



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 23, 1997

TO: James McGee, Esquire - Florida Power Corporation
John Roger Howe, Esquire - Office of Public Counsel
Matthew Childs, Esquire - Orlando Cogen Limited, Air Products & Chemicals, Inc.

FROM: Cochran Keating, Staff Attorney, Division of Legal Services *CK*

RE: Docket No. 98000000Q - Petition for approval of early termination amendment to negotiated qualifying facility contract with Orlando Cogen Limited by Florida Power Corporation.

Please find enclosed the documents referenced in Staff's facsimile memorandum to the parties dated October 23, 1997.

WCK/js
enclosure

cc: Division of Records & Reporting (Bay6)
Division of Electric & Gas (Harlow, Ballinger, Colson, Draper, Dudley, Tew, Wheeler)
Division of Auditing and Financial Analysis (Noriega, McNulty, Maurey, Stallcup)

10/23/97

DOCUMENT NUMBER-DATE

10946 OCT 23 97

FPSC-RECORDS/REPORTING

Review of the U.S. Economy

Long-Range Focus

A publication of the U.S. Economic Service

Summer 1997

DRI/McGraw-Hill

**STANDARD
& POOR'S**

Projection Detail

**TABLE 10
Producer Prices**

TABLE 10

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Producer Price Indexes - Stage of Processing													
(Percent change, GNP)													
Finished Goods	0.0	1.0	1.5	1.0	1.0	2.1	2.0	2.0	2.0	2.0	2.4	2.5	2.0
Encl. Food & Energy	0.0	1.0	1.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.0	2.4	2.0
Consumer Finished Goods	0.0	0.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.4	2.0	2.0	2.7
Food	0.0	0.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.1	2.1	2.2	2.5
Energy	-0.5	-1.0	0.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	2.7
Other	0.7	1.7	1.0	2.0	2.1	2.0	2.0	2.0	2.0	2.4	2.0	2.0	2.0
Producers' Finished Goods	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.1	2.1	2.2	2.2
Intermediate Materials, Supplies, and Components	2.1	1.0	1.0	1.0	1.0	1.7	1.7	1.0	2.1	2.1	2.1	2.2	2.5
Crude Materials for Further Processing	-0.0	-1.0	0.0	2.1	2.1	2.0	2.0	2.1	2.1	0.0	2.0	2.0	2.7
Producer Price Indexes - Commodity Groupings													
(Percent change, GNP)													
Total	-0.0	0.0	1.0	1.0	1.0	2.0	2.1	2.0	2.0	2.5	2.4	2.5	2.0
Industrial Composites	0.0	0.0	1.0	1.0	1.0	2.0	2.1	2.0	2.0	2.4	2.4	2.0	2.7
Fuels, Related Prod., Power	-0.1	-0.0	-0.1	1.7	1.0	2.0	2.0	2.0	2.0	2.1	2.0	2.0	2.2
Coal	2.2	-0.0	0.0	1.0	1.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	2.0
Natural Gas	-0.1	-0.0	1.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.1	0.0	0.0
