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PLEASE REPLY TO:
TALLAHASSEE
August 20, 1990

HAND DELIVERED

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399

Re: ~~Docket No.~~ 900004-EU, Hearings on load forecasts,
generation expansion plans and cogeneration prices for
Peninsular Florida's electric utilities.

Dear Mr. Tribble:

Enclosed for filing and distribution are the original and 15
copies of Nassau Power Corporation's Response to AES' Motion for
Clarification of Order No. 23234.

Also enclosed is an extra copy of Nassau Power Corporation's
Response to AES' Motion for Clarification of Order No. 23234.
Please stamp with the date of filing and return it to me.

ACK Thank you for your assistance.

AFA _____

APP _____

CAF _____

CMU _____

CTR _____

EAG _____

LEG VJK/jwm
LIN Enclosures

OPC _____

RCH _____

SEC

WAS _____

OTH _____

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

RECEIVED & FILED

TB
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07531 AUG 20 1990

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Hearings on load forecasts,) DOCKET NO. 900004-EU
generation expansion plans and) FILED: August 20, 1990
cogeneration prices for Peninsular)
Florida's electric utilities.)

**NASSAU POWER CORPORATION'S RESPONSE TO AES'
MOTION FOR CLARIFICATION OF ORDER NO. 23234**

Nassau Power Corporation ("Nassau"), through its undersigned counsel, pursuant to rule 25-22.037(2)(b), Florida Administrative Code, files its response to AES' Motion For Clarification of Order No. 23234 and states:

1. On August 7, 1990, AES filed a motion for clarification of Order No. 23234 requesting, among other things, that the Commission clarify a portion of its order beginning on page 2 which reads:

In Order No. 22341 we approved the allocation of the 385 MW of 1993 combined cycle statewide avoided unit to each individual peninsular Florida utility based on each utility's demand. The allocation to each individual utility was our attempt to more closely match each utility's need for capacity on a statewide basis. We are now convinced that allocation is not consistent with the legislative mandate of Section 366.81, Florida Statutes, and eliminate it. We will, however, at least for the present, limit the subscription of the standard offer to 500 MW on a statewide basis. The import of our decision is to require all peninsular Florida utilities to honor negotiated and standard offer contracts until the 500 MW limit has been reached on a statewide basis.

DOCUMENT NUMBER-DATE
07531 AUG 20 1990
FPSC-RECORDS/REPORTING

Order No. 23234, at 2-3, emphasis supplied. The sentence highlighted above, for which AES seeks clarification, refers to the Commission's decision to eliminate the allocation of the subscription limit among individual utilities. AES suggests in its motion that the quoted language implies that all contracts with in-service dates prior to January 1, 1996 will count toward the 1996 500 MW subscription limit.

2. While Nassau agrees that the requested clarification would be helpful, Nassau disagrees that AES' interpretation of the quoted language, as set forth in its motion, is implied or was contemplated at all by the sentence for which AES seeks clarification. Rather it appears that the Commission was simply explaining in general terms the effect of the elimination of the allocation methodology, when the criteria of qualifying contracts was not before it. The elimination of allocation certainly requires all applicable contracts up to the total subscription amount to count toward the subscription limit (without reference to individual utility cut-offs) but those are contracts which are based on the current standard offer. See Order No. 17480 at p. 13. This does not mean that contracts with an in-service date prior to January 1, 1996 will count toward the 500 MW limit. And in fact, such an interpretation would be contrary to the May 25, 1990 decision of the Commission. See Order No. 23235 and Nassau's Motion for Clarification directed to that order. The issue of which contracts count toward the subscription limit was

covered in that order, not Order No. 23234.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Nassau's Response to AES's Motion for Clarification of Order No. 23234 has been furnished by hand delivery* or by U.S. Mail to the following parties of record, this 20th day of August, 1990:

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