

Diamond Williams

110018-EU

From: danlarson [danlarson@bellsouth.net]
Sent: Monday, April 04, 2011 4:43 PM
To: Filings@psc.state.fl.us
Cc: Larry Harris; ken.hoffman@fpl.com; will.cox@fpl.com; Richzambo@aol.com; marsha@reuphlaw.com; mhammond@swa.org; kelly.sullivan.woods@gmail.com
Subject: Electronic Filing (Docket 110018-EU)
Attachments: Larson Prehearing Statement.pdf
 Electronic Filing

a. Person responsible for this electronic filing:

Mr. & Mrs. Daniel R. Larson
 16933 W. Narlena Dr .
 Loxahatchee , FL 33470
 Phone: (561) 791-0875
[danlarson@bellsouth.net](mailto:danmarson@bellsouth.net)

b. Docket No. 110018-EU

In re: Joint petition for modification to determination of need for expansion of an existing renewable energy electrical power plant in Palm Beach County by Solid Waste Authority of Palm Beach County and Florida Power & Light Company, and for approval of associated regulatory accounting and purchased power agreement cost recovery.

c. Document being filed on behalf of:

Mr. & Mrs. Daniel R. Larson
 16933 W. Narlena Dr .
 Loxahatchee , FL 33470
 Phone: (561) 791-0875
[danlarson@bellsouth.net](mailto:danmarson@bellsouth.net)

d. There are a total of 7 pages.

e. The document attached for electronic filing is: Larson Prehearing Statement.pdf

The paper copy is being mailed to the parties.

Thank you for your attention and cooperation to this request.

Sincerely,

s/ Daniel R. Larson
 Daniel R. Larson
 Petitioner

s/ Alexandria Larson
 Alexandria Larson
 Petitioner

DOCUMENT NUMBER-DATE
 02252 APR -4 =
 FPSC-COMMISSION CLERK

4/5/2011

ALEXANDRIA AND DANIEL LARSON
PRE-HEARING STATEMENT

Alexandria and Daniel Larson file this Pre-Hearing Statement as follows:

(1) **Witnesses**

Any and all witnesses called on, or deposed by, Florida Power & Light, Solid Waste Authority, FPSC General Counsel and or the FPSC Office of Public Counsel. Alexandria and Daniel Larson reserve the right to question SWA and FPL witnesses during cross examination regarding their direct testimony and interrogatory responses.

(2) **Exhibits**

Alexandria and Daniel Larson have no exhibits at this time, but reserve the right to enter evidence into the record during the hearing.

(3) **Statement of Basic Position**

There is no need for the SWA Expanded Facility itself, and no need exists for FPL to purchase capacity and energy from the SWA Expanded Facility. The SWA Expanded Facility was not included within FPL's 2010 Ten Year Site that was approved by the Commission on January 11, 2011. The joint petition filed was incomplete, vague, and inconsistent with supporting the need for the SWA Expanded Facility. FPL has no need for the capacity from SWA Expanded Facility yet expects its ratepayers to pay 60 million dollars for an Advanced Capacity Payment to SWA. This payment has increased nearly 24 million dollars since February 9, 2011. The Advanced Capacity Payment is limited to the "design costs of electrical component" pursuant to Section 377.709(3)(b)(1.) (b.), Florida Statutes, but FPL is seeking to pay SWA for the "budgeted cost of the power block". SWA has already issued 775 million in debt and clearly has the ability to fund the entire design and construction cost of the SWA expanded facility on its own. The Advanced Capacity Payment should be denied. Due to the flawed and incomplete nature in which this petition was presented, SWA and FPL have not demonstrated the need for the SWA expanded facility and the Florida Public Service Commission has no other alternative but to deny the petition.

(4) **Statement of Issues and Positions**

Alexandria and Daniel Larson take these positions on the issues:

DOCUMENT NUMBER-DATE

02252 APR-4 =

FPSC-COMMISSION CLERK

ISSUE 1: Is Solid Waste Authority of Palm Beach County (SWA) the proper applicant for the requested modification to the determination of need within the meaning of Section 403.519, Florida Statutes?

