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September 26, 1991

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ORIGINAL
FILE COPY

Mr. Steve Tribble, Director
Bureau of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Complaint by CFR Bio-Gen Corporation
against Florida Power Company
Docket No. 900383-EQ

Dear Mr. Tribble:

Enclosed find original and 15 copies of Stipulation
between CFR Bio-Gen Corporation and Florida Power Corporation
dated September 26, 1991 to be filed.

Sincerely,

Richard E. Benton

REB:svp
ACK Enclosures
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
E'G _____
LES 1/ _____
LW 6 _____
CPC _____
RCH _____
ETC 1/ _____
W'S _____
C'H _____

RECEIVED & FILED

DOCUMENT NUMBER-DATE

09621 SEP 26 1991

FPSC BUREAU OF RECORDS

FPSC-RECORDS/REPORTING

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint by CFR-Biogen
Corporation against Florida Power
Corporation for alleged violation
of standard offer contract, and
request for determination of
substantial interest

Docket No. 900383-EQ

STIPULATION

This Stipulation is made and entered into this 26th day of September, 1991, by and between Florida Power Corporation (FPC), and CFR-Biogen Corporation (CFR), collectively referred to as the Parties, in complete resolution of all issues in this proceeding.

WHEREAS, CFR proposes to construct and operate a qualifying facility (QF) and sell 74 megawatts (MW) of electrical generation from the QF to FPC.

WHEREAS, FPC and CFR previously have executed two contracts for the sale by CFR and the purchase by FPC of 74 megawatts (MW) of electrical generation from the QF, and CFR has filed a complaint in this docket with respect to these two contracts.

WHEREAS, FPC and CFR have entered into good faith negotiations whereby FPC has agreed to extend the QF in-service date and FPC has agreed to consent to CFR's assignment of its contract, in return for CFR's locating its project south of FPC's Central Florida Substation and making its project dispatchable.

WHEREAS, these negotiations have led to this Stipulation, which in turn, is intended to result in the negotiation and

DOCUMENT NUMBER-DATE
09621 SEP 26 1991
FPSC-RECORDS/REPORTING

execution of a new contract (Contract) for the purchase of 74 MW of electrical generation and cause the prior two contracts to be terminated.

WHEREAS, the Attachments to this Stipulation are provided by way of example and shall not be considered incorporated into this Stipulation, but such attachments are intended to reflect conceptual approaches to issues to be included in the Contract and will be refined to accommodate the special requirements of the steam host, specific site, and other issues yet to be determined and negotiated with respect to the project.

NOW, THEREFORE, the Parties agree as follows:

1. The Parties shall in good faith negotiate and execute a Contract for the purchase of firm capacity and energy (Contract) within 45 days of the date of execution of this Stipulation. Except for terms expressly reserved by this Stipulation for further negotiation, the Contract shall be in the same form as those FPC negotiated contracts for the purchase of firm capacity and energy approved by the Florida Public Service Commission (Commission) in 1991.
2. The final committed capacity in the Contract shall be no greater than 74 MW.
3. The term of the Contract shall be 30 years with an in-service date during the calendar year of 1995.
4. The location of the QF under the Contract shall be south of the FPC Central Florida Substation.

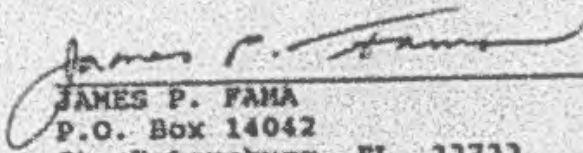
5. The capacity payment under the Contract shall be based on 98% of the coal facility at a 90% committed equivalent availability factor (EAF) calculated using either option A (See Attachment 1) or option B (variable operation and maintenance payment added to the capacity portion of payments) as defined in the Contract. In accordance with the terms of that Contract, the capacity payment schedule shall be adjusted by this equation: $(90/83) \times .98$. (see Attachment 1). The highest EAF for any hour will be 100%. The choice of utilizing Option A or Option B shall be that of CFR.
6. The Contract shall provide that the QF will be dispatched using automatic generation control (AGC) on a percentage basis of the parameters of the 700 MW dispatched avoided unit. When CFR is dispatched at 50%, they will be paid at the heat rate of the avoided unit at a 50% load level. (see Attachment 2). The full load heat will be 9651 BTU's/KWH. The 50% load level heat rate is approximately 10,300 BTU's/KWH. The minimum load level of the avoided unit is approximately 20%. The Parties shall negotiate the final terms of dispatch in the Contract.
7. The Parties shall negotiate the time and manner that CFR will pay to FPC the \$ 10.00 per kilowatt security deposit or deposits required under the Contract.
8. The Contract shall provide that when the avoided unit is scheduled on, the energy purchased will be paid at the appropriate heat rate using CR 1 & 2 coal prices with the appropriate variable O & M, if applicable, and delivery

voltage adjustment. (See Attachment 3). The present delivery voltage adjustment is 1.036. FPC estimates that the QF will be scheduled off between 5-20% depending on the year. (See Attachment 4).

9. The Contract shall provide that (a) all power delivered to FPC above 74 MW at 90% capacity factor when the QF is dispatched to 100% will be paid pursuant to the performance adjustment or at marginal costs, and (b) all power delivered to FPC above the dispatch level will be paid at marginal costs. (See Attachment 5).
10. CFR may assign the Contract with the prior written consent of FPC, which shall not be unreasonably withheld or delayed.
11. The Parties shall cause this Stipulation to be filed with the Commission, and shall request suspension of certain dates provided for in the Case Assignment and Scheduling Record in this docket, as necessary to accomplish settlement of this dispute.
12. FPC and CFR agree that, in the event that this Stipulation is not accepted and approved by the Commission in its entirety, without change, it shall be null, void, and of no further effect upon either of the Parties.
13. The Parties agree that the attachments to the Stipulation are not binding upon the Parties. However, the attachments reflect a conceptual approach to issues which will be included within the Contract. The subjects addressed in the attachments shall be further negotiated, refined, and adapted

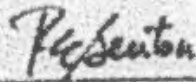
to accommodate the special requirements and specific features
of the contemplated project.

On behalf of
Florida Power Corporation



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On behalf of
CFR-Biogen Corporation



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