



Florida Power & Light Company, 215 S. Monroe St., Suite 810, Tallahassee, FL 32301

R. Wade Litchfield
Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-7101
(561) 691-7135 (Facsimile)

ORIGINAL

RECEIVED FPSC

04 OCT 18 PM 4:15

COMMISSION
CLERK

October 18, 2004

VIA HAND DELIVERY

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

Re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance
Incentive Factor - FPSC Docket No. 040001-EI

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original
and 15 copies of Tom Hartman's Rebuttal Testimony in the above-referenced docket.

Please indicate receipt of this document by stamping the enclosed extra copy of this
letter. Please contact me should you or your Staff have any questions regarding this filing.

Sincerely,

R. Wade Litchfield
for R. Wade Litchfield

- CMP _____
- COM 5
- CTR 03 RWL:ec
- (ECR) Enclosures
- GCL 1
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

RECEIVED & FILED

th

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER: 04

11219 OCT 18 04

FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

Docket No. 040001-EI

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Rebuttal Testimony of Tom Hartman has been furnished by hand delivery (*) or facsimile (**), or United States Mail this 18th day of October, 2004, to the following:

Adrienne Vining, Esq. (*)
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Attorneys for TECO
P.O. Box 391
Tallahassee, Florida 32302

Robert Vandiver, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, Florida 32399

James A. McGee, Esq.
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, Florida 33733

Norman H. Horton, Esq.
Floyd R. Self, Esq.
Messer, Caparello & Self
Attorneys for FPUC
P.O. Box 1876
Tallahassee, Florida 32302-1876

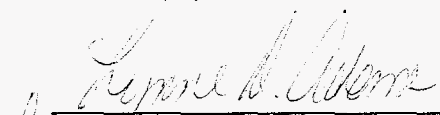
Joseph A. McGlothlin, Esq.
Vicki Gordon Kaufman, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, et al.
Attorneys for FIPUG
117 South Gadsden Street
Tallahassee, Florida 32301

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin,
Davidson, et al.
Attorneys for FIPUG
400 North Tampa Street, Suite 2450
Tampa, Florida 33602

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, Florida 32591-2950

Patricia A. Christensen, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, Florida 32399-1400

John C. Moyle, Jr., Esq. (courtesy copy)
Moyle, Flannigan, Katz, Raymond
& Sheehan, P.A.
The Perkins House
118 North Gadsden Street
Tallahassee, Florida 32301


R. Wade Litchfield

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 040001-EI
FLORIDA POWER & LIGHT COMPANY**

OCTOBER 18, 2004

**IN RE: LEVELIZED FUEL COST RECOVERY
AND CAPACITY COST RECOVERY**

REBUTTAL TESTIMONY & EXHIBITS OF:

T. HARTMAN

DOCUMENT NUMBER-DATE
11219 OCT 18 8
FPSC-COMMISSION CLERK

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **REBUTTAL TESTIMONY OF TOM HARTMAN**

4 **DOCKET NO. 040001-EI**

5 **October 18, 2004**

6
7 **Q. Please state your name and business address.**

8 A. My name is Thomas L. Hartman. My business address is 700 Universe Blvd.,
9 Juno Beach, FL 33408.

10
11 **Q. By whom are you employed and what is your position?**

12 A. I am employed by Florida Power & Light Company (“FPL” or the
13 “Company”) as the Director of Business Management for Resource
14 Assessment and Planning.

15
16 **Q. Have you previously filed testimony in this docket?**

17 A. Yes, I filed direct testimony in this docket on September 9, 2004.

18
19 **Q. What is the purpose of your rebuttal testimony?**

20 A. My rebuttal testimony responds to the testimonies of merchant witnesses
21 Dismukes, Knauth and Vogt, who erroneously allege that: (1) there is no need
22 for the Florida Public Service Commission (Commission) to approve, on the
23 timetable presented by Florida Power & Light (FPL), the Power Purchase
24 Agreements (PPAs) between FPL and affiliates of the Southern Company,

1 dated August 11, 2004; (2) FPL did not consider the available alternatives
2 before entering into the PPAs; (3) consistent with the spirit, if not the letter of
3 the Commission's bid rule, FPL should have issued a request for proposal
4 (RFP) to compare all market alternatives to the PPAs; (4) an FPL self-build
5 option is superior to the PPAs; and (5) FPL could obtain all the benefits
6 associated with the PPAs under other market alternatives.

7
8 My rebuttal testimony shows that the merchant witnesses are wrong on each
9 of those points. Specifically, I will explain that, contrary to their allegations:
10 (1) it is critical that the Commission approve FPL's PPAs promptly in order to
11 ensure that the benefits of the PPAs are preserved for FPL's customers; (2)
12 FPL considered all relevant alternatives that could provide similar benefits to
13 FPL's customers and found that the PPAs were clearly superior; (3) the RFP
14 process contemplated by the Commission's bid rule does not apply to the
15 PPAs and would not serve the best interests of FPL's customers in this case;
16 (4) when all of the benefits of the PPAs are considered, they are a superior
17 choice to accelerating a self-build option into the 2010 time frame; and (5)
18 FPL has no assurance that it could obtain all the benefits associated with the
19 PPAs under any other market alternative.

