

**Florida
Power**
CORPORATION

**ORIGINAL
FILE COPY**

JAMES A. MCGEE
SENIOR COUNSEL

April 17, 1995

Ms. Blanca S. Bayó, Director
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0870

Re: Docket No. 941101-EQ

Dear Ms. Bayó:

Enclosed for filing in the subject docket are fifteen copies of the Prehearing Statement of Florida Power Corporation.

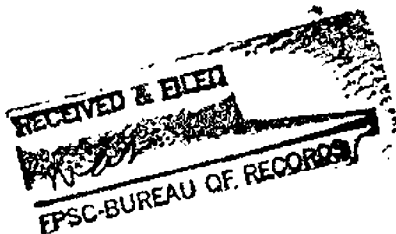
Please acknowledge your receipt of the above filings on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in Word Perfect format. Thank you for your assistance in this matter.

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG 2 Enclosures
- LEG 1 cc? Parties of Record
- LIN 5
- OPC _____
- RCR _____
- SEC 1
- WFS _____
- OTH _____

Very truly yours,

James A. McGee
by Sharon L. Sharp

James A. McGee



DOCUMENT NUMBER DATE

03793 APR 17 1995

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power Corporation for determination that its plan for curtailing purchases from Qualifying Facilities in minimum load conditions is consistent with Rule 25-17.086, F.A.C.

Docket No. 941101-EQ

Submitted for filing:
April 17, 1995

**PREHEARING STATEMENT OF
FLORIDA POWER CORPORATION**

Florida Power Corporation (FPC), pursuant to Rule 25-22.038, Florida Administrative Code, hereby submits its Prehearing Statement with respect to its petition for determination that its plan for curtailing purchases from Qualifying Facilities in minimum load conditions is consistent with Rule 25-17.086, F.A.C. and states as follows:

A. APPEARANCES

JAMES P. FAMA, Esquire, and JAMES A. MCGEE, Esquire, Florida Power Corporation, Post Office Box 14042, St. Petersburg, Florida 33733-4042, and

GARY L. SASSO, Esquire, and RONALD J. TENPAS, Esquire, Carlton, Fields, Ward, Emmanuel, Smith & Cutler, P.A., Post Office Box 2861 St. Petersburg, Florida 33731

On behalf of Florida Power Corporation

DOCUMENT NUMBER-DATE

03793 APR 17 1995

B. WITNESSES

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
Robert D. Dolan	Background of FPC capacity and energy purchase arrangements with QFs; Federal and State rules governing utility right to curtail; Summary of efforts to avoid events of curtailment;	1,4,7
Charles J. Harper	Description of FPC's Curtailment Plan and the actions taken by FPC's system operating personnel in response to minimum load conditions.	2,5
Steven L. Lefton	Demonstrate that increased cycling of coal-fired baseload power units causes plant damage and results in significant increases in operational costs and decreases unit reliability.	6
Henry I. Southwick, III	FPC's principal policy witness on minimum load conditions and FPC's efforts to deal responsibly with minimum load issues.	1-7

FPC reserves the right to submit additional testimony for rebuttal purposes.

C. EXHIBITS

<u>EXHIBITS</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
<u> </u> (RDD-1)	R. D. Dolan	FPC's October 12, 1994 "Generation Curtailment Plan for Minimum Load Conditions"
<u> </u> (RDD-2)	R. D. Dolan	Description of each QF supplier from which FPC buys capacity and/or energy.
<u> </u> (RDD-3)	R. D. Dolan	Update to Appendix A of the Curtailment Plan.

EXHIBITS**WITNESS****DESCRIPTION**

<u>(RDD-4)</u>	R. D. Dolan	Update to Appendix B of the
<u>(RDD-5)</u>	R. D. Dolan	Example of likely amounts of QF power available to FPC before and after implementation of voluntary output reduction plans.
<u>(CJH-1)</u>	C. J. Harper	The summary operating logs and related material documenting the steps taken in anticipation of, during and after the October 1994 through January 1995, events of curtailment.
<u>(CJH-2)</u>	C. J. Harper	Examples of minimum load worksheet designed to assist with FPC's daily planning process
<u>(SAL-1)</u>	S. A. Lefton	Resume of Steven A. Lefton
<u>(SAL-2)</u>	S. A. Lefton	Three published papers on the subject of power plant cycling.
<u>(SAL-3)</u>	S. A. Lefton	Creep-Fatigue Interaction Design Curves for Several Materials.
<u>(SAL-4)</u>	S. A. Lefton	Regression Analysis for All Units Not designated as Daily Cyclers EXCEPT for 20 'Outliers.'
<u>(HIS-1)</u>	H. I. Southwick	Excerpts from NERC, SERC and FCG publications
<u>(HIS-2)</u>	H. I. Southwick	Unit Power Sales Agreement between FPC and Southern Co.
<u>(HIS-3)</u>	H. I. Southwick	Summary of Unit Commit Avoided Cost Simulations.

