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090079-EI

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**Sent:** Tuesday, August 18, 2009 9:56 AM  
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**Subject:** Docket No. 090079  
**Attachments:** FIPUG Errata to Testimony of Jeffry Pollock 08.18.09.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

- a. The name, address, telephone number and email for the person responsible for the filing is:  
  
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- b. This filing is made in Docket No. 090079-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc.
- c. The document is filed on behalf of Florida Industrial Power Users Group.
- d. The total pages in the document are 4 pages.
- e. The attached document is FIPUG's Errata to Testimony of Jeffry Pollock.

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DOCUMENT NUMBER-DATE

08565 AUG 18 08

FPSC-COMMISSION CLERK.

8/18/2009

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Progress Energy Florida, Inc.

DOCKET NO. 090079-EI

Filed: August 18, 2009

**NOTICE OF SERVICE OF  
THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
ERRATA TO TESTIMONY OF JEFFRY POLLOCK**

The Florida Industrial Power Users Group (FIPUG), by and through its undersigned attorneys, hereby files revised pages 11 and 60 to the testimony of Jeffry Pollock filed on August 10, 2009 by Electronic Mail and U.S. Mail on this 18<sup>th</sup> day of August, 2009.

s/ Vicki Gordon Kaufman

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**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Industrial Power Users Group's Errata to Testimony of Jeffry Pollock was served via Electronic Mail and First Class United States Mail this 18<sup>th</sup> day of August, 2009, to the following:

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s/ Vicki Gordon Kaufman  
Vicki Gordon Kaufman

1 Q WHAT LIFE SPAN DOES FPL ASSUME FOR ITS COAL UNITS?

2 A FPL jointly owns Plant Scherer Unit No. 4 and St. John's River Power Park  
3 (SJRPP) station. According to Exhibit CRC-1, FPL assumes these facilities will  
4 be retired in 2029 and 2028, respectively. This translates into life spans of 40  
5 years and 41 years, respectively.

6 Q HAS FPL PROVIDED ANY JUSTIFICATION FOR THE PROPOSED LIFE  
7 SPANS?

8 A No. The Company has not indicated when it will retire these units (*FPL's 2009*  
9 *Ten Year Site Plan, Schedule 1*).

10 Q ARE 40-41 YEAR LIFE SPANS REASONABLE FOR COAL UNITS?

11 A No. FPL's proposed life spans are considerably shorter than the average lives of  
12 coal-fired plants as determined in proceedings. For example:

- 13 • 60 years for Indiana-Michigan Power company's Tanner Creek  
14 Units 1 through 4 and for its Rockport Unit 1 (Indiana Utility  
15 Regulatory Commission, Cause No. 43231, *Interim Order*,  
16 6/13/2007);
- 17 • 55 years for coal plants operated by Southwestern Public Service  
18 Company (New Mexico Public Regulatory Commission, Case No.  
19 07-00319-UT, *Order*, August 26, 2008);
- 20 • 60 to 63 years for coal units owned by AmerenUE (Missouri Public  
21 Service Commission, Cause No. ER-2007-0002, *Order*, May 22,  
22 2007);
- 23 • 61 years for coal units owned by Rocky Mountain Power  
24 (Wyoming Public Service Commission, Docket No. 20000-257-  
25 EA-6, *Record No. 10794*, June 12, 2008);
- 26 • 60 years for Public Service Company of Oklahoma (Oklahoma  
27 Corporation Commission, Cause No. PUD 200600285, *Order No.*  
28 *545168*, October 9, 2007); and
- 29 • 55 years for Georgia Power Company's Plant Scherer Units 1-3  
30 (Georgia Public Service Commission, Docket No. 25060-U  
31 Document 103566, 2007 Rate Case).

1 And finally, the proposed Rate CILC energy charges are also above cost, as  
 2 shown below. However, as explained later, this is the result of a different rate  
 3 design issue.

Rate	Non-Fuel Energy Costs	Non-Fuel Energy Charge
CILC-D	0.710¢	1.267¢
CILC-T	0.688¢	1.018¢

4 Q HAS FPL EXPLAINED WHY THE NON-FUEL ENERGY CHARGES ARE  
 5 MUCH HIGHER THAN ACTUAL ENERGY COSTS?

6 A No.

7 Q HOW SHOULD THE GENERAL SERVICE DEMAND RATES BE DESIGNED?

8 A The proposed CILC non-fuel energy charges would exceed unit costs.  
 9 Accordingly, they should be scaled back to reflect cost, while the Demand  
 10 charges should be correspondingly increased to recover the target revenues  
 11 assigned to the CILC class.

12 Q DO YOU HAVE ANY OTHER CONCERNS WITH THE PROPOSED GENERAL  
 13 SERVICE RATE DESIGN?

14 A Yes. The HLFT rates were designed for higher load factor customers. The  
 15 average load factors for HLFT customers are about 80% as compared to only  
 16 64% for GSLDT customers. However, the proposed rates would make HLFT  
 17 more expensive than GSLDT unless the customer can achieve load factors  
 18 above 84% for HLFT-2 and over 100% for HLFT-3. The latter requirement is  
 19 impractical, and it would result in customers migrating back to Rate GSLDT-2.