#### Orlando Utilities Commission

Stage One and Stage Two Evaluation Process Joint Request for Power Supply Proposals

December 11, 1990



ORLANDO, FLORIDA

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EF-5306-CA3-AB

December 11, 1990

Mr. Ken P. Ksionek
Managing Director - Transmission and
Distribution Electric Operations
Orlando Utilities Commission
Post Office Box 3193
Orlando, Florida 32802

Dear Mr. Ksionek:

Subject: Transmittal of Results of
Stage One and Stage Two Evaluation Process

The Orlando Utilities Commission ("OUC"), together with the Florida Municipal Power Agency and the Kissimmee Utility Authority (collectively, the "Utilities"), issued a joint Request for Proposals ("RFP") in July of 1990 to solicit the interest of utility and non-utility respondents to provide up to 440 megawatts ("MW") of firm base and intermediate load electric power to the Utilities on January 1, 1997. As described in the RFP, such supply-side resources were to be evaluated as alternatives to OUC constructing and operating a second 440 MW coal-fired facility ("Stanton 2") at the Stanton Energy Center. OUC retained R. W. Beck and Associates ("R. W. Beck") to independently evaluate the expected responses to the RFP.

The RFP specified that, as minimum requirements for evaluation, a proposal had to incorporate dispatchability to allow base and intermediate load operation of commercially proven technology. Also, a project's commercial life was set for a 25-year term beginning January 1, 1997. Fuel procurement and fuel transportation plans had to be documented; and, if wheeling the electric power to OUC was required, the interconnection cost and wheeling cost had to be included in the pricing proposal. Respondents were also required to submit a baseline pricing proposal considering, among other things, that energy prices would escalate at the change in the cost of coal at the Stanton Energy Center and that a target availability factor of 80 percent would be used as the basis to determine financial incentives or penalties related to the proposed capacity and operation and maintenance pricing.

R. W. Beck had previously provided consulting services to OUC with respect to OUC's issuing the RFP. These services have included reviewing and commenting on the RFP prior to its issuance and preparing a Proposal Evaluation Manual ("Manual"). This Manual served as the basis for conducting the evaluation described herein.

#### **Evaluation Process Overview**

In the current phase of work for OUC, R. W. Beck has evaluated the proposals received by OUC in response to the RFP through the first two stages of a planned three-stage evaluation

process. As such, this Letter Report summarizes the results of our evaluation to date. This evaluation was completed approximately one month earlier than originally scheduled because only three proposals were received by OUC and because of other considerations. The original schedule contemplated the receipt of more proposals.

Following is a brief synopsis of the services that were to be provided by R. W. Beck for the first two stages of the evaluation process:

Stage One - comprises a detailed inventory of the submission of each respondent to ascertain whether each item requested in the RFP was submitted and that each proposal meets or exceeds the minimum requirements established in the RFP. If necessary, requests for additional information or clarification of proposal contents would be forwarded, through OUC, to the respondents. Checklist forms from the Manual (Appendices A and B) were to be used to expedite and document the process.

Stage Two - on a preliminarily qualitative basis, proposals will be prioritized based on the scoring system found in Appendix C of the Manual and using the information found in the respondents' submittals. Fatal flaws and weaknesses in submissions will be determined and documented. A comparison, on a present worth basis, of the pricing of power from Stanton 2 and any alternatives will be performed. A Letter Report detailing the evaluation process at this stage will be prepared and delivered to OUC.

The results of the Stage Two level of evaluation are intended to be of a preliminary qualitative nature, with the primary purpose of Stage Two being to create a short list of prioritized proposals to be compared in greater detail to the expected characteristics of Stanton 2 in the Stage Three evaluation.

## Proposal Information

As presented in the RFP, on or before August 15, 1990, a respondent wishing to submit a proposal had to submit a Notice of Intent to Bid form. On this date, nineteen (19) Notices of Intent had been submitted to OUC.

On November 13, 1990, three respondents submitted proposals: The Enron Power Corporation, Inc. ("Enron"); Citrus Energy Partners, L.P. ("NRG"); and the PG&E-Bechtel Generating Company ("PG&E").

As a result of our preliminary review of the proposals, following is a synopsis of the three proposals received in response to the RFP. The summaries are intended to convey the facts as reported by the respondents and are intended to be non-judgmental in nature. For the approximate location of the sites proposed by the respondents, refer to the map attached to this Letter Report as Exhibit 1. Certain facts concerning each proposal including Stanton 2 except pricing assumptions can be found on Exhibit 2. Pricing assumptions used in the economic evaluation for each proposal including Stanton 2 can be found on Exhibit 7 and 8.

## **Enron Power Corporation**

Enron is proposing, as an independent power producer ("IPP") (no steam customer), to build, own, and operate, by January 1, 1997, a multiple-unit, 440 MW combined-cycle natural gas-fired combustion turbine facility for base, intermediate, or peaking operation. Two sites have been proposed: the primary site is a 31.1 acre tract located about 1.5 miles south of the Beeline

Expressway in the International Corporate Park in eastern Orange County, which is about 3.5 miles from OUC's Stanton Energy Center; and the alternate site is a 38-acre tract of land southeast of the intersection of the Florida Turnpike and Route 527 and relatively close to OUC's Taft Substation. At the primary site, the planned electrical interconnection is proposed through the construction of 3.5 miles of single-pole, double-circuit 230 kilovolt ("kV") transmission line to OUC's Stanton Energy Center. At the alternate site, the planned electrical interconnection is proposed through the construction of 1.5 miles of wood-pole, double-circuit 230 kV line into OUC's transmission system at the OUC Taft Substation.

Natural gas interconnections are expected by Enron to be accomplished using nearby gas transmission lines (west and southwest of the primary site; south of the alternate site). Natural gas fuel is proposed to be acquired from supplies, through Citrus Marketing, located in the Gulf Coast region of Louisiana and Texas. Citrus Marketing, through its existing transportation arrangements, is proposing to provide for the delivery of the gas, over other Enron affiliated companies, to Florida Gas Transmission, also an Enron affiliate. Enron proposes that Florida Gas Transmission supply firm gas transportation services for the project's gas requirements, pursuant to a firm reservation of pipeline capability which the project would enter into. Enron proposes to supply three days of on-site distillate fuel inventory for back-up fuel.

### Citrus Energy Partners, L.P.

The lead owner of Citrus Energy Partners, L.P. and the plant operator will be NRG Energy, Inc., of Minneapolis, Minnesota. NRG is a non-regulated subsidiary of Northern States Power Company.

As an IPP, NRG is proposing a 410 MW eastern bituminous pulverized coal-fueled, base load power station to be on-line by January 1, 1997. The project is expected to be located approximately nine miles to the northwest of the City of Okeechobee in Okeechobee County, Florida. The site comprises 1,050 acres of land area presently utilized entirely for a cattle grazing operation. The site is bounded on the southwest by the CSX transportation railroad and on the northeast by U.S. Highway 98/Florida Highway 700.

The project is proposed to be interconnected with Florida Power & Light Company's ("FPL") 500 kV transmission system at the Midway or Martin Substation, or at the 230 kV Sherman Substation, whichever is the most advantageous for wheeling purposes. Power from the project is proposed to be wheeled north through the FPL system to ties with OUC near the Indian River generating facility.

The procurement of fuel for the project, as proposed, will consist of the purchase of bituminous coal from Central Appalachian source areas (Kentucky, West Virginia, or Virginia). Present procurement strategy calls for a minimum of 50 percent of the supply being purchased under long-term contracts. The coal is proposed to be transported to the site in unit trains of at least 90 cars each by the CSXT Transportation, Inc. ("CSXT") rail system under long-term contract.

On-site coal storage is reported to be capable of supporting 30 days' operation at full load with adequate space to expand to 60 days' supply, if necessary. Limestone for flue gas scrubber additive use is proposed to be purchased under long-term contracts with Florida suppliers and will be a high calcium carbonate product that will either be trucked or railed to the site.

Sufficient on-site land is reported to be available to permit the landfill of all ash and scrubber waste products during the life of the generating unit.

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## PG&E-Bechtel Generating Company

PG&E is the developer/project manager for the Brevard Energy Limited Partnership. PG&E has proposed a 426 MW (winter rating) natural gas-fueled, combined-cycle (two gas turbines, one steam turbine) project, applicable for base and intermediate load operation, to be on-line by January 1, 1997.

The proposed site is a 436-acre vacant property located in Brevard County, Florida. The location of the site is reported to be along State Road 528 (Beeline Expressway) approximately two miles east of its intersection with Interstate I-95.

The project is proposed to be interconnected directly with OUC on the 230 kV OUC line to the Indian River Power Plant. The interconnection point is about five miles north of the proposed project. A new 230 kV transmission line is expected to be built by the respondent from the project to the interconnection point for which three alternative paths have been proposed.

The proposed primary fuel is natural gas. The proposed fuel supply contractor will be Chevron, based in Houston, Texas; and the proposed fuel transportation contractor will be the Florida Gas Transmission Company.

## Stage One Evaluation

Upon initial review of the submittal materials, all three proposals were responsive but incomplete. Additional clarification of submitted materials was required. Two requests for additional information containing a number of questions for each respondent were forwarded to each respondent through OUC on November 21 and 26, 1990. Answers were received from the respondents in time to meet the deadlines specified in the letters transmitting the requests for additional information. Additional clarifications were also requested and received.

Based on our review of the responses to the information requests, we believe that for purposes of the evaluation through Stage Two, all three proposals are now complete. In our judgment, all three proposals meet the minimum requirements established in the RFP, even though Enron and PG&E have not submitted a pricing proposal consistent with the baseline pricing methodology established in the RFP, i.e., Enron and PG&E have not submitted a proposal for energy pricing which escalates based on the change in the cost of coal at the Stanton Energy Center as requested in the RFP. In addition, Enron has submitted fixed O&M pricing in units other than \$/MW-mo as requested in the RFP. We believe that Enron's and PG&E's interpretation of OUC's willingness to entertain alternative pricing schemes, as is described in the RFP, could be considered defensible. Therefore, all three proposals underwent the Stage Two evaluation.

## Stage Two Evaluation

## The Scoring System

The RFP contains forms which are duplicated in Appendix C of the Manual. The purpose of the forms was to allow the evaluators to rank the proposals and create a finite-sized group of proposals for further consideration in the Stage Three evaluation. The forms create a ranking using the scoring associated with each form and the weighting associated with groups of forms which make up the financial, technical, environmental, and economic areas of evaluation.

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At this time, OUC has decided not to review legal exceptions related to the respondents' proposed changes in contract language specified by OUC in the RFP. Therefore, proposed contract exceptions were not considered in the scoring process for the Stage Two evaluation.

The Stanton 2 proposal was not subjected to the scoring process in the financial, technical, and environmental evaluations. The Stanton 2 pricing proposal, however, was used as the basis of comparison in the economic analysis, which is described further in this Letter Report. The pricing proposals submitted by the respondents and OUC were not subject to rigorous examination as part of the Stage Two evaluation. Unless clarified by the respondents as noted hereinafter, the pricing concepts were used as submitted.

The maximum scoring and the weighting used for the various forms is as follows:

#### Stage Two Scoring

Area of Evaluation/ Exhibit No.	Description	Maximum Score	Weighting Factor	Weighted Maximum Score
Technical				
B.1.4 E.3.2 E.5.2 E.6.2 F.1.4 F.1.5	Location Respondent Experience Level of Dev. of Tech. Status of Plans Fuel Diversity Fuel Supply	10 10 10 10 10 10	2.5 2.5 2.5 2.5 2.5 2.5	25 25 25 25 25 25 25
SUBTOTAL				150
Financial				
D.1.4 D.1.4 D.1.4 G.3.2	Committed Capital Equity Component Debt Coverage Ratio Security	10 10 10 10	1.0 1.0 2.0 2.0	10 10 20 20
SUBTOTAL				_60
Environmental				
C.1.3 C.6.2a C.6.2b C.6.2c C.6.2d C.6.2e C.6.2f C.6.2g	Site Acquisition Permitting and Licensing Permitting Schedule Air Impacts Water Resources Impacts Solid Waste Impacts Land Use Compatibility Aesthetics	10 10 10 10 10 10 10 10	2.0 3.0 3.0 3.0 2.5 2.0	20 30 30 30 30 20 25 15
SUBTOTAL				200
Economic				
G.1.1	Price Factor Score Front Load Score	175 25	Ξ	175 _25
SUBTOTAL				200
TOTAL				610

As can be seen from the previous table, the environmental and economic areas of evaluation have been given equal overall scoring. The technical considerations have been given less weight and the financial considerations, even less weight. Financial markets and the technology exists, such that experienced, serious developers can finance, construct, and operate projects of the type contemplated in the development of the RFP. The most important issues are the ability of a project to be licensed in the current environment and the ability of the project to provide economic benefits for OUC's customers.

The technical evaluation reflects the desirability of the proposed location of the project (a direct interconnection to OUC's transmission system is preferred); what equivalent availability factor a similar facility to the one proposed by each respondent has achieved; what the status of studies and plans are, such as site surveys, major equipment lists, etc.; the procurement and transportation plans for the type of primary fuel the proposed facility will use; and whether or not the respondent has experience in the procurement and transportation of the fuel supplies.

The financial evaluation involved preliminary review of the financial planning and pro forma information submitted by the respondents for evidence of the amount of capital currently committed to the project; the debt/equity ratio; a satisfactory debt coverage ratio; and the type of security the respondent is willing to provide to guarantee the reliable operation of the proposed facility over the expected term of the agreement with OUC.

The environmental evaluation considered the status of the site acquisition; whether or not key permits and licenses had been identified and the level of permitting action to date; the demonstration of an experienced team to meet the identified permitting schedule; the air impacts from the proposed facilities including air emission rates, air emission constituents, physical condition of the emissions streams, the proximity to potentially sensitive receptors, the level of air emissions as compared to like facilities and current regulatory standards, the ability of pollution controls to achieve the appropriate levels, and topographic considerations such as stack height; the water resources impacts including the source and rate of water withdrawal, the rate of wastewater discharge, the quality of wastewater discharge, the disposition of wastewater relative to existing water resources, the adequacy of available water supply quality and quantity for the project, and a comparison of water impacts for the project with like facilities; the solid waste impacts including the expected volume of solid waste, the disposal method and location, and a waste handling plan; the land use compatibility considering the amount and type of land included in the project site, the use of adjacent land, the consistency of the proposed project with existing land use plans, and potential environmental constraints inherent with the land (wetlands, zoning, etc.); and aesthetic impacts and methods of mitigation of these impacts.

The economic evaluation consisted of a comparison of annual payment streams developed from the pricing proposals provided by the respondents against annual "pricing" proposed for Stanton 2. The payment streams were compared on a net present value (\$/kW) basis, and compared to determine if, and the degree to which, the pricing proposals are front loaded (i.e., the annual prices of the proposals are greater than the annual expenses for Stanton 2). These values were used in the formulas described below to develop the economic score for each respondents' proposal.

There are two components used in the economic scoring: the price factor score and the front load breakeven score;

A. Price Factor Score: The Price Factor Score ("PFS") is determined by the following formula:

### $PFS = [(PVSC - RPVP) / PVSC] \times 175;$

Where, PVSC equals the net present value in 1997 dollars per kilowatt ("kW") over a 25-year term of the capacity and energy pricing related to OUC's Stanton 2; and,

Where, RPVP equals the net present value in 1997 per kW dollars over a 25-year term of the payments to the respondent based on the respondent's proposed pricing scheme.

B. Front Load Breakeven Score: This factor is used to determine the degree to which the respondent's pricing proposal is front loaded, as compared to Stanton 2 pricing. The Front Load Breakeven Score ("FLBS") is determined by the following formula:

$$FLBS = [(25 - Years) / 25] \times 25;$$

Where, Years equals the number of years that the total payment to the respondent in dollars is greater than the total payment based on the pricing proposal of OUC's Stanton 2 facility.

From the above formula for the PFS, it is apparent that it is possible for a proposal to obtain negative points. This will occur if the net present value per kW of the pricing proposed by a respondent over the term of the contract is greater than the net present value per kW of the pricing proposed for the Stanton 2 unit.

## **Proposed Pricing**

The baseline pricing methodology, as is described beginning on Page 48 (Form G) and detailed in Attachment C of the RFP, requested a levelized fixed capacity price based on an 80 percent base equivalent availability, an initial energy price escalating at the weighted average cost of coal delivered to the Stanton Energy Center, a fixed Operation and Maintenance ("O&M") price based on an 80 percent base equivalent availability, and a variable O&M price. The RFP also allowed for the inclusion of incentive/penalty rates for the capacity price and the fixed O&M price to award or penalize percent variations of the actual equivalent availability above or below a 2 percent band around the base equivalent availability of 80 percent. The RFP requested base fuel compensation prices which could be indexed in the future to coal prices paid at the Stanton Plant. This would allow for stability in future fuel payments based on fuel prices which would have been incurred if the Stanton 2 unit was constructed. With the exceptions noted below, all proposals were evaluated using the baseline pricing methodology. A description of the methodology, as provided in Attachment C of the RFP, is included in Appendix D of this Letter Report.

NRG - NRG submitted a baseline pricing proposal, which was in conformance with the baseline pricing methodology as specified in the RFP, and an alternate pricing proposal, which included an annual 2.5 percent ramp in the capacity price and the capacity price incentive/penalty rate. The fixed O&M incentive/penalty rate also appears to be subject to the ramp in the alternate

pricing proposal, but based on conflicting information in the proposal which has not been verified, we believe this to be an error. For purposes of the economic evaluation, it was assumed that the fixed O&M incentive/penalty rate would not be ramped annually at 2.5 percent for the alternative pricing proposal.

For purposes of performing an economic evaluation of the NRG base and alternative pricing proposals, the prices as furnished in Exhibit G.1.1 and G.2.1 of the proposal were used. The unit heat rate was derived from the input/output curve coefficients provided by the respondent in response to the request for additional information/clarification assuming operation of the unit at full load (410 MW net). The base pricing proposal was evaluated using the baseline pricing methodology as described in the RFP. The alternative pricing proposal was also evaluated using the baseline pricing proposal with the exception of allowing for growth of the base capacity price and capacity price incentive/penalty rate by an annual 2.5 percent growth rate.

PG&E - PG&E submitted a single base pricing proposal which is only partially consistent with the baseline pricing methodology requested by the RFP as described previously. The difference between the PG&E proposal and the baseline pricing methodology is the method of accounting for escalation of the base fuel compensation price. PG&E proposes annual fuel cost escalation as furnished in Exhibit G.1.2 of the proposal. The RFP explicitly states that fuel prices will be escalated through the use of coal price indices. The use of any other fuel price escalator is contradictory to the intent of the RFP.

