

HOPPING BOYD GREEN & SAMS

ATTORNEYS AND COUNSELORS
123 SOUTH CALHOUN STREET
POST OFFICE BOX 6526
TALLAHASSEE, FLORIDA 32314
(904) 222-7500
FAX (904) 224-8551

KATHLEEN BLIZZARD
THOMAS M. DeROSE
RICHARD W. MOORE
ANGELA R. MORRISON
DIANA M. PARKER
LAURA BOYD PEARCE
GARY V. PERKO
MICHAEL P. PETROVICH
DAVID L. POWELL
DOUGLAS S. ROBERTS
CECELIA C. SMITH
CHERYL G. STUART

CARLOS ALVAREZ
JAMES S. ALVES
BRIAN H. BIBEAU
ELIZABETH C. BOWMAN
WILLIAM L. BOYD, IV
RICHARD S. BRIGHTMAN
PETER C. CUNNINGHAM
WILLIAM H. GREEN
WADE L. HOPPING
FRANK E. MATTHEWS
RICHARD D. MELSON
WILLIAM D. PRESTON
CAROLYN S. RAEPPEL
GARY P. SAMS
ROBERT P. SMITH, JR.

October 24, 1990

ORIGINAL
FILE COPY

OF COUNSEL
W. ROBERT FOXES

Mr. Steve C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: ~~Docket No. 900004-EU~~

Dear Mr. Tribble:

Enclosed for filing in the above-captioned docket on behalf of Indiantown Cogeneration, L.P. are the original and fifteen copies of ICL's Positions on Subscription Limits and Queuing Issues.

- ACK _____
- AFA _____
- APP _____ At the request of the Prehearing Officer, a word processing disk with the text of ICL's positions has been furnished directly to Mr. Palecki.
- CAF _____
- CMU _____ Copies of the enclosed pleading have been furnished to the parties on the attached service list.
- CTR _____

- EAG _____
- LEG _____
- LIN _____
- OPC _____
- ROH _____
- SES _____
- W'S _____
- cin _____

BDM/mee

Very truly yours,

Richard D. Melson

Richard D. Melson

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[Signature]
FPSC BUREAU OF RECORDS

DOCUMENT NUMBER 09538
OCT 24 1990
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Planning Hearings on Load)
Forecasts, Generation Expansion Plans) Docket No. 900004-EU
and Cogeneration Pricing for Peninsula)
Florida's Electric Utilities) Filed: Oct. 24, 1990
_____)

INDIANTOWN COGENERATION, L.P.'s
POSITIONS ON SUBSCRIPTION LIMIT AND QUEUING ISSUES

Indiantown Cogeneration, L.P. ("ICL") hereby files its positions on the subscription limit and queueing issues identified at the prehearing conference in this docket.

RESPECTFULLY SUBMITTED this 24th day of October, 1990.

HOPPING BOYD GREEN & SAMS

By: Richard D. Melson
Richard D. Melson
Cheryl G. Stuart
Post Office Box 6526
Tallahassee, Florida 32314
(904) 222-7500

Attorneys for
Indiantown Cogeneration, L.P.

ICL's POSITIONS ON SUBSCRIPTION LIMIT
AND QUEUING ISSUES
October 24, 1990

Issue 1: What is the purpose and effect of the subscription limit?

ICL: The subscription limit places a maximum limit on the amount of capacity that Florida utilities are required to purchase under standard offer contracts. The actual limit for any individual utility may be lower based on its own need for capacity.

Issue 2: What is the effect of queuing contracts for subscription limit purposes?

ICL: Queuing contracts for subscription limit purposes has little or no effect. A contract's position inside or outside the queue:

1. Does not create a presumption of need for the project in Power Plant Siting Act (PPSA) proceedings.
2. Does not create a presumption about the relative merits of the contract or project versus other contracts or projects.
3. Does not affect the standard used to evaluate the merits of the project for need determination or contract approval purposes.

Issue 3: Which contracts should be considered candidates for filling the current 500 MW subscription limit?

ICL: Any cogeneration contract, negotiated or standard offer, that in fact meets the purchasing utility's capacity need for 1996, and was signed before the standard offer was closed, should be a candidate for filling the 500 MW subscription limit.

Issue 4: On what basis should contracts to fill the 500 MW subscription limit be selected (merits, execution date, or other basis)?

ICL: No purpose is served by advance selection of contracts to fill the 500 MW subscription limit. The subscription limit will ultimately be filled as specific projects complete their need determination proceedings under the PPSA by demonstrating that they meet the needs of the purchasing utility in a reliable and cost-effective manner. The subscription limit will be filled when either (1) 500 MW of standard offer projects have obtained need determinations, or (2) no utility has a need for additional capacity in 1996.

In the event that the Commission decides to select contracts based on the comparative merits of the projects and contracts, the comparison should consider all risk, reliability, cost and other factors that affect the projects' relative value to the purchasing utility. The Commission should not limit the comparison by using a fixed list of criteria, although the criteria listed in ICL's supplemental brief could be used as a starting point for any such comparison.

