

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental cost
recovery clause.

DOCKET NO. 020007-EI
DATED: OCTOBER 21, 2001

STAFF'S PRELIMINARY LIST OF ISSUES AND POSITIONS

Pursuant to Order No. PSC-02-0338-PCO-EI, issued March 13, 2002, establishing the prehearing procedure in this docket, the Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues and Positions.

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period ending December 31, 2001?

POSITION:

FPL: \$0 for purposes of setting ECRC factors for 2003.
(Issue 9A)
TECO: \$1,001,138 under recovery
GULF: \$187,480 over recovery
FPC: \$0

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January 2002 through December 2002?

POSITION:

FPL: \$7,799,426 if FPL's petition is approved. (Issues
9A, 9B & 9D)
TECO: \$3,457,263 over recovery
GULF: \$445,767 over recovery
FPC: \$0

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2003 through December 2003?

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POSITION:

FPL: \$7,799,426 if FPL's petition is approved. (Issues 9A, 9B & 9D)
TECO: \$2,456,125 net over recovery
GULF: \$633,247 net over recovery
FPC: \$0

ISSUE 4: What are the appropriate projected environmental cost recovery amounts for the period January 2003 through December 2003?

POSITION:

FPL: discovery is pending (Issues 9B, 9D, 9F & 9H)
TECO: discovery is pending (Issue 11A)
GULF: discovery is pending (Issue 10A)
FPC: discovery is pending (Issues 12A & 12C)

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 2003 through December 2003?

POSITION:

The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service.

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2003 through December 2003?

POSITION:

FPL: discovery is pending
TECO: discovery is pending
GULF: discovery is pending
FPC: discovery is pending

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ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2003 through December 2003 for each rate group?

POSITION:

FPL:

RATE CLASS

ENVIRONMENTAL RECOVERY
FACTOR (\$/KWH)

RS1
GS1
GSD1
OS2
GSLD1/CS1
GSLD2/CS2
GSLD3/CS3
ISST1D
SST1T
SST1D
CILC D/CILC G
CILC T
MET
OL1/SL1/PL1
SL2

GULF:

RATE CLASS

ENVIRONMENTAL COST
RECOVERY FACTORS ¢/kwh

RS, RST, RSVP
GS, GST
GSD, GSdT
LP, LPT
PX, PXT, RTP, SBS
OS-I, OS-II
OS-III
OS-IV

TECO:

RATE CLASS

ENVIRONMENTAL COST
RECOVERY FACTORS ¢/kwh

RS, RST
GS, GST, TS
GSD, GSdT
GSLD, GSLDT, SDF, SBFT

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IS1, IST1, SBI1, IS3, IST3, SB13
SL, OL

FPC:

<u>RATE CLASS</u>	<u>ENVIRONMENTAL COST RECOVERY FACTORS ¢/kwh</u>
RS-1, RST-1, RSL-1, RSL-2	
RSS-1 (Secondary)	
GS-1, GST-1	
Secondary	
Primary	
Transmission	
GS-2 (Secondary)	
GSD-1 Transmission	
SS-1	
Primary	
Transmission	
GSD-1	
Secondary	
Primary	
CS-1, CST-1, CS-2, CST-2, SS-3	
Secondary	
Primary	
SS-3 (Primary)	
IS-1, IST-1, IS-2, IST-2	
Secondary	
Primary	
Transmission	
LS-1 (Secondary)	

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

POSITION:

The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2003 through December 2003. Billing cycles may start before January 1, 2003, and the last cycle may be read after December 31, 2003, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Company Specific Environmental Cost Recovery Issues

Florida Power & Light Company

ISSUE 9A: What effect does Florida Power & Light Company's stipulation approved by Order No. PSC-99-0519-AS-EI have on the company's level of recovery for 2003?

POSITION:

"For 2002, FPL will not be allowed to recover any costs through the environmental cost recovery docket. FPL may, however, petition to recover in 2003 prudent environmental costs incurred after the expiration of the three-year term of this Stipulation and Settlement in 2002." (PSC-99-0519-AS-EI)
"FPL is authorized to recover these prudently incurred costs in 2003. Interest, however, will not accrue on these expenses." (PSC-01-2463-FOF-EI)

ISSUE 9B: Should the Commission approve Florida Power & Light Company's request for recovery of costs for the St. Lucie Turtle Net project through the Environmental Cost Recovery Clause?

POSITION:

Yes. See PAA Order in Docket 020648-EI. (At the 10/15/02 Agenda Conference, the Commission voted to approve project.)