For purposes of conducting the economic evaluation of the PG&E proposal, the prices, as furnished in Exhibit G.1.1 of the proposal, were used. Incentive/penalty rates for capacity and fixed O&M pricing are assumed to be 2 percent of the respective base prices as agreed to by the respondent in response to the request for additional information/clarification. The unit heat rate was derived from the input/output coefficients furnished in Exhibit G.1.1 of the proposal, assuming operation of the unit at full load (426 MW net). The proposal was evaluated using the baseline pricing methodology described in the RFP, with the exception of fuel price, which was evaluated using both the baseline price escalation at projected coal price indices as provided in the RFP, and, alternatively, by the price escalation provided in Exhibit G.1.2 of the proposal. Use of the respondent's fuel price escalation in place of the coal price indices results in a higher cost for the proposal, but will more accurately reflect the payments the respondent is expecting to receive.

Enron - Enron did not submit a baseline pricing proposal but, instead, opted to submit three alternative pricing options. These three options contain pricings for energy and fixed O&M which are not consistent with the baseline pricing methodology. Energy pricing for Option 3 is based on the direct reimbursement of all fuel costs as incurred. This option is not responsive to the RFP and was not considered further for evaluation purposes. Options 1 and 2 differ in the price and escalation of the base fuel compensation price.

The base fixed O&M price and fixed O&M incentive/penalty rates for Options 1 and 2, as furnished in Exhibits G.1.1-1&3 and G.1.1-2 of the proposal, appear to be variable prices in units of \$/MWh-EAF. In response to the request for additional information/clarification, Enron modified this variable "fixed O&M" price to reflect fixed units of \$/MW-mo; however, Enron maintains that submission of the variable fixed O&M price is allowed pursuant to Section G.2 of the RFP (alternative pricing schemes).

The base fuel compensation prices for Options 1 and 2, as furnished in Exhibits G.1.1-1&3 and G.1.1-2 of the proposal, contain variable and fixed price components. Exhibit G of the proposal also contains a description of the formula to be used to calculate the total fuel price as a function of the fixed and variable price components. However, the formula is inconsistent with the units of the fuel price, as furnished in Exhibits G.1.1-1&3 and G.1.1-2 of the proposal. The description also discusses the inclusion of the fixed fuel price in the fixed O&M price but does not describe the process by which this could be accomplished. Enron provided verbal clarification during the request for additional information/clarification process which permitted conversion of the fixed fuel price to a fixed \$/MW-mo price, but maintains that pricing in variable cost units is desirable and allowed by Section G.2 of the RFP.

Additionally, concerns with the information contained in the Enron proposal involve the input/output curve coefficients and the escalation rates for variable and fixed energy prices. Inaccuracies in the input/output curve coefficients were corrected in response to the request for additional information/clarification. When asked to clarify the understanding that fuel prices are to be escalated based on coal price indices, Enron maintained that fuel price escalation factors, which differ from projected coal prices, are allowed by Section G.2 of the RFP. As with the PG&E proposal, use of fuel price escalation which is not based on coal prices is contradictory to the intent of the RFP. The Enron proposal, Options 1 and 2, were evaluated with the baseline pricing methodology by converting the variable cost units of the fixed O&M and fixed fuel prices to fixed cost units and using escalation rates established in the RFP. The proposed Options 1 and 2 were also alternatively evaluated using the prices and escalation rates as proposed.

For the baseline pricing evaluation, fixed O&M prices and fixed fuel prices were converted to fixed \$/MW-mo values and escalated at 5.2 percent. The fixed O&M base price and incentive/penalty rate were converted to \$/MW-mo utilizing the methodology Enron used in their response to the request for additional information/clarification. The fixed fuel prices were converted using the same method by assuming the price furnished in Exhibit G.1.1 of the proposal is in units of \$/MMBtu at 80 percent equivalent availability. The fixed O&M and fixed fuel prices were summed and modeled as a single fixed O&M price.

Conversion of the prices for fixed O&M and fixed fuel transportation from the variable price units as proposed to fixed price units will provide greater assurance that the proposal is being evaluated in a manner which will produce payment streams that account for all expected operating expenses. Use of variable prices to recover fixed costs will result in unrecovered fixed transportation costs at low unit capacity factors. Unrecovered expenses could jeopardize the continuation of the project or could require future modifications to the originally proposed prices. In contrast, over-recovery can result with higher unit capacity factors.

An annual escalation rate of 5.2 percent is assumed for the converted fixed O&M and fixed fuel transportation costs for comparison purposes. The variable fuel price was escalated at the coal price indices as provided in the RFP. With the price conversions and escalation rates assumed above, Options 1 and 2 were evaluated using the baseline pricing methodology described in the RFP.

For the alternative evaluation, the fixed O&M prices and fixed fuel transportation prices were evaluated as provided in the RFP (i.e., as variable prices). The prices on a \$/MWh basis were summed and modeled as a variable O&M price. Therefore, payments based on these prices vary according to changes in the modeled capacity factor of the unit. With decreased utilization of the generating unit, fewer revenues for fixed charges will be collected by the respondent. Escalation rates for the fixed O&M price and fixed fuel transportation price were derived from projected prices furnished in Exhibits G.1.2-1&3 and G.1.2-2 of the proposal. The variable fuel prices for Options 1 and 2 were evaluated at the escalation rates provided in Exhibits G.1.2-1&3 and G.1.2-2 of the proposal.

For both methods, the full load heat rate is assumed to be equal to the guaranteed heat rate of 8,250 Btu/kWh. It should be noted that the full load heat rate which would be calculated from the input/output curve coefficients is actually higher than the guaranteed heat rate.

Unless otherwise noted above, the following general assumptions were used in all economic evaluations:

- The discount factor for present worth calculations is 7.0 percent based on OUC's projected interest cost.
- Heat rates used in the calculation of the energy pricing were calculated from the heat rate curve coefficients provided, assuming full net load.
- The actual availability factor is assumed to be 80 percent throughout the study period based on the base availability factor contained in the RFP. A sensitivity case was also simulated using an availability factor of 90 percent.
- 4. The unit capacity factor is assumed to be 65 percent throughout the study period based on the defined capacity factor stated in the RFP. Sensitivity cases were also simulated using capacity factors of 80 percent and 90 percent.
- The annual escalation rate for fixed and variable O&M prices is 5.2 percent based on the annual escalation factor identified in the RFP.

As indicated above, although a few sensitivity cases for availability and capacity factors have been conducted, other sensitivity cases on interest rates, inflation rates, capital costs, construction delays, fuel costs, etc., are to be conducted in the Stage Three screening. Since the proposed pricing for the proposals have been determined, certain of the sensitivity cases could result in no change in payments to the respondents. A summary of cases evaluated and the methodology utilized is listed below.

## Baseline Pricing Methodology:

- 1. Stanton Unit 2.
- 2. NRG Baseline Proposal.
- 3. PG&E Proposal with coal fuel price escalation.

- Enron Option 1 with converted fixed O&M and fixed fuel prices and 5.2 percent annual escalation, and with fuel price escalation based on coal price indices.
- Enron Option 2 with converted fixed O&M and fixed fuel prices and 5.2 percent annual escalation, and with fuel price escalation based on coal price indices.

### Alternative Pricing Methodology:

- 1. NRG Alternative Pricing Scheme (2.5 percent Ramp).
- 2. PG&E Proposal with proposed fuel escalation.
- 3. Enron Option 1 with proposed prices and escalations.
- 4. Enron Option 2 with proposed prices and escalations.

Tabulation of prices and escalation rates which were assumed in the economic evaluations of the proposals are furnished in Exhibits 7 and 8, and in Appendices A and B. Summaries of the economic evaluations with tabulations of projected payments for the proposals are included in Exhibits 9 and 10, and in Appendices A and B. The following table lists the cases and their location in the Appendices.

Economic Evaluation	Capacity	Availability	Appendix
Methodology	Factor	Factor	
Baseline Pricing (all proposals)	65%	80%	A
Alternative Pricing (all proposals)	65%	80%	В
Baseline Pricing	80%	80%	C
Sensitivities	90%	90%	C

#### Results

As a result of the technical examination of the proposals at the level to perform the Stage Two evaluation, we find that all three proposals are reasonable. The use of conventional technology is being provided by companies with good track records in construction and operation of such facilities. There are some weaknesses in the proposals that will need to be addressed. Most of these weaknesses are related to the early stage of project development. At the Stage Two evaluation level, there are no technical fatal flaws in the proposals.

As can be seen on Exhibit 3, the Summary of Weighted Scoring of Proposals, the PG&E proposal has the lowest technical score at 115 points. The Enron proposal has one more point at 116 points. The difference being the level of studies and plans in favor of Enron. The NRG proposal has the highest technical score (122 points), even though it lost points to the other two due to its location and the necessity to wheel power to OUC. NRG's plans are more solidified and using coal as fuel, as contemplated in the RFP, gives it an additional advantage.

Financially, the respondents are all large, well-known, well-funded, financially experienced entities capable of providing equity and obtaining debt on reasonable terms to finance the projects. The pro formas indicate that NRG is projecting a higher debt coverage ratio than the

other two respondents. Enron and PG&E currently have committed to their projects a greater amount of capital than NRG has committed. All project financing will be arranged around limited partnerships and non-recourse debt financing with 15 percent to 20 percent equity participation. At this stage of the evaluation and at the level of development of the projects, a limited review of the pro forma and other financial information provided by the respondents finds the financial assumptions and calculations reasonable. Enron and PG&E received equal points for the financial evaluation scoring (27 points). NRG received 22 points. This is shown on Exhibit 3. At the Stage Two evaluation level, there are no financial fatal flaws.

Environmentally, NRG and PG&E have obtained options on a site; Enron is negotiating an option. None of the respondents have substantially begun the permitting process, although all the respondents have identified the key permits. Enron has demonstrated, over the other respondents, the financial resources and experienced assistance to meet a comfortable permitting schedule. Air emissions from NRG's project appear to be adequately controlled and are comparable to like facilities. Air emissions from Enron's project are controlled to strict limits which are comparable to like facilities. Air emissions from PG&E's project do not appear to be adequately controlled and additional pollution control will likely be required. It is likely that the NRG and PG&E projects will have acceptable water resource impacts. Limited detailed wastewater treatment and disposal information was supplied for Enron's project. Assuming the facility uses wastewater treatment technologies and disposal methods comparable to like facilities, permits may still be obtained. The solid waste impacts of all of the proposals are likely to be tolerable. For Enron and PG&E, the proposed project should be compatible with the surrounding land use. Because of the need to rezone a site which contains some wetlands, NRG's proposed project may not be totally compatible with existing land use. It is expected that NRG's visual and acoustic impact may be greater than the impact of the Enron and PG&E proposals.

The recently enacted Clean Air Amendments ("CAA") of 1990 will impact both the combustion turbines and the coal unit. Because these units are classified as new units under the CAA, they will need to obtain allowances to cover all sulfur dioxide emissions while burning coal, fuel oil, and natural gas. Nitrogen oxides emissions limitations, called for in the CAA but not yet established, may impact the coal unit, but it does not appear, at this time, that it will impact the combustion turbines. It has been assumed that the cost of obtaining the sulfur dioxide allowances has been accounted for in each of the proposals. OUC has stated that its pricing reflects the impact of the CAA with respect to Stanton 2.

For environmental scoring, NRG received 104 points, Enron received 120 points, and PG&E received 113 points. This can be seen on Exhibit 3. Based on the level of evaluation for this stage of the evaluation process, no environmental fatal flaws have been identified.

Economically, the estimated net present value of all the pricing proposals of all the respondents are projected to be greater than the net present value of the pricing proposal of Stanton 2. Also, during the entire study period, the estimated payments to the respondents are projected to be greater than the estimated payment for Stanton 2. This difference is primarily due to the lower capacity pricing for Stanton 2 when compared to the capacity pricing for the three proposals. As is shown on Exhibits 9 and 10, this factor results in negative price factor scores (using the present value formula previously discussed) and zero front load breakeven scores (again, using the formula previously discussed). The economic scores that are included on Exhibits 3 through 6 are taken from Exhibit 9, the Baseline Pricing Methodology, for NRG and Exhibit 10, the Alternative Pricing Methodology, for PG&E and Enron. For PG&E, use of the results from the alternative pricing evaluation provides an assurance that the economic evaluation includes fuel payments that the respondent is expecting to receive. For Enron, use of the results of the alternative pricing evaluation provides an accounting of payments in the format desired by Enron.

#### Conclusions

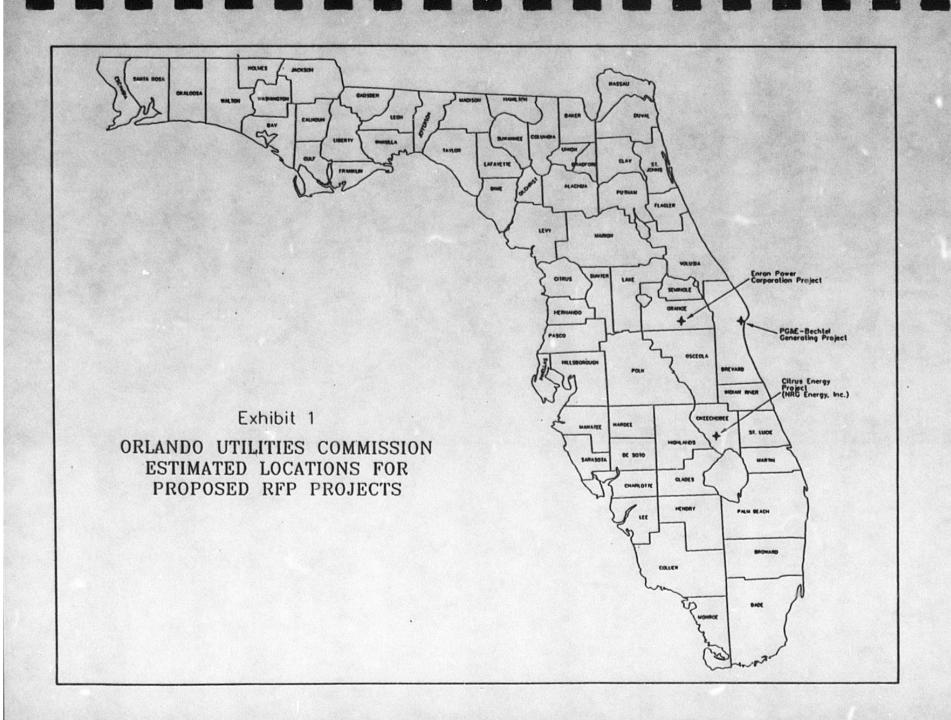
Based upon the results of our Stage Two Screening evaluation and the principal considerations and assumptions, all as set forth herein, we are of the opinion that:

- 1. All three proposals meet the minimum requirements set forth in the RFP.
- 2. Our "fatal flaw" analysis did not indicate any environmental, financial, nor technical problems associated with the three proposals.
- The Stage Two Screening scores result in the following ranking for the three proposals where (i) is the proposal with the highest (best) score.
  - (i) PG&E 195 points
  - (ii) Enron 190 points
  - (iii) NRG 181 points
- 4. The estimated cumulative twenty-five (25) year power cost for Stanton 2 is projected to be less than such cost for all three proposals since:
  - o the estimated cumulative twenty-five (25) year <u>nominal</u> power cost for all three proposals under each economic evaluation methodology are projected to be at least 14.9 percent higher when compared to such costs for Stanton 2; and
  - o the estimated cumulative twenty-five (25) year present value (1997\$) power cost for all three proposals under each economic evaluation methodology are projected to be at least 19.2 percent higher when compared to such costs for Stanton 2.

Respectfully submitted,

R. W. BECK AND ASSOCIATES

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# Summary of Selected Characteristics of Proposed Projects and Stanton 2

Characteristics	Stanton 2	Enron	NRG	PG&E
Net Dependable Capacity (MW)	440	440	410	426
Fuel Type	Coal	Natural Gas	Coal	Natural Gas
Technology	Steam	Combined Cycle	Steam	Combined Cycle
Location (County)	Orange	Orange	Okeechobee	Brevard
Energy Price (\$/MMBtu) (1)	2.88	3.92/3,00 (4)	2.54	3.30
Interconnection Voltage (kV)	230	230	230/500 (2)	230
Wheeling Required	No	No	Yes	No
Full Load Heat Rate (Btu/kWh)	9,739	. 8,250	10,062	7,798
Capital Cost (\$-Mil) (3)	603	444	659	765
Capital Cost (\$/kW)	1,370	1,009	1,607	1,796

<sup>(1) -</sup> Initial year, 1997. (2) - Depends on arrangements for wheeling with FPL. (3) - Includes interest during construction. (4) - Option 1/Option 2.

## Stage Two Evaluation Summary of Weighted Scoring of Proposals

	Weighted Score					
Area of Evaluation/Description	NRG	Enron	PG&E			
Technical						
Location	13	25	25			
Respondent Experience	25	25	25			
Level of Development of Technology	25	25	25			
Status of Plans	9	3	2			
Fuel Diversity	25 25	13	13			
Fuel Supply	_25	_25	_25			
SUBTOTAL	122	116	115			
Financial						
. Committed Capital	1	10	10			
Equity Component	10	5	6			
Debt Coverage Ratio Security	10	_6	_10			
SUBTOTAL	_22	_27	_27			
Environmental						
Site Acquisition	10	2	10			
Permitting and Licensing	9	9	9			
Permitting Schedule	21	30	21			
Air Impacts	9 30	21 9	3 21			
Water Resources Impacts Solid Waste Impacts	18	18	18			
Land Use Compatibility		20	20			
Aesthetics	2 _5	_11	_11			
SUBTOTAL	104	120	113			
Economic						
Price Factor Score	-67 (1)	-73 (3)	-60 (2)			
Front Load Score	<u>0</u> (1) -67	<u>0</u> (3) <u>-73</u>	0(2)			
SUBTOTAL	-6/	-13	<u>-60</u>			
TOTAL	181	190	195			

<sup>(1) -</sup> From Exhibit 9, Baseline Pricing Methodology.
(2) - From Exhibit 10, Alternative Pricing Methodology.
(3) - From Exhibit 10, Alternative Pricing Methodology, Enron Option 1.

## Stage Two Evaluation Weighted Scoring of Enron Proposal

Area of Evaluation/ Exhibit No.	Description	Score	Weighting Factor	Weighted Score
Technical				
B.1.4 E.3.2 E.5.2 E.6.2 F.1.4 F.1.5	Location Respondent Experience Level of Dev. of Tech. Status of Plans Fuel Diversity Fuel Supply	10 10 10 1 5 _10	2.5 2.5 2.5 2.5 2.5 2.5 2.5	25 25 25 3 13 25
SUBTOTAL		_46		116
Financial				
D.1.4 D.1.4 D.1.4 G.3.2	Committed Capital Equity Component Debt Coverage Ratio Security	10 5 3 3	1.0 1.0 2.0 2.0	10 5 6 _6
SUBTOTAL	(,	_21		_27
Environmental				
C.1.3 C.6.2a C.6.2b C.6.2c C.6.2d C.6.2e C.6.2f C.6.2g	Site Acquisition Permitting and Licensing Permitting Schedule Air Impacts Water Resources Impacts Solid Waste Impacts Land Use Compatibility Aesthetics	1 3 10 7 3 7 10 7	2.0 3.0 3.0 3.0 3.0 2.5 2.0 1.5	2 9 30 21 9 18 20 
SUBTOTAL		_48		120
Economic				
G.1.1	Pricing Proposal			<u>-73</u> (1)
SUBTOTAL				<u>-73</u>
TOTAL				190

<sup>(1) -</sup> From Exhibit 10, Alternative Pricing Methodology, Enron Option 1.

