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REGISTERED LIMITED LIABILITY PARTNERSHIP

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September 10, 2003

Charles A. Guyton
850.222.3423

VIA HAND DELIVERY

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

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COMMISSION
CLERK

**Re: Objections to Florida Power & Light Company's
2003 Capacity Request for Proposal by the
Florida Partnership for Affordable Competitive Energy
Docket No. 030884-EU**

Dear Ms. Bayó:

Enclosed please find an original and seven copies of replacement pages 13 and 33 to the Response of Florida Power & Light Company ("Response") filed with the Public Service Commission yesterday. I apologize for any inconvenience.

Also enclosed are four original affidavits, facsimile copies of which were included in Exhibit 12 of the Response:

1. Affidavit of Steven R. Sim;
2. Affidavit of Rene Silva;
3. Affidavit of Gary V. Driebe; and
4. Affidavit of Moray P. Dewhurst.

If you or your Staff have any questions regarding this transmittal, please contact me at (850) 222-2300.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Respectfully,

Charles A. Guyton
Charles A. Guyton
Attorney for Florida Power
& Light Company

- AUS _____
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CAG/sem
Enclosures
cc: Jon Moyle, Jr. (w/ encls.)

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and Duke Power Request for Proposals (issued January 28, 2003) (the same RFP attached to PACE's Objections as Exhibit 4).¹¹

The fact that TECO's recently issued RFP does not identify a minimum debt rating as a minimum requirement is hardly surprising given that the issuance is for a small amount of peaking capacity (between 50 MW and 225 MW), an amount that would not involve a plant subject to the Power Plant Siting Act and, therefore, the Bid Rule. Moreover, by the terms of its RFP, TECO left open for negotiation all questions regarding security and financial viability. While the Florida Power Corporation RFP, issued November 26, 2001, did not require that a bidder per se be investment grade, it did stipulate that "[s]ecurity must be guaranteed by entities that are considered investment grade." *Request for Proposals for Power Supply Resources* by Florida Power, November 26, 2001, p. III-3.

The construction of a power plant is a distinctly important decision in terms of assuring the continued delivery of reliable and cost-effective electric service to customers. In such an instance, the credit worthiness of Proposers must be seriously considered, in contrast to other instances involving smaller or less critical transactions where completion and performance security provisions alone might provide a sufficient level of protection and a minimum investment grade rating may not be warranted. The credit rating level chosen by FPL was the maximum level of risk to which FPL felt its customers should be exposed for an undertaking as significant as the financing and construction of a power plant. FPL declines to expose its customers to an unreasonable level of risk associated with the financing and construction of a power plant by an entity with junk bond status. The liquidated damages and other remedies

¹¹ See attached Exhibit 4, which contains relevant pages.

event that the other pipeline were temporarily unavailable. Because of this flexibility, FPL decided that it had the effective equivalent of dual fuel capability for Manatee Unit 3 in the sense that it had two independent and reliable sources of gas supply.

After reviewing the purpose served by the RFP's dual fuel capability requirement, FPL has decided that it will accept and evaluate proposals that do not have distillate oil capability if they have two, independent and reliable sources of gas supply. FPL cautions, however, that any Proposer who intends to rely upon multiple gas supplies to meet the dual fuel capability requirement must provide sufficient detail in its proposal to demonstrate that the supplies are indeed independent and that the Proposer has the physical, logistical and contractual ability to rely upon both supplies at all times that they might be required. This demonstration would include, but not be limited to, an affirmation by the Proposer that the Proposer has or shall obtain firm gas transportation capability for both sources of supply, each sufficient to meet the proposed facility's fuel needs. FPL's economic analysis of a proposal will assume that if a proposed new unit does not have dual fuel capability comprised of two distinct fuel types, it will have firm gas transportation capability on two independent transportation systems and that the Proposer will charge FPL for the cost of reserving capacity on both of those transportation systems unless the Proposer expressly affirms otherwise.

