

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine need for existing Tiger Bay Electrical Power Plant and nominal electrical capacity increase to that plant by Florida Power Corporation.

DOCKET NO. 971059-EI
ORDER NO. PSC-97-1456-FOF-EI
ISSUED: November 18, 1997

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA

FINAL ORDER GRANTING RULE WAIVER
AND GRANTING NEED DETERMINATION

APPEARANCES:

R. ALEXANDER GLENN, Esquire, Florida Power Corporation,
3201 34th Street South, Post Office Box 14042, St.
Petersburg, Florida 33733
On behalf of Florida Power Corporation.

LESLIE J. PAUGH, Esquire, and ROBERT V. ELIAS, Esquire,
Florida Public Service Commission, 2540 Shumard Oak
Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Commission Staff.

CASE BACKGROUND

Pursuant to Order No. PSC-97-0652-S-EQ, Docket No. 970096-EQ issued June 9, 1997, we approved the stipulation between the Office of Public Counsel, the Florida Industrial Power Users Group and Florida Power Corporation (FPC or Company) for FPC's purchase of the Tiger Bay cogeneration facility. The facility is located in Polk County and consists of combustion and steam turbines. Because the steam turbine has been operated at less than 75 megawatts (MW) in capacity, the facility was not subject to the Florida Electrical Power Plant Siting Act (Power Plant Siting Act), Sections 403.501-403.518, Florida Statutes.

DOCUMENT NUMBER-DATE

11799 NOV 18 97

On August 18, 1997, Florida Power Corporation filed a Petition To Determine Need For Existing Tiger Bay Electrical Power Plant And Nominal Electrical Capacity Increase To That Plant. The Petition was filed because FPC proposes to increase the electrical output for the existing steam turbine to over 75 megawatts by modifying a computer program to alter the set points on the steam turbine. Because of the increased output, the Department of Environmental Protection determined that the facility must be certified in accordance with the Power Plant Siting Act and Section 403.519, Florida Statutes, which requires a need determination by the Commission. No party intervened in this Docket.

FPC's Petition also requests a waiver of Rule 25-22.082, Florida Administrative Code. Rule 25-22.082 requires investor-owned electric utilities to issue a Request For Proposals (RFP) for supply-side alternatives to the utilities' next planned generation unit. Pursuant to Section 120.542(6), Florida Statutes, a notice of rule waiver was submitted to the Secretary of State for publication in the Florida Administrative Weekly. No comments were received during the comment period.

DECISION

We grant FPC's request for a waiver of Rule 25-22.082, Florida Administrative Code, in conjunction with the Tiger Bay need determination. Florida Power Corporation has met the criteria for rule waiver set forth in Section 120.542, Florida Statutes. In addition, Florida Power Corporation falls within the exception contained in Rule 25-22.082, Florida Administrative Code. As such, FPC is not required to issue an RFP for supply side alternatives to their next planned generation unit.

Based on the evidence, we hereby grant Florida Power Corporation's petition for determination of need because the Company has met the statutory requirements of Section 403.519, Florida Statutes.

We find that Florida Power Corporation's Tiger Bay facility, and the 12 MW increase of steam electric capacity will contribute to the electric system reliability and integrity of Florida Power Corporation and Peninsular Florida. The additional 12 MW will improve FPC's reserve margin, and improve system reliability and integrity. The existing 236 MW facility is already included in FPC's reserve margin. If FPC's petition had not been approved,

ORDER NO. PSC-97-1456-FOF-EI
DOCKET NO. 971059-EI
PAGE 3

FPC's reserve margin would have been reduced. The facility and the additional 12 MW will also contribute to the reserve margin for Peninsular Florida.

We find that Florida Power Corporation's Tiger Bay facility, and the additional 12 MW of steam electric capacity will contribute to the provision of adequate electricity to FPC and Peninsular Florida at a reasonable cost. We previously reviewed costs associated with this facility in approving the stipulation on the purchase of the facility by Florida Power. The 12 MW increase will be achieved at no cost by changing a computer program to alter the set points on the unit's steam turbine.

We find that Florida Power Corporation has demonstrated that its Tiger Bay facility, and the additional 12 MW of steam electric capacity is the most cost-effective alternative available. No alternative could provide identical capacity at lower cost, given the facility has been sited, is operating, and has been integrated into the transmission grid of Florida Power Corporation and the state of Florida. The costs associated with the facility have been approved by this Commission, and the additional 12 MW will be achieved at no cost. In addition, because of the no cost character of the additional capacity, no conservation measure could be installed that would mitigate the need for the existing facility.

We find that the additional 12 MW of steam electric capacity at the Tiger Bay facility will not have a material impact on the stipulation between FPC, the Office of Public Counsel, and the Florida Industrial Power Users Group in Docket No. 970096-EQ.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's request for waiver of Rule 25-22.082, Florida Administrative Code is hereby granted. It is further

ORDERED that Florida Power Corporation's petition for a determination of need for its existing Tiger Bay electrical power plant and nominal electrical capacity increase to that plant is hereby granted. It is further

ORDERED that this docket shall be closed.

ORDER NO. PSC-97-1456-FOF-EI
DOCKET NO. 971059-EI
PAGE 4

By ORDER of the Florida Public Service Commission this 18th
day of November, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

LJP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.