

M E M O R A N D U M

ORIGINAL

September 11, 2002

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (HARRIS) *JDH*

RE: DOCKET NO. 020262-EI - PETITION TO DETERMINE NEED FOR AN ELECTRICAL POWER PLANT IN MARTIN COUNTY BY FLORIDA POWER & LIGHT COMPANY.

DOCKET NO. 020263-EI - PETITION TO DETERMINE NEED FOR AN ELECTRICAL POWER PLANT IN MANATEE COUNTY BY FLORIDA POWER & LIGHT COMPANY.

Attached is STAFF'S PREHEARING STATEMENT to be filed in the above-referenced docket.

LDH/dm

Attachment

cc: Division of Economic Regulation (Haff, Bohrmann, Breman, Hewitt, Kenny, Maurey, McNulty, Sickel, Stallcup)
Division of Competitive Markets and Enforcement (Futrell, Makin, Vinson)
Office of the General Counsel (Brown)

- AUS _____
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- SEC 1
- OTH _____

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DOCUMENT NUMBER-DATE

09640 SEP 11 8 002812

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to determine
need for an electrical power
plant in Martin County by
Florida Power & Light Company.

DOCKET NO. 020262-EI

In re: Petition to determine
need for an electrical power
plant in Manatee County by
Florida Power & Light Company.

DOCKET NO. 020263-EI

FILED:

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-02-0992-PCO-EI, filed April 26, 2002, the Staff of the Florida Public Service Commission files its Prehearing Statement.

A. All Known Witnesses

Andrew L. Maurey

B. All Known Exhibits

- ALM 1 - Electric Utility Index
- ALM 2 - S&P Risk-Adjusted Financial Targets
- ALM 3 - (Confidential) Capital Expenditures
- ALM 4 - Statistical Output Summary
- ALM 5 - Fuel Mix for Holding Companies
- ALM 6 - Capitalization Ratios
- ALM 7 - Percentage through Recovery Clauses
- ALM 8 - Staff's Interrogatories Nos. 26 & 35
- ALM 9 - Testimony of S.S. Waters, Docket No. 920648-EQ
- ALM 10 - RatingsDirect report 09/26/01
- ALM 11 - Ratio Guidelines
- ALM 12 - Standard & Poor's research summary
- ALM 13 - RatingsDirect report 01/22/02
- ALM 14 - Standard and Poor's research summary
- ALM 15 - Moody's report 04/16/02
- ALM 16 - Wall Street Journal article 12/19/01
- ALM 17 - Standard & Poor's Credit week

C. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

COMMISSION STAFF'S PREHEARING STATEMENT
DOCKET NOS. 020262-EI, 020263-EI

are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

D. Staff's Position on the Issues

ISSUE 1: Is the output of Florida Power & Light Company's Martin Unit 8 fully committed for use by Florida retail electric customers?

POSITION: No position at this time.

ISSUE 2: Is the output of Florida Power & Light Company's Manatee Unit 3 fully committed for use by Florida retail electric customers?

POSITION: No position at this time.

ISSUE 3: Does Florida Power & Light Company have a need for Martin Unit 8, taking into account the need for electric system reliability and integrity?

POSITION: No position at this time.

ISSUE 4: Does Florida Power & Light Company have a need for Manatee Unit 3, taking into account the need for electric system reliability and integrity?

POSITION: Yes.

ISSUE 5: Does Florida Power & Light Company have a need for Martin Unit 8, taking into account the need for adequate electricity at a reasonable cost?

POSITION: No position at this time.

COMMISSION STAFF'S PREHEARING STATEMENT
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ISSUE 6: Does Florida Power & Light Company have a need for Manatee Unit 3, taking into account the need for adequate electricity at a reasonable cost?

POSITION: Yes.

ISSUE 7: Are there any conservation measures taken by or reasonably available to Florida Power & Light Company that might mitigate the need for Martin Unit 8?

POSITION: No.

ISSUE 8: Are there any conservation measures taken by or reasonably available to Florida Power & Light Company that might mitigate the need for Manatee Unit 3?

POSITION: No.

ISSUE 9: Has Florida Power & Light Company adequately ensured the availability of fuel commodity and transportation to serve Martin Unit 8?

POSITION: No position at this time.

ISSUE 10: Has Florida Power & Light Company adequately ensured the availability of fuel commodity and transportation to serve Manatee Unit 3?

POSITION: No position at this time.

ISSUE 11: Did Florida Power & Light Company's Supplemental Request for Proposals, issued on April 26, 2002, satisfy the requirements of Rule 25-22.082, Florida Administrative Code.

POSITION: No position at this time.

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ISSUE 12: Was the process used by Florida Power & Light Company to evaluate Martin Unit 8, Manatee Unit 3, and projects submitted in response to its Supplemental Request for Proposals, issued on April 26, 2002, consistent with the terms of its Supplemental Request for Proposals?

POSITION: No position at this time.

ISSUE 13: Was Florida Power & Light Company's evaluation of Martin Unit 8, Manatee Unit 3, and projects filed in response to its Supplemental Request for Proposals, issued on April 26, 2002, reasonable and appropriate?

POSITION: No position at this time.

ISSUE 14: In its evaluation of Martin Unit 8, Manatee Unit 3, and projects filed in response to its Supplemental Request for Proposals, issued on April 26, 2002, did Florida Power & Light Company properly and accurately evaluate transmission interconnection and integration costs?

POSITION: No position at this time.

ISSUE 15: Was Florida Power & Light Company's decision to apply an equity penalty adjustment to projects filed in response to its Supplemental Request for Proposals appropriate?

POSITION: No position at this time.

ISSUE 16: Is Florida Power & Light Company's Martin Unit 8 the most cost-effective alternative available?

POSITION: No position at this time.

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ISSUE 17: Is Florida Power & Light Company's Manatee Unit 3 the most cost-effective alternative available?

POSITION: No position at this time.

ISSUE 18: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition for determination of need for Martin Unit 8?

POSITION: No position at this time.

ISSUE 19: Based on the resolution of the foregoing issues, should the Commission grant Florida Power & Light Company's petition for determination of need for Manatee Unit 3?

POSITION: No position at this time.

E. Pending Motions

a) FPL's motions to compel intervenor's deposition, and respond to 1st set of interrogatories and 1st request for PODs, filed August 21, 2002.

b) FACT's motion for protective order; motion for order limiting discovery; and motion for stay in relation to FPL's 1st request for PODs and 1st set of interrogatories, filed August 26, 2002.

c) FPL's motion to remove intervenor CPV Cana as a party and dismiss as moot CPV Cana's allegations, filed August 27, 2002.

d) FPL's motion in limine to exclude two witnesses for CPV Gulfcoast and CPV Cana, filed September 5, 2002.

E. Pending Confidentiality Claims or Requests

Request for Confidential Classification of Document No. 09503-02, filed September 9, 2002.

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F. Compliance with Order No. PSC-02-0992-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 11th day of September, 2002.



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FILED:

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing
COMMISSION STAFF'S PREHEARING STATEMENT has been furnished to the
following by electronic mail (*) and U.S. Mail, on this 11th day
of September, 2002.

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