

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed amendment of
Rule 25-6.035, F.A.C., Adequacy
of Supply.

DOCKET NO. 001521-EU
ORDER NO. PSC-01-1099-FOF-EU
ISSUED: May 10, 2001

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

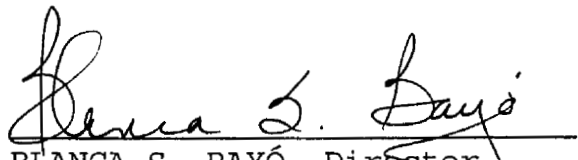
NOTICE OF ADOPTION OF RULE

NOTICE is hereby given that the Florida Public Service
Commission, pursuant to Section 120.54, Florida Statutes, has
adopted Rule 25-6035, Florida Administrative Code, relating to
adequacy of supply, without changes.

The rule was filed with the Department of State on May 9, 2001
and will be effective on May 29, 2001. A copy of the rule as filed
with the Department is attached to this Notice.

This docket is closed upon issuance of this notice.

By ORDER of the Florida Public Service Commission, this 10th
day of May, 2001.


BLANCA S. BAYÓ, Director
Division of Records & Reporting

(S E A L)

RCB

DOCUMENT NUMBER-DATE

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PSC RECORDS/REPORTING

25-6.035 Adequacy of Resources.

(1) Each electric utility shall maintain sufficient generating capacity, supplemented by regularly available generating and non-generating resources, in order to meet all reasonable demands for service and provide a reasonable reserve for emergencies. Each electric utility shall also coordinate the sharing of energy reserves with other electric utilities in Peninsular Florida. To achieve an equitable sharing of energy reserves, Peninsular Florida utilities shall be required to maintain, at a minimum, a 15% planned reserve margin. The planned and operating reserve margin standards established herein are intended to maintain an equitable sharing of energy reserves, not to set a prudent level of reserves for long-term planning or reliability purposes. The planned reserve margin for each utility shall be calculated as follows:

$$RM = [(C - L)/L]*100 \text{ where;}$$

"RM" - Is defined as the utility's percent planned reserve margin;

"C" - Is defined as the aggregate sum of the rated dependable peak-hour capabilities of the resources that are expected to be available at the time of the utility's annual peak; and

"L" - Is defined as the expected firm peak load of the system for which reserves are required.

The following shall be utilized as the operating reserve standard for Peninsular Florida's utilities: operating reserves shall be maintained by the combined Peninsular Florida system at a value equal to or greater than the loss of generation that would result from the most severe single generating unit contingency. The operating reserves shall be allocated among the utilities in proportion to each control area's peak hour net energy for load ~~utility's maximum demand~~ for the preceding year, and the summer gross Florida Southeastern Electric Reliability Coordinating Council (FRCC SERE) capability of its largest unit or ownership share of a joint unit, whichever is greater. Fifty percent shall be allocated on the basis of peak hour net energy for load demand and fifty percent on the basis of the summer gross FRCC SERE capability of the largest unit. Operating reserves shall be fully available within fifteen ~~ten~~ minutes. At least 25% of the operating reserves shall be in the form of spinning reserves which are automatically responsive to a frequency deviation from normal.

(2) Treatment of Purchased Power. Only firm purchase power agreements may be included as a resource for purposes of

calculating a planned or operating reserve margin. A utility may petition for waiver of this requirement based on the very high availability of specific non-firm purchases.

(3) Treatment of Shared Generating Units. Only the utility which has first call on the generating unit may count the unit towards its planned or operating reserve margin. A utility has first call on a unit if the unit is available and the utility has the contractual right to dispatch the unit to meet its native load and other firm contractual commitments before any other party to the unit's sharing arrangement. A utility may petition the Commission for approval of other methods demonstrating equivalent reliability on a case by case basis.

(4) Treatment of Non-Firm Load. If non-firm load (i.e., customers receiving service under load management, interruptible, curtailable, or similar tariffs) is relied upon by a utility when calculating its planned or operating reserves, the utility shall be required to make such reserves available to maintain the firm service requirements of other utilities.

(5) Buy-through Power for Interruptible Customers. Interruption of service to non-firm customers is not an emergency. As such, a utility shall not be required to provide buy-through power for

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another utility's interruptible customers under obligatory
emergency interchange schedules.

Specific Authority: 366.05(1), F.S.

Law Implemented: 366.03, 366.04(2)(c), (5), 366.055, F.S.

History--New 07-29-69, Formerly 25-6.35, Amended 09-05-96, 05-29-
01.