

MEMORANDUM

SEPTEMBER 14, 1998

RECEIVED-FRSC
50 SEP 14 PM 1:10
RECORDS AND REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) WCK *RUE*

RE: DOCKET NO. 980802-EM - PETITION TO DETERMINE NEED FOR CANE ISLAND POWER PARK UNIT 3 AND RELATED FACILITY IN OSCEOLA COUNTY BY KIS. IMMEE UTILITY AUTHORITY AND FLORIDA MUNICIPAL POWER AGENCY.

PSC-98-1212-PHO-EM

Attached is a PREHEARING ORDER to be issued in the above-referenced docket. (Number of pages in order - 20)

WCK/js
Attachment
cc: Division of Electric and Gas (Haff)
Division of Auditing and Financial Analysis (Stallcup)
I:980802po.wck

*Please issue today 9/14/98
Thanks!*

MUST GO TODAY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine
need for Cane Island Power Park
Unit 3 and related facility in
Osceola County by Kissimmee
Utility Authority and Florida
Municipal Power Agency.

DOCKET NO. 980802-EM
ORDER NO. PSC-98-1212-PHO-EM
ISSUED: September 14, 1998

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on August 31, 1998, in Tallahassee, Florida, before Commissioner J. Terry Deason, as Prehearing Officer.

APPEARANCES:

ROY C. YOUNG, ESQUIRE, Young, van Assenderp & Varnadoe, P.A.,
225 South Adams Street, Tallahassee, Florida 32301
On behalf of Kissimmee Utility Authority (KUA).

FREDERICK M. BRYANT, ESQUIRE, William, Bryant & Gautier, P.A.,
2010 Delta Boulevard, Tallahassee, Florida 32303
On behalf of Florida Municipal Power Agency (FMPA).

WILLIAM COCHRAN KEATING, IV, ESQUIRE, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida
32399-0850
On behalf of the Commission Staff.

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

Pursuant to Section 403.519, Florida Statutes, the Kissimmee Utility Authority (KUA) and the Florida Municipal Power Agency (FMPA) jointly filed a Petition to Determine Need for Electrical

DOCUMENT NUMBER-DATE

10016 SEP 14 8

FPSC-RECORDS/REPORTING

Power Plant. An administrative hearing on the joint petition is scheduled for September 17 and 18, 1998, to address the issues set forth in the body of this order. To date, no person has intervened in this docket.

Based on the information reviewed, the Commission staff believes that the positions taken by KUA and FMFA are appropriate. Therefore, staff is prepared to present the Commission with a recommendation at hearing for approval of the positions set forth herein.

III. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093(2), Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- 1) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The

notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.

- 2) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- 3) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- 4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- 5) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Records and Reporting's confidential files.

IV. POST-HEARING PROCEDURES

Each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer

than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VI. ORDER OF WITNESSES

* As a result of discussions at the prehearing conference, witnesses may be excused if: (1) no person timely files a petition for leave to intervene pursuant to Rule 25-22.039, Florida Administrative Code; and (2) no Commissioner assigned to hear this case seeks to cross-examine the particular witnesses(es). Parties shall be notified by the close of business on September 14, 1998, as to whether each witness shall be required to be present at hearing. The testimony of excused witnesses will be inserted into

the record as though read, and all exhibits submitted with those witnesses' testimony shall be identified and admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
James Welsh	KUA	4, 9, 16, 18, 19, 23, 24
A.K. Sharma	KUA	11, 12, 16, 19, 23, 24
Robert Miller	KUA	1, 2, 4, 6, 7, 8, 9, 15, 16, 23, 24
Claude L'Engle	FMPA	5, 9, 16, 18, 20, 23, 24
Bob Williams	FMPA	7, 9, 16, 18, 19, 23, 24
Rick Casey	FMPA	1, 3, 5, 6, 7, 8, 11, 12, 16, 23, 24
Dan Runyan	FMPA	9, 15, 20, 23, 24
Myron Rollins	KUA/FMPA	7, 13, 14, 18, 23, 24
Dick Van Meter	KUA/FMPA	10, 23, 24
Jim Dowden	KUA/FMPA	11, 12, 23, 24
Steve Schwieterman	KUA/FMPA	21, 23, 24
Bruce Knodel	KUA/FMPA	17, 23, 24
Scott Carpenter	KUA/FMPA	2, 22, 23, 24
Craig Dunlap	KUA/FMPA	22, 23, 24