G. The RFP Evaluation Fee (PACE Objection M)

PACE attacks the RFP's \$10,000 fee per proposal as "unfair, onerous, and unduly discriminatory." It offers three supporting arguments: (1) The RFP evaluation fee is not cost-based;" (2) Although PACE does not presently contest the \$10,000 proposal fee for evaluation on "an initial Proposal", PACE seeks to have FPL allow "at least two variations to the original proposal without imposing on the bidder the requirement to pay another \$10,000 evaluation fee."

STATE OF FLORIDA
COUNTY OF PALM BEACH

AFFIDAVIT OF MORAY P. DEWHURST

Moray P. Dewhurst, being first duly sworn, deposes and says:

1. My name is Moray P. Dewhurst. My business address is 700 Universe Boulevard, Juno Beach, Florida 33408. I am employed by Florida Power & Light Company ("FPL") as Senior Vice President of Finance and Chief Financial Officer of FPL. I have personal knowledge of the matters stated in this Affidavit.

2. I received a Bachelor's Degree in Naval Architecture from MIT and a Master's Degree in Management, with a concentration in Finance, from MIT's Sloan School of Management. I have approximately twenty years of experience consulting to Fortune 500 and equivalent companies in many different industries on matters of corporate and business strategy. Much of my work has involved financial strategy and financial re-structuring. I was appointed to my present position in July of 2001.

3. I have reviewed the Florida Partnership for Affordable Competitive Energy's ("PACE") Objections filed on September 4, 2003 to FPL's 2003 Request for Proposals for Resource Need for 2007 ("RFP") challenging FPL's Minimum Requirement concerning Financial Viability or Minimum Debt Rating (PACE Objection C), FPL's Completion and Performance Security Requirements (PACE Objection D) and FPL's application of an Equity Adjustment (PACE Objection I), and the responses to such objections reflected in FPL's Response filed September 9, 2003.

4. I am aware of and hereby verify and affirm that the facts set forth in FPL's responses to PACE Objections B, C, D, and I as set forth in Sections II(H), I(A), I(B) and III(D), respectively, of FPL's Response to PACE's Objections are true and correct to the best of my knowledge and

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FPSC-COMMISSION CLERK

belief.

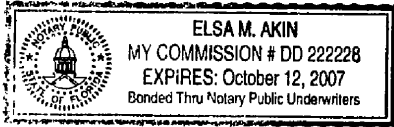
FURTHER AFFIANT SAYETH NOT.

Moray P. Dewhurst
MORAY P. DEWHURST

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was signed, sworn to and subscribed before me this 7th day of September, 2003 by MORAY P. DEWHURST, who is personally known to me or produced as identification and who did take an oath.

Elsa M Akin
NOTARY PUBLIC - STATE OF FLORIDA
ELSA M AKIN
Type/Print Name



My commission expires:

FPL\dewhurst.affidavit

STATE OF FLORIDA
COUNTY OF PALM BEACH

AFFIDAVIT OF GARY V DRIEBE

Gary V Driebe, being first duly sworn, deposes and says:

1. My name is Gary V Driebe. My business address is 700 Universe Blvd., Juno Beach, Florida 33410. I am employed by Florida Power & Light Company ("FPL") as the General Manager of the Turbine Fleet Team in the Power Generation Business Unit and have held this position since 1999. I have personal knowledge of the matters stated in this Affidavit.

2. I received a Bachelor of Science Degree in Electrical Engineering from the University of South Florida in 1974.

3. I have been employed by FPL since 1985. In that time I have held various positions. Prior to my present position, I was Production Manager of the Martin Combined Cycle Plant. My current responsibilities as General Manager of the Turbine Fleet Team in the Power Generation Business Unit include managing a group of technical specialist that provide Technical Services in the areas of Gas and Steam Turbines. During my 29 year career in Power Generation I have held various positions in the areas of power plant construction, start-up and operation.

