

**Ruth Nettles**

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**From:** DAVIS.PHYLLIS [DAVIS.PHYLLIS@leg.state.fl.us]  
**Sent:** Friday, October 05, 2007 3:44 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Alexander Glenn; Bill Walker; Gary V.Perko; Jeffery Stone; John Butler; John McWhirter; John T. Burnett; Lee Willis; Paul Lewis; Paula K. Brown; Susan D. Ritenour; Virginai C. Dailey; Wade Litchfield  
**Subject:** 070007-EI  
**Attachments:** 070007-EI Prehearing Statement 10-05-07.doc

Electronic Filing

1. Person responsible for this electronic filing:

Patricia A. Christensen, Associate Public Counsel  
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2. Docket No. 070007-EI

In re: Environmental Cost Recovery Clause

3. Document being filed on behalf of Office of Public Counsel
4. There are a total of 8 pages.
5. The document attached for electronic filing is Citizens' Prehearing Statement.

Thank you for your attention and cooperation to this request.

Phyllis Davis  
Secretary to Patricia A. Christensen,  
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Telephone: (850) 488-9330  
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DOCUMENT NUMBER-DATE  
00162 OCT-55

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Environmental cost recovery clause ) DOCKET NO. 070007-EI  
 )  
 ) FILED: October 5, 2007

**PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL**

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-07-0174-PCO-EI, issued February 23, 2007, submit this Prehearing Statement.

**APPEARANCES:**

PATRICIA A. CHRISTENSEN, Esquire  
Associate Public Counsel  
JOSEPH A. MCGLOTHLIN, Esquire  
Associate Public Counsel  
STEVE BURGESS, Esquire  
Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida.

1. **WITNESSES:**

None.

2. **EXHIBITS:**

None.

3. **STATEMENT OF BASIC POSITION**

No position at this time.

DOCUMENT NUMBER-DATE

09162 OCT-5 07

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

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

**POSITION:** No position at this time.

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

**POSITION:** No position at this time.

**ISSUE 3:** What are the projected environmental cost recovery amounts for the period January 2008 through December 2008?

**POSITION:** No position at this time.

**ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2007 through December 2007?

**POSITION:** No position at this time.

**ISSUE 5:** What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2008 through December 2008?

**POSITION:** No position at this time.

**ISSUE 6:** What are the appropriate jurisdictional separation factors for the projected period January 2008 through December 2008?

**POSITION:** No position at this time.

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

**POSITION:** No position at this time.

**ISSUE 8:** What should be the effective date of the new environmental cost recovery factors for billing purposes?

**POSITION:** No position at this time.

### COMPANY-SPECIFIC ISSUES

#### Florida Power & Light Company

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

**POSITION:** No position at this time

**ISSUE 9B:** How should the newly proposed environmental costs for the St. Lucie Cooling Water System Inspection and Maintenance Project be allocated to the rate classes?

**POSITION:** No position at this time.

**ISSUE 9C:** Should FPL be allowed to recover costs associated with its proposed Martin Plant Drinking Water System Compliance Project?

**POSITION:** No position at this time.

**ISSUE 9D:** How should the newly proposed environmental costs for the St. Lucie Cooling Water System Inspection and Maintenance Project be allocated to the rate classes?

**POSITION:** No position at this time.

**ISSUE 9E:** Should FPL be allowed to recover costs associated with its proposed Low Level Radioactive Waste Storage Project?

**POSITION:** No position at this time.

**ISSUE 9F:** How should the newly proposed environmental costs for the Low

Level Radioactive Waste Storage Project be allocated to the rate classes?

**POSITION:** No position at this time.

**ISSUE 9G:** 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?

**POSITION:** No position at this time.

#### Progress Energy Florida

**ISSUE 10A:** Are PEF's incurred costs with the Clean Air Interstate Rule ("CAIR")/Clean Air Mercury Rule ("CAMR") Program for the year 2007 reasonable and prudent?

**POSITION:** There is insufficient evidence and it is premature to determine whether 2007 costs were spent in a reasonable and prudent manner. Citizens, however, believe that it is reasonable and prudent for PEF to expend funds to comply with the CAIR/CAMR Program in 2007.

**ISSUE 10B:** Are PEF's projected costs related to the CAIR/CAMR Program for the year 2008 reasonable and prudent?

**POSITION:** There is insufficient evidence and it is premature to determine whether projected 2008 costs will be spent a reasonable and prudent manner. Citizens, however, believe that it is reasonable and prudent for PEF to expend funds to comply with the CAIR/CAMR Program in 2007.

**ISSUE 10C:** Should the Commission approve PEF's updated Integrated Clean Air Compliance Plan filed as a reasonable and prudent means to comply with the Clean Air Interstate Rule ("CAIR"), Clean Air Mercury Rule ("CAMR") and Clean Air Visibility Rule ("CAVR") and related regulatory requirements?

**POSITION:** Citizens believe that it is reasonable and prudent for PEF to expend funds to comply with the CAIR/CAMR Program in 2007.

**Gulf Power Company**

**ISSUE 11A: Are Gulf's incurred costs with the Clean Air Interstate Rule ("CAIR")/Clean Air Mercury Rule ("CAMR")/Clean Air Visibility Rule ("CAVR") Program for the year 2007 reasonable and prudent?**

**POSITION:** There is insufficient evidence and it is premature to determine whether 2007 costs were spent in a reasonable and prudent manner. Citizens, however, believe that it is reasonable and prudent for Gulf to expend funds to comply with the CAIR/CAMR Program in 2007.

**ISSUE 11B: Are Gulf's projected costs related to the CAIR/CAMR/CAVR Program for the year 2008 reasonable and prudent?**

**POSITION:** There is insufficient evidence and it is premature to determine whether projected 2008 costs will be spent in a reasonable and prudent manner. Citizens, however, stipulated that it is reasonable and prudent for PEF to expend funds to comply with the CAIR/CAMR Program in 2008.

**Tampa Electric Company – no company specific issues**

5. **STIPULATED ISSUES:**

None.

6. **PENDING MOTIONS:**

None.

7. **STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

Citizens have no pending requests for claims for confidentiality.

8. **OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

Citizens do not expect to challenge the qualification of any witness.

9. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 5<sup>th</sup> day of October, 2007.

Respectfully submitted,

s/Patrica A. Christensen  
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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the Office of Public Counsel's Prehearing Statement has been furnished by electronic mail and U.S. Mail on this 5<sup>th</sup> day of October, 2007, to the following:

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