Electricity	0.0	0.0	0.0	1.0	1.1	1.7	1.0	1.0	1.0	1.4	1.4	1.7	2.0
Utility Natural Gas	1.0	-0.0	1.0	2.0	2.0	2.0	4.1	4.0	0.0	3.0	4.0	4.0	4.0
Domestic Crude Oil (BOP)	-7.0	-2.1	-1.1	1.0	2.0	2.7	4.4	4.7	0.0	0.0	0.0	0.0	0.0
Petroleum Products	-0.0	-0.0	-1.0	1.0	2.0	2.0	4.1	4.0	4.0	4.0	4.7	4.0	5.1
Residual Fuels	-7.0	-2.0	-0.0	0.0	1.0	4.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Non-Energy Indust. Composites	0.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.2	2.2	2.2	2.2	2.2
Textile Products and Apparel	0.1	0.1	0.0	1.0	0.0	0.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2
Chemicals and Allied Products	1.0	1.7	1.0	2.0	2.0	2.1	2.1	2.0	2.0	2.0	2.0	2.7	2.0
Rubber and Plastic Products	-0.0	0.0	0.0	1.0	1.1	1.1	1.1	1.0	1.4	1.4	1.4	1.0	1.0
Lumber and Wood Products	4.0	0.0	1.0	1.0	1.0	1.0	1.0	2.1	2.1	2.1	2.2	2.2	2.1
Pap., Paper, and Products	-1.1	0.0	0.0	2.1	0.0	0.0	0.0	0.0	2.0	2.0	2.0	2.0	2.0
Metals and Metal Products	1.1	1.0	1.1	1.0	1.0	1.4	1.0	1.0	2.1	2.0	1.0	2.0	2.1
Machinery and Equipment	-0.0	0.1	0.0	0.7	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.1	1.1
Furniture & Household Equip.	0.0	0.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.7	1.7	1.7	1.0
Transportation Equipment	0.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.7	2.7
Passenger Cars	-0.7	1.0	1.0	2.0	1.0	1.0	1.0	2.0	2.1	2.1	2.1	2.2	2.2
Other Industrial Composites	2.0	2.1	2.0	2.0	0.0	2.7	0.7	2.7	2.0	2.0	2.0	2.0	2.0
Agricultural Composites and Food													
Farm Products	-7.0	0.0	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Processed Foods	0.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.1	2.1	2.2	2.2
Factors Affecting Producer Prices													
Unit Labor Costs - Nonfarm (% change)	2.0	2.0	2.4	2.0	2.0	2.4	2.4	2.0	2.0	2.7	2.7	2.7	2.0
Social Insurance Contributions as Percent of Wages and Salaries	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
U.S. Dollar Exch. Rate - GNP (\$)	1.000	1.071	1.000	0.990	0.990	0.990	0.990	0.994	0.994	0.994	0.994	0.994	0.994
Annual Percent Change	0.0	7.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.4	-0.4	-0.4	-0.4	-0.4	-0.4
WPI - GNP U.S. Trading Partners (\$)	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Annual Percent Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing Capacity Utilization (%)	82.0	82.0	81.0	81.7	81.0	81.0	81.0	81.0	81.0	81.0	82.1	82.2	82.4
Vendor Performance (\$)	0.7	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

