

ORIGINAL



FECA

Florida Electric Cooperatives Association, Inc.

2916 Apalachee Parkway
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Tallahassee, Florida 32302
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RECORDS AND
REPORTING

September 11, 1998

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
4750 Esplanade Way, Room 110
Tallahassee, FL 32399

RE: Docket No. 981042-EM

Dear Ms. Bayo:

Enclosed for filing please find the original and fifteen (15) copies of Florida Electric Cooperatives Association, Inc.'s Petition for Leave to Intervene.
Thank you for your assistance.

Sincerely,

Michelle Hershel
Director of Regulatory Affairs

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FPSC-BUREAU OF RECORDS

- ACK _____
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- PP _____ cc: Parties of Record
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- STR _____
- AG Futrell
- LEG 2
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- NAS _____
- DTH _____

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09952 SEP 11 98

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint Petition for Determination)	
of Need for an Electrical Power Plant in)	Docket No. 9810 ⁴² 50 -EI
Volusia County by the Utilities)	
Commission, City of New Smyrna Beach,)	Filed: September 11, 1998
Florida, and Duke Energy New Smyrna)	
Beach Power Company Ltd., L.L.P)	

**FLORIDA ELECTRIC COOPERATIVES ASSOCIATION, INC.'s
PETITION FOR LEAVE TO INTERVENE**

Pursuant to Rule 25-22.039, F.A.C., the Florida Electric Cooperatives Association, Inc. ("FECA"), petitions the Commission for leave to intervene in the above-referenced docket as an entity who has a substantial interest in the proceeding and states in support thereof:

1. The name and address of the Petitioner are:

Florida Electric Cooperatives Association, Inc.
P.O. Box 590
Tallahassee, FL 32302

2. All notices, order, pleadings and other communications in this proceeding should be sent to:

William B. Willingham, Esquire
Michelle Hershel, Esquire
Florida Electric Cooperatives Association, Inc.
P.O. Box 590
Tallahassee, FL 32302

3. FECA is a not-for-profit trade association organized under Chapter 617, Florida Statutes. FECA is the service organization for 15 electric distribution cooperatives and two generation and transmission electric cooperatives. ¹

¹FECA Members: Alabama Electric Cooperative, Inc. (G&T), Central Florida Electric Cooperative, Inc., Choctawhatchee Electric Cooperative, Inc., Clay Electric Cooperative, Inc., Escambia River Electric Cooperative, Inc., Florida Keys Electric Cooperative Association, Inc.,

DOCUMENT NUMBER+DATE

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FPSC-RECORDS/REPORTING

Background

4. The Utilities Commission, City of New Smyrna Beach, Florida (“UCNSB”) and Duke Energy New Smyrna Beach Power Company Ltd., L.L. P. (“Duke”) have petitioned the Commission for a determination of need for an electric power plant.

5. The Petition alleges a need of 30 MW for UCNSB’s end-use customers. The remaining new capacity (approximately 484 MW) is not affiliated with any identifiable end-users and allegedly will be sold on a wholesale “merchant” basis.

6. The Petition also alleges, in paragraph 35, that the proposed plant will “displace generation from less efficient gas-fired steam boiler units, ...” Duke further alleges that to some extent “...the Project [will] displace oil-fired generation, ...”.

FECA’s Right to Participate

7. The substantial interests of FECA’s members are subject to determination in this proceeding. FECA is a necessary party to this proceeding, which will likely involve policy making and will set precedent that directly impacts Florida’s electric cooperatives. FECA is entitled to participate in this proceeding to ensure that any change in regulatory policy undertaken by the Commission will not hinder the ability of electric cooperatives to plan for the future needs of their consumer-owners and will not impact the economic viability of Florida’s electric cooperatives.

Glades Electric Cooperative, Inc., Gulf Coast Electric Cooperative, Inc., Okefenoke Rural Electric Membership Corporation, Peace River Electric Cooperative, Inc., Seminole Electric Cooperative, Inc. (G&T), Sumter Electric Cooperative, Inc., Suwannee Valley Electric Cooperative, Inc., Talquin Electric Cooperative, Inc., Tri-County Electric Cooperative, Inc., West Florida Electric Cooperative, Inc., Withlacoochee River Electric Cooperative, Inc.

8. The proposed plant would impact the ability of FECA's members to plan for and provide capacity and energy for the present and future needs of their consumer-owners (end-users). Duke's proposal to meet an unidentified need of 484 MW most likely is a duplication of the FECA's members efforts to plan for the specific needs of their end-users. Until such time that Duke identifies the end-use "need" for its proposed plant, it must be presumed that the need at issue already is being addressed by FECA's members and other utilities in the State through individual plans. A policy change of substituting statewide need for utility-specific need in planning for the reliability of Florida's power grid is of great concern to FECA and its members.

9. Duke and UCNSB allege that certain generating units will be displaced by their proposed power plant. FECA's members own and operate generating units and are committed to purchase energy and capacity from generating units of the type that allegedly will be displaced. Displacement of this type potentially could saddle FECA's members and its members' consumer-owners with stranded costs. The potential economic impact to FECA's members, and its members' consumer-owners, if certain generating units are displaced, necessitates FECA's involvement in this proceeding.

FECA's Position

10. FECA is not opposed to the concept of wholesale merchant plants. FECA will support the construction of any project that is proven to be in the best interests of its member systems and their consumer-owners. However, FECA believes that Duke's plant, as proposed may not be in the best interests of its members or their member-owners.

Disputed Issues of Fact

11. At this time FECA is not aware of any disputed issues of fact that are not already

included or subsumed in the issues identified at Staff's Issue Identification Conference that was held on September 10, 1998.

Conclusion

12. FECA, its member-cooperatives and ultimately the consumer-owners of the electric distribution cooperatives, have a substantial interest that will be affected if the Commission approves the project as proposed. In order to protect its members from unsound planning and uneconomic duplication of generation facilities, FECA should be granted intervenor status in this proceeding.

WHEREFORE, the Florida Electric Cooperatives Association, Inc. petitions the Commission for leave to intervene as a full party in Duke's Determination of Need in order to protect against uneconomic displacement of FECA's members' generation, to avoid duplication of actual "need" planned for the State and FECA's members, and to refute any facts that could substantially affect the interests of FECA, its members, and its members' owners.

Dated this 11th day of September, 1998.

Respectfully submitted,



William B. Willingham, Esquire
Florida Bar No. 0879045
Michelle Hershel, Esquire
Florida Bar No. 0832588
Florida Electric Cooperatives Association
P.O. Box 590
Tallahassee, Florida 32302
(850) 877-6166

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Electric Cooperatives Association, Inc.'s Petition for Leave to Intervene has been furnished by U.S. Mail or Hand Delivery (*) this 11th day of September, 1998 to the following:

Leslie J. Paugh, Esq.*
Legal Division
Florida Public Service Commission
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Tallahassee, FL 32399-0850

Robert Scheffel Wright, Esq.*
John T. Lavia, III, Esq.
Landers & Parsons, P.A.
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Ronald L. Vaden, Utilities Director
Utilities Commission
City of New Smyrna Beach
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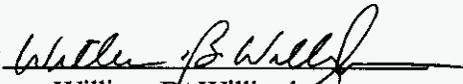
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By: 
William B. Willingham

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