

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Planning Hearings on Load)	DOCKET NO. 910004-EU
Forecasts Generation Expansion)	ORDER NO. 24377
Plans, and Cogeneration Prices)	ISSUED: 4-17-91
for Florida's Electric Utilities.)	

SUPPLEMENTAL ORDER ON PREHEARING PROCEDUREPrehearing Statements

On February 20, 1991, in Order No. 24141, the parties to this docket were directed to file their prehearing statements on May 3, 1991. In order to allow more time for staff to prepare and circulate a draft prehearing order, the parties are hereby directed to file their prehearing statements no later than April 29, 1991.

Each prehearing statement shall be in substantially the form attached hereto as Attachment "A", and shall address the issues in the order and form set forth therein. Do not change the numbering or wording of the issues. Parties who wish to propose additions or changes to the issues contained in Attachment "A" shall include such proposed additions or changes in the "Other Matters" section of their prehearing statements.

Floppy Disk Filing of Prehearing Statements

Those parties who can do so must supply a micro floppy disk copy of their prehearing statements to the Commission's Division of Legal Services, using Wordperfect 5.1 word processing software and 3.5" (90mm) micro floppy disks (double sided high density). In order to facilitate preparation of prehearing statements, any party may obtain a floppy disk copy of Attachment "A" by providing a blank disk to Barbara Ivery in the Division of Legal Services.

Intervenor Status

This docket is an ongoing docket which continues from year to year. It has come to the attention of the prehearing officer that many parties have intervened in this docket over the years but are no longer active participants. Therefore, all party intervenors must maintain active participation in this docket in order to retain intervenor status. For purposes of this order, active participation shall mean at least the filing of a prehearing statement and attendance at the final prehearing conference herein. Intervenor status who maintain such active participation shall automatically retain intervenor status for the next hearing in this docket, subject to continued active participation. Intervenor status who do not maintain active participation will lose intervenor status, but may petition for intervention in future hearings.

Persons who only wish to monitor this docket will not be

DOCUMENT NUMBER-DATE

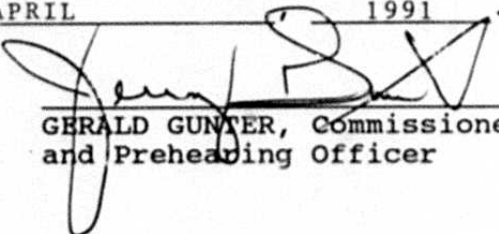
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PSC-RECORDS/REPORTING

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granted intervenor status, and should instead contact the Director of Records and Reporting for inclusion on the mailing list.

By ORDER of Commissioner Gerald Gunter, Prehearing Officer,
this 17th day of APRIL 1991.



GERALD GUNTER, Commissioner
and Prehearing Officer

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Attachment "A"
To Order On Prehearing Procedure
Docket No. 910004-EU

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Planning Hearings on Load) Forecasts Generation Expansion) Plans, and Cogeneration Prices) for Florida's Electric Utilities.) <hr style="width: 100%;"/>	DOCKET NO. 910004-EU ORDER NO. ISSUED:
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PREHEARING STATEMENT OF

A. APPEARANCES:

IDENTIFY EACH ATTORNEY FOR YOUR PARTY IN THE FORMAT SHOWN BELOW:
 MICHAEL A. PALECKI, Esquire, Florida Public Service
 Commission, 101 East Gaines Street, Tallahassee, Florida
 32399-0863
On behalf of the Staff of the Florida Public Service
Commission

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B. WITNESSES:

LIST EACH DIRECT AND REBUTTAL WITNESS IN THE FORMAT SHOWN BELOW, ALONG WITH THE SUBJECT MATTER AND ISSUE NUMBERS WHICH WILL BE COVERED BY HIS OR HER TESTIMONY.

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
<u>EXAMPLE:</u>		
<u>(Direct)</u>		
1. A.B. Smith (FPC)	Effect of Clean Air Act on ten year generation expansion plan	1,2,3
2. C.D. Jones (FPC)	Reliability criteria used for planning purposes	4,5,6
<u>(Rebuttal)</u>		
3. E.F. Johnson (FPC)	Rebuttal to FPL reliability criteria	6,7

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C. EXHIBITS:

LIST AND NUMBER EXHIBITS IN THE FORMAT SHOWN BELOW ACCORDING TO THE FOLLOWING FORMAT. IF YOU HAVE NO EXHIBITS, STATE SO IN THE SPACE PROVIDED.

EXAMPLE:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(ABS-1)</u>	Smith	Cost of Existing Purchased Power Contract
<u>(DEJ-1)</u>	Jones	Analysis of Constraints in Transmission
<u>(ABJ-1)</u>	Johnson	Criteria re: Choice of Avoided Unit

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E. STATEMENT OF ISSUES AND POSITIONS

STATE YOUR POSITION ON EACH OF THE FOLLOWING ISSUES. IF YOU HAVE NO POSITION, YOU MUST SO STATE. BE SURE TO IDENTIFY YOUR PARTY AND WITNESS. PLEASE DO NOT REFER TO ATTACHMENTS UNLESS ABSOLUTELY NECESSARY. YOUR ENTIRE POSITION MUST BE TYPED DIRECTLY BELOW EACH ISSUE, AND MUST BE LIMITED TO NO MORE THAN ONE-HALF PAGE.

DO NOT RENUMBER OR REWORD ANY ISSUE. ISSUES WILL BE RENUMBERED BY STAFF AFTER THE PREHEARING.

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FPC'S GENERATION EXPANSION PLANS

1.1 FORECASTS AND ASSUMPTIONS

ISSUE 1: [STAFF/FICA] Are the reliability criteria used by FPC [reasonably adequate/most appropriate] for planning purposes?

ISSUE 2: [STAFF] Are the forecasts of energy and seasonal peak demand as presented in FPC's load forecast [reasonably adequate/most appropriate] for planning purposes?

ISSUE 3: [STAFF] Are the forecasts of existing and projected conservation and cogeneration [reasonable/appropriate] and [adequately/appropriately] considered in FPC's load and energy forecasts?

ISSUE 4: [STAFF] Are the forecasts of fuel prices and availability as presented in FPC's generation expansion plan [reasonably adequate/most appropriate] for planning purposes?

