

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 110007-EI

ENVIRONMENTAL COST RECOVERY  
CLAUSE.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 5

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, November 22, 2011

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732

DOCUMENT NUMBER 09172 DEC 29 =  
FPSC-COMMISSION CLERK

## P R O C E E D I N G S

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2           **CHAIRMAN GRAHAM:** Item Number 5. Staff,  
3 please.

4           **MS. WU:** Good afternoon, Mr. Chairman,  
5 Commissioners, Item 5 is staff's recommendation on the  
6 contested issue during the ECRC hearing. The issue was  
7 raised by Florida Power Users Group to address whether  
8 Progress Energy Florida, Inc. should be permitted to  
9 recover any environmental costs related to its purchases  
10 of replacement power due to the CR-3 extended outage.

11           The evidence in the record shows that PEF did  
12 not incur any environmental cost, specifically the  
13 purchase of emission allowance associated with its  
14 purchase of replacement power due to the CR-3 outage.  
15 Therefore, no costs to recover.

16           Staff recommends that the amount shown on  
17 Table 1 at Page 4 of staff's recommendation should be  
18 included in PEF's 2012 ECRC factors.

19           Staff is available for any questions you may  
20 have.

21           **CHAIRMAN GRAHAM:** Commissioner Balbis.

22           **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.  
23 I have one clarification that I'd like staff to make.

24           You stated in the recommendation that there  
25 are no costs to recover, and yet you are asking -- you

1 are recommending that listing the cost in Table 1 of  
2 costs that they incurred. I assume those are costs that  
3 they incurred due to self-generation, is that correct?

4 **MS. WU:** That's correct.

5 **COMMISSIONER BALBIS:** Okay. I just wanted to  
6 point that out, because it was a little confusing when  
7 you're saying they didn't incur costs and yet here are  
8 the costs you have to approve. So I just wanted to  
9 point that out.

10 **MS. WU:** Just for clarification, no costs  
11 incurred associated with the issue as it is framed, but  
12 there were costs incurred associated with  
13 self-generating replacement power.

14 **COMMISSIONER BALBIS:** Okay, thank you.

15 And I guess going back to the argument and  
16 decision that we just made concerning costs associated  
17 with the CR-3 outage, I would maintain the same argument  
18 applies from the 01 docket to the 07 docket concerning  
19 that, and the only difference being the accounting  
20 methodology for the credits that's listed, the average  
21 cost versus the first-in/first-out method of accounting.  
22 And I think that if we changed the methodology at this  
23 point, obviously, those costs will have to be passed on  
24 to the other -- the other portions of the credits that  
25 were given, so it would increase their costs to make

1 these zero costs. And I'm not comfortable with changing  
2 horses mid-race, so I would support staff's  
3 recommendation on these issues.

4 **CHAIRMAN GRAHAM:** So your motion is you want  
5 to support recommendation on the entirety of Item Number  
6 4 -- I'm sorry, Item Number 5?

7 **COMMISSIONER BALBIS:** That is correct.

8 **CHAIRMAN GRAHAM:** It has been moved and  
9 seconded, staff recommendation on Item Number 5. Any  
10 further discussion?

11 Seeing none, all in favor say aye.

12 (Vote taken.)

13 **CHAIRMAN GRAHAM:** Any opposed?

14 By your action you have approved Item Number  
15 5, staff recommendation.  
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STATE OF FLORIDA )

: CERTIFICATE OF REPORTER

COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 29th day of December, 2011.

  
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JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
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