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June 6, 1996

Via Overnight Courier

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

RE: Docket No. 960214-EU  
Proposed Revisions to Rule 25-6.035  
F.A.C., Adequacy of Supply

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Seminole Electric Cooperative, Inc.'s written comments on the proposed rule issued May 9, 1996. I am also enclosing two additional copies of these comments. Please time stamp these extra copies, and return them to me in the enclosed self-addressed, stamped envelope.

Thank you for your cooperation. If you have any questions regarding this filing, please call.

Very truly yours,

Timothy S. Woodbury  
Vice President, Corporate Planning

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RECEIVED  
SEMINOLE ELECTRIC COOPERATIVE  
TALLAHASSEE, FLORIDA

- ACK
- AFA \_\_\_\_\_
- APP *Bellek*
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR *TSW/bjs*
- EAC *Balleger*
- LEG *Encs.*
- LIN *Deason*
- OPC \_\_\_\_\_
- RCH *Hewitt*
- SEC \_\_\_\_\_
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Revision to ) DOCKET NO. 960214-EU  
Rule 25-6.035, F.A.C., Adequacy ) Submitted for filing June 6, 1996  
of Supply )  
\_\_\_\_\_ )

SEMINOLE ELECTRIC COOPERATIVE, INC.'S  
COMMENTS AND SUGGESTED ALTERNATIVE LANGUAGE

Seminole Electric Cooperative, Inc. ("Seminole") submits the following comments and suggested alternative language with respect to proposed revision to Rule 25-6.035:

1. Seminole is concerned with the definition of the term "L" in subsection (1) of the proposed Rule 25-6.035. Seminole urges that the Commission replace the phrase "firm load" with the phrase "native load and other firm commitments" in the definition of "L." Seminole is concerned that a requirement only to use "firm" load in the determination of reserve margins would render subsection (4) of the proposed rule meaningless. Subsection (4) provides utilities the option of either relying or not relying on non-firm load to meet its minimum planned reserve margin. A decision on the part of a utility to not rely on non-firm load to meet planning reserves would entail the utility including non-firm load in the definition of "L" in the reserve margin formula contained in subsection (1).

2. Seminole requests that the Commission clarify certain language contained in the preamble dealing with the operating reserve standard for Peninsular Florida utilities. The preamble states, in part, that:

Operating reserves shall be calculated based on the greater of the utility's maximum demand for the preceding year or summer gross Southeastern Reliability Council (SERC) capability of its larger unit. [Notice, p.3.]

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Seminole is unclear as to meaning of above-referenced language. This language appears to be inconsistent with relevant portion of subsection (1) of the proposed rule which does not require that either the state or individual utilities maintain operating reserves on the basis of "the greater" of the maximum demand or the largest unit. Proposed Section 25-6.035(1) states, in part, that:

... operating reserves shall be maintained by the combined Peninsular Florida system at a value equal to or greater than the loss of generation that would result from the most severe single contingency. The operating reserves shall be allocated among the utilities in proportion to each utility's maximum demand for the preceding year, and the summer gross Southeastern Electric Reliability Council (SERC) capability of its largest unit or ownership share of a joint unit, whichever is greater. [Notice, pp.5-6.]

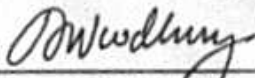
The phrase "whichever is greater" applies to the preceding phrase "capability of its largest unit or ownership of a joint unit." The preamble language could be interpreted to give a different, and Seminole believes unintended, meaning to this phrase. Seminole requests that the Commission provide a clarification of this point.

3. Seminole assumes that the language in the proposed rule is intended to mirror the Florida Specific Procedure for operating and spinning reserves as administered by the Florida Electric Coordinating Group dated October 1994. Seminole requests that the Commission affirm its intent in this regard, and provide that the language in the preamble be deemed amended accordingly.

WHEREFORE, Seminole Electric Cooperative, Inc. submits the foregoing comments and recommended alternative language for proposed Rule 25-6.035.

Dated this 6th day of June, 1996

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "T. Woodbury".

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Timothy S. Woodbury  
Vice President, Corporate Planning