

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Environmental cost  
recovery clause.

Docket No.040007-EI  
Filed: October 12, 2004

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

The Florida Power Users Group (FIPUG), pursuant to Order Nos. PSC-04-0233-PCO-EI and PSC-04-0838-PCO-EI, files its Prehearing Statement.

**A. APPEARANCES:**

**JOHN W. MCWHIRTER, JR.**, McWhirter Reeves McGlothlin Davidson Kaufman & Arnold, P.A., 400 North Tampa Street, Suite 2450, Tampa, Florida 33601-3350 and **VICKI GORDON KAUFMAN & TIMOTHY J. PERRY**, McWhirter Reeves McGlothlin Davidson Kaufman & Arnold, P.A., 117 South Gadsden Street, Tallahassee, Florida 32301.

**On Behalf of the Florida Industrial Power Users Group.**

**B. WITNESSES:**

None.

**C. EXHIBITS:**

None. However, FIPUG reserves the right to utilize appropriate exhibits in cross-examination.

**D. STATEMENT OF BASIC POSITION:**

None.

**E. STATEMENT OF ISSUES AND POSITIONS:**

**Generic Issues:**

**ISSUE 1:** What are the final environmental cost recovery true-up amounts for the period ending December 31, 2003?

**FIPUG:** No position at this time.

**ISSUE 2:** What are the estimated environmental cost recovery true-up amounts for the period January 2004 through December 2004?

**FIPUG:** No position at this time.

**ISSUE 3:** What are the projected environmental cost recovery amounts for the period January 2005 through December 2005?

**FIPUG:** No position at this time.

**ISSUE 4:** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2005 through December 2005?

**FIPUG:** No position at this time.

**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 2005 through December 2005?

**FIPUG:** No position at this time.

**ISSUE 6:** What are the appropriate jurisdictional separation factors for the projected period January 2005 through December 2005?

**FIPUG:** No position at this time.

**ISSUE 7:** What are the appropriate environmental cost recovery factors for the period January 2005 through December 2005, for each rate group?

**FIPUG:** No position at this time.

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

**FIPUG:** The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2005 through December 2005. Billing cycles may start before January 1, 2005, and the last cycle may be read after December 31, 2005, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

**Company Specific Issues: Florida Power & Light Company**

**ISSUE 9A:** How should FPL's environmental costs for the Comprehensive Demonstration Study for Cooling Water Intake structures be allocated to the rate classes?

**FIPUG:** Agree with Staff.

**ISSUE 9B:** Should the Commission approve FPL's request for recovery of costs for SCR Consumables at Plant Manatee Unit 3 and Plant Martin Unit 8 through the Environmental Cost Recovery Clause?

**FIPUG:** No position at this time.

**ISSUE 9C:** How should FPL's newly proposed environmental costs for SCR Consumables at Plant Manatee Unit 3 and Plant Martin Unit 8 be allocated to the rate classes?

**FIPUG:** No position at this time.

**ISSUE 9D:** On a going forward basis, what is the appropriate method for calculating the return on average net investment for Environmental Cost Recovery Clause projects?

**FIPUG:** No position at this time.

**Company Specific Issues: Progress Energy Florida, Inc. Assumes approval of 040472-EI.**

**ISSUE 10A:** How should PEFI's environmental costs for the Comprehensive Demonstration Study for Cooling Water Intake structures be allocated to the rate classes?

**FIPUG:** Agree with Staff.

**ISSUE 10B:** What is the appropriate ECRC adjustment for broken water main costs of \$8,748 that were charged to an ECRC approved transformer oil remediation activity in PEFI's final true-up for 2003?

**FIPUG:** No position at this time.

**ISSUE 10C:** Has PEFI made reasonable effort to minimize the costs of sulfur dioxide emission allowances?

**FIPUG:** No position at this time.

**Company Specific Issues: Tampa Electric Company**

**ISSUE 11A:** How should TECO's environmental costs for the Big Bend Unit 4 SCR and Pre SCR retrofit activities on Big Bend Units 1, 2, and 3 be allocated to the rate classes?

**FIPUG:** No position at this time.

**Company Specific Issues: Gulf Power Company**

**ISSUE 12A:** Should the Commission approve Gulf's request for recovery of costs for Precipitator Upgrades for Compliance Assurance Monitoring of particulate air emissions and flue-gas opacity at Plant Smith Unit 1 through the Environmental Cost Recovery Clause?

**FIPUG:** No position at this time.

**ISSUE 12B:** How should Gulf's newly proposed environmental costs for the Precipitator Upgrades for Compliance Assurance Monitoring at Plant Smith Unit 1 be allocated to the rate classes?

**FIPUG:** No position at this time.

**ISSUE 12C:** Should the Commission approve Gulf's request for recovery of costs for Turtle Protective Lighting within the City of Destin and Bay County through the Environmental Cost Recovery Clause?

**FIPUG:** No position at this time.

**ISSUE 12D:** How should Gulf's newly proposed environmental costs for the Turtle Protective Lighting within the City of Destin and Bay County be allocated to the rate classes?

**FIPUG:** Agree with Staff.

**ISSUE 12E:** Should the Commission approve Gulf's request for recovery of Cooling Water Intake Studies pursuant to Section 316(b) of the Clean Water Act through the Environmental Cost Recovery Clause?

**FIPUG:** No position at this time.

**ISSUE 12F:** How should Gulf's newly proposed environmental costs for the Cooling Water Intake Studies be allocated to the rate classes?

**FIPUG:** Agree with Staff.

**ISSUE 12G:** Should the Commission approve Gulf's request for recovery of costs for compliance studies due to a proposed new arsenic standard, 62-550.310, Florida Administrative Code, through the Environmental Cost Recovery Clause?

**FIPUG:** No position at this time.

**ISSUE 12H:** How should Gulf's newly proposed environmental costs for compliance studies due to a proposed new arsenic standard, 62-550.310, Florida Administrative Code, be allocated to the rate classes?

**FIPUG:** Agree with Staff.

**F. STIPULATED ISSUES:**

None.

**G. PENDING MOTIONS:**

FIPUG has no pending motions.

**H. OTHER MATTERS:**

None at this time.

s/ Timothy J. Perry \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing Florida Industrial Power Users Group's Prehearing Statement has been furnished by electronic mail and U.S. Mail this 12th day of October 2004, to the following:

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