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October 4, 1999

ORIGINAL

HAND DELIVERY

RECORDS AND
REPORTING

99 OCT -4 AM 10:34

RECEIVED-FPSC

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 981890-EU

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of the City of Tallahassee ("Tallahassee") are the following documents:

1. Original and fifteen copies of Tallahassee's Prehearing Statement; and
2. A disk containing a copy of the Prehearing Statement in Word Perfect 6.0.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,


Kenneth A. Hoffman

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CAF	_____
CMU	_____
CTR	_____
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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11934 OCT-4 8

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Generic investigation)
into the aggregate electric)
utility reserve margins planned)
for Peninsular Florida)
_____)

Docket No. 981890-EU

Filed: October 4, 1999

ORIGINAL

**PREHEARING STATEMENT OF
CITY OF TALLAHASSEE**

The City of Tallahassee ("Tallahassee") pursuant to Order Nos. PSC-99-0760-PCO-EU and PSC-99-1274-PCO-EU and Rule 25-22.038(2), Florida Administrative Code, respectfully submits the following Prehearing Statement in the above-captioned docket.

A. Witnesses

Tallahassee will present the direct testimony of David Byrne. Mr. Byrne's direct testimony will address Issues 10, 12 and 14.

B. Exhibits

Tallahassee will not sponsor any exhibits.

C. Basic Position

Tallahassee's basic position is that reserve margins should continue to be established on a utility specific basis. Tallahassee calculates its reserve margins in a manner consistent with the Florida Reliability Coordinating Council's methodology. Tallahassee currently plans its resources to meet a minimum 17% reserve margin target. This margin has proven to be sufficient to meet recent extreme demands in both summer and winter and is expected to be adequate for such purposes over the next ten years.

D. Issues and Positions

Issue 1: What is the appropriate methodology, for planning purposes, for calculating reserve margins for individual utilities and for Peninsular Florida?

Tallahassee: No position at this time.

Issue 2: What is the appropriate methodology, for planning purposes, for evaluating reserve margins for individual utilities and for Peninsular Florida?

Tallahassee: No position at this time.

Issue 3: How should the individual components of an individual or peninsular Florida percent reserve margin planning criterion be defined:

A. Capacity available at time of peak (Ex. QF capacity, firm and non-firm purchases and non-committed capacity). Should equipment delays be taken into account?

Tallahassee: No position at this time.

B. Seasonal firm peak demand. Over what period (hourly, 30 min., 15 min.) should the seasonal firm peak demand be determined? What is the proper method of accounting for the diversity of the individual utilities' seasonal firm peak demands and load uncertainty? Is sufficient load uncertainty data available and being used? How are interruptible, curtailable, load management and wholesale loads treated at the end of their tariff or contract termination period? How should demand and/or energy use reduction options be evaluated and included in planning and setting reserve margins?

Tallahassee: No position at this time.

C. Should a percent reserve margin planning criterion be determined on an annual, seasonal, monthly, daily, or hourly basis?

Tallahassee: No position at this time.

Issue 4: **How should generating units be rated (MW) for inclusion in a percent reserve margin planning criterion calculation?**

Tallahassee: No position at this time.

Issue 5: **How should individual utility's reserve margins be integrated into the aggregated reserve margin for Peninsular Florida?**

Tallahassee: No position at this time.

Issue 6: **Should there be a limit on the ratio of non-firm load to MW reserves? If so, what should that ratio be?**

Tallahassee: No position at this time.

Issue 7: **Should there be a minimum of supply-side resources when determining reserve margins? If so, what is the appropriate minimum level?**

Tallahassee: No position at this time.

Issue 8: **What, if any, planning criteria should be used to assess the generation adequacy of individual utilities?**

Tallahassee: No position at this time.

Issue 9: **Should the import capability of Peninsular Florida be accounted for in measuring and evaluating reserve margins and other reliability criteria, both for individual utilities and for Peninsular Florida?**

Tallahassee: No position at this time.