ISSUE 5: [STAFF] Are FPC's assumptions regarding the performance of existing units on their system [reasonably adequate/most appropriate] for planning purposes?

ISSUE 6: [FICA] Are FPC's assumptions regarding the performance, operating parameters and cost of existing purchased power contract [adequate/appropriate] for planning purposes?

1.2 GENERATION ALTERNATIVES

ISSUE 7: [STAFF] Does FPC's generation expansion plan [adequately/ appropriately] address risk and other strategic concerns including, but not limited to, fuel flexibility, weather uncertainty, environmental restrictions, assistance from the Southern Company, constraints in transmission, and state and national energy policies?

ISSUE 8: [STAFF] Are the pricing and operating parameters of the generating technologies that FPC considered in its generation expansion plan [reasonable/ appropriate]?

ISSUE 9: [STAFF] Did FPC [adequately/appropriately] consider all reasonable forms of available supply-side technologies in order to meet their future load growth?

ISSUE 10: [STAFF] What is the most appropriate generation expansion plan for meeting FPC's future electrical capacity needs in the absence of future firm QF capacity?

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FPL'S GENERATION EXPANSION PLANS

2.1 FORECASTS AND ASSUMPTIONS

ISSUE 11: [STAFF/FICA] Are the reliability criteria used by FPL [reasonably adequate/most appropriate] for planning purposes?

ISSUE 12: [STAFF] Are the forecasts of energy and seasonal peak demand as presented in FPL's load forecast [reasonably adequate/most appropriate] for planning purposes?

ISSUE 13: [STAFF] Are the forecasts of existing and projected conservation and cogeneration [reasonable/appropriate] and [adequately/appropriately] considered in FPL's load and energy forecasts?

ISSUE 14: [STAFF] Are the forecasts of fuel prices and availability as presented in FPL's generation expansion plan [reasonably adequate/most appropriate] for planning purposes?

ISSUE 15: [STAFF] Are FPL's assumptions regarding the performance of existing units on their system [reasonably adequate/most appropriate] for planning purposes?

ISSUE 16: [FICA] Are FPL's assumptions regarding the performance, operating parameters and cost of existing purchased power contract [adequate/appropriate] for planning purposes?

2.2 GENERATION ALTERNATIVES

ISSUE 17: [STAFF] Does FPL's generation expansion plan [adequately/ appropriately] address risk and other strategic concerns including, but not limited to, fuel flexibility, weather uncertainty, environmental restrictions, assistance from the Southern Company, constraints in transmission, and state and national energy policies?

ISSUE 18: [STAFF] Are the pricing and operating parameters of the generating technologies that FPL considered in its generation expansion plan [reasonable/ appropriate]?

ISSUE 19: [STAFF] Did FPL [adequately/appropriately] consider all reasonable forms of available supply-side technologies in order to meet their future load growth?

ISSUE 20: [STAFF] What is the most appropriate generation expansion plan for meeting FPL's future electrical capacity needs in the absence of future firm QF capacity?

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GULF'S GENERATION EXPANSION PLANS

3.1 FORECASTS AND ASSUMPTIONS

ISSUE 21: [STAFF/FICA] Are the reliability criteria used by GULF [reasonably adequate/most appropriate] for planning purposes?

ISSUE 22: [STAFF] Are the forecasts of energy and seasonal peak demand as presented in GULF's load forecast [reasonably adequate/most appropriate] for planning purposes?

ISSUE 23: [STAFF] Are the forecasts of existing and projected conservation and cogeneration [reasonable/appropriate] and [adequately/appropriately] considered in GULF's load and energy forecasts?

ISSUE 24: [STAFF] Are the forecasts of fuel prices and availability as presented in GULF's generation expansion plan [reasonably adequate/most appropriate] for planning purposes?

ISSUE 25: [STAFF] Are GULF's assumptions regarding the performance of existing units on their system [reasonably adequate/most appropriate] for planning purposes?

3.2 GENERATION ALTERNATIVES

ISSUE 26: [STAFF] Does GULF's generation expansion plan [adequately/ appropriately] address risk and other strategic concerns including, but not limited to, fuel flexibility, weather uncertainty, environmental restrictions, assistance from the Southern Company, constraints in transmission, and state and national energy policies?

ISSUE 27: [STAFF] Are the pricing and operating parameters of the generating technologies that GULF considered in its generation expansion plan [reasonable/ appropriate]?

ISSUE 28: [STAFF] Did GULF [adequately/appropriately] consider all reasonable forms of available supply-side technologies in order to meet their future load growth?

ISSUE 29: [STAFF] What is the most appropriate generation expansion plan for meeting GULF's future electrical capacity needs in the absence of future firm QF capacity?

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TECO'S GENERATION EXPANSION PLANS

4.1 FORECASTS AND ASSUMPTIONS

ISSUE 30: [STAFF/FICA] Are the reliability criteria used by TECO [reasonably adequate/most appropriate] for planning purposes?

ISSUE 31: [STAFF] Are the forecasts of energy and seasonal peak demand as presented in TECO's load forecast [reasonably adequate/most appropriate] for planning purposes?

ISSUE 32: [STAFF] Are the forecasts of existing and projected conservation and cogeneration [reasonable/appropriate] and [adequately/appropriately] considered in TECO's load and energy forecasts?

ISSUE 33: [STAFF] Are the forecasts of fuel prices and availability as presented in TECO's generation expansion plan [reasonably adequate/most appropriate] for planning purposes?

ISSUE 34: [STAFF] Are TECO's assumptions regarding the performance of existing units on their system [reasonably adequate/most appropriate] for planning purposes?

4.2 GENERATION ALTERNATIVES

ISSUE 35: [STAFF] Does TECO's generation expansion plan [adequately/ appropriately] address risk and other strategic concerns including, but not limited to, fuel flexibility, weather uncertainty, environmental restrictions, assistance from the Southern Company, constraints in transmission, and state and national energy policies?

ISSUE 36: [STAFF] Are the pricing and operating parameters of the generating technologies that TECO considered in its generation expansion plan [reasonable/ appropriate]?

ISSUE 37: [STAFF] Did TECO [adequately/appropriately] consider all reasonable forms of available supply-side technologies in order to meet their future load growth?