## Stage Two Evaluation Weighted Scoring of NRG Proposal

Area of Evaluation/ Exhibit No.	Description	Score	Weighting Factor	Weighted Score
Technical				
B.1.4 E.3.2 E.5.2 E.6.2 F.1.4 F.1.5	Location Respondent Experience Level of Dev. of Tech. Status of Plans Fuel Diversity Fuel Supply	5 10 10 3.5 10	2.5 2.5 2.5 2.5 2.5 2.5 2.5	13 25 25 9 25 25
SUBTOTAL		48.5		122
Financial				
D.1.4 D.1.4 D.1.4 G.3.2	Committed Capital Equity Component Debt Coverage Ratio Security	1 1 5 	1.0 1.0 2.0 2.0	1 1 10 <u>10</u>
SUBTOTAL	(-	_12_		_22
Environmental				
C.1.3 C.6.2a C.6.2b C.6.2c C.6.2d C.6.2e C.6.2f C.6.2g	Site Acquisition Permitting and Licensing Permitting Schedule Air Impacts Water Resources Impacts Solid Waste Impacts Land Use Compatibility Aesthetics	5 3 7 3 10 7 1 3	2.0 3.0 3.0 3.0 3.0 2.5 2.0 1.5	10 9 21 9 30 18 2 _5
SUBTOTAL		39		104
Economic				
G.1.1	Pricing Proposal			<u>-67</u> (1)
SUBTOTAL				<u>-67</u>
TOTAL				181

<sup>(1) -</sup> From Exhibit 9, Baseline Pricing Methodology.

# Stage Two Evaluation Weighted Scoring of PG&E Proposal

Area of Byaluation/ Exhibit No.	Description	Score	Weighting Factor	Weighted Score
Technical				
B.1.4 E.3.2 E.5.2 E.6.2 F.1.4 F.1.5	Location Respondent Experience Level of Dev. of Tech. Status of Plans Fuel Diversity Fuel Supply	10 10 10 .8 5	2.5 2.5 2.5 2.5 2.5 2.5 2.5	25 25 25 2 13 25
SUBTOTAL		45.8		115
Financial				
D.1.4 D.1.4 D.1.4 G.3.2	Committed Capital Equity Component Debt Coverage Ratio Security	10 1 3 5	1.0 1.0 2.0 2.0	10 1 6 _10
SUBTOTAL	1	_19_		_27
Environmental				
C.1.3 C.6.2a C.6.2b C.6.2c C.6.2d C.6.2e C.6.2f C.6.2g	Site Acquisition Permitting and Licensing Permitting Schedule Air Impacts Water Resources Impacts Solid Waste Impacts Land Use Compatibility Aesthetics	5 3 7 1 7 7 10 7	2.0 3.0 3.0 3.0 3.0 2.5 2.0 1.5	10 9 21 3 21 18 20 
SUBTOTAL		47_		113
Economic				
G.1.1	Pricing Proposal			<u>-60</u> (1)
SUBTOTAL				<u>-60</u>
TOTAL				195

<sup>(1) -</sup> From Exhibit 10, Alternative Pricing Methodology.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Summary Baseline Proposals

## Analysis of Proposals - Baseline Pricing Methodology

			OUC Stan	ton2	NRG Ba	se	PG&E/Bec	htel	Enron Opt	ion1	Enron Opt	ion2
	Baseline Pricing Assumptions		Base	Esc	Base	Esc	Base	Esc	Base	Esc	Base	Esc
	Capacity Pricing:											
12345678	Het Dependable Capability Interconnect Losses	MU X X \$/MU-Ho X X \$/MU-Ho-X	440 0 0 10,108.00 80 80 0.00 105	0.00x 0.00x	410 0 0 20,583.33 80 80 257.29 105	0.00%	426 0 0 21,945.00 80 438.90 105		440 0 0 0 14,700.00 80 80 82.20 105	0.00%	440 0 0 0 14,700.00 80 80 82.20 105	
	Energy Pricing:											
9 10 11 12 13 14	Capacity Factor	X X 4/MMBtu e/MMBtu Btu/kWh	65 0 0 288 COAL 9,739		65 0 0 254 COAL 10,062		65 0 0 330 COAL 7,798		65 0 0 392 COAL 8,250		65 0 0 300 COAL 8,250	
	Fixed O&M Pricing:											
15 16 17	Base Fixed O&M Price (FOMB) Fixed O&M Indices (or Input) (Io,n) Fixed O&M Incentive/Penalty Rate (F)	S/MW-Mo S/MW-Mo	2,477.46 1.000 0.00	5.20% 0.00%	5,826.67 1.000 72.83	5.20% 0.00%	1,812.00 1.000 36.24	5.20% 0.00%	5,857.52 1.000 43.07	5.20% 0.00%	16,211.84 1.000 43.07	5.20% 0.00%
	Variable O&M Pricing:											
18 19	Base Variable O&M Price (VOMB) Variable O&M Indices (or Input) (1o,n)	\$/MWh	1.000	5.20%	1.60 1.000	5.20%	0.50 1.000	5.20%	0.00 1.000	5.20%	0.00 1.000	5.20%

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Summary Alternative Proposals

### Analysis of Proposals - Alternative Pricing Methodologies

			OUC Stan	ton2	NRG Alter	nate	PG&E/Bec	htel	Enron Opt	ion1	Enron Opt	ion2
	Baseline Pricing Assumptions			Esc	Base	Esc	Base	Esc	Base	Esc	Base	Esc
	Capacity Pricing:											
12345678	Met Dependable Capability Interconnect Losses	#W X X \$/#W-Ho X X \$/#W-Ho-X X	440 0 0 10,108.00 80 80 0.00 105	0.00%	410 0 0 18,208.33 80 80 227.60 105		426 0 0 21,945.00 80 80 438.90 105		440 0 0 14,700.00 80 80 82.20 105	0.00%	440 0 0 14,700.00 80 80 82.20 105	
	Energy Pricing:											
9 10 11 12 13 14	Capacity Factor	% % % e/MMBtu ) e/MMBtu Btu/kWh	65 0 0 288 COAL 9,739		65 0 0 254 COAL 10,062		65 0 0 330 PG&E 7,798		65 0 0 392 ENRON1 8,250		65 0 0 300 ENRON2 8,250	
	Fixed O&M Pricing:											
15 16 17	Base Fixed O&M Price (FOMB) Fixed O&M Indices (or Input) (Io,n) Fixed O&M Incentive/Penalty Rate (F)	S/HW-Mo S/HW-Mo	2,477.46 1.000 0.00	5.20%	5,826.67 1.000 72.83	5.20%	1,812.00 1.000 36.24	5.20%	0.00 1.000 0.00	5.20%	0.00 1.000 0.00	5.20%
	Variable O&M Pricing:											
18 19	Base Variable O&M Price (VOMB) Variable O&M Indices (or Input) (Io,n)		0.20 1.000	5.20%	1.60 1.000	5.20%	0.50 1.000	5.20%	10.03 ENRON1	NA	27.76 ENRON2	NA

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Results Baseline Methodology

## Analysis of Proposals - Baseline Pricing Methodology Summary of Proposals Assuming 80% EAF and 65% CF

TOTAL PAYMENTS  TOTAL PAYMENTS
1997 137,223 54.8 193,337 82.8 185,079 76.3 189,567 75.7 225,222 89.9 1998 142,508 56.9 198,909 85.2 189,690 78.2 196,454 78.4 235,713 93.3 1999 148,057 59.1 204,763 87.7 194,533 80.2 203,688 81.3 242,637 96.8 2000 153,875 61.4 210,904 90.3 199,609 82.3 211,274 84.3 242,637 96.8 2001 159,733 63.8 217,141 93.0 204,716 84.4 210,953 87.4 261,632 104.4 200,202 166,091 66.3 223,869 95.9 210,263 86.7 227,256 90.7 277,932 108.5 2003 172,953 69.0 231,093 99.0 216,251 89.2 236,191 94.3 282,918 112.9 2004 180,090 71.9 238,624 102.2 222,479 91.7 245,496 98.0 294,405 117.5 2005 187,735 74.9 246,663 105.7 229,152 94.5 255,443 102.0 306,610 122.4 2006 195,891 78.2 255,215 109.3 236,273 97.4 266,037 106.2 319,548 127.5 2007 204,559 81.6 264,288 113.2 243,842 100.5 277,285 110.7 333,288 133.0 2008 213,743 85.3 273,888 117.3 251,863 103.8 289,192 115.4 347,697 138.8 2009 223,445 89.2 284,021 121.7 260,337 107.3 301,766 120.4 362,944 144.9 2010 233,899 93.4 294,991 126.3 269,171 111.1 315,277 125.8 379,020 115.2 2010 233,899 93.4 294,991 126.3 269,171 111.1 315,277 125.8 379,020 115.2 2010 233,899 93.4 294,991 126.3 269,171 111.1 315,277 125.8 379,020 115.4 347,697 138.8 2012 255,815 102.3 318,288 133.1 228,337 107.3 301,766 120.4 362,944 144.9 2011 233,899 93.4 294,991 126.3 269,171 111.1 315,277 125.8 379,020 151.4 396,086 158.1 2012 256,885 102.3 318,288 136.3 269,171 111.1 315,277 125.8 379,020 151.4 244,649 97.7 306,116 131.1 278,860 115.0 329,207 131.4 396,086 158.1 2012 256,885 102.3 318,288 136.3 269,171 111.2 344,353 137.4 414,226 165.3 2014 224,649 97.7 306,116 131.1 278,860 115.0 329,207 131.4 396,086 158.1 2012 256,885 102.3 318,288 136.3 329,171 119.2 344,353 137.4 414,226 165.3 2014 224,649 97.7 306,116 131.1 278,860 115.0 329,207 131.4 396,086 158.1 2012 256,885 102.3 318,288 136.3 329,171 119.2 344,353 137.4 414,226 165.3 2014 224,649 97.7 306,116 131.1 278,860 115.0 329,207 131.4 396,086 158.1 2012 256,885 102.3 318,288 136.3 329,171 119.2 344,353 137.4 414,226 165.3 2016 330,090 143.3 500,091 143.7 425,558 182.
2001 159,733 63.8 217,141 93.0 204,716 84.4 218,933 81.4 261,532 104.8 2003 172,953 69.0 231,093 99.0 216,251 89.2 236,191 94.3 282,918 112.9 2004 180,090 71.9 238,624 102.2 222,479 91.7 245,496 98.0 294,405 117.5 2005 187,735 74.9 246,663 105.7 229,152 94.5 255,443 102.0 306,610 122.4 2006 195,891 78.2 255,215 109.3 236,273 97.4 266,037 106.2 319,548 127.5 2007 204,559 81.6 264,288 113.2 243,842 100.5 277,285 110.7 333,238 133.0 2008 213,743 85.3 273,888 117.3 251,863 103.8 289,192 115.4 347,697 138.8 2009 223,445 89.2 284,021 121.7 260,337 107.3 301,766 120.4 362,944 144.9 2010 233,899 93.4 294,891 126.3 269,471 111.1 315,277 125.8 379,202 151.4 2011 244,649 97.7 306,116 131.1 278,860 115.0 329,207 131.4 396,086 158.1 2012 256,385 102.3 318,288 136.3 289,117 119.2 344,353 137.4 414,226 165.3 2013 268,654 107.2 331,026 141.8 299,838 123.6 360,198 143.8 433,241 172.9 2014 281,688 112.4 344,535 147.6 311,230 128.3 377,013 150.5 453,356 181.0 2015 295,721 118.0 359,019 153.8 323,500 133.4 395,072 157.7 474,801 189.5 2017 326,111 130.2 390,369 167.2 350,072 144.3 434,169 173.3 521,180 208.0 2018 342,478 136.7 407,257 174.4 364,383 150.2 455,229 181.7 546,173 218.0 2019 360,091 143.7 425,358 182.2 379,788 156.6 477,839 190.7 572,813 228.0 2019 360,091 143.7 425,358 182.2 379,788 156.6 477,839 190.7 572,813 228.0 2019 360,091 143.7 425,358 182.2 379,788 156.6 477,839 190.7 572,813 228.0 2019 360,091 143.7 425,358 182.2 379,788 156.6 477,839 190.7 572,813 228.0 2020 378,726 51.2 444,091 190.4 396,089 163.3 501,746 200.3 600,933 239.9
Nominal Total \$(000) 5,983,217 7,503,027 6,856,170 8,049,789 9,654,481 Nominal Total (\$/kW) 13,598 18,300 16,094 18,295 21,942
Present Value \$(000) 2,558,649 3,299,033 3,047,842 3,464,365 4,150,964 Present Value (\$/kW) 5,815 8,046 7,155 7,874 9,434
Difference (PV\$/kW) - 2,231 1,339 2,058 3,619 Percent Ratio (PV\$/kW) - 138.4% 123.0% 135.4% 162.2%
PFS Score (Max 200) 0 -67 -40 -62 -109 FLBS Score (Max 25) 0 0 0 0

Results Alternative Methodology

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

## Analysis of Proposals - Alternative Pricing Methodologies Summary of Proposals Assuming 80% EAF and 65% CF

		OUC Stanton2 NRG Alternate		ernate	PG&E/Be	chtel	Enron 0	ption1	Enron Option2 TOTAL PAYMENTS		
	TOTAL PAYMENTS		AYMENTS	TOTAL PAYMENTS		TOTAL PA	YMENTS	TOTAL PA			YMENTS
Year		\$(000)	\$/MWh	\$(000)	S/M/h	\$(000)	\$/MWh	\$(000)	\$/MWh	\$(000)	\$/Muh
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020		137, 223 142, 508 148, 057 153, 875 159, 733 166, 090 187, 735 180, 090 187, 735 1204, 559 213, 743 223, 445 233, 899 244, 649 256, 654 281, 688 295, 721 310, 298 326, 111 342, 478 350, 726 378, 726 378, 726 398, 617	59.1 61.4 63.8 66.3 69.0 71.9 78.2 81.6 85.3 89.2 93.4 97.7 102.3 107.2 112.4 118.0 123.9	181,652 189,464 197,613 206,107 214,756 223,956 223,714 243,843 254,843 254,845 277,694 290,161 303,233 317,115 331,427 346,746 379,580 397,471 416,044 435,894 456,452 478,315 501,303 525,627	77.8 81.2 84.6 88.3 92.0 95.9 100.1 104.5 109.0 113.9 119.0 124.3 129.9 135.8 142.0 148.5 155.4 162.6 170.3 178.2 186.7 195.5 204.9 214.7 225.2	185,079 189,406 193,952 198,905 204,079 209,664 215,662 222,075 228,716 243,822 252,104 260,810 270,323 280,455 362,330 379,195 397,256 416,704 437,354 459,588 483,409 509,091 536,397 565,761	76.3 78.1 80.0 82.0 84.1 86.4 88.9 91.6 94.3 97.3 100.5 103.9 107.5 111.4 115.6 149.4 156.3 163.8 171.8 180.3 189.5 199.8 221.1 233.2	183,768 193,320 201,888 212,987 221,862 231,201 242,268 252,584 264,810 276,053 287,603 301,476 316,277 332,186 349,022 367,173 386,458 407,083 429,049 452,562 477,647 504,511 533,153 563,988 596,626	73.3 77.2 80.6 85.0 88.6 92.3 96.7 100.8 105.7 110.2 114.8 120.3 126.2 132.6 139.3 146.6 154.3 162.5 171.3 180.6 190.6 201.4 212.8 225.1 238.1	209, 172 216, 676 224, 612 232, 829 241, 711 251, 043 261, 096 271, 374 282, 567 294, 248 306, 637 319, 665 333, 639 348, 521 363, 891 380, 433 397, 839 416, 341 435, 757 478, 361 501, 573 526, 057 552, 018 579, 559	83.5 86.5 89.7 92.9 96.5 100.2 104.2 108.3 117.4 122.4 133.2 139.1 145.2 158.8 166.2 173.9 182.2 190.9 200.2 210.3 231.3
Nominal Total Nominal Total		5,983,217		8,031,300 19,589		7,938,022 18,634		8,585,554 19,513		8,882,396 20,187	
Present Value Present Value		2,558,649		3,438,769 8,387		3,327,819 7,812		3,621,959 8,232		3,824,336 8,692	
Difference Percent Ratio	(PV\$/kW) (PV\$/kW)			2,572	4	1,997	4	2,417		2,877 149.5%	
PFS Score FLBS Score	(Max 200) (Max 25)	) {	0	-77 0		-60 0		-73 0		-87 0	

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

Results Baseline Methodology

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

## Analysis of Proposals - Baseline Pricing Methodology Summary of Proposals Assuming 80% EAF and 65% CF

	OUC Star	nton2	NRG Base		PG&E/Bechtel		Enron Op	otion1	Enron Option2	
	TOTAL PAYMENTS		TOTAL PAYMENTS		TOTAL PAYMENTS		TOTAL PAY	MENTS	TOTAL PA	YMENTS
Year 	\$(000)	\$/MWh	\$(000)	\$/MJh	\$(000)	S/MUh	\$(000)	\$/MWh	\$(000)	\$/Muh
1997 1998 1999 2000 2001 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	137, 223 142,508 148,057 153,875 159,733 166,091 172,953 180,090 187,735 195,891 204,559 213,743 223,445 233,899 244,649 256,385 268,654 281,688 295,721 310,298 326,111 342,478 360,091 378,726 378,617	54.8 56.9 59.1 61.4 63.8 66.3 69.0 71.9 74.9 78.2 81.6 85.3 89.2 93.4 97.7 102.3 107.2 118.0 123.9 130.7 143.7 151.2 159.1	193, 337 198, 909 204, 763 210, 904 217, 141 223, 869 231, 993 238, 624 246, 663 255, 215 264, 288 273, 888 284, 921 294, 891 306, 116 318, 288 331, 926 344, 535 359, 919 374, 999 374, 999 374, 999 374, 999 374, 999 374, 999 374, 999 407, 257 425, 358 444, 491 464, 862	82.8 85.2 87.7 90.3 93.0 95.9 99.0 102.2 105.7 109.3 113.3 121.7 126.3 131.1 136.3 141.8 147.6 153.8 160.2 167.2 190.4	185,079 189,690 194,533 199,609 204,716 210,263 216,251 222,479 229,152 236,273 243,842 251,863 260,337 269,838 260,337 269,817 278,860 289,117 278,860 289,117 299,838 311,230 336,242 350,072 364,383 379,788 396,089 413,493	76.3 78.2 80.2 82.3 84.4 86.7 89.2 91.7 94.5 97.4 100.8 107.3 111.1 115.0 119.2 123.6 128.3 133.4 138.6 144.3 150.2 156.6 163.3 170.5	189,567 196,454 203,688 211,274 218,953 227,256 236,191 245,496 255,443 266,037 277,285 289,192 301,766 315,277 329,207 344,353 360,198 377,013 395,072 413,857 434,169 455,229 477,839 507,746 527,229	75.7 78.4 81.3 84.3 87.4 90.7 94.3 98.0 106.2 110.7 120.4 125.8 137.4 143.8 157.7 165.2 173.3 183.7	225, 222 233, 713 242, 637 252, 007 261, 632 271, 932 282, 918 294, 405 306, 610 319, 548 333, 238 347, 697 362, 944 379, 202 396, 086 414, 226 433, 241 453, 356 474, 801 497, 197 521, 180 546, 173 572, 813 600, 933 630, 769	89.9 93.3 96.8 100.6 104.4 108.5 112.9 117.5 122.4 127.5 133.8 144.9 151.4 158.4 158.4 158.4 158.5 208.0 228.6 239.9 251.8
Nominal Total \$(000) Nominal Total (\$/kW)	5,983,217 13,598		7,503,027 18,300		6,856,170 16,094		8,049,789 18,295		9,654,481	
Present Value \$(000) Present Value (\$/kW)	2,558,649		3,299,033 8,046		3,047,842 7,155		3,464,365 7,874		4,150,964 9,434	
Difference (PV\$/kW) Percent Ratio (PV\$/kW)			2,231 138.47		1,339 123.0%		2,058 135.4%		3,619	
PFS Score (Max 200 FLBS Score (Max 25)	0 0		-67 0		-40 0		-62 0		-109 0	