VII. BASIC POSITIONS

KUA: Kissimmee Utility Authority (KUA) and Florida Municipal Power Agency (FMPA) are jointly seeking a determination of need for Cane Island Unit 3, a nominal 250 MW gas-fired 1x1 F class combined cycle unit with a projected in-service date of June 1, 2001. The unit will be located at the existing Cane Island Power Park in Osceola County, Florida and will be a joint ownership project

with 50 percent ownership for KUA and 50 percent for FMPA. It is KUA's basic position that the joint petition for determination of need for Cane Island Unit 3 should be granted.

KUA's need for Cane Island Unit 3 is evident by the high growth rate that continues to occur for its service territory, the addition of the World Expo Center, and the potential for reserve margins to fall well below the established 15 percent minimum level. KUA's system has historically and continues to be one of the fastest growing systems in the U.S. Over the last ten years, KUA's net energy for load, summer peak demand, and winter peak demand have increased at an average annual rate of 6.5, 6.0, 4.0 percent respectively. The World Expo Center will require a significant amount of power to serve its anticipated loads. KUA has attempted to address the direct loads associated with the Expo Center, but has not projected indirect loads due to additional customers and jobs. Even without these indirect loads projected, KUA will need capacity by 2001 to meet its established 15 percent reserve margin criteria. KUA uses a 15 percent reserve margin criteria which is consistent with general utility practice and the requirement of the Florida Public Service Commission.

Cane Island Unit 3 was identified as the least-cost alternative by KUA as part of the planning process for long-term power supply. The planning process considered several factors including an in-depth test of the marketplace for purchase power opportunities, potential conservation and demand-side alternatives, and extensive analysis of generation alternatives. A thorough test of the marketplace was conducted with the request for proposals (RFP) issued in May of 1997. No feasible purchase power opportunities were identified that were more cost-effective than the proposed combined cycle. Approximately 80 conservation and demand-side programs were evaluated using the Florida Integrated Resource Evaluator (FIRE) model against the self-build alternative. None of the conservation or demand-side programs were cost-effective options compared to the proposed combined cycle. Through the base case analysis and several sensitivities, the F class 1x1 combined cycle

was determined to be the most cost effective option for KUA's system with a 50 percent joint ownership.

Cane Island Unit 3 will minimize environmental impacts on several levels, by utilizing an existing site, minimizing ground water usage, and controlling emission levels. The existing Cane Island site provides existing resources capable of accommodating the new unit and will significantly minimize environmental impacts. Cane Island Unit 3 will minimize the usage of ground water usage by using treated sewage effluent for cooling water makeup. The unit will utilize dry low NO_x burners to meet emission requirements.

The F class technology used by Cane Island Unit 3 has been extensively proven in commercial operation and will provide reliable economic power to KUA and Peninsular Florida.

Delaying the proposed unit would require KUA to implement more expensive alternatives to maintain adequate reliability, and would impose increased costs on KUA ratepayers.

FMPA:

Florida Municipal Power Agency (FMPA) and Kissimmee Utility Authority (KUA) are jointly seeking a determination of need for Cane Island Unit 3, a 250 MW gas-fired F class combined cycle unit with a projected in-service date of June 1, 2001. The unit will be located at the existing Cane Island Power Park in Osceola County, Florida. Cane Island Unit 3 will be a joint ownership project with 50 percent ownership for FMPA and 50 percent for KUA. It is FMPA's basic position that the joint petition for determination of need for Cane Island Unit 3 should be granted.

FMPA is committed to meet its All-Requirements customers' needs and identify projects that will provide economical power to Peninsular Florida residents through the combination of demand-side and supply-side resources. FMPA's mission to provide low cost power while striving to meet or exceed environmental regulations will continue with the Cane Island Unit 3 project. Cane Island Unit 3 will burn natural gas as the primary fuel with dry low

NO_x burners providing a very clean burning, high efficiency unit.

