

STATE OF FLORIDA

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING  
BLANCA S. BAYÓ  
DIRECTOR  
(850) 413-6770

**Public Service Commission**

DATE: December 21, 1998  
TO: Parties of Record  
FROM: Blanca S. Bayó, Director *BSB/14*  
Division of Records and Reporting  
RE: DOCKET NO. 981042-EM - Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

This is to inform you that the Commission has reported the following communications in the above-referenced docket.

- Letter from R. P. Haviland, Corresponding Secretary, Environmental Council of Volusia and Flagler Counties, dated November 14, 1998.
- Letter from John Williams, President, Halifax River Audubon Society, dated November 22, 1998.
- Letter from Kathy Marsh, Conservation Chair, Volusia-Flagler Sierra Club, dated November 17, 1998.
- Letter from Representative Sally Heyman, District 105, dated November 23, 1998.
- Letter from Tom Lee, Chairman, Regulated Industries Committee, Florida Senate, dated December 1, 1998.
- Letter from Louise H. Stanley, President, West Volusia Audubon Society, Inc., dated November 30, 1998.

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PP \_\_\_\_\_  
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MU \_\_\_\_\_  
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/TH \_\_\_\_\_

The letters, copies of which are attached, are being made a part of the record in these proceedings. Pursuant to Section 350.042, F.S. any party who desires to respond to an ex parte communication may do so. The response must be received by the Commission within 10 days after receiving notice that the ex parte communication has been placed on the record. Please mail your response to the Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870.

BSB/cp  
Attachment  
cc: Rob Vandiver/w/letter

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PSC Website: [www2.scri.net/psc](http://www2.scri.net/psc)

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

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STATE OF FLORIDA



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98 DEC -4 AM 11:33

RECORDS AND  
REPORTING

# Public Service Commission

December 3, 1998

## MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julial L. Johnson, Chairman *JLJ*

SUBJECT: Letter Received from Mr. R.P. Haviland regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated November 14, 1998, from Mr. R.P. Haviland, which references matters at issue in the above referenced proceeding. I received Mr. R.P. Haviland's letter on November 18, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Division of Electric and Gas

001750



# EC VF

Chairman, Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Dear Mrs. Johnson:

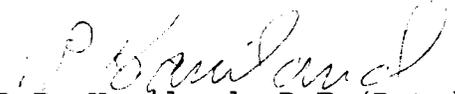
14 November, 1998

The Environmental Council has reviewed the matter of Duke Energy proposal for a combined cycle generating plant at New Smyrna Beach, Florida.

It is the position of the Council that the world must move from it's present dependence on fossil fuels to sustainable sources, and that this is necessary within the first half of the next century. Necessary steps in this include installation of renewable sources, clean-up of existing air and water pollution sources, and utilization of low pollution intermediate fuels.

We trust hat you will give these factors maximum weight in your consideration of the referenced and competing proposals.

By direction of the Council at its meeting of 11 November.

  
R.P. Haviland, P.E. (Ret.), Corresponding Secretary  
1035 Green Acres Circle, N.  
Daytona Beach, FL 32119

STATE OF FLORIDA



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98 DEC -4 AM 11:33

RECORDS AND  
REPORTING

# Public Service Commission

December 3, 1998

## MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julial L. Johnson, Chairman *JLJ*

SUBJECT: Letter Received from Mr. John Williams, President of the Halifax River Audubon Society, Inc. regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated November 22, 1998, from Mr. John Williams, which references matters at issue in the above referenced proceeding. I received Mr. John Williams' letter on November 25, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Division of Electric and Gas

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001752

*Halifax River Audubon Society*

*P.O. Box 166*

*New Smyrna Beach, FL 32115-0166*

November 22, 1998

Florida Public Service Commission  
Julia L. Johnson, Chair  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-8050

Re: 514 MW Natural Gas Plant  
Proposed by Duke Energy -  
New Smyrna Beach Utility Comm.

Dear Ms. Johnson and Commissioners:

The Halifax River Audubon Society, Inc. a chapter of the Florida and National Audubon, has voted to support the proposed Duke - New Smyrna Utility Commission (UC) natural gas plant project.

The proposed plant is friendly to the environment, our health and our pocketbooks.

The plant will be using natural gas, the cleanest burning fossil fuel, to create electricity. Natural gas, compared to coal or oil, emits less pollution that damages human health and causes acid rain.

Natural gas emits 30 to 40 percent less carbon dioxide than oil or coal per unit of electricity. Carbon dioxide is the principal greenhouse gas which builds up in our atmosphere causing heat waves, droughts, fires, deluges and possibly more powerful hurricanes.

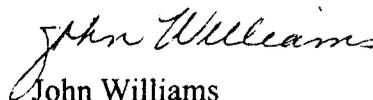
It will also be using reclaimed sewage effluent from the new sewage plant for cooling water; effluent that could pollute the Indian River Lagoon when discharged from the sewage plant. The reclaimed water used for cooling goes back to the sewage plant creating a closed, non-polluting system.

Finally, a rate reduction of 10 to 15% will be realized because its 30 MW allocation price will be ½ the price of the electricity it now purchases.

