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COMMISSION CLERK



July 13, 2009

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

Dear Ms. Cole:

Re: Docket No. 090007-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Preliminary List of New Projects For Cost Recovery, to be filed in the above referenced Environmental Cost Recovery Clause docket.

Sincerely,

Susan D. Ritenoullus

**Enclosures** 

cc:

Beggs & Lane

Jeffrey A. Stone, Esq.

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## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

# ENVIRONMENTAL COST RECOVERY CLAUSE

## **DOCKET NO. 090007-EI**

## PRELIMINARY LIST-NEW PROJECTS FOR COST RECOVERY

FOR THE PERIOD JANUARY 2010 – DECEMBER 2010

July 14, 2008



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FPSC-COMMISSION CLERK

Preliminary List of New Projects Gulf Power Company Docket No. 090007-EI July 14, 2009 Page 1 of 2

#### Project:

Plant Smith Reclaimed Water Project

#### Law/Regulation Requiring Project:

Northwest Florida Water Management District Individual Water Use Permit Number 19850073 issued November 30, 2006

#### **Description:**

Gulf Power is investigating the feasibility of utilizing reclaimed water at the Lansing Smith Electrical Generating Plant in Bay County, FL. Gulf has begun initial discussions with potential reclaimed water suppliers in the Bay County area. The project may ultimately include the necessary engineering and infrastructure for Gulf Power to connect to local reclaimed water source(s). The Plant Smith reclaimed water project will be part of the previously approved Plant Smith Water Conservation and Consumptive Program to reduce the demand for groundwater and surface water. This addition has been included in Gulf's Preliminary List of New Projects due to the increase in cost relative to the original project.

Specific Condition nine of the Northwest Florida Water Management District Individual Water Use Permit Number19850073 issued November 30, 2006, requires Plant Smith to implement measures to increase water conservation and efficiency at the facility. Utilizing reclaimed water would increase groundwater and surface water conservation as required in the Consumptive Use Permit. On October 20, 2008, the Northwest Florida Water Management District issued a letter stating that re-use of reclaimed clearly meets the requirement listed in Specific Condition nine.

Gulf Power has incurred approximately \$62,000 of preliminary investigation expenses to evaluate utilizing reclaimed water in the existing Plant Smith Unit 3 cooling tower which would reduce surface water consumption by 5-6 million gallons per day. Gulf expects approximately \$35,000 of additional preliminary investigation expenses for the project during 2009. The project expenses have been and will continue to be booked to a preliminary investigation account until Gulf decides whether or not it is able to move forward with the project.

Estimated 2010 Capital Expenditures: \$1.5 million ± 20%

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Preliminary List of New Projects Gulf Power Company Docket No. 090007-EI July 14, 2009 Page 2 of 2

#### **Project:**

Plant Crist Unit 6 Precipitator Project

**Law/Regulation Requiring Project:** The Crist Unit 6 precipitator is part of a previously approved ECRC program required to comply with Clean Air Act Amendments of 1990. The project was approved for ECRC recovery in Order No. PSC-94-0044-FOF-EI.

#### **Description:**

Recent inspections of the Plant Crist Unit 6 precipitator have indicated that the internals will need to be replaced by 2013. Plant Crist expects to begin incurring preliminary engineering and design costs for the precipitator project during 2010.

Estimated 2010 Capital Expenditures: \$1.2 million ± 20%

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost
Recovery Clause

#### Docket No.: 090007-EI

#### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing has been furnished this day of July, 2009, by regular U. S. Mail to the following:

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