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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Determination of)
Need for an Electrical Power Plant in)
Okeechobee County by Okeechobee)
Generating Company, L.L.C.)

DOCKET NO. 991462-EU
PROCESSED AND REPORTING
FILED: MARCH 13, 2000

OKEECHOBEE GENERATING COMPANY'S MOTION FOR CONTINUANCE
AND REVISED PROCEDURAL SCHEDULE

Okeechobee Generating Company, L.L.C. ("OGC" or "Okeechobee"), pursuant to Rules 28-106.204 and 28-106.210, Florida Administrative Code, hereby moves the Florida Public Service Commission ("Commission") for a continuance of the proceedings in the above-styled docket and for a revised procedural schedule governing this docket. In summary, OGC requests a continuance so that OGC will have a reasonable opportunity to provide the Commission with updated modeling and corrected information regarding the need for and economic impacts of the proposed Okeechobee Generating Project ("the Project"), in order to enable the Commission to render its decision on the basis of the best information available.

BACKGROUND

On September 24, 1999, Okeechobee filed its Petition for Determination of Need ("Petition") for the Okeechobee Generating Project ("the Project"), a 550 MW gas-fired combined cycle power plant to be located in Okeechobee County, Florida. On November 4, 1999, intervention was granted to Florida Power & Light Company ("FPL"), Florida Power Corporation ("FPC"), Tampa Electric Company ("TECO"), and the Legal Environmental Assistance

- AFA _____
- APP 1
- CAF _____
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FPSC-RECORDS/REPORTING

Foundation by Order No. PSC-99-2153-PCO-EU. FPL, FPC, and TECO are referred to collectively herein as "the Intervenors." In accordance with the procedural schedule established for this docket, OGC filed the direct testimony and exhibits of its nine direct case witnesses on October 25, 1999. Discovery by the Intervenors began at approximately the same time.

The testimony and exhibits filed on behalf of OGC included those of Dale M. Nesbitt, Ph.D., the president of Altos Management Partners, Inc. ("Altos"), whose testimony addresses the need for the Project. Dr. Nesbitt's testimony and exhibits were based in part on analyses prepared using the Altos North American Regional Electric Model ("the Altos Electric Model"). The Altos Electric Model runs in a software platform called MarketPoint™. The Altos Electric Model is a large, iterative economic model that solves equations for equilibrium power prices, given a specified set of electric demands, fuel prices, generation resources, transmission facilities and constraints, and other variables.

Pursuant to motions by FPL and FPC, on December 13, 1999, the Commission granted a continuance of the proceedings, and rescheduled the hearings in this case for March 20-22. The Intervenors were subsequently granted access to the Altos Electric Model and MarketPoint™ underlying Dr. Nesbitt's testimony pursuant to a protective order granted on motion by OGC. See Order No. PSC-00-0291-PCO-EU, February 11, 2000 (reconsideration denied, February 29, 2000). The Intervenors obtained physical access to the models on or about February 28,

2000, following a training session provided by Altos personnel on February 21 and 22, 2000 at the Commission's offices in Tallahassee.

In the course of reviewing the model runs and underlying data, and in connection with discovery and in preparation for hearing, Altos personnel discovered several discrepancies in the input data upon which their analyses were based. Most significantly, a 500 MW-class combined cycle power plant had been inadvertently omitted from the generation resources in the FPL-East subregion. Indeed, it appears that the omitted plant was the Okeechobee Generating Project itself. Other discrepancies included: the inadvertent failure to re-classify the steam turbine capacity at FPL's Ft. Myers station for 2003, when that capacity is scheduled to be repowered to combined cycle capacity (the new combustion turbine capacity at the Ft. Myers station was correctly classified as combined cycle capacity); the assignment of a planned Jacksonville Electric Authority power plant to the FPL-South subregion of the model, when it should have been assigned to the FPL-North subregion; the incorrect assignment of Reedy Creek's 35 MW power plant to the FPL-East subregion; and the apparent incorrect classification of a few small power plants as to their generating technology.

In light of these discrepancies, OGC believes that it is appropriate to perform a more comprehensive review of the model run and data that were used by Altos to ensure that the Commission makes its decision on the basis of the best factual data available. This review, however, cannot be completed before

the Commission's hearings, which are scheduled to begin next week.

It is also noteworthy that the modeling technology has improved significantly since last August, when the analyses underlying OGC's petition and exhibits were prepared. First, MarketPoint™, the software platform in which the Altos Electric Model runs, has advanced from Version 3.0 last August to its current Version 7.0. The most significant aspect of the revisions is that modeling runs that took 8 to 16 hours each using Version 3.0 can now be accomplished in 10 to 20 minutes each using Version 7.0. Additionally, the Altos Electric Model itself has been upgraded and updated.