Load growth for FMPA's All-Requirements Project is projected to continue with annual average growth of 2.1, 1.9, 2.4 percent for net energy for load, summer peak demand, and winter peak demand, respectively over the 20 year planning period from 1998 to 2017. With reserve margins for FMPA projected to fall well below the minimum level in 2001, FMPA must add resources to meet the capacity deficit. FMPA evaluated appropriate alternatives to Cane Island Unit 3 to determine if they are lower in cumulative present worth revenue requirements. Even with a low growth forecast, FMPA would be required to find generation resources to meet its members needs for the year 2001.

FMPA uses an 18 percent reserve margin criteria which is slightly more conservative than a 15 percent criteria. Even with a 15 percent criteria, FMPA needs to add additional capacity in 2001. FMPA believes that Cane Island Unit 3 represents the minimal cost and performance risk to its members due to the proven performance of the "F" class technology and its high efficiency. Cane Island Unit 3 represents FMPA's least cost alternative that has been demonstrated through exhaustive evaluations as well as a thorough test of the marketplace through a request for proposal (RFP) process.

The demonstrated performance of the F class technology will provide reliable, economic power to FMPA's All-Requirements Project and Peninsular Florida. Delays to the installation of Cane Island Unit 3 will result in decreased reliability to the All-Requirements project and increased costs.

STAFF: Based on the information in the petitioners' Need for Power Application, prefiled testimony and exhibits, and responses to staff discovery, staff recommends approval of Kissimmee Utility Authority/Florida Municipal Power Agency's joint Petition to Determine Need for Electrical Power Plant.

VIII. ISSUES AND POSITIONS

The position listed for each issue is the position adopted by KUA and FMPA after discussion with staff. Staff recommends approval of all positions.

ISSUE 1: Are the reliability criteria used by the Kissimmee Utility Authority and the Florida Municipal Power Agency to determine the need for Cane Island Unit 3 reasonable?

POSITION: Yes. KUA's use of a 15 percent reserve margin criterion is reasonable for planning purposes. FMPA's use of an 18 percent reserve margin criterion with a 15 percent minimum is also reasonable for planning purposes. FMPA demonstrated a need for additional power in 2001 even at the 15 percent minimum reserve criterion.

ISSUE 2: Is the load forecast used by the Kissimmee Utility Authority to determine the need for its 50% (125 MW) share of Cane Island Unit 3 reasonable?

POSITION: Yes. The base case Energy and Peak Demand forecasts used by KUA are reasonable. However, additional load associated with the Expo Center may cause these base case forecasts to understate future energy and peak demand requirements.

ISSUE 3: Is the load forecast used by the Florida Municipal Power Agency to determine the need for its 50% (125 MW) share of Cane Island Unit 3 reasonable?

POSITION: Yes. The base case Energy and Peak Demand forecasts used by FMPA are reasonable.

ISSUE 4: Does the Kissimmee Utility Authority have a need for 125 MW of additional capacity in the year 2001?

POSITION: KUA has a need for additional capacity in the year 2001 to meet its reliability criterion. While KUA needs only 78 MW of additional capacity in the year 2001, KUA is expected to need the full 125 MW by 2003. Further, KUA's 125 MW share of the proposed Cane Island Unit 3 is the most cost-effective resource alternative available to meet KUA's need for capacity in 2001.

ISSUE 5: Does the Florida Municipal Power Agency have a need for 125 MW of additional capacity in the year 2001?

POSITION: Yes. FMPA has a need for 125 MW of additional capacity in the year 2001 to meet its reliability criterion.

ISSUE 6: Is the timing of the Kissimmee Utility Authority and Florida Municipal Power Agency's joint petition to determine the need for Cane Island Unit 3 appropriate?

POSITION: Yes. The petition was filed at the appropriate time to meet the planned June 1, 2001, in-service date. Both KUA and FMPA have demonstrated a need for additional power in 2001 to maintain adequate reserve margins.

ISSUE 7: Will the proposed Cane Island Unit 3 contribute to the electric system reliability and integrity of the Kissimmee Utility Authority, the Florida Municipal Power Agency, and Peninsular Florida?

POSITION: Yes. The additional capacity from Cane Island Unit 3 will enable KUA and FMPA to meet their reserve margin criteria, and will contribute to maintaining reliability for Peninsular Florida.