The advantages of this new power plant far outweigh the disadvantages. It is time that we let our utility companies know that we demand clean, efficient, environmentally safe fuel at a reasonable price.

Please make this letter a part of the official PSC record.

Sincerely,

  
John Williams  
President

cc: W. Clay Henderson, President, Florida Audubon Society

001753

STATE OF FLORIDA



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REC. AND  
REPORTING

# Public Service Commission

December 3, 1998

## MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julial L. Johnson, Chairman *JLJ*

SUBJECT: Letter Received from Ms. Kathy Marsh, Conservation Chairman of Volusia-Flagler Sierra Club regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated November 17, 1998, from Ms. Kathy Marsh, which references matters at issue in the above referenced proceeding. I received Ms. Kathy Marsh's letter on November 20, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Division of Electric and Gas

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001754

# SIERRA CLUB

Volusia-Flagler Group  
P.O. Box 1853  
Ormond Beach, FL 32175-1853

November 17, 1998

Julia L. Johnson, chair  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Dear Chairman Johnson:

RE: Duke Energy Natural Gas Plant - New Smyrna Beach Utility Commission

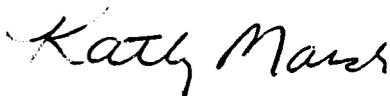
The Volusia-Flagler Sierra Club Executive Committee supports the application of Duke Energy and the New Smyrna Beach Utility Commission's plan to build a natural gas merchant facility. We are particularly pleased with New Smyrna Beach's planned solar power pilot project designed in conjunction with the Duke Energy natural gas plant.

In a state that suffered from its first general air pollution alerts this past year, efforts to build and use a cleaner fuel system must be actively pursued. The use of reclaimed sewage effluent, as a water source for the new plant, is a terrific example of commercial recycling found only in the most innovative of cities. New Smyrna Beach Utilities Commission is to be commended for its intelligence and foresight to see the environmentally sound as well as fiscally responsible possibilities of such a system.

Other power providers in Florida have had long enough to end their use of polluting dinosaurs. Instead of looking for cleaner fuels (such as Duke Energy would use), we were offered orimulsion-a potential disaster for Florida.

Please make this letter a part of the official PSC record on this issue.

Sincerely,



Kathy Marsh, Conservation Chair  
Volusia-Flagler Sierra Club



STATE OF FLORIDA



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RECORDS AND  
REPORTING

# Public Service Commission

December 3, 1998

## MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julial L. Johnson, Chairman *JLJ*

SUBJECT: Letter Received from Florida Representative Sally Heyman regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated November 23, 1998, from Florida Representative Sally Heyman, which references matters at issue in the above referenced proceeding. I received Florida Representative Sally Heyman's letter on November 24, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Division of Electric and Gas

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001756



## Florida House of Representatives

**Sally A. Heyman**

Representative, District 105

17101 N.E. 19th Avenue #205  
North Miami Beach, FL 33162  
(305) 919-1888  
(305)919-1890 FAX

316 House Office Building  
402 South Monroe Street  
Tallahassee, FL 32399-1300  
(850) 488-1028

November 23, 1998

Julia Johnson, Esq.  
Florida Public Service Commission Chair  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

RE: FPSC Docket # 981042-EM

Dear Chairman Johnson:

I am advised that the above-referenced matter involves issues that should require Legislative attention prior to Public Service Commission consideration. In particular, I am concerned that the Commission will address the matter of a merchant power plant be authorized to be constructed without the Legislature considering how such plants should be part of Florida's industry or if at all a part of it. You should be aware that the Legislature has declined such consideration in the past because such industry charges should not be made in isolation.

I can say with confidence that the current legislative scheme for the supply of electricity to the public does not include consideration of merchant power plants. I also suggest that a small utility need cannot be legitimately used to leverage a plant 10 to 20 times greater than that need. I encourage the commission to defer restructuring of the elective industry to the Legislature.

Sincerely,

  
Sally Heyman  
State Representative

STATE OF FLORIDA



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98 DEC -4 AM 11:33

RECORDS AND REPORTING

## Public Service Commission

December 3, 1998

### MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julial L. Johnson, Chairman *JL*

SUBJECT: Letter Received from Tom Lee, Chairman of the Florida Senate Committee on Regulated Industries regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated December 1, 1998, from Chairman Tom Lee, which references matters at issue in the above referenced proceeding. I received Chairman Tom Lee's letter on December 2, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Division of Electric and Gas

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001758



**THE FLORIDA SENATE**  
**COMMITTEE ON REGULATED INDUSTRIES**

*Location*  
320 Knott Building

*Mailing Address*  
404 South Monroe Street  
Tallahassee, Florida 32399-1100  
(850) 487-5957

Tom Lee, *Chairman*  
Jack Latvala, *Vice Chairman*  
John Guthrie, *Staff Director*

December 1, 1998

The Honorable Julia Johnson, Chairman  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Chairman Johnson:

On December 16, 1997, the Public Service Commission denied two petitions for declaratory statements. The petitions concerned eligibility, under the Power Plant Siting Act, of applicants who are not regulated by the PSC and who have no immediate plans to sell electric power in the retail market. The Commission determined that the petitions raised significant statewide policy issues governing the supply of electricity for the citizens of Florida.