ORLANDO UTILITIES COMMISSION
JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Summary Baseline Proposals

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## Analysis of Proposals - Baseline Pricing Methodology

			OUC Stan	ton2	NRG Ba	NRG Base PG&E/Bechte		htel	Enron Option1		Enron Option2	
	Baseline Pricing Assumptions		Base	Esc	Base	Esc	Base	Esc	Base	Esc	Base	Esc
	Capacity Pricing:											
12345678	Net Dependable Capability	HU X X \$/HU-Ho X X \$/HU-Mo-X	440 0 0 10,108.00 80 80 0.00 105	0.00x 0.00x	410 0 0 20,583.33 80 80 257.29 105		426 0 0 21,945.00 80 80 438.90		440 0 0 14,700.00 80 80 82.20 105	0.00%	440 0 0 14,700.00 80 80 82.20 105	
	Energy Pricing:											
9 10 11 12 13 14	Capacity Factor	X X X e/MMBtu e/MMBtu Btu/kWh	65 0 0 288 COAL 9,739		65 0 0 254 COAL 10,062		65 0 0 330 COAL 7,798		65 0 0 392 COAL 8,250		65 0 0 300 COAL 8,250	
	Fixed O&M Pricing:											
15 16 17	Base Fixed O&M Price	\$/MW-Mo \$/MW-Mo	2,477.46 1.000 0.00	5.20% 0.00%	5,826.67 1.000 72.83	5.20% 0.00%	1,812.00 1.000 36.24	5.20% 0.00%	5,857.52 1.000 43.07	5.20% 0.00%	16,211.84 1.000 43.07	5.20% 0.00%
	Variable O&M Pricing:											
18 19	Base Variable O&M Price (VOMB) Variable O&M Indices (or Input) (Io,n)	\$/MUh	0.20 1.000	5.20%	1.60	5.20%	0.50 1.000	5.20%	0.00 1.000	5.20%	0.00 1.000	5.20%

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

OUC Stanton2 Baseline Page: 1 of 6

## Analysis of Proposals - Baseline Pricing Methodology OUC Stanton2

	. Beseline Pricing Assumptions		Base Year 1	997 Values	Annual Escalation
	Capacity Pricing:		(a)		(b)
1234567	Base Equivalent Avail. Factor ( Actual Equivalent Avail. Factor ( Capacity Incentive/Penalty Rate (	EAFa)	10,108.00 80 80 0.00	X X \$/HW-Ho X X \$/HW-Ho-X	0.00%
8	Maximum Capacity Price Factor (		105	×	
	Energy Pricing:				
9 10 11 12 13 14	Capacity Factor Interconnect Losses Wheeling Losses Base Fuel Compensation Price (Fuel Indices (Input) (Heat Rate	(BFCP) (FIi,c)	288 COAL	X X c/MMBtu c/MMBtu Btu/kWh	
	Fixed ORM Pricing:				
15 16 17	Fixed O&M Indices (or Input) (	(lo,n)	2,477.46 1.000 0.00		5.20% 0.00%
	Variable O&M Pricing:				
18			0.20 1.000	S/MUh	5.20%

OUC Stanton2 Baseline Page: 2 of 6

File: OUC1 Disk: F2674M Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

#### Analysis of Proposals - Baseline Pricing Methodology OUC Stanton2

#### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		· R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MY	S/MW-Yr	×	×	×	\$/MN-Yr-%	S/MV-Yr	S/MW-Yr	\$(000)
	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(I)	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	121,296 121,296	80 80 80 80 80 80 80 80 80 80	80 80 80 80 80 80 80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	121,296 121,296	53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370 53,370

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

OUC Stanton2 Baseling Page: 3 of 6

#### Analysis of Proposals - Baseline Pricing Methodology OUC Stanton2

#### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
Year	Mih	e/MMBtu	¢/MMBtu	e/MMBtu	¢/MMBtu	Btu/KWh	\$(000)
••••	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2021	2,505,360 2,505,360	288 288 288 288 288 288 288 288 288 288	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 967 1,028 1,091 1,159 1,231 1,308	288 307 326 347 368 390 415 440 467 496 527 560 595 632 671 713 757 804 855 907 964 1,023 1,087	9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739 9,739	70, 271 74, 849 79, 656 84, 692 89, 727 95, 221 101, 172 107, 352 113, 990 121, 086 128, 640 136, 651 145, 120 154, 276 163, 661 173, 961 184, 719 196, 164 208, 524 221, 343 235, 305 249, 726 265, 291 281, 771 299, 396

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) input (o) input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

OUC Stanton2 Baseline Page: 4 of 6

#### Analysis of Proposals - Baseline Pricing Methodology **OUC Stanton2**

#### Projected Fixed Operation and Maintenance Payments

	FOMB	lo	In		F		FOMP		
Net Dependable Capacity	Base Fixed O&M Price	Inital Fixed OEM Index	Projected Fixed O&M Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OEM Payments
MM	\$/MU-Yr	•	•	\$/MU-Yr	\$/MU-Yr-%	×	S/MW-Yr	S/MI-Yr	\$(000)
(s)	(t)	(u)	(v)	(w)	(x).	(y)	(z)	(aa)	(ab)
440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	29,730 29,730	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	29,730 31,275 32,902 34,613 38,306 40,298 42,393 44,598 46,917 49,357 51,923 54,623 57,464 60,452 63,595 66,902 70,381 74,041 77,891 81,202 90,685 95,400 100,361	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	000000000000000000000000000000000000000	29,730 31,275 32,902 34,613 38,306 40,298 42,393 44,598 46,917 49,357 51,923 54,623 57,464 60,452 63,595 66,902 70,381 74,041 77,891 81,941 81,941 86,202 90,685 95,400 100,361	13,081 13,761 14,477 15,230 16,022 16,855 17,731 18,653 19,623 20,643 20,643 21,777 22,846 24,034 25,284 26,599 27,982 29,458 32,578 34,272 34,901 37,929 39,901 41,976 44,159

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (u) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (u)+(z) (ab) (aa)\*(s)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Analysis of Proposals - Baseline Pricing Methodology OUC Stanton2

#### Projected Variable Operation and Maintenance Payments

		VOMB	lo	In		
	Net Dependable Generation	Base Variable OEM Price	Initial Variable ORM Index	Projected Variable O&M Index	Projected Variable OEM Price	Projected Total Variable O&M Payments
Year	Muh	S/Muh			\$/Muh	\$(000)
•••	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2020 2021	2,505,360 2,505,360	0.20 0.20 0.20 0.20 0.20 0.20 0.20 0.20	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	0.20 0.21 0.22 0.23 0.24 0.26 0.27 0.30 0.33 0.35 0.37 0.41 0.43 0.45 0.55 0.55	501 527 555 583 614 646 679 715 752 791 832 875 921 1,072 1,128 1,186 1,248 1,313 1,381 1,453 1,528 1,608

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(ad) (a.18)
(ae) (a.19)
(af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ag) (ad)\*(af)/(ae)
(ah) (ac)\*(ag)

Note: Values displayed represent rounding of actual values used to calculate total.

OUC Stanton2 Baseline Page: 5 of 6

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

OUC Stanton2 Baseline Page: 6 of 6

Analysis of Proposals - Baseline Pricing Methodology
OUC Stanton2

Projected Total Annual Payments Summary

Projected Average Annual Payments Summary

	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable OEM Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Psyments	TOTAL PAYMENTS
Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/Muh	\$/Mih	\$/MJh	S/MWh	S/Muh
	(ei)	(aj)	(ak)	(al)	(am)	(an)	(80)	(ap)	(pa)	(er)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	53, 370 53, 370	70, 271 74, 849 79, 656 84, 692 89, 727 95, 221 101, 172 107, 352 113, 990 121, 086 128, 640 136, 651 145, 120 154, 276 163, 661 173, 961 184, 719 196, 164 208, 524 221, 343 235, 305 249, 726 265, 291 281, 771 299, 396	18, 653 19, 623 20, 643 21, 717 22, 846 24, 034 25, 284 26, 599 27, 982 29, 437 30, 968 32, 578 34, 272 36, 054 37, 929 39, 901 41, 976	1,100 1,248 1,313 1,381 1,453 1,528 1,608	137, 223 142, 508 148, 507 153, 875 159, 733 166, 990 187, 735 180, 990 187, 735 195, 891 204, 559 213, 743 223, 445 233, 899 244, 649 256, 385 268, 654 281, 688 295, 721 310, 298 326, 111 342, 478 360, 091 378, 726 378, 617	21.3 21.3 21.3 21.3 21.3 21.3 21.3 21.3	28.0 29.9 31.8 33.8 35.8 36.0 42.8 45.5 51.3 54.5 57.9 65.3 69.4 73.7 78.3 83.2 88.3 99.7 105.9 119.5	5.2 5.5 5.8 6.1 6.4 7.1 7.8 8.7 9.1 9.6 10.6 11.2 11.7 12.4 13.0 13.7 14.4 15.1	0.2 0.2 0.2 0.3 0.3 0.3 0.3 0.3 0.4 0.4 0.4 0.5 0.5 0.5 0.6 0.6	54.8 56.9 59.1 61.4 63.8 66.3 69.0 71.9 74.9 78.6 85.3 89.2 97.7 102.3 107.2 118.0 123.9 130.7 143.7 159.1
nal Total \$(000	) 1,334,256	3,982,565	641,811	24,585	5,983,217					

Nominal Total \$(000) 1,334,256 3,982,565 641,811 24,585 5,983,217

Present Value \$(000) 665,491 1,614,074 268,788 10,296 2,558,649

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Ba Baseline Page: 1 of 6

## Analysis of Proposals - Baseline Pricing Methodology NRG Base

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation
,	Capacity Pricing:	(0)	(p)
12345678	Net Dependable Capability Interconnect Losses Wheeling Losses Base Capacity Price Base Equivalent Avail. Factor Actual Equivalent Avail. Factor Capacity Incentive/Penalty Rate(R) Maximum Capacity Price Factor (Page 1997)	(Fb) 80 % (Fa) 80 % 257.29 \$/MJ-Mo-%	0.00%
1	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor		
	Fixed ORM Pricing:		
15 16 17	Base Fixed O&M Price	),n) 1.000 -	5.20% 0.00%
	Variable O&M Pricing:		
18 19	Base Variable O&M Price (W Variable O&M Indices (or Input) (Id		5.20X

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Ba Baseline Page: 2 of 6

### Analysis of Proposals - Baseline Pricing Methodology NRG Base

### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MV	\$/MW-Yr	×	×	×	\$/MM-Yr-X	S/NU-Yr	\$/NH-YF	\$(000)
	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(j)	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018	410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0	247,000 247,000	80 80 80 80 80 80 80 80 80 80 80 80	80 80 80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087 3,087	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	247,000 247,000	101,270 101,270

Note: Values displayed represent rounding of actual values used to calculate total.

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)]
(a.4)\*12\*[1+(b.4)]^[Year-1997]
(a.5)
(a.6)
For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0
(a.7)\*12\*[1+(b.7)]^[Year-1997]
(g)\*(h)
Min[(d)+(i);(a.8)\*(d)]
(c)\*(])

NRG Ba Baseline Page: 3 of 6

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## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology NRG Base

### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
ear	MWh	e/MBtu	e/MMBtu	¢/MMBtu	e/MMBtu	Btu/KWh	\$(000)
	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2014 2015 2016 2017 2018 2019 2020 2021	2,334,540 2,334,540	254 254 254 254 254 254 254 254 254 254	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 901 1,159 1,231 1,308	254 271 288 306 324 344 366 388 412 438 465 494 525 558 629 668 709 754 800 851 903 959 1,082	10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062 10,062	59,665 63,552 67,633 71,909 76,185 80,849 96,786 102,810 109,224 116,026 123,217 138,959 147,705 156,839 166,557 177,051 187,935 199,790 212,034 225,250 239,243 254,208

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

#### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Ba Baseline Page: 4 of 6

### Analysis of Proposals - Baseline Pricing Methodology NRG Base

### Projected Fixed Operation and Maintenance Payments

	FOMB	10	In		F		FORP		
Net Dependable Capacity	Base Fixed O&M Price	Inital Fixed OEM Index	Projected Fixed O&M Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed OEM Incentive (Pensity) Price	Projected Total Fixed O&M Price	Projected Total Fixed O&M Payments
HU	\$/MW-Yr			\$/MW-Yr	\$/MU-Yr-%	x	S/MU-Yr	S/MW-Yr	\$(000)
(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0	69,920 69,920	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	69, 920 73, 556 77, 381 81, 405 85, 638 90, 091 94, 776 99, 704 104, 888 110, 343 116, 343 116, 343 116, 343 117, 128, 467 135, 147 142, 175 149, 568 157, 345 157, 3	874 874 874 874 874 874 874 874 874 874	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0		69,920 73,556 77,381 81,638 90,091 94,776 99,704 104,888 110,343 116,080 122,117 128,467 135,147 142,175 149,568 157,527 174,135 165,527 174,135 183,190 192,715 202,737 213,279 224,037	28,667 30,158 31,766 33,376 35,111 36,937 38,858 40,879 43,004 45,240 45,240 45,240 50,068 52,671 55,471 55,471 58,292 61,323 64,512 67,395 75,108 83,122 87,444 96,775

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (u) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For [(e)-(f)]>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (w)+(z) (ab) (aa)\*(s)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Ba Baseline Page: 5 of 6

Analysis of Proposals - Baseline Pricing Methodology NRG Base

### Projected Variable Operation and Maintenance Payments

		VOHB	lo	In		
	Net Dependable Generation	Base Variable OEM Price	Initial Variable O&M Index	Projected Variable ORM Index	Projected Variable O&M Price	Projected Total Variable O&M Payments
Year	MMh	\$/MWh			\$/Muh	\$(000)
	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2021	2,334,540 2,334,540	1.60 1.60 1.60 1.60 1.60 1.60 1.60 1.60	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.050 3.376	1.60 1.68 1.77 1.86 2.06 2.17 2.28 2.40 2.53 2.66 2.79 2.99 3.25 3.42 3.60 3.79 3.98 4.19 4.41 4.64 4.88 5.13	3,735 3,929 4,134 4,349 4,575 4,813 5,063 5,603 5,603 6,520 7,595 7,990 8,406 8,843 9,303 9,786 10,295 10,831 11,986 12,610

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(ad) (a.18)
(ae) (a.19)
(af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ag) (ad)\*(af)/(ae)
(ah) (ac)\*(ag)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Ba Baseline Page: 6 of 6

## Analysis of Proposals - Baseline Pricing Methodology NRG Base

Projected Total Annual Payments Summary

Projected Average Annual Payarnts Summary

	Year	Capacity Payments \$(000)	Energy Payments \$(000)	Fixed O&M Payments \$(000)	Variable O&M Payments \$(000)	TOTAL PAYMENTS	Capacity Payments \$/MUh	Energy Payments \$/MWh	Fixed O&M Payments \$/Muh	Variable O&M Payments \$/MWh	TOTAL PAYMENTS
	<del></del>	(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(ps)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2016 2017 2018 2019 2019 2019 2019 2020 2020 2020 2021	101,270 101,270	59,665 63,552 67,633 71,909 76,185 80,849 85,902 91,149 96,786 102,810 109,224 116,026 123,217 130,991 138,959 147,705 156,839 166,557 177,051 187,935 199,790 212,034 225,250	28,667 30,158 31,726 33,376 35,111 36,937 38,858 40,879 43,004 45,240 47,593 52,671 55,410 58,202 61,323 64,512 67,866 71,395 75,108 79,013 87,444 91,991 96,775	3,735 3,929 4,1349 4,575 4,813 5,063	193, 337 198, 909 204, 763 210, 904 217, 141 223, 869 231, 093 238, 624 246, 663 255, 215 264, 863 273, 888 284, 021 294, 891 306, 116 318, 288 331, 026 344, 535 335, 019 374, 099 390, 369 407, 257 425, 358 444, 491 464, 862	43.4 43.4 43.4 43.4 43.4 43.4 43.4 43.4	25.6 27.2 29.0 30.8 32.6 34.6 36.8 39.5 44.0 46.8 59.5 63.3 67.2 71.3 80.5 80.5 80.5 90.5 102.5	12.3 12.9 13.6 14.3 15.8 16.6 17.5 18.4 19.4 20.4 22.6 23.7 25.3 27.6 29.1 30.6 32.2 33.8 37.5 39.4	1.6 1.7 1.8 1.9 2.1 2.3 2.3 2.5 2.7 2.8 3.1 3.6 3.6 4.2 4.4 4.6 4.9 5.1	82.8 85.2 87.7 90.3 93.0 95.9 99.9 102.2 105.7 109.3 117.3 121.7 126.3 131.3 141.8 147.8 147.8 147.8 147.8 147.8 147.8 149.1
Nominal	Total \$(000)	2,531,750	3,381,468	1,406,541	183,269	7,503,027					
Present	Value \$(000)	1,262,769	1,370,459	589,053	76,752	3,299,033					

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

PG&E/Bechtel Baseline Page: 1 of 6

# Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation
	Capacity Pricing:	(6)	(b)
12345678	Net Dependable Capability	AFb) 80 % AFa) 80 % 438.90 \$/MM-Mo-%	0.00X 0.00X
	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor	65 % 0 % 0 % 5CP) 330 ¢/MMBtu 1i,c) COAL ¢/MMBtu 7,798 Btu/kWh	
	Fixed O&M Pricing:		
15 16 17	Base Fixed O&M Price	o,n) 1.000 -	5.20% 0.00%
	Variable O&M Pricing:		
18 19	Base Variable O&M Price (V Variable O&M Indices (or Input) (I		5.20%

