

ORIGINAL

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July 29, 1999

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

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FLORIDA PUBLIC
SERVICE COMMISSION
99 JUL 30 AM 10:13
MAIL ROOM

In re: Generic investigation into the agregate electric utility reserve
margins planned for Peninsular Florida
Docket No. 981890-EU

Dear Ms. Bayo:

Enclosed for filing in the above docket on behalf of Florida Power Corporation are the original and fifteen (15) copies of Florida Power Corporation's Amended Certificate of Service of Florida Power Corporation's Request to Bifucate Investigation and disc of both documents.

We request you acknowledge receipt and filing of the above by stamping the additional copy of this letter and returning it to me in the self-addressed, stamped envelope provided.

If you or your Staff have any questions regarding this filing, please contact me at (727)

AFA _____
APP _____
CAF _____
CVU _____
CER _____
EAG 2 _____
LEC 2 _____
MAG 5 _____
OPC _____ Enclosures
RRR _____
SEC 1 _____ GLS:jlc
WAW _____
OTH _____

Very truly yours,

Gary L. Sasso
Gary L. Sasso *je*

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[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
09030 JUL 30 99

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Generic investigation)
into the aggregate electric)
utility reserve margins planned)
for Peninsular Florida.)
_____)

DOCKET NO. 981890-EU

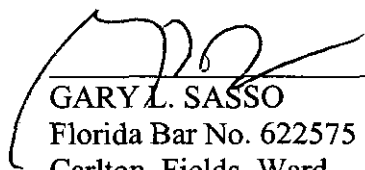
Submitted for filing: July 29, 1999

AMENDED CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of FLORIDA POWER CORPORATION'S
REQUEST TO BIFURCATE INVESTIGATION has been served via facsimile to all counsel
and parties of record as indicated on the attached listing this 29th day of July, 1999.

Respectfully submitted,

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DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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RECORDS AND REPORTING

In re: Generic investigation)
into the aggregate electric)
utility reserve margins planned)
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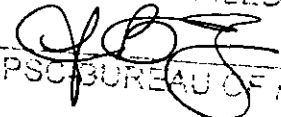
DOCKET NO. 981890-EU

Submitted for filing: July 28, 1999

**FLORIDA POWER CORPORATION'S
REQUEST TO BIFURCATE INVESTIGATION**

Florida Power Corporation (FPC) requests that the Commission bifurcate this investigation, focusing first on what methodology may be appropriate to calculate reserve margins and deferring to a later investigation or other proceeding a consideration of other issues. Specifically, we propose that the Commission consider Issues 1, 3-5, 9, 10 (with the modifications discussed at the July 27 Agenda Conference), 11, and 13 in the Prehearing Officer's July 1 Order at this time. Based on the information adduced during this investigation, Commission staff would be in a position to make a recommendation to the Commission concerning a proposed rule on methodology. Once the Commission adopts an appropriate rule on methodology, and the FRCC, all utilities, and the Commission share a common understanding about that methodology, the Commission may turn its attention to issues of sufficiency (e.g., is a 15% reserve margin, calculated in accordance with any rule that is adopted, sufficient? if not, what level would be

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FPSC BUREAU OF RECORDS

appropriate?), structuring of the wholesale market, and other matters of interest. These issues may be addressed in the normal course, e.g., during Ten-Year Site Plan reviews, or in other appropriate proceedings or investigations.

We believe that the proposal we make is consistent with what appeared to be an emerging consensus on the part of at least several Commissioners at the July 27 Agenda Conference to conduct this investigation in phases and to address reserve-margin issues in a more limited, focused manner, promulgating rules in stages as may be appropriate. We concur that this approach will promote a better, more manageable discussion of the very important matters that have surfaced so far in this docket and also reduce the risk of procedural irregularity along the way.¹

The proposed bifurcation of this investigation would not necessitate a change in the schedule we are proposing to follow. If anything, it would make the schedule more realistic by reducing the number of issues the participants will address during the course of the investigation.

In this connection, we suggest that the Commission defer (or remove) from this docket Issues 2, 6-8, 12, 14-19, and address only the remaining Issues identified in the Prehearing Officer's July 1, 1999 Order. At the Agenda Conference, the Commission discussed rewording Issue 10. Consistent with what

¹ We do not mean to suggest that we waive our concerns or objections to procedure that we identified in our request for a status conference, in our petition for reconsideration of the Prehearing Officer's July 1 Order, or in the discussion at the July 27 Agenda Conference. We submit, however, that if the Commission agrees to bifurcate this


the Commissioners suggested, we propose that it be re-worded as follows (deleting the reference to particular utilities): “How should utilities account for historical winter and summer temperatures when forecasting seasonal peak loads for purposes of establishing a percent reserve margin planning criterion?”

We do not request oral argument on this request; nor do we think any further discussion is necessary. The full Commission discussed the merits of this approach at the July 27 Agenda Conference, the Prehearing Officer agreed to undertake to review and possibly streamline the issues with the benefit of the discussion of the full Commission, and the Commission has discretion to shape the issues in its own investigation.²

Respectfully submitted,

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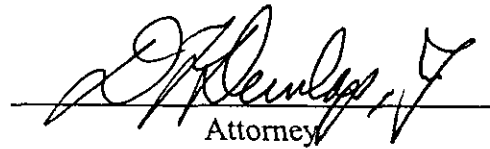

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proceeding, with the understanding that the investigation will culminate in a staff recommendation for proposed rulemaking, this would satisfy a number of the concerns we have raised.

² Technically, there are no “parties” in an agency investigation, as distinguished from an agency “adjudication.” Therefore, the Commission may determine the issues that it wishes to investigate.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Power Corporation's Request to Bifurcate Investigation has been furnished by U.S. Mail to the following counsel of record this ^{28th} 28 day of July, 1999.


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