Issue 10: **Do the following utilities appropriately account for historical winter and summer temperatures when forecasting seasonal peak loads for purposes of establishing a percent reserve margin planning criterion?**

- A. **City of Homestead**
- B. **City of Lake Worth Utilities**
- C. **City of Lakeland**
- D. **City of Tallahassee**
- E. **Florida Power and Light Company**
- F. **Florida Power Corporation**
- G. **Florida Municipal Corporation**
- H. **Gainesville Regional Utilities**

- I. Jacksonville Electric Utilities
- J. Kissimmee Utility Authority
- K. Orlando Utilities Commission
- L. Reedy Creek Improvement District
- M. Seminole Electric Cooperative
- N. Tampa Electric Company
- O. Utilities Commission of New Smyrna Beach

Tallahassee: Yes. Tallahassee appropriately accounts for historical temperatures when forecasting peak loads for reserve margin planning purposes by using the average of the low temperatures experienced on the last five years' winter peak days and the average of the high temperatures experienced on the last five years' summer peak days.

Issue 11: Has the Florida Reliability Coordinating Council's 15 percent reserve margin planning criterion, or any other proposed revenue margin criterion, been adequately tested to warrant using it as a planning criterion for the review of generation adequacy on a Peninsular Florida basis? If the answer is no, what planning criterion should be used?

Tallahassee: No position at this time.

Issue 12: What percent reserve margin is currently planned for each of the following utilities and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Florida?

- A. City of Homestead
- B. City of Lake Worth Utilities
- C. City of Lakeland
- D. City of Tallahassee
- E. Florida Power and Light Company
- F. Florida Power Corporation
- G. Florida Municipal Corporation
- H. Gainesville Regional Utilities
- I. Jacksonville Electric Utilities
- J. Kissimmee Utility Authority
- K. Orlando Utilities Commission
- L. Reedy Creek Improvement District
- M. Seminole Electric Cooperative
- N. Tampa Electric Company
- O. Utilities Commission of New Smyrna Beach

Tallahassee: Tallahassee currently uses a 17% planning reserve margin. Tallahassee believes this reserve margin has provided and will continue to provide an adequate and reliable source of energy for operational and emergency purposes.

Issue 13: How does the reliability criteria adopted by the FRCC compare to the reliability criteria adopted by other reliability councils?

Tallahassee: No position at this time.

Issue 14: Should the Commission adopt a reserve margin standard for individual utilities in Florida? If so, what should be the appropriate reserve margin criteria for individual utilities in Florida? Should there be a transition period for utilities to meet that standard?

Tallahassee: No. The Commission should not adopt a uniform reserve margin standard for individual utilities. Reserve margin planning and thresholds should continue to be performed and applied on an individual utility basis.

Issue 15: Should the Commission adopt a reserve margin standard for Peninsular Florida? If so, what should be the appropriate reserve margin criteria for Peninsular Florida?

Tallahassee: No position at this time.

Issue 16: Should the Commission adopt a maximum reserve margin criterion or other reliability criterion for planning purposes; e.g., the level of reserves necessary to avoid interrupting firm load during weather conditions like those experienced on the following dates: 01/08/70, 07/17/77, 01/13/81, 01/18/81, 12/19/81, 12/25/83, 01/21/85, 01/21/86 and 12/23/89?

Tallahassee: No position at this time.

Issue 17: What percent reserve margin is currently planned for Peninsular Florida and is it sufficient to provide an adequate and reliable source of energy for operational and emergency purposes in Peninsular Florida?

Tallahassee: No position at this time.

Issue 18: Can out-of-Peninsular Florida power sales interfere with the availability of Peninsular Florida reserve capacity to serve Peninsular Florida consumers during a capacity shortage? If so, how should such sales be accounted for in establishing a reserve margin standard?

Tallahassee: No position at this time.

Issue 19: **Based on the resolution of Issues 1 through 18, what follow-up action, if any, should the Commission pursue?**

Tallahassee: No position at this time.

E. Stipulations

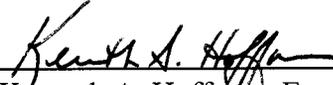
Tallahassee is not a party to any stipulations at this time.

F. Pending Motions

There are no motions pending concerning Tallahassee.

G. Other Requirements

Tallahassee believes that this Prehearing Statement is fully responsive to the requirements of the above-stated procedural orders and Rule 25-22.038(2), Florida Administrative Code.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail this 4th day of October, 1999, to the following:

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Seminole Electric Cooperative
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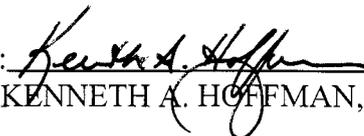
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By: 
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