



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

**DATE:** May 17, 1999  
**TO:** All Parties  
**FROM:** Leslie J. Paugh, Senior Attorney, Division Of Legal Services  
 Robert V. Elias, Chief of Electric & Gas, Division of Legal Services  
**RE:** Docket No. 981890-EU - Generic Investigation into the aggregate electric utility reserve margins planned for Peninsular Florida.

JJP

Via Facsimile and U.S. Mail

There will be a Second Issue Identification Conference in the above-referenced docket at the following time and place:

10:00 a.m., Wednesday, May 26, 1999  
 Betty Easley Conference Center, Room 148  
 4075 Esplanade Way  
 Tallahassee, Florida

A Second Issue Identification Conference has been scheduled in this docket for the purpose of identifying issues to be addressed at hearing. Attached is Staff's Second Revised List of Issues for discussion at the Conference. The attached List of Issues replaces Staff's prior lists of issues. Parties may submit revised issue lists on or before Monday, May 24, 1999. Please indicate on submissions whether they are intended to supersede or supplement previously submitted issues. If revised issues are not received, previously submitted issues will be addressed at the Conference.

AFA \_\_\_\_\_ If there are any questions concerning this meeting, please  
 APP \_\_\_\_\_ contact Leslie Paugh at (850) 413-6183 or Kenneth Dudley at (850)  
 CAF \_\_\_\_\_ 413-6662.  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 MAS \_\_\_\_\_  
 OPC \_\_\_\_\_

RRR \_\_\_\_\_ cc: Joe Jenkins  
 SEC \_\_\_\_\_ Bob Trapp  
 WAW \_\_\_\_\_ Blanca Bayo  
 OTH \_\_\_\_\_ Tom Ballinger  
 \_\_\_\_\_ Mike Haff

Roland Floyd  
 Connie Kummer  
 Kenneth Dudley  
 Roberta Bass

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**Docket 981890-EU**  
**Generic Investigation Into Electric Utility Reserve Margins**  
**Planned For Peninsular Florida**

**Staff's Second Revised List Of Issues**

- Issue 1: Has the Florida Reliability Coordinating Council's proposed 15 percent reserve margin planning criterion been adequately tested to warrant using it as a planning criterion for the review of generation adequacy on a Peninsular Florida basis?
- Issue 2: What, if any, planning criteria should be used to assess the generation adequacy of individual utility Ten-Year Site Plans?
- Issue 3: How should the individual components of an individual or peninsular Florida percent reserve margin planning criterion be defined?
- A. Capacity available at time of peak (Ex. QF capacity, firm and non-firm purchases and non-committed capacity). Should equipment delays be taken into account?
  - B. Seasonal firm peak demand. Over what period (hourly, 30 min., 15 min.) should the seasonal firm peak demand be determined? What is the proper method of accounting for the diversity of the individual utilities' seasonal firm peak demands and load uncertainty? Is sufficient load uncertainty data available and being used?
  - C. Should a percent reserve margin planning criterion be determined on an annual, seasonal, monthly, daily, or hourly basis?
- Issue 4: How should generating units be rated (in terms of MW) for inclusion in a percent reserve margin planning criterion calculation?
- Issue 5: What is the appropriate amount of non-firm load to be included as part of a percent reserve margin planning criterion?
- Issue 6: Do the following utilities appropriately account for historical winter and summer temperatures when forecasting seasonal peak loads for purposes of establishing a percent reserve margin planning criterion?
- A. City of Homestead
  - B. City of Lake Worth Utilities
  - C. City of Lakeland
  - D. City of Ocala
  - E. City of St. Cloud

- F. City of Tallahassee
- G. City of Vero Beach
- H. Florida Power and Light Company
- I. Florida Power Corporation
- J. Florida Keys Electric Cooperative Association
- K. Florida Municipal Power Agency
- L. Fort Pierce Utilities Authority
- M. Gainesville Regional Utilities
- N. Jacksonville Electric Authority
- O. Kissimmee Utility Authority
- P. Orlando Utilities Commission
- Q. Seminole Electric Cooperative
- R. Tampa Electric Company
- S. Utility Board of the City of Key West
- T. Utilities Commission of New Smyrna Beach

Issue 7: Should the Commission establish pricing thresholds for purposes of limiting cost recovery at which a utility may interrupt firm or non-firm load to avoid a power purchase or make a power sale? If so, what should this pricing threshold be for each utility?

Issue 8: What percent reserve margin is currently planned for Peninsula Florida and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Peninsula Florida? With reserves at this level, what percent of firm load would be unserved when another Christmas 1989 freeze occurs or when abnormally warm spring, summer, or fall temperatures occur?

Issue 9: What percent reserve margin is currently planned for each of the following utilities and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Florida?

- A. City of Homestead
- B. City of Lake Worth Utilities
- C. City of Lakeland
- D. City of Ocala
- E. City of St. Cloud
- F. City of Tallahassee
- G. City of Vero Beach
- H. Florida Power and Light Company
- I. Florida Power Corporation
- J. Florida Keys Electric Cooperative Association
- K. Florida Municipal Power Agency

- L. Fort Pierce Utilities Authority
- M. Gainesville Regional Utilities
- N. Jacksonville Electric Authority
- O. Kissimmee Utility Authority
- P. Orlando Utilities Commission
- Q. Seminole Electric Cooperative
- R. Tampa Electric Company
- S. Utility Board of the City of Key West
- T. Utilities Commission of New Smyrna Beach

Issue 10: Which, if any, of the following utilities should be required to acquire additional capacity resources? If additional capacity is required, how much capacity should be required, and for what years should it be acquired?

- A. City of Homestead
- B. City of Lake Worth Utilities
- C. City of Lakeland
- D. City of Ocala
- E. City of St. Cloud
- F. City of Tallahassee
- G. City of Vero Beach
- H. Florida Power and Light Company
- I. Florida Power Corporation
- J. Florida Keys Electric Cooperative Association
- K. Florida Municipal Power Agency
- L. Fort Pierce Utilities Authority
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