# PG&E/Bechtel Baseline Page: 2 of 6

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

### Projected Annual Capacity Payments

	Pb	EAFb	EAFa		R			
Net Dependabl Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
MI	S/MW-Yr	x	×	×	\$/MJ-Yr-%	S/MW-Yr	S/MW-Yr	\$(000)
(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
426. 426. 426. 426. 426. 426. 426. 426.	0 263,340 0 263,340	80 80 80 80 80 80 80 80 80 80 80 80 80 8	80 80 80 80 80 80 80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	5, 267 5,	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	263,340 263,340 263,340 263,340 263,340 263,340 263,340	112, 183 112, 183

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)] (a.4)\*12\*[1+(b.4)]^[Year-1997]

<sup>(</sup>e) (a.5) (f) (a.6)

<sup>(</sup>a.7)\*12\*[1+(b.7)]^[Year-1997]
(g)\*(h)
Min[(d)+(i);(a.8)\*(d)]
(c)\*(j)

PG&E/Bechtel Baseline Page: 3 of 6

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
r	Muh	e/MMBtu	e/MMBtu	e/MMBtu	e/MMBtu	Btu/KWh	\$(000)
	(1)	(m)	(n)	(0)	(p)	(p)	(1)
7890123456789012345678901	2,425,644 2,425,644	330 330 330 330 330 330 330 330 330 330	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 911 911 1,159 1,231 1,308	330 351 374 421 447 475 504 535 569 664 681 724 769 817 867 921 979 1,039 1,173 1,243 1,406	7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798 7,798	62,420 66,487 70,756 75,756 75,702 84,582 89,869 95,358 101,255 107,558 114,267 121,384 128,907 137,039 145,376 154,525 164,081 174,248 185,227 196,613 209,613 221,825 235,651 225,946

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

PG&E/Bechtel Bas line Page: 4 of 6

### File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

### Projected Fixed Operation and Maintenance Payments

		FOMB	10	In		F		FOMP		
	Net Dependable Capacity	Base Fixed O&M Price	Inital Fixed O&M Index	Projected Fixed O&M Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed O&M Payments
Year	MU	\$/MW-Yr			\$/MW-Yr	\$/MU-Yr-%	x	\$/MJ-Yr	\$/MU-Yr	\$(000)
	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2021	426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0	21, 744 21, 744	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.250 3.376	21,744 22,875 24,064 25,316 26,632 28,017 29,474 31,006 32,619 34,315 36,999 37,976 39,951 44,214 46,513 48,932 51,476 54,153 56,969 59,931 63,048 66,326 69,775 73,404	435 435 435 435 435 435 435 435 435 435	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	21,744 22,875 24,064 25,316 26,632 28,017 29,474 31,006 32,619 34,315 36,099 37,976 39,951 44,214 46,513 48,932 51,476 54,153 56,969 56,326 66,326 66,326 66,326	9,263 9,745 10,251 10,754 11,935 12,556 13,209 13,896 14,618 17,019 17,019 18,835 19,815 20,845 21,929 23,069 24,265 25,531 26,858 28,255 29,724 31,270

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12

<sup>(</sup>a) (a.15)\*[1-(a.2)]\*[1-(a.3)]
(t) (a.15)\*12
(u) (a.16); or Input
(v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input
(u) (t)\*(v)/(u)
(x) (a.17)\*12\*[1+(b.17)]^[Year-1997]
(y) For [(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0
(z) (x)\*(y)
(as) (w)+(z)
(ab) (as)\*(s)

PG&E/Bechtel Ba. eline Page: 5 of 6

File: OUC1 Disk: F2674H Beck: EF5306CA3AB

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

### Projected Variable Operation and Maintenance Payments

		VOMB	lo	. In		
	Net Dependable Generation	Base Variable OEM Price	Initial Variable OEM Index	Projected Variable OEM Index	Projected Variable O&M Price	Projected Total Variable OEM Payments
Year	MWh	\$/Mh		•	\$/Mh	\$(000)
***	(ac)	(bd)	(ae)	(af)	(eg)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,425,644 2,425,644	0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	0.50 0.53 0.55 0.58 0.61 0.64 0.68 0.71 0.75 0.79 1.02 1.07 1.13 1.18 1.25 1.31 1.38 1.45 1.53	1,213 1,276 1,342 1,412 1,485 1,563 1,644 1,729 1,819 1,914 2,118 2,228 2,344 2,466 2,574 2,729 2,871 3,021 3,021 3,700 3,700 3,892 4,094

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(ad) (a.18)
(ae) (a.19)
(af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ag) (ad)\*(af)/(ae)
(ah) (ac)\*(ag)

#### PG&E/Rechtel Buseline Page: 6 of 6

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

## Analysis of Proposals - Baseline Pricing Methodology PG&E/Bechtel

Projected Total Annual Payments Summary

454,481

190,335

Projected Average Assual Payments Summary

	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS
Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/Mh	S/MJh	\$/Mith	S/MWh	\$/Muh
	(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(ps)	(ar)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2017 2018 2019 2020 2021	112, 183 112, 183	62,420 66,487 70,756 75,229 75,702 84,582 89,869 95,358 101,255 107,558 1121,384 128,907 137,039 145,376 154,525 164,081 174,081 185,227 196,613 209,016 221,825 235,651 250,290 265,946	11,556 13,209 13,896 14,618 15,378 16,178 17,019 17,904 18,835 19,815 20,845 21,929 23,069 24,269 24,269 25,531 26,858 28,255 29,724	2,014 2,118 2,228 2,344 2,466 2,729 2,871 3,021 3,178 3,343 3,517 3,700	364,383 379,788 396,089	46.2 46.2 46.2 46.2 46.2 46.2 46.2 46.2	71.8 76.4 81.1 86.2 91.4 97.1	3.8 4.0 4.2 4.4 4.7 4.9 5.4 5.7 6.0 6.3 6.7 7.0 7.8 8.2 8.6 9.5 10.5 11.1 11.6 12.9	1.6	76.3 78.2 80.2 82.3 84.4 86.7 89.2 91.7 94.5 103.8 107.3 111.1 115.0 119.2 123.6 128.3 133.4 138.4 138.6 144.3 150.2 156.6 163.3 170.5

59,506 6,856,170

24,921 3,047,842

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

2,804,571 3,537,612

Nominal Total \$(000)

Present Value \$(000) 1,398,845 1,433,741

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Enron Option1
Baseline
Page: 1 of 6

# Analysis of Proposals - Baseline Pricing Methodology Enron Option1

	Baseline Pricing Assumptions		Base Year 19	997 Values	Annual Escalation
	Capacity Pricing:		(0)		(b)
12345678	Net Dependable Capability Interconnect Losses Wheeling Losses Base Capacity Price Base Equivalent Avail. Factor Actual Equivalent Avail. Factor Capacity Incentive/Penalty Rate Maximum Capacity Price Factor	(EAFb) (EAFa) (R)	14,700.00 80 80	X X S/MJ-Mo X X S/MJ-Mo-X	0.00% 0.00%
	Energy Pricing:				
9 10 11 12 13 14	Capacity Factor Interconnect Losses Wheeling Losses Base Fuel Compensation Price Fuel Indices (Input) Heat Rate	(BFCP) (FIi,c)	392 COAL	X X e/MMBtu e/MMBtu Btu/kWh	
	Fixed OBM Pricing:				
15 16 17	Base Fixed O&M Price Fixed O&M Indices (or Input) Fixed O&M Incentive/Penalty Rate	(Io,n)	5,857.52 1.000 43.07		5.20% 0.00%
	Variable OEM Pricing:				
18 19	Base Variable O&M Price Variable O&M Indices (or Input)	(VOMB) (lo,n)	0.00 1.000	\$/Huh	5.20%

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option Baseline Page: 2 of 6

### Analysis of Proposals - Baseline Pricing Methodology Enron Optioni

### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R		- 100	
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MU	S/MW-Yr	×	×	×	\$/MW-Yr-%	\$/WW-Yr	\$/MU-Yr	\$(000)
	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(J)	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2013 2014 2015 2016 2017 2018 2019 2019 2010 2011 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2020 2020 2020 2020 2020	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	176,400 176,400	80 80 80 80 80 80 80 80 80 80 80 80 80 8	80 80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	986 986 986 986 986 986 986 986 986 986	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	176,400 176,400	77,616 77,616

<sup>(</sup>c) (a.1)\*[1-(a.2)]\*[1-(a.3)] (d) (a.4)\*12\*[1+(b.4)]^[Year-1997]

<sup>(</sup>e) (a.5) (f) (a.6)

<sup>(</sup>g) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (i) (g)\*(h) (g)\*(h) (j) Min[(d)+(i);(a.8)\*(d)] (k) (c)\*(j)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Optioni Baseline Page: 3 of 6

### Analysis of Proposals - Baseline Pricing Methodology Enron Option1

### Projected Annual Energy Payments

		BFCP	FIo	FIC	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
Year .	Mih	e/MMBtu	e/MMBtu	¢/MMBtu	e/MMBtu	Btu/KWh	\$(000)
	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2020 2020 2020 2020 2020	2,505,360 2,505,360	392 392 392 392 392 392 392 392 392 392	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 967 1,028 1,091 1,159	392 418 444 472 501 531 564 599 636 675 718 762 810 861 913 970 1,030 1,043 1,163 1,235 1,313 1,480 1,572 1,670	8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250	81,023 86,302 91,844 97,650 103,457 109,791 116,652 123,778 131,432 139,614 148,323 157,560 167,325 177,882 188,703 200,579 212,983 226,179 240,431 257,309 287,936 305,883 324,885 345,207

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option 1 Baseline Page: 4 of 6

### Analysis of Proposals - Baseline Pricing Methodology Enron Option1

### Projected Fixed Operation and Maintenance Payments

		FOMB	Io	In		F		FOMP		
	Net Dependable Capacity	Base Fixed OEM Price	Inital Fixed ORM Index	Projected Fixed OSM Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed ORM Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OLM Payments
Year	MJ	S/MH-Yr			\$/MW-Yr	S/MJ-Yr-%	×	\$/MU-Yr	\$/MW-Yr	\$(000)
	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(88)	(ab)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	70,290 70,290	1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	70,290 73,945 77,790 81,836 86,091 90,568 95,277 100,232 105,444 110,927 116,695 122,763 129,147 135,863 142,927 150,360 158,178 166,404 175,057 184,159 193,736 203,810 214,408 225,557 237,286	517 517 517 517 517 517 517 517 517 517	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	70, 290 73, 945 77, 790 81, 836 86, 091 90, 568 95, 277 100, 232 105, 444 110, 927 116, 695 122, 763 129, 147 135, 863 142, 927 150, 360 142, 927 150, 360 142, 927 150, 360 142, 927 150, 360 142, 927 150, 360 142, 927 150, 360 144, 408 175, 057 184, 159 124, 408 225, 557 237, 286	30,928 32,536 34,228 36,008 37,850 41,922 44,102 46,395 48,808 51,346 54,016 56,158 66,158 66,158 67,7025 81,030 85,244 89,676 94,340 99,245

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (w) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For [(e)-(f)]>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (w)+(z) (ab) (aa)\*(s)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Enron Optical Baseline Page: 5 of 6

### Analysis of Proposals - Baseline Pricing Methodology Enron Option1

### Projected Variable Operation and Maintenance Payments

		VOMB	Io	În		
	Net Dependable Generation	Bese Variable OEM Price	Initial Variable ORM Index	Projected Variable OSM Index	Projected Variable O&M Price	Projected Total Variable O&M Payments
Year	Milito	\$/MWh			\$/Mih	\$(000)
•••	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,505,360 2,505,360	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	000000000000000000000000000000000000000

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (ad) (a.18) (ae) (a.19) (af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input (ag) (ad)\*(af)/(ae) (ah) (ac)\*(ag)

Note: Values displayed represent rounding of actual values used to calculate total.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option: Baseline Page: 6 of 6

# Analysis of Proposals - Baseline Pricing Methodology Enron Option1

Projected Total Annual Payments Summary

Projected Average Annual Payments Summary

		Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS
	Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	S/Mih	\$/Muh	\$/MJh	\$/Mih	\$/Mih
		(ai)	(aj)	(ak)	(al)	(em)	(an)	(ao)	(ap)	(pg)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2007 2010 2011 2012 2013 2014 2015 2016 2017 2016 2017 2018 2019 2020 2020 2021	77,616 77,616		30,928 32,536 34,228 36,008 39,850 41,922 44,102 46,395 48,808 51,346 54,016 56,825 59,780 62,888 66,158 69,598 73,218 77,225 81,030 85,244 89,676 99,245 104,406	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	189, 567 196, 454 203, 688 211, 274 218, 953 227, 256 236, 191 245, 496 255, 443 266, 037 277, 285 289, 192 301, 766 315, 277 329, 207 344, 353 360, 198 377, 013 395, 072 413, 857 434, 169 457, 229 477, 839 501, 746 527, 229	31.0 31.0 31.0 31.0 31.0 31.0 31.0 31.0	32.3 34.4 36.7 39.0 41.3 43.8 46.6 49.4 52.5 55.7 59.9 66.8 71.0 75.3 80.1 85.0 90.3 90.3 91.9 101.9 108.3 114.9 129.7	12.3 13.0 13.7 14.4 15.1 15.9 16.7 17.6 18.5 20.5 21.6 22.7 23.9 25.4 27.8 29.2 30.7 32.3 34.0 35.7 39.6 41.7	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	75.7 78.4 81.3 84.3 87.4 90.7 94.3 98.0 102.0 106.2 110.4 125.4 125.4 137.4 143.8 150.5 157.7 165.2 173.3 181.7 200.3 210.4
Nominal	Total \$(000)	1,940,400	4,591,939	1,517,450	0	8,049,789					
Present	Value \$(000)	967,820	1,861,044	635,501	0	3,464,365					

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

### ORLANDO UTILITIES COMMISSION JOINT REGJEST FOR POWER SUPPLY PROPOSAL

Enron Option2 Baseline Page: 1 of 6

# Analysis of Proposals - Baseline Pricing Methodology Enron Option2

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation
	Capacity Pricing:	(0)	(b)
12345678	Net Dependable Capability Interconnect Losses	80 % 82.20 \$/MW-Mo-%	0.00%
	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor	65 % 0 % 0 % 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
1	Fixed OEM Pricing:		
15 16 17	Base Fixed O&M Price (FOMI Fixed O&M Indices (or Input) (Io,I Fixed O&M Incentive/Penalty Rate (F)		5.20X 0.00X
	Variable O&M Pricing:		
18 19	Base Variable O&M Price (VOM Variable O&M Indices (or Input) (Io,		5.20%

## ORLANDO UTILITIES CONMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology Enron Option2

### Projected Annual Capacity Payments

	Pb	EAFb	EAFa		R			
Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
IN .	S/MJ-Yr	×	×	×	S/MJ-Yr-%	\$/MW-Yr	\$/MU-Yr	\$(000)
(c)	(d)	(e)	(f)	(g)	(h)	(1)	(1)	(k)
440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	176,400 176,400	80 80 80 80 80 80 80 80 80 80 80	80 80 80 80 80 80 80 80 80 80 80 80 80 8	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	986 986 986 986 986 986 986 986 986 986	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	176,400 176,400 176,400 176,400 176,400 176,400 176,400 176,400 176,400	77,616

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)] (a.4)\*12\*[1+(b.4)]^[Year-1997] (a.5) (a.6)

Note: Values displayed represent rounding of actual values used to calculate total.

<sup>(</sup>a.o)
For (e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0
(a.7)\*12\*[1+(b.7)]^(Year-1997]
(g)\*(h)
Min[(d)+(i);(a.8)\*(d)]
(c)\*(j)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology Enron Option2

### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Total Energy Compens. Payments
Year	Milh	e/MMBtu	e/MMBtu	¢/MMBtu	e/MMBtu	Btu/K\h	\$(000)
••••	(1)	(m)	(n)	(0)	(p)	(q)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,505,360 2,505,360	300 300 300 300 300 300 300 300 300 300	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 1,028 1,091 1,159 1,231 1,308	300 320 340 362 383 407 432 458 487 517 549 583 620 659 743 789 837 890 945 1,005 1,066 1,133 1,278	8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250	62,008 66,047 70,289 74,732 79,176 84,023 89,275 94,728 100,586 106,847 113,512 128,055 136,134 144,415 1513,504 162,997 173,096 184,003 195,314 207,635 220,359 234,637 264,189

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option2 Baseline Page: 4 of 6

### Analysis of Proposals - Baseline Pricing Methodology Enron Option2

### Projected Fixed Operation and Maintenance Payments

		FOMB	10	In		F		FOMP		
	Net Dependable Capacity	Base Fixed O&M Price	Initel Fixed ORM Index	Projected Fixed O&M Index	Projected Fixed OEM Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OEM Payments
Year	MM	S/MW-Yr	••		S/MV-Yr	S/MU-Yr-X	×	S/MI-Yr	S/MU-Yr	\$(000)
••••	(8)	(t)	(u)	(v)	(H)	(x)	(y)	(z)	(aa)	(ab)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2017 2018 2019 2020 2020 2020 2020 2020 2020 2020	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	194,542 194,542	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 3.050	194, 542 204, 658 215, 300 226, 496 238, 274 250, 664 263, 699 277, 411 291, 836 307, 012 322, 977 339, 771 337, 439 376, 026 395, 580 416, 150 437, 790 460, 555 484, 503 509, 698 536, 202 564, 084 593, 417 624, 274 656, 737	517 517 517 517 517 517 517 517 517 517	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	194, 542 204, 658 215, 300 226, 496 238, 274 250, 664 263, 699 277, 411 291, 836 307, 012 322, 977 339, 771 357, 439 376, 026 395, 580 416, 150 437, 790 460, 555 484, 503 509, 698 536, 202 564, 084 593, 417 624, 274 656, 737	85, 599 90, 050 94, 732 99, 658 104, 841 110, 292 116, 027 128, 408 135, 085 142, 110 149, 499 157, 273 165, 452 174, 055 183, 106 192, 627 202, 644 213, 182 224, 267 235, 929 248, 197 261, 103 274, 681 288, 964

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (w) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For [(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (w)+(z) (ab) (aa)\*(s)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Analysis of Proposals - Baseline Pricing Methodology Enron Option2

Projected Variable Operation and Maintenance Payments

		VOMB	lo .	In		-
	Net Dependable Generation	Base Variable OEM Price	Initial Variable O&M Index	Projected Variable O&M Index	Projected Variable D&M Price	Projected Total Variable O&M Payments
Year	Milh	S/Mih			\$/Mih	\$(000)
	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2021	2,505,360 2,505,360	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.5747 1.837 1.933 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.376	0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Note: Values displayed represent rounding of actual values used to calculate total.

