



Florida Power

A Progress Energy Company

ORIGINAL

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL

June 27, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

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Re: Revised Long-Term Energy Emergency Plan

Dear Ms. Bayó:

Enclosed for filing pursuant to Commission Rule 25-6.0185, F.A.C., are an original and fifteen copies of Florida Power Corporation's revised Long-Term Energy Emergency Plan. In accordance with the rule, the revised plan is also being provided to the Florida Reliability Coordinating Council by copy of this filing.

Please acknowledge your receipt of the above filing 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 format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc
Enclosure

cc: Florida Reliability Coordinating Council
Mr. James Ruehl

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06669 JUN 27 2002
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June 2002

**Plan for a Long-Term Energy Emergency
Caused by a Fuel Supply Shortage**

Introduction

This plan outlines the procedure to be used in the event of a fuel emergency involving Florida Power Corporation. Should an extended fuel emergency occur, one in which the energy supply in the entire state is subject to jeopardy, then this plan applies.

A Fuel Supply Committee is established and will consist of one representative from each of the following sections: Power Trading, Energy Control, Portfolio Management, Coal Procurement, Gas Trading & Logistics, and Oil Trading & Logistics. The Vice President of Regulated Commercial Operation or his appointed representative will serve as chairman. The chairman will closely monitor fuel supplies, deliveries, and anticipated usage rates. When fuel levels reach potentially serious levels, the chairman will activate the committee.

The committee has authority and the responsibility to decide when the levels of fuel supply or rates of change in these levels are such that declaration of an ALERT is required. They will inform the Senior Vice President, Energy Supply, when an ALERT is declared. The committee will be responsible for recommending when the appropriate fuel emergency condition should be declared and so notify the Senior Vice President, Energy Supply, so that he may implement the appropriate portion of this plan.

Definitions

The classifications of degree of supply levels are defined in the following fuel emergency situations. These situations could occur at any site where generation and fuel storage facilities exist, thus causing a site emergency. Likewise, they could occur at multiple sites or system-wide.

ALERT

An ALERT condition exists when the potential for a fuel emergency arises and specific Company actions are deemed prudent.

FUEL EMERGENCY

When the inventory of fuel (on a system basis) is such that current or anticipated usage will result in the supply reaching the following levels before deliveries can be made and a downward trend is anticipated to continue:

Light Oil – 10 days

Residual – 10 days

Coal – 10 days

Natural Gas – Long-term loss of major pipeline supply source

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ALERT

When an ALERT condition is declared, the following actions will be taken. These actions will be done under the direction of the Senior Vice President, Energy Supply, as normal operational events in an attempt to minimize the potential for a more severe emergency condition. These actions, while not necessarily in the sequence to be performed, include the following:

1. Notify the Senior Vice President, Energy Delivery, that a fuel supply ALERT is declared and in progress.
2. Defer or reschedule, to the extent practicable, maintenance on oil or coal-fired units, taking into consideration heat rate and availability.
3. Operate oil, natural gas, and coal-fired generation utilizing the lowest heat rate source to minimize the consumption of distillate oil and residual oil by oil-fired units and/or coal by coal-fired units, and/or natural gas by natural gas fired units, consistent with conserving the fuel in short supply.
4. Purchase maximum amounts of energy available from outside the Company consistent with conserving the fuel in short supply.
5. Utilize load management procedures and voltage reductions to control demand and energy consistent with conserving the fuel in short supply.
6. Shut down low inventory and/or high heat rate units and/or natural gas units, over weekends and overnight, if practicable, to conserve the fuel which is in short supply.
7. Place maximum allowable Operating Reserve in the non-synchronized quick-start category to minimize fuel consumption.
8. Request the Fuel Supply Committee to implement fuel transfers to eliminate geographical shortages and locate fuel where it can most efficiently be utilized.
9. Request the Environmental Service Department to remove environmentally initiated constraints for generating units and plants, which inhibit the most efficient use of available fuel.