a. 1980=1.000.

b. Percent of purchasing agents reporting slower deliveries.

TABLE 16
(Continued)

THRESHOLD	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Producer Price Indexes - Stage of Processing (Percent change, 2000)													
Finished Goods	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1	2.2	2.2
Encl. Food & Energy	2.5	2.5	2.7	2.5	2.7	2.7	2.5	2.5	2.5	2.0	2.0	2.0	2.1
Consumer Finished Goods	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1	2.1	2.2	2.2	2.3	2.3
Food	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.7	2.7	2.7	2.7	2.8
Energy	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1	2.1	2.2	2.2	2.3	2.3
Other	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Producers' Finished Goods	2.8	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.7	2.7	2.7	2.8	2.8
Intermediate Materials, Supplies, and Components	2.8	2.8	2.8	2.4	2.4	2.4	2.8	2.8	2.7	2.7	2.7	2.8	2.8
Crude Materials for Further Processing	2.7	2.7	2.8	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1
Producer Price Indexes - Commodity Groupings (Percent change, 2000)													
Total	2.7	2.8	2.8	2.7	2.7	2.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Industrial Commodity	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Food, Related Prod., Power	4.5	4.5	4.5	4.5	4.5	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5
Coal	2.8	2.8	2.4	2.8	2.8	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Natural Gas	2.8	2.8	4.4	4.5	4.5	4.5	4.5	4.5	4.7	4.7	4.8	4.8	4.7
Electricity	2.2	2.1	2.8	2.8	2.1	2.8	2.1	2.1	2.8	2.1	2.1	2.1	2.1
Utility Natural Gas	2.1	2.8	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Barracks Crude Oil (BBO)	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2	2.2	2.2	2.2
Petroleum Products	2.1	2.2	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Non-Energy Indust. Commodity	2.7	2.8	2.4	2.8	2.8	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8
Textile Products and Apparel	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7
Chemicals and Allied Products	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Rubber and Plastic Products	1.8	1.7	1.7	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8	1.8	2.0
Lumber and Wood Products	2.8	2.4	2.8	2.1	2.8	2.1	2.8	2.8	2.8	2.8	2.8	2.4	2.4
Pulp, Paper, and Printing	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.7	2.8	2.8	2.8	2.8	2.8
Glass and Metal Products	2.1	2.2	2.1	2.8	1.8	1.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Machinery and Equipment	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.8
Furniture & Household Equip.	1.8	1.8	2.8	1.8	1.8	1.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Transportation Equipment	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.1	2.1	2.1	2.2
Passenger Cars	2.8	2.8	2.4	2.8	2.8	2.8	2.4	2.4	2.4	2.8	2.8	2.8	2.8
Other Industrial Commodity	2.1	2.8	2.8	2.1	2.8	2.8	2.8	2.8	2.8	2.4	2.4	2.4	2.4
Agricultural Commodity and Food	2.8	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Farm Products	2.8	2.4	2.4	2.4	2.4	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.8
Processed Foods	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Factors Affecting Producer Prices													
Unit Labor Costs - Nonfarm (% change)	2.1	2.1	2.8	2.2	2.2	2.8	2.2	2.2	2.8	2.4	2.5	2.5	2.5
Real Income Contribution as Percent of Wages and Salaries	12.1	12.1	12.1	12.2	12.2	12.2	12.2	12.4	12.4	12.5	12.5	12.5	12.5
U.S. Dollar Exch. Rate - OECD (a)	0.994	0.994	0.994	0.997	0.997	0.997	0.997	0.997	0.997	0.999	0.999	0.999	0.999
Annual Percent Change	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
WPI - OECD U.S. Trading Partners (a)	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.222	1.224	1.224
Annual Percent Change	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Manufacturing Capacity Utilization (b)	82.5	82.5	82.5	82.5	82.2	82.1	82.0	82.0	82.0	82.1	82.2	82.1	82.2
Yearly Performance (b)	21.8	21.8	21.8	21.1	21.8	21.8	21.1	21.8	21.8	21.8	21.8	21.8	21.7

a. 1992=100.

b. Percent of purchasing agents reporting slower orders.

