



Public Service Commission

ORIGINAL

NOV -2 AM 9:14

RECORDS AND REPORTING

DATE: October 29, 1999
TO: ALL PARTIES OF RECORD *RVE*
FROM: Robert V. Elias, Chief, Bureau of Electric and Gas, Division of Legal Services
RE: Docket No. 981890-EU - Generic investigation into the aggregate electric utility reserve margins planned for Peninsular Florida.

As you are aware, a proposal has been made to settle the issues in this docket. The Chairman has determined that this proposal will be considered at 9:30 a.m. Tuesday, November 2, 1999, in Room 148 of the Betty Easley Building. ALL WITNESSES ARE EXCUSED FROM APPEARING ON TUESDAY, NOVEMBER 2, 1999, and WEDNESDAY, NOVEMBER 3, 1999. If necessary, the hearing will be rescheduled. Also attached is a list of questions from staff directed to the investor-owned utilities in regard to the settlement.

RVE:csc

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC I
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE

13399 NOV-2 8

FPSC-RECORDS/REPORTING

Questions to Clarify the Proposed Agreement to Resolve Reserve Margin Docket

- Would this proposal apply to each individual utility or to the Peninsular System?
- To what Ten-Year Site plans does the 4-year phase-in to reach 20% apply? April 2000, 2001, 2002, and 2003?
- Assuming municipal and cooperative utilities are covered, if a municipal or cooperative utility seeks a waiver to allow less than 20%, should that waiver be granted only if the Peninsula remains above 20%?
- One major issue not addressed is the amount of non-firm load as a percent of reserves. Would the parties be agreeable to an informal FRCC independent task force to address this issue with the understanding that the task force may recommend a formal proceeding in the future to place a limit on non-firm loads?
- Is it agreed that after four years, any utility Ten-Year Site plan not showing a minimum 20% reserve margin for each season of each year will be classified as UNSUITABLE?
- If a Ten-Year Site plan is classified as SUITABLE, should the FPSC voice any concerns it may have such as no back-up fuel, insufficient pipeline capacity, unspecified plants or purchases or over-reliance on non-firm load for reserves?
- Is the implementation of Rule 25-22.082 (the bidding rule) unaffected by the proposal?
- Would future “merchant” plant site act petitions be unaffected by the proposal?
- Is the 20% is a minimum and not a limiting maximum number?
- Should the FPSC initiate rule making to codify the 20% reserve margin standard? If so, should any Ten-Year Site plans not meeting a 20% reserve margin be classified as SUITABLE or UNSUITABLE pending the outcome of the rule making docket?
- What affect does the proposal have on the rule challenge at DOAH pertaining to this docket?
- With a 20% reserve margin, does the Peninsula experience with another cold weather pattern similar to Christmas of 1989 need to be addressed?
- Should the issue of winter planning temperatures by each utility be addressed by an FRCC independent task force?
- Should the SUITABLE classification apply only to those Ten-Year Site plans that show increasing reserves, if needed, to reach the 20% minimum in years one through four?
- Should an informal task force investigate and make a recommendation to the Commission on how to rate generating units for inclusion in the 20% reserve margin calculation?