ISSUE 38: [STAFF] What is the most appropriate generation expansion plan for meeting TECO's future electrical capacity needs in the absence of future firm QF capacity?

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FPC'S STANDARD OFFER CONTRACT

5.1 AVOIDED UNIT CHOICE

ISSUE 39: [STAFF] Is the technology, timing, and number of the unit(s) FPC has identified as avoided unit(s) [reasonable as a/the most appropriate] means of setting standard offer pricing for the purchase of firm capacity and energy?

ISSUE 40: [STAFF] How much standard offer capacity should be available for subscription under FPC's standard offer contract?

5.2 AVOIDED UNIT PRICING

ISSUE 41: [STAFF] What are the appropriate values for the following parameters used by FPC to calculate the avoided cost for each of their avoided unit(s):

- | | |
|----------------------------------|-------------------------------|
| a. Type of fuel | j. AFUDC rate |
| b. Average annual heat rate | k. Effective tax rate |
| c. Cost of fuel | l. Other taxes |
| d. Construction cost (\$/kW) | m. Discount rate |
| e. Construction escalation rate | n. Fixed O&M costs (\$/kW/yr) |
| f. In-service cost (\$/kW) | o. Variable O&M |
| g. Incremental capital structure | p. O&M escalation rate |
| h. Cost of capital | q. Value of k |
| i. Book life | |

ISSUE 42: [FICA] Are the capacity payments in Appendix C of FPC's COG-2 tariff properly calculated with respect to the preceding parameters?

ISSUE 43: [FICA] Has FPC adequately and fairly incorporated all identifiable and quantifiable costs relating to the construction of the avoided unit(s) into their standard offer contracts?

ISSUE 44: [STAFF] Should FPC incorporate factors relating to the qualifying facility's location into their standard offer contract?

ISSUE 45: [NASSAU] If factors related to the QF's facility location should be incorporated into FPC's standard offer contract, what should the factors be and how should they be incorporated?

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ISSUE 46: [STAFF] Did FPC adequately and fairly incorporate factors relating to compliance with the Clean Air Act, as amended in 1990, which would affect the price contained in their standard offer contract?

ISSUE 47: [FICA/NASSAU] Should Schedule 10 of Appendix C of FPC's standard offer contract specify which taxes, assessments or other impositions for which a QF should be responsible?

ISSUE 48: [FICA] Should section 8.6 of FPC's proposed standard offer contract, which describes early capacity payments as a payment for future capacity benefits to the Company, recognize that a QF must deliver firm capacity and energy in conformity with the requirements of the contract as a condition of receiving such payments?

5.3 PERFORMANCE CRITERIA

ISSUE 49: [STAFF] Do the operating performance requirements in FPC's proposed standard offer contract [reasonably/appropriately] reflect the performance of FPC's avoided units(s)?

ISSUE 50: [FICA] Is the methodology proposed in section 8.5 of FPC's standard offer contract for calculating the monthly capacity payment to the QF [reasonable/appropriate]?

5.4 SECURITY PROVISIONS & PROJECT VIABILITY

ISSUE 51: [NASSAU/FICA] Is FPC's proposal in section 13.1 of their standard offer contract requiring a **completion security** of \$10 per kW of committed capacity within 60 days of contract execution [reasonable/appropriate]?

ISSUE 52: [FICA] Does section 13.1 of FPC's proposed standard offer contract provide for sufficient alternatives for a QF to provide **completion security** as well as sufficient criteria to determine which alternative should be approved?

ISSUE 53: [NASSAU] If the QF is required to provide a \$10 per kW **completion security**, is section 3.5 of FPC's proposed standard offer contract which requires the QF to also supply quarterly progress reports to FPC from contract execution through contract in-service date [reasonable/appropriate]?

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ISSUE 54: [FICA] Is section 4.2 of FPC's proposed standard offer contract which requires the QF to specify the dates of: (1) the execution of the Transmission Service Agreement, if applicable; (2) construction commencement; and (3) commercial in-service status, subject only to modification after Force Majeure [reasonable/ appropriate]?

ISSUE 55: [FICA] Should FPC's proposed standard offer contract describe the alternatives available for a QF to provide **performance security** and assurance of repayment of early or levelized capacity payments, as well as the criteria to determine which alternative should be approved and, if so, does FPC's proposed standard offer contract and tariff adequately do so?

ISSUE 56: [FICA] Is section 7.4 of FPC's proposed standard offer contract which requires the QF to annually re-demonstrate the commercial in-service status of the facility within 60 days of demand by FPC [reasonable/appropriate] as a measure of **performance security**?

ISSUE 56: [FICA] Is the interest rate proposed in section 8.6.2 of FPC's standard offer contract for balances in the QF's Capacity Account of 9.96% annually, or 0.7944% monthly [reasonably adequate/appropriate]?

5.5 OBLIGATION TO PURCHASE

ISSUE 58: [NASSAU/FICA] Are the events of **pre-operational default** as specified in section 15.1 of FPC's proposed standard offer contract [reasonable/appropriate]?

ISSUE 59: [NASSAU/FICA] Should sections 13.3 and 15.2 of FPC's proposed standard offer contract in which the only remedy for **pre-operational default** is termination of the contract and forfeiture to FPC of the entire completion security plus accrued interest be approved?

ISSUE 60: [NASSAU/FICA] Are the events of **operational default** as specified in section 15.3 of FPC's proposed standard offer contract [reasonable/appropriate]?

ISSUE 61: [NASSAU/STAFF] If the Commission determines that a utility's standard offer contract should contain a "regulatory out" clause, does Article XX of FPC's standard offer contract provide adequate protection to both the QF and the utility in the event that a future Commission alters the terms and conditions of the contract?

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5.6 OTHER STANDARD OFFER ISSUES

ISSUE 62: [FICA] Is section 7.2 of FPC's proposed standard offer contract which allows the QF a one-time adjustment to their initial committed capacity by no more than ten percent (10%) within the first year of the contract in-service date [reasonable/appropriate]?

ISSUE 63: [NASSAU] Should section 6.2 of FPC's proposed standard offer contract which permits a one-time only election of billing methodologies be approved?

ISSUE 64: [NASSAU/FICA] Is section 19.2 of FPC's proposed standard offer contract which requires a QF whose facility is directly interconnected with the FPC's system to have public liability insurance of not less than \$1,000,000 for each occurrence [reasonable/appropriate]?

