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July 11, 2008

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

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08 JUL 14 PM 2:54
COMMISSION
CLERK

Dear Ms. Cole:

Re: Docket No. 080007-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Preliminary List of Issues, to be filed in the above referenced Environmental Cost Recovery Clause docket.

Sincerely,

Susan D. Ritenour

① bh

1 Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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DOCUMENT NUMBER-DATE
06048 JUL 14 08
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Environmental Cost**)
Recovery Clause)
_____)

Docket No.: **080007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished this
11th day of July, 2008, by regular U. S. Mail to the following:

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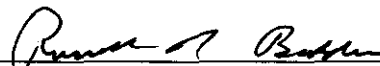
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

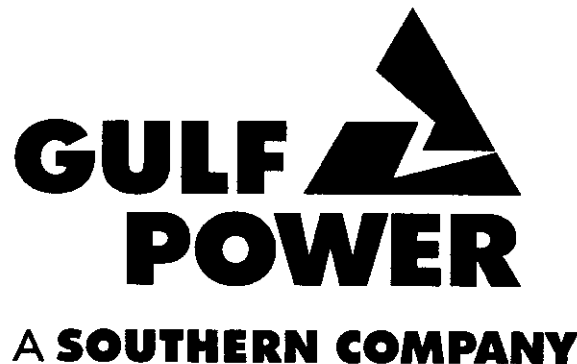
**ENVIRONMENTAL COST RECOVERY
CLAUSE**

DOCKET NO. 080007-EI

**PRELIMINARY LIST-
NEW PROJECTS FOR COST RECOVERY**

**FOR THE PERIOD
JANUARY 2009 – DECEMBER 2009**

July 14, 2008



DOCUMENT NUMBER-DATE

06048 JUL 14 8

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Project:

Plant Smith SPCC Compliance

Law/Regulation Requiring Project:

Spill Prevention Control and Countermeasures (SPCC) regulation - Title 40 Code of Federal Regulation (CFR) Part 112

Description:

Several Plant Smith SPCC projects are required as a result of the revisions to Title 40 CFR Part 112, which is commonly referred to as the SPCC regulation. These revisions resulted in oil storage containers having a capacity greater than or equal to 55 gallons being classified as bulk storage containers that are subject to the secondary containment requirements in 40 CFR Part 112.8(c). During 2009, Plant Smith will modify the drum storage containment areas and install secondary containment for a small fuel tank. Facilities that were in operation on or before August 16, 2002, are required to amend and implement their SPCC plans in accordance with the new regulatory requirements no later than July 1, 2009.

Estimated 2009 Capital Expenditures: \$20,000 \pm 20%

Estimated 2009 O&M Expenses: \$5,000 \pm 20%

DOCUMENT NUMBER-DATE

06048 JUL 14 8

FPSC-COMMISSION CLERK

Project:

Plant Crist Water Conservation Project

Law/Regulation Requiring Project:

Northwest Florida Water Management District Individual Water Use Permit Number 19850074 issued January 27, 2005

Description:

This additional project is part of the previously approved Plant Crist Water Conservation and Consumptive Use Efficiency Program to reduce the demand for groundwater and surface water. This addition has been included in Gulf's Preliminary List of New Projects due to its magnitude relative to the original project.

Specific Condition six of the Northwest Florida Water Management District Individual Water Use Permit Number 19850074 issued January 27, 2005, requires Plant Crist to implement measures to increase water conservation and efficiency at the facility. Gulf Power has entered into negotiations with Emerald Coast Utilities Authority to utilize reclaimed water from their new wastewater treatment plant. This water use will increase groundwater and surface water conservation as required in the Consumptive Use Permit. The proposed capital project will include the necessary engineering and infrastructure for Gulf Power to connect to the local reclaimed water source.

Estimated 2009 Capital Expenditures: \$17,000,000 ± 20%

Estimated 2009 O&M Expenses: To be determined

Project:
Impaired Waters Rule (IWR)

Law/Regulation Requiring Project:
IWR, Chapter 62-303, F.A.C., approved by the Environmental Regulation Commission in 2001

Description:
The IWR rule evaluates whether waters meet their designated uses based on the following criteria: aquatic life use support, primary contact, recreation, fish and shellfish consumption, drinking water, and protection of human health. The Florida Department of Environmental Protection (FDEP) has proposed listing waters in watersheds surrounding Gulf's generating facilities for nutrients and mercury. The proposed IWR project will enable Gulf Power to conduct necessary modeling and evaluations to determine if a permitted discharge will contribute a water body listing and whether additional wastewater reductions are required to meet new total daily maximum load requirements.

Estimated 2009 O&M Expenses: \$100,000 ± 30%

Project:

Annual Climate Registry Fees

Law/Regulation Requiring Project:

Florida's Climate Protection Act - Section 403.44, F.S.

Description:

The Florida Climate Protection Act was created to establish a market-based program to reduce greenhouse gas emissions from electric utilities. The Act authorizes the FDEP to establish methodologies, reporting periods, and reporting systems that will be used when utilities report to the Climate Registry. Gulf Power expects to begin incurring annual costs associated with joining the Climate Registry during 2009. Gulf also anticipates incurring future expenses for monitoring and reporting greenhouse gas emissions.

Estimated 2009 O&M Expenses: \$8,000 ± 30%