Enron Op ion2 Baseline Page: 5 of 6

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(ad) (a.18)
(ae) (a.19)
(af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ag) (ad)\*(af)/(ae)
(ah) (ac)\*(ag)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option2 Baseline Page: 6 of 6

Analysis of Proposals - Baseline Pricing Methodology
Enron Option2

Projected Total Annual Payments Summary

Projected Average .....ual Payments Summary

		Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS
	Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/Mih	\$/MWh	s/Mih	\$/Mih	\$/Mith
		(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(pg)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	77,616 77,616	62, 008 66, 047 70, 289 74, 732 79, 176 84, 023 89, 275 94, 728 100, 586 106, 847 113, 582 128, 055 136, 134 144, 415 153, 504 162, 997 173, 096 184, 003 195, 314 207, 635 234, 094 248, 637 264, 189	85, 599 90, 050 94, 732 99, 658 104, 841 110, 292 116, 027 122, 061 128, 408 135, 085 142, 110 149, 499 157, 273 165, 452 174, 055 183, 106 192, 627 202, 644 213, 182 224, 267 235, 929 248, 197 261, 103 274, 681 288, 964	0	225, 222 233, 713 242, 637 252, 007 261, 632 271, 932 282, 918 294, 405 306, 610 319, 548 333, 238 347, 697 362, 944 379, 086 414, 226 433, 241 453, 324 474, 801 497, 197 521, 813 600, 933 630, 769	31.0 31.0 31.0 31.0 31.0 31.0 31.0 31.0	24.8 26.4 28.1 29.6 33.5 35.6 37.8 40.1 42.6 45.3 65.1 51.1 54.3 65.1 73.4 78.0 93.4 99.2	34.2 35.9 37.8 41.8 44.0 46.3 51.3 53.9 56.7 62.8 66.5 73.1 76.9 85.1 89.5 99.1 104.2 109.6		208.0 218.0 228.6 239.9
Nominal	Total \$(000)	1,940,400	3,514,239	4,199,842	0	9,654,481					
Present	Value \$(000)	967,820	1,424,269	1,758,875	0	4,150,964					

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

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## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Analysis of Proposals - Alternative Pricing Methodologies

Summary of Proposals Assuming 80% EAF and 65% CF

	OUC Stan	ton2	NRG ALT	ernate	PG&E/Bed	htel	Enron O	ption1	Enron 0	ption2
	TOTAL PAY	MENTS	TOTAL PA	YMENTS	TOTAL PAY	MENTS	TOTAL PA	YMENTS	TOTAL PA	YMENTS
Year	\$(000)	S/Muh	\$(000)	\$/MUh	\$(000)	\$/HUh	\$(000)	\$/Muh	\$(000)	\$/Muh
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2021	137, 223 142, 508 148, 057 153, 875 159, 733 166, 091 172, 953 180, 090 187, 735 195, 891 204, 559 213, 743 223, 445 233, 445 233, 899 244, 649 256, 385 268, 654 281, 688 295, 721 310, 298 326, 111 342, 478 360, 091 378, 726 398, 617	54.8 56.9 59.1 61.4 63.8 69.0 71.9 78.2 81.3 89.2 93.4 102.3 107.2 118.0 123.9 136.7 143.7 159.1	181, 652 189, 464 197, 613 206, 107 214, 756 223, 956 233, 714 243, 843 254, 544 265, 825 277, 694 290, 161 303, 233 317, 115 331, 427 346, 763 362, 746 379, 580 397, 471 416, 044 435, 894 4456, 452 478, 315 501, 303 525, 627	77.8 81.2 84.6 88.3 92.0 95.9 100.1 104.5 109.0 113.9 119.0 124.3 129.9 135.8 142.0 148.5 155.4 162.6 170.3 178.2 186.7 195.5 204.9 214.7 225.2	185,079 189,406 193,952 198,905 204,079 209,664 215,662 222,075 228,716 235,964 243,822 252,104 260,810 270,323 280,455 362,330 379,195 397,256 416,704 437,354 459,588 483,409 509,011 536,397 565,761	76.3 78.1 80.0 82.0 84.1 86.4 88.9 91.6 94.3 97.3 100.5 103.9 107.5 111.4 115.6 149.4 156.3 163.8 171.8 180.3 199.3 209.8 221.1 233.2	183,768 193,320 201,888 212,987 221,862 231,201 242,268 252,584 264,810 276,053 287,603 301,476 316,277 332,186 349,022 367,173 386,458 407,083 429,049 452,562 477,647 504,511 533,153	73.3 77.2 80.6 85.0 88.6 92.3 96.7 100.8 105.7 110.8 120.3 126.2 132.6 154.3 146.6 154.3 180.6 190.6 201.4 212.8 225.1 238.1	209, 172 216,676 224, 612 232, 829 241, 711 251, 043 261, 096 271, 374 282, 567 294, 248 8 306, 637 319, 665 333, 839 348, 521 380, 433 397, 839 416, 341 435, 757 478, 361 501, 573 526, 057 579, 559	83.5 86.5 89.7 92.9 96.5 100.2 108.3 112.8 117.4 127.6 133.2 139.1 145.2 151.8 158.8 166.2 173.9 182.2 190.2 210.0 221.3
Nominal Total \$(000 Nominal Total (\$/kk			8,031,300 19,589		7,938,022 18,634		8,585,554 19,513		8,882,396 20,187	
Present Value \$(000 Present Value (\$/kk	2,558,649		3,438,769 8,387		3,327,819		3,621,959 8,232		3,824,336 8,692	
Difference (PV\$/ Percent Ratio (PV\$/	rkw) -		2,572		1,997 134.3%		2,417		2,877	•
PFS Score (Max FLBS Score (Max	200) 0		-77 0		-60 0		-73 0		-87 0	

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Summary Alternative Proposals

## Analysis of Proposals - Alternative Pricing Methodologies

			OUC Stan	ton2	NRG Alter	nate	PG&E/Bec	htel	Enron Opt	ion1	Enron Opt	ion2
	Baseline Pricing Assumptions		Base	Esc	Base	Esc	Base	Esc	Base	Esc	Base	Esc
	Capacity Pricing:											
12345678	Net Dependable Capability	HW X X X S/MW-Mo X X \$/MW-Mo-X X	440 0 0 0 10,108.00 80 80 0.00 105	0.00% 0.00%	410 0 0 18,208.33 80 80 227.60	2.50%	426 0 0 21,945.00 80 80 438.90		440 0 0 0 14,700.00 80 80 82.20 105	0.00%	440 0 0 0 14,700.00 80 80 82,20 105	
	Energy Pricing:											
9 10 11 12 13 14	Capacity Factor	X X X e/MMBtu e/MMBtu Btu/kWh	65 0 0 288 COAL 9,739		65 0 0 254 COAL 10,062		65 0 0 330 PG&E 7,798		65 0 0 392 ENRON1 8,250		65 0 0 300 ENRON2 8,250	
	Fixed O&M Pricing:											
15 16 17	Base Fixed O&M Price (FOMB) Fixed O&M Indices (or Input) (Io,n) Fixed O&M Incentive/Penalty Rate (F)	\$/MW-Mo \$/MW-Mo	2,477.46 1.000 0.00	5.20%	5,826.67 1.000 72.83	5.20%	1,812.00 1.000 36.24	5.20%	0.00 1.000 0.00	5.20%	0.00 1.000 0.00	5.20%
	Variable OBM Pricing:											
18 19	Base Variable O&M Price (VOMB) Variable O&M Indices (or Input) (Io,n)	\$/MWh	0.20 1.000	5.20%	1.60	5.20%	0.50 1.000	5.20%	10.03 ENRON1	NA	27.76 ENRON2	NA

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Alternate Alternative Page: 1 of 6

## Analysis of Proposals - Alternative Pricing Methodologies NRG Alternate

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation (b)
•	Capacity Pricing:		
12345678	Met Dependable Capability Interconnect Losses Wheeling Losses	410 MV 0 X 0 X	2.50%
5	Base Capacity Price (Pi Base Equivalent Avail. Factor (E/ Actual Equivalent Avail. Factor (E/	(Fb) 80 %	2.50%
7 8	Capacity Incentive/Penalty Rate (R) Maximum Capacity Price Factor (Pr	227.60 \$/MW-Mo-%	2.50%
	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor	65 % 0 % 0 % 0 % FCP) 254 ¢/MMBtu 11,c) COAL ¢/MMBtu 10,062 Btu/kWh	
	Fixed O&M Pricing:		
15 16 17	Base Fixed O&M Price	o,n) 1.000 -	5.20%
	Variable O&M Pricing:		
18 19	Base Variable OEM Price (V Variable OEM Indices (or Input) (I	0MB) 1.60 \$/MWh 0,n) 1.000 -	5.20%

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Alternate Alternative Page: 2 of 6

### Analysis of Proposals - Alternative Pricing Methodologies NRG Alternate

### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MI	\$/MW-Yr	×	×	×	S/MW-Yr-X	S/MM-Yr	S/MW-Yr	\$(000)
	(c)	(d)	(e)	(f)	(g)	(h)	(1)	())	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2010 2011 2012 2011 2012 2013 2014 2015 2016 2017 2018 2017 2018 2017 2018 2017 2018 2018 2018 2018 2018 2019 2019 2019 2019 2019 2019 2019 2019	410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0	218,500 223,962 229,562 235,301 241,183 247,213 253,933 259,728 266,221 272,877 279,698 286,691 293,858 301,205 316,453 324,364 347,40 349,305	80	80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	2,731 2,799 2,869 2,941 3,015 3,090 3,167 3,328 3,411 3,584 3,673 3,765 4,054 4,054 4,260 4,366 4,366 4,366 4,702 4,702 4,702 4,940	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	218,500 223,962 229,562 235,301 241,183 247,213 253,393 259,728 266,221 272,877 279,698 286,691 293,858 301,735 316,453 324,474 340,785 349,305 358,038 366,989 376,163 376,163 376,163	89, 585 91, 825 94, 120 96, 473 98, 885 101, 357 103, 891 106, 488 109, 151 111, 879 114, 676 117, 543 120, 482 123, 482 123, 746 132, 989 136, 314 139, 722 143, 215 146, 795 150, 465 150, 465 151, 465 152, 035

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)]
(a.4)\*12\*[1+(b.4)]^[Year-1997]
(a.5)
(a.6)
For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0
(a.7)\*12\*[1+(b.7)]^[Year-1997]
(g)\*(h)
Min[(d)+(i);(a.8)\*(d)]
(c)\*(])

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Alternate Alternative Page: 3 of 6

### Analysis of Proposals - Alternative Pricing Methodologies MRG Alternate

### Projected Annual Energy Payments

		BFCP	Flo	FIc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
Year	Muh	e/MBtu	e/MMBtu	e/MBtu	e/MMBtu	Btu/KWh	\$(000)
••••	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,334,540 2,334,540	254 254 254 254 254 254 254 254 254 254	307 307 307 307 307 307 307 307 307 307	307 327 348 370 392 416 442 469 498 529 562 597 634 674 715 760 807 857 911 967 1,028 1,091 1,159 1,231 1,308	254 271 288 306 324 344 366 388 412 438 465 558 558 629 629 629 709 754 800 903 959 1,082	10,062	59,665 63,552 67,633 71,909 76,185 80,849 85,902 91,149 96,786 102,810 109,224 116,026 123,217 130,991 138,959 147,705 156,839 166,557 177,051 187,935 189,790 212,034 225,250 234,208

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

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## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

NRG Alternate Alternative Page: 4 of 6

### Analysis of Proposals - Alternative Pricing Methodologies NRG Alternate

### Projected Fixed Operation and Maintenance Payments

	FOMB	Io	In		F		FOMP		
Net Dependable Capacity	Base Fixed OEM Price	Inital Fixed OEM Index	Projected Fixed O&M Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed O&M Payments
MV	\$/WW-Yr	•	•	\$/MW-Yr	\$/MH-Yr-%	×	S/MH-Yr	\$/MW-Yr	\$(000)
(8)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0 410.0	69,920 69,920	1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	69,920 73,556 77,381 81,405 81,405 81,405 90,091 94,776 99,704 104,888 110,343 116,343 116,343 116,343 116,343 117,142,175 149,568 157,345 167,545 174,135 183,190 192,715 202,737 213,279 224,369 236,037	874 874 874 874 874 874 874 874 874 874	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	69,920 73,556 77,381 81,638 90,091 94,776 99,704 104,888 110,343 116,343 1122,117 128,467 135,147 149,568 157,345 165,527 174,135 183,190 192,715 202,737 213,279 224,369 236,037	28,667 30,158 31,726 33,376 35,111 36,937 38,858 40,879 43,004 45,240 45,240 45,240 45,240 45,240 47,593 50,068 52,671 55,292 61,323 64,512 67,395 75,108 83,122 87,444 96,775

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (w) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (2) (x)\*(y) (ab) (ab)\*(s)

# NRG Alternate Alternative Page: 5 of 6

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies NRG Alternate

### Projected Variable Operation and Maintenance Payments

		VOHB	lo	In		
	Wet Dependable Generation	Base Variable OEM Price	Initial Variable O&M Index	Projected Variable O&M Index	Projected Variable ORM Price	Projected Total Variable OEM Payments
Year	Mh	Mith S/Mith			\$/Mih	\$(000)
	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,334,540 2,334,540	1.60 1.60 1.60 1.60 1.60 1.60 1.60 1.60	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	1.60 1.68 1.77 1.86 1.96 2.06 2.17 2.28 2.40 2.53 2.66 2.79 2.94 3.25 3.40 3.79 3.98 4.11 4.64 4.81 5.13	3,735 3,929 4,134 4,349 4,575 4,813 5,063 5,326 5,603 5,895 6,201 6,524 6,863 7,220 7,595 7,990 8,406 8,843 9,303 9,786 10,295 10,831 11,394 11,986 12,610

<sup>(</sup>a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(a.18)
(a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ad)\*(af)/(ae)
(ac)\*(ag)

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

NRG Alternate Alternative Page: 6 of 6

## Analysis of Proposals - Alternative Pricing Methodologies NRG Alternate

### Projected Total Annual Payments Summary

Projected Average Annual Payments Summary

Year	Capacity Payments \$(000)	Energy Payments \$(000)	Fixed OEM Payments \$(000)	Variable O&M Payments \$(000)	TOTAL PAYMENTS \$(000)	Capacity Payments \$/Muh	Energy Payments \$/M\h	Fixed O&M Payments \$/MWh	Variable O&M Payments \$/MWh	TOTAL PAYMENTS \$/Muth
	(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(pa)	(ar)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2010 2011	89,585 91,825 94,120 96,473 98,885 101,357 103,891 106,488 109,151 111,879 114,676 117,543 120,482 123,494 126,581 129,746 132,989 136,314 139,722 143,215 146,795 150,465 154,227 158,227	59,665 63,552 67,633 71,909 76,185 80,849 85,902 91,149 96,786 102,810 109,224 116,026 123,217 130,991 138,959 147,705 156,839 166,557 177,051 187,935 199,790 212,034 225,230 239,243	28, 667 30, 158 31, 726 33, 376 35, 111 36, 937 38, 858 40, 879 43, 240 47, 593 50, 068 50, 067 55, 410 58, 292 61, 323 64, 512 67, 866 71, 108 79, 013 83, 122 87, 444 91, 991	3,735 3,929 4,134 4,349 4,813 5,063 5,895 6,201 6,524 6,863 7,220 7,595 7,990 8,403 9,786 10,295 10,831 11,394 11,394 12,610	478,315	38.4 39.3 40.3 41.3 42.4 43.4 44.5 45.6 46.8 47.9 49.1 50.3 51.6 52.9 55.6 57.0 58.4 61.3 62.9 64.5 66.1 67.7	67.2 71.3 75.8 80.5	12.3 12.9 13.6 14.3 15.8 16.6 17.5 18.4 19.4 20.4 22.6 23.7 25.3 27.6 29.6 32.2 33.8 37.5 39.4	1.6 1.7 1.8 1.9 2.1 2.3 2.4 2.5 2.7 2.8 3.1 3.6 3.6 4.2 4.4 4.4 4.4 4.9 5.1	77.8 81.2 84.6 88.3 92.0 95.9 100.1 104.5 109.0 113.9 119.0 124.3 129.9 135.8 142.0 148.5 155.4 162.6 170.3 178.2 186.7 129.5 204.9 214.7 225.2

Nominal Total \$(000) 3,060,023 3,381,468 1,406,541 183,269 8,031,300 Present Value \$(000) 1,402,505 1,370,459 589,053 76,752 3,438,769

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

PG&E/Bechtel Alternative Page: 1 of 6

# Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation
	Capacity Pricing:	(a)	(p)
1254	Net Dependable Capability Interconnect Losses Wheeling Losses	426 MH 0 % 0 % 0 % 0 %	0.00%
5 6 7 8	Base Equivalent Avail. Factor (E/ Actual Equivalent Avail. Factor (E/ Capacity Incentive/Penalty Rate (R) Maximum Capacity Price Factor (Pr	(Fa) 80 % 438.90 \$/MM-Mo-%	0.00x
	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor	65 % 0 % 0 % 330 e/MMBtu 1i,c) PGEE e/MMBtu 7,798 Btu/kWh	
	Fixed OEM Pricing:		
15 16 17	Base Fixed O&M Price	o,n) 1.000 -	5.20x
	Variable O&M Pricing:		
18 19	Base Variable O&M Price (W Variable O&M Indices (or Input) (I		5.20%

PG\*E/Bechtel Atternative Page: 2 of 6

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## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MW	\$/MW-Yr	×	×	x	\$/MW-Yr-%	S/MU-Yr	S/MW-Yr	\$(000)
•••	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(J)	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0	263,340 263,340 263,340 263,340 263,340 263,340	80 80 80 80 80 80 80 80 80 80 80 80 80	80 80 80 80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	5,267 5,267 5,267 5,267 5,267 5,267	0	263,340 263,340 263,340 263,340 263,340 263,340 263,340 263,340 263,340	112, 183 112, 183

Note: Values displayed represent rounding of actual values used to calculate total.

