## ORIGINAL **BEFORE THE FLORIDA PUBLIC SERVICE COMMIS**

In re: Petition for Determination ) of Need of Hines Unit 2 Power Plant

DOCKET NO. DOLOGY-EI

Submitted for filing: August 7, 2000

## CONFIDENTIAL

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SUPPLEMENTAL TESTIMONY **OF ALAN S. TAYLOR** 

**ON BEHALF OF** FLORIDA POWER CORPORATION

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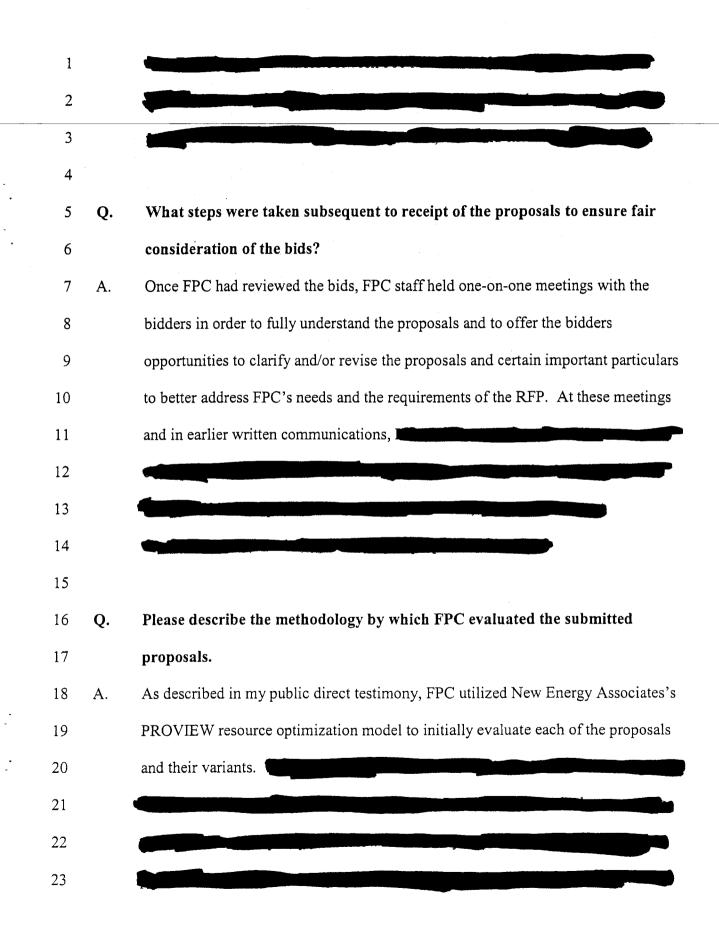
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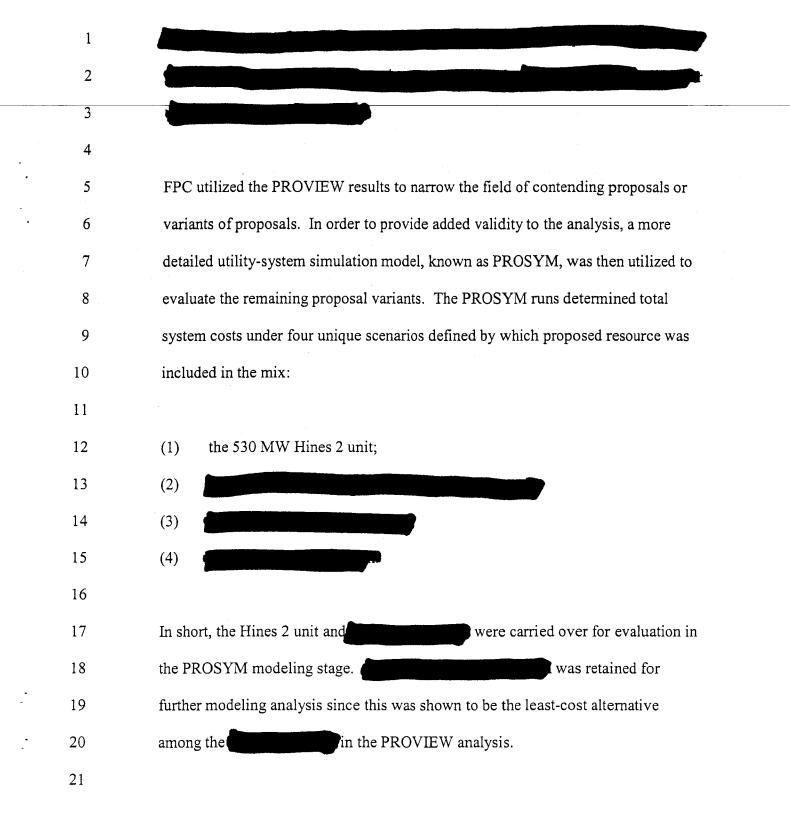
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	1		INTRODUCTION AND QUALIFICATIONS
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	3	Q.	Please state your name and business address.
-	4	A.	My name is Alan S. Taylor. My business address is PHB Hagler Bailly, Inc.
•	5		(Hagler Bailly), 1881 Ninth Street, Suite 302, Boulder, Colorado 80302.
•	6		
	7	Q.	Are you the same Alan S. Taylor who filed public direct testimony in this
	8		proceeding?
	9	A.	Yes. This supplemental testimony contains information that supports my public
	10		direct testimony but which I believed would be better provided in a confidential
	11		fashion.
	12		
	13	Q.	What is the purpose of your confidential supplemental testimony?
	14	A.	The purpose of my confidential supplemental testimony is to provide specific
	15		information concerning the responses to FPC's resource solicitation and the results
	16		of FPC's analysis.
	17		
	18	Q.	Please describe in general terms the proposals that were ultimately submitted
-	19		in response to the RFP.
-	20	A.	There were two proposals submitted. The proposal was for any submitted by the proposal was for any submitted
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	1		In all scenarios, each proposal was evaluated in the best light in that the optimal
	2		long-term generation expansion plan that was developed in the PROVIEW
	3		evaluation was incorporated into the PROSYM runs.
	4		These results were then incorporated into a proforma spreadsheet analysis that
•	5		determined the anticipated total annual revenue requirements for each resource
•	б		scenario for each year through 2028.
	7		
	8	Q.	What were the results of the modeling and proforma analysis?
	9	A.	The analysis showed that under the base case Hines 2 was the lowest-cost alternative
	10		from 2003, the first year the units would come on line, continuously through to the
	11		end of the planning period in 2028. Relative to Hines 2,
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	17		As discussed in my public direct testimony, FPC conducted three sensitivity
	18		analyses on each of the four resource scenarios. These sensitivities included a high-
	19		fuel case, a low-fuel case, and a case referred to as "Gulfstream" that represented a
	20		scenario in which the proposed Gulfstream gas pipeline was developed. Results
	21		from the sensitivity analyses were similar to those of the base case analysis, with
	22		Hines 2 clearly the least-cost option. Relative to the base case, the difference in the
	23		present value of total costs between the second and Hines 2 increased

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