ISSUE 8: Will the proposed Cane Island Unit 3 contribute to fuel diversity for the Kissimmee Utility Authority, the Florida Municipal Power Agency, and Peninsular Florida?

POSITION: The proposed natural gas-fired combined cycle unit will not contribute to fuel diversity for KUA because over half of KUA's existing capacity is gas-fired. However, the proposed unit will contribute to FMPA's fuel diversity by increasing the All Requirements Project's gas-fired capacity from 12 percent to 21 percent. Because the capacity of the proposed combined cycle unit is small relative to the generating capacity of Peninsular Florida, the proposed unit will not materially affect fuel diversity for Peninsular Florida.

ISSUE 9: Are there any adverse consequences to customers of the Kissimmee Utility Authority or the Florida Municipal Power Agency if Cane Island Unit 3 is not completed in the time frame requested?

POSITION: Yes. Both KUA and FMPA have an immediate need for capacity in 2001. If Cane Island Unit 3 is not completed on time, both utilities will be forced to take short-term measures to satisfy their need for electricity, such as buying replacement power from other utilities or power marketers. The availability and cost of short-term purchased power is unknown.

ISSUE 10: Is the fuel price forecast jointly used by the Kissimmee Utility Authority and the Florida Municipal Power Agency reasonable?

POSITION: Yes. KUA and FMPA's joint fuel price forecasts for coal, No. #6 oil, No. #2 oil, nuclear energy, and natural gas are reasonable.

ISSUE 11: Have the Kissimmee Utility Authority and the Florida Municipal Power Agency provided adequate assurances regarding available primary and secondary fuel to serve Cane Island Unit 3 on a long and short-term basis at a reasonable cost?

POSITION: Yes. Based upon the fuel price forecast and its underlying assumptions, KUA and FMPA have provided adequate assurances regarding primary and secondary fuel to serve Cane Island Unit 3 on a long-term and short-term basis at a reasonable cost. KUA and FMPA intend to make contract and spot purchases of natural gas from Florida Gas Utility to provide the primary fuel to Cane Island Unit 3. KUA and FMPA also plan to increase their on-site storage capacity for No. #2 oil in order to allow for more than three days of full load operation of Cane Island Units 1, 2, and 3.

ISSUE 12: Have the Kissimmee Utility Authority and the Florida Municipal Power Agency provided appropriate assurances that sufficient natural gas pipeline capacity will be available to transport natural gas to the Cane Island Unit 3 site?

POSITION: Yes. Natural gas is supplied via a pipeline lateral jointly owned by KUA and FMPA and operated by Florida Gas Transmission (FGT). Based on the capacity of this lateral and FGT's Phase IV expansion plans, sufficient natural gas pipeline capacity will be available to transport natural gas to the Cane Island Unit 3 site.

ISSUE 13: Were the costs of environmental compliance adequately considered by the Kissimmee Utility Authority and the Florida Municipal Power Agency when they evaluated their future generation needs?

POSITION: Yes. KUA and FMPA adequately considered the costs of environmental compliance in estimating costs for Cane Island Unit 3. Further, KUA and FMPA included a contingency factor for increased environmental compliance costs in the capital cost estimates for Unit 3.

ISSUE 14: Have the Kissimmee Utility Authority and the Florida Municipal Power Agency provided sufficient information on the site, design and engineering characteristics of Cane Island Unit 3 to evaluate their proposal?

POSITION: Yes. The information provided by KUA and FMPA in the Need for Power Application, prefiled testimony, and discovery responses is sufficient to evaluate all aspects of the proposed unit.

ISSUE 15: Have the Kissimmee Utility Authority and the Florida Municipal Power Agency adequately explored alternative generating technologies to Cane Island Unit 3?

POSITION: Yes. KUA and FMPA examined a broad range of potential generating technologies including conventional, advanced, and renewable technologies.

ISSUE 16: Have the Kissimmee Utility Authority and the Florida Municipal Power Agency adequately explored and evaluated the availability of purchased power options, such as firm capacity purchases from other electric utilities or non-utility generators?

