

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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SERVICE COMMISSION

Docket No. 98189028 AM 8:32

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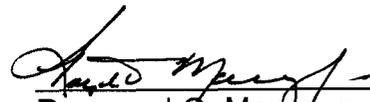
In re: Generic investigation into the aggregate electric utility reserve margins planned for Peninsular Florida.

NOTICE OF SERVICE OF ANSWER TO SECOND SET OF INTERROGATORIES (NO. 48), PROPOUNDED TO GAINESVILLE REGIONAL UTILITIES BY THE FLORIDA PUBLIC SERVICE COMMISSION

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

GAINESVILLE REGIONAL UTILITIES, by and through its undersigned attorneys and pursuant to Rule 1.340, Florida Rules of Civil Procedure, hereby gives Notice of Service of original and seven copies of Answer to the Second Set of Interrogatories, numbered 48, propounded by the FLORIDA PUBLIC SERVICE COMMISSION under Certificate of Service dated August 31, 1999.

DATED this 27th day of September, 1999.



Raymond O. Manasco, Jr.
Utilities Attorney
Florida Bar 219861
Gainesville Regional Utilities
Post Office Box 147117, Sta. A-138
Gainesville, Florida 32614-7117

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

STAFF'S SECOND SET OF INTERROGATORIES TO GAINESVILLE REGIONAL
UTILITIES
DOCKET NO. 981890-EU

- 48. Please provide a detailed justification for GRU's decision to adopt each of the reliability criteria identified in GRU's Response to Staff's First Set of Interrogatories, Interrogatory No. 1.**

Response

20%:

GRU's reserve margin criteria was 20% reserve margin from 1985 through 1996. Prior annual planning hearing reports from the FCG used a one day in ten LOLP criteria. These reports had on average a 20% reserve margin for the State. Since GRU's system has strong ties to the Florida grid and thus has a very low assisted LOLP, GRU adopted the 20% reserve margin as a minimum for its system so that GRU would never fall below the State's reserve margin.

15%:

Over the past years, due to stronger transmission ties to the North and improvements in existing generators and aggressive maintenance practices the projected LOLP values for the FRCC region have improved to the point where it is no longer the driving factor of the amount of reserves required for the region. The projected reserve margin levels are now the driving factor for the amount of needed reserves for the FRCC region. GRU has added and is permitting new generating units which add diversity to the mix of capacity in its System. Since 1997 GRU's reliability criteria has been 15% reserve margin calculated at the annual peak hour. GRU supports the FRCC's analysis of the adequacy of a 15% reserve margin.

Further discussion of GRU's reserve margin criteria are contained in the material sent under separate cover in response to STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO GAINESVILLE REGIONAL UTILITIES, DOCKET NO. 981890-EU, Item 1. Provide all available supporting documentation detailing the evaluation of and reasons for adopting both currently and previously used electric reliability planning criterion identified in Interrogatory No. 1.

*Response provided by:
Roger Allen Westphal, P.E.
Electric Utility Engineer II
Gainesville Regional Utilities*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 981890EU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of the foregoing Notice was filed with Ms. Blanca S. Bayó, Director of the Division of Records and Reporting, THE PUBLIC SERVICE COMMISSION, 110 Betty Easley Conference Center, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. The original and seven copies of the Answers to the Second Set of Interrogatories to Gainesville Regional Utilities (No. 48), propounded by the FLORIDA PUBLIC SERVICE COMMISSION, together with seven copies of the foregoing Notice, were served on Robert V. Elias, Staff Counsel and Leslie J. Paugh, Staff Counsel, Florida Public Service Commission, Gerald L. Gunter Building 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399, on behalf of Gainesville Regional Utilities. A copy each of this Notice and the Answer to Interrogatory No. 48 have been furnished by U. S. Mail this 27th day of September, 1999, to the following:

Reedy Creek Improvement District
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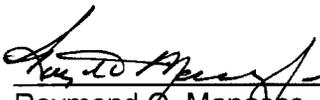
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Thornton Williams & Association
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Tallahassee, FL 32302

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Tallahassee, Florida 32315

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Foley & Lardner
Thomas Maida
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