

State of Florida

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Public Service Commission

August 9, 1996

Mr. Carroll Webb
Joint Administrative Procedures
Committee
120 Holland Building
Tallahassee, Florida 32399

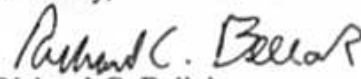
Re: Docket No. 960214-EU - Proposed Revision to Rule 25-6.035, Adequacy of Supply

Dear Mr. Webb:

Enclosed is a statement of changes for the proposed revision to Rule 25-6.035, F.A.C.

The rule does not have an impact on small business.

Sincerely,


Richard C. Bellak
Associate General Counsel

ADPT6035.MRD

Enclosure

cc: Division of Records & Reporting

DOCUMENT NUMBER-DATE

08361 AUG-96

Statement of Changes

25-6.035(1) - The word "electric" was added in sentences 1 and 2.

25-6.035(2) - The second sentence was changed to read: A utility may petition for waiver of this requirement based on the very high availability of specific non-firm purchases.

25-6.035(3) - The third sentence was changed to read: A utility may petition the Commission for approval of other methods demonstrating equivalent reliability on a case by case basis.

Corrections and additions were also made in paragraphs 1) and 4) of the summary of the rule.

1 | 25-6.035 Adequacy of Resources Supply. (1) Each electric utility
2 | shall maintain sufficient generating capacity, supplemented by
3 | regularly available generating and non-generating resources, in
4 | order to meet all reasonable demands for service and provide a
5 | reasonable reserve for emergencies. Each electric utility shall
6 | also coordinate the sharing of energy reserves with other electric
7 | utilities in Peninsular Florida. To achieve an equitable sharing
8 | of energy reserves, Peninsular Florida utilities shall be required
9 | to maintain, at a minimum, a 15% planned reserve margin. The
10 | planned reserve margin for each utility shall be calculated as
11 | follows:

12 |
$$RM = [(C - L)/L]*100 \quad \text{where:}$$

13 | "RM" - Is defined as the utility's percent planned reserve
14 | margin;

15 | "C" - Is defined as the aggregate sum of the rated
16 | dependable peak-hour capabilities of the resources
17 | that are expected to be available at the time of
18 | the utility's annual peak; and

19 | "L" - Is defined as the expected firm peak load of the
20 | system for which reserves are required.

21 | The following shall be utilized as the operating reserve
22 | standard for Peninsular Florida's utilities: operating reserves
23 | shall be maintained by the combined Peninsular Florida system at a
24 | value equal to or greater than the loss of generation that would
25 | result from the most severe single contingency. The operating

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1 reserves shall be allocated among the utilities in proportion to
2 each utility's maximum demand for the preceding year, and the
3 summer gross Southeastern Electric Reliability Council (SERC)
4 capability of its largest unit or ownership share of a joint unit,
5 whichever is greater. Fifty percent shall be allocated on the
6 basis of demand and fifty percent on the basis of the summer gross
7 SERC capability of the largest unit. Operating reserves shall be
8 fully available within ten minutes. At least 25% of the operating
9 reserves shall be in the form of spinning reserves which are
10 automatically responsive to a frequency deviation from normal.

11 (2) Treatment of Purchased Power. Only firm purchase power
12 agreements may be included as a resource for purposes of
13 calculating a planned or operating reserve margin. A utility may
14 petition for waiver of this requirement based on the very high
15 availability of specific non-firm purchases.

16 (3) Treatment of Shared Generating Units. Only the utility
17 which has first call on the generating unit may count the unit
18 towards its planned or operating reserve margin. A utility has
19 first call on a unit if the unit is available and the utility has
20 the contractual right to dispatch the unit to meet its native load
21 and other firm contractual commitments before any other party to
22 the unit's sharing arrangement. A utility may petition the
23 Commission for approval of other methods demonstrating equivalent
24 reliability on a case by case basis.

25 (4) Treatment of Non-Firm Load. If non-firm load (i.e.

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1 customers receiving service under load management, interruptible,
2 curtailable, or similar tariffs) is relied upon by a utility when
3 calculating its planned or operating reserves, the utility shall be
4 required to make such reserves available to maintain the firm
5 service requirements of other utilities.

6 (5) Buy-through Power for Interruptible Customers.
7 Interruption of service to non-firm customers is not an emergency.
8 As such, a utility shall not be required to provide buy-through
9 power for another utility's interruptible customers under
10 obligatory emergency interchange schedules. The generating
11 capacity of the utility's plant, supplemented by the electric power
12 regularly available from other sources, must be sufficiently large
13 to meet all reasonable demands for service and provide a reasonable
14 reserve for emergencies.

15 Specific Authority 366.05(1) FS.

16 Law Implemented 366.03 FS.

17 History--New 7-29-69, Formerly 25-6.35, Amended _____.

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