

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In Re: Joint Petition for)
Determination of Need for an)
Electrical Power Plant in Volusia)
County by the Utilities Commission,)
City of New Smyrna Beach, Florida,)
and Duke Energy New Smyrna Beach)
Power Company Ltd., L.L.P.)

DOCKET NO. 981042-EM
FILED: NOVEMBER 19, 1998

RECORDS AND REPORTING

DUKE ENERGY NEW SMYRNA BEACH POWER COMPANY LTD., L.L.P.'S
RESPONSES TO FLORIDA POWER & LIGHT COMPANY'S DEPOSITION
UPON WRITTEN QUESTIONS OF MICHEL P. ARMAND

Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

("Duke New Smyrna") pursuant to Uniform Rule 28-106.206, Florida Administrative Code, and Rule 1.320, Florida Rules of Civil Procedure, hereby responds to Florida Power & Light Company's ("FPL") deposition upon written questions of Michel P. Armand. Mr. Armand's affidavit is attached hereto.

Q. In regard to the testimony of Mr. Armand, please explain why four power flow studies, were performed at the time of the projected Summer 2001 peak demand given that the in-service date for the Duke New Smyrna unit is not until October 2001.

A. In accord with Resource Management International, Inc.'s ("RMI") instructions from Duke New Smyrna, all studies conducted by RMI assumed a project in-service date of June 1, 2001. I am not aware of the reasons underlying this instruction, but I would think it reasonable for Duke New Smyrna to have requested these studies to confirm that the Project's output could be delivered if a Summer 2001 in-service date was achieved.

Q. Please explain why FPL's load [sic] were reduced by 30% as indicated at page 15, lines 11 through 15, of Mr. Armand's testimony.

A. The loads projected to be served by FPL in the area between Volusia and New Smyrna Substations were observed to be 30% lower in 2004 than in 2001. This is data submitted by FRCC in its FERC submittal for power flows base cases for the

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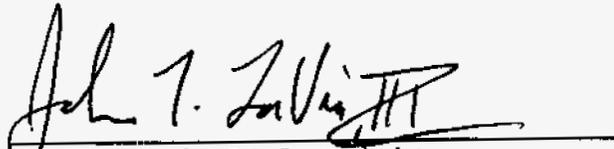
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years 2001 and 2004. The reduced load must have come from FPL's own load forecast for the area.

- Q. Please explain in detail why the acceleration of the in-service dates of FPL's Sanford and Ft. Myers re-powering projects would have no impact on the power flow studies performed by Mr. Armand.
- A. The purpose of the power flow studies conducted by RMI was to test the ability of the Duke New Smyrna project to deliver its output into the peninsular Florida transmission system. The timing of generation additions to the peninsular Florida transmission system has no impact on the Duke New Smyrna project from a transmission standpoint. The load flow studies demonstrate that no transmission bottleneck would materialize with the proposed acceleration of the Sanford and Ft. Myers repowering projects. Florida is dispatched in an economic (broker) fashion. Therefore, advancing the timing of these repowering projects may cause some other generating units not to make the priority order of dispatch. In addition, the added reactive power provided by these units would make for a better transmission voltage profile and may improve the operation of the transmission system.
- Q. In performing his power flow studies, did Mr. Armand update the 1996 FCG data as submitted to FERC for the data which is found in utilities 1998 site plans?
- A. Most pertinent data for the major Florida utilities found in their individual 1998 Ten Year Site Plans, representing details as of December 31, 1997, were incorporated in the power flow studies.
- Q. In performing his power flow studies, did Mr. Armand update the 1996 FCG data submitted to FERC to reflect new plant additions shown in 1998 site plans or FPL's 500 kV projects shown in the 1998 site plan?
- A. The 2004 load flow study reflects the major plant additions shown in the 1998 site plans submitted by the Florida utilities. However, no 500kV project in FPL's territory shown in the 1998 site plan was modeled. Table III.E.1 on page 49 of FPL's Ten Year Plant Site Plan lists two 500kV projects: Corbett to Orange River 500kV with a projected commercial in-service date of December 2001, and

Conservation to Levee 500 kV with a projected commercial in-service date of June 2007. The uncertainty reflected in the note at the bottom of the Table, precluded inclusion of the Corbett to Orange River 500kV project in the 2004 year assessment.

- Q. Does Florida Power Corporation's Devary [sic] plant dispatch have any impact on the distribution of the Duke New Smyrna Beach plant output? If so, explain what impact.
- A. As stated in our analysis of the power flow studies conducted for Duke New Smyrna, at peak load the dispatch of all generators at Debary causes a greater portion of the New Smyrna Beach Power Project's output to flow over the Volusia-Smyrna lines rather than over the Cassadaga-Smyrna lines. However, at average load, 60% of peak load level, the distribution of flow is more even over those two corridors. Neither scenario results in any transmission facility exceeding its rated capacity with the Project in operation.



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and

Duke Energy New Smyrna Beach Power
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CERTIFICATE OF SERVICE
DOCKET NO. 981042-EM

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served by hand delivery (*) or by United States Mail, postage prepaid, on the following individuals this 19th day of November, 1998:

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Affidavit

State of California
County of Sacramento

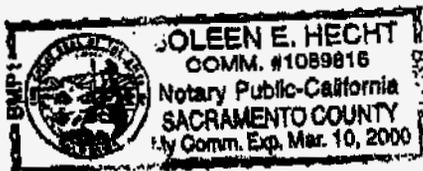
Before me, the undersigned authority, personally appeared Michel P. Armand who is personally known to me or has produced driver's license number _____ as identification, and who, having first been sworn, deposed and said:

1. I am employed by Resource Management International, Inc. ("RMI") as a Principal Executive Consultant.
2. RMI is the consulting firm assisting Duke Energy New Smyrna Beach Power Company Ltd., L.L.P. ("Duke New Smyrna") and the Utilities Commission, City of New Smyrna Beach, Florida, with the preparation of testimony and exhibits regarding transmission issues for the New Smyrna Beach Power Project.
3. I assisted in responding to certain questions which were propounded on Duke New Smyrna as part of Florida Power & Light Company's ("FPL") deposition upon written questions in Docket No. 981042-EM.
4. The above facts, as well as my responses to the questions contained in FPL's deposition upon written questions are true and correct to the best of my knowledge.

Further, Affiant, sayeth naught.

Michel P. Armand
(Signature)
Michel P. Armand

WITNESS my hand and official seal the date aforesaid.



Joleen E. Hecht
Notary
State of California
My Commission Expires March 10, 2000