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COGENERATION & ALTERNATIVE ENERGY  
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**VIA FEDERAL EXPRESS**

June 14, 1995

**ORIGINAL  
FILE COPY**

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

JUN 14 1995  
MAIL ROOM  
REC'D

In Re: **Petition of Florida Power Corporation for determination that its plan for curtailing purchases from Qualifying Facilities in minimum load conditions is consistent with Rule 25-17.086, F.A.C. FPSC Docket No. 941101-EQ**

Dear Ms. Bayó:

Enclosed for filing in the referenced Docket please find an original and 15 copies of the Post-Hearing Comments of Ridge Generating Station, L.P., along with a ~~Certificate of Service~~. A double-sided high density 3.5 inch floppy disk containing this ~~document~~ in WordPerfect 6.0 format as prepared on a Windows-based computer is also ~~enclosed~~. If you have any questions regarding this filing, please do not hesitate to call.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAC *Entirely*
- LEG 1
- LIN 5
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC /RAZ/jnh
- WAS Enclosures
- OTH \_\_\_\_\_

Sincerely,

*Richard A. Zambo*  
Richard A. Zambo

DOCUMENT NUMBER-DATE  
**05648 JUN 15 95**  
FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE**  
**DOCKET NO. 941101-EQ**

I HEREBY CERTIFY that a true and correct copy of the Post-hearing Brief of Ridge Generating Station, L.P. as filed in this docket has been furnished by U.S. Mail to the following parties of record, this the 15th day of June, 1995.

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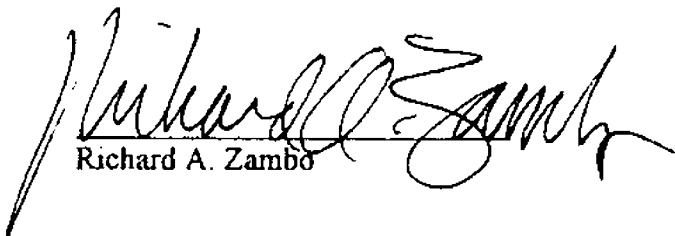
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Petition of Florida Power Corporation )  
for determination that its plan for curtailing ) Docket No. 941101-EQ  
purchases from Qualifying Facilities in )  
minimum load conditions is consistent with )  
Rule 25-17.086, F.A.C. )

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**POST-HEARING COMMENTS**  
of  
**RIDGE GENERATING STATION, L.P.**

**RICHARD A. ZAMBO, P.A.**  
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June 15, 1995

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

## INTRODUCTION

In July of 1994, following a lengthy period of negotiations, Ridge Generating Station, L.P. (Ridge) and Florida Power Corporation (FPC) entered into a voluntary curtailment agreement (the details of which were furnished to the Commission by FPC in Docket No. 950797-E) which was recently approved by this Commission. Accordingly, Ridge has chosen to intervene and participate in this proceeding for the primary purpose of supporting the approval and adoption of FPC's proposed "Curtailment Plan" which by reference incorporates the Ridge/FPC curtailment agreement as well as several others. In fact, FPC's plan relies to a great extent on "negotiated" curtailment agreements among FPC and various QF's, such as Ridge, to reduce the need for the involuntary or forced curtailment of QF's during low load periods.

Of the eight "main" issues and five "sub"issues identified in this proceeding, Ridge takes "No Position" on all issues except the following: **Issue 2(C) = No; Issue 3 = Yes; Issue 4 = Yes; Issue 8 = Yes.** The brief comments which follow will therefore address only those issues dealing with the reasonableness of FPC's proposed plan and whether the plan should be approved by the Commission. Ridge supports approval of the plan while encouraging the modification of FPC's off-system sales practices in order to make such sales more likely during low load periods, and suggests that the plan is generally reasonable and nondiscriminatory in light of the current circumstances

## STATEMENT OF BASIC POSITION

The need for low load period generation curtailments on FPC's system appears to have resulted from a variety of factors, none of which are directly attributable to Ridge. In the spirit of cooperation, Ridge has entered into a curtailment agreement with FPC (which was recently approved by the Commission in Docket No. 950797-EQ) which, along with similar agreements between FPC and other QF's, should contribute significantly to the alleviation of the low load problems anticipated by FPC. Indeed, the curtailment agreements negotiated by FPC form an integral part of FPC's curtailment plan and appear likely to substantially reduce the number of forced or involuntary QF curtailments which would otherwise be required of all QF's. FPC's curtailment plan, with modification to its low load off-system sales practices, offers a reasonable solution to what appears to be a temporary problem.

