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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Hearings on Load Forecasts, Generation Expansion Plans, and Cogeneration Prices for Peninsular Florida's Electric Utilities.

DOCKET NO. 900004-EU  
FILED: June 15, 1990

NASSAU POWER CORPORATION'S PETITION TO INTERVENE

Pursuant to Rule 25-22.039, Florida Administrative Code, Nassau Power Corporation<sup>1/</sup> ("Nassau"), through its undersigned attorneys, files its Petition to Intervene<sup>2/</sup> in the above docket and as grounds therefor states:

1. The name of the Intervenor and its business address is:

Nassau Power Corporation  
Five Post Oak Park, Suite 1400  
Houston, Texas 77027

2. The name and address of the persons authorized to receive notices and communications in regard to this petition are:

ACK	<u>✓ 1/</u>	Nassau Power Corporation is a subsidiary of Falcon Seaboard Power Corporation.
AFA	_____	
APP	<u>2/</u>	On June 12, 1990, the Commission Staff forwarded a memorandum in which it recommended that the Commission consider action relative to the subscription of the 1996 coal-fired avoided unit designated by the Commission during the agenda conference of May 25, 1990. The Staff recommended that the matter be considered as possible Proposed Agency Action. This recommendation recognizes that, although this issue is an outgrowth of the 900004-EU docket, the factual and legal situation which the Commission will address regarding the specific contracts discussed in this pleading was not considered in the annual planning hearing. Therefore, Nassau's Petition to Intervene is appropriate because its substantial interests will be affected by any Commission decision on the matter, the subject is one not previously a part of the docket, and the PAA procedure contemplates the possibility of further proceedings.
CAF	_____	
CMU	_____	
CTR	_____	
EAG	<u>( )</u>	
LEG	<u>LW/m</u>	
LIN	<u>6</u>	
OPC	<u>1</u>	
RCH	_____	
SEC	<u>1</u>	

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DOCUMENT NUMBER-DATE

05326 JUN 15 1990

FPSC-BUREAU OF RECORDS

FPSC-RECORDS/REPORTING

OTH orig  
to Don

TB

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Basis for Intervention

3. On May 25, 1990, the Commission voted at a special agenda conference to reconsider Order No. 22341 and to designate a 500 MW coal unit, with an in-service date of January 1, 1996, as the statewide avoided unit. The Commission directed the utilities to file contracts and tariffs conforming to the May 25 vote within ten days and authorized Staff to administratively review the contracts and tariffs and approve them if they conformed to the Commission vote.

4. On June 13, 1990, Staff administratively approved Florida Power and Light Company's ("FPL") Standard Offer Contract and Tariffs pursuant to the directions of the Commission at the May 25 agenda to be effective June 13, 1990.

5. On June 13, 1990, immediately following the Commission's approval of FPL's contract and tariffs, Nassau executed FPL's Standard Offer Contract and a proposed Interconnection Agreement. Nassau contracted to provide firm capacity in the amount of 435 MW under standard offer terms and conditions beginning January 1, 1996.

6. On June 12, 1990, before Commission approval of FPL's Standard Offer Contract and Tariff, Staff issued a memorandum recommending that the Commission consider closing the 500 MW unit

based on Staff's information regarding the signing of two contracts.

7. The first, a negotiated contract between Indiantown Cogeneration and FPL, was executed on May 21, 1990, four days prior to the decision to prospectively redesignate the avoided unit. The second, a purported standard offer tendered by Consolidated Minerals, Inc. to FPL, was signed on June 6, seven days prior to the approval of FPL's revised standard offer and therefore before the revised standard offer was available.

8. Nassau asserts that neither of these contracts may validly subscribe the 500 MW 1996 statewide avoided unit. Rather, Nassau's contract, which was the first contract executed after the Commission approved FPL's revised standard offer tariff, is the contract which is first to subscribe to the 500 MW avoided unit.

9. The Staff has recommended that the Commission consider whether the above contracts subscribe the 1996 avoided unit. Nassau's substantial interests will be affected by any decision bearing on the subscription of the 500 MW avoided unit.

#### Issues of Fact, Law and Policy

10. In order to resolve the issue of contract priority, the Commission will be required to rule on a number of factual, legal and policy issues. Nassau believes the issues include the following:

a. Where Rule 25-17.083(3) requires a utility to submit a standard offer for approval by the Commission; and where

Rule 25-17.083(3)(b) provides that, upon approval, the utility is to provide to QFs standard offer terms for the purchase of energy and capacity from QFs; and where the Commission designates a new avoided unit and delegates to Staff the task of reviewing and approving revised standard offer tariffs; and where Staff approves the revised standard offer tariffs on June 13, 1990; on what date is the revised standard offer first available for execution?

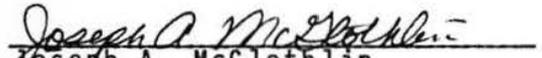
b. Where a negotiated contract based on an avoided combined cycle unit is executed on May 21, 1990; and where, on the date of execution, the existing statewide avoided units designated by the Commission are 1993, 1994 and 1995 combined cycle units pursuant to a valid Commission order; and where on May 25, 1990 the Commission prospectively designates a 500 MW 1996 coal-fired unit as the new statewide avoided unit and establishes a corresponding subscription limit; does the negotiated contract of May 21 subscribe the subsequently established, new statewide avoided unit?

c. Where a negotiated contract which is executed on May 21, 1990 is based on a QF unit having an in-service date of 1995, and where on May 25 the Commission establishes as the statewide avoided unit a 500 MW coal-fired unit having a different in-service date of 1996, does the capacity of the negotiated contract count towards the subscription limit of the 1996 statewide avoided unit?

Basis for Relief

11. Nassau is entitled to a determination that its June 13, 1990 contract for 435 MW of firm capacity beginning in 1996 first subscribes the 500 MW 1996 coal-fired avoided unit. Nassau's position is set forth in a Notice of First Execution and Demand for Subscription Status filed herewith, which is incorporated by reference to avoid duplication.

WHEREFORE, Nassau Power Corporation requests the Commission to enter an order authorizing it to intervene as a full party and requiring that copies of all pleadings, notices, and orders be provided to the undersigned.

  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Nassau Power Corporation's Petition to Intervene has been furnished by Hand Delivery\* or by U.S. Mail to the following parties of record, this 15th day of June, 1990:

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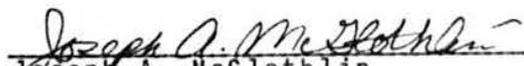
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