POSITION: Yes. KUA and FMPA simultaneously issued a Request for Proposals (RFP) for alternatives to Cane Island Unit 3. KUA received 22 responses to its RFP, while FMPA received 33 responses. None of these proposals were more cost-effective than Cane Island Unit 3.

ISSUE 17: Are there any conservation measures, including self-service generation, taken by or reasonably available to the Kissimmee Utility Authority or the Florida Municipal Power Agency which might mitigate the need for all or part of Cane Island Unit 3?

POSITION: No. KUA and FMPA evaluated nearly 70 demand-side management (DSM) measures, but no new cost-effective DSM programs were found which would mitigate the need for Cane Island Unit 3.

ISSUE 18: Is the addition of Cane Island Unit 3 expected to contribute to the provision of adequate electricity at reasonable cost for the Kissimmee Utility Authority and the Florida Municipal Power Agency?

POSITION: Yes. Cane Island Unit 3 will provide adequate electricity to maintain KUA's and FMPA's reserve margin criteria. The proposed unit will generate low-cost electricity by using a highly efficient, proven combined cycle technology.

ISSUE 19: Has the Kissimmee Utility Authority demonstrated that the addition of its 50% (125 MW) share of Cane Island Unit 3 is the most cost-effective alternative available?

POSITION: Yes. No RFP bids, DSM programs, or other resources were cost-effective alternatives to the proposed Cane Island Unit 3.

ISSUE 20: Has the Florida Municipal Power Agency demonstrated that the addition of its 50% (125 MW) share of Cane Island Unit 3 is the most cost-effective alternative available?

POSITION: Yes. No RFP bids, DSM programs, or other resources were cost-effective alternatives to the proposed Cane Island Unit 3.

ISSUE 21: What associated facilities and transmission improvements are required in conjunction with the construction of Cane Island Unit 3, and were their costs adequately considered?

POSITION: The proposed Cane Island Unit 3 requires a three mile transmission line from the Cane Island site to Intercession City. The estimated costs for this transmission line were included in the evaluation of the proposed unit.

ISSUE 22: Are the economic and financial assumptions used by the Kissimmee Utility Authority and the Florida Municipal Power Agency in their integrated resource planning studies reasonable?

POSITION: Yes. The assumed escalation rates, bond interest rate, present worth discount rate, and interest during construction rate used by KUA and FMPPA are reasonable. These rates reflect current rates and trends for inflation and tax-exempt debt.

ISSUE 23: Based on the resolution of the previous factual and legal issues, should the joint petition by the Kissimmee Utility Authority and the Florida Municipal Power Agency for determination of need for Cane Island Unit 3 be granted?

POSITION: Yes. Based on the resolution of the foregoing issues, the joint petition by KUA and FMPPA for determination of need for Cane Island Unit 3 should be granted.

ISSUE 24: Should this docket be closed?

POSITION: This docket should be closed after the time for filing an appeal has run.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
<u>Direct</u> Petitioner	KUA/FMPA	_____	Need for Power Application
		(KUA - 1)	
		_____	Table of Contents of Need for Power Application showing witnesses sponsoring subsections
		(KUA - 2)	
Sharma	KUA	_____	Section 1B.2.0
		(KUA - 1)	
		_____	Corrections to proffered sections
		(AKS - 1)	
		_____	RFP responses
		(AKS - 2)	
		_____	Summary of State I Evaluation
		(AKS - 3)	
_____	Proposals Evaluated at Stage II		
(AKS - 4)			
_____	Performance of Stage II Bidders 7-Year Cumulative Present Worth		
(AKS - 5)			
_____	Performance of Stage II Bidders 15-Year Cumulative Present Worth		
(AKS - 6)			
_____	Performance of Stage II Bidders 20-Year Cumulative Present Worth		
(AKS - 7)			
_____	Non-Price Evaluation Results		
(AKS - 8)			

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Miller	KUA	<u>(KUA - 1)</u>	Section 1A.7.0, Section 1B.5.1-5.3 and 1B.5.5-5.6, Section 1B.6.0, Section 1B.8.5, Section 1B.9.0, Section 1B.10.0, Section 1B.11.0, Section 1B.12.0, Section 1B.13.0, Section 1B.16.0
		<u>(RGM - 1)</u>	Corrections to proffered sections
		<u>(RGM - 2)</u>	Summary of KUA Load Forecast
		<u>(RGM - 3)</u>	Base Case Expansion Plan
		Runyan	FMFA
<u>(DJR - 1)</u>	Corrections to proffered sections.		
Casey	FMFA		
		<u>(RLC - 1)</u>	Corrections to proffered sections
		<u>(RLC - 2)</u>	FMFA's 1997 RFP