5.7 STANDARD OFFER CONTRACT APPROVAL

ISSUE 65: [STAFF] Based upon its vote on the prior issues, should the Commission approve FPC's standard offer contract(s) and tariff(s) for the purchase of firm capacity and energy?

ISSUE 66: [FICA] Do the terms and conditions of FPC's standard offer contract and tariff, as well as prices for firm capacity and energy stated therein, constitute a reasonable and prudent expenditure by FPC, based on information reasonably available to the utility and the Commission at this time?

ISSUE 67: [STAFF] Once FPC's standard offer is fully subscribed, what actions should be taken by FPC?

5.8 STANDARD INTERCONNECTION AGREEMENT

ISSUE 68: [FICA] Are the provisions of sections 2.2 and 3.1 of FPC's standard interconnection agreement, which govern the timing of the QF's instructions to commence construction and FPC's obligations to complete construction, [reasonable/ appropriate]?

ISSUE 69: [FICA] Do the provisions of sections 2.4 and 3.0 of FPC's standard interconnection agreement, which set forth interconnection costs the QF is obligated to pay, conform to Rule 25-17.087(10) and are they [reasonable/appropriate]?

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ISSUE 70: [FICA] Should the terms and conditions of FPC's standard interconnection agreement be approved?

5.9 LEGAL ISSUES

ISSUE 71: [STAFF] Do FPC's proposed standard offer contract and tariff for the purchase of firm capacity and energy comply with Rule 25-17.0832?

ISSUE 72: [FICA] Does section 6.3 of FPC's proposed standard offer contract (refusal to purchase energy) comply with the requirements of 18 C.F.R. section 292.304(f)(2) that sufficient notice be provided to permit the QF to cease generation?

ISSUE 73: [FICA] Do the proposed indemnification requirements in Article XVII of FPC's standard offer contract conform to the requirements of Rule 25-17.0832?

ISSUE 74: [FICA] Is the definition of Force Majeure in Article XXI of FPC's standard offer contract appropriate?

ISSUE 75: [NASSAU] Would a location penalty, similar reduction to the prices paid to QFs or unavailability of a standard offer contract to QFs in a particular location, as proposed by FPC in section 2.2 of its standard offer contract, sheets 9.511-9.512, violate the mandate of section 366.051, F.S. (1989), which provides that in fixing rates for power purchased by public utilities from cogenerators, the Commission shall authorize a rate equal to the purchasing utility's full avoided costs?

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FPL'S STANDARD OFFER CONTRACT

6.1 AVOIDED UNIT CHOICE

ISSUE 76: [STAFF] Is the technology, timing, and number of the unit(s) FPL has identified as avoided unit(s) [reasonable as a/the most appropriate] means of setting standard offer pricing for the purchase of firm capacity and energy?

ISSUE 77: [STAFF] How much standard offer capacity should be available for subscription under FPL's standard offer contract?

6.2 AVOIDED UNIT PRICING

ISSUE 78: [STAFF] What are the appropriate values for the following parameters used by FPL to calculate the avoided cost for each of their avoided unit(s):

- | | |
|----------------------------------|-------------------------------|
| a. Type of fuel | j. AFUDC rate |
| b. Average annual heat rate | k. Effective tax rate |
| c. Cost of fuel | l. Other taxes |
| d. Construction cost (\$/kW) | m. Discount rate |
| e. Construction escalation rate | n. Fixed O&M costs (\$/kW/yr) |
| f. In-service cost (\$/kW) | o. Variable O&M |
| g. Incremental capital structure | p. O&M escalation rate |
| h. Cost of capital | q. Value of k |
| i. Book life | |

ISSUE 79: [FICA] Are the capacity payments in sheet 10.202-203 of FPL's COG-2 tariff properly calculated with respect to preceding parameters?

ISSUE 80: [FICA] Has FPL adequately and fairly incorporated all identifiable and quantifiable costs relating to the construction of the avoided unit(s) into their standard offer contract?

ISSUE 81: [STAFF] Should FPL incorporate factors relating to the qualifying facility's location into their standard offer contract?

ISSUE 82: [NASSAU] If factors related to the QF's facility location should be incorporated into FPL's standard offer contract, what should the factors be and how should they be incorporated?

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ISSUE 83: [STAFF] Did FPL adequately and fairly incorporate factors relating to compliance with the Clean Air Act, as amended in 1990, which would affect the price contained in their standard offer contract?

ISSUE 84: [FICA/NASSAU] Should section 12.12 of FPL's standard offer contract specify which taxes, assessments or other impositions for which a QF should be responsible?

ISSUE 85: [FICA] Should section 9 of FPL's proposed standard offer contract, which describes early capacity payments as a prepayment for a future capacity deferral benefit to the Company, recognize that a QF must deliver firm capacity and energy in conformity with the requirements of the contract as a condition of receiving such payments?

6.3 PERFORMANCE CRITERIA

ISSUE 86: [STAFF] Do the operating performance requirements in FPL's proposed standard offer contract [reasonably/most appropriately] reflect the performance of FPL's avoided unit(s)?

ISSUE 87: [NASSAU] Is the methodology proposed in Appendix C to FPL's standard offer contract for calculating performance adjustments to the monthly capacity payments to the QF [reasonable/appropriate]?

ISSUE 88: [FICA] Is section 6.1 of FPL's proposed standard offer contract which requires a QF to provide a projection of energy production for the following year by April 1st, rather than October 1st [reasonable/appropriate]?

ISSUE 89: [FICA] Is section 6.2 of FPL's proposed standard offer contract which allows FPL not to accept a QF's maintenance outages schedule [reasonable/ appropriate]?

6.4 SECURITY PROVISIONS & PROJECT VIABILITY

ISSUE 90: [NASSAU/FICA] Is section 12.1 of FPL's proposed standard offer contract which requires a QF to submit 9 specified types of documents at the time it presents the contract to FPL [reasonable/appropriate]?

ISSUE 91: [NASSAU/FICA] Are sections 7.1 & 7.3 of FPL's proposed standard offer contract which require **completion security** of \$20 per kW within 90 days of contract execution and which allow FPL to

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retain 20% of that security for each month which commercial operation is delayed [reasonable/appropriate]?

