

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: JANUARY 22, 2004

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (HAFF, SICKEL, MAUREY, *TRB SS*, *RZ*)
BAXTER (*DRW*)
OFFICE OF THE GENERAL COUNSEL (Vining) (*ASV*, *MLH*) *ALM*

RE: DOCKET NO. 031093-EQ - PETITION FOR APPROVAL OF REVISED
STANDARD OFFER CONTRACT AND REVISED COG-2 RATE SCHEDULE BY
FLORIDA POWER & LIGHT COMPANY.

AGENDA: 02/03/04 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: FEBRUARY 3, 2004

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\031093-B.RCM

CASE BACKGROUND

Pursuant to federal law, the availability of standard rates is required for fossil-fueled QFs less than 100 kilowatts (0.1 MW) in size. 16 U.S.C. 2601 et seq., 16 U.S.C. 792 et seq., 18 CFR 292.304. Florida law requires the Commission to "adopt appropriate goals for increasing the efficiency of energy consumption and increasing the development of cogeneration." Section 366.82(2), Florida Statutes. The Commission is further directed to "establish a funding program to encourage the development by local governments of solid waste facilities that use solid waste as a primary source of fuel for the production of electricity." Section 377.709, Florida Statutes.

These federal and state requirements were implemented by the Commission through its adoption of the Standard Offer Contract in Rule 25-17.0832(4)(a), Florida Administrative Code. Pursuant to

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1.22.04

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this rule, each investor-owned electric utility must file with the Commission a tariff and a Standard Offer Contract for the purchase of firm capacity and energy from small QFs. These provisions implement the requirements of the Public Utilities Regulatory Policies Act (PURPA) and promote renewables and solid waste-fired facilities by providing a straightforward contract. Larger QFs and other non-utility generators may participate in a utility's Request for Proposals (RFP) process pursuant to Rule 25-22.082, Florida Administrative Code.

To comply with Rule 25-17.0832(4)(a), Florida Administrative Code, on December 5, 2003, Florida Power & Light Company (FPL) filed a Petition for Approval of a Standard Offer Contract for qualifying cogeneration and small power production facilities (QFs).

The Commission is vested with jurisdiction over this matter through several provisions of Chapter 366, Florida Statutes, including Sections 366.04, 366.05, 366.051, 366.06, and 366.80-.82, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should Florida Power and Light's proposed revised standard offer contract and COG-2 rate schedule be suspended?

RECOMMENDATION: Yes. (BAXTER)

STAFF ANALYSIS: On December 5, 2003, FPL petitioned the Commission for approval of its revised standard offer contract and COG-2 rate schedule. Staff recommends that the tariffs be suspended to allow staff sufficient time to review the petition in order to present the Commission an informed recommendation on the tariff proposals.

Pursuant to Section 366.06(3), Florida Statutes, the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is good cause consistent with the requirement of Section 366.06(3), Florida Statutes.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. (VINING