Issue 5: What is the order of priority of those contracts currently before the Commission?

ICL: It is not possible to establish an order of priority without an evidentiary hearing unless the Commission adopts a "date of contract execution" test.

If the Commission adopts a "date of contract execution" test, ICL's Indiantown Project has first priority based on its May 21, 1990 contract execution date. As explained in ICL's initial brief, placing ICL's contract first in the queue would not give the Commission's avoided unit designation any unfair retroactive effect.

ICLPOSA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by U.S. Mail this 24th day of October, 1990, to the following:

James A. McGee
Florida Power Corporation
P.O. Box 14042 (A5D)
St. Petersburg, FL 33733

James D. Beasley, Esq.
Lee Willis, Esq.
Ausley, McMullen, McGehee,
Carothers and Proctor
P.O. Box 391
Tallahassee, FL 32301

Matthew Childs, Esq.
Charles Guyton
Steel Hector & Davis
215 South Monroe Street
1st Fla. Bank Building
Suite 601
Tallahassee, FL 32301-1406

Roy Young, Esq.
Young Van Assenderp, Vanadoes
and Benton, P.A.
P.O. Box 1833
Tallahassee, FL 32302-1833

Richard A. Zambo
598 S.W. Hidden River Avenue
Palm City, FL 34990

Edison Holland, Jr., Esq.
Beggs and Lane
P.O. Box 12950
Pensacola, FL 32576

Mike Palecki
Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

Lee Rampey
General Counsel
Department of Energy
Southeastern Power Adm.
Elberton, GA 30635

Susan Delegal
Broward County General
Counsel
115 South Andrew Ave.
Suite 406
Ft. Lauderdale, FL 33301

Barney L. Capehart
1601 N.W. 35th Way
Gainesville, FL 32605

Yvonne Gsteiger
Florida Rural Electric
Cooperatives
P.O. Box 590
Tallahassee, FL 32302

Gail P. Fels, Esq.
Dade County Attorney's Office
Metropolitan Dade County
111 N.W. 1st Street
Suite 2810
Miami, FL 33128-1993

Jack Shreve
Stephen Burgess
Office of Public Counsel
Claude Pepper Building
Suite 810
111 West Madison Street
Tallahassee, FL 32399-1440

Cogeneration Program Manager
Governor's Energy Office
301 Bryant Building
Tallahassee, FL 32301

John Blackburn
P.O. Box 905
Maitland, FL 32751

Gary Tipps
Seminole Electric Cooperative
P.O. Box 272000
Tampa, FL 33688-2000

Mike Peacock
Florida Public Utilities, Co.
P.O. Box 610
Marianna, FL 32446

Frederick M. Bryant
William J. Peebles
P.O. Box 1169
Tallahassee, FL 32302

Ray Maxwell
Reedy Creek Improvement Dist.
P.O. Box 10170
Lake Buena Vista, FL 32830

E. M. Grant
Florida Keys Electric Coop.
P.O. Box 377
Tavernier, FL 33070

Ann Carlin
Gainesville Regional Utilities
P.O. Box 490, Station 52
Gainesville, FL 32602

Edward C. Tannen
Assistant Counsel
Jacksonville Electric Authority
1300 City Hall
Jacksonville, FL 32202

Quincy Municipal Electric
Light Department
P.O. Box 941
Quincy, FL 32351

City of Chattahoochee
Attn: Superintendent
115 Lincoln Drive
Chattahoochee, FL 32324

Alabama Electric Cooperative
P.O. Box 550
Andalusia, AL 37320

Paul Sexton
Richard A. Zambo, P.A.
211 South Gadsden Street
Tallahassee, FL 32301

Terry O. Brackett
Sunshine Natural Gas Co.
1899 L Street, N.W.
Suite 500
Washington, D.C. 20036

Guyte P. McCord, III
MacFarlane Ferguson Allison
& Kelly
Post Office Box 82
Tallahassee, FL 32302

C.M. Naeve
Shaheda Sultan
Skadden Arps, et al.
1440 New York Ave., N.W.
Washington, D.C. 20005-2107

Patrick K. Wiggins
Wiggins & Villacorta
P.O. Drawer 1657
Tallahassee, FL 32302

Terry Cole
Oertel, Hoffman, et al.
2700 Blair Stone Road, Suite C
Tallahassee, FL 32301

Kerry Varkonda
AES Corporation
P.O. Box 26998
Jacksonville, FL 32218-0998

Joseph A. McGlothlin
Vicki Gordon Kaufman
Lawson, McWhirter, Grandoff
& Reeves
522 East Park Avenue, Suite 200
Tallahassee, FL 32301

Mr. Robert Yott, P.E.
Energy and Environment Division
2 Windsor Plaza
2 Windsor Drive, Suite 301
Allentown, PA 18195

D. Bruce May
Holland & Knight
P.O. Drawer 810
315 South Calhoun
Tallahassee, FL 32301

Richard B. Stephens, Jr.
Holland & Knight
P.O. Box 32092
Lakeland, FL 33801



Attorney