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July 16, 2002

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-VIA HAND DELIVERY-

Ms. Blanca S. Bayó
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket Nos. 020262-EI and 020263-EI

Dear Ms. Bayó:

On March 22, 2002, Florida Power & Light Company ("FPL") filed a Petition for Determination of Need for an Electrical Power Plant - Martin Unit 8 and a Petition for Determination of Need for an Electrical Power Plant - Manatee Unit 3. FPL's two petitions were assigned Docket Nos. 020262-EI and 020263-EI, respectively.

On April 22, 2002, FPL moved to hold both proceedings in abeyance to allow FPL to undertake a Supplemental Request for Proposals (Supplemental RFP). On April 29, 2002, FPL filed an emergency motion for waiver of Rule 25-22.080(2), F.A.C., to allow deferral of the hearing schedule if, as a result of the Supplemental RFP, Martin Unit 8 and Manatee Unit 3 were determined to be the most cost-effective alternatives to meet FPL's 2005 and 2006 need. By Order No. PSC-02-0571-PCO-EI, Commissioner Deason, acting as prehearing officer, substantially granted FPL's emergency motion to hold both proceedings in abeyance, and by Order No. PSC-02-0703-PCO-EI, the Commission granted FPL's emergency waiver of Rule 25-22.080(2).

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FPL has completed its Supplemental RFP. FPL's analysis shows that Martin Unit 8 and Manatee Unit 3 are the most cost-effective options to meet FPL's 2005 and 2006 need for capacity. Consequently, FPL is now prepared, consistent with Order Nos. PSC-02-0571-PCO-EI

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and PSC-02-0703-PCO-EI, for the Commission to proceed with its evaluation of the need for those two units in Docket Nos. 020262-EI and 020263-EI. The documents enclosed herewith, as described below, provide the information required for that evaluation.

Enclosed for filing on behalf of FPL in Docket Nos. 020262-EI and 020263-EI are the original and fifteen copies of:

- (1) FPL's Motion for Leave to Amend Petitions for Determination of Need
- (2) FPL's Amended Petition for Determination of Need for an Electrical Power Plant-Martin Unit 8
- (3) FPL's Amended Petition for Determination of Need for an Electrical Power Plant-Manatee Unit 3

Because the same analysis supported FPL's assessment of its 2005 and 2006 capacity needs and its determination that Martin Unit 8 and Manatee Unit 3 were the most cost-effective alternatives to meet the needs, FPL previously filed a motion to consolidate both dockets. Consistent with its motion to consolidate, FPL filed along with its original Need Determination petitions a single Need Study for Electrical Power Plant and a single set of Need Study Appendices, as well as a common set of testimony for both dockets. FPL continues to seek consolidation of these dockets for hearing.

In support of its amended Petitions for Determination of Need for Martin Unit 8 and Manatee Unit 3, FPL is filing the original and 15 copies of the following documents:

- (1) Need Study For Electrical Power Plant, 2005-2006
- (2) Need Study Appendices A - D
- (3) Need Study Appendices E - J
- (4) Need Study Appendices K - O
- (5) Direct Testimony of Dr. William E. Avera
- (6) Direct Testimony of C. Dennis Brandt
- (7) Direct Testimony of Moray P. Dewhurst
- (8) Direct Testimony of Leonardo E. Green
- (9) Direct Testimony of Rene Silva
- (10) Direct Testimony of Dr. Steven R. Sim

- (11) Direct Testimony of Donald R. Stillwagon
- (12) Direct Testimony of Alan S. Taylor
- (13) Direct Testimony of William L. Yeager
- (14) Direct Testimony of Gerard Yupp

These documents reflect the results of FPL's Supplemental RFP and supercede the Need Study and Appendices and its Direct Testimony filed on March 22, 2002, in support of its initial Petitions for Determination of Need. Therefore, FPL hereby withdraws the March 22 Need Study and Appendices and the March 22 Direct Testimony.

Copies of the enclosed documents, are being provided to counsel for all parties of record. Under separate cover letter, FPL is filing its confidential appendices to the Need Study and a Request for Confidential Classification for the confidential appendices.

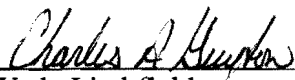
With the interruption of these proceedings for the Supplemental RFP, it is important that FPL's need determination proceedings be heard expeditiously. Prior to the Commission's granting of FPL's Emergency Motion To Hold The Proceedings In Abeyance, the parties had agreed to a schedule that would result in a hearing on October 2-4, 2002, a Commission decision on November 19, 2002, and a final order no later than December 4, 2002. FPL needs to preserve this schedule in order to meet its scheduled in-service date of June 2005 for both Martin Unit 8 and Manatee Unit 3. To facilitate this schedule, FPL has: (a) included more detailed data in the enclosed Need Study and Appendices than is required by Commission rule; (b) filed its direct testimony along with its amended petitions; (c) worked out with the intervenors free access to the primary analytical tools used in conducting the economic analysis of the Supplemental RFP; (d) agreed to a Confidentiality Agreement and process to allow intervenor access to most confidential data; and (e) agreed to expedited discovery. FPL will continue to work with the Commission and the parties to facilitate the Commission's prompt consideration of these proceedings.

Any delay in these proceedings would place at risk the in-service dates of Martin Unit 8 and Manatee Unit 3. In the event of delay, FPL would not achieve its 20 percent reserve margin criteria (or even a 15 percent reserve margin) in the summer of 2005. Without purchases of capacity to replace these facilities, an option which may not be available for the full capacity of these units, the reliability of FPL's system could be significantly adversely impacted to the detriment of FPL's customers. In the event of a delay, if FPL were to attempt to purchase capacity and energy to replace these units, FPL likely would pay higher costs than the costs it would incur if these units had met their in-service dates. Thus, delay also would adversely impact the costs paid by FPL's customers.