20
21
22

1 **Q. Have you prepared, or caused to be prepared under your direction or**
2 **supervision, an exhibit to be used in this proceeding?**

3

4 A. Yes. It consists of the following documents:
5 Document TLH – 7 - Timeline for Firm Transmission Service
6 Document TLH – 8 – Southern Company Transmission Queue

7

8 **NEED FOR PROMPT REVIEW AND APPROVAL OF PPAs**

9

10 **Q. Merchant witnesses Dismukes, Knauth and Vogt all suggest that**
11 **immediate approval is not necessary. Do you agree?**

12 A. No; I strongly disagree.

13

14 As I have previously testified, the PPAs give FPL only six months (180 days)
15 from the date they were signed or until transmission rights are obtained,
16 whichever is later, to secure Commission approval. The PPAs were signed on
17 August 11, 2004, so this window of opportunity could close in early February
18 2004.

19

20 The merchant witnesses point to the possibility that more time might be
21 available to secure Commission approval because Southern Company's
22 decision on FPL's firm transmission "roll-over" request might not be made
23 within this six-month period. But this is mere speculation, and FPL has no
24 control over when that decision will be made. As noted in my Document
25 TLH-7, it could take up to 240 days for FPL's firm transmission roll-over

1 request to be approved; however, FPL believes that approval may occur much
2 earlier, perhaps before the end of 2004. This is because the facilities that
3 provide capacity and energy under the PPAs were selected so as to maximize
4 the likelihood that firm transmission rights would be granted without the need
5 for extensive transmission studies by Southern Company. Therefore, we
6 could obtain our firm transmission rights as early as 135 days from when we
7 applied – that is, in less than six months. So, it is entirely possible that FPL
8 will only have until early February to obtain final Commission approval. FPL
9 would be foolish to gamble the opportunity to preserve the benefits of the
10 PPAs for its customers on speculation that the transmission roll-over decision
11 will take longer.

12
13 Mr. Dismukes maintains that there is no concrete or compelling evidence that
14 the benefits of the PPAs will not exist in the future, so in spite of the limited
15 window of opportunity for securing Commission approval, the Commission
16 should take its time (Dismukes, page 34, line 5). Again, this inappropriately
17 suggests that FPL should gamble the assured benefits of the PPAs on the hope
18 of speculative and unpredictable benefits. For example, a key benefit of the
19 PPAs is FPL's entitlement to firm coal-fired capacity. While Mr. Dismukes
20 points to large quantities of merchant generating capacity in the SERC region,
21 there is no firm coal-fired capacity in that area available to FPL in 2010 other
22 than that provided under the PPAs. And FPL had to negotiate hard to secure
23 the firm coal-fired capacity provided by the PPAs. Under the existing UPS

1 Agreement, FPL receives 210 MW from the Scherer 3 plant. Under the PPAs,
2 this will be reduced to 165 MW. This reduction reflects the great demand for
3 a limited amount of the coal-fired capacity in the region. Even this far in
4 advance of the expiration of the UPS contract, Southern Company has already
5 made a contractual commitment to someone else for part of the Scherer 3
6 capacity currently provided to FPL. If FPL has to forego the PPAs, there is no
7 reason to believe that the coal component of the PPAs will not be committed
8 to another party before FPL is able to negotiate any sort of alternative.

9
10 Another key benefit of the PPAs is their role in facilitating continuing access
11 to firm transmission rights into the SERC region. There is a long list of firms
12 that have applied for firm transmission studies to bring power and energy into
13 Florida from SERC (Document TLH-8). If FPL were to simply request firm
14 transmission, it would go to the end of this line. With our roll-over rights,
15 however, we retain our existing transmission and do not have to get at the end
16 of the queue. In my direct testimony (page 7 line 20) I state that FPL believes
17 it has the right to roll over its transmission rights under the existing UPS
18 Agreement. I further state that in order to successfully roll over the firm
19 transmission rights using different delivery points (where generating plants
20 connect to the transmission system) from those in the current UPS contract we
21 expect that we will have to show that there are no substantial changes in
22 system flows caused by the change in delivery points (page 8 line 2). We
23 believe that with the delivery points we have selected under the PPAs there

1 will be no substantial changes in system flows and therefore our roll-over
2 request will be granted for these PPAs. In contrast, there is no assurance that
3 this same argument would be available to FPL if it does not enter into the
4 PPAs.

