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February 22, 2006

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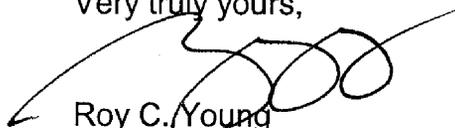
060155-EM

Re: Petition by Orlando Utilities Commission for Supplemental Certification of Construction and Operation Including Determination of Need for Electrical Power Plant (Stanton Energy Center Combined Cycle Unit B, a/k/a Stanton B)

Dear Ms. Bayo:

It is my pleasure to enclose an original and 15 copies of the Petition for Supplemental Certification of Construction and Operation Including Determination of Need for Electrical Power Plant and the Need for Power ("NFP") Application and exhibits thereto for filing on behalf of OUC for Stanton B. The NFP Application and exhibits thereto are filed in redacted format to protect confidential, proprietary business information. Please note that Request for Confidential Classification in regard to the NFP Application and confidential exhibits attached thereto, is hereby submitted with this Petition.

Very truly yours,


Roy C. Young

RCY:swp

Enclosures

cc: Hamilton S. Oven (without enclosures)

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF FLORIDA

IN RE:)
)
PETITION OF ORLANDO UTILITIES)
COMMISSION FOR DETERMINATION) PSC DOCKET NO. 060155-EM
OF NEED OF THE PROPOSED STANTON)
ENERGY CENTER COMBINED CYCLE) FILED: _____
UNIT B)
_____)

PETITION FOR SUPPLEMENTAL CERTIFICATION OF
CONSTRUCTION AND OPERATION INCLUDING
DETERMINATION OF NEED FOR ELECTRICAL POWER PLANT

Comes now Petitioner ORLANDO UTILITIES COMMISSION, by and through its undersigned attorneys, and request the FLORIDA PUBLIC SERVICE COMMISSION ("Commission"), pursuant to section 403.519, Fla. Stat., and Rule 25-22.080, Fla. Admin. Code, to determine that there is a need for the proposed Stanton Energy Center Combined Cycle Unit B electrical power plant described herein and that the Commission file its report and order making that determination with the Florida Department of Environmental Protection ("FDEP") pursuant to section 403.507(2)(a), Fla. Stat. Petitioner proposes to place the plant in commercial service by June 1, 2010 and, therefore, have filed a supplemental application for Site Certification with the FDEP pursuant to section 403.517, Fla. Stat., on February 17, 2006. In support thereof, Petition states as follows:

1. ORLANDO UTILITIES COMMISSION ("OUC") is an independent authority and part of the government of the City of Orlando and is engaged in the generation, transmission and distribution of electric power.

2. The CURTIS H. STANTON ENERGY CENTER ("Stanton Energy Center") is located within Orange County approximately 4-3/4 miles south of Highway 50 and one (1) mile north of the Bee Line Expressway in eastern Orange County. The Stanton Energy Center occupies a 3,280 acre site which was previously certified for ultimate site development of 2,000 megawatts (MW). Existing Stanton Energy Center Units 1 and 2 ("Stanton 1" and "Stanton 2") both are coal fired units and Stanton Energy Combined Cycle Unit A ("Stanton A") is a naturally gas fired unit. Stanton 1 is a 444 MW unit. Stanton 2 is a 446 MW unit. Stanton A is a 633 MW unit.

3. OUC has contracted with Southern Power Company – Orlando Gasification LLC ("SPC-OG") for the construction of a combined cycle facility with a nominal output of 283 MW at 70° F at Stanton Energy Center. This unit has been designated Stanton Energy Center Combined Cycle Unit B ("Stanton B").

4. Stanton B will operate primarily on coal derived synthetic gas ("syngas"), but will also have the ability to fire natural gas. Stanton B will use a Kellogg Brown and Root, Inc. gasifier, an F-class combustion turbine, a heat recovery steam generator, and a steam turbine. Subbituminous Powder River Basin coal will be used for the gasifier to produce the syngas.