**Granting
Authority in Fuel
Supply
Emergency**

After the Fuel Supply Committee has determined that a specific fuel emergency exists, they will inform the Senior Vice President, Energy Supply, who will implement the associated corrective actions for the specific FUEL EMERGENCY condition in effect consistent with system security constraints. The Senior Vice President, Energy Supply, will have the authority to implement and cancel steps within the specific FUEL EMERGENCY condition as system conditions permit.

**Declaration of
Fuel Emergency**

When a FUEL EMERGENCY is declared, the Senior Vice President, Energy Supply, shall ensure all actions normally anticipated to

occur during an ALERT has taken place and then will invoke the following steps as needed:

1. Notify appropriate Florida Power personnel that a FUEL EMERGENCY is in effect. The Corporate Communications Department will have the responsibility for notification of employees, customers, and the general public. News media representatives will be contacted to assist.
2. Curtail Company use wherever possible.
3. Request Senior Vice President, Energy Delivery, to limit transmission line equipment outages to emergency outages if the outages would reduce delivery of energy into the system.
4. Obtain all emergency energy available from neighboring systems.
5. Request Senior Vice President, Energy Delivery, to reevaluate transmission limits to maximize delivery of energy into the system.
6. Advise Energy Control personnel to contact industrial and commercial customers and request voluntary reduction of load.
7. Advise the Corporate Communications Department to make general radio and television appeals to the public to minimize electrical energy consumption.
8. Contact municipal systems and cooperative systems and request that their customers voluntarily reduce their load.
9. Curtailment of interruptible customers. Interruptible customers will be curtailed during periods when it would be necessary to operate liquid fuel combustion turbine to serve interruptible customers, and when it has been determined that present inventory of light oil less consumption, plus known shipments, will reduce inventory to below **12** hours minimum required for emergencies, or when residual oil inventory and/or coal inventory is expected to be below 3 days and a downward trend is expected to continue.
10. Declare Force Majeure and discontinue from energy sales to neighboring systems, or as directed by Governor's orders during the emergency. (Except under extreme conditions, assistance could be provided if the fuel inventory as above the 12-hour emergency minimum.)
11. In the event the supply situation continues to degrade, the Senior Vice President, Energy Supply, working with the FRCC, will ask the FPSC to obtain a declaration of a Fuel Supply Emergency from the Governor.

**Statewide Fuel
Supply
Emergency**

In the event a Fuel Supply Emergency is declared by the Governor of Florida due to conditions either within the Company or in another utility, FPC will take the actions listed within this plan

consistent with the actions directed by the Governor's order and the FRCC, specifically:

1. The Fuel Supply Committee will be responsible for fuel calculations and transferring to the FRCC staff, upon request, FPC's DAYS BURN by fuel type. They will also supply any additional data relating to fuel supply conditions requested by the FRCC staff.
2. The Senior Vice President, Energy Supply, will assure the operation of all generating units as appropriate to share energy so as to minimize a statewide fuel shortage.
3. The Director, Gas & Oil Trading, will be responsible for arranging any necessary transfer of fuels and the conditions affecting the transfer and payment and/or return of such fuel.

**Authority for
Reduction of Fuel
Emergency
Conditions**

If any portion of this plan has been activated by the Governor due to a long-term fuel emergency within the state, then it will remain in effect until the emergency is declared over by the Governor.

Should this plan, however, be initiated by the Fuel Supply Committee, this Committee will then advise the Senior Vice President, Energy Supply, when the levels of supply or rates of change in these levels are such that a fuel emergency condition can be terminated. The Senior Vice President, Energy Supply, will decide when to declare the termination of the appropriate emergency condition. The Fuel Supply Committee chairman will then notify all affected departments of the termination of the fuel emergency condition and institute relaxation of the conservation measures consistent with system reliability requirement. The Fuel Supply Committee chairman will also notify the appropriate state and federal agencies as required.

Revised

June 2002
December 1998
September 1997
October 1992
January 1992