

State of Florida



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COMMISSION
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-M-E-M-O-R-A-N-D-U-M-

DATE: July 14, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Stephen C. Larson, Executive Secretary to Commissioner Argenziano
RE: Communication received in docket 080148-EI

Commissioner Argenziano has received the attached letter in the above noted docket. Commissioner Argenziano has not seen this document. Please file these documents in the appropriate docket and disseminate to all interested parties.

DOCUMENT NUMBER-DATE

06056 JUL 14 8

FPSC-COMMISSION CLERK

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**Florida Consumer
Action Network**

080148

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COMMISSION
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Fax

To: Commissioner Nancy Argenziano **From:** Jessica Williams, FCAN

Fax: 800-511-0809 **Pages:** 3, including cover page

Phone: 850-413-6038 **Date:** 6-30-08

Re: Nuclear Power Plants **cc:**

Urgent For Review Please Comment Please Reply Please Recycle

FPSC, CLK - CORRESPONDENCE

Administrative Parties Consumer

DOCUMENT NO. 01912-08

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FLORIDA
Consumer Action
NETWORK

June 30, 2008

Honorable Nancy Argenziano
PSC Commissioner
VIA facsimili

RE: Docket # 080148

Commissioner Argenziano,

In the current economic downturn, consumers are struggling to pay for basic needs. For that reason, we are asking for your support in not billing consumers in advance for four new nuclear power plants. The plants may never be completed, and there is no cap on how much the utilities can charge. Estimates for the Progress Energy plants have already tripled in just two years. To add to the list of red flags, the investors who usually fund these projects are nowhere to be found. While Florida does need power, billing consumers in advance is a costly method that has failed in the past.

Florida Consumer Action Network (FCAN) is the state's largest consumer group with 30,000 members throughout the state. Established in 1984, FCAN works on utility, insurance, health care and environmental issues.

In the case currently before you, we urge you to vote against the nuclear power plants. They are not needed. Investing billions of dollars in these plants is the wrong direction to take. Those funds should be invested in efficiency and renewable resources. The benefit to consumers would be greater and the risks far lower. Here is an example of the risk:

In the 1980's, the Washington Public Power Supply System (WPPSS) began building 5 nuclear power plants citing a projected 10% increase in demand. The demand estimate was wildly off the mark, and only one plant was ever completed. The result was the largest bond default in history and a huge loss to consumers that they are still paying for. This shows the pitfalls of making such a large investment in one technology.

A second major problem with WPPSS was "cost-plus" contracts. WPPSS knew that consumers had to pay whatever the plants cost, and that once construction began, it was unlikely local utilities would back out of their investments, even if costs multiplied. Because changes kept occurring, the contractors worked on the basis of being paid the cost of the project plus a percentage profit. This was disastrous and added another multiplier.

Florida is at risk from both these problems: declining demand and faulty construction cost schemes.

Florida is seeing a trend of declining demand for electricity as in-migration slows and efficiency increases. The economic downturn is causing behavioral changes in consumer behavior. According to the St Petersburg Times, big utilities are seeing the slowest growth in a decade. While Progress Energy predicted a growth rate of 1.8% annually, the University of Florida predicted a rate of only 1.1-1.6% annually. There is also less household energy use and laws are stricter on energy efficiency for buildings.

DOCUMENT NUMBER-DATE

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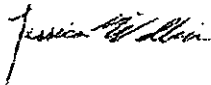
FPSC-COMMISSIONER

There are alternatives available. Florida is uniquely situated for solar power. According to the Florida Solar Energy Center, "Florida receives 85% of the maximum solar resource available in the U.S., making it ideal for using solar energy." Solar power is superior to nuclear power for several reasons. Solar power does not rely on fuel, which has an ever-rising price tag. Also, there is no environmentally hazardous left over fuel. Solar power is also safer. Fox News 13 recently reported on Chinese hackers breaking into Florida's power grid and causing blackouts statewide. Enemies of the U.S. could easily control or attack nuclear power plants and cause catastrophic damage to Floridians and their families. Recent breakthroughs in storing solar energy, like that used on the USF St Petersburg campus, make solar energy feasible on a utility scale.

FCAN is Florida's largest consumer group and has thousands of members throughout Florida, whom we contact daily. We believe our members strongly oppose being billed in advance for these nuclear power plants and will support your efforts to stop this utility rate increase. We believe that approving these power plants would be a grave mistake and would damage Florida's economy. We don't want to be stuck with huge investments in dated technologies. Vote against the Levy nukes and don't allow Progress to bill consumers in advance for their construction.

FCAN and its members want to invest in low-cost, efficient solar energy and do not want to be stuck with a bill for nuclear power plants which may not be needed or even completed!

Thank you for your consideration,



Jessica Williams
Program Organizer
3018 W. Kennedy Blvd., Ste B
Tampa, FL 33609