5

6 **Q. Did FPL try to obtain a longer period for the Commission to review and**
7 **approve the PPAs?**

8 A. Yes. FPL asked Southern Company to allow one year to obtain Commission
9 approval for the PPAs. However, Southern Company was unwilling to keep
10 its generating units “off the market” that long. Six months from the contract
11 execution was the longest period of time to which they would agree for
12 Commission review and approval.

13

14 **Q. When did FPL first bring the PPAs to the attention of the parties in the**
15 **fuel docket?**

16 A. The PPAs were executed on August 11, 2004, and FPL brought them to the
17 attention of all parties of the fuel docket and Staff at Staff’s third periodic fuel
18 clause status meeting, held on August 26, 2004. My direct testimony
19 supporting approval of the PPAs was filed as part of FPL’s projection filing
20 on September 9, 2004, and FPL agreed with Staff to an additional meeting
21 with all parties of the fuel docket and Staff on September 17, 2004 for
22 questions about the filing, including my testimony. FPL has offered parties in

1 the docket additional opportunities for information and accelerated responses
2 to discovery requests.

3

4 **Q. Given that the existing UPS contract expires at the end of May 2010, why**
5 **is FPL pursuing approval of the PPAs so far in advance of when the**
6 **energy and capacity is needed?**

7 A. FPL needs to act now for two reasons: (1) to ensure that it will have adequate
8 resources to meet the needs of its customers in 2010, and (2) to preserve for its
9 customers as many of the benefits of the expiring UPS contract as possible.

10

11 First, FPL must know soon whether it can proceed with the PPAs, because
12 there is a considerable lead time for making alternative arrangements to meet
13 its need for approximately 930 MW of capacity in 2010. Absent Commission
14 approval of the PPAs, or absent roll-over of firm transmission rights, FPL
15 might well have to pursue permitting and construction of new gas-fired units.
16 As the Commission is aware, this is a complex process that could take as
17 much as five years. Therefore, in order to allow sufficient time for FPL to
18 pursue other alternatives if necessary, it is critical that we seek Commission
19 approval of the PPAs at this time.

20

21 Second, FPL's timing was dictated to some extent by the timing of Southern
22 Company's offer. Based on FPL's review of its alternatives, the only way to
23 ensure that most of the benefits of the expiring UPS contract will be preserved

1 was to enter into the PPAs at the time when the offers were available to FPL,
2 and then obtain the Commission's approval. If FPL were to forego the PPAs,
3 it cannot be certain that any of those benefits would be preserved. Only
4 through the PPAs can FPL bind Southern Company to provide the benefits to
5 FPL's customers specified in the PPAs, such as firm coal-fired capacity. And
6 only through the PPAs does FPL have a high level of confidence that the
7 benefits not specifically guaranteed under the PPAs, such as firm transmission
8 rights, will be obtained.

9
10 **Q. Do the merchant witnesses have the best interests of FPL's customers in**
11 **mind when they recommend against prompt review of the PPAs?**

12 A. I do not believe that they do. Each of the merchant witnesses either works in
13 or for the merchant generator industry. Commission approval of the PPAs
14 would be against their interests regardless of whether the PPAs benefit FPL's
15 customers.

16
17 **FPL CONSIDERED ALL RELEVANT ALTERNATIVES TO THE PPAs**

18
19 **Q. Mr. Dismukes points out that there are a large number of potential**
20 **providers in the SERC region that FPL did not consider. How can FPL**
21 **be certain that it addressed all relevant alternatives to the PPAs?**

22 A. The key question is which potential providers are really relevant. Mr.
23 Dismukes states that there are 30,537 MW of non-peaking merchant facilities

1 in SERC (page 24 line 4), and then goes on to clarify that of that total only
2 7,548 MW is in the Southern Company subregion (page 24, line 12). If FPL
3 were to contract for firm capacity and energy from generating units that are
4 outside the Southern Company subregion, we believe that the new
5 transmission system flows would be significantly different from those under
6 the current UPS contract and that we could not roll over our firm transmission
7 rights in that situation. FPL would not pursue such a speculative alternative.
8 Therefore, 75% of the potential capacity initially identified by Mr. Dismukes
9 is not relevant.

10

11 Of the remaining 7,548 MW discussed by Mr. Dismukes that are in the
12 Southern Company region, Mr. Dismukes identifies five operating facilities,
13 totaling 2,600 MW of capacity, as being in “Proximity to Contracted Units”
14 (Exhibit DED-2). If we exclude the Harris (1,254 MW) and Franklin (1,185
15 MW) units which are part of FPL’s PPAs, and we further exclude other
16 Southern Company affiliated units which Southern Company has already said
17 are not available to FPL, the relevant potential capacity is only 1,534 MW,
18 none of which is coal fired.

19

20 Mr. Dismukes’ list includes cogeneration plants. We elected to not include
21 cogenerators in our screening, because they have minimum standards of
22 efficiency and thermal energy use that must be maintained. Compliance with
23 these requirements typically places restrictions on the ability of cogenerators

1 to dispatch freely. When the cogenerators are removed from Mr. Dismukes'
2 list, all that remains are two Tenaska facilities in central Alabama. One of
3 those facilities is under contract to Coral Energy and the other under contract
4 to Williams Company, both through 2020.

