

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Standard offer contract) DOCKET NO. 950110-EI
for the purchase of firm)
capacity and energy from a) FILED: February 2, 1996
qualifying facility between)
Panda-Kathleen, L.P. and Florida)
Power Corporation.)
_____)

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-95-1045-PCO-EI, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None for staff at this time.

b. All Known Exhibits

None for staff at this time.

c. Staff's Statement of Basic Position

Staff takes no basic position at this time. Where staff has taken a position on the issues, those positions are preliminary and based on materials filed by the parties and in discovery. Staff's preliminary position on an issue is offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

d. Staff's Position on the Issues

ISSUE 1: Does Panda Energy's proposed qualifying facility comply with both Rule 25-17.0832, Florida Administrative Code and the standard offer contract with Florida Power Corporation in light of its currently proposed size?

Position: Yes. Panda's proposed qualifying facility will serve a 74.9 MW standard offer contract with FPC. Any excess output from the facility may be sold through a negotiated

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING 1358

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agreement for firm capacity, or as as-available energy at prices determined in accordance with Commission rules.

Issue 2: Do Rule 25-17.0832(3)(e)(6), Florida Administrative Code, and the standard offer contract require Florida Power Corporation to make firm capacity payments for the life of the avoided unit (20 years) or the term of the standard offer contract (30 years)?

Position: Rule 25-17.0832(3)(e)(6), Florida Administrative Code, requires Florida Power Corporation to make firm capacity payments to Panda for twenty (20) years, the life of the avoided unit. The standard offer incorporates that rule by reference.

Issue 3: If it is determined that Florida Power Corporation is required to make firm capacity payments to Panda Energy pursuant to the standard offer contract for 30 years, what are the price terms for that capacity?

Position: No position at this time.

Issue 4: Should the Commission grant Panda Energy's request to extend the milestone dates in its standard offer contract?

Position: Yes.

Issue 5: If the Commission grants Panda Energy's request to extend the contractual milestone dates, how long should these dates be extended?

Position: No position at this time.

Issue 6: If Panda Energy's qualifying facility commences commercial operation after the contractual in-service date, how should the applicable capacity and energy payments be determined?

Position: No position at this time.

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e. Pending Motions

The following motions are pending in this case:

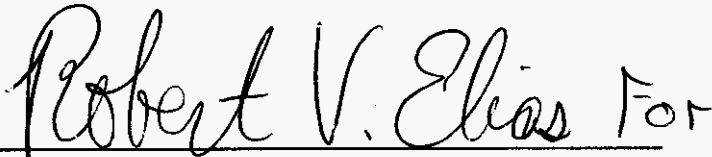
Panda

Motion to Withdraw Clarification Letter
Motion for Protective Order
Motion to Stay Proceedings Pending Appellate Review

f. Compliance with Order No. PSC-95-1045-PCO-EI

Staff has complied with the provisions of Order No. PSC-95-1045-PCO-EI.

Respectfully submitted this 2nd day of February, 1996.



MARTHA CARTER BROWN
Staff Counsel

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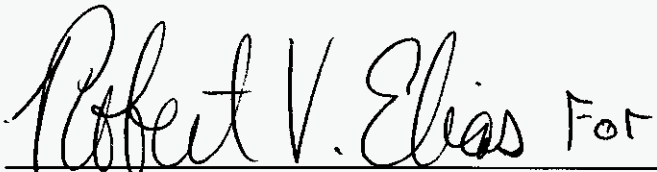
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one copy of Staff's Prehearing Statement has been furnished by U.S. Mail to Mr. James McGee, Post Office Box 14042, St. Petersburg, Florida 33733-4042 on behalf of Florida Power Corporation this 2nd day of February, 1996, and that one copy has been furnished to the following:

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