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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

11 APR -4 PM 3:07

In re: Joint petition for modification to determination of need for expansion of an existing renewable energy electrical power plant in Palm Beach County by Solid Waste Authority of Palm Beach County and Florida Power & Light Company, and for approval of associated regulatory accounting and purchased power agreement cost recovery.

DOCKET NO. 110018-EU

COMMISSION
CLERK

DATED: APRIL 4, 2011

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-11-0074-PCO-EU, ("Procedural Order") issued on January 27, 2011, as modified by Order No. PSC-11-0146-PCO-EU, issued March 3, 2011, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

ISSUE 1: IS SOLID WASTE AUTHORITY OF PALM BEACH COUNTY (SWA) THE PROPER APPLICANT FOR THE REQUESTED MODIFICATION TO THE DETERMINATION OF NEED WITHIN THE MEANING OF SECTION 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

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FPSC-COMMISSION CLERK

ALTERNATIVE

ISSUE 1: ARE THE SOLID WASTE AUTHORITY OF PALM BEACH COUNTY (SWA) AND FLORIDA POWER & LIGHT COMPANY (FPL) THE PROPER APPLICANTS WITHIN THE MEANING OF SECTION 403.519, FLORIDA STATUTES? (LARSONS)

Position: Staff has no position at this time.

ISSUE 2: IS THERE A NEED FOR THE SWA EXPANDED FACILITY TAKING INTO ACCOUNT THE NEED FOR ELECTRIC SYSTEM RELIABILITY AND INTEGRITY, AS THIS CRITERION IS USED IN SECTION 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 3: IS THERE A NEED FOR THE SWA EXPANDED FACILITY, TAKING INTO ACCOUNT THE NEED FOR ADEQUATE ELECTRICITY AT A REASONABLE COST, AS THIS CRITERION IS USED IN SECTION 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 4: IS THERE A NEED FOR THE SWA EXPANDED FACILITY, TAKING INTO ACCOUNT THE NEED FOR FUEL DIVERSITY AND SUPPLY RELIABILITY, AS THIS CRITERION IS USED IN SECTION 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 5: ARE THERE ANY RENEWABLE ENERGY SOURCES AND TECHNOLOGIES, AS WELL AS CONSERVATION MEASURES, TAKEN BY OR REASONABLY AVAILABLE TO FLORIDA POWER & LIGHT COMPANY (FPL) OR SWA WHICH MIGHT MITIGATE THE NEED FOR THE SWA EXPANDED FACILITY AS THIS CRITERION IS USED IN SECTION 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 6: IS THE SWA EXPANDED FACILITY THE MOST COST-EFFECTIVE ALTERNATIVE AVAILABLE, AS THIS CRITERION IS USED IN SECTIONS 377.709 AND 403.519, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 7: IS THE PROPOSED CONTRACT BETWEEN SWA AND FPL REASONABLE, PRUDENT, AND IN THE BEST INTEREST OF FPL'S CUSTOMERS AND APPROPRIATE AND CONSISTENT WITH THE PROVISIONS OF SECTION 377.709, FLORIDA STATUTES?

Position: Staff has no position at this time.

ISSUE 8: IS FPL'S PROPOSAL TO RECOVER THE ADVANCED CAPACITY PAYMENT TO SWA THROUGH THE ENERGY CONSERVATION COST RECOVERY CLAUSE PURSUANT TO SECTION 377.709, F.S., CONSISTENT WITH RULES 25-17.200 THROUGH 25-17.310, F.A.C.?

Position: Staff has no position at this time.

ISSUE 9: SHOULD THE COMMISSION ALLOW FPL TO RECOVER FROM ITS CUSTOMERS THE ADVANCED CAPACITY PAYMENT ASSOCIATED WITH THE EXPANDED FACILITY'S ELECTRICAL COMPONENT MADE TO SWA PURSUANT TO AND/OR RESULTING FROM THE PROPOSED CONTRACT, AS WELL AS THE CARRYING COSTS AND ADMINISTRATIVE COSTS INCURRED BY FPL, THROUGH THE ENERGY CONSERVATION COST RECOVERY CLAUSE (ECCR), PURSUANT TO SECTION 377.709, F.S.?

Position: Staff has no position at this time.

ISSUE 9A: IF YES, WHAT AMOUNT SHOULD FPL BE ALLOWED TO RECOVER FROM ITS RATEPAYERS?

Position: Staff has no position at this time.

ISSUE 9B: TO THE EXTENT FPL INCURS FIRM CAPACITY COSTS ASSOCIATED WITH THE CONTRACT BETWEEN SWA AND FPL THAT ARE NOT RECOVERED THROUGH THE ECCR, SHOULD FPL BE ALLOWED TO RECOVER THOSE COSTS THROUGH THE CAPACITY CLAUSE?

