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January 12, 2011

-VIA HAND DELIVERY -

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

Re: Docket No. 110007-EI

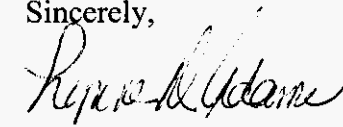
Dear Ms. Cole:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's ("FPL's") Petition for Approval of the St. Lucie Plant Cooling Water Discharge Monitoring Project for Environmental Cost Recovery, together with a CD containing the electronic version of same.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of FPL witness Randall LaBauve in support of FPL's Petition.

If there are any questions regarding this transmittal, please contact me at 561-304-5639.

Sincerely,


John T. Butler

- COM _____
- APA _____
- ECR 4 _____
- GCL _____
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

Enclosures
cc: Counsel for Parties of Record (w/encl.)
containing petition

an FPL Group company

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)

Docket No. 110007-EI
Filed: January 12, 2011

**PETITION OF FLORIDA POWER & LIGHT COMPANY FOR APPROVAL OF
ST. LUCIE PLANT COOLING WATER DISCHARGE MONITORING PROJECT FOR
ENVIRONMENTAL COST RECOVERY**

Florida Power & Light Company ("FPL"), pursuant to Section 366.8255, Florida Statutes and prior orders of the Commission, hereby petitions this Commission for approval of the FPL St. Lucie Plant Cooling Water Discharge Monitoring Project (the "Project") as an "environmental compliance activity," such that prudent Project costs incurred after the date of this Petition may be recovered as "environmental compliance costs" through the Environmental Cost Recovery Clause ("ECRC"). In support of this Petition, FPL states as follows:

1. FPL is a public utility subject to the regulatory jurisdiction of the Commission under Chapter 366, Florida Statutes. The Company's principal offices are located at 700 Universe Boulevard, Juno Beach, Florida.

2. All notices, pleadings and other communications required to be served on the petitioner should be directed to:

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Ken Hoffman, Vice President of
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Florida Power & Light Company
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3. Section 366.8255 authorizes the Commission to review and approve recovery through the ECRC of prudently incurred “environmental compliance costs,” which are defined as “costs or expenses incurred by an electric utility in complying with environmental laws or regulations.” In turn, section 366.8255 defines “environmental laws or regulations” broadly to include “all federal, state, or local statutes, administrative regulations, orders, ordinances, resolutions, or other requirements that apply to electric utilities and are designed to protect the environment.” The Commission has adopted the following test for determining whether costs qualify for ECRC recovery:

We find that the following policy is the most appropriate way to implement the intent of the environmental cost recovery statute:

Upon petition, we shall allow the recovery of costs associated with an environmental compliance activity through the environmental cost recovery factor if:

1. such costs were prudently incurred after April 13, 1993;
2. the activity is legally required to comply with a governmentally imposed environmental regulation enacted, became effective, or whose effect was triggered after the company's last test year upon which rates are based; and,
3. such costs are not recovered through some other cost recovery mechanism or through base rates.

Order No. PSC-94-0044-FOF-EI, Docket No. 930613-EI, dated January 12, 1994, at 6-7.

4. As explained below and in the testimony FPL witness Randall LaBauve, which is incorporated by reference herein, the Project is being undertaken in order to comply with “environmental laws or regulations” and meets the Commission’s three-part test for ECRC cost recovery.

5. The Project is required to comply with Florida Department of Environmental Protection (“FDEP”) Administrative Order AO022TL (the “AO”) and conditions in Industrial Wastewater (IWW) Permit No. FL0002208 (the “IWW Permit”), which became effective on

December 23, 2010 and relate to operation and limitations for the St. Lucie Cooling Water System (“CWS”).

6. As a result of the increased heat output from the extended power uprate (“EPU”) project at St. Lucie Unit 1 and Unit 2 (“PSL”), the discharge temperature of the PSL cooling water is expected to increase. This anticipated increase led FPL to submit to the FDEP a request to modify the IWW Permit, in order to authorize an increase above the permit’s current discharge temperature limit. The FDEP has approved an increase in the discharge temperature limit, subject to FPL’s complying with new study and monitoring requirements (and corrective action requirements if necessary) that are contained in the AO and IWW Permit.