5

6 **Q. Why did FPL not consider Florida resources as an alternative to the**
7 **PPAs?**

8 A. Primarily because relying on in-state resources would result in FPL's losing
9 its transmission rights into the SERC region. Those transmission rights
10 provide valuable access to economy energy purchases from the SERC region
11 and add geographical diversity to FPL's power supply.

12

13 I also would like to point out that the merchant witnesses do not identify any
14 Florida resources that are realistically viable alternatives. For example, Mr.
15 Knauth suggests that FPL could contract with the Vandolah facility. He
16 acknowledges, however, that the output of that unit is contractually committed
17 until 2012. While he suggests that perhaps Vandolah could terminate its
18 commitment early, that is purely speculative and does not exactly inspire
19 confidence that any commitment made to FPL would be respected. In short,
20 the Vandolah unit is not realistically available to meet FPL's 2010 need. Mr.
21 Knauth also fails to mention transmission constraints that would preclude
22 getting the power from that unit to our customers cost-effectively.

23

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Q. Why did you eliminate resources from consideration based upon current transmission constraints which may not exist in 2010?

A. FPL has no crystal ball that allows it to predict with confidence whether transmission constraints will be removed by 2010. While some existing congestion constraints may not exist in 2010, other new ones may arise. A decision must be made now, based on current knowledge.

Q. Why have you not considered plants in development or construction?

A. Again, projects in development must be considered speculative. As earlier discussed, we must know by the end of 2005 if we can count on the output of the facilities under contract to meet our needs.

I would like to discuss briefly the one project under construction that could be a potential candidate. That is the Hillabee project, owned by an affiliate of Calpine Corporation. This project is not coal-fired, so selecting it would lose the benefit of the coal-fired capacity afforded by the PPAs. Moreover, Calpine has announced that it is scaling back its capital spending programs to conserve capital. Given the history of changed completion dates and the stress the financial market is exerting on Calpine, there is no guarantee this project will be completed. For example, according to the transcripts of Calpine's latest earnings discussion with analysts, three facilities Calpine has under construction have been placed on the "discretionary" list (i.e.,

1 completion of construction is optional and no cash is forecast in the capital
2 budget for completion). We believe that Hillabee is one of those three.

3 **Q. What is your reaction to Mr. Vogt's contention that a coal fired**
4 **generation facility could be permitted within 18 months and available**
5 **within 42 months in time to meet a June 1, 2010 need?**

6 A. He is indulging in some very wishful thinking. It is highly unlikely that LS
7 Power could permit, build and bring to commercial operation a 900+ MW
8 coal-fired unit in 60 months (5 years). I have been unable to identify any coal
9 fired generation which LS Power has ever brought to commercial operation,
10 much less in 5 years. It appears that LS Power's most advanced coal fired
11 development project is in Osceola, Arkansas where initial permit applications
12 were apparently filed in 2001. The company has reported an estimated
13 commercial operation date in 2008 (seven years after the permits were filed),
14 and a September 29, 2004 article in the *Kansas City Star* reports commercial
15 operation is not expected until 2009 (eight years after the permits were filed).

16

17 **AN RFP WOULD NOT BE IN THE INTERESTS OF FPL'S CUSTOMERS**

18

19 **Q. Does the Commission's Bid Rule require FPL to conduct an RFP prior to**
20 **seeking approval for the PPAs?**

21 A. It is my understanding that Rule 25-22.082, Florida Administrative Code (the
22 "Bid Rule"), which requires utilities to issue RFPs in connection with
23 generation additions subject to the Power Plant Siting Act, is not applicable to

1 these PPAs. When it adopted the Bid Rule, the Commission expressly
2 considered and rejected the notion that RFPs should be required for all power
3 purchase agreements. See September 19, 2002, Staff Recommendation,
4 Docket No. 020398-EI, at p. 12; September 30, 2002, Special Agenda
5 Conference to Consider Amendments to Rule 25-22.082, Florida
6 Administrative Code, Tr. at pp. 166-168, 276-277.

7

8 **Q. Nonetheless, would it not be consistent with the intent of the Bid Rule for**
9 **FPL to conduct an RFP before seeking approval of the PPAs?**

10 A. Again, no. First, let me point out that subsection (18) of the Bid Rule
11 provides that, even for generation additions that are subject to the Bid Rule
12 (which this PPA clearly is not), there are times when the utility needs the
13 flexibility to make generation supply decisions for the sake of reliability and
14 other benefits to its customers without being constrained by an RFP process.