ISSUE 92: [FICA] Do sections 7.1 & 7.3 of FPL's proposed standard offer contract provide for sufficient alternatives for a QF to provide **completion security** as well as sufficient criteria to determine which alternative should be approved?

ISSUE 93: [NASSAU/FICA] If the QF is required to produce a **completion security** of \$20 per kW, are sections 12.7.1 and 12.7.2 of FPL's proposed standard offer contract which require the QF to also submit an integrated project schedule, a start-up and test schedule, monthly progress reports, and which gives FPL the right to monitor the facility any time prior to commercial operation [reasonable/appropriate]?

ISSUE 94: [NASSAU] Is section 8 of FPL's proposed standard offer contract which requires an up-front payment or surety bond of \$20 per kW to **guarantee performance** [reasonable/appropriate]?

ISSUE 95: [FICA] Should FPL's proposed standard offer contract describe the alternatives available for a QF to provide **performance security** and assurance of repayment of early or leveled capacity payments, as well as the criteria to determine which alternative should be approved and, if so, does FPL's proposed standard offer contract and tariff adequately do so?

6.5 OBLIGATION TO PURCHASE

ISSUE 96: [NASSAU/FICA] Are the events of default as specified in section 11 of FPL's proposed standard offer contract [reasonable/appropriate]?

ISSUE 97: [FICA] Should FPL's proposed standard offer contract have provisions for a QF to cure **pre-operational** and **operational** defaults and, if so, under what conditions?

ISSUE 98: [FICA] If repayment of **completion** or **performance security** is required upon default, should such repayments constitute full liquidated damages to FPL?

ISSUE 99: [NASSAU/FICA] Is section 12.6 of FPL's proposed standard offer contract which excludes from the definition of Force Majeure equipment breakdown or inability by the QF to use equipment caused by an event originating in the facility [reasonable/appropriate]?

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ISSUE 100: [NASSAU/STAFF] If the Commission determines that a utility's standard offer contract should contain a "regulatory out" clause, does section 12.5 of FPL's standard offer contract provide adequate protection to both the QF and the utility in the event that a future Commission alters the terms and conditions of the contract?

6.6 OTHER STANDARD OFFER ISSUES

ISSUE 101: [FICA] Is the provision in section 1 of FPL's proposed standard offer contract which requires the facility to obtain certification by FERC as a "qualifying facility" as a condition to submitting a standard offer appropriate?

ISSUE 102: [FICA] Is section 5.2.2 of FPL's proposed standard offer contract which allows the QF a one-time option to finalize its committed capacity only after initial facility testing and prior to January 1, 1997, and which limits such adjustments to small discrepancies between anticipated and actual capacity after facility testing [reasonable/appropriate]?

ISSUE 103: [NASSAU/FICA] Is section 12.4.2 of FPL's proposed standard offer contract which permits FPL to set the amount of insurance required of the QF and provides that FPL will negotiate with the QF for substitute protection if the QF is unable to obtain such insurance [reasonable/appropriate]?

ISSUE 104: [FICA] Does section 5.1 of FPL's proposed standard offer contract and sheet 10.203 of FPL's proposed COG-2 tariff comply with the requirements of Rule 25-17.0832(4)(b) that energy payments after the in-service date of the avoided unit shall be based on the energy cost of the avoided unit to the extent it would have been operated?

6.7 STANDARD OFFER CONTRACT APPROVAL

ISSUE 105: [STAFF] Based upon its vote on the prior issues, should the Commission approve FPL's standard offer contract(s) and tariff(s) for the purchase of firm capacity and energy?

ISSUE 106: [FICA] Do the terms and conditions of FPL's standard offer contract and tariff, as well as prices for firm capacity and energy stated therein, constitute a reasonable and prudent expenditure by FPL, based on information reasonably available to the utility and the Commission at this time?

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ISSUE 107: [STAFF] Once FPL's standard offer is fully subscribed, what actions should be taken by FPL?

6.8 STANDARD INTERCONNECTION AGREEMENT

ISSUE 108: [NASSAU/FICA] Should the third paragraph of section 2 of FPL's proposed standard interconnection agreement which obligates QFs to pay for internal improvements to the FPL transmission system be approved?

ISSUE 109: [NASSAU/FICA] Should section 10 of FPL's proposed standard interconnection agreement which permits FPL to unilaterally require any amount of insurance be approved?

ISSUE 110: [NASSAU/FICA] Should section 11 of FPL's proposed standard interconnection agreement which imposes all additional taxes and assessments after execution of the agreement on the QF be approved?

ISSUE 111: [FICA] Are the provisions of section 2 of FPL's standard interconnection agreement, which govern the timing of the QF's instructions to commence construction and FPL's obligations to complete construction, [reasonable/appropriate]?

ISSUE 112: [FICA] Do the provisions of section 2 of FPL's standard interconnection agreement, which set forth interconnection costs the QF is obligated to pay, conform to Rule 25-17.087(10) and are they [reasonable/appropriate]?

ISSUE 113: [FICA] Is it [reasonable/appropriate] for section 3 of FPL's standard interconnection agreement to state that cost estimates in Appendix A are good faith estimates?

ISSUE 114: [FICA] Do the insurance requirements of section 10 of FPL's standard interconnection agreement, which require the QF to procure insurance to cover FPL's liabilities under the agreement, conform with the requirements of Rule 25-17.087(b) and (c)?

ISSUE 115: [FICA] Is the provision of section 10 of FPL's standard interconnection agreement, which leaves the maximum amount of QF liability insurance the QF could be required to purchase to the discretion of the utility, [reasonable/ appropriate]?

ISSUE 116: [FICA] Should section 11 of FPL's standard interconnection contract specify which taxes, and assessments, or other impositions for which a QF should be responsible?

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ISSUE 117: [FICA] Should the terms and conditions of FPL's standard interconnection agreement be approved?

6.9 LEGAL ISSUES

ISSUE 118: [FICA] Does section 6.4.6 of FPL's proposed standard offer contract (refusal to purchase energy) comply with the requirements of 18 C.F.R. section 292.304(f)(2) that sufficient notice be provided to permit the QF to cease generation?