Because a delay would cause adverse impacts upon FPL's customers, FPL respectfully requests that these proceedings be processed according to the previously agreed schedule and that an Order on Procedure be issued. Such an order should place reasonable limits on discovery, encourage intervenors to coordinate discovery as they have previously agreed to do,

expedite discovery as previously agreed and set forth the agreed-to schedule, thereby facilitating the administration of these proceedings.

Respectfully submitted,



R. Wade Litchfield
Charles A. Guyton

Attorneys for Florida Power
& Light Company

CAG/gc
Enclosures

cc: Counsel for Parties of Record

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power & Light Company for a determination of need for a power plant proposed to be located in Martin County)
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Docket No. 020262-EI)
COMMISSION)
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In re: Petition of Florida Power & Light Company for a determination of need for a power plant proposed to be located in Manatee County)
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Docket No. 020263-EI)
July 16, 2002)

**FPL's Motion for Leave to Amend
Petitions for Determination of Need**

Florida Power & Light Company ("FPL") hereby requests leave to file (i) the attached Amended Petition for Determination of Need for an Electrical Power Plant in Martin County, and (ii) the attached Amended Petition for Determination of Need for an Electrical Power Plant in Manatee County. In support thereof FPL states:

1. On March 22, 2002, FPL filed its initial Petitions for Determination of Need for Martin Unit 8 and Manatee Unit 3, the electrical power plants at issue in these dockets. Prior to that filing FPL had conducted a Request for Proposal ("RFP") to solicit bids for its capacity needs. Shortly after the need determination proceedings were initiated, several of the bidders in that RFP intervened in the need determination proceedings and/or attempted to open collateral dockets with the Commission. In each such instance, the bidder focused on technical and procedural aspects of the RFP, claiming that FPL should have done things differently with respect to its solicitation of proposals.

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2. To refocus the need proceeding on the purpose of the underlying statute -- granting an affirmative determination that the units are needed and cost-effective -- FPL determined in mid-April to supplement its RFP and address various concerns raised by the bidders. FPL therefore filed an Emergency Motion To Hold Proceedings In Abeyance on April 22, 2002, and a related Emergency Petition for Rule Waiver on April 29, 2002 (to waive the procedural time limitation of Rule 25-22.080, Fla. Admin Code).

3. The prehearing officer granted FPL's Emergency Motion To Hold Proceedings In Abeyance on April 26, 2002, and thereby authorized FPL to conduct a supplemental RFP. See, Order No. PSC-02-0571-PCO-EI. This decision was ratified by the full Commission, which granted FPL's Emergency Petition for Rule Waiver on May 23, 2002, in Order No. PSC-02-0703-PCO-EI. In both decisions, the Commission recognized that, were the need determinations to continue, FPL would need to file supplemental papers on July 16, 2002, in anticipation of the scheduled October 2-4, 2002, hearing dates. *Id.* at 4.

4. As noted in the Emergency Motion To Hold Proceedings In Abeyance, FPL indicated that it would file amended need petition(s) and a supplemental need study by July 16, 2002, in the event that it decided to proceed with either Manatee Unit 3 or Martin Unit 8 after evaluating the relative costs of its self-build options and the Supplemental RFP proposals. This schedule was accepted by the prehearing officer in granting the requested procedural suspension. FPL also noted this proposed schedule in the context of its Emergency Petition for Rule Waiver, and there was no objection from any party:

FPL states that it conferred with counsel for the intervenors in these cases, and they have not objected to the waiver in

light of the fact that FPL will file its supplemental testimony and exhibits on the results of the supplemental RFP by July 16 and the hearing will be scheduled for October 2-4. The intervenors themselves have also indicated in their written responses and in their comments at our Agenda Conference that they do not object to a waiver under these circumstances.

Order No. PSC-02-0703-PCO-EI, at 4.

5. After carefully evaluating all proposals in the Supplemental RFP, FPL determined to proceed with the construction of both Martin Unit 8 and Manatee Unit 3, as these units represent the most cost-effective alternative to meet the resource needs of FPL and its customers. A detailed discussion of the analyses undertaken by FPL and an independent evaluator, both of which led to this conclusion, is set forth in the attached Petitions for Determination of Need and in the accompanying Need Study.

6. To present the updated analyses to the Commission and demonstrate why the portfolio of Martin Unit 8 and Manatee Unit 3 is the best choice for FPL's customers, FPL is filing the attached Amended Petitions. Along with these Petitions FPL is submitting a detailed need study and extensive direct testimony, which fully sets forth its analysis of its power supply options.

Conclusion

For the foregoing reasons, FPL respectfully requests that the Commission grant it leave to Amend its Petitions for Determination of Need for Martin Unit 8 and Manatee Unit 3.

Respectfully submitted,

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By: *Charles A. Guyton*
Charles A. Guyton

CERTIFICATE OF SERVICE
Docket Nos. 020262-EI and 020263-EI

I HEREBY CERTIFY, that on this 16th day of July, 2002, a copy of Florida Power & Light Company's Motion for Leave to Amend Petitions for Determinations of Need was served by hand delivery (*) or overnight courier (**) to the following:

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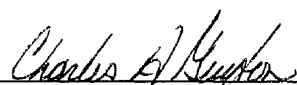
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By: 
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