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August 2, 2002

BY HAND DELIVERY

RECEIVED
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COMMISSION
CLERK

Blanca Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Filing of Proposed Stipulation in Docket No. 020398-EI,
Proposed Amendments to Rule 25-22.082, Florida
Administrative Code, Selection of Generating Capacity

Dear Ms. Bayo:

Enclosed for filing in the above-styled docket are the original and fifteen copies of a Proposed Stipulation which has been executed by the Florida Partnership for Affordable Competitive Energy, the Florida Industrial Power Users Group, and the Florida Action Coalition Team. I will appreciate your confirming receipt of this Proposed Stipulation by stamping the attached filing copy thereof and returning same to my attention.

As always, my thanks to you and to your professional Staff for their kind and courteous assistance. If you have any questions, please give me a call at (850)681-0311.

Cordially yours,

Robert Scheffel Wright
Robert Scheffel Wright

- AUS _____
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RJM
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE
08115 AUG-28
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Proposed Revisions to) DOCKET NO. 020398-EQ
Rule 25-22.082, F.A.C.,)
Selection of Generating Capacity) FILED: AUGUST 2, 2002
_____)

PROPOSED STIPULATION

WHEREAS, the Florida Public Service Commission (the "Commission") initiated this docket on May 6, 2002, to consider revisions to its Rule 25-22.082, Florida Administrative Code ("F.A.C."), commonly known as and referred to hereinafter as the "Bid Rule," and

WHEREAS, the Staff of the Commission published and distributed a draft rule proposal on December 24, 2001, and the Commission conducted an undocketed workshop regarding possible amendments to the Bid Rule on February 7, 2002; and

WHEREAS, the Commission Staff published a revised proposed Bid Rule on May 9, 2002, and on May 29, 2002, the Commission issued its Order No. PSC-02-0723-PCO-EQ, Order Initiating Rule Development; and

WHEREAS, various interested parties have submitted written comments concerning the Staff's proposals and suggesting other proposed revisions to the Bid Rule; and

WHEREAS, PACE, Calpine, FACT, and FIPUG submitted comments in June 2002 in support of the Commission Staff's proposed Bid Rule, and suggested enhancements to the Staff's proposal to better ensure that Florida electric customers are served by the most reliable and most cost-effective power supplies; and

WHEREAS, Florida's four major investor-owned utilities (collectively, the "IOUs"), Gulf Power Company ("Gulf"), Florida Power Corporation ("FPC"), Florida Power & Light Company ("FPL"), and Tampa Electric Company ("TECO"), submitted a proposed Stipulation on July 19, 2002, proposing an alternative to the Commission Staff proposed Bid Rule revisions; and

WHEREAS, all parties to this docket agree that the purpose of any Bid Rule, and the purpose of any amendments to the Bid Rule, is to ensure that the most reliable and most cost-effective power supplies are selected for the benefit of the Florida electricity customers, and that such purpose requires an fair and open bid process; and

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FPSC-COMMISSION CLERK

WHEREAS, PACE, FACT, and FIPUG take the position that the existing Bid Rule does not function adequately to protect Florida electricity customers or to obtain power supplies for Florida electric customers that are cost-effective taking into account reliability, efficiency, risk, and price, among other criteria; and

WHEREAS, the parties to this proceeding and this Stipulation recognize the potential value of utilizing different methodologies for selecting needed additional generating resources;

NOW, THEREFORE, PACE, FACT, FIPUG and the IOUs stipulate and agree as follows:

1. Upon the Commission's acceptance of this Stipulation, all the parties hereto agree to the Commission's entry of an order accepting this Stipulation and proposing amendments to the Bid Rule in substance as set forth in paragraph 2 below. All parties hereto agree not to file any request for hearing on the amended Bid Rule thus proposed. The parties further agree (a) not to file any other petition to initiate rulemaking with respect to amending the Bid Rule before January 1, 2004, and (b) not to file any other pleading or otherwise initiate, or attempt to initiate, any action that would have the effect of avoiding the full implementation of this Stipulation or of the Bid Rule as amended.

2. The Bid Rule will be amended to provide for the following process to be used for the selection of power supply resources required to meet the electricity requirements of the respective IOU's customers:

a. The IOU seeking to source new supply will prepare and submit to the Commission and all potential bidders, a proposed evaluation process (e.g., a Request for Proposals process) which shall include a complete listing of the evaluation criteria and weights assigned thereto;

b. The Commission will review and approve the evaluation process and criteria to ensure that the proposed process is fair and open (basis for approval will be whether the proposed process will result in the best choice for Florida electric customers by virtue of impartiality of evaluation, transparency of process, and fairness to participants);

c. The potential bidders shall have the opportunity to challenge, or seek clarification, of the proposed evaluation process, at the Commission;

d. Following Commission approval of the evaluation process and criteria, the IOU will issue the RFP;

e. All bidders, including the IOU whose need is to be met by power supplies procured through the RFP process, will be required to submit binding bids at the same time, such that no bidder has the advantage of seeing any other bidder's bid

before submitting its own, provided that the IOU's bid may be different from its indicative avoided cost information published in the RFP;

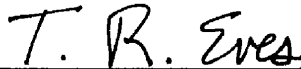
f. The IOU will not be required to offer its existing site for use by other bidders;

g. All bids will be evaluated using the Commission approved evaluation process and criteria, and the proposals shall be measured consistently with respect to the total impact of each on ratepayers; such evaluation shall be made by an impartial evaluator which may be the PSC or a third party paid for with bidders' fees; and

h. The bidders, including the IOU, may challenge the decision only on the basis of improper application of the evaluation criteria. The venue for such challenge shall be at the Commission.

3. If the Commission accepts this Stipulation as a basis to amend the Bid Rule and close the current Bid Rule Docket, the parties agree and understand that the Commission does not waive the Commission's right and ability, pursuant to governing law (with respect to the applicability, application, or interpretation of which this Stipulation does not bind any party hereto), to initiate any proceeding or to take any action for which the Commission has requisite jurisdiction and authority.

AGREED to and respectfully submitted to the Commission this 2nd day of August, 2002.



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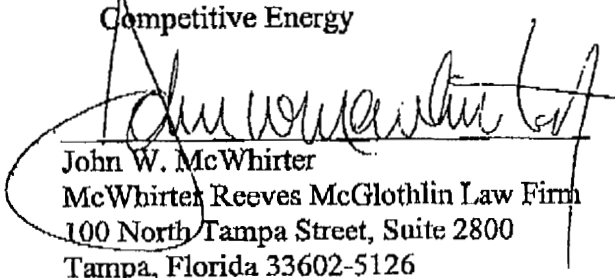
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For Tampa Electric Company

**CERTIFICATE OF SERVICE
DOCKET NO. 020398**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand-delivery (*), and U.S. Mail to the following parties on this 2nd day of August, 2002.

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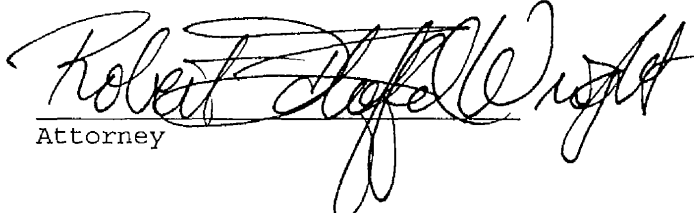
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