EXHIBITS

(HIS-4)

WITNESS

H. I. Southwick

DESCRIPTION

Examples of correspondence soliciting QFs involvement in dealing with minimum load conditions.

D. STATEMENT OF BASIC POSITION

None at this time.

E. STATEMENT OF ISSUES AND POSITIONS

ISSUE 1: Has Florida Power Corporation adequately demonstrated that the minimum load conditions for curtailment outlined in its plan comply with Commission Rule 25-17.086, Florida Administrative Code?

FPC: Yes. Both the FERC and this Commission have clearly recognized that the "operational circumstances" referred to in the curtailments rules of each agency include minimum load conditions where a utility is running its baseload generating units at their minimum generating levels

ISSUE 2: Has Florida Power Corporation adequately demonstrated that its plan incorporates all appropriate measures to mitigate the need for curtailment during minimum load conditions?

FPC: The plan contains all measures to be taken by FPC as a sufficient predicate to involuntary QF curtailments. Any further efforts to avoid QF curtailments would increase costs for FPC's native load customers, causing them to subsidize continued purchases from QFs.

ISSUE 3: Has Florida Power Corporation adequately demonstrated that the procedures for curtailment outlined in its plan are reasonable and appropriate?

FPC: Yes. Although FPC does not contend that there is only one possible set of acceptable procedures for implementing QF curtailments, it has proposed a set of procedures which it considers fair as well as effective.

ISSUE 4: Has Florida Power Corporation adequately demonstrated that its proposed plan allocates justifiable curtailments among QF's in a fair and not unduly discriminatory manner?

FPC: Yes. Although FPC does not contend that there is only one possible set of acceptable procedures for implementing QF curtailments, it has proposed a set of procedures which it considers fair as well as effective.

ISSUE 5: Has Florida Power Corporation properly implemented the procedures set forth in the plan during the curtailments that have occurred from October, 1994 through January 1995?

FPC: Yes. FPC's curtailment procedures were properly implemented during the seven curtailments in the period from October 1994 through January 1995.

ISSUE 6: Has Florida Power Corporation adequately demonstrated that the curtailments that have occurred from October 1, 1994 through January 31, 1995, were necessary to prevent the incurrance of negative avoided costs?

FPC: Yes. FPC has demonstrated that it would have incurred negative avoided costs if it had not curtailed QF purchased during each of the seven minimum load emergencies in the period from October 1994 through January 1995.

ISSUE 7: Should the Commission approve Florida Power Corporation's curtailment plan as being in compliance with Rule 25-17 086?

FPC: Yes. FPC has demonstrated that curtailment of QF purchases pursuant to it plan are necessitated by operational circumstances associated with

minimum load conditions in order to avoid the incurrance of negative avoided costs as a result of such purchases.

F. STIPULATED ISSUES:

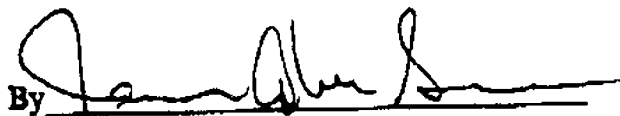
None at this time.

G. PENDING MOTIONS:

None.

Respectfully submitted,

**OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION**

By 

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Prehearing Statement of Florida Power Corporation has been furnished by regular U.S. Mail on the 17th day of April, 1995 to the following:

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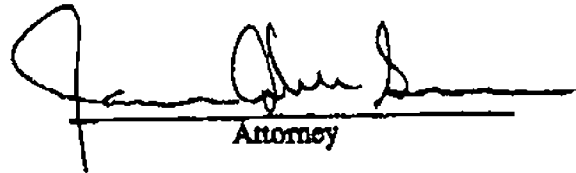
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