

MEMORANDUM

August 16, 1996

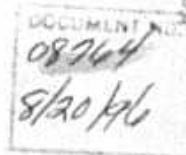
TO : DIVISION OF RECORDS & REPORTING
FROM : RICHARD C. BELLAK, ASSOCIATE GENERAL COUNSEL *RCB*
RE : DOCKET NO. 960214-EU, PROPOSED REVISION TO RULE 25-6.035,
ADEQUACY OF SUPPLY

Attached is an original and three copies of the certification of Rule 25-6.035. The Department of State must receive the original and two copies of the certification no later than 5:00 p.m., August 16, 1996. The Certification includes:

- (1) An original and two certified copies of Rule 25-6.035, F.A.C.;
- (2) A summary of the rule;
- (3) A summary of the hearing on the rule; and
- (4) A written statement of the facts and circumstances justifying the rule.

CERT6035.MRD
Attachments

ACR _____
AFR _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LIT _____
OPC _____
RCH _____
SEC 1 _____
WAS _____
OTH _____



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CERTIFICATION OF
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES
FILED WITH THE
DEPARTMENT OF STATE

I do hereby certify:

(1) The time limitations prescribed by paragraph 120.54(11)(a), F.S., have been complied with; and

(2) There is no administrative determination under section 120.54(4), F.S., pending on any rule covered by this certification; and

(3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(11)(b), F.S. They are filed not less than 28 days after the notice required by subsection 120.54(1), F.S., and;

(a) And are filed not more than 90 days after the notice; or

(b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

(c) Are filed within 21 days after the adjournment of the final public hearing on the rule; or

(d) Are filed within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

(e) Are filed within 21 days after the date the transcript was received by this agency.

DOCUMENT NUMBER-DATE

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Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

<u>Rule No.</u>	<u>Rulemaking Authority</u>	<u>Specific Law Being Implemented, Interpreted or Made Specific</u>
25-6.035	366.05(1), F.S.	366.03, F.S.

Under the provision of paragraph 120.54(13)(a), F.S., the rules take effect 20 days from the date filed with the Department of State or a later date as set out below:

Effective: _____
(month) (day) (year)



BLANCA S. BAYO, Director
Division of Records & Reporting

Number of Pages Certified

(S E A L)

RCB

1 | 25-6.035 Adequacy of Resources Supply. (1) Each electric utility
2 | shall maintain sufficient generating capacity, supplemented by
3 | regularly available generating and non-generating resources, in
4 | order to meet all reasonable demands for service and provide a
5 | reasonable reserve for emergencies. Each electric utility shall
6 | also coordinate the sharing of energy reserves with other electric
7 | utilities in Peninsular Florida. To achieve an equitable sharing
8 | of energy reserves, Peninsular Florida utilities shall be required
9 | to maintain, at a minimum, a 15% planned reserve margin. The
10 | planned reserve margin for each utility shall be calculated as
11 | follows:

12 |
$$RM = [(C - L)/L] * 100 \quad \text{where:}$$

- 13 | "RM" - Is defined as the utility's percent planned reserve
14 | margin;
15 | "C" - Is defined as the aggregate sum of the rated
16 | dependable peak-hour capabilities of the resources
17 | that are expected to be available at the time of
18 | the utility's annual peak; and
19 | "L" - Is defined as the expected firm peak load of the
20 | system for which reserves are required.

21 | The following shall be utilized as the operating reserve
22 | standard for Peninsular Florida's utilities: operating reserves
23 | shall be maintained by the combined Peninsular Florida system at a
24 | value equal to or greater than the loss of generation that would
25 | result from the most severe single contingency. The operating

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1 reserves shall be allocated among the utilities in proportion to
2 each utility's maximum demand for the preceding year, and the
3 summer gross Southeastern Electric Reliability Council (SERC)
4 capability of its largest unit or ownership share of a joint unit,
5 whichever is greater. Fifty percent shall be allocated on the
6 basis of demand and fifty percent on the basis of the summer gross
7 SERC capability of the largest unit. Operating reserves shall be
8 fully available within ten minutes. At least 25% of the operating
9 reserves shall be in the form of spinning reserves which are
10 automatically responsive to a frequency deviation from normal.

11 (2) Treatment of Purchased Power. Only firm purchase power
12 agreements may be included as a resource for purposes of
13 calculating a planned or operating reserve margin. A utility may
14 petition for waiver of this requirement based on the very high
15 availability of specific non-firm purchases.

16 (3) Treatment of Shared Generating Units. Only the utility
17 which has first call on the generating unit may count the unit
18 towards its planned or operating reserve margin. A utility has
19 first call on a unit if the unit is available and the utility has
20 the contractual right to dispatch the unit to meet its native load
21 and other firm contractual commitments before any other party to
22 the unit's sharing arrangement. A utility may petition the
23 Commission for approval of other methods demonstrating equivalent
24 reliability on a case by case basis.

25 (4) Treatment of Non-Firm Load. If non-firm load (i.e.

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1 customers receiving service under load management, interruptible,
2 curtailable, or similar tariffs) is relied upon by a utility when
3 calculating its planned or operating reserves, the utility shall be
4 required to make such reserves available to maintain the firm
5 service requirements of other utilities.

6 (5) Buy-through Power for Interrruptible Customers.
7 Interruption of service to non-firm customers is not an emergency.
8 As such, a utility shall not be required to provide buy-through
9 power for another utility's interruptible customers under
10 obligatory emergency interchange schedules. The generating
11 capacity of the utility's plant, supplemented by the electric power
12 regularly available from other sources, must be sufficiently large
13 to meet all reasonable demands for service and provide a reasonable
14 reserve for emergencies.

15 Specific Authority 366.05(1) FS.
16 Law Implemented 366.03 FS.
17 History--New 7-29-69, Formerly 25-6.35, Amended .

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SUMMARY OF RULE

1) Each electric utility shall maintain sufficient operating capacity and reserves and coordinate reserves with other Peninsular Florida electric utilities.

To achieve an equitable sharing of energy reserves, Peninsular Florida Electric Utilities shall maintain a minimum 15% planned reserve margin.

Operating reserves shall be maintained at a value equal 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 the 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, which is greater. Fifty percent shall be allocated on the basis of demand and fifty percent shall be allocated on the basis of the summer gross SERC capability of the largest unit.

2) Only firm purchase power agreements may be used to calculate planned or operating reserve margin.

3) Only the utility which has first call on a shared generating unit may count it in its planned or operating reserve margin.

4) If non-firm load is relied on when calculating a utility's planned or operating reserves, the reserves must be made available to maintain the firm service requirements of other utilities.

5) Interruption of service to non-firm customers is not an

666 AUG 16 1996
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emergency and utilities are not required to provide buy-through power for another utility's interruptible customers pursuant to emergency interexchange schedules.

SUMMARY OF HEARINGS ON THE RULE

The final public hearing for consideration of this rule took place on July 30, 1996.

FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE

The Commission requested that its decisions concerning the planning practices and operating reserves of Peninsular Florida's generating electric utilities in Order No. PSC-94-1256-FOF-EU be codified in a rule.