ISSUE 119: [FICA] Do the proposed indemnification requirements in section 12.3 of FPL's standard offer contract conform to the requirements of Rule 25-17.0832?

ISSUE 120: [FICA] Is the definition of Force Majeure in section 12.6 of FPL's standard offer contract appropriate?

ISSUE 121: [NASSAU] Would a location penalty or similar reduction to the prices paid to QFs as proposed by FPL on its COG-2 tariff, third revised sheet 10.212, violate the mandate of section 366.051, F.S. (1989), which provides that in fixing rates for power purchased by public utilities from cogenerators, the Commission shall authorize a rate equal to the purchasing utility's full avoided costs?

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GULF'S STANDARD OFFER CONTRACT

7.1 AVOIDED UNIT CHOICE

ISSUE 122: [STAFF] Is the technology, timing, and number of the unit(s) GULF has identified as avoided unit(s) [reasonable as a/the most appropriate] means of setting standard offer pricing for the purchase of firm capacity and energy?

ISSUE 123: [STAFF] How much standard offer capacity should be available for subscription under GULF's standard offer contract?

7.2 AVOIDED UNIT PRICING

ISSUE 124: [STAFF] What are the appropriate values for the following parameters used by GULF to calculate the avoided cost for each of their avoided unit(s):

- | | |
|----------------------------------|-------------------------------|
| a. Type of fuel | j. AFUDC rate |
| b. Average annual heat rate | k. Effective tax rate |
| c. Cost of fuel | l. Other taxes |
| d. Construction cost (\$/kW) | m. Discount rate |
| e. Construction escalation rate | n. Fixed O&M costs (\$/kW/yr) |
| f. In-service cost (\$/kW) | o. Variable O&M |
| g. Incremental capital structure | p. O&M escalation rate |
| h. Cost of capital | q. Value of k |
| i. Book life | |

ISSUE 125: [FICA] Are the capacity payments in sheet 9.10 of GULF's COG-2 tariff properly calculated with respect to the preceding parameters?

ISSUE 126: [FICA] Has GULF adequately and fairly incorporated all identifiable and quantifiable costs relating to the construction of the avoided unit(s) into their standard offer contract?

ISSUE 127: [STAFF] Should GULF incorporate factors relating to the qualifying facility's location into their standard offer contract?

ISSUE 128: [NASSAU] If factors related to the QF's facility location should be incorporated into GULF's standard offer contract, what should the factors be and how should they be incorporated?

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ISSUE 129: [STAFF] Did GULF adequately and fairly incorporate factors relating to compliance with the Clean Air Act, as amended in 1990, which would affect the price contained in their standard offer contract?

ISSUE 130: [FICA/NASSAU] Should GULF's COG-2 tariff require that a QF be responsible for certain taxes, assessments or other impositions and, if so, should they be specified?

ISSUE 131: [FICA] Should the Commission approve the provision in sheet 9.10 of GULF's COG-2 tariff which specifies the earliest date a QF may receive early or early levelized capacity payments?

ISSUE 132: [FICA] Should section 7 of GULF's proposed standard offer contract, which describes early capacity payments as an early payment for a future capacity benefit to the Company, recognize that a QF must deliver firm capacity and energy in conformity with the requirements of the contract as a condition of receiving such payments?

7.3 PERFORMANCE CRITERIA

ISSUE 133: [FICA] Is the methodology proposed in section 4.2.3 of GULF's standard offer contract for calculating equivalent availability [reasonable/most appropriate]? (See also, sheet 9.12(C) of GULF's COG-2 tariff)

ISSUE 134: [FICA] Is the provision in section 4.2.3 of GULF's proposed standard offer contract which requires a QF to meet the equivalent availability of at least 98% for on-peak periods in order to receive capacity payments [reasonable/appropriate]? (See also sheet 9.9 of GULF's COG-2 tariff)

ISSUE 135: [FICA] Is paragraph 6(e) of GULF's proposed standard offer contract which requires the QF to notify GULF six hours prior to peak period of inability to produce committed capacity [reasonable/most appropriate]? (See also sheet 9.12(D)(6) of GULF's COG-2 tariff)

ISSUE 136: [FICA] Are the on-peak period definitions in section 5 of GULF's proposed standard offer contract [reasonable/appropriate]?

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7.4 SECURITY PROVISIONS & PROJECT VIABILITY

ISSUE 137: [STAFF] Does GULF's proposed standard offer contract have fair and adequate provisions for **completion security** to protect the ratepayers from the possibility of the project not achieving commercial status within the time-frame and to the specifications of the contract?

ISSUE 138: [FICA] Does GULF's proposed standard offer contract provide for sufficient alternatives for a QF to provide **completion security** as well as sufficient criteria to determine which alternative should be approved?

ISSUE 139: [FICA] Should Option B of GULF's proposed standard offer contract describe the alternatives available for a QF to provide assurance of repayment of early or levelized capacity payments, as well as the criteria to determine which alternative should be approved and, if so, does GULF's proposed standard offer contract and tariff adequately do so?

7.5 OBLIGATION TO PURCHASE

ISSUE 140: [FICA] Are the events of default as specified in sections 9.1 and 9.2 of GULF's proposed standard offer contract [reasonable/appropriate]?

ISSUE 141: [FICA] Should section 9.3 of GULF's proposed standard offer contract in which the only remedy for default by the QF is termination of the contract and forfeiture to GULF of the entire Capacity Account including accrued interest be approved?

ISSUE 142: [FICA] If repayment of the Capacity Account is required upon default, should such repayment constitute full liquidated damages to GULF?

ISSUE 143: [FICA] Is section 10.5 of GULF's proposed standard offer contract which gives GULF approval authority over assignment by the QF of its obligations and duties [reasonable/appropriate]?

ISSUE 144: [STAFF] If the Commission determines that a utility's standard offer contract should contain a "regulatory out" clause, does section 10.3 of GULF's proposed standard offer contract provide adequate protection to both the QF and the utility in the event that a future Commission alters the terms and conditions of the contract?

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7.6 OTHER STANDARD OFFER ISSUES

ISSUE 145: [FICA] Is the provision in section 4.2.1 of GULF's proposed standard offer contract which stipulates that the QF may finalize its committed capacity only after initial facility testing and prior to June 1, 1995 [reasonable/appropriate]?

