

Diamond Williams

From: Lowe, Amy [Amy.Lowe@fpl.com]
Sent: Friday, June 10, 2011 4:31 PM
To: Filings@psc.state.fl.us
Cc: Charles Murphy; Larry Harris; Adam Teitzman; richzambo@aol.com; Marsha Rule; danlarson@bellsouth.net; Cox, Will P.
Subject: Electronic Filing - Docket # 110018-EU
Attachments: 061011 SWA Joint Letter Extending Term.pdf

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 110018-EU

IN RE: Joint Petition for Need Determination between Solid Waste Authority and Florida Power & Light Company

c. The documents are being filed on behalf of Florida Power & Light Company.

d. There is a total of one (1) page.

e. The document attached for electronic filing is:

Letter to Clerk dated June 10, 2011

See attached file(s): 061011 SWA Joint Letter Extending Term.pdf

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DOCUMENT NUMBER DATE

04027 JUN 10 =

FPSC-COMMISSION CLERK

6/10/2011

June 10, 2011

Ms. Ann Cole
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: **Docket No. 110018-EI** - Joint petition for modification to determination of need for expansion of an existing renewable energy electrical power plant in Palm Beach County by Solid Waste Authority of Palm Beach County and Florida Power & Light Company

Dear Ms. Cole:

Commission Staff's June 6, 2011 overall recommendation and specific recommendations for Issues 6, 7, 9, and 11 in the above referenced matter suggest that although the proposed contract between the SWA and FPL is projected to provide benefits to FPL's customers, Commission Staff would encourage both parties to explore extending the term of the contract or increasing the committed capacity in order to maximize FPL customer savings.

FPL and SWA continue to believe, and the record clearly reflects that, the proposed negotiated contract in original form is cost-effective and wholly consistent with the requirements of Section 377.709, Fla. Stat., and applicable Commission rules. Nevertheless, having seriously considered Staff's suggestion, SWA and FPL are prepared to voluntarily extend the term of the contract by twenty-six (26) months if the Commission finds such an extension appropriate.

It is not feasible for the SWA to increase the committed capacity because the electrical output of the Expanded Facility will be limited in the early years of the contract by the quantity of MSW fuel projected to be available. As the MSW quantity increases over time, the capacity factor and actual net electrical output of the unit will increase, thereby increasing the savings to FPL's customers. Additionally, FPL's customers will receive the contract capacity as well as any increases in net electrical output over the extended contract term without any additional capacity payment to SWA.

We trust this mutual, voluntary extension of the contract by FPL and SWA will eliminate any concerns of Commission Staff or the Commission as to the Expanded Facility providing a valuable renewable energy resource to the State at a price that is cost-effective and beneficial to FPL's customers.

Thank you for your consideration of this matter.

/s/ Richard A. Zambo

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