Against Radiation at Title 10, Code of Federal Regulations, Part 20.

**Brief Description of Project:** Class A, Class B or Class C LLW must be disposed of at a licensed LLW disposal facility. The NRC allows LLW to be stored on-site at licensed power generation facilities such as FPL's St. Lucie and Turkey Point plants, but it must be stored in a manner that protects on-site workers and members of the public against harmful radiation exposure.

Since beginning operation of FPL's nuclear reactors in 1972, FPL has disposed of LLW at the Barnwell Low-Level Radioactive Waste Disposal Facility located in Barnwell County, South Carolina. Barnwell is presently the only facility available to FPL (and most other nuclear utilities) for disposal of Class B and Class C LLW. Per the current Generally Accepted Accounting Principles (GAAP), FPL accrues the costs for disposal of its LLW when the LLW is first generated. FPL makes payments to Barnwell for the disposal of the LLW it has generated that year. The accrual process is repeated each year for all waste that has been generated but has not been disposed of. After June 30, 2008 FPL will no longer be able to dispose of LLW at Barnwell because of recent changes to South Carolina environmental law. Consequently, after June 30, 2008, FPL will not have a licensed disposal facility available to dispose of its Class B and Class C LLW.

FPL plans to continue the accrual of the disposal of its LLW because it remains responsible for disposing of the LLW at some future date. These costs will continue to be recovered through base rates. The LLW Project will recover only the costs associated with the on-site storage of the LLW at FPL's nuclear facilities, until new disposal options become available. FPL expects that the LLW storage facility at each nuclear plant site will be available to store LLW starting in 2009.

FPL's preliminary capital estimate to construct the interim storage facilities is approximately \$12 million for both of FPL's nuclear plants. FPL's 2008 capital projection for the LLW Storage Project is approximately \$1.5 million. This projection covers the cost of pre-construction preparations, project scoping and developing engineering cost estimates.

**CERTIFICATE OF SERVICE**  
**Docket No. 070007-EI**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Preliminary List of New Projects to be Submitted for Cost Recovery has been furnished electronically this 16th day of July, 2007 to the following:

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By:           /s/ John T. Butler            
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