ISSUE 146: [FICA] Does sheet 9.10 of GULF's proposed COG-2 tariff comply with the requirements of Rule 25-17.0832(4)(b) that energy payments after the in-service date of the avoided unit shall be based on the energy cost of the avoided unit to the extent it would have been operated?

7.7 STANDARD OFFER CONTRACT APPROVAL

ISSUE 147: [STAFF] Based upon its vote on the prior issues, should the Commission approve GULF's standard offer contract(s) and tariff(s) for the purchase of firm capacity and energy?

ISSUE 148: [FICA] Do the terms and conditions of GULF's standard offer contract and tariff, as well as prices for firm capacity and energy stated therein, constitute a reasonable and prudent expenditure by GULF, based on information reasonably available to the utility and the Commission at this time?

ISSUE 149: [STAFF] Once GULF's standard offer is fully subscribed, what actions should be taken by GULF?

7.8 STANDARD INTERCONNECTION AGREEMENT

ISSUE 150: [FICA] Are the provisions of section 2 of GULF's standard interconnection agreement, which govern the timing of the QF's instructions to commence construction and GULF's obligations to complete construction, [reasonable/appropriate]?

ISSUE 151: [FICA] Is it [reasonable/appropriate] for section 3 of GULF's standard interconnection agreement to state that cost estimates in Appendix A are good faith estimates?

ISSUE 152: [FICA] Do the insurance requirements of section 9 of GULF's standard interconnection agreement, which require the QF to procure insurance to indemnify the QF and GULF, conform with the requirements of Rule 25-17.087(b) and (c)?

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ISSUE 153: [FICA] Is the provision of section 9 of GULF's standard interconnection agreement, which leaves the maximum amount of liability insurance the QF could be required to purchase to the discretion of the utility, [reasonable/ appropriate]?

ISSUE 154: [FICA] Should the terms and conditions of GULF's standard interconnection agreement be approved?

7.9 LEGAL ISSUES

ISSUE 155: [FICA] Do the proposed indemnification requirements in section 10.2 of GULF's standard offer contract conform to the requirements of Rule 25-17.0832?

ISSUE 156: [FICA] Is the definition of Force Majeure in section 10.4 of GULF's standard offer contract appropriate?

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TECO'S STANDARD OFFER CONTRACT

8.1 AVOIDED UNIT CHOICE

ISSUE 157: [STAFF] Is the technology, timing, and number of the unit(s) TECO has identified as avoided unit(s) [reasonable as a/the most appropriate] means of setting standard offer pricing for the purchase of firm capacity and energy?

ISSUE 158: [STAFF] How much standard offer capacity should be available for subscription under TECO's standard offer contract?

8.2 AVOIDED UNIT PRICING

ISSUE 159: [STAFF] What are the appropriate values for the following parameters used by TECO to calculate the avoided cost for each of their avoided unit(s):

- | | |
|----------------------------------|-------------------------------|
| a. Type of fuel | j. AFUDC rate |
| b. Average annual heat rate | k. Effective tax rate |
| c. Cost of fuel | l. Other taxes |
| d. Construction cost (\$/kW) | m. Discount rate |
| e. Construction escalation rate | n. Fixed O&M costs (\$/kW/yr) |
| f. In-service cost (\$/kW) | o. Variable O&M |
| g. Incremental capital structure | p. O&M escalation rate |
| h. Cost of capital | q. Value of k |
| i. Book life | |

ISSUE 160: [FICA] Are the capacity payments in sheets 8.140 and 8.280-311 of TECO's COG-2 tariff properly calculated with respect to the preceding parameters?

ISSUE 161: [FICA] Has TECO adequately and fairly incorporated all identifiable and quantifiable costs relating to the construction of the avoided unit(s) into their standard offer contract?

ISSUE 162: [STAFF] Should TECO incorporate factors relating to the qualifying facility's location into their standard offer contract?

ISSUE 163: [NASSAU] If factors related to the QF's facility location should be incorporated into TECO's standard offer contract, what should the factors be and how should they be incorporated?

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ISSUE 164: [STAFF] Did TECO adequately and fairly incorporate factors relating to compliance with the Clean Air Act, as amended in 1990, which would affect the price contained in their standard offer contract?

ISSUE 165: [FICA/NASSAU] Should sheet 8.240 of TECO's COG-2 tariff specify which taxes, assessments, or other impositions for which a QF should be responsible?

ISSUE 166: [FICA] Should the Commission approve the provision in sheet 1.830 of TECO's COG-2 tariff which specifies January 1, 1994 as the earliest date a QF may receive early or early levelized capacity payments?

ISSUE 167: [FICA] Should sheet 8.200 of TECO's proposed COG-2 tariff, which describes early capacity payments as early payments for a future capacity benefit to the Company, recognize that a QF must deliver firm capacity and energy in conformity with the requirements of the contract as a condition of receiving such payments?

8.3 PERFORMANCE CRITERIA

ISSUE 168: [STAFF] Do the operating performance requirements in TECO's proposed standard offer contract [reasonably/most appropriately] reflect the performance of TECO's avoided unit(s)?

ISSUE 169: [FICA] Are the on-peak period definitions in sheet 8.220 of TECO's proposed COG-2 tariff [reasonable/appropriate]?

8.4 SECURITY PROVISIONS & PROJECT VIABILITY

ISSUE 170: [STAFF] Does section 4.2.1 of TECO's proposed standard offer contract have fair and adequate provisions for **completion security** to protect the ratepayers from the possibility of the project not achieving commercial status within the time-frame and to the specifications of the contract?

ISSUE 171: [FICA] Does section 4.2.1 of TECO's proposed standard offer contract provide for sufficient alternatives for a QF to provide **completion security** as well as sufficient criteria to determine which alternative should be approved?

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ISSUE 172: [FICA] Does TECO's proposed standard offer contract have fair and adequate provisions for **performance security** to protect the ratepayers from the possibility of the QF defaulting on its obligation to supply firm capacity and energy for the full term of the contract?

ISSUE 173: [FICA] Should TECO's proposed standard offer contract describe the alternatives available for a QF to provide **performance security** and assurance of repayment of early or levelized capacity payments, as well as the criteria to determine which alternative should be approved and, if so, does TECO's proposed standard offer contract and tariff adequately do so?

