

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental cost recovery clause.

DOCKET NO. 20170007-EI

DATED: September 29, 2017

SOUTHERN ALLIANCE FOR CLEAN ENERGY'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2017-0106-PCO-EI, filed March 23, 2017, Southern Alliance for Clean Energy ("SACE") files its Prehearing Statement in the above-styled docket.

1. All Known Witnesses

SACE does not intend to call any witnesses.

2. All Known Exhibits

SACE reserves the right to file exhibits.

3. SACE's Statement of Basic Position

The respective utilities have the burden of proof to justify and support the recovery of costs, and their proposal(s) seeking the Commission's adoption of policy statements or other affirmative relief sought, regardless of whether the Interveners provide evidence to the contrary. Regardless of whether the Commission has previously approved a program as meeting the Commission's requirements, the utilities must still meet their burden of showing that costs submitted for final recovery meet the statutory test for recovery and are reasonable and prudently incurred.

In reference to the Florida Power and Light (FPL)-specific issues: FPL's failure to act to mounting evidence, dating back to 1978, that its use of the cooling canal system at its Turkey Point plant was leading to a growing underground contamination plume was imprudent. As such, remediation costs now flowing from FPL's imprudence in not properly acting upon data and

reports going back to 1978, are not recoverable from customers. Florida's families and businesses served by FPL should not have to bear the costs of FPL's mistakes. Additionally, the costs FPL seeks to recover are not related to earlier monitoring plans, but to alleged remediation and prevention of the growing underground contamination plume at Turkey Point, as such, these costs are not recoverable as part of the Turkey Point Cooling Canal Monitoring Plan (TPCCMP).

4. List of Issues and Positions

GENERIC ISSUES

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2016 through December 2016?

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2017 through December 2017?

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2018 through December 2018?

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2018 through December 2018?

SACE: The petitioner has the burden of proof and must carry its burden.

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 2018 through December 2018?

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2018 through December 2018?

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2018 through December 2018 for each rate group?

SACE: The petitioner has the burden of proof and must carry its burden.

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

SACE: The petitioner has the burden of proof and must carry its burden.

ISSUE 9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

SACE: The petitioner has the burden of proof and must carry its burden.

COMPANY SPECIFIC ISSUES

FLORIDA POWER & LIGHT

ISSUE 10A: Should FPL be allowed to recover, through the ECRC, prudently incurred costs, if any, associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum)?

SACE: No.

ISSUE 10B: Which costs, if any, associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) were prudently incurred?

SACE: None. Costs associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) have and are being incurred due to FPL's imprudence in not properly monitoring or acting upon data and reports going back to 1978, that showed a growing pollution impact from its cooling canal system.

ISSUE 10C: Should the costs FPL seeks to recover in this docket be considered part of its Turkey Point Cooling Canal Monitoring Plan project?

SACE: No. The Turkey Point Cooling Canal Monitoring Plan is not intended to for the type of remediation activities that FPL seeks cost recovery for in this docket.

ISSUE 10D: Is FPL's proposed allocation of costs associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) between O&M and capital appropriate? If not, what is the correct allocation of costs between O&M and capital?

SACE: No monies should be recovered from customers for O&M or capital expenditures flowing from the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum).

ISSUE 10E: How should the costs associated with the June 20, 2016 Consent Order between FPL and the Florida Department of Environmental Protection and the October 2015 Consent Agreement between FPL and the Miami-Dade County Department of Environmental Resources Management (as amended by the August 15, 2016 Consent Agreement Addendum) be allocated to the rate classes?

SACE: No costs should be recovered from customers.

TAMPA ELECTRIC COMPANY

ISSUE 11: How should revenues included in Tampa Electric's projected ECRC cost recovery amount for 2018 associated with Phase II of the company's coal combustion residuals compliance program ("CCR Program"), the approval of which is currently pending in Docket No. 20170168-EI, be treated for cost recovery purposes pending the final disposition of the company's petition in that docket?

SACE: No position at this time.

DUKE ENERGY FLORIDA

ISSUE 12A: Should the Commission find DEF's proposed 316(b) compliance project is reasonable and approve recovery of the related costs through the ECRC?

SACE: No position at this time.

ISSUE 12B: How should the costs associated with DEF's proposed 316(b) compliance Project be allocated to the rate classes?

SACE: No position at this time.

ISSUE 12C: Should the Regulatory Asset Treatment of the Alderman Road Fence be approved?

SACE: No position at this time.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

SACE has no pending motions.

7. Pending Confidentiality Claims or Requests

SACE has no pending confidentiality claims.

8. Objections to Witness Qualifications as an Expert

SACE has no objections to any utility witness's qualifications as an expert.

9. Compliance with Order No.PSC-2017-0106-PCO-EI

SACE has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 29th day of September, 2017 by

/s/ George Cavros
George Cavros, Esq.
120 E. Oakland Park Blvd, Ste. 105
Fort Lauderdale, FL 33334
Telephone: 954.295.5714
Facsimile: 866.924.2824
Email: george@cavros-law.com

*Attorney for Southern Alliance for
Clean Energy*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic mail this 29th day of September, 2017 to the following:

Mr. Russell A. Badders
Mr. Steven R. Griffin
Beggs & Lane
Post Office Box 12950
Pensacola, Florida 32591-2950
rab@beggslane.com
srg@beggslane.com

J.R. Kelly, Esq.
Patricia A. Christensen
Charles J. Rehwinkel
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee FL 32399-1400
kelly.jr@leg.state.fl.us
christensen.patttv@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us

Jon C. Moyle, Jr.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com

James D. Beasley
J. Jeffrey Wahlen
Ausley McMullen
Post Office Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com

Mr. Jeffrey A. Stone, General Counsel
Ms. Rhonda J. Alexander, Regulatory
Manager
Gulf Power Company
One Energy Place
Pensacola, Florida 32520-0780
jastone@southernco.com
rjalexad@southernco.com

John T. Butler
Kenneth Hoffman
Jessica Cano
Florida Power & Light Company
700 Universe Boulevard (LAW/JB)
Juno Beach, Florida 33408-0420
John.Butler@fpl.com
Ken.Hoffman@fpl.com
Jessica.Cano@fpl.com

Paula K. Brown
Manager, Regulatory Coordination
Tampa Electric Company
Post Office Box 111
Tampa, FL 33601
regdept@tecoenergy.com

James W. Brew
Laura A. Wynn
Stone Mattheis Xenopoulos & Brew,
P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, D.C. 20007
jbrew@smxblaw.com
law@smxblaw.com

Matthew R. Bernier
Duke Energy Florida
106 East College Avenue, Suite 800
Tallahassee, FL 32301
Matt.bernier@duke-energy.com

Dianne M. Triplett
Duke Energy Florida
299 First Avenue North
St. Petersburg, FL 33701
Dianne.triplett@duke-energy.com

/s/ George Cavros
George Cavros, Esq.