NO. It was filed with the Florida Public Service Commission as a joint petition and presented as a joint petition at the SWA Board Meeting on February 9, 2001. To apply under the Power Plant Siting Act the applicant must be a power company and FPL must be the joint applicant. SWA is not a power company.

ALTERNATIVE ISSUE 1: Are the Solid Waste Authority of Palm Beach County (SWA) and Florida Power & Light Company (FPL) the proper applicants within the meaning of Section 403.519, Florida Statutes? (Larsons)

YES

ISSUE 2: Is there a need for the SWA Expanded Facility taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

NO. The SWA Expanded Facility was not included within FPL's 2010 Ten Year Site that was approved by the Commission on January 11, 2011.

ISSUE 3: Is there a need for the SWA Expanded Facility, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

NO. The SWA Expanded Facility was not included within FPL's 2010 Ten Year Site that was approved by the Commission on January 11, 2011.

ISSUE 4: Is there a need for the SWA Expanded Facility, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

NO. The SWA Expanded Facility was not included within FPL's 2010 Ten Year Site that was approved by the Commission on January 11, 2011.

ISSUE 5: Are there any renewable energy sources and technologies, as well as conservation measures, taken by or reasonably available to Florida Power & Light Company (FPL) or SWA which might mitigate the need for the SWA Expanded Facility as this criterion is used in Section 403.519, Florida Statutes?

YES. The Commission approved energy efficiency and conservation goals for FPL avoid the need for the SWA Expanded Facility. FPL is also trying to build more solar projects which are not included in the plan.

ISSUE 6: Is the SWA Expanded Facility the most cost-effective alternative available, as this criterion is used in Sections 377.709 and 403.519, Florida Statutes?

NO. FPL has no need to purchase the energy and capacity from the SWA Expanded Facility. FPL wants to burden its ratepayers with the cost of paying for something that is not required while FPL stands to profit from the deal with SWA.

ISSUE 7: Is the proposed contract between SWA and FPL reasonable, prudent, and in the best interest of FPL's customers and appropriate and consistent with the provisions of Section 377.709, Florida Statutes?

NO. The advanced capacity payment discussed at the SWA Board Meeting on February 9, 2011, was 36 million dollars and has since grown to nearly 60 million dollars. FPL has no need to purchase the energy and capacity from the SWA Expanded Facility. Once again, FPL wants to burden its ratepayers with the cost of paying for something that is not required while FPL stands to profit from the deal with SWA.

ISSUE: 8: Is FPL's proposal to recover the advanced capacity payment to SWA through the Energy Conservation Cost Recovery Clause pursuant to Section 377.709, F.S., consistent with Rules 25-17.200 through 25-17.310, F.A.C.?

NO

ISSUE 9: Should the Commission allow FPL to recover from its customers the advanced capacity payment associated with the Expanded Facility's electrical component made to SWA pursuant to and/or resulting from the proposed contract, as well as the carrying costs and administrative costs incurred by FPL, through the Energy Conservation Cost Recovery Clause (ECCR), pursuant to Section 377.709, F.S.?

NO

ISSUE 9A: If yes, what amount should FPL be allowed to recover from its ratepayers?

NOTHING

ISSUE 9B: To the extent FPL incurs firm capacity costs associated with the contract between SWA and FPL that are not recovered through the ECCR, should FPL be allowed to recover those costs through the capacity clause?

NO

ISSUE 10: Should FPL be allowed to recover from its customers all payments for energy made to SWA pursuant to and/or resulting from the proposed contract between SWA and FPL through the Fuel and Purchased Power Cost Recovery Clause?

NO. There is no need for FPL to purchase the energy and capacity from the SWA Expanded Facility under the proposed Power Purchase Agreement.

ISSUE 11: Based on the resolution of the foregoing issues, should the Commission grant the Joint Petition for Modification to Determination of Need by SWA and FPL and for Recovery of Purchased Power Contract Costs?

NO. Due to the flawed and incomplete nature in which this petition was presented, SWA and FPL have not demonstrated the need for the SWA expanded facility and the Florida Public Service Commission has no other alternative but to deny the petition.

ISSUE 12: Should this docket be closed?