ISSUE 9C: How should the newly proposed environmental costs for the St. Lucie Turtle Net project be allocated to the rate classes?

POSITION:

The capital costs associated with the St. Lucie Turtle Net project should be allocated on a 12 Coincident Peak (CP) and 1/13 Average Demand (AD) basis. (Draper)

ISSUE 9D: Should the Commission approve Florida Power & Light Company's request for recovery of costs for Pipeline Integrity Management through the Environmental Cost Recovery Clause?

POSITION:

Discovery is pending.

ISSUE 9E: How should the newly proposed environmental costs for the Pipeline Integrity Management activity be allocated to the rate classes?

POSITION:

Discovery pending. (Draper)

ISSUE 9F: Should the Commission approve Florida Power & Light Company's request for recovery of costs for Oil Spill Prevention, Control & Countermeasures through the Environmental Cost Recovery Clause?

POSITION:

Discovery is pending.

ISSUE 9G: How should the newly proposed environmental costs for the Oil Spill Prevention, Control & Countermeasures activities be allocated to the rate classes?

POSITION:

Discovery is pending. (Draper)

ISSUE 9H: Should the Commission approve FPL's request for recovery of costs to implementing the Agreement between FPL and DEP through the ECRC?

POSITION:

Discovery is pending.

ISSUE 9I: How should the newly proposed environmental costs for the Agreement between FPL and DEP be allocated to the rate classes?

POSITION:

Pursuant to Order No. PSC-94-0444-FOF-EI, issued Jan 12, 1994, costs associated with the Clean Air Act Amendment should be allocated on an energy basis. (Draper)

Gulf Power Company

ISSUE 10A:

Should the Commission approve Gulf Power Company's request for recovery of costs for implementing the Agreement between Gulf and the DEP through the Environmental Cost Recovery Clause?

POSITION:

Yes. See Order No. PSC-02-1396-PAA-EI, Issued October 9, 2002 in Docket 020943-EI.

ISSUE 10B:

How should the newly proposed environmental costs for implementing the Agreement between Gulf and the DEP be allocated to the rate classes?

POSITION:

Discovery is pending. (Draper)

Tampa Electric Company

ISSUE 11A:

Should the Commission approve Tampa Electric Company's request for recovery of costs for the Polk NOx Emissions Reduction project through the Environmental Cost Recovery Clause?

POSITION:

Yes. See PAA Order pending in Docket 020726-EI. (At the 10/1/02 Agenda Conference, the Commission voted to approve project.)

ISSUE 11B:

How should the newly proposed environmental costs for the Polk NOx Emissions Reduction project be allocated to the rate classes?

POSITION:

The purpose of the project is to reduce the POLK NOx emission rate. The costs should be allocated on an energy basis. (Draper)

Florida Power Corporation

ISSUE 12A:

Should the Commission approve Florida Power Corporation's request for recovery of costs for Substation Environmental Investigation, Remediation, and Pollution Prevention?

POSITION:

Discovery is pending.

ISSUE 12B:

How should the newly proposed environmental costs for the Substation Environmental Investigation, Remediation, and Pollution Prevention be allocated to the rate classes?

POSITION:

Discovery is pending. (Draper)

ISSUE 12C:

Should the Commission approve Florida Power Corporation's request for recovery of costs for Distribution System Environmental Investigation, Remediation, and Pollution Prevention?

POSITION:

Discovery is pending.

ISSUE 12D:

How should the newly proposed environmental costs for the Distribution System Environmental Investigation, Remediation, and Pollution Prevention be allocated to the rate classes?


POSITION:

Discovery is pending. (Draper)

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Dated this 21st day of October, 2003.

Respectfully submitted,


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of STAFF'S
PRELIMINARY LIST OF ISSUES AND POSITIONS, has been furnished by
U.S. Mail, this 21st day of October, 2002, to the following:

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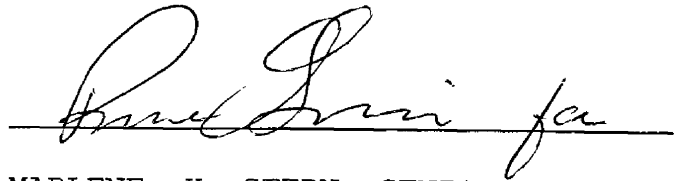
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A handwritten signature in cursive script, appearing to read "Marlene K. Stern", is written over a horizontal line.

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