15

16 This is one of those instances. Simply put, the timing of our negotiations with
17 Southern Company would not have allowed us to conduct an RFP while still
18 retaining the right to lock in the benefits of the as-negotiated PPAs. While
19 those negotiations were under way, we considered but rejected the idea of
20 conducting an RFP. The package of PPAs we were negotiating are good for
21 FPL's customers. To issue an RFP instead would have required us to balance
22 the likelihood of obtaining a better deal for our customers against the potential
23 loss of benefits from the existing deal. For the reasons I discussed previously

1 in my rebuttal testimony, we did not see much likelihood of an RFP's yielding
2 an alternative that offered all the benefits of the PPAs. If we wrote the RFP in
3 a way that required all those benefits, Southern Company likely would have
4 been the only acceptable bidder. It is not clear whether, had we taken that
5 approach, Southern Company would have kept open the same terms and
6 conditions of the PPAs that we had negotiated. On the other hand, if we wrote
7 an RFP that did not require the benefits of the PPAs, we might have ended up
8 with a clearly inferior alternative. For example, if we did not insist upon a
9 coal component in the RFP, there would be no guarantee that any bidder,
10 including Southern Company, would include a coal component. In short, the
11 potential losses outweighed the potential gains.

12

13 **THE PPAs ARE MORE BENEFICIAL TO FPL'S CUSTOMERS THAN**
14 **ACCELERATING A SELF-BUILD ALTERNATIVE TO 2010**

15

16 **Q. Because the Net Present Value (NPV) cost associated with accelerating a**
17 **self-build alternative to 2010 is lower than the NPV of the PPAs, why**
18 **should FPL not choose the self-build alternative?**

19 **A.** FPL believes that the benefits of the PPAs exceed those of a self-build
20 alternative for several reasons. First, the PPAs offer FPL's customers a
21 number of benefits that are not provided by a self-build alternative. My direct
22 testimony lists and discusses these benefits. Although the exact magnitude of
23 those benefits can only be determined through the exercise of the features in

1 the PPAs, if the PPAs are approved and become effective, the benefits are real
2 and they are assured. In contrast, merchant witnesses Dismukes, Knauth and
3 Vogt can only offer less than credible speculation as to whether FPL could or
4 would be able to perhaps obtain some of those benefits, absent the PPAs.
5 FPL's position is that ensuring that those benefits will be available is in the
6 best interest of our customers. The comparison between the PPAs and the
7 indicative self-build alternative was aimed exclusively at the two alternatives'
8 relative costs, and did not address a comparison of all relevant benefits. The
9 cost comparison was performed only to establish, as a threshold matter, that
10 the price of the PPAs was within a reasonable range, not to make a final
11 determination as to which alternative is better.

12
13 Second, the PPAs obligate FPL for only five and one half years, until the end
14 of 2015. Therefore, if FPL determines by 2008 that technologies other than
15 current design gas-fueled combined cycle units have been developed to the
16 point that they offer economic advantages, along with the requisite high level
17 of reliability, by 2015 FPL would be able to pursue these technologies.

18
19 Finally, the PPAs do not preclude FPL from adding self-build alternatives, or
20 pursuing one or more proposals for purchase power that is or are determined
21 to be better than a self-build alternative for the purpose of meeting FPL's
22 growing capacity need in the future. In other words, if FPL's PPAs are
23 approved, FPL will still have need for additional capacity in 2009, 2011,

1 2012, etc., and FPL will have to select self-build alternatives and/or other
2 purchases to meet those needs. Therefore, entering into the PPAs does not
3 preclude any of the other alternatives. In fact, one or more of the other
4 alternatives will be required prior to the effective date of these PPAs.

5
6 **THE BENEFITS OF THE PPAs MAY NOT BE AVAILABLE**
7 **UNDER MARKET ALTERNATIVES**

8
9 **Q. The merchant witnesses suggest that the benefits of the PPAs likely could**
10 **be obtained in connection with market alternatives to the PPAs. Do you**
11 **agree?**

12 **A.** No. This is yet another instance of their tempting the Commission to
13 substitute speculation for certainty. Two of the PPAs' benefits illustrate this
14 point well: the coal-fired capacity and the transmission roll-over rights that are
15 available under the PPAs.

16
17 As I have previously discussed, one of FPL's central purposes in negotiating
18 the PPAs was to retain significant coal-fired capacity for the benefits of our
19 customers. We succeeded in this, despite the fact that coal-fired capacity is
20 highly sought after, is in extremely short supply, and Southern Company has
21 many other markets for such capacity. The merchant witnesses would have
22 the Commission jeopardize FPL's entitlement to that coal-fired capacity in
23 favor of unsubstantiated speculation that there might be other coal-fired

1 capacity available somewhere. The only example offered by merchant
2 witness Dismukes is a plant in Louisiana, and it is not a viable option because
3 of insurmountable transmission obstacles.

