

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Environmental
Cost Recovery Clause

Docket No. 130007-EI

Filed: October 7, 2013

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-13-0070-PCO-EI and Amendatory Order No. PSC-13-0115-PCO-PU, files its Prehearing Statement.

A. APPEARANCES:

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Attorneys for the Florida Industrial Power Users Group

B. WITNESSES AND EXHIBITS:

All witnesses and exhibits listed by other parties in this proceeding.

C. STATEMENT OF BASIC POSITION:

FIPUG maintains that the respective utilities must satisfy their burden of proof for any and all monies sought in this proceeding.

D. STATEMENT OF ISSUES AND POSITIONS:

GENERIC ISSUES

ISSUE 1. What are the final environmental cost recovery true-up amounts for the period January 2012 through December 2012?

FIPUG: Adopt position of OPC.

ISSUE 2. What are the estimated/actual environmental cost recovery true-up amounts for the period January 2013 through December 2013?

FIPUG: Adopt position of OPC.

ISSUE 3. What are the projected environmental cost recovery amounts for the period January 2014 through December 2014?

FIPUG: Adopt position of OPC.

ISSUE 4. What are the environmental cost recovery amounts, including true-up amounts, for the period January 2014 through December 2014?

FIPUG: Adopt position of OPC.

ISSUE 5. What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2014 through December 2014?

FIPUG: Adopt position of OPC.

ISSUE 6. What are the appropriate jurisdictional separation factors for the projected period January 2014 through December 2014?

FIPUG: Adopt position of OPC.

ISSUE 7. What are the appropriate environmental cost recovery factors for the period January 2014 through December 2014 for each rate group?

FIPUG: Adopt position of OPC.

ISSUE 8. What should be the effective date of the new environmental cost recovery factors for billing purposes?

FIPUG: Adopt position of OPC.

COMPANY-SPECIFIC ISSUES

Florida Power & Light (FPL)

ISSUE 9. Should the Commission approve FPL's Supplemental Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR) and Clean Air Visibility Rule (CAVR)/ Best Available Retrofit Technology (BART) Filing as reasonable?

FIPUG: No. The Commission does not have jurisdiction or expertise over environmental matters, including whether FPL's Supplemental Clean Air Interstate Rule ("CAIR") Clean Air Mercury Rule ("CAMR") and Clean Air Visibility Rule ("CAVR")/ Best Available Retrofit Technology (BART) Filing as reasonable.

ISSUE 10. Should the Commission approve FPL's Petition for approval of the proposed NO₂ compliance project involving the retirement and installation of peaking generating units for cost recovery through the ECRC?

FIPUG: No. FPL is not required by environmental regulation to spend more than \$800 million dollars for new peaking power plants. These costs, if approved, should be recovered in FPL's next base rate case.

ISSUE 10A: Is the retirement of FPL's existing peaking generation units required by existing environmental regulations, and if so, when must the peaking units be retired?

FIPUG: No.

ISSUE 10B: Is the installation of FPL's proposed peaking generation units required by existing environmental regulations?

FIPUG: No. Environmental regulations do not require FPL to install its proposed peaking generation units.

ISSUE 10C: Do more cost effective alternatives exist as compared to FPL installing new peaking generation units as proposed?

FIPUG: Yes.

ISSUE 9F: Should FPL be allowed to recover the costs associated with its proposed Effluent Guidelines Revised Rule Project?

FIPUG: Adopt position of OPC.

ISSUE 11. How should the costs associated with the NO₂ compliance project be allocated to the rate classes?

FIPUG: The costs should be allocated as an equal percentage base rate increase applied to all base changes and base credits contemporaneously.

Duke Energy Florida (DEF)

ISSUE 12. Should the Commission approve DEF's Review of Integrated Clean Air Compliance Plan as reasonable?

FIPUG: Adopt position of OPC.

ISSUE 13. Should the Commission approve modification of DEF's previously approved Integrated Clean Air Compliance Program to encompass alternative coal trials associated with the Crystal River Units 1 and 2 MATS compliance project, such that the costs associated with such activities may be recovered through the ECRC?

FIPUG: Adopt position of OPC.

ISSUE 14. Should the Commission approve DEF's petition for approval of the Revised Effluent Limitations Guidelines and Standards Project and recovery of the associated cost through the ECRC?

FIPUG: Adopt position of OPC.

ISSUE 15. How should the costs associated with DEF's proposed Revised Effluent Limitations Guidelines and Standards Project be allocated to the rate classes?

FIPUG: Adopt position of OPC.

Gulf Power Company (Gulf)

ISSUE 16. Should the Commission approve Gulf's Environmental Compliance Program Update as reasonable?

FIPUG: Adopt position of OPC.

ISSUE 17. Should Gulf's proposal to allocate costs associated with the Clean Air Act Amendments of 1990 (CAAA) and other air quality capital costs to the rate classes on a 12 Coincident Peak (CP) and 1/13 energy basis be approved?

FIPUG: Yes.

Tampa Electric Company (TECO)

None

E. STIPULATED ISSUES:

None at this time.

F. PENDING MOTIONS:

FIPUG's Motion to Establish Separate "Spin off" Docket to Examine FPL's Petition to Replace Existing Peaking Gas Turbines with new Combustion Turbine Equipment.

G. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

Yes, unless the witness in question affirmatively states the subject matter area(s) in which he or she claims expertise.

I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Florida Industrial Power Users Group cannot comply at this time.

s/ Jon C. Moyle, Jr.

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing motion was furnished to the following by Electronic Mail, on this 7th day of October, 2013:

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