



CITY OF LAKE WORTH

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September 22, 1999

ORIGINAL

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
4750 Esplanade Way, Room #110  
Tallahassee, FL 32399-0850

Re: Staff's Second Set of Interrogatories to The City of Lake Worth  
Utilities (No. 48) Docket No. 981890-EU

Dear Ms. Bayo:

Enclosed is the City of Lake Worth Utilities' (CLWU) response to the subject in reference.

If you have any questions or comments, please contact me at (561) 586-1698 at your convenience.

Sincerely,  
CITY OF LAKE WORTH UTILITIES

*A. Bezugly*  
Anatole Bezugly,  
Assistant Utilities Director

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG 1
- LEG 1 - with original answers
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- SEC 1
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

cc: Robert V. Elias, Staff Counsel, Florida Public Service Commission

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## Interrogatories

48. Please provide a detailed justification for Lake Worth's decision to adopt each of the reliability criteria identified in Lake Worth's Response to Staff's First Set of Interrogatories, Interrogatory No. 1.

The City of Lake Worth Utilities is a member of FRCC and subscribes to the operational and planning criteria of this organization, as well as, to the prudent practices established industry wide.

FRCC's current methodology for reserve margin calculation and reliability criteria has been reviewed, discussed and adopted, by consensus, by all members of the FRCC. Furthermore, this methodology has been shown by utility experience to work in practice.

The 15% reserve margin standard is based on reasonable principles and assumptions, the calculation is done by using industry accepted formulas utilizing information which captures all electrical system data involving Lake Worth's firm resources and firm winter and summer peaks.

In the case of Lake Worth's electrical system, the application of industry formulas and assessment of reserves is relatively simple due to the following:

- During the past ten (10) years, our on site generation exceeded winter and summer peaks by more than 27%.
- Off system capacity available is firm, since is percent unit(s) ownership of St. Lucie II & Stanton I.
- The load is relatively homogeneous, mostly residential, thus highly predictable.
- There are no qualifying facilities on the system.
- There are no interruptible load(s) on the system.
- The service area is small, thus climatic effects are uniform.
- Potential growth is easily identifiable.
- Sales outside the system are non-firm.
- Based on the above we feel comfortable in adapting FRCC's criteria.

### Summary & Conclusions

Lake Worth Utilities is using industry standards in accordance with FRCC criteria which have proven suitable for the State as well as other utilities and other reliability councils in North America.

FRCC conducted an analysis of the continued suitability of the 15% reserve margin standard. The analysis found that the 15% planning standard and projected reserves margins, are suitable for maintaining reliable electric service for the peninsula during summer and winter peaks, since Lake Worth is an integral component of the peninsular sources and loads, it follows that this suitability applies to Lake Worth.

In conclusion, Lake Worth's adherence to FRCC's criteria, past experience and specific attributes of system and area served, clearly supports that the electric service provided and projected is highly reliable.