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January 16, 1991

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

Re: Petition of Florida Power and Light Company for
Inclusion of the Scherer Unit No. 4 Purchase in
Rate Base, Including an Acquisition Adjustment,
~~Docket No. 900795-EI~~

Dear Mr. Tribble:

Enclosed for filing and distribution are the original and 15
copies of Nassau Power Corporation's Motion to Strike.

Also enclosed is an extra copy of Nassau Power Corporation's
Motion to Strike. Please stamp with the date of filing and return
~~it to me.~~

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

ACK ~~it to me.~~
AFA
APP Thank you for your assistance.

CAF _____
CMU _____
CTR _____

EAG *YGK/jwm*
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In re: Petition of Florida Power) DOCKET NO. 900796-EI
 and Light Company for Inclusion) Filed: January 16, 1991
 of the Scherer Unit No. 4 Purchase)
 in Rate Base, Including an)
 Acquisition Adjustment)

NASSAU POWER CORPORATION'S MOTION TO STRIKE

Pursuant to rule 25-22.037(2), Florida Administrative Code, Nassau Power Corporation ("Nassau"), through its undersigned counsel, files this motion to strike Part II E. (pp. 27-29) and Appendix II of Florida Power and Light Company's ("FPL") Post-Hearing Brief. As grounds therefor, Nassau states:

1. On January 9, 1991, FPL filed its Brief and Post-Hearing Statement of Issues and Positions in this docket. In Part II E. of its Brief (pp. 27-29) and in Appendix II FPL attempts to sponsor an additional economic comparison between the Scherer 4 purchase and other capacity alternatives. FPL attempts to present such a comparison on a cost per kWh basis. FPL states in its Brief that this "[i]nformation on the cost per kWh for the alternatives was not provided at the hearing. . . ." (FPL Brief at 27).

2. To be precise, FPL's Mr. Waters sought to provide a cents per kWh comparison at hearing. (Tr. 543-545). Nassau objected to the document. (Tr. 546). Commissioner Gunter said it wasn't the type of information he was looking for. (Tr. 547). FPL dropped the matter; the document was laid aside and was never assigned an

exhibit number for identification. (Tr. 549). Had FPL attempted to use the material for some purpose, the Commission would have ruled on Nassau's objection. If overruled, Nassau would have had the opportunity to cross-examine Mr. Waters on the document. Now FPL seeks to submit similar material to the Commission as part of its Brief when that opportunity is unavailable to Nassau. The Commission should not permit FPL to circumvent normal evidentiary procedures.

3. In its Brief, FPL suggests that Chairman Wilson requested that FPL's witness Mr. Waters provide cost per kWh information. This is not the case. Chairman Wilson asked for a "back-of-the-envelope" analysis of the pertinent factors in the case. Chairman Wilson stated:

I don't know whether you're going to end up showing me what the cost delivered to the load center is or whatever but exercise a little imagination.

(Tr. 625). In his response to this invitation, Mr. Waters did not provide a cost per kWh analysis. He provided Exhibit 36, which is something completely different. Like the cents/kWh document, Exhibit 36 failed to satisfy the deficiencies which some Commissioners saw in FPL's case during the hearing:

CHAIRMAN WILSON: . . . But right here right now on a piece of paper, I haven't seen anything that gives me that kind of clear demonstration that the ratepayers of Florida Power and Light, particularly when you're serving your load down there, are better off and will be paying a better price for electricity than they would be under other options. And I think that's ultimately what I need to be convinced of in this case.

WITNESS WATERS: Okay. I'm willing to try again.

CHAIRMAN WILSON: You may be running out of time.

(Tr. 1040-41).

4. FPL indeed ran out of time. It cannot continue to attempt to enhance its direct evidentiary case after the conclusion of the hearing, particularly with material that was the subject of an objection at hearing.

5. The reason is simple. Allowing this attempt, after it was not developed at hearing, would prejudice Nassau and other parties. Contrary to FPL's statement, much more than "simple arithmetic" is involved. A review of the transcript demonstrates the significance of the opportunity to test with cross-examination the assumptions, premises, and methodologies underlying FPL's calculations and conclusions. Had the spreadsheets been offered at hearing, they would have similarly been subject to that kind of testing. As easy examples, if the cents/kWh spreadsheets had been the subject of cross-examination, Nassau could have explored these points (and then argued them in its brief): (1) the effect of the fact that FPL did not apply present value concepts here, contrary to its own fundamental approach elsewhere; (2) the effect of the assumed capacity factors, in light of the fact that when Nassau pursued unit-specific costs, FPL's witness insisted that the units compared be assigned equal capacity factors; (3) the effect of the same controversial assumptions concerning Scherer fuel costs that colored other economic comparisons.

WHEREFORE, Nassau requests that the Commission enter an order striking Section II E (pp. 27-29) and Appendix II of FPL's Brief.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Nassau Power Corporation's Motion to Strike has been furnished by hand delivery* or by U.S. Mail to the following parties of record this 16th day of January, 1991:

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