**Company Expenses 2022 NPV Calculations
Due to OIL Contract Support
Based Upon 2022 and 2023 Reported Values**

Year	2022			Total	2023			Report Cost	2022-2023 Total	2027 Customer Benefits
	Quantity	Unit Cost	Total		Quantity	Unit Cost	Total			
2027	0	0	0		0	0	0	0.00		
2028	0	0	0		0	0	0	0.00		
2029	0	0	0		0	0	0	0.00		
2030	0	0	0		0	0	0	0.00		
2031	0	0	0		0	0	0	0.00		
2032	0	0	0		0	0	0	0.00		
2033	0	0	0		0	0	0	0.00		
2034	0	0	0		0	0	0	0.00		
2035	0	0	0		0	0	0	0.00		
2036	0	0	0		0	0	0	0.00		
2037	0	0	0		0	0	0	0.00		
2038	0	0	0		0	0	0	0.00		
2039	0	0	0		0	0	0	0.00		
2040	0	0	0		0	0	0	0.00		
2041	0	0	0		0	0	0	0.00		
2042	0	0	0		0	0	0	0.00		
2043	0	0	0		0	0	0	0.00		
2044	20,000	7,000	14,000		7,000	700	21,000	0.00		
2045	20,177	6,907	13,270		7,000	700	21,000	0.00		
2046	48,110	6,800	13,200		7,000	700	21,000	0.00		
2047	48,171	6,800	13,200		7,000	700	21,000	0.00		
2048	48,242	6,800	13,200		7,000	700	21,000	0.00		
2049	48,310	6,800	13,200		7,000	700	21,000	0.00		
2050	48,376	6,800	13,200		7,000	700	21,000	0.00		
2051	48,440	6,800	13,200		7,000	700	21,000	0.00		
2052	48,500	6,800	13,200		7,000	700	21,000	0.00		
2053	48,557	6,800	13,200		7,000	700	21,000	0.00		
2054	48,610	6,800	13,200		7,000	700	21,000	0.00		
2055	48,660	6,800	13,200		7,000	700	21,000	0.00		
2056	48,707	6,800	13,200		7,000	700	21,000	0.00		
2057	48,750	6,800	13,200		7,000	700	21,000	0.00		
2058	48,789	6,800	13,200		7,000	700	21,000	0.00		
2059	48,825	6,800	13,200		7,000	700	21,000	0.00		
2060	48,858	6,800	13,200		7,000	700	21,000	0.00		
2061	48,888	6,800	13,200		7,000	700	21,000	0.00		
2062	48,915	6,800	13,200		7,000	700	21,000	0.00		
2063	48,939	6,800	13,200		7,000	700	21,000	0.00		
2064	48,960	6,800	13,200		7,000	700	21,000	0.00		
2065	48,978	6,800	13,200		7,000	700	21,000	0.00		
2066	48,993	6,800	13,200		7,000	700	21,000	0.00		
2067	49,005	6,800	13,200		7,000	700	21,000	0.00		
2068	49,014	6,800	13,200		7,000	700	21,000	0.00		
2069	49,020	6,800	13,200		7,000	700	21,000	0.00		
2070	49,023	6,800	13,200		7,000	700	21,000	0.00		
2071	49,023	6,800	13,200		7,000	700	21,000	0.00		
2072	49,020	6,800	13,200		7,000	700	21,000	0.00		
2073	49,014	6,800	13,200		7,000	700	21,000	0.00		
2074	49,005	6,800	13,200		7,000	700	21,000	0.00		
2075	48,993	6,800	13,200		7,000	700	21,000	0.00		
2076	48,978	6,800	13,200		7,000	700	21,000	0.00		
2077	48,960	6,800	13,200		7,000	700	21,000	0.00		
2078	48,939	6,800	13,200		7,000	700	21,000	0.00		
2079	48,915	6,800	13,200		7,000	700	21,000	0.00		
2080	48,888	6,800	13,200		7,000	700	21,000	0.00		
2081	48,858	6,800	13,200		7,000	700	21,000	0.00		
2082	48,825	6,800	13,200		7,000	700	21,000	0.00		
2083	48,789	6,800	13,200		7,000	700	21,000	0.00		
2084	48,750	6,800	13,200		7,000	700	21,000	0.00		
2085	48,707	6,800	13,200		7,000	700	21,000	0.00		
2086	48,660	6,800	13,200		7,000	700	21,000	0.00		
2087	48,610	6,800	13,200		7,000	700	21,000	0.00		
2088	48,557	6,800	13,200		7,000	700	21,000	0.00		
2089	48,500	6,800	13,200		7,000	700	21,000	0.00		
2090	48,440	6,800	13,200		7,000	700	21,000	0.00		
2091	48,376	6,800	13,200		7,000	700	21,000	0.00		
2092	48,310	6,800	13,200		7,000	700	21,000	0.00		
2093	48,242	6,800	13,200		7,000	700	21,000	0.00		
