

Ruth Nettles

From: John_Butler@fpl.com
Sent: Friday, September 14, 2007 9:51 AM
To: Filings@psc.state.fl.us
Cc: Charles Beck; garyp@hgslaw.com; jas@beggsllane.com; jbeasley@ausley.com; johnmac@tampabay.rr.com; john.burnett@pgnmail.com; Martha Brown
Subject: Docket No. 070007-EI -- Florida Power & Light Company 's Preliminary List of Issues and Positions (CORRECTED)
Attachments: ECRC Prelim List of Issues & Pos 2008 (Corrected).DOC

a. Person responsible for this electronic filing:

John T. Butler
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408
(561) 304-5639
John_Butler@fpl.com

b. Docket No. 070007-EI**c. Document is being filed on behalf of Florida Power & Light Company****d. There are 5 pages total.**

e. The document attached for electronic filing is a correction to Florida Power & Light Company's Preliminary List of Issues and Positions that was electronically filed earlier today. The document has been corrected to add Mr. Butler's electronic signature, which was inadvertently omitted.

(See attached file: ECRC Prelim List of Issues & Pos 2008 (Corrected).DOC)

9/14/2007

DOCUMENT NUMBER-DATE

08386 SEP 14 5

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)
Recovery Clause)

DOCKET NO. 070007-EI
FILED: September 14, 2007

FLORIDA POWER & LIGHT COMPANY'S
PRELIMINARY LIST OF ISSUES AND POSITIONS

1. What are the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 2006?

FPL: \$1,563,849 over-recovery. (DUBIN)

2. What are the estimated environmental cost recovery true-up amounts for the period January 2007 through December 2007?

FPL: \$585,826 under-recovery. (DUBIN)

3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2008 through December 2008?

FPL: \$978,023 over-recovery. (DUBIN)

4. What are the appropriate projected environmental cost recovery amounts for the period January 2008 through December 2008?

FPL: The total environmental cost recovery amount, adjusted for revenue taxes is \$43,765,627. This amount consists of \$44,712,161 of projected environmental cost for the period January through December 2008, net of the prior period true-up amounts and taxes. (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 2008 through December 2008?

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 2008 through December 2008?

FPL: Energy Jurisdictional Factor 98.58121%
CP Demand Jurisdictional Factor 98.76048%
GCP Demand Jurisdictional Factor 100.00000% (DUBIN)

DOCUMENT NUMBER-DATE

08386 SEP 14 5

COMMISSION CLERK

7. What are the appropriate environmental cost recovery factors for the period January 2008 through December 2008 for each rate group?

FPL: Rate Class	Environmental Recovery Factor (\$/kWh)
RS1/RST1	0.00040
GS1/GST1	0.00040
GSD1/GSDT1/HLFT1(21-499 kW)	0.00038
OS2	0.00042
GSLD1/GSLDT1/CS1/CST1/HLFT2 (500-1999 kW)	0.00038
GSLD2/GSLDT2/CS2/CST2/HLFT3 (2000 kW+)	0.00035
GSLD3/GSLDT3/CS3/CST3	0.00034
ISST1D	0.00036
ISST1T	0.00031
SST1T	0.00031
SST1D1/SST1D2/SST1D3	0.00036
CILC D/CILC G	0.00035
CILC T	0.00034
MET	0.00039
OL1/SL1/PL1	0.00029
SL2/GSCU1	0.00032
	(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 2008 through December 2008. This will provide 12 months of billing on the environmental cost recovery factors for all customers. (DUBIN)

COMPANY-SPECIFIC ISSUES

9. Should FPL be allowed to recover costs associated with its proposed St. Lucie Cooling Water System Inspection and Maintenance Project?

FPL: Yes. FPL must inspect and, as necessary, maintain the cooling water system at the St. Lucie Plant so that it remains in compliance with the federal Endangered Species Act, 16 U.S.C. Section 1531. (LABAUVE)

10. How should the newly proposed environmental costs for the St. Lucie Cooling Water System Inspection and Maintenance Project be allocated to the rate classes?

FPL: Capital costs for the St. Lucie Cooling Water System Inspection and Maintenance Project should be allocated to the rate classes on an average 12 CP demand and 1/13th energy basis. Operating and maintenance costs should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

11. Should FPL be allowed to recover costs associated with its proposed Martin Plant Drinking Water System Compliance Project?

