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CLERK

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January 18, 2006

Clerk's Office
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0865

Dear PSC Clerk:

Approximately two weeks ago Homestead Energy Services was contacted by James McRoy of the Florida Public Service Commission and reminded that it was time to update and resubmit Homestead Energy Service's "Long-Term Energy Emergency Plan".

I have reviewed the current plan and made minor modifications to the first section "Introduction & Background". I kindly request that you submit this revised plan to the Commission for approval.

If you should have any questions, I can be reached at (305) 224-4707.

Respectfully,

A handwritten signature in black ink, appearing to read 'Konkol'.

Kenneth J. Konkol
Assistant Director of Utilities
City of Homestead

KJK/dj

CMP

cc:

Donna Howard, Florida Reliability Coordinating Council

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- Energizing Your Hometown -

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Homestead Energy Services

Long-Term Energy Emergency Plan

Introduction & Background

The City of Homestead owns and operates Homestead Energy Services, a municipal electric utility serving approximately 19,000 customers in the City and the surrounding unincorporated areas of Miami Dade County. The historical peak load is 79 MW's. Energy resources consist of contracts for 42 megawatts (increasing to 57 megawatts January 1, 2007) of firm capacity and associated energy in addition to the Gordon W. Ivey Power Plant. The power plant has 16 dual fuel engines capable of burning either natural gas or light oil. Gross generating capacity is 59.1 megawatts.

This plan outlines the procedures to be used in the event of a long-term fuel emergency that impacts Homestead Energy Services. A Fuel Supply Committee is established and will consist of the Director of Utilities, the Assistant Director, and the Supervisor of System Operations. The Director of Utilities or his appointed representative will serve as chairman. The chairman will monitor fuel supplies, deliveries and usage rates. When fuel levels reach potentially serious levels, the chairman will activate the committee.

Definitions

Alert

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

Fuel Emergency

When the inventory of fuel reaches a predetermined level, or there is the likely possibility of disruption to the delivery of fuel, such that the anticipated usage will result in the following inventory levels:

Light Oil – 7 days

Natural Gas – Long term loss of pipeline supply source

Actions

When an alert condition is declared, the following actions will be taken. These actions will be done under the direction of the Fuel Supply Committee as normal operating procedures in an attempt to minimize the potential for a more severe emergency condition.

1. Notify the operating personnel that a fuel supply alert has been declared.
2. Maximize on site inventories of light oil to the extent possible.

3. Defer maintenance outages on low heat rate units.
4. Maximize utilization of energy from existing power supply contracts.
5. Purchase maximum amounts of energy available from other utilities.
6. Operate units utilizing the lowest heat rate source to minimize the consumption of light oil or natural gas consistent with conserving the fuel in short supply.

When a Fuel Emergency is declared the Committee will ensure that all actions normally anticipated to occur during an alert have taken place and will then take the following steps.

1. Notify operating personnel that a Fuel Emergency exists.
2. Mandate that all City of Homestead facilities curtail energy usage to the extent possible
3. Contact commercial and industrial customers and request voluntary reduction of load.
4. Through mass media public service announcements appeal to the public to minimize electric energy consumption
5. Curtail all off system sales
6. Obtain all emergency energy available from neighboring systems.