4
5 The merchant witnesses likewise offer nothing but conjecture concerning firm
6 transmission rights on the Southern Company side of the interface, which both
7 merchant witnesses Vogt and Dismukes have agreed are valuable. As I have
8 previously discussed, FPL believes it has the right to roll over its transmission
9 rights under the existing UPS Agreement but that in order to do so FPL
10 expects it will have to show that there are no substantial changes in system
11 flows caused by the change in delivery points. The delivery points FPL has
12 selected under the PPAs will not result in substantial changes in system flows
13 and therefore FPL has a strong argument that its roll-over request should be
14 granted for these PPAs. In contrast, there is no assurance that this same
15 argument would be available for delivery of power from other market
16 resources.

17
18 **Q. Does that conclude your rebuttal testimony?**

19 **A. Yes.**

Timeline for Firm Transmission Service

Milestone Schedule for Obtaining Transmission

		Maximum Duration	Maximum Cumulative Days	Tariff Reference
FPL	Request for service	0	0	
Southern	System Impact Study			
	Agreement	30	30	19.1
FPL	Response	15	45	19.1
Southern	System Impact Study	60	105	19.3
FPL	Response	15	120	19.3
Southern	Facilities Study Agreement	30	135	19.4
FPL	Response	15	150	19.4
Southern	Facilities Study	60	210	19.4
FPL	Service Agreement	30	240	19.4

TLH-7
Docket No. 040001-EI
FPL Witness T. Hartman
Exhibit _____
October 18, 2004

SOUTHERN COMPANY TRANSMISSION QUEUE

TLH-8
Docket No. 040001-EI
FPL Witness T. Hartman
Exhibit _____
Pages 1-5
October 18, 2004

SOCO OASIS 1.4 - Status Query Results

Menus
 Transmission
 Offerings
 Advanced Offerings
 New Reservation
 Status
 Monitor
 Query

Query Criteria
 TS Class = Firm
 Points Of Receipt = SOCO
 Points Of Delivery = FPC, FPL, JEA, TAL
 Path Name = SS/SOCO/SOCO-FL//
 Service Period...
 from 15-Oct-04 17:00 CD
 to 15-Oct-21 18:00 CD



Status Info
 Time of Query
 15-Oct-04 16:03:24 CDT
 44 Result Rows

Transmission Reservations where Customer and Seller are as selected											
New Status	Status	ARef	Source Sink	Begin Time	End Time	Requested Max Cap Sum:Avg	Granted Max Cap Sum:Avg	Offer Price	Bid Price	Price Units	
	CONFIRMED	128534	UPS FPL	01-Jan-00 01:00 CD	01-Jan-11 01:00 CD	19 202:18	19 202:18	16440.00	16440.00	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 31-Aug-99 11:50 CD					Customer/Seller SOCO/SOCO Deal Ref PRIOR			
			Customer Comments Prior Service UPS to FPL incremental increase for annual adjustment Check Ancillaries								
	CONFIRMED	128535	UPS FPC	01-Jan-00 01:00 CD	01-Jan-11 01:00 CD	7 74:6	7 74:6	16440.00	16440.00	\$/MWyr	
SOCO-FPC			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 31-Aug-99 11:52 CD					Customer/Seller SOCO/SOCO Deal Ref PRIOR			
IMPACTED			Customer Comments Prior Service UPS to FPC incremental increase for annual adjustment Check Ancillaries								
	CONFIRMED	128536	UPS JEA	01-Jan-00 01:00 CD	01-Jan-11 01:00 CD	5 54:4	5 54:4	16440.00	16440.00	\$/MWyr	
SOCO-JEA			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 31-Aug-99 11:53 CD					Customer/Seller SOCO/SOCO Deal Ref PRIOR			
IMPACTED			Customer Comments Prior Service UPS to JEA incremental increase for annual adjustment Check Ancillaries								
	CONFIRMED	128545	SCHERER4 FPL	01-Jan-00 01:00 CD	01-Jan-20 01:00 CD	38 760:38	38 760:38	16440.00	16440.00	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 31-Aug-99 12:09 CD					Customer/Seller SOCO/SOCO Deal Ref PRIOR			
IMPACTED			Customer Comments Prior Service Scherer4 to FPL incremental increase for annual adjustment Check Ancillaries								
	CONFIRMED	128546	SCHERER4 JEA	01-Jan-00 01:00 CD	01-Jan-20 01:00 CD	12 240:12	12 240:12	16440.00	16440.00	\$/MWyr	
SOCO-JEA			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 31-Aug-99 12:10 CD					Customer/Seller SOCO/SOCO Deal Ref PRIOR			
			Customer Comments Prior Service Scherer4 to JEA incremental increase for annual adjustment Check Ancillaries								
	CONFIRMED	322721	BRANCH TAL	01-Jun-03 00:00 CD	01-Jun-23 00:00 CD	50 1000:50	19 19:0	21685.56	21685.56	\$/MWyr	
SOCO-TAL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 12-Feb-02 17:21 CD Expires 14-Mar-03 17:00 CD					Customer/Seller SWE/SOCO Request Ref			
IMPACTED			Status Comments Pursuant to terms of Service Agreement. Seller Comments Yearly ATC based on monthly ATC, 6/1/03 to 6/1/04 - 1st year only Check Ancillaries								
	STUDY	324518	WANSLEY FPL	01-Jun-10 00:00 CD	01-Jun-30 00:00 CD	1125 22500:1125	0 0:0	16440.00	16440.00	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding					Customer/Seller			

