

MCWHIRTER REEVES
ATTORNEYS AT LAW

ORIGINAL

TAMPA OFFICE:
400 N. TAMPA STREET, SUITE 2450
TAMPA, FLORIDA 33602
P.O. BOX 3350, TAMPA, FL 33601-3350
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE:
117 SOUTH GADSDEN
TALLAHASSEE, FLORIDA 32301
(850) 222-2525
(850) 222-5606 FAX

November 4, 1993

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Re: Docket No. 980007-EI

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and ten copies of Florida Industrial Power Users Group's Prehearing Statement in the above docket. Also enclosed is a diskette containing this document in WordPerfect 5.1 format.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

ACK 2/11/93
AFA 2/11/93 Sincerely,

APP _____
CAF _____ Vicki Gordon Kaufman

CMU _____ Vicki Gordon Kaufman

CTR _____
EAG Tew VGK/pw
LEG _____ Encls.

LIN 3

TPC _____

YCH _____

SEC 1

WAS _____

OTH _____

RECEIVED & FILED
[Signature]
EPSC-BUREAU OF RECORDS

RECEIVED-FPSC
98 NOV -4 PM 2:16
RECORDS AND REPORTING

DOCUMENT NUMBER - DATE
12857 NOV -4 93
FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause)
_____)

Docket No. 980007-EI

Filed: November 4, 1998

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

The Florida Industrial Power Users Group (FIPUG), through its undersigned counsel, files its Prehearing Statement. FIPUG reserves the right to amend this prehearing statement.

A. APPEARANCES:

JOHN W. McWHIRTER, JR., McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A., 400 North Tampa Street, Suite 2450 (33602-5126), Post Office Box 3350, Tampa, Florida 33601-3350; JOSEPH A. McGLOTHLIN, VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, Arnold & Steen, P.A., 117 South Gadsden Street, Tallahassee, Florida 32301.

On behalf of the Florida Industrial Power Users Group.

B. WITNESSES:

None at this time.

C. EXHIBITS:

None at this time.

D. STATEMENT OF BASIC POSITION:

Florida Industrial Power Users Group's Statement of Basic Position:

None at this time.

E. STATEMENT OF ISSUES AND POSITIONS:

Generic Environmental Cost Recovery Issues

- 1. **ISSUE:** What are the estimated environmental cost recovery true-up amounts for the period October 1997 through December 1998? *(for Florida Power & Light Company and Gulf Power Company only)*

DOCUMENT NUMBER-DATE

12357 NOV-4 88

FPSC-RECORDS/REPORTING

- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 1A. **ISSUE:** What are the estimated environmental cost recovery true-up amounts for the period April 1998 through December 1998? *(for Tampa Electric Company only)*
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
2. **ISSUE:** What are the appropriate projected environmental cost recovery amounts for the period January 1999 through December 1999?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
3. **ISSUE:** What is the appropriate recovery period to collect the total environmental cost recovery true-up amounts?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
4. **ISSUE:** What should be the effective date of the environmental cost recovery factors for billing purposes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
5. **ISSUE:** What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery true-up amounts to be collected?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
6. **ISSUE:** What are the appropriate Environmental Cost Recovery Factors for the period January 1999 through December 1999 for each rate group?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
7. **ISSUE:** Should the Commission require utilities to petition for approval of recovery of new projects through the Environmental Cost Recovery Clause at least three months prior to the due date for projection filing testimony?

FIPUG: Yes.

- 7A. **ISSUE:** Should the Commission set minimum filing requirements for utilities upon a petition for approval of recovery of new projects through the Environmental Cost Recovery Clause?

FIPUG: Yes.

Company-Specific Environmental Cost Recovery Issues

Florida Power & Light Company

8. **ISSUE:** Should the Commission approve Florida Power & Light Company's request for recovery of costs of the Wastewater/Stormwater Discharge Elimination Project through the Environmental Cost Recovery Clause?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

- 8A. **ISSUE:** What is the appropriate method for calculating the return on average net investment for Environmental Cost Recovery Clause projects as established by Order No. PSC-97-1047-FOF-EI?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

Gulf Power Company

9. **ISSUE:** Should the Commission approve Gulf Power Company's Request for recovery of costs of the Crist Units 4-7 Ash Pond Diversion Curtains project through the Environmental Cost Recovery Clause?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

- 9A. **ISSUE:** How should the newly proposed environmental costs for the Crist Units 4-7 Ash Pond Diversion Curtains project be allocated to the rate classes?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

- 9B. **ISSUE:** Is it appropriate for Gulf Power Company to recover costs for low NO_x burner tips on Plant Smith Units 1 and 2 through the Environmental Cost Recovery Clause?

- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 9C. **ISSUE:** How should environmental costs for the low NO_x burner tips on Plant Smith Units 1 and 2 be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 9D. **ISSUE:** Is it appropriate for Gulf Power Company to recover costs for the purchase of an additional mobile groundwater treatment system through the Environmental Cost Recovery Clause?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 9E. **ISSUE:** What adjustment, if any, should be made to the Environmental Cost Recovery Clause to reflect an amount which may be in base rates for the costs of the underground fuel storage tanks which have been replaced by aboveground fuel storage tanks as reported in Audit Disclosure No. 1 of the Florida Public Service Commission's Environmental Cost Recovery Clause Audit Report for the Period Ended September 30, 1997?
- FIPUG:** Any amounts in base rates should be removed from the Environmental Cost Recovery Clause.

Tampa Electric Company

10. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Big Bend Unit 1 Classifier Replacement project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10A. **ISSUE:** How should the newly proposed environmental costs for the Big Bend Unit 1 Classifier Replacement project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10B. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Big Bend Unit 2 Classifier Replacement project through the Environmental Cost Recovery Clause?

- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10C. **ISSUE:** How should the newly proposed environmental costs for the Big Bend Unit 2 Classifier Replacement project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10D. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Unit 5 Classifier Addition project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10E. **ISSUE:** How should the newly proposed environmental costs for the Gannon Unit 5 Classifier Addition project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10F. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Unit 6 Classifier Addition project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10G. **ISSUE:** How should the newly proposed environmental costs for the Gannon Unit 6 Classifier Addition project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10H. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Coal Crusher project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.

- 10I. **ISSUE:** How should the newly proposed environmental costs for the Gannon Coal Crusher project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10J. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Unit 5 Stack Extensions project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10K. **ISSUE:** How should the newly proposed environmental costs for the Gannon Unit 5 Stack Extensions project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10L. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the Gannon Unit 6 Stack Extensions project through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10M. **ISSUE:** How should the newly proposed environmental costs for the Gannon Unit 6 Stack Extensions project be allocated to the rate classes?
- FIPUG:** FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.
- 10N. **ISSUE:** Should the Commission approve Tampa Electric Company's request for recovery of costs of the National Pollutant Discharge Elimination System (NPDES) Annual Surveillance Fees through the Environmental Cost Recovery Clause?
- FIPUG:** No. TECO cannot demonstrate that this expenditure is prudent or that these expenditures are not currently being recovered through base rates.
- 10O. **ISSUE:** How should the newly proposed environmental costs for the National Pollutant Discharge Elimination System (NPDES) Annual Surveillance Fees be allocated to the rate classes?

FIPUG: FIPUG has no position at this time, but reserves the right to take a position on this issue by the date of the prehearing conference.

F. OTHER ISSUES:

Issue Raised by OPC

Should the Commission consider whether approval of environmental cost recovery factors will enable electric utilities to earn excessive returns on equity under currently prevailing financial market conditions?

FIPUG: Yes.

G. STIPULATED ISSUES:

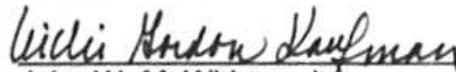
None at this time.

H. PENDING MOTIONS:

FIPUG has no pending motions.

I. OTHER MATTERS:

None.



John W. McWhirter, Jr.
Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Decker, Kaufman,
Arnold & Steen, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
Telephone: (850) 222-2525

400 North Tampa Street
Suite 2450 (33602-5126)
Post Office Box 3350
Tampa, Florida 33601-3350

Attorneys for the Florida Industrial
Power Users Group

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the **Florida Industrial Power Users Group's Prehearing Statement** has been furnished by hand delivery (*) or by U.S. Mail to the following parties of record this **4th day of November, 1998:**

Leslie Paugh*
Division of Legal Services
Florida Public Service Commission
Gerald L. Gunter Building, Room 390Q
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

John Roger Howe
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

Gail Kamaras, Director
Energy Advocacy Program
Legal Environmental Assistance
Foundation
Mt. Vernon Square
1114-E Thomasville Road
Tallahassee, Florida 32303-6290

Lee L. Willis
James Beasley
Ausley & McMullen
Post Office Box 391
Tallahassee, Florida 32302

Matthew M. Childs
Steel Hector & Davis
215 South Monroe Street
Suite 601
Tallahassee, Florida 32301-1804

Jeffry A. Stone
Beggs and Lane
Post Office Box 12950
Pensacola, Florida 32576-2950


Vicki Gordon Kaufman