ISSUE 174: [FICA] Is the interest rate proposed in sheet 8.201 of TECO's COG-2 tariff for balances in the QF's Capacity Account of 9.95% annum [reasonable/ appropriate]?

8.5 OBLIGATION TO PURCHASE

ISSUE 175: [FICA] Are the events of default as specified in sections 8.1 and 8.2 of TECO's proposed standard offer contract [reasonable/appropriate]?

ISSUE 176: [FICA] Should section 8.3 of TECO's proposed standard offer contract in which the only remedy for default by the QF is termination of the contract and forfeiture to TECO of the entire Capacity Account including accrued interest be approved?

ISSUE 177: [FICA] If pursuant to section 8.3 of TECO's proposed standard offer contract, repayment of the Capacity Account is required upon default, should such repayment constitute full liquidated damages to TECO?

ISSUE 178: [FICA] Is section 9.6 of TECO's proposed standard offer contract which gives TECO approval authority over the assignment by the QF of its obligations and duties [reasonable/appropriate]?

ISSUE 179: [STAFF] If the Commission determines that a utility's standard offer contract should contain a "regulatory out" clause, does section 9.4 of TECO's proposed standard offer contract provide adequate protection to both the QF and the utility in the event that a future Commission alters the terms and conditions of the contract?

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8.6 OTHER STANDARD OFFER ISSUES

ISSUE 180: [FICA] Is the provision in section 4.2.1 of TECO's proposed standard offer contract which stipulates that the QF may finalize its committed capacity only after initial facility testing and prior to January 1, 1994 [reasonable/appropriate]?

ISSUE 181: [FICA] Is section 9.3 of TECO's proposed standard offer contract which requires the QF to have public liability insurance of not less than \$1,000,000 for each occurrence [reasonable/appropriate]?

ISSUE 182: [FICA] Is sheet 8.220 of TECO's proposed COG-2 tariff which requires a QF to purchase its metering equipment from TECO [reasonable/ appropriate]?

8.7 STANDARD OFFER CONTRACT APPROVAL

ISSUE 183: [STAFF] Based upon its vote on the prior issues, should the Commission approve TECO's standard offer contract(s) and tariff(s) for the purchase of firm capacity and energy?

ISSUE 184: [FICA] Do the terms and conditions of TECO's standard offer contract and tariff, as well as prices for firm capacity and energy stated therein, constitute a reasonable and prudent expenditure by TECO, based on information reasonably available to the utility and the Commission at this time?

ISSUE 185: [STAFF] Once TECO's standard offer is fully subscribed, what actions should be taken by TECO?

8.8 STANDARD INTERCONNECTION AGREEMENT

ISSUE 186: [FICA] Are the provisions of section 2 of TECO's standard interconnection agreement, which govern the timing of the QF's instructions to commence construction and TECO's obligations to complete construction, [reasonable/appropriate]?

ISSUE 187: [FICA] Is it [reasonable/appropriate] for section 3 of TECO's standard interconnection agreement to state that cost estimates in Appendix B are good faith estimates?

ISSUE 188: [FICA] Do the provisions of section 4 of TECO's standard interconnection agreement, which set forth interconnection costs the QF is obligated to pay, conform to Rule 25-17.087(10) and are they [reasonable/appropriate]?

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ISSUE 189: [FICA] Is the provision of section 9 of TECO's standard interconnection agreement, which leaves the maximum amount of liability insurance the QF could be required to purchase to the discretion of the utility, [reasonable/appropriate]?

ISSUE 190: [FICA] Should the terms and conditions of TECO's standard interconnection agreement be approved?

8.9 LEGAL ISSUES

ISSUE 191: [FICA] Do the proposed indemnification requirements in section 9.2 of TECO's standard offer contract conform to the requirements of Rule 25-17.0832?

ISSUE 192: [FICA] Is the definition of Force Majeure in section 9.5 of TECO's standard offer contract appropriate?

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GENERIC POLICY ISSUES

ISSUE 193: [STAFF] Do the generation expansion plans filed by the four investor-owned utilities reasonably comport with the generation needs of the State of Florida?

ISSUE 194: [AP] Should the utilities be required to file generation expansion plans, standard offer contracts, tariffs and interconnection agreements which conform to the Commission's vote within 30 days of the date of the vote?

ISSUE 195: [AP] Should the date of the Commission's vote be the effective date for all approved generation expansion plans, standard offer contracts, tariffs and interconnection agreements?

ISSUE 196: [AP] Should Commission Staff be given the authority to administratively approve conforming generation expansion plans, standard offer contracts, tariffs and interconnection agreements which are filed pursuant to the Commission's vote?

ISSUE 197: [AP] Pursuant to Rule 25-17.0832(1)(b), F.A.C., should the purchasing utility be required to file a copy of the cogeneration contract and summary with both the Division of Records and Reporting and the Director of the Electric and Gas Division?

ISSUE 198: [FICA] Should standard offer contracts contain a "regulatory out" provision which allows modification of the contract in the event that the terms and conditions of the contract are altered by the Commission after initial contract approval?

ISSUE 199: [FICA] Does Commission approval of the terms and conditions of each of the utility's standard offer contract and tariff, and the firm capacity and energy prices stated therein, constitute a determination by the Commission that any payments made to a QF under the standard offer constitute a reasonable and prudent expenditure by the utility under section 366.06, F.S., based on information reasonably available to the utility and the Commission at this time?

ISSUE 200: [FICA] If so, can the Commission, at a later date, deny cost-recovery of payments made to a QF pursuant to an approved standard offer contract/tariff?

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ISSUE 201: [FICA] If not, what is the legal basis for Commission approval of cost-recovery of standard offer payments of a QF?

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F. STIPULATED ISSUES

IDENTIFY ANY STIPULATIONS. BE SURE TO IDENTIFY YOUR PARTY.

G. MOTIONS

IDENTIFY ANY OUTSTANDING MOTIONS BY YOUR PARTY. BE SURE TO
IDENTIFY YOUR PARTY.

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H. OTHER MATTERS

IDENTIFY OTHER MATTERS REQUIRING THE ATTENTION OF THE PREHEARING OFFICER. BE SURE TO IDENTIFY YOUR PARTY.

Dated this _____ day of _____, 19__.

Respectfully submitted,
