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OF COUNSEL:
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GOVERNMENTAL CONSULTANTS:
PATRICK R. MALLOY
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July 28, 1999

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

HAND DELIVERY

RECEIVED-FPSC
59 JUL 28 PM 1:23
RECORDS AND REPORTING

ORIGINAL

Re: Docket No. 981890-EU

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of City of Tallahassee are the following documents:

1. Original and fifteen copies of City of Tallahassee's Objections to Staff Interrogatory No. 41;
2. Original and one copy of the City of Tallahassee's Notice of Service of Responses to Staff's First Set of Interrogatories and First Request for Production of Documents

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Kenneth A. Hoffman
Kenneth A. Hoffman

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

KAH/knb
Enclosures

Trib.3

Objections
DOCUMENT NUMBER-DATE
08935 JUL 28 99
FPSC-RECORDS/REPORTING

Notice of Service
DOCUMENT NUMBER-DATE
08936 JUL 28 99
FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Generic investigation }
into the aggregate electric } Docket No. 981890-EU
utility reserve margins planned }
for Peninsular Florida } Filed: July 28, 1999

City of Tallahassee's Objections to
Staff Interrogatory No. 41

The City of Tallahassee ("Tallahassee"), by and through its undersigned counsel, and pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and Order No. PSC-99-1274-PCO-EU, hereby submits its objection to Staff Interrogatory No. 41, and as grounds therefor, states as follows:

1. On June 23, 1999, the Staff served its First Set of Interrogatories to Tallahassee (Nos. 1-47) and First Request for Production of Document to Tallahassee (Nos. 1-5), by United States Mail. On July 28, 1999, Tallahassee timely served its responses to all of the foregoing discovery requests propounded by Staff except Staff Interrogatory No. 41 which is the subject of this objection.

2. Staff Interrogatory No. 41 states as follows:

Calculate the annual levelized revenue requirements associated with increasing Tallahassee's capacity resources by: 250MW, 500MW, 750MW, 1,000MW, and 1,500MW. In addition, provide information on a cost per customer basis. Provide all supporting documentation and example calculations.

AFA 2
APP _____
CAF _____
CMU _____
CIR _____
EAG Dudley
LEG 2
MAS 5
OPC _____
RRR _____
SEC 1
WAW _____
OTH By Long

Done 7/30/99

DOCUMENT NUMBER-DATE

08935 JUL 28 99

FPSC-RECORDS/REPORTING

3. By letter dated July 15, 1999, counsel for Tallahassee advised staff counsel that Tallahassee was not in possession of the requested information and was under no legal obligation to conduct an analysis or study to derive such information to respond to a discovery requests. Tallahassee has not yet conducted its next round of unit planning studies and could only provide surrogate information using the recently built and permitted Purdom 8 plant costs as a proxy for the calculations. In addition, counsel for Tallahassee advised Staff counsel that the only realistic scenario, in terms of a potential capacity increase for Tallahassee, would be anticipated revenue requirements associated with a capacity resource increase of 250MW. See letter dated July 15, 1999 attached hereto as Exhibit A.

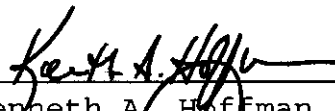
4. Having not heard back from Staff counsel prior to the deadline for filing objections, Tallahassee files this objection in order to preserve its rights, with the intention of continuing its effort to work out a mutually acceptable arrangement concerning the provision of information in response to Staff Interrogatory No. 41. Tallahassee maintains that providing the specific information requested by Staff Interrogatory No. 41 is outside the scope of discovery as the information requested is not reasonably calculated to lead to the discovery of admissible evidence. See, Fla.R.Civ.P.

1.280(b)(1). Specifically, information concerning the revenue requirement impact of a potential capacity increase by Tallahassee is a matter outside the Commission's jurisdiction as the Commission does not establish revenue requirements and rates for Tallahassee. Further, and particularly in light of the recent addition of the Purdom 8 plant (250MW capacity), it is highly improbable that any capacity addition by Tallahassee within the next ten years would exceed 250MW. Thus, the information requested concerning potential capacity resource additions above 250MW is not reasonably calculated to lead to admissible evidence and outside the scope of discovery. Finally, as previously mentioned, and consistent with Commission precedent, Tallahassee is not required to create new documents, undertake new analysis, or create new studies or reports to respond to a discovery request.¹

Accordingly, for the reasons stated, Tallahassee objects to Staff Interrogatory No. 41.

¹See, e.g., Order No. PSC-92-0819-PCO-WS issued August 14, 1992.