Position: Staff has no position at this time.

ISSUE 10: SHOULD FPL BE ALLOWED TO RECOVER FROM ITS CUSTOMERS ALL PAYMENTS FOR ENERGY MADE TO SWA PURSUANT TO AND/OR RESULTING FROM THE PROPOSED CONTRACT BETWEEN SWA AND FPL THROUGH THE FUEL AND PURCHASED POWER COST RECOVERY CLAUSE?

Position: Staff has no position at this time.

ISSUE 11: **BASED ON THE RESOLUTION OF THE FOREGOING ISSUES, SHOULD THE COMMISSION GRANT THE JOINT PETITION FOR MODIFICATION TO DETERMINATION OF NEED BY SWA AND FPL AND FOR RECOVERY OF PURCHASED POWER CONTRACT COSTS?**

Position: Staff has no position at this time.

ISSUE 12: **SHOULD THIS DOCKET BE CLOSED?**

Position: Staff has no position at this time.

e. Staff's Position on the Proposed Additional Issues

PAI 1: **WAS THE JOINT PETITION COMPLETE AT THE TIME OF SUBMITTAL? (LARSONS)**

Position: Staff has no position at this time.

PAI 2: **SHOULD THE JOINT PETITION BE BOUND BY REQUIREMENTS OF THE 2010 TEN YEAR SITE PLAN WHICH DID NOT INCLUDE THE NEED FOR THE SWA EXPANDED FACILITY AND WAS APPROVED BY THE COMMISSION AFTER THE SUBMITTAL OF THE JOINT PETITION? (LARSONS)**

Position: Staff has no position at this time.

PAI 3: **SHOULD THE JOINT PETITION BE ALLOWED TO INCORPORATE A PROPOSED CAPACITY ADDITION THAT DID NOT EXIST AT THE TIME THE JOINT PETITION WAS FILED? (LARSONS)**

Position: Staff has no position at this time.

PAI 4: **ALTERNATIVE A: SHOULD SWA BE ALLOWED TO RECOVER AN ADVANCED CAPACITY PAYMENT FROM FPL RATEPAYERS THAT IS NEARLY \$24 MILLION DOLLARS HIGHER THAN THE ADVANCED CAPACITY PAYMENT AMOUNT THAT WAS REPRESENTED TO THE SWA BOARD DURING ITS PUBLIC MEETING HELD ON FEBRUARY 9, 2011?? (SULLIVAN/WOOD)**

Position: Staff has no position at this time.

PAI 4: **ALTERNATIVE B: SHOULD SWA BE ALLOWED TO RECOVER AN ADVANCED CAPACITY PAYMENT FROM FPL RATEPAYERS THAT IS NEARLY \$24 MILLION DOLLARS HIGHER THAN WHAT WAS REPRESENTED TO THE SWA BOARD DURING A PUBLIC MEETING HELD AFTER THE FILING OF THE JOINT PETITION? (LARSONS)**

Position: Staff has no position at this time.

PAI 5: **SHOULD THE TERM "DESIGN COSTS OF ELECTRICAL COMPONENT" BE INTERPRETED IN A WAY THAT REQUIRES FPL RATEPAYERS TO PAY AN ADVANCED CAPACITY PAYMENT TO SWA EQUAL TO THE TOTAL BUDGETED COST OF THE POWER BLOCK? (LARSONS)**

Position: Staff has no position at this time.

PAI 6: **DOES THE AMOUNT OF THE PROPOSED ADVANCED CAPACITY PAYMENT EXCEED THE REQUIREMENT OF SECTION 377.709(3)(B)(1.(B.), FLORIDA STATUTES? (LARSONS)**

Position: Staff has no position at this time.

PAI 7: **WHAT IS THE PROJECTED AVERAGE RATE IMPACT THAT THE ADVANCED CAPACITY PAYMENT WILL HAVE ON FPL RATEPAYERS? (SULLIVAN/WOOD)**

Position: Staff has no position at this time.

f. Pending Motions

Staff has no pending motions.

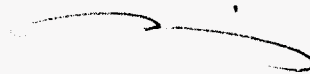
g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

h. Compliance with Order No. PSC-11-0074-PCO-EU, ("Procedural Order") issued on January 27, 2011, as modified by Order No. PSC-11-0146-PCO-EU, issued March 3, 2011

Staff has complied with all requirements of the Order Establishing Procedure and Order Modifying Procedure entered in this docket.

Respectfully submitted this 4th day of April, 2011.



LAWRENCE D. HARRIS
Staff Counsel

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of COMMISSION STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic and U. S. mail this 4th day of April, 2011:

William Cox
Florida Power & Light Company
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Attention: Executive Director
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