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July 2, 2018

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

Re: Docket No. 20180007-EI - Preliminary List of New Projects

Dear Ms. Stauffer:

Attached is Gulf Power Company's Preliminary List of New Projects, to be filed in the above-referenced Environmental Cost Recovery Clause docket. Pursuant to the Order Establishing Procedure, a copy of this Preliminary List of New Projects is being provided to Commission staff and all parties.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

cc: Gulf Power Company
Jeffrey A. Stone, Esq., General Counsel
Beggs & Lane
Russell Badders, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENVIRONMENTAL COST RECOVERY
CLAUSE**

DOCKET NO. 20180007-EI

PRELIMINARY LIST of
NEW PROJECTS FOR COST RECOVERY

FOR THE PERIOD
JANUARY 2019 – DECEMBER 2019

July 2, 2018



Gulf Power

Project:

316(b) Cooling Water Intake Structure Regulation

Law/Regulation Requiring Project:

Section 316(b) of the Federal Clean Water Act
40 CFR Parts 122 and 125

On August 15, 2014, the Environmental Protection Agency (EPA) published final regulations under Section 316(b) of the Clean Water Act for cooling water intake structures at existing electric generating facilities. The rule became effective on October 14, 2014, requiring existing facilities withdrawing greater than 2 million gallons per day (MGD) to adopt one of seven options for addressing impingement at the entrance to existing cooling water intake structures.

Description:

Although the ultimate 316(b) compliance strategy and design will be approved by the state environmental permitting agencies, with possible input from the U.S. Fish and Wildlife Service and National Marine Fisheries Service (Services) and EPA, Gulf Power's preliminary studies indicate Plant Smith will need to install new lower capacity intake pumps and a closed cycle-cooling tower monitoring system for the existing Unit 3 closed-cycle cooling tower.

The lower capacity pumps are needed to reduce the intake maximum through-screen velocity to less than 0.5 foot per second to meet the 316(b) impingement performance standard. Gulf plans to install the new lower capacity intake pumps at Plant Smith during 2019. The Plant Smith industrial wastewater permit requires Gulf to submit information required under the Cooling Water Intake Structure 316(b) rule with its next permit renewal that is due in April of 2019 for Florida Department of Environmental Protection (FDEP) review and approval.

Estimated 2019 Capital Expenditures: \$2 Million \pm 20%

Estimated 2019 O&M Expenses: \$200,000 \pm 20%

In FPSC Order No. PSC-04-1187-FOF-EI, the FPSC approved Gulf's request to recover prudently incurred 316(b) biological sampling and data collection through the ECRC. The costs are included in Gulf's ECRC General Water Quality line item.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost**)
Recovery Clause)

Docket No.: 20180007-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 2nd day of July, 2018 to the following:

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