YES

PROPOSED ADDITIONAL ISSUES:

PAI 1: Was the joint petition complete at the time of submittal? (Larsons)

NO. The joint petition was incomplete when filed with the Florida Public Service Commission and when presented at the SWA Board Meeting on February 9, 2011. The petition is still missing critical data that is required to make an informed decision.

PAI 2: Should the joint petition be bound by requirements of the 2010 Ten Year Site Plan which did not include the need for the SWA Expanded Facility and was approved by the Commission after the submittal of the joint petition? (Larsons)

YES. The SWA Expanded Facility was not included within the FPL 2010 Ten Year Site plan which was approved by the Florida Public Service Commission after the joint petition was filed.

PAI 3: Should the joint petition be allowed to incorporate a proposed capacity addition that did not exist at the time the joint petition was filed? (Larsons)

NO. The SWA Expanded Facility was not included within the FPL 2010 Ten Year Site plan which was approved by the Florida Public Service Commission after the joint petition was filed. FPL is attempting to magically create an artificial need for the SWA Expanded Facility in the 2011 Ten Year Site Plan which has not yet been submitted. The Commission should reject this apparent shell game being played by SWA and FPL and deny the joint petition.

PAI 4: ALTERNATIVE A: Should SWA be allowed to recover an Advanced Capacity Payment from FPL ratepayers that is nearly \$24 million dollars higher than the Advanced Capacity Payment amount that was represented to the SWA Board during its public meeting held on February 9, 2011?? (Sullivan/Wood)

NO

PAI 4: ALTERNATIVE B: Should SWA be allowed to recover an Advanced Capacity Payment from FPL ratepayers that is nearly \$24 million dollars higher than what was represented to the SWA Board during a public meeting held after the filing of the joint petition? (Larsons)

NO

PAI 5: Should the term “design costs of electrical component” be interpreted in a way that requires FPL ratepayers to pay an Advanced Capacity Payment to SWA equal to the total budgeted cost of the power block? (Larsons)

NO. The design costs of the electrical component would be substantially lower than the entire cost of the power block.

PAI 6: Does the amount of the proposed Advanced Capacity Payment exceed the requirement of Section 377.709(3)(b)(1.) (b.), Florida Statutes? (Larsons)

YES. The design costs of the electrical component would be substantially lower than the entire cost of the power block.

PAI 7: What is the projected average rate impact that the Advanced Capacity Payment will have on FPL ratepayers? (Sullivan/Wood)

The rate impact is unknown at this time and will be available when FPL provides it.

(5) **Stipulated Issues**

None

(6) **Pending Motions**

None

(7) **Statement of Pending Requests or Claims for Confidentiality**

None

(8) **Objections to Qualifications of Witnesses as an Expert**

None

(9) **Statement of Compliance with Orders Establishing Procedure**

None

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following via Electronic Mail this 4th day of April, 2011 to all parties of record as indicated below.

s/ Daniel R. Larson
Daniel R. Larson
Petitioner

s/ Alexandria Larson
Alexandria Larson
Petitioner

<p>Florida Power & Light Company Mr. Ken Hoffman 215 South Monroe Street, Suite 810 Tallahassee, FL 32301-1858 Phone: (850) 521-3900 Fax: (850) 521-3939 Email: ken.hoffman@fpl.com</p> <p>Florida Power & Light Company Bryan S. Anderson/William P. Cox/Eric 700 Universe Boulevard Juno Beach, FL 33408-0420 Phone: 561-304-5253 Fax: 561-691-7135 Email: will.cox@fpl.com</p> <p>Richard A. Zambo, P.A. Richard A. Zambo 2336 S.E. Ocean Boulevard, #309 Stuart, FL 34996 Phone: 772-221-0263 Fax: 772-283-6756 Email: richzambo@aol.com</p>	<p>Rutledge Law Firm Marsha E. Rule 119 South Monroe Street, Suite 202 Tallahassee, FL 32301 Phone: 850-681-6788 Fax: 681-6515 Email: marsha@reuphlaw.com</p> <p>Solid Waste Authority Executive Director 7501 North Jog Road West Palm Beach, FL 33412 Phone: 561-640-4000 Fax: 561-640-3400 Email: mhammond@swa.org</p>
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