7. At this time, the Project consists of preparing and implementing plans for (1) monitoring the ambient and CWS discharge water temperature, and (2) biological monitoring to demonstrate that conditions allow for the existence of a balanced, indigenous community of fish, shellfish and wildlife near the CWS discharge of PSL. If any corrective actions are required as a result of the monitoring activities, FPL will petition the Commission to amend the Project at that time.

8. FPL is seeking to recover the costs associated with the following activities that are required by the AO, which are incorporated into the amended IWW Permit:

- Preparation and submittal of an Ambient Monitoring Report (AMR) to identify an appropriate program for collecting data on ambient temperatures at the CWS intake structures.
- Implementation of the AMR by installing, calibrating and certifying new thermometer(s) to record ambient temperatures.
- Preparation and submittal of a Heated Water Plan of Study (HWPOS) to identify an appropriate program for collecting data on the impact of the CWS discharge on the temperature of surface water near the CWS outfall structures, adjacent coastal waters, and the ambient conditions at the CWS intake structures.

- Implementation of the HWPOS by collecting data for no less than 24 months and evaluating whether the data confirm FPL's mathematical modeling of the impact of the increased heat output from the EPU project.
- Preparation and submittal of the Heated Water Report reflecting the findings and conclusions of the HWPOS.
- Implementation of a Biological Plan of Study (BPOS) by collecting data for a period prior to the implementation of the EPU project and that extends at least 24 months after the EPU project is completed.
- Preparation and submittal of the Biological Report reflecting the findings of the BPOS.

9. If the Heated Water Report fails to demonstrate that the heated water discharge from PSL meets the requirements of the AO, then FPL must prepare and submit an Engineering Report to the FDEP, for review and approval, for the evaluation of engineering options to achieve the applicable discharge limitations. FPL would then be required to implement the highest ranked option within 24 months of FDEP's approval of the Engineering Report. In addition, if the Biological Report fails to demonstrate that a balanced, indigenous population exists as required by the AO, then FPL must submit a feasibility study report for the evaluation of options to achieve a balanced, indigenous population. FPL will then be required to implement the highest ranked option within 24 months of FDEP's approval of the report. FPL is not currently seeking authorization to recover the costs of associated with these additional activities. If any corrective actions are required as a result of the Heated Water Report or the Biological Report, FPL will petition the Commission to recover those costs as an amendment to the Project.

10. The total estimated O&M costs necessary to complete the Project are \$2,567,000 associated with the preparation and implementation of the AMR, HWPOS, BPOS, and Heated Water and Biological reports. FPL estimates that it will incur capital costs of approximately

\$467,000 to acquire and install the temperature monitoring equipment and SONAR equipment required for the Project.

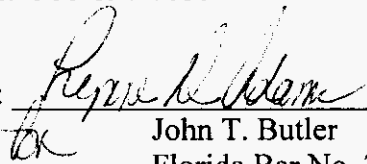
11. In 2011, FPL projects to incur \$234,000 in capital costs, associated with the preparation and implementation of the Ambient, Thermal and Biological Monitoring programs. FPL projects to incur \$549,000 of O&M costs associated with the preparation and implementation of the AMR, HWPOS, BPOS, and Ambient and Biological Monitoring programs.

12. The Project satisfies the three-part test for ECRC eligibility set forth in Order No. PSC-94-0044-FOF-EI. All Project costs will be incurred after April 13, 1993. The requirements of the AO and IWW Permit were not known or anticipated at the time that the Minimum Filing Requirements (MFRs) for FPL's most recent rate case were prepared. FPL is not presently recovering Project costs through base rates or any other recovery mechanism.

WHEREFORE, Florida Power & Light Company respectfully requests the Commission to approve the Project as an "environmental compliance activity," such that prudent Project costs incurred after the date of this Petition may be recovered through the ECRC.

Respectfully submitted,

R. Wade Litchfield, Esq.
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By: 
John T. Butler
Florida Bar No. 283479

CERTIFICATE OF SERVICE
Docket No. 110007-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition for Approval of the St. Lucie Plant Cooling Water Discharge Monitoring Project for Environmental Cost Recovery has been furnished by hand delivery (*) or U.S. Mail on January 12, 2011, to the following:

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c/o The Florida Legislature
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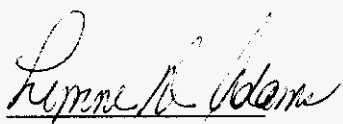
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