

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval) DOCKET NO. 891005-EQ
of standard offer contract between)
Florida Power Corporation and Timber) ORDER NO. 21858-A
Energy Resources, Inc.)
_____) ISSUED: 10-3-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
THOMAS M. BEARD
BETTY EASLEY
GERALD L. GUNTER
JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION

AMENDATORY ORDER APPROVING STANDARD OFFER CONTRACT
BETWEEN FLORIDA POWER CORPORATION AND
TIMBER ENERGY RESOURCES, INC.

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On July 28, 1989, Florida Power Corporation (FPC) and Timber Energy Resources, Inc. (Timber) filed a joint petition for approval of a standard offer contract between the two companies. The contract, which was signed on July 18, 1989, has a committed capacity of 6.0 MW for a term of ten years. Capacity payments to Timber would commence in 1995 based on FPC's approved COG-2 tariff.

In our Order No. 17480 we established for FPC a subscription limit of 500 MW in firm capacity from qualifying facilities to defer the 1995 statewide avoided unit. Prior to our vote in the instant docket the total of such firm capacity and energy purchases from qualifying facilities already contracted for by FPC and approved by this Commission amounted to 497.6 MW. Thus, this contract will exceed by 3.6 MW, the 500 MW subscription limit established in Order No. 17480. It would appear however that this small amount (3.6 MW) in excess

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of the subscription limit is reasonable given the various factors which could possibly reduce the actual capacity being purchased, such as seasonal adjustment to output capability and engineering adjustments to the actual capacity of the qualifying facilities.

While the Timber/FPC contract is a standard offer contract, the interconnection agreement is not. This is due to the fact that the interconnection agreement contains a provision that Timber can terminate the power sales agreement if a yet to be determined transmission capacity cost "will render the construction of the facility uneconomic or not in the QF's best economic interest". At first glance, this provision seems to allow Timber to change its mind at any time depending on how profitable the facility is to the company but a closer look reveals that this provision is prudent for both parties based on FPC's identified transmission constraints in Northwest Florida which are set forth in Docket NO. 890779-EU.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that the standard offer contract between Florida Power Corporation and Timber Energy Resources, Inc., filed July 28, 1989, is hereby approved, and that the entire 6.0 MW contracted for be applied to the 500.0 MW subscription limit established in Order No. 17480.

By ORDER of the Florida Public Service Commission,
this 3rd day of October 1989


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 24, 1989.

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, and as reflected in a subsequent order.

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 adversely 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 sewer 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.