

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to establish) DOCKET NO. 930459-EQ
new standard offer for purchase) ORDER NO. PSC-93-1221-FOF-EQ
of firm capacity and energy from) ISSUED: August 24, 1993
small qualifying facilities)
(under 75 MW) and solid waste)
facilities by Gulf Power)
Company.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING GULF POWER COMPANY'S STANDARD OFFER

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

As a result of planning hearings held before the Commission in Docket No. 910004-EI in May, 1991, Gulf Power Company (Gulf) received Commission approval of its standard offer (Order No. 24989, issued August 29, 1991). Based on a 1995 79 MW combustion turbine unit as Gulf's next avoided unit, the standard offer was available to subscribers until June 1, 1992.

Monsanto Chemical Company (Monsanto) is Gulf's largest electric customer. On May 14, 1992, Monsanto notified Gulf of its intent to expand its existing cogeneration facility, thus allowing Monsanto to serve all its internal load (68 MW) and sell excess capacity to Gulf. On May 15, 1992, prior to the closure of Gulf's standard offer, Monsanto delivered a signed standard offer contract for 16 MW to Gulf. The Commission opened Docket No. 920581-EQ to handle both Monsanto's contract and the closure of Gulf's standard offer to further subscription. On August 24, 1992, the Commission issued an order which closed Gulf's standard offer to further subscription (Order No. PSC-92-0853-FOF-EQ).

DOCUMENT NUMBER-DATE

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FILE RECORDS/REFERENCE

However, on August 7, 1992, the Commission granted a joint motion by Gulf and Monsanto (parties) to stay the proceedings in Docket No. 920581-EQ (Order No. PSC-92-0772-PCO-EQ). This action was taken to allow the parties time to negotiate a power purchase agreement in lieu of the 16 MW standard offer contract previously submitted by Monsanto. The parties negotiated a proposed contract for Gulf to purchase 21 MW of excess capacity from Monsanto. On March 29, 1993, in Docket No. 921167-EQ, Gulf received Commission approval of the proposed contract, although it was not finalized and had not yet been signed by the Parties (Order No. PSC-93-0466-FOF-EQ). Gulf and Monsanto subsequently executed the negotiated contract on July 1, 1993.

On July 30, 1992, in Docket No. 920768-EQ, Gulf petitioned the Commission for approval of a new standard offer, based on a 1997 80 MW combustion turbine unit as the avoided unit. Gulf withdrew its petition on March 3, 1993, because Southern Company's newly completed Integrated Resource Plan (IRP) showed that Gulf did not need new generating capacity until 1998.

There are three reasons for the deferral of Gulf's need for capacity from 1995 to 1998. First, in May, 1992, Monsanto Chemical Company, Gulf's largest electric customer, notified Gulf of its intent to expand its existing cogeneration facility, thus allowing Monsanto to serve all its internal load (68 MW) and sell excess capacity to Gulf. The removal of 68 MW of load from Gulf's system results in the deferral of Gulf's need for capacity in 1995 by one year, to 1996. Second, Monsanto negotiated a 10-year firm cogeneration contract to sell its excess capacity (21 MW) to Gulf. This capacity results in the deferral of Gulf's need for capacity in 1996 by one year, to 1997. Third, Southern Company's recently completed Integrated Resource Plan (IRP) showed that Gulf did not need generating capacity until 1998.

We have reviewed Gulf's proposed standard offer. The performance provisions of the proposed contract are virtually the same as those contained in Gulf's prior standard offer, which was based on a 1995 79 MW combustion turbine unit. Gulf has revised some of the language contained in the COG-2 tariff and standard offer contract primarily to improve their clarity.

Gulf has requested approval of a subscription limit of 40 MW on the new standard offer, thus leaving 40 MW of Gulf's avoided unit available for negotiated cogeneration contracts. This would not preclude Gulf from satisfying its entire need for capacity

ORDER NO. PSC-93-1221-FOF-EQ
DOCKET NO. 930459-EQ
PAGE 3

through standard offer contracts; rather, by setting a lower subscription limit, Gulf would have the option of satisfying its capacity needs through standard offer contracts, negotiated contracts or a combination depending on what is the best opportunity for the ratepayers. Accordingly, we approve Gulf's requested subscription limit of 40 MW.

Accordingly, we approve Gulf's proposed standard offer, based on a 1998 80 MW combustion turbine unit as the avoided unit.

It is, therefore,

ORDERED by the Florida Public Service Commission that the standard offer proposed by Gulf Power Company is approved as discussed within the body of this Order. It is further

ORDERED that the Gulf Power Company's requested subscription limit of 40 megawatts for the standard offer is approved. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 24th day of August, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
DLC:bmi

by: Kay Flynn
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 14, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.