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Sent: Wednesday, July 28, 2010 4:23 PM
To: Filings@psc.state.fl.us
Cc: Kathryn Cowdery; Vicki Gordon Kaufman
Subject: UNDOCKETED - FIPUG Comments (Limited Scope Rule Proceeding)
Attachments: FIPUG's limited rule comments 07.28.10.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

- a. The name, address, telephone number and email for the person responsible for the filing is:

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- b. This filing is made in an Undocketed matter.
 c. The document is filed on behalf of Florida Industrial Power Users Group.
 d. The total pages in the document are 3 pages.
 e. The attached document is Comments of the Florida Industrial Power Users Group.

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DOCUMENT NUMBER DATE

06162 JUL 28 2010

7/28/2010

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

INITIATION OF RULEMAKING TO
ADOPT RULES 25-6.0431 AND
25-7.0391, F.A.C., RELATING
TO APPLICATION FOR LIMITED
PROCEEDINGS, AND TO AMEND RULE
25-22.0406, F.A.C., CONCERNING
NOTICE AND PUBLIC INFORMATION
REQUIREMENTS.

DOCKET NO: UNDOCKETED

FILED: July 28, 2010

COMMENTS OF THE FLORIDA INDUSTRIAL POWER USERS GROUP

The Florida Industrial Power Users Group (FIPUG), pursuant to Staff's direction, files the filing comments regarding this proposed rulemaking.

BACKGROUND

1. The Commission Staff has proposes to adopt and / or amend rules regarding when and for what purpose a utility may use the vehicle of a limited proceeding.
2. FIPUG supports adopting and / or amending such rules so as to put strict requirements on the circumstances under which the limited proceeding may be used. FIPUG is particularly concerned with the use of this mechanism to attempt to recover for a power plant outside of a base rate case.
3. FIPUG further supports Staff's proposal to require the filing of all relevant information with the limited proceeding petition, to the extent such a petition is appropriate, so that interested parties have sufficient information at the beginning of the process to evaluate the utility's request.

COMMENTS

4. As a preliminary matter, FIPUG notes that the limited proceeding has not historically been used to address power plant additions.¹ FIPUG favors a prohibition on the use of a limited proceeding to include a plant in rate base. Absent that, FIPUG suggests that the rule lower the threshold set out in paragraph (4)(b) of the Staff draft to 1%.

5. Further, FIPUG would suggest, along with its comments in paragraph 4, that a limited proceeding is generally not appropriate for the inclusion of a power plant in rate base. FIPUG believes that consideration of such a large investment should not be handled through a proposed agency action (PAA) procedure. Such a procedure permits rates to go into effect prior to an evidentiary hearing. That is, customers begin to pay rates before it has been established that such rates are appropriate.

6. The construction of a power plant is a long-term project. The utilities know far in advance when the plant will come on line and have sufficient time to make a filing to allow for a full evidentiary hearing *before* rates take effect.² Before a large investment goes into rate base, all of the utility's operations should be reviewed and this should be done in an evidentiary hearing prior to any rate change.

¹ The recent Progress Energy case is an exception to that; however, it was done within context of a pending base rate case.

² Though such rates may be held subject to refund, FIPUG does not feel this is sufficient protection. The utility should be required to prove the reasonableness of its investment before it is paid for it.

s/ Vicki Gordon Kaufman

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Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of FIPUG's Comments have been served by electronic mail and U.S. Mail this 28th day of July 2010 upon the following:

Kathryn Cowdery
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s/ Vicki Gordon Kaufman

Vicki Gordon Kaufman