SUMMARY OF OGC'S REQUEST

To provide accurate analyses for the Commission, and to correct the errors and omissions in the previous model runs using the most currently available modeling technology and software, OGC requests the Commission's approval to withdraw the testimony of Dale M. Nesbitt, Ph.D., that was filed on October 25, 1999, and to submit revised testimony and exhibits addressing the need for and the economic impacts of the proposed Okeechobee Generating Project. To the extent required and indicated by these revisions, OGC will also file an amended petition and exhibits thereto at the same time. OGC will file all input and output data supporting the revised analyses within one week following submittal of the revised testimony, and will make the updated model (including the current Version 7.0 of MarketPoint™) available on the same terms and conditions as set

forth in Commission Order No. PSC-00-0291-PCO-EU. To expedite the continued progress of this docket, OGC will also treat all interrogatories and production requests as having been asked with respect to the subject matter of the revised testimony and exhibits, and will submit answers thereto within one week following the submission of the revised testimony. Moreover, OGC believes that no prejudice will result to any party (other than OGC) as a result of the requested continuance.

OGC believes and expects that the revised analyses will show substantively the same results as the previous analyses, i.e., that the Okeechobee Generating Project will be a beneficial addition to Peninsular Florida's generation fleet and that it will confer benefits in the form of enhanced reliability and lower power supply costs and rates on electric customers in Peninsular Florida.

APPLICABLE LAW

Rule 28-106.210, Florida Administrative Code, provides that the presiding officer in an administrative proceeding may grant a continuance for good cause shown. The granting of continuances is within the sound discretion of the presiding officer or of the court. See, e.g., Edwards v. Pratt, 335 So. 2d 597 (Fla. 1976). The law of continuances provides generally that a continuance should be granted where it will provide an appropriate opportunity to try a case on its merits. See 11 Fla. Jur. 2d **Continuances** § 7. The Commission has granted a continuance where requested on the basis of the need to conduct discovery and to complete computer-based technical analyses for the basis of a

party's testimony. In Re: Adoption of Numeric Conservation Goals, Dockets Nos. 971004-EG, 971005-EG, 971006-EG, and 971007-EG, Order No. PSC-99-0511-PCO-EG (March 11, 1999).

ANALYSIS

OGC's requested continuance is appropriate because it will enable OGC to correct certain input data used in its analyses and to use upgraded modeling technology for those analyses. The requested continuance will be beneficial to all parties -- specifically, the Commission will be provided with a better factual basis upon which to render its decision; the Intervenor will be provided additional opportunities for discovery in order to better evaluate the merits of the case; and the Petitioner will be allowed to correct inadvertent errors in its filings. Moreover, the requested continuance will not prejudice any party's interests (except OGC's) or ability to prepare for hearing on the proposed revised schedule.

Conversely, OGC and the Commission would be severely prejudiced if a continuance is not granted. OGC would be unable to correct the discrepancies in its analysis and the Commission would be unable to fairly evaluate the merits of OGC's petition.

REQUESTED PROCEDURAL SCHEDULE

OGC respectfully requests that the Commission, through the Prehearing Officer, enter an order granting the requested continuance. OGC will work with the Staff and the Prehearing Officer to establish a revised procedural schedule, within the availability parameters of the Commission's calendar. OGC believes that a schedule providing for hearings in mid-June 2000

will provide adequate time for OGC to prepare and file its revised materials, for the Intervenors to conduct adequate discovery and to prepare their anticipated testimony, if any, addressing OGC's revised materials, and for OGC to submit rebuttal testimony to the Intervenors' testimony.

Counsel for OGC have contacted counsel for FPC and FPL; FPL objects to the motion. At the time that this motion is being filed, FPC's counsel were still in the process of consulting with their client and were, accordingly, unable to say whether FPC objects or not. Counsel for OGC attempted without success to reach counsel for TECO. Counsel for OGC have also contacted counsel for LEAF and the Commission Staff, and are authorized to represent that LEAF has no objection to the requested continuance and that the Commission Staff take no position with respect to the requested continuance.

CONCLUSION

OGC's request for a continuance, and OGC's specific proposed terms and conditions thereof, are fair, reasonable, and in the best interests of all parties to this proceeding. The requested continuance and revised schedule will provide the Commission with a better, more accurate factual basis upon which to base its decision in this docket. The Intervenors will be provided a full and fair opportunity to conduct discovery regarding the merits of OGC's case. As noted above, OGC will treat all interrogatories and document production requests as though they had been

propounded with respect to the revised testimony and exhibits, and OGC will answer them within one week after submitting its revised testimony and exhibits. Finally, no prejudice will befall any of the other parties to the proceeding as a result of the requested continuance or modified procedural schedule.

WHEREFORE, Okeechobee Generating Company, L.L.C. respectfully moves the Commission to grant a continuance of the proceedings in this docket as prayed herein.

Respectfully submitted this 13th day of March, 2000.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery (*) or U.S. Mail, on this 13th day of March, 2000, to the following:

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