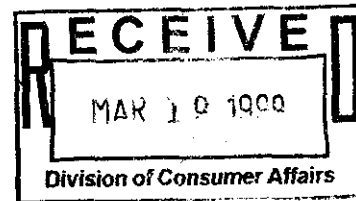




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March 18, 1999

Joseph Jenkins, Director
Division of Electric & Gas
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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Re: Docket No. 981890-EU: Reserve Margin Generic Investigation

Dear Mr. Jenkins:

This is to clarify LEAF's position concerning the continuance and scope of the above-referenced docket. LEAF believes that the issue of reliability and the adequacy and make-up of reserve margin resources is one that needs further investigation. We agree with the apparent direction indicated at today's issue identification meeting that the investigation need not be a formal proceeding with a hearing and testimony. We also believe that the issues relating to reserve margins and reliability go beyond the issue of future merchant plants and would like to see staff continue to assess what kind of resources (including demand side resources) should be included as available capacity to meet peak demand. We cannot afford to assume that merchant plants or other supply options will adequately and efficiently meet all Florida or peninsular needs.

We look forward to future discussions on this matter.

Sincerely,

Gail Kamaras

Gail Kamaras, Director
Energy Advocacy Program

c: parties of record

- ACK _____
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