Respectfully submitted this 28th day of July, 1999.


Kenneth A. Hoffman, Esq.
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Tallahassee, FL 32302
(850) 681-6788 (Telephone)
(850) 681-6515 (Telecopier)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail this 28th day of July, 1999, to the following:

Robert V. Elias, Esquire
Leslie J. Paugh, Esquire
Florida Public Service
Commission
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Utilities Commission, City of
New Smyrna Beach
Ronald L. Vaden
Post Office Box 100
New Smyrna Beach, FL 32170

Reedy Creek Improvement
District
Willard Smith/Fran Winchester
Post Office Box 10175
Lake Buena Vista, FL 32830

Office of Public Counsel
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Tallahassee, FL 32399

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Tallahassee, FL 32302

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Pensacola, FL 32576

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Tallahassee, FL 32301

Florida Reliability
Coordinating Council
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405 Reo Street, Suite 100
Tampa, FL 33609

Legal Environmental Assistance
Foundation
Deb Swim
1114 Thomasville Road, Suite E
Tallahassee, FL 32303

Moyle Flanigan
Jon Moyle, Jr.
210 South Monroe Street
Tallahassee, FL 32301

Landers & Parsons
Scheff & Wright
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Tallahassee, FL 32302

City of Homestead
James Swartz
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Homestead, FL 33030

Steel, Hector and Davis
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Tallahassee, FL 32301

Seminole Electric Cooperative
Timothy Woodbury
Post Office Box 272000
Tampa, FL 33688

City of Lake Worth Utilities
Harvey Wildschuetz
1900 Second Avenue, North
Lake Worth, FL 33461

City of Lakeland
Gary Lawrence
501 East Lemon Street
Lakeland, FL 33801

Florida Power Corporation
Jim McGee
Post Office Box 14042
St. Petersburg, FL 33733

Jacksonville Electric
Authority
Tracy E. Danese
21 West Church Street
Tower 16
Jacksonville, FL 32202

Gainesville Regional Utilities
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Post Office Box 147117
Station A-138
Gainesville, FL 32614-7117

Orlando Utilities Commission
T.B. Tart
Post Office Box 3193
Orlando, FL 32802

Kissimmee Utility Authority
A.K. (Ben) Sharma
Post Office Box 423219
Kissimmee, FL 34742

Thornton Williams & Assoc.
Paul Sexton
P.O. Box 10109
Tallahassee, FL 32302

Florida Municipal Power Agency
Frederick Bryant
P.O. Box 3209
Tallahassee, FL 32315



Kenneth A. Hoffman, Esq.

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July 15, 1999

Robert V. Elias, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 370
Tallahassee, FL 32399-0850

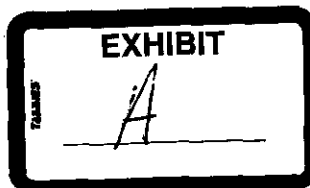
Re: Docket No. 981890-EU

Dear Bob:

I understand from my conversation yesterday with David Byrne of the City of Tallahassee that Mr. Byrne's telephone conference with Kenneth Dudley on July 14 was productive in terms of the City of Tallahassee timely providing sufficient responses to staff's pending discovery requests served in the above-referenced docket. Based on my conversation with Mr. Byrne, there is one interrogatory that evidently still remains subject to an objection. That interrogatory is Staff Interrogatory No. 41 which requests that the City of Tallahassee:

Calculate the annual levelized revenue requirements associated with increasing Tallahassee's capacity resources by: 250 MW, 500 MW, 750 MW, 1000 MW and 1500 MW. In addition, provide information on a cost per customer basis. Provide all supporting documentation and example calculations.

The City of Tallahassee Electric Utility has not begun its next round of unit planning studies. Accordingly, to respond to all or part of Staff Interrogatory No. 41, the City would be required to undertake new studies and analyses. Pursuant to Commission precedent, I would submit that the City is under no obligation to undertake such new studies or analyses to respond to a discovery request and could justifiably object to the above interrogatory. However, in order to provide available information, the City is willing to respond to Staff Interrogatory No. 41 using Purdom 8 data as a proxy and only for a 250 MW capacity resource increase - - the only scenario which Tallahassee views to be realistic.



Robert V. Elias, Esq.

Page 2

July 15, 1999

If the above proposal is acceptable to Staff, please advise as soon as possible. Otherwise, I expect we will submit an objection to Staff Interrogatory No. 41.

Thank you for your consideration of this matter.

Sincerely,



Kenneth A. Hoffman

KAH/rl

cc: Mr. David Byrne
Mr. Kevin Wailes

Elias.715