

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Tampa Electric Company)
for Approval of Cost Recovery for a New ) Docket No. 980693 EI
Environmental Program, the Big Bend Units)
1 and 2 Flue Gas Desulfurization System ) Filed: August 14, 1998
)

LEGAL ENVIRONMENTAL ASSISTANCE FOUNDATION
PRE-HEARING STATEMENT

The Legal Environmental Assistance Foundation (LEAF) files this Pre-Hearing Statement in anticipation of an order approving its intervention in this docket.

A. Appearances:

Gail Kamaras, LEAF, 1114 Thomasville Road, Suite E, Tallahassee, FL 32303
on behalf of LEAF

B. Witnesses:

none

C. Exhibits:

none

D. Statement of Basic Position:

Tampa Electric Co. (TECO) has failed to seek approval pursuant to section 366.825, Florida Statutes and cannot proceed under section 366.8255. Further, its failure to file a comprehensive compliance plan for Clean Air Act Phase II compliance deprives the Commission of the information it needs to determine whether TECO's plan is prudent or in compliance with the Clean Air Act. Installation of flue-gas de-sulfurization may provide an incentive to continue to operate Big Bend units 1 and 2 even though it is not the most cost-effective alternative.

- ACK
AFA 3
APP
CAF
CMU
CTR
LEG 1
LIV 5
GPC
RCH
SEC 1
WAS
OTH

1. Issue: Has TECO adequately explored alternatives to the construction of a flue gas de-sulfurization system on Big Bend Units 1 and 2?

LEAF: No. TECO did not provide sufficient and complete information concerning its total Clean Air Act Phase II compliance requirements and plan as required by section 366.825, F.S.. The Commission has inadequate time and information to properly consider alternatives other than the ones provided by TECO. The petition should be denied without prejudice to re-

DOCUMENT NUMBER-DATE

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file.

2. **Issue:** Is the fuel price forecast used by TECO in its selection of a CAAA Phase II compliance plan reasonable?

**LEAF:** The Commission should decline to rule on this issue because TECO has not sought relief under section 366.825, F.S. In the alternative, LEAF is without a factual basis to have a position on this statement since fuel price information was treated as confidential.

3. **Issue:** Are the economic and financial assumptions used by TECO in its selection of a CAAA Phas II compliance plan reasonable?

**LEAF:** The Commission should decline to rule on this issue for the reasons stated under issue 2. The financial assumptions used by TECO result in a more expensive alternative than may be reasonable and prudent; however, for comparative purposes they are not objectionable at this time.

4. **Issue:** Did TECO reasonably consider the environmental compliance costs for all regulated air, water and land pollutants in its selection of the proposed FGD system on Big Bend Units 1 and 2 for sulfur dioxide (SO<sub>2</sub>) compliance purposes?

**LEAF:** The Commission should decline to rule on this issue for the reasons stated under issue 2. In the alternative, LEAF believes that TECO has not reasonably or completely considered all appropriate environmental costs.

5. **Issue:** Has TECO demonstrated that its proposed FGD system on Big Bend Units 1 and 2 for SO<sub>2</sub> compliance purposes is the most cost-effective alternative available?

**LEAF:** No. TECO has not adequately considered all reasonable cost-effective alternatives in the context of all environmental compliance costs.

6. **Issue:** Should the Commission approve TECO's request for recovery of allowance for funds used during construction (AFUDC) for the proposed FGD system on Big Bend Units 1 and 2?

**LEAF:** No position.

7. **Issue:** Should TECO's petition for cost recovery of a FGD system on Big Bend Units 1 and 2 through the Environmental Cost Recovery Clause (ECRC) be granted?

**LEAF:** No.

8. **Issue:** Should this docket be closed?

**LEAF:** Yes. TECO's petition should be denied and this docket closed.

**F. STIPULATED ISSUES:**

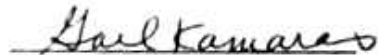
none

**G. PENDING MOTIONS:**

FIPUG motion to dismiss  
Office of Public Counsel suggestion of dismissal  
Tampa Electric motion to amend petition  
LEAF motion to dismiss

**H. OTHER MATTERS:**

none at this time.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Legal Environmental Assistance Foundation, Inc. (LEAF) Pre-Hearing Statement has been furnished by hand delivery (\*) or by U.S. Mail to the following parties of record on August 14, 1998:

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