2094	48,171	6,800	13,200		7,000	700	21,000	0.00		
2095	48,110	6,800	13,200		7,000	700	21,000	0.00		
2096	48,040	6,800	13,200		7,000	700	21,000	0.00		
2097	47,970	6,800	13,200		7,000	700	21,000	0.00		
2098	47,900	6,800	13,200		7,000	700	21,000	0.00		
2099	47,830	6,800	13,200		7,000	700	21,000	0.00		
2100	47,760	6,800	13,200		7,000	700	21,000	0.00		
2101	47,690	6,800	13,200		7,000	700	21,000	0.00		
2102	47,620	6,800	13,200		7,000	700	21,000	0.00		
2103	47,550	6,800	13,200		7,000	700	21,000	0.00		
2104	47,480	6,800	13,200		7,000	700	21,000	0.00		
2105	47,410	6,800	13,200		7,000	700	21,000	0.00		
2106	47,340	6,800	13,200		7,000	700	21,000	0.00		
2107	47,270	6,800	13,200		7,000	700	21,000	0.00		
2108	47,200	6,800	13,200		7,000	700	21,000	0.00		
2109	47,130	6,800	13,200		7,000	700	21,000	0.00		
2110	47,060	6,800	13,200		7,000	700	21,000	0.00		
2111	47,000	6,800	13,200		7,000	700	21,000	0.00		
2112	46,940	6,800	13,200		7,000	700	21,000	0.00		
2113	46,880	6,800	13,200		7,000	700	21,000	0.00		
2114	46,820	6,800	13,200		7,000	700	21,000	0.00		
2115	46,760	6,800	13,200		7,000	700	21,000	0.00		
2116	46,700	6,800	13,200		7,000	700	21,000	0.00		
2117	46,640	6,800	13,200		7,000	700	21,000	0.00		
2118	46,580	6,800	13,200		7,000	700	21,000	0.00		
2119	46,520	6,800	13,200		7,000	700	21,000	0.00		
2120	46,460	6,800	13,200		7,000	700	21,000	0.00		
2121	46,400	6,800	13,200		7,000	700	21,000	0.00		
2122	46,340	6,800	13,200		7,000	700	21,000	0.00		
2123	46,280	6,800	13,200		7,000	700	21,000	0.00		
2124	46,220	6,800	13,200		7,000	700	21,000	0.00		
2125	46,160	6,800	13,200		7,000	700	21,000	0.00		
2126	46,100	6,800	13,200		7,000	700	21,000	0.00		
2127	46,040	6,800	13,200		7,000	700	21,000	0.00		
2128	45,980	6,800	13,200		7,000	700	21,000	0.00		
2129	45,920	6,800	13,200		7,000	700	21,000	0.00		
2130	45,860	6,800	13,200		7,000	700	21,000	0.00		
2131	45,800	6,800	13,200		7,000	700	21,000	0.00		
2132	45,740	6,800	13,200		7,000	700	21,000	0.00		
2133	45,680	6,800	13,200		7,000	700	21,000	0.00		
2134	45,620	6,800	13,200		7,000	700	21,000	0.00		
2135	45,560	6,800	13,200		7,000	700	21,000	0.00		
2136	45,500	6,800	13,200		7,000	700	21,000	0.00		
2137	45,440	6,800	13,200		7,000	700	21,000	0.00		
2138	45,380	6,800	13,200		7,000	700	21,000	0.00		
2139	45,320	6,800	13,200		7,000	700	21,000	0.00		
2140	45,260	6,800	13,200		7,000	700	21,000	0.00		
2141	45,200	6,800	13,200		7,000	700	21,000	0.00		
2142	45,140	6,800	13,200		7,000	700	21,000	0.00		
2143	45,080	6,800	13,200		7,000	700	21,000	0.00		
2144	45,020	6,800	13,200		7,000	700	21,000	0.00		
2145	44,960	6,800	13,200		7,000	700	21,000	0.00		
2146	44,900	6,800	13,200		7,000	700	21,000	0.00		
2147	44,840	6,800	13,200		7,000	700	21,000	0.00		
2148	44,780	6,800	13,200		7,000	700	21,000	0.00		
2149	44,720	6,800	13,200		7,000	700	21,000	0.00		
2150	44,660	6,800	13,200		7,000	700	21,000	0.00		
2151	44,600	6,800	13,200		7,000	700	21,000	0.00		
2152	44,540	6,800	13,200		7,000	700	21,000	0.00		
2153	44,480	6,800	13,200		7,000	700	21,000	0.00		
2154	44,420	6,800	13,200		7,000	700	21,000	0.00		
2155	44,360	6,800	13,200		7,000	700	21,000	0.00		
2156	44,300	6,800	13,200		7,000	700	21,000	0.00		
2157	44,240	6,800	13,200							