

ORIGINAL

MEMORANDUM

SEPTEMBER 10, 1998

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) *wck RVE*

RE: DOCKET NO. 980783-EI - PETITION BY GULF POWER COMPANY FOR
WAIVER OF PORTIONS OF RULE 25-22.082(4)(a), F.A.C.,
SELECTION OF GENERATING CAPACITY

Attached is a letter from the Legal Environmental Assistance Foundation (LEAF) to be added to the docket file in the above referenced docket. The letter contains LEAF's comments concerning the subject of this docket, Gulf Power Company's (Gulf) petition for rule waiver. LEAF sent this letter to staff and to Gulf, but apparently did not file it with the Division of Records and Reporting.

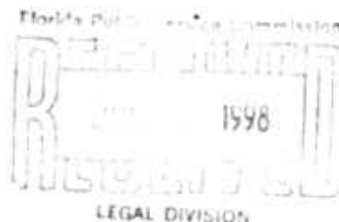
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Attachment
cc: Division of Electric and Gas (Harlow)
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FPSC-RECORDS/REPORTING



July 17, 1998

Cochran Keating, Esq.
Florida Public Service Comm.
Division of Legal Services
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 980783: Gulf petition for waiver of rule 25-22.082(4)(a)

Dear Mr. Keating:

Gulf Power Co. (Gulf) has petitioned the Commission to waive the requirements of Rule 25-22.082(4)(a), FAC, relating to selection of generating capacity. In explaining its rationale for its request, at paragraph 5 of its petition, Gulf focuses on the aspects of the rule information requirements that deal with specific financial assumptions and parameters. At paragraph 6 of its petition, Gulf states that it is not necessary that its RFP contain detailed information and that release of certain detailed information is likely to result in price convergence.

Gulf's apparent concern is the release of specific financial assumptions. Its rationale is vague and not well supported. More important, its request is to waive all of the informational requirements of Rule 25-22.082(4)(a). In addition, it is not necessarily detrimental to Gulf or its customers to include general estimates of financial information in the RFP so as to limit the parameters of bids they may receive. Finally, a substantial amount of the information required in the rule does not relate to specific financial assumptions and the requirement for that information should not be waived.

If Gulf goes forward with its RFP, it will be the first time since its adoption that the bidding rule has actually been used by a utility. The waiver granted to Gulf will set a precedent that may carve out the use of the rule in the future. It is important that the waiver granted be no broader than is absolutely necessary.

Sincerely,

Gail Kamaras, Director
Energy Advocacy Program

c: Judy Harlow
Jeffrey Stone
Carroll Webb
Linda Malone