			Time Queued Seller Comments	25-Feb-02 10:19 CD System Impact Study initiated				SWE/SOCO		
	STUDY	324519	GOATROCK FPC	01-Jun-10 00:00 CD	01-Jun-30 00:00 CD	425 8500:425	0 0:0	16440.00	16440.00	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller SWE/SOCO		
	STUDY	324520	GOATROCK JEA	01-Jun-10 00:00 CD	01-Jun-30 00:00 CD	200 4000:200	0 0:0	16440.00	16440.00	\$/MWyr
			SOCO-JEA	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller SWE/SOCO		
	STUDY	359209	BOWEN FPL	01-Jan-06 01:00 CD	01-Jan-16 01:00 CD	150 1500:150	0 0:0	16440.00	16440.00	\$/MWyr
			SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller SWE/SOCO		
	STUDY	359210	BRANCH FPL	01-Jan-06 01:00 CD	01-Jan-16 01:00 CD	150 1500:150	0 0:0	16440.00	16440.00	\$/MWyr
			SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller SWE/SOCO		
	STUDY	359211	SCHERER FPL	01-Jan-06 01:00 CD	01-Jan-16 01:00 CD	150 1500:150	0 0:0	16440.00	16440.00	\$/MWyr
			SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller SWE/SOCO		
	STUDY	403740	LLEA LLC TAL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-TAL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403741	LLEA LLC TAL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-TAL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403742	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403743	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403744	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403745	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403746	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
			SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued Seller Comments				Customer/Seller TZEA/SOCO		
	STUDY	403747	LLEA LLC FPC	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	50 50:50	0 0:0	21685.56	21685.56	\$/MWyr

		SOCO-FPC	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:55 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403748	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403749	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403750	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403751	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403752	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	100 100:100	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	STUDY	403753	LLEA LLC FPL	01-Jun-09 00:00 CD	01-Jun-10 00:00 CD	50 50:50	0 0:0	21685.56	21685.56	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 23-Jan-03 15:56 CD Seller Comments System Impact Study initiated						Customer/Seller TZEA/SOCO	
	CONFIRMED <input checked="" type="checkbox"/>	478082	BRANCH TAL	01-Jun-04 00:00 CD	01-Jun-05 00:00 CD	19 19:19	19 19:19	21042.21	21042.21	\$/MWyr
RENEWAL - Related Ref 322721 IMPACTED		SOCO-TAL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 29-Mar-04 09:14 CD Status Comments Pursuant to terms of Service Agreement. Seller Comments Yearly ATC based on monthly ATC, 6/1/04 to 6/1/05 Customer Comments Rollover Request of 322721 Check Ancillaries						Customer/Seller SWE/SOCO	
	CONFIRMED <input checked="" type="checkbox"/>	488588	YATES FPL	01-Jun-04 00:00 CD	01-Jun-05 00:00 CD	1 12:1	1 12:1	1753.52	1753.52	\$/MWmo
IMPACTED		SOCO-FPL	Monthly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 28-May-04 10:55 CD Seller Comments Not a real transaction. Customer Comments To permit correction of ATC due to contract adjustments Check Ancillaries						Customer/Seller SOCO/SOCO Deal Ref PSEUDO	
	RECEIVED	505440	MILLER FPL	01-Jun-10 00:00 CD	01-Jun-15 00:00 CD	720 3600:720	0 0:0	21042.21	21042.21	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 25-Aug-04 13:47 CD Customer Comments ROLLOVER OF PRE-TARIFF UPS SERVICE						Customer/Seller FPLM/SOCO	
	RECEIVED	505441	SCHERER FPL	01-Jun-10 00:00 CD	01-Jun-15 00:00 CD	210 1050:210	0 0:0	21042.21	21042.21	\$/MWyr
		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 25-Aug-04 13:48 CD Customer Comments ROLLOVER OF PRE-TARIFF UPS SERVICE						Customer/Seller FPLM/SOCO	
	RECEIVED <input checked="" type="checkbox"/>	505443	HILLABEE FPL	01-Jun-10 00:00 CD	01-Jun-12 00:00 CD	700 1400:700	0 0:0			\$/MWyr
REDIRECT - Related Ref 465863 Related POR/POD SOCO-GTC Related Sink OPCLOAD		SOCO-FPL	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 25-Aug-04 14:14 CD Check Ancillaries						Customer/Seller CALP/SOCO	