Now pending before the Commission is a joint petition by the City of New Smyrna Beach Utilities Commission and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P. (Duke Energy) for a determination of need for a 500 megawatt combined cycle electrical power plant in Volusia County (Docket No. 981042-EU). The City of New Smyrna Beach proposes to use less than 10 percent of the capacity. The rest will be sold by Duke Energy on the wholesale market. The question today is the same as it was before: whether a company that is not regulated by the Public Service Commission pursuant to Chapter 366, F.S., should be eligible to seek a determination of need.

When the Florida Electrical Power Plant Siting Act was enacted during the 1970's, no one foresaw that someday it would apply to merchant plants that do not directly serve retail customers in Florida. A fundamental change in state policy, such as is proposed by this petition, is bound to affect consumers and natural resources statewide.

I share the Commission's interest in ensuring reliable and affordable electric power for all. If the Commission believes that broadening the definition of utilities who may apply under the Power Plant Siting Act is necessary or desirable, I would welcome your recommendations for amending the law.

Sincerely,

A handwritten signature in black ink, appearing to be "Tom Lee", written over a horizontal line.

Tom Lee, Chairman  
Regulated Industries Committee

TONI JENNINGS  
President

WILLIAM G. "DOC" MYERS  
President Pro Tempore

001759



**THE FLORIDA SENATE**  
**COMMITTEE ON REGULATED INDUSTRIES**

*Location*

320 Knott Building

*Mailing Address*

404 South Monroe Street  
Tallahassee, Florida 32399-1100  
(850) 487-5957

Tom Lee, *Chairman*

Jack Latvala, *Vice Chairman*

John Guthrie, *Staff Director*

December 1, 1998

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

Re: Docket No. 981042-EU

Dear Ms. Bayó:

Please include the enclosed in the record of the above-referenced docket. The letter was addressed individually to each Public Service Commissioner.

Sincerely,

A handwritten signature in black ink, appearing to be "Tom Lee", written over a horizontal line.

Tom Lee, Chairman  
Regulated Industries Committee

enclosure

cc: Public Service Commissioners  
Mr. Rob Vandiver, General Counsel  
Parties of Record

001760

STATE OF FLORIDA



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RECORDS AND  
REPORTING

## Public Service Commission

December 10, 1998

### MEMORANDUM

TO: Ms. Blanca Bayo, Director of Records and Reporting

FROM: Julia L. Johnson, Chairman *JLJ*

SUBJECT: Letter Received from Ms. Louise H. Stanley regarding Docket No. 981042-EM, Joint petition for determination of need for an electrical power plant in Volusia County by the Utilities Commission, City of New Smyrna Beach, Florida, and Duke Energy New Smyrna Beach Power Company Ltd., L.L.P.

Please find attached a copy of a letter dated November 30, 1998, from Ms. Louise H. Stanley, which references matters at issue in the above referenced proceeding. I received Ms. Louise H. Stanley's letter on December 4, 1998. Because this letter addresses matters relevant to a pending proceeding, it is necessary to place this memorandum and attachment on the record of the above-referenced proceeding pursuant to section 350.042, Florida Statutes. Please give notice of this communication to all parties to the docket and inform them that they have 10 days from receipt of the notice to file a response.

JLJ:CJW:jbe

Attachment:

cc: Leslie Paugh (LEG)

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001761

*West Volusia Audubon Society, Inc.*



November 30, 1998

Florida Public Service Commission, Julia L. Johnson, Chair  
2540 Shumard Oak Blvd  
Tallahassee, Fl 32399-0850

Re: 514 MW Natural Gas Plant Proposed by Duke Energy-New Smyrna  
Beach Utility Comm.

Dear Ms. Johnson and Commissioners:

At its regular November meeting, West Volusia Audubon Society, Inc., a chapter of Florida and National Audubon, voted unanimously to support the subject project.

This proposed plant offers several important advantages to our environment, human health and local rate payers:

Significantly less pollutants emitted vs. coal and oil per MW.

Significantly less Carbon Dioxide greenhouse gas emitted than coal or oil per MW. This is of extreme importance because global warming is hastened by the quantity of these emissions.

Using reclaimed sewage effluent from the adjacent new sewage plantd for cooling water - effluent that otherwise may pollute the Indian River Lagoon or upset the estuary's saline balance. A planned 150 kW solar PV demonstration project planned by the UC - the ultimate clean power.

All of this and a projected 10-15% rate reduction by the non-profit UC, because its 30 MW allocation will be priced at half the price of electricity it now purchases wholesale.

We conclude that this project has advantages that will assure cleaner air in the vicinity of its use, and may lead to other electricity producers changing their way of producing their product, thereby helping their profits and the environment.

Please make this a part of the official PSC record on this issue.

Sincerely,

  
President

cc: W. Clay Henderson, President, Florida Audubon Society

