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Jonathan E. Sjoström

December 1, 1997

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, FL 32399

RE: DOCKET NO. 961184-RQ

Dear Ms. Bayó:

12201-97  
12202-97

Enclosed please find an original and fifteen (15) copies of Orlando CoGen Limited, L.P.'s Post-Hearing Issues and Positions and Brief on the Merits in Support of Approval of Contract Modification in the above referenced docket.

Very truly yours,



Jonathan Sjoström

- ACK \_\_\_\_\_
- AFA 4
- APP \_\_\_\_\_
- CCF \_\_\_\_\_
- CMR \_\_\_\_\_
- CTP \_\_\_\_\_
- EA Harlow
- LI 1
- LP 3
- C \_\_\_\_\_
- IN \_\_\_\_\_
- W \_\_\_\_\_
- ORIS \_\_\_\_\_

MMC:ml

Enclosure

cc: All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for approval of )  
early termination amendment to )  
negotiated qualifying facility )  
contract with Orlando CoGen )  
Limited, Ltd. by Florida Power )  
Corporation )

DOCKET NO. 961184-EQ  
FILED: December 1, 1997

ORLANDO COGEN LIMITED, L.P.'S POSTHEARING  
STATEMENT OF ISSUES AND POSITIONS

Intervenor Orlando Cogen Limited, L.P. (OCL) provides this Posthearing Statement of Issues and Positions with respect to the hearing on Florida Power Corporation's ("FPC's") petition for approval of early termination amendment to FPC's negotiated qualifying facility ("QF") contract with OCL pursuant to Commission Rule 25-22.056.

**BASIC POSITION**

"The proposed modification to the OCL contract should be approved. The Commission's Rules set the standards for approval of modifications to QF contracts. FPC met the standards for approval by evaluating the modification against the existing contract and against FPC's avoided cost and demonstrated the cost effectiveness of the modification."

Issue 1: Are the economic risks associated with projected ratepayer savings resulting from the Amendment to the Negotiated Contract between Florida Power Corporation and Orlando Cogen Limited, Ltd., reasonable?

OCL: \*Yes. The modification avoids the extremely expensive last ten years of the contract which were calculated using the value of deferral method based on an avoided coal unit. The modification is cost effective using the

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consistent discount rate required by Rule for comparison to FPC's avoided cost even assuming the simultaneous occurrence of the worst possible expected economic conditions postulated by Mr. Stallcup.\*

**Issue 2:** Are the intergenerational inequities among Florida Power Corporation's ratepayers, if any, associated with the Amendment to the Negotiated Contract between Florida Power Corporation and Orlando Cogen Limited, Ltd., reasonable.

**OCL:** \*Yes. The modification is fair. Generating alternatives must be considered based on long-term economics. The Commission's Rules provide for comparison of the long-term economics of generating alternatives and thereby protect the long-term interests of all customers. The modification is cost-effective. The Rules recognize no other standard for intergenerational equity.\*

**Issue 3:** Will the proposed buy out of the OCL contract provide net benefits sooner than 22 years into the future.

**OCL:** \*Yes. The modification permits FPC to act now for the long-term benefit of its customers. By relieving the obligation to absorb the high cost of the last ten years of the OCL contract, FPC gains flexibility to take advantage of changing economic conditions and technological advances for the benefit of its customers.\*

**Issue 4:** Should the Amendment to the Negotiated Contract between Florida Power Corporation and Orlando Cogen Limited, Ltd., be approved for cost recovery pursuant to 25-17.0836, Florida Administrative Code.

**OCL:** \*Yes.\*

**Issue 5:** If approved, how should Florida Power Corporation recover the expenses associated with the Amendment to the Negotiated Contract between Florida Power Corporation and Orlando Cogen Limited, Ltd.?

**OCL:** \*No position.\*

Issue 6: Should this docket be closed?

OCL: \*No.\*

Respectfully submitted,

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Attorneys for Orlando  
CoGen Limited, L.P.

By:   
Matthew H. Childs, P.A.

**CERTIFICATE OF SERVICE  
DOCKET NO. 961184-EQ**

**I HEREBY CERTIFY that a true and correct copy of Orlando CoGen Limited, LP.'s Posthearing Statement of Issues and Positions has been furnished by Hand Delivery (\*) or Facsimile and U.S. Mail (\*\*) this 1st day of December, 1997, to the following:**

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