

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition To Determine Need For an Electrical Power Plant in Taylor County by Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and City of Tallahassee.

DOCKET NO. 060635-EU

DATED: November 14, 2006

PRELIMINARY LIST OF ISSUES AND POSITIONS OF
FLORIDA MUNICIPAL POWER AGENCY, JEA, REEDY CREEK
IMPROVEMENT DISTRICT AND CITY OF TALLAHASSEE

Florida Municipal Power Agency (FMPA), JEA, Reedy Creek Improvement District (RCID) and the City of Tallahassee (Tallahassee), collectively referred to as the Participants, hereby submit their Preliminary List of Issues and Positions:

ISSUE 1: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC is needed to satisfy each Participant's forecast capacity requirements and to maintain their respective reserve margins. Fuel diversity and supply reliability also will be increased through the capability to utilize fuel sourced from multiple international and domestic supply regions. The use of demonstrated supercritical pulverized coal technology will also increase reliability.

ISSUE 2: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC was identified as the most cost-effective unit addition available to each of the Participants. A comprehensive economic analysis was performed for each Participant, including numerous sensitivity analyses. TEC was identified as the most cost-effective alternative for each Participant in all of these analyses.

ISSUE 3: Is there a need for the proposed TEC generating unit, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC will increase fuel diversity and supply reliability for each Participant and the State of Florida as a whole. TEC will be capable of utilizing fuel sourced from multiple international and domestic supply regions with multiple transportation alternatives.

ISSUE 4: Are there any conservation measures taken by or reasonably available to the Florida Municipal Power Agency, JEA, Reedy Creek Improvement District, and the City of Tallahassee (Participants) which might mitigate the need for the proposed TEC generating unit?

Participants: No. The Need for Power Application presents an analysis of conservation and demand side management (DSM) measures. This analysis demonstrates that there are no conservation measures taken by or reasonably available to the Participants which mitigate the need for the unit. Consistent with Commission precedent, FMPA and JEA evaluated DSM alternatives using the Florida Integrated Resource Evaluator (FIRE) model. None of the measures were determined cost-effective under the Commission-approved methodology. Tallahassee's DSM evaluation was developed to be consistent with the methodology used in recent internal evaluations. If the DSM measures result in the assumed capacity reductions, Tallahassee's capacity need for TEC may be delayed until 2016, but such a delay would not affect Tallahassee's economic need for TEC. RCID and its customers continually evaluate opportunities for energy conservation and additional energy conservation for RCID is not feasible at this time.

ISSUE 5: Is the proposed TEC generating unit the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC is the most cost-effective alternative available to the Participants to satisfy forecast capacity requirements. This determination was made by conducting comprehensive, detailed economic analyses of each of the Participants' systems considering numerous other available generating and DSM alternatives.

ISSUE 6: Based on the resolution of the foregoing issues, should the Commission grant Participants' petition to determine the need for the proposed TEC generating unit?

Participants: Yes. The Commission should grant the petition for determination of need for TEC. TEC provides the Participants and Florida electric system reliability and integrity, adequate electricity at a reasonable cost, fuel diversity and supply reliability and is the most cost-effective alternative available. There also are no conservation measures taken by or reasonably available to the Participants which mitigate the need for the unit.

ISSUE 7: Should this docket be closed?

Participants: Yes. When the Commission has issued its final order in the case and the time for reconsideration has passed, this docket should be closed.

Respectfully submitted this 14th day of November, 2006.

//S// Gary V. Perko _____
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petitioners' Preliminary List of Issues and Positions in Docket No. 060635-EU was served upon the following by U.S. Mail and electronic mail(*) on this 14th day of November, 2006:

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