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)]
(a.4)\*12\*[1+(b.4)]^[Year-1997]
(a.5)
(a.6)
For (e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0
(a.7)\*12\*[1+(b.7)]^[Year-1997]
(g)\*(h)
Min[(d)+(i);(a.8)\*(d)]
(c)\*(j) SCC 36 36 90

## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

PG&E/Bechtel Alternative Page: 3 of 6

### Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Total Energy Compens. Payments
Year	Muh	e/MBtu	e/MMBtu	e/MBtu	e/MMBtu	Btu/KWh	\$(000)
	(1)	(m)	(n)	(0)	(p)	(q)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,425,644 2,425,644	330 330 330 330 330 330 330 330 330 330	330 330 330 330 330 330 330 330 330 330	330 350 371 394 418 444 472 502 533 567 604 643 729 777 1,287 1,376 1,472 1,574 1,684 1,802 1,929 2,065 2,211	330 350 371 394 418 444 472 502 533 567 604 643 729 777 1,287 1,376 1,472 1,576 1,472 1,684 1,802 1,929 2,065 2,211	7,798 7,798	62,420 66,203 70,175 74,526 79,065 83,983 94,954 100,818 107,248 121,625 129,380 146,971 227,739 243,438 260,273 278,431 278,4

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

## ORLANDO UTILITIES CONMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

PGRE/Bechtel Alternative Page: 4 of 6

### Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

#### Projected Fixed Operation and Maintenance Payments

	FOMB	lo	In		F		FOMP		
Net Dependable Capacity	Base Fixed O&M Price	Inital Fixed OEM Index	Projected Fixed OEM Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OEM Payments
MM	S/MW-Yr			\$/MW-Yr	S/MH-Yr-X	×	\$/MJ-Yr	S/MW-Yr	\$(000)
(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0 426.0	21,744 21,744	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.5747 1.837 1.933 2.033 2.139 2.250 2.490 2.620 2.756 2.900 3.050 3.209 3.376	21,744 22,875 24,064 25,316 26,632 28,017 29,474 31,006 32,619 34,315 36,999 37,976 39,951 44,214 46,513 48,932 51,476 54,153 56,969 59,931 63,048 66,326 66,326 73,404	435 435 435 435 435 435 435 435 435 435	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	000000000000000000000000000000000000000	21,744 22,875 24,064 25,316 26,632 28,017 29,47 31,006 32,619 34,315 36,969 37,976 39,951 46,513 48,932 51,476 54,153 56,969 59,931 63,048 66,326 673,404	9, 263 9, 745 10, 251 11, 784 11, 935 12, 556 13, 209 13, 896 14, 618 15, 17, 019 17, 019 17, 019 18, 835 19, 815 20, 845 20, 269 24, 269 25, 531 26, 858 28, 255 29, 275 21, 270

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (u) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (u)+(z) (ab) (aa)\*(s)

# PG&E/Bechtel A ternative Page: 5 of 6

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## ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

### Projected Variable Operation and Maintenance Payments

•		VOMB	lo	In		
	Net Dependable Generation	Base Variable OEM Price	Initial Variable O&M Index	Projected Variable O&M Index	Projected Variable ORM Price	Projected Total Variable O&M Payments
Year	Muh	\$/Mih			\$/Mh	\$(000)
	(ac)	(bd)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2021	2,425,644 2,425,644	0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	0.50 0.53 0.55 0.58 0.61 0.64 0.68 0.71 0.75 0.79 0.83 0.87 0.97 1.02 1.07 1.13 1.18 1.25 1.31 1.38	1,213 1,276 1,342 1,412 1,485 1,563 1,644 1,729 1,819 1,914 2,118 2,224 2,146 2,594 2,594 2,594 2,729 2,871 3,021 3,343 3,517 3,700 3,892 4,094

<sup>(</sup>ac) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)]
(ad) (a.18)
(ae) (a.19)
(af) (a.19)\*[1+(b.19)]^[Year-1997]; or Input
(ag) (ad)\*(af)/(ae)
(ah) (ac)\*(ag)

Note: Values displayed represent rounding of actual values used to calculate total.

PG&E/Bechtel Alternative Page: 6 of 6

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

## Analysis of Proposals - Alternative Pricing Methodologies PG&E/Bechtel

Projected Total Annual Payments Summery

190,335

Projected Average Annual Payments Summary

		Capacity Payments	Energy Payments	Fixed OEM Payments	Variable O&M Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed OLM Payments	Variable O&M Payments	TOTAL PAYMENTS
	Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/Mith	S/Mith	\$/Mith	S/MJh	\$/M/h
		(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(pg)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2016 2017 2018 2019 2020 2020 2021	112, 183 112, 183	62,420 66,203 70,175 74,526 79,065 83,983 89,280 94,954 100,818 107,249 114,625 129,380 137,892 146,971 227,739 243,438 260,243 27,725 318,531 364,874 390,598 418,214	9,263 9,745 10,251 10,784 11,785 11,935 12,556 13,209 13,896 14,618 15,378 16,178 17,019 17,019 17,909 20,845 21,929 23,069 24,269 25,531 26,855 29,724 31,270	1,213 1,276 1,342 1,412 1,485 1,563 1,664 1,729 1,819 1,914 2,014 2,014 2,228 2,344 2,729 2,729 2,729 2,729 3,021 3,178 3,343 3,517 3,700 3,892 4,094	185,079 189,406 193,952 198,905 204,079 209,664 215,662 222,075 228,716 235,964 260,810 270,323 280,455 362,330 379,195 397,256 416,704 437,354 459,588 453,409 509,011 536,397 565,761	46.2 46.2 46.2 46.2 46.2 46.2 46.2 46.2	25.7 27.3 28.9 30.7 32.6 34.6 36.8 41.6 44.2 47.1 55.3 56.8 93.9 100.4 107.3 114.8 122.7 131.3 140.5 150.4	10.0 10.5 11.1 11.6 12.3	1.1 1.2 1.3 1.4 1.4	76.3 78.1 80.0 82.0 84.1 86.4 88.9 91.6 94.3 97.3 100.5 103.9 107.5 111.4 115.6 149.4 156.3 163.8 171.8 180.3 189.5 209.8 221.1 233.2
Nominal	Total \$(000)	2,804,571	4,619,463	454,481	59,506	7,938,022					

24,921 3,327,819

Present Value \$(000) 1,398,845 1,713,718

<sup>·</sup> Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Enron Option1 Alternative Page: 1 of 6

# Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

	Baseline Pricing Assumptions	Base Year 1997 Values	Annual Escalation
	Capacity Pricing:	(1)	(p)
1234567	Net Dependable Capability Interconnect Losses	(Fb) 80 %	0.00%
8	Actual Equivalent Avail. Factor (E/ Capacity Incentive/Penalty Rate (R) Maximum Capacity Price Factor (Pm	82.20 \$/MW-Mo-%	0.00%
	Energy Pricing:		
9 10 11 12 13 14	Capacity Factor		
	Fixed DEM Pricing:		
15 16 17	Base Fixed O&M Price	o,n) 1.000 -	5.20X
	Variable OBM Pricing:		
18 19	Base Variable O&M Price (V Variable O&M Indices (or Input) (Id		NA

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Enron Option1 Alte native Page: 2 of 6

#### Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

#### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
Year	MM	S/MW-Yr	×	×	×	\$/MJ-Yr-X	\$/MU-Yr	S/MW-Yr	\$(000)
	(c)	(d)	(e)	(f)	(g)	(h)	(1)	(j)	(k)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2013 2014 2015 2016 2017 2018 2019 2020	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	176,400 176,400	80 80 80 80 80 80 80 80 80 80 80 80		0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	986 986 986 986 986 986 986 986 986 986	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	176,400 176,400	77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616

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<sup>(</sup>c) (a.1)\*[1-(a.2)]\*[1-(a.3)] (d) (a.4)\*12\*[1+(b.4)]^[Year-1997] (e) (a.5) (f) (a.6) (g) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (h) (a.7)\*12\*[1+(b.7)]^[Year-1997] (i) (g)\*(h) (j) Min[(d)+(i);(a.8)\*(d)] (k) (c)\*(j)

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option1 Alternative Page: 3 of 6

### Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

#### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
Year	Mih	e/MMBtu	e/MMBtu	e/MMBtu	e/MMBtu	Btu/KWh	\$(000)
	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,505,360 2,505,360	392 392 392 392 392 392 392 392 392 392	392 392 392 392 392 392 392 392 392 392	392 433 469 517 554 593 640 683 735 782 889 952 1,020 1,070 1,170 1,253 1,342 1,437 1,537 1,648 1,765 1,890 2,025 2,168	392 433 469 517 593 640 683 735 782 889 952 1,092 1,170 1,253 1,342 1,437 1,538 1,648 1,765 1,890 2,168	8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250 8,250	81,023 89,498 96,939 106,860 114,507 122,568 132,283 141,171 151,919 161,633 171,633 1

<sup>(</sup>l) (a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (l)\*(p)\*(q)/100000

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

#### Projected Fixed Operation and Maintenance Payments

	FOMB	Io	In		F		FOMP		
Net Dependable Capacity	Base Fixed O&M Price	inital Fixed OEM Index	Projected Fixed O&M Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OEM Payments
MU	S/WW-Yr			S/MW-Yr	\$/MH-Yr-%	×	\$/MU-Yr	S/WW-Yr	\$(000)
(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(88)	(ab)
440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0		1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	000000000000000000000000000000000000000	000000000000000000000000000000000000000	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0	000000000000000000000000000000000000000	

<sup>(</sup>s) (a.1)\*[1-(a.2)]\*[1-(a.3)] (t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (w) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For |(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (w)+(z) (ab) (aa)\*(s)

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option1 Alternative Page: 5 of 6

### Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

#### Projected Variable Operation and Maintenance Payments

		VOMB	lo	In		
	Net Dependable Generation	Base Variable O&M Price	Initial Variable O&M Index	Projected Variable ORM Index	Projected Variable O&M Price	Tojected Total Variable OEM Payments
Year	Mih	\$/HWh			\$/Muh	\$(000)
7	(ac)	(ad)	(ae)	(af)	(ag)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2020	2,505,360 2,505,360	10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03 10.03	10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030 10.030	10.030 10.460 10.910 11.380 11.380 12.920 13.490 14.080 14.690 15.340 16.720 17.460 18.240 19.950 20.790 21.790 22.690 23.710 24.780 25.900 27.070 28.300	10.03 10.46 10.91 11.38 11.87 12.38 12.92 13.49 14.08 14.69 15.34 16.01 16.72 17.46 18.24 19.05 19.90 20.79 21.72 22.69 23.71 24.78 25.90 27.07 28.30	25, 129 26, 206 27, 333 28, 511 29, 739 31, 016 32, 369 33, 797 35, 275 36, 804 38, 432 40, 111 41, 890 43, 744 45, 698 47, 727 49, 857 52, 086 54, 1416 56, 847 59, 402 62, 083 64, 889 67, 820 70, 902

<sup>(</sup>a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (a.18) (a.19) (ac) (ad)

<sup>(</sup>a.19)\*[1+(b.19)]^[Year-1997]; or Input (ad)\*(af)/(ae) (ac)\*(ag)

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

Enron Option1 Alternative Page: 6 of 6

# Analysis of Proposals - Alternative Pricing Methodologies Enron Option1

Projected Total Annual Payments Summary

Projected Average Annual Payments Summary

		Capacity Payments	Energy Payments	Fixed O&M Payments	Variable OEM Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable OEM Payments	TOTAL PAYMENTS
	Year	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/Muh	\$/Mh	s/M/h	\$/M/h	\$/MJh
		(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	(ap)	(pg)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 20.7 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2020 2020	77,616 77,616	81,023 89,498 96,939 106,860 114,507 122,568 132,283 141,171 151,919 161,633 171,555 183,749 196,771 210,826 225,708 241,830 258,985 277,381 297,017 318,099 340,629 364,812 390,648 418,552 448,109		25, 129 26, 206 27, 333 28, 511 29, 739 31, 016 32, 369 33, 797 35, 275 36, 804 43, 432 40, 111 41, 890 43, 747 49, 857 52, 086 54, 416 56, 847 59, 402 64, 889 67, 820 70, 902	183, 768 193, 320 201, 888 212, 987 221, 862 231, 201 242, 268 252, 584 264, 910 276, 053 287, 603 301, 476 316, 277 332, 186 349, 022 367, 173 386, 458 407, 083 407, 083 429, 049 452, 562 477, 647 504, 511 533, 153 563, 988 596, 626	31.0 31.0 31.0 31.0 31.0 31.0 31.0 31.0	32.3 35.7 38.7 42.7 48.9 52.8 56.3 68.5 68.5 73.3 78.5 84.1 96.5 103.4 110.7 118.6 127.0 136.0 145.6 155.9 167.1	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	10.0 10.5 10.9 11.4 11.9 12.4 12.9 13.5 14.1 14.7 15.3 16.0 16.7 17.5 18.2 19.1 19.9 20.8 21.7 22.7 23.7 24.8 25.9 27.1 28.3	73.3 77.2 80.6 85.0 88.6 92.3 96.7 100.8 105.7 110.2 114.8 120.3 126.2 132.6 132.3 146.6 154.3 162.5 171.3 180.6 190.4 212.8 225.1 238.1
Nominal	Total \$(000)	1,940,400	-5,543,071	0	1,102,083	8,585,554					
Present	Value \$(000)	967,820	2,180,567	0	473,572	3,621,959					

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Enron Option2 Alternative Page: 1 of 6

# Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

	Baseline Pricing Assumptions		Base Year 19		Annual Escalation (b)
	Capacity Pricing:		(0)		(0)
12345678	Net Dependable Capability Interconnect Losses Wheeling Losses Base Capacity Price Base Equivalent Avail. Factor Actual Equivalent Avail. Factor Capacity Incentive/Penalty Rate Maximum Capacity Price Factor	(EAFb) (EAFa) (R)	14,700.00 80 80	X \$/Mi-Mo X X \$/Mi-Mo-X	0.00X 0.00X
	Energy Pricing:				
9 10 11 12 13 14	Capacity Factor Interconnect Losses Wheeling Losses Base Fuel Compensation Price Fuel Indices (Input) Heat Rate	(BFCP) (Fli,c)	0 300 ENRON2	X X c/MBtu c/MBtu Btu/kWh	
	Fixed O&M Pricing:				
15 16 17	Base Fixed OEM Price Fixed OEM Indices (or Input) Fixed OEM Incentive/Penalty Rate	(Io,n)	1.000	S/HW-No S/HW-No	5.20X
	Variable O&M Pricing:				
18 19	Base Variable O&M Price Variable O&M Indices (or Input)		27.76 ENRON2	\$/Muh	NA

# Enron Option2 Alternative Page: 2 of 6

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

#### Projected Annual Capacity Payments

		Pb	EAFb	EAFa		R			
	Net Dependable Capacity	Base Capacity Price	Base Equivalent Avail.	Actual Equivalent Avail.	Avail. Incentive (Penalty) Percentage Points	Capacity Incentive (Penalty) Rate	Capacity Incentive (Penalty) Price	Total Capacity Price	Projected Total Capacity Payments
er	MV	S/MW-Yr	×	×	×	\$/MH-Yr-%	S/MW-Yr	S/MW-Yr	\$(000)
	(c)	(d)	(e)	(f)	(g)	·(h)	(1)	(j)	(k)
97 98 99 90 00 001 002 003 004 005 006 007 008 009 111 112 113 114 015 016 017	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	176,400 176,400	80 80 80 80 80 80 80 80 80 80 80 80	80 80 80	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	986 986 986 986 986 986 986 986 986 986	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	176,400	77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616 77,616

<sup>(</sup>c) (a.1)\*[1-(a.2)]\*[1-(a.3)] (d) (a.4)\*12\*[1+(b.4)]^[Year-1997] (e) (a.5) (f) (a.6) (g) For |(e)-(f)|>1; (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (h) (a.7)\*12\*[1+(b.7)]^[Year-1997] (i) (g)\*(h) (j) Min[(d)+(i);(a.8)\*(d)] (k) (c)\*(j)

Enron Option2 Alternative Page: 3 of 6

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

#### Projected Annual Energy Payments

		BFCP	Flo	Flc	FCP		
	Net Dependable Generation	Base Fuel Compens. Price	Initial Fuel Index	Projected Fuel Index	Projected Fuel Compens. Price	Heat Rate at Net Dependable Capacity	Projected Total Energy Compens. Payments
Year	MMh	¢/MMStu	¢/MMBtu	e/MMBtu	e/MMBtu	Btu/KWh	\$(000)
••••	(1)	(m)	(n)	(0)	(p)	(p)	(r)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,505,360 2,505,360	300 300 300 300 300 300 300 300 300 300	300 300 300 300 300 300 300 300 300 300	300 318 337 357 379 401 426 451 478 507 537 569 604 640 678 719 762 808 856 908 856 908 1,020 1,021	300 318 337 357 379 401 426 451 478 507 537 569 604 640 678 719 762 808 856 908 856 908 1,020 1,081 1,146	8,250 8,250	62,008 65,728 69,655 73,789 78,336 82,884 88,051 93,218 98,799 104,793 110,608 124,842 132,283 140,137 148,612 157,499 167,007 176,929 187,677 198,838 210,826 223,434 236,869 251,131

<sup>(1) (</sup>a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (m) (a.12) (n) Input (o) Input (p) (m)\*(o)/(n) (q) (a.14) (r) (1)\*(p)\*(q)/100000

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Erron Option2 Alternative Page: 4 of 6

#### Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

#### Projected Fixed Operation and Maintenance Payments

		FOMB	lo	In		F		FOMP		
	Net Dependable Capacity	Base Fixed O&M Price	Inital Fixed OEM Index	Projected Fixed OEM Index	Projected Fixed O&M Price	Fixed O&M Avail. Incentive (Penalty) Payment	Avail. Incentive (Penalty) Percentage Points	Projected Fixed O&M Incentive (Penalty) Price	Projected Total Fixed O&M Price	Projected Total Fixed OEM Payments
Year	M	S/MW-Yr			S/MW-Yr	\$/NU-Yr-%	×	S/MW-Yr	S/HU-Yr	\$(000)
	(s)	(t)	(u)	(v)	(w)	(x)	(y)	(z)	(aa)	(ab)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2018 2019 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2010 2011 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0 440.0	000000000000000000000000000000000000000	1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000 1.000	1.000 1.052 1.107 1.164 1.225 1.288 1.355 1.426 1.500 1.578 1.660 1.747 1.837 1.933 2.033 2.139 2.250 2.367 2.490 2.620 2.756 2.900 3.050 3.209 3.376	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	000000000000000000000000000000000000000	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

<sup>(</sup>a.1)\*[1-(a.2)]\*[1-(a.3)] (a.15)\*12

<sup>(</sup>t) (a.15)\*12 (u) (a.16); or Input (v) (a.16)\*[1+(b.16)]^[Year-1997]; or Input (w) (t)\*(v)/(u) (x) (a.17)\*12\*[1+(b.17)]^[Year-1997] (y) For [(e)-(f)|>1: (f)-(e)+[1: for (f)<(e); or -1: for (f)>(e)]; Else 0 (z) (x)\*(y) (aa) (w)+(z) (ab) (aa)\*(s)

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POMER SUPPLY PROPOSAL

Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

#### Projected Variable Operation and Maintenance Payments

	T.	VOHB	lo	In		
	Net Dependable Generation	Base Variable O&M Price	Initial Variable O&M Index	Projected Variable O&M Index	Projected Variable O&M Price	Projected Total Variable OEM Payments
Year	MMh	\$/Mih			\$/MJh	\$(000)
	(ac)	(ad)	(ae)	(af)	(eg)	(ah)
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021	2,505,360 2,505,360	27.76 27.76	27.760 27.760	27.760 29.270 30.870 32.500 34.230 36.140 38.090 40.130 42.370 44.640 47.110 49.670 52.440 55.330 61.550 64.950 64.950 85.070 89.810 94.810 94.811	27.76 29.27 30.87 32.23 36.14 38.09 40.13 42.37 44.64 47.11 49.67 52.44 55.33 61.55 64.95 72.33 76.35 80.57 89.81 100.11	69,549 73,332 77,340 81,424 85,758 90,544 95,429 100,540 111,839 118,028 124,441 131,381 134,622 146,138 154,205 162,723 171,717 181,213 191,284 201,907 213,131 225,006 237,533 250,812

<sup>(</sup>a.1)\*8760\*[1-(a.10)]\*[(1-(a.11)]\*Min[(a.6);(a.9)] (a.18) (a.19) (a.19)\*[1+(b.19)]^[Year-1997]; or Input (ad)\*(af)/(ae) (ac)\*(ag)

Note: Values displayed represent rounding of actual values used to calculate total.