<input type="checkbox"/>	STUDY	505590	MILLER TAL	01-Jul-05 00:00 CD	01-Sep-05 00:00 CD	50 100:50	0 0:0	1712.61	1712.61	\$/MWmo	
SOCO-TAL			Monthly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 26-Aug-04 12:55 CD						Customer/Seller MSCG/SOCO		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	507786	HEARDCOTNSK FPL	01-Oct-04 00:00 CD	01-May-05 00:00 CD	66 462:66	66 198:28			\$/MWmo	
SOCO-FPL			Monthly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 09-Sep-04 06:03 CD Expires 08-Oct-04 12:35 CD Seller Comments Please confirm or withdraw ASAP Check Ancillaries						Customer/Seller EXGN/SOCO Request Ref		
<input type="checkbox"/>	RECEIVED	512147	MILLER FPL	01-Jan-05 01:00 CD	01-Jan-08 01:00 CD	100 300:100	0 0:0	20451.52	20451.52	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 06-Oct-04 07:22 CD						Customer/Seller MSCG/SOCO		
<input type="checkbox"/>	RECEIVED	512148	MILLER FPL	01-Jan-05 01:00 CD	01-Jan-08 01:00 CD	100 300:100	0 0:0	20451.52	20451.52	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 06-Oct-04 07:22 CD						Customer/Seller MSCG/SOCO		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	513236	BRANCH TAL	15-Oct-04 00:00 CD	16-Oct-04 00:00 CD	19 19:19	19 19:19			\$/MWdy	
SOCO-TAL			Daily/Firm/Point_To_Point/Full_Period/Fixed Time Queued 14-Oct-04 10:22 CD Check Ancillaries						Customer/Seller SWE/SOCO		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	513297	BRANCH TAL	18-Oct-04 00:00 CD	19-Oct-04 00:00 CD	19 19:19	19 19:19			\$/MWdy	
SOCO-TAL			Daily/Firm/Point_To_Point/Full_Period/Fixed Time Queued 15-Oct-04 12:22 CD Check Ancillaries						Customer/Seller SWE/SOCO		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	513306	BRANCH TAL	16-Oct-04 00:00 CD	18-Oct-04 00:00 CD	19 38:19	19 38:19			\$/MWdy	
SOCO-TAL			Daily/Firm/Point_To_Point/Full_Period/Fixed Time Queued 15-Oct-04 14:27 CD Check Ancillaries						Customer/Seller SWE/SOCO		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	90100	SOCO FPC	01-Mar-97 01:00 CD	01-Mar-13 01:00 CD	10 160:10	10 160:10	16440.00	16440.00	\$/MWyr	
SOCO-FPC			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 01-Jan-97 01:00 CD Customer Comments Prior Service SOCO to Bay County						Customer/Seller SOCO/SOCO Deal Ref PRIOR		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	90110	UPS FPL	01-Jun-98 00:00 CD	01-Jun-10 00:00 CD	921 11052:921	921 11052:921	16440.00	16440.00	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 01-Jan-99 01:00 CD Customer Comments Prior Service UPS to FPL						Customer/Seller SOCO/SOCO Deal Ref PRIOR		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	90120	UPS FPC	01-Jun-98 00:00 CD	01-Jun-10 00:00 CD	409 4908:409	409 4908:409	16440.00	16440.00	\$/MWyr	
SOCO-FPC			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 01-Jan-99 01:00 CD Customer Comments Prior Service UPS to FPC						Customer/Seller SOCO/SOCO Deal Ref PRIOR		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	90130	UPS JEA	01-Jun-98 00:00 CD	01-Jun-10 00:00 CD	205 2460:205	205 2460:205	16440.00	16440.00	\$/MWyr	
SOCO-JEA			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 01-Jan-99 01:00 CD Customer Comments Prior Service UPS to JEA						Customer/Seller SOCO/SOCO Deal Ref PRIOR		
<input type="checkbox"/>	CONFIRMED <input checked="" type="checkbox"/>	90150	SCHERER4 FPL	01-Jan-99 01:00 CD	01-Jan-20 01:00 CD	649 13629:649	649 13629:649	16440.00	16440.00	\$/MWyr	
SOCO-FPL			Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued 01-Jan-99 01:00 CD						Customer/Seller SOCO/SOCO		
IMPACTED											

			Customer Comments	Prior Service Scherer4 to FPL				Deal Ref PRIOR		
	CONFIRMED 	20160	SCHERER4 JEA	01-Jan-99 01:00 CD	01-Jan-20 01:00 CD	201 4221:201	201 4221:201	16440.00	16440.00	\$/MWyr
IMPACTED			SOCO-JEA	Yearly/Firm/Point_To_Point/Full_Period/Sliding Time Queued				Customer/Seller SOCO/SOCO Deal Ref PRIOR		
			Customer Comments	Prior Service Scherer4 to JEA						