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FROM THE DESK OF:
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June 28, 2002

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, FL 32399-0870

RECEIVED FPSC
JUN 28 PM 3:48
COMMISSION CLERK

Re: Docket No. ~~020397~~ 020398-EQ

Dear Ms. Bayo:

On behalf of Florida Crystals, please find enclosed for filing and distribution the original and 15 copies of the Florida Crystal's Comments on the Staff Memorandum and "strawman" rule proposal of May 9, 2002.

Please acknowledge receipt of the above on the extra copy and return the stamped copy to me. Thank you for your assistance.

Very truly yours, <

Kay Crain, Assistant to
William B. Graham

- AUS _____
 - CAF _____
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 - COM 5
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- cc: Gustavo Cepero, Esq.

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

06749 JUN 28 02

FPSC-COMMISSION CLERK

Under letter
Corrected to dbt 020398-EQ
per phone call from McFarlain/Kay

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed revisions to
Rule 25-22.082, Selection
of Generating Capacity

Docket No. 020398-EI

Submitted for Filing:
June 28, 2002

COMMENTS OF FLORIDA CRYSTALS

On June 12, 2002, Florida Crystals filed a Notice of Intent to Participate in the referenced Docket. The following are Florida Crystals comments on the Staff Memorandum and "strawman" rule proposal of May 9, 2002.

The proposed rule would exempt relatively small capacity additions [less than 150 MW] and relatively short term negotiated contracts [3 years or less] from the RFP process. However, the proposed rule would still require all additions which trigger the PPSA to follow the RFP process.

Although it is not a common case, it is possible to have a capacity addition of less than 150 MW [or even less than 75 MW for that matter] which nevertheless triggers the PPSA. Any increase in steam generating capacity, regardless of how small, that causes an existing plant to exceed the 75 MW threshold arguably triggers the PPSA. Therefore, there may be situations where small additions to existing steam plants, which trigger the PPSA, may be required to go through the RFP process and where additions of up to 150 MW, which do not trigger the PPSA, would be exempted from the RFP process.

Logically, the purpose of the rule is to require the RFP process for major capacity additions which will have a long term impact on customers. Therefore, the trigger for the RFP should be the size and term of the commitment, not whether the PPSA is triggered.

DOCUMENT NUMBER-DATE

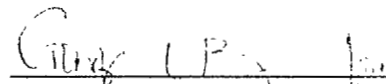
06749 JUN 28 02

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To avoid the potential inequity described above, the policy of exempting relatively small capacity additions from the process should be applied uniformly. Accordingly, we propose the following definition for Major Capacity Additions.

Major Capacity Additions: Any capacity addition of 150 MW or more, including but not limited to the repowering of an existing generating facility.

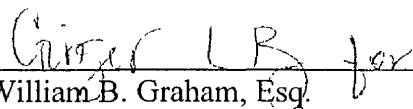
The proposed change would not exempt facilities under 150 MW which trigger the PPSA from demonstrating evidence of cost effectiveness. Section 403.519 FS requires that, in determining the need for a power plant, the Commission take into account the need for electric system reliability and integrity and the need for adequate electricity at a reasonable cost. Section 403.519 also requires the Commission to take into account whether the proposed plant is the most cost effective alternative available. In a PPSA determination of need proceeding, the applicant would still have to meet the standards of Section 403.519; however, the RFP process would not be mandatory.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S. Mail to: **Jack Shreve, Esquire**, Office of Public Counsel, c/o Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, FL 32399-1400; **R. Wade Litchfield**, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408-0420; and **Elizabeth C. Dayton, Esquire, Charles A. Guyton, Esquire**, Steel Hector & Davis LLP, 215 S. Monroe Street, Suite 601, Tallahassee, FL 32301-1804, this 29th day of June, 2002.



William B. Graham, Esq.