For clarity, Ridge would note that from its perspective, the primary purpose of this proceeding is to determine the reasonableness/appropriateness of FPC's proposed plan, not to identify all circumstances under which the plan may be appropriately and lawfully implemented. Unless repealed or modified, Commission Rule 25-17.086, F.A.C. would take precedence over any utility curtailment plan, including one approved by the Commission. Accordingly, the burden of proof would remain on FPC/the purchasing utility, under the provisions of the referenced rule and other applicable law, to justify and demonstrate the legality of each and every curtailment of power purchases from QF's.

## DISCUSSION OF ISSUES

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**ISSUE 2:** Has FPC adequately demonstrated that its plan incorporates all appropriate measures to mitigate the need for curtailment during minimum load conditions?

(C) Does the proposed curtailment plan properly require FPC to take all appropriate measures to increase sales to mitigate any imbalance between generation and load?

**Position:** NO. FPC's plan does not appear to be appropriate in this regard. Based on the testimony of FPC witnesses, off-system "quotes" during low load conditions are based on FPC's incremental generating costs. Since QF generation is being curtailed during low load periods it seems that the QF's generating cost would be relevant in setting the off-system quotes. QF's may be willing to sell at prices below FPC's incremental cost and therefore avoid curtailment or complete shut-down of their facilities.

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**ISSUE 3:** Has FPC adequately demonstrated that the procedures for curtailment outlined in its plan are reasonable and appropriate?

**Position:** YES. Assuming FPC will take appropriate steps to properly quote off-system generation prices, the proposed plan represents a reasonable and appropriate response to the current circumstance. It should be noted however, that the plan would not supersede Commission rule 25-17.086, F.A.C. which places the burden on FPC (or any utility) to demonstrate that any curtailment of purchases from QF's were justifiable and permissible under applicable law.

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**ISSUE 4:** Has FPC adequately demonstrate that its proposed plan allocates justifiable curtailments among QF's in a fair and not unduly discriminatory manner?

**Position:** YES. FPC's plan is fair and not unduly discriminatory in that it recognizes the different characteristics of the various types of QF's on its system and treats them commensurate with those characteristics. Although on the surface it may appear that QF's who have entered into curtailment agreements with FPC are given more "favorable" treatment, a closer analysis reveals that the curtailment agreements reduce the number and magnitude of curtailments in general, thereby benefitting all QF's on the system as well as FPC and its customers. The plan mitigates FPC's low load problems in a minimally intrusive manner.

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**ISSUE 8:** Should the Commission approve FPC's curtailment plan as being in compliance with Rule-17.086, Florida Administrative Code?

**Position:** YES. However, as noted previously, approval of the plan should not be construed as the approval or justification of any curtailments of QF generation which may occur on the FPC system -- even if the procedures established in a Commission approved plan are adhered to. Plan approval by the Commission should simply "certify" that the plan is not unfair or unduly discriminatory in its application to the QF class. Whether or not any given curtailment event is/was permissible under applicable law would continue to be addressed under Rule 25-17.086, F.A.C. on a case-by-case basis with the burden of proof on FPC to demonstrate the legality of such curtailment.

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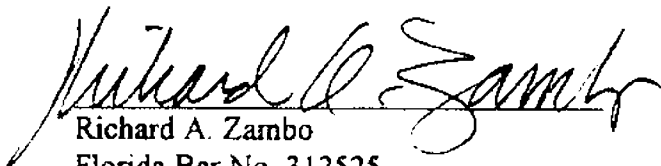
## CONCLUSION

FPC's proposed curtailment plan allocates curtailments in a fair and not unduly discriminatory manner in accordance with procedures which are reasonable and appropriate under the current circumstances and should be approved. FPC should, however, modify its off-system sales practices during low-load periods to reflect prices at which QF's would be willing to sell electric power (in lieu of curtailment or shut-down) rather than FPC's calculated incremental generating cost. This would tend to increase off-system sales during low-load periods and thereby reduce the number and magnitude of curtailment events

Approval of the plan should not be improperly construed as approving or ratifying any curtailments which take place in accordance with the plan's procedures. Any such curtailments would remain subject to the provisions of Commission Rule 25-17.086, F.A.C. with the burden of proof remaining on FPC to demonstrate both the necessity and legality of such curtailments under applicable law.

June 15, 1995

Respectfully Submitted,



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