The U.S. Department of Energy is providing \$235 million in cost-sharing for the design, construction, and demonstration of the gasifier.

5. OUC is 100% owner of Stanton B. OUC is 35% owner of the gasification island and SPC-OG owns the remaining 65%. Stanton B is fully committed to OUC.

6. Stanton B, as a combined cycle electrical generating plant, is subject to the Florida Electrical Power Plant Siting Act, sections 403.501 to 403.518, Fla. Stat. ("Siting Act"). Pursuant to the Siting Act and to Commission Rules 25-22.080 through 25-22.081, Fla. Admin. Code, promulgated pursuant thereto, the Commission has jurisdiction to determine the need for the proposed electrical power plant, applying the standards set forth in section 403.519, Fla. Stat.

7. As stated in paragraph 2 above, OUC previously obtained Site Certification from the Florida Siting Board for the Stanton Energy Center site in order to build Stanton Units 1, 2, and A, and ultimately to locate up to 2,000 MW of generating capacity at the site. As a result, OUC need only to proceed with the shorter, more stream-lined supplemental site certification process for the purpose of constructing Stanton B. Petitioners have now initiated that process by filing their supplemental application for Site Certification with FDEP.

8. Rule 25-22.081, Fla. Admin. Code, establishes the information required by the Commission to support this Petition. This information is

included in the Need for Power ("NFP") Application which is attached to this Petition.¹

9. As demonstrated in the NFP Application, Stanton B is needed for OUC's electric system reliability and integrity in 2010 when OUC's reserve margins would drop below its reserve margin criteria without the addition of Stanton B.

10. As demonstrated in the NFP Application, Stanton B is the most cost-effective generating alternative available and will provide adequate electricity at a reasonable cost to OUC and peninsular Florida.

11. As demonstrated in the NFP Application, Stanton B is the most cost-effective alternative available to OUC after evaluating other conventional, emerging, and renewable generation resources as potential capacity addition alternatives; and comparing competitive alternative purchased power and construction proposals.

12. As demonstrated in the NFP Application, no cost-effective demand-side management or conservation measures were found which could mitigate the need for Stanton B.

13. As demonstrated in the NFP Application, if the Stanton B project is delayed, OUC, will not be able to satisfy its reserve margin planning criteria beginning in 2010. This would expose their customers to risks of service interruptions in the event of unanticipated forced outages or other

¹ The NFP Application relates to Section 1 of the Supplemental Site Certification Application, which Petitioners have filed with the FDEP.

exigencies for which utilities maintain reserves. In addition, a delay in the Stanton B Unit would defer or possibly eliminate the estimated savings from the plant and would thus deprive customers of favorable electricity prices.

14. Petitioner is not aware at this time that there will be any disputed issues of material fact in this proceeding. Through the NFP Application, testimony, and exhibits, Petitioner expects to demonstrate that the proposed plant satisfies the statutory criteria set forth in section 403.519, Fla. Stat.

15. The foregoing information, including Application and supporting appendices, demonstrates that Stanton B merits an affirmative determination of need from the Commission pursuant to section 403.519, Fla. Stat.

WHEREFORE, OUC respectfully requests that:

(1) Pursuant to Rule 25-22.080(2), Fla. Admin. Code, the Commission set a date for a hearing on this Petition, not more than ninety (90) days after the date of the filing of this Petition;

(2) The Commission give notice of the commencement of the proceeding as required by Rule 25-22.080(3), Fla. Admin. Code;

(3) The Commission submit a preliminary statement of issues to the FDEP pursuant to section 403.507(1), Fla. Stat.; and

(4) The Commission determine that there is need for the proposed electrical power plant described in this Petition, and file its report, including

an order making such determination, with the FDEP pursuant to section 403.507(2)(a)2, Fla. Stat.

RESPECTFULLY SUBMITTED this 22nd day of February, 2006.



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