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
		<u>(RLC - 3)</u>	FMPA Capacity by Fuel Type
		<u>(RLC - 4)</u>	Summary of FMPA Load Forecast
Rollins	KUA/FMPA	<u>(KUA - 1)</u>	Section 1A.1.0, Section 1A.2.1, through 1A.2.9, Section 1A.4.0, Section 1A.6.0, Section 1A.8.0, Section 1B.1.0, Section 1B.3.0, Section 1B.8.0 through 1B.8.4, Section 1B.15.0, Section 1C.1.0, Section 1C.15.0
Van Meter	KUA/FMPA	<u>(KUA - 1)</u>	Section 1A.3.2, Section 1A.3.3, Section 1B.4.2, Section 1B.4.3, Section 1C.4.2, and Section 1C.4.3
		<u>(RKV - 1)</u>	Corrections to proffered sections
Schwieterman	KUA/FMPA	<u>(KUA - 1)</u>	Section 1A.2.9
		<u>(SLS - 1)</u>	Corrections to proffered sections.
		<u>(SLS - 2)</u>	Transmission impact study.
Knodel	KUA/FMPA	<u>(KUA - 1)</u>	Section 1A.5.0

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Carpenter	KUA/FMPA	_____	Section 1A.3.1,
		(KUA - 1)	Section 1B.4.1,
			Section 1B.5.4, Section 1B.14.0, and Section 1C.4.1
Staff	FPSC	_____	CPI-U Historical
		(SDC - 1)	Pages
		(SDC - 2)	Historical Municipal Bond Interest Rates
		_____	Deposition
		Composite	Transcripts of Richard Casey, A.K. (Ben) Sharma, Robert Miller, Myron Rollins, and Craig Dunlap.

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

Based on the information in the petitioners' Need for Power Application, prefiled testimony and exhibits, and responses to staff discovery, staff recommends approval of Kissimmee Utility Authority/Florida Municipal Power Agency's joint Petition to Determine Need for Electrical Power Plant.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. OTHER MATTERS

As stated above, staff is prepared to present the Commission with a recommendation at hearing for approval of the positions set forth herein. At the prehearing conference, the possibility that the Commission may wish to render a bench decision at the conclusion of the hearing was discussed. The parties were asked

ORDER NO. PSC-98-1212-PHO-EM
DOCKET NO. 980802-EM
PAGE 19

whether they had any objections to preserving the option of a bench decision in the prehearing order. Counsel for KUA and counsel for FMPA had no objection.

Accordingly, the Commission has the option to render a bench decision in this matter. If a bench vote is taken, the post-hearing filing procedures set forth herein may be waived. If, instead, the Commission requests written recommendation from staff, the post-hearing procedures shall be followed on a timetable to be set at the conclusion of the hearing.

It is therefore,

ORDERED by Commissioner J. Terry Deason, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner J. Terry Deason as Prehearing Officer, this 14th day of September, 1998.



J. TERRY DEASON
Commissioner and Prehearing Officer

(S E A L)

WCK

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

ORDER NO. PSC-98-1212-PHO-EM
DOCKET NO. 980802-EM
PAGE 20

hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Date 1-19-98

Number of Originals _____ Copies Per Original 11

Requested By [Signature]

Item Presented

Agenda For (Date) _____ Order No. 1-11-1 In Docket No. _____

Notice of _____ For (Date) _____ In Docket No. _____

Other _____

Special Handling Instructions

Distribution/Mailing

Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>1</u>	<u>Commission Offices</u>	<u>--</u>	_____
	<u>Docket Mailing List - Mailed</u>		_____
	<u>Docket Mailing List - Faxed</u>		_____

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification

Job Number 215 Verified By [Signature]

Date and Time Completed 8/27 Job Checked For Correctness and Quality (Initial) [Initials]

Mail Room Verification

Date Mailed / Verified By /