Enron Option2 Alternative Page: 5 of 6

Enron Option2 Alternative Page: 6 of 6

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### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

# Analysis of Proposals - Alternative Pricing Methodologies Enron Option2

Projected Total Annual Payments Summary

Projected Average Annual Payments Summary

			Capacity Payments	Energy Payments	Fixed OEM Payments	Variable O&M Payments	TOTAL PAYMENTS	Capacity Payments	Energy Payments	Fixed O&M Payments	Variable O&M Payments	TOTAL PAYMENTS
	Year		\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$/MJh	\$/MJh	\$/Wh	\$/Mih	\$/MJh
			(ai)	(aj)	(ak)	(al)	(am)	(an)	(ao)	-(ap)	(pa)	(ar)
	1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2007 2007 2011 2012 2013 2014 2015 2016 2017 2018 2018 2019 2020 2021		77,616 77,616	62,008 65,728 69,655 73,789 78,336 82,884 88,051 93,218 98,799 104,793 110,608 124,842 132,283 140,132 148,612 157,499 167,007 176,929 187,677 198,838 210,826 223,434 236,869 251,131	000000000000000000000000000000000000000	69, 549 73, 332 77, 340 81, 758 90, 544 95, 429 100, 540 106, 152 111, 839 118, 622 146, 138 154, 205 162, 723 171, 717 181, 213 191, 284 201, 907 213, 131 225, 006 237, 533 250, 812	209, 172 216, 676 224, 612 232, 829 241, 711 251, 043 261, 096 271, 374 282, 567 294, 248 306, 637 319, 665 333, 839 348, 521 363, 839 348, 521 363, 839 416, 577 478, 361 501, 573 526, 057 552, 018 579, 559	31.0 31.0 31.0 31.0 31.0 31.0 31.0 31.0	24.8 26.2 27.8 29.5 31.3 33.1 35.1 37.2 39.4 41.8 44.8 44.8 52.8 55.8 55.8 62.9 66.7 74.9 79.4 84.1 89.2 94.5	0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0	27.8 29.3 30.9 32.5 36.1 38.1 42.4 44.6 47.7 52.4 55.3 61.6 68.5 76.4 80.6 85.1 89.8 94.8	83.5 86.5 89.7 92.9 96.5 100.2 104.2 108.3 112.8 117.6 133.2 139.1 145.2 151.8 158.8 166.2 173.9 182.2 190.9 200.2 210.0 220.3 231.3
Nominal	Total	\$(000)	1,940,400	3,401,947	0	3,540,049	8,882,396					
Present	Value	\$(000)	967,820	1,388,097	0	1,468,419	3,824,336					

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

Results Baseline Methodology

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: 8D

### ORLANDO UTILITIES COMMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology Summary of Proposals Assuming 80% EAF and 80% CF

	OUC Stanton2	NRG Base	PG&E/Bechtel	Enron Option1	Enron Option2 TOTAL PAYMENTS	
	TOTAL PAYMENTS	TOTAL PAYMENTS	TOTAL PAYMENTS	TOTAL PAYMENTS		
Year	\$(000) \$/MWh	\$(000) \$/Mih	\$(000) \$/MJh	\$(000) \$/H\/h	\$(000) \$/HUh	
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2019 2019 2019	153,555 49 159,902 51 166,568 54 173,554 56 180,581 58 188,214 61 196,457 63 205,029 66 214,214 69 224,016 72 234,437 76 245,479 79 257,147 87 282,652 91 296,777 96 311,542 101 327,231 106 344,130 111 361,680 117 380,731 123 400,442 129 421,664 136 444,121 144 468,099 151	.0 221,325 77.0 .3 228,501 79.5 .6 235,778 82.1 .0 243,637 84.8 .7 252,085 87.7 .5 260,888 90.8 .5 270,291 94.1 .6 280,301 97.6 .0 290,925 101.3 .6 302,168 105.2 .4 314,040 109.3 .5 326,786 113.7 .7 339,936 118.3 .2 354,217 123.3 .0 369,160 128.5 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 134.0 .1 385,012 135.7 .1 385,012 136.7 .1 385,012 136.7 .1 385,012 136.7 .1 385,012 136.7 .1 385,012 136.7	199, 763 66.9 205, 327 68.8 211, 171 70.7 217, 295 72.8 223, 452 74.8 230, 143 77.1 237, 369 79.5 244, 884 82.0 252, 939 84.7 261, 535 87.6 270, 676 90.7 280, 363 93.9 290, 599 97.3 301, 636 101.0 312, 977 104.8 325, 375 109.0 338, 333 113.3 352, 104 117.9 366, 941 122.9 382, 348 128.1 399, 078 133.7 416, 385 139.5 435, 023 155.7 454, 747 152.3 475, 810 159.4	208, 265 67.5 216, 369 70.2 224, 883 72.9 233, 809 75.8 242, 827 78.7 252, 593 81.9 263, 110 85.3 274, 061 88.9 285, 774 92.7 298, 256 96.7 311, 513 101.0 325, 552 105.6 340, 379 110.4 356, 327 115.6 372, 753 120.9 390, 641 126.7 409, 348 132.8 429, 208 139.2 450, 556 146.1 472, 751 153.3 496, 779 161.1 521, 676 169.2 548, 427 177.0 606, 892 196.8	239,532 77.7 248,955 80.7 258,858 83.9 269,253 87.3 279,904 90.8 291,322 94.5 303,520 98.4 316,266 102.6 329,822 107.0 344,205 111.6 359,433 116.6 375,524 121.8 392,495 127.3 410,617 133.2 429,413 139.3 449,650 145.8 470,856 152.7 493,302 160.0 517,263 167.8 542,269 175.9 569,095 184.6 597,025 193.6 626,835 203.3 658,311 213.5 651,736 224.3	
Nominal Total \$(000)	6,907,944	8,325,658	7,686,274	9,109,467	10,465,459	
Nominal Total (\$/kW)	15,700	20,306	18,043	20,703	23,785	
Present Value \$(000)	2,933,504	3,633,004	3,384,457	3,893,837	4,479,641	
Present Value (\$/kW)	6,667	8,861	7,945	8,850	10,181	
Difference (PV\$/kl		2,194	1,278	2,183	3,514	
Percent Ratio (PV\$/kl		132.9%	119.2%	152.7%	152.7x	
PFS Score (Max 2)		-58	-34	-57	-92	
FLBS Score (Max 2)		0	0	0	0	

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

Results Baseline Methodology

File: OUC1 Disk: F2674H Beck: EF5306CA3AB User: BD

### ORLANDO UTILITIES CONMISSION JOINT REQUEST FOR POWER SUPPLY PROPOSAL

### Analysis of Proposals - Baseline Pricing Methodology Summary of Proposals Assuming 90% EAF and 90% CF

		OUC Stanton2 TOTAL PAYMENTS		NRG Base TOTAL PAYMENTS		PG&E/Bechtel TOTAL PAYMENTS		Enron Option1 TOTAL PAYMENTS		Enron Option2 TOTAL PAYMENTS	
1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2312 2013 2014 2015 2016 2017 2018 2019 2019 2019 2019 2019 2010		164,444 171,498 178,908 186,673 194,479 202,963 212,126 221,654 231,867 242,766 254,355 266,637 279,615 293,608 307,987 323,705 340,134 357,592 376,402 395,934 417,148 487,718 487,718 514,420	47.4 49.4 51.6 53.8 56.1 58.5 61.1 63.9 66.8 70.0 73.3 76.9 80.6 84.6 88.8 93.3 98.1 103.1 1108.5 114.1 120.3 126.6 143.4	226, 011 233, 152 240, 654 248, 522 256, 491 265, 104 274, 368 284, 019 294, 332 305, 314 316, 971 329, 310 342, 340 356, 337 370, 371 386, 459 402, 870 420, 285 438, 982 458, 434 479, 459 501, 262 524, 663 549, 643 575, 773	69.9 72.1 74.4 76.9 82.0 84.9 97.1 94.5 98.1 101.9 105.9 110.2 114.7 119.6 124.6 135.8 141.8 148.3 170.0 178.1	216, 829 223, 029 229, 539 236, 363 243, 219 250, 672 258, 725 267, 097 276, 073 285, 654 295, 654 295	64.6 66.4 68.3 70.4 74.6 77.0 79.5 82.2 85.1 81.3 94.7 98.4 105.2 1105.2 1105.2 115.1 120.0 125.2 130.7 142.7 142.7	226, 657 235, 574 244, 940 254, 759 264, 767 275, 411 286, 984 299, 931 311, 922 340, 259 355, 719 372, 949 389, 621 407, 712 427, 426 448, 932 493, 473 517, 944 6571, 901 601, 413 632, 630 665, 928	65.3 67.9 70.6 73.4 82.7 86.2 89.9 93.9 93.1 107.3 112.3 123.2 129.2 135.2 149.3 156.9 173.4 182.0	254, 999 265, 043 275, 599 286, 677 298, 012 310, 176 323, 182 336, 767 351, 224 366, 571 382, 824 400, 002 418, 124 437, 458 457, 458 479, 194 501, 860 525, 859 551, 499 578, 245 606, 967 636, 854 668, 777 702, 490 738, 308	73.5 76.4 79.4 82.6 85.9 89.4 93.2 97.1 101.2 105.7 110.4 115.3 120.5 126.1 131.9 138.1 144.7 159.0 166.7 175.0 183.6 192.8 202.5 212.8
Nominal Total	\$(000)	7,524,429		9,081,289		8,421,589 19,769		9,964,106		11,154,298 25,351	
Present Value				3,959,003		3,699,599		4,254,064		4,772,671	
Present Value		3,183,407 7,235		9,656		8,685		9,668		10,847	
Difference Percent Ratio	(PV\$/kW) (PV\$/kW)			2,421 133.5		1,449		2,433 133.6x		3,612 149.99	•
	(Max 200) (Max 25)	0		-59 0		-35 0		-59 0		-87 0	

Note: Present value of payments in 1997 dollars, discounted annually at 7.0%.

#### ATTACHMENT C

### PROPOSAL BASELINE PRICING METHODOLOGY

#### C.1 Capacity Pricing

The baseline pricing methodology indexes the payments made for capacity in any given month to the performance of the facility as measured by the achieved equivalent availability factor. Penalties and incentives are provided depending on the variance from the base equivalent availability factor. This base equivalent availability factor for this Proposal shall be 80% and is shown on Exhibit G.1.1. There will be a dead band of plus or minus 1 percent where there will be no indexing and the base capacity price will apply in that instance. The penalty and incentive rate will be the same and will be expressed in dollars per megawatt per month per percent excursion, either above or below, the dead band. This penalty or incentive will be subtracted from or added to the base capacity price to determine the capacity price for each month. There will be a maximum capacity price which will be 1.05 times the proposed base capacity price. The following description of components should clarify this methodology.

#### Description of Components

- EAFa = Actual equivalent availability factor in percent; calculated on a twelve month rolling average basis. See Attachment D for definition of equivalent availability factor.
- EAFb = The base equivalent availability factor in percent; this value for this Proposal is specified to be 80 %. The Base capacity price should be based on achieving this level of performance.
- Pb = Base capacity price which when multiplied by the net dependable capacity will provide the desired monthly capacity payment if the actual equivalent availability factor, calculated on a twelve month rolling average basis, achieved is within the target range (base factor plus or minus 1 %). Respondent must provide its base capacity price (Pb) on Exhibit G.1.1.
- Pmax = The maximum capacity price to be paid which will be 1.05 X Pb.
- R = This is the capacity incentive/penalty rate (\$/MW/month per % variance above/below base range) for achieving an equivalent availability factor higher or lower than the base range. Superior performance will increase the base capacity price based on how much the actual availability exceeds the base value. Inferior performance will decrease the base capacity price based on how much the actual availability is below the base value.

i.e. if the performance is above the base range capacity price =  $Pb + R \times (EAFa - (EAFb + 1))$  up to a maximum of 1.05  $\times$  Pb.

i.e. If the performance is below the base range capacity price = Pb - R X ((EAFb - 1) - EAFa)

#### C.2 Energy Pricing

The energy price methodology is based on the underlying requirement that the capacity and energy to be supplied under this solicitation is for base and intermediate capacity needs. With that predicate, it is a requirement that the energy prices be comparable with OUC's coal energy costs. Simulated production cost programs show that Stanton Unit 2 would have a capacity factor of .75 during its early life with expectations to average .70 during the 25 year term specified. With the energy price provisions contained in this solicitation, comparable capacity factors can be expected. energy price will be determined hourly by multiplying the net heat rate times the fuel compensation price (FCP). The net heat rate for this Contract would be defined as the number of BTUs required to deliver one kilowatt-hour (KWH) of energy to OUC's system. This value will vary with respect to the output level of the facility as determined by the Input/Output curve of the Form Y=A+BX+CX where (1) the coefficients A, B and C are provided on Form G.1.1 of this RFP, (2) Y is in BTU's and (3) X is the facility net electrical output in KWH at point of delivery to OUC's system, as measured on mutually agreeable metering facilities for one hour. Accordingly, the heat rate is (Y/X)=(A/X)+B+CX.

The Fuel Compensation Price (FCP) is determined by an adjustment to the Base Fuel Compensation Price (BFCP). The BFCP is provided by the Respondent as a part of his response in Form G.1.1. The adjustment is made quarterly by the use of a current Fuel Index (FIc). The FIc is calculated each calendar quarter by using the weighted average cost of coal delivered to OUC's Stanton Plant during the twelve calendar months ending three months prior to the quarter for which the FIc is used for adjustment to the BFCP. The FIc to be used for energy adjustment pricing for the third quarter of 1990 would be the average weighted cost of coal delivered to the Stanton Plant for the twelve months ending March 31,1990. These costs are reported in cents per million BTU (C/MMBTU). The FIc for the example given is 190.1¢/MMBTU. For the purposes of this Proposal, this value shall be the initial Fuel Index (FIi) for the purpose of setting the maximum BFCP. When negotiations for an

agreement are undertaken, a current value will be set. The formula showing this computation is as follows:

FCP = FIc X BFCP

Description of components:

FIi - Initial Fuel Index

FIC = Current Fuel Index for adjustment to the FCP for the subsequent quarter.

BFCP - The base fuel compensation price as proposed by Respondent.

### . C.3 Operation and Maintenance Pricing

It is the intent of the UTILITIES to pay for the fixed C.3.1 maintenance and operations costs by indexing them to two variables. These two variables are the equivalent availability factor and a recognized index such as the CPI or an appropriate hourly earnings index. The Respondent must submit a base fixed operation and maintenance price (FMOB) expressed in dollars per megawatt per month (\$/MW/Mo) for the first year of operation on Exhibit G.1.1. This base price will first be adjusted by the index adjustment; and then by the equivalent availability factor (either positive or negative as the case may be) using the same formula proposed to index the capacity price. The equivalent availability factor for adjusting the capacity payments and the fixed operating and maintenance payments is specified to be 80% as shown on Exhibit G.1.1.

Therefore the computation of the fixed operation and maintenance cost per MW is as follows:

If the equivalent availability factor is above the specified base range:

FOMP = FOMB X (1+ 
$$\frac{In-Io}{Io}$$
) + F X (EAFa - (EAFb + 1))

If the equivalent availability factor is below the specified base range:

FOMP = FOMB X (1+ 
$$\frac{In-Io}{Io}$$
) - F X ((EAFb -1)-EAFa)

#### Description of Components

- FOMB = The base fixed operation and maintenance price per month per MW of net dependable capacity.
- FOMP = The adjusted fixed operation and maintenance price paid per MW of net dependable capacity per month.
- Initial value of operation and maintenance index.
- In Value of operation and maintenance index in month n.
- F = The incentive/penalty rate in \$/MW/Month/% variance above/below base range as proposed by the Respondent in G.1.1. The explanation and application is the same as the component R described in the capacity section above.
- C.3.2 The pricing arrangement for variable operation and maintenance costs is similar to that shown for fixed operation and maintenance costs except there will be no indexing for performance. The Respondent will submit a base variable operation and maintenance price expressed in dollars per megawatt-hour (\$/MWH) for the first year of operation on Exhibit G.1.1. Respondent should also propose an applicable recognized index to be used in setting the price for variable operation and maintenance costs for subsequent years.

Therefore in period n, variable operation and maintenance cost per MWH delivered will be:

 $VOMP = VOMB X (1 + \frac{In-Io}{Io})$ 

### Description of Components

- VOMP Variable operation and maintenance price per MWH delivered.
- VOMB = Base variable operation and maintenance price per MWH delivered.
- In = Value of variable operation and maintenance
   index in period n.
- Io = Initial value of operation and maintenance index.

Orlando Utilities Commission
Florida Municipal Power Agency
Kissimmee Utility Authority
Docket No. 910382-EM
Applicant Witness: Earl C. Windisch
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The following are corrections to the Curtis H. Stanton Energy Center Unit 2 Supplemental Site Certification Application.

- o The sentence on Page 1A.2.1-1, Line 18, should read; Existing power transmission lines leave the site to the north.
- On Page 1A.2.1-4, Line 6, the word "initial" should read "inactive"; and on Line 15 insert the word "an" between the words "through and overhead" and change the word "lines" to "line."
- o On Page 1A.2.1-13, Line 8, change the word "form" to "from."
- o On Page 1A.2.1-16, delete the last three lines.
- o On Page 1A.2.1-17, Line 14, change the word "will" to "may."
- On Page 1A.2.1-19, delete the last two words on Line 19, Line 20, and the words "continues east to the Indian River Substation" on Line 21. Insert in its place the following text:

Two lines continue west to the Pershing Substation. One line continues west to the Florida Power Corporation Rio Pinar interconnection. The fourth line continues east to Indian River. The portion of these transmission lines which were a part of the associated facilities with Stanton 1 include the four 230 kv transmission lines connecting the Stanton Substation to the east-west transmission corridor between the Indian River Substation and Pershing Substation. Also included as associated facilities with Stanton 1 were the two 230 kv transmission line segments from the point where the four 230 kv transmission lines from Stanton Substation intersect the Indian River to Pershing corridor west to the point where the Florida Power Corporation Rio Pinar interconnection intersects the Indian River to Pershing corridor.

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o On Page 1A.2.1-19, insert the following text at the end of Line 22.

In addition to the associated facilities, another 230 kv transmission line will be constructed from Stanton Substation to Indian River as a result of the addition of the Indian River C and D combustion turbine addition. This transmission line will be constructed as the second circuit on the existing double circuit towers. This transmission line is not an associated facility of Stanton Energy Center.