

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of
interconnection agreement
between Florida Power & Light
Company and MM Tomoka Farms LLC.

DOCKET NO. 970883-EQ
ORDER NO. PSC-97-1484-FOF-EQ
ISSUED: November 24, 1997

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INTERCONNECTION AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

MM Tomoka Farms LLC (MM) intends to construct and operate an electrical generation facility consisting of two 1900 kW generators in Volusia County. Construction is planned to begin in December 1997 with commercial operation in March 1998. The generators will be fired by gas collected at the Volusia County landfill gas recovery project. The facility has received qualifying facility status and wishes to interconnect with Florida Power & Light Company's (FPL) system. At the present time, MM intends to sell its output on an as-available basis to FPL. FPL filed, on July 15, 1997, a negotiated interconnection agreement which was signed on June 30, 1997.

Pursuant to the signed interconnection agreement, MM will bear all expenses required to design, engineer, modify, upgrade, install, and construct the facilities necessary to interconnect the

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MM generating facility with FPL's system. The negotiated interconnection agreement has a term ending December 31, 2016. The agreement will then be automatically extended for periods of two years each. Either party may terminate the agreement at the end of the initial term or at the end of a two year extension period, so long as two years advance notification is given.

In addition to general interconnection provisions, the agreement contains the following terms and conditions:

1. Cost of Interconnection

FPL has estimated that the cost of interconnecting MM Tomoka Farms' generating facility with FPL's system will be approximately \$279,000. This estimate includes the major equipment and components of interconnection facilities. MM will reimburse FPL for all costs of interconnection.

2. Specified Load and Generation Control Service Charge

Because MM's generators will be synchronized with FPL's system, any instantaneous increase or decrease in electrical output from MM's units will automatically cause an opposite compensating adjustment in the output of FPL's generators. Thus, FPL will be compensated for deviations in the output of MM's facility. This deviation, or hourly control swing, is the difference between the highest and lowest instantaneous demand (measured in kW) received and recorded by FPL during each hour.

It is FPL's provision of load and generation control service at the formulary rate contained in the agreement that necessitates our approval of the agreement. The Control Service Daily Demand Charge Rate is not contained in any FPL tariff. The rate is based on FPL's cost of generation and transmission to respond to real-time fluctuations in the output of MM's facility.

FPL's assessment of a Specified Load and Generation Control Service Charge in the MM interconnection agreement is similar to its assessment for regulation service to Georgia-Pacific under the terms of an interconnection agreement approved by this Commission in Order No. PSC-92-0790-FOF-EQ, issued August 10, 1992, in Docket No. 920582-EQ. It is also similar to its assessment for regulation service to Lee County under the terms of an interconnection agreement approved by this Commission in Order No. PSC-93-0265-FOF-

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EQ, issued February 22, 1993, in Docket No. 921200-EQ. While we approved the Regulation Service Charge in the Georgia-Pacific and Lee County cases, we did not intend to imply our generic approval of the regulation service assessment fee.

The Control Service Daily Demand Charge Rate is based on revenue requirements, billing determinants, and loss factors approved by this Commission through Order No. 13537 in Docket No. 830456-EI, FPL's last rate case. We find that the Specified Load and Generation Control Service Charge is appropriate in the MM interconnection agreement.

The terms and conditions as set forth in the interconnection agreement are appropriate. They conform to provisions of the Commission's rules and do not adversely affect the reliability or cost of providing service to FPL's ratepayers. Therefore, we approve the negotiated interconnection agreement between FPL and MM Tomoka Farms.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the negotiated interconnection agreement between Florida Power & Light Company and MM Tomoka Farms LLC is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

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By ORDER of the Florida Public Service Commission this 24th
day of November, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 15, 1997.

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In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.