FPL: Yes. The Consent Order entered into by FPL and the Florida Department of Environmental Protection (FDEP) on September 22, 2006 requires FPL to implement a corrective action plan at the Martin Plant, which involves the implementation of a pilot test plan to determine the most cost-effective method to achieve compliance of levels of four certain trihalomethanes (THMs) and haloacetic acids (HAA5s) in the drinking water system. (LABAUVE)

12. How should the newly proposed environmental costs for the Martin Plant Drinking Water System Compliance Project be allocated to the rate classes?

FPL: Capital costs for the Martin Plant Drinking Water System Compliance Project should be allocated to the rate classes on an average 12 CP demand and 1/13th energy basis. Operating and maintenance costs should be allocated to the rate classes on an average 12 CP demand basis. (DUBIN)

13. Should FPL be allowed to recover costs associated with its proposed Low Level Radioactive Waste Storage Project?

FPL: Yes. The Low Level Radioactive Waste Storage Project is required due to the Nuclear Regulatory Commission's (NRC) requirements and restrictions on how low level radioactive (LLW) waste may be disposed of, combined with FPL's loss of access to the LLW disposal facility in Barnwell South Carolina as a result of new provisions of South Carolina law that take effect on June 30, 2008. (LABAUVE)

14. How should the newly proposed environmental costs for the Low Level Radioactive Waste Storage Project be allocated to the rate classes?

FPL: Capital costs for the Low Level Radioactive Waste Storage Project should be allocated to the rate classes on an average 12 CP demand and 1/13th energy basis. Operating and maintenance costs should be allocated to the rate classes on a 71% average 12 CP demand and 29% energy basis. (DUBIN)

15. Are the projected costs for FPL's Clean Air Interstate Rule (CAIR) and Clean Air Mercury Rule (CAMR) compliance projects that are reflected in FPL's March 30, 2007 supplemental filing reasonable and prudent?

FPL: Yes. FPL's supplemental filing explained that FPL has carefully evaluated its compliance options under CAIR and CAMR and determined that the projected activities and costs reflected in that filing represent the most cost-effective means of meeting FPL's compliance obligations. No party gave notice of objections to any of those projected activities or costs by the end of the second quarter of 2007 as they were required to do by the stipulation approved in Order No. PSC-06-0972-FOF-EI, Docket No. 060007-EI, dated November 22, 2006 (nor has FPL been notified of any such objection up to the date of this Preliminary List of Issues and Positions). Accordingly, the projected activities and costs reflected in the supplemental filing should be approved as reasonable and prudent.

WITNESSES AND SUBJECT MATTER

WITNESS	SPONSOR	SUBJECT MATTER	EXHIBIT
K. M. DUBIN	FPL	ECRC Final True-up for January through December 2006	KMD-1
		ECRC Estimated/Actual True-up for January through December 2007	KMD-2
		ECRC projections for January through December 2008	KMD-3
R.R. LABAUVE	FPL	Martin Plant Drinking Water System Compliance Project	RRL-1, RRL-2 RRL-3 RRL-4
		Update of CAIR and CAVR (BART) Projects	RRL-5, RRL-6 RRL-7 RRL-8
		Low Level Radioactive Waste Storage Project	RRL-9, RRL-10, RRL-11
		St. Lucie Cooling Water System Inspection and Maintenance Project	

Respectfully submitted,

R. Wade Litchfield, Esq.
Associate General Counsel

John T. Butler, Esq.
Senior Attorney
Law Department
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
Telephone: 561-304-5639
Fax: 561-691-7135

/s/ John T. Butler

John T. Butler
Florida Bar No. 283479

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 Issues and Positions has been furnished by electronic delivery on September 14, 2007 to the following:

Martha Brown, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Charles J. Beck, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399

Lee L. Willis, Esq.
James D. Beasley, Esq.
LLC
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, Florida 32302

John T. Burnett, Esq.
Progress Energy Service Company,

P.O. Box 14042
St. Petersburg, Florida 33733-4042

Gary V. Perko, Esq.
Hopping Green & Sams
P.O. Box 6526
Tallahassee, FL 32314

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, Florida 32576-2950

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin,
Davidson, et al.
Attorneys for FIPUG
400 North Tampa Street, Suite 2450
Tampa, Florida 33602

By: /s/ John T. Butler
John T. Butler