4. I have reviewed the Florida Partnership for Affordable Competitive Energy's ("PACE") Objections filed on September 4, 2003 to FPL's 2003 Request for Proposals for Resource Need for 2007 ("RFP") challenging FPL's Minimum Experience of Proposers (PACE Objection N), and the response to such objection reflected in FPL's Response filed September 9, 2003.

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5. I am aware of and hereby verify and affirm that the facts relating FPL's response to PACE Objection N challenging FPL's Minimum Experience of Proposers, as set forth in Section I (C) of FPL's Response to PACE's Objections, are true and correct to the best of my knowledge and belief. This response was developed with my input and supports the rejection of this portion of PACE's Objections as addressed in FPL's Response.

6. Affiant says nothing further.



GARY V. DRIEBE

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was signed, sworn to and subscribed before me this 8th day of September, 2003 by GARY V. DRIEBE, who is personally known to me ____ or produced as identification and who did take an oath.

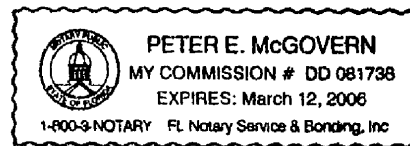


NOTARY PUBLIC - STATE OF FLORIDA

PETER E. MCGOVERN

Type/Print Name

My commission expires:



STATE OF FLORIDA
COUNTY OF MIAMI DADE

AFFIDAVIT OF RENE SILVA

Rene Silva, being first duly sworn, deposes and says:

1. My name is Rene Silva. My business address is 9250 West Flagler Street, Miami, Florida 33174. I am employed by Florida Power & Light Company ("FPL") as Director of Resource Assessment and Planning. As Director of Resource Assessment and Planning for FPL, I manage the group that is responsible for the development of FPL's integrated resource plan and other related activities, such as analysis of demand side management programs, system production cost projections, development of FPL's demand and energy forecasts, and the administration of wholesale power purchase agreements. I have personal knowledge of the matters stated in this Affidavit.

2. I graduated from the University of Michigan with a Bachelor of Science Degree in Engineering Science in 1974. I then earned a Masters Degree in Mechanical Engineering from San Jose State University in 1978. Subsequently, in 1986, I earned a Masters Degree in Business Administration from the University of Miami.

3. Prior to working for FPL, I was employed by the Nuclear Energy Division of the General Electric Company in the area of nuclear fuel design. I joined FPL in 1978, and since that time, I have held a number of positions including Director, Fuel Resources Department and Manager of Fuel Services. In 1998 I was named Manager of Business Services in the Power Generation Division. I was appointed to my current position on May 1, 2002.

4. I have reviewed the Florida Partnership for Affordable Competitive Energy's ("PACE") Objections filed on September 4, 2003 to FPL's 2003 Request for Proposals for

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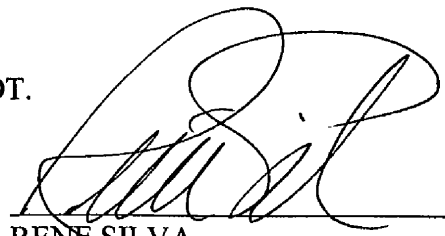
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FPSC-COMMISSION CLERK

Resource Need for 2007 (“RFP”) challenging FPL’s Minimum Requirement concerning Financial Viability or Minimum Debt Rating (PACE Objection C), FPL’s requirement that Proposers with proposals based on new generation be responsible for the location, development and permitting of proposed sites and prohibiting co-location at FPL’s Turkey Point Site (PACE Remedy in Objection A), FPL’s Minimum Requirement of Acceptance by a Proposer or Seller of its Regulatory Modifications Provision (PACE Objection B), FPL’s Southeast Florida location preference (PACE Objection A), alleged reservation of transmission capacity (PACE Objection H), and FPL’s draft Purchased Power Agreement and Exceptions Requirements (PACE Objection F), and the responses to such objections reflected in FPL’s Response filed September 9, 2003.

5. I am aware of and hereby verify and affirm that the facts set forth in FPL’s responses to the foregoing Objections of PACE, as set forth in Sections I(A) as such is limited to the statement concerning the combined total MW output of certain Independent Power Producers, I(D), I(H) except for observations regarding project financeability, III(A) and III(B) except for statements relating to transmission impact issues, and IV(A) of FPL’s Response are true and correct to the best of my knowledge and belief. These responses were developed with my input and support the rejection of those portions of PACE’s Objections as addressed in FPL’s Response.

FURTHER AFFIANT SAYETH NOT.


RENE SILVA

STATE OF FLORIDA
COUNTY OF MIAMI DADE

The foregoing instrument was signed, sworn to and subscribed before me this 9 day of September, 2003 by RENE SILVA, who is personally known to me or produced _____ as identification and who did take an oath.

FLORIDA

Maura Hernandez
NOTARY PUBLIC - STATE OF

MAURICA HERNANDEZ
Type/Print Name

My commission expires: 5/25/04

FPL\silva.affidavit



Maura Hernandez
MY COMMISSION # CC913575 EXPIRES
May 25, 2004
BONDED THRU TROY FAH INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF MIAMI DADE

AFFIDAVIT OF STEVEN R. SIM

Steven R. Sim, being first duly sworn, deposes and says:

1. My name is Steven R. Sim. My business address is 9250 West Flagler Street, Miami, Florida 33174. I am employed by Florida Power & Light Company ("FPL") as a Supervisor in the Resource Assessment and Planning Department. In my capacity as Supervisor for the Resource Assessment and Planning Department, I am responsible for determining FPL's future capacity needs and evaluating resource options to determine the best choice for meeting those needs. I have previously testified before the Florida Public Service Commission on a number of occasions in regard to matters pertaining to FPL's resource planning.

2. I graduated from the University of Miami (Florida) with a Bachelor's degree in Mathematics in 1973. I subsequently earned a Master's degree in Mathematics from the University of Miami (Florida) in 1975 and a Doctorate in Environmental Science and Engineering from the University of California at Los Angeles (UCLA) in 1979.

3. In 1979 I joined FPL. From 1979 until 1991 I worked in various departments including Marketing, Energy Management Research and Load Management where my responsibilities concerned the development, monitoring, and cost-effectiveness of demand side management (DSM) programs. In 1991 I joined my current department, then named the System Planning department, as a Supervisor whose responsibilities included the cost-effectiveness analyses of a variety of individual supply and DSM options. In 1993 I assumed my present position.

4. I have reviewed the Florida Partnership for Affordable Competitive Energy's ("PACE") Objections filed on September 4, 2003 to FPL's 2003 Request for Proposals for

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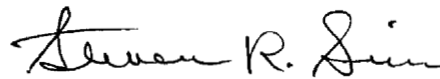
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FPCO-COMMISSION CLERK

Resource Need for 2007 (“RFP”) challenging FPL’s Evaluation Fee (PACE Objection M) and the response to such objection reflected in FPL’s Response filed September 9, 2003.

5. I am aware of and hereby verify and affirm that the facts set forth in FPL’s response to PACE Objection M as set forth in Section I(G) of FPL’s Response are true and correct to the best of my knowledge and belief. This response was developed with my input and supports the rejection of PACE Objection M as addressed in FPL’s Response.

FURTHER AFFIANT SAYETH NOT.

A handwritten signature in cursive script that reads "Steven R. Sim". The signature is written in black ink and is positioned above a horizontal line.

STEVEN R. SIM

STATE OF FLORIDA
COUNTY OF MIAMI DADE

The foregoing instrument was signed, sworn to and subscribed before me this 9 day of September, 2003 by STEVEN R. SIM, who is personally known to me or produced _____ as identification and who did take an oath.

Bertila Estopinales
NOTARY PUBLIC - STATE OF FLORIDA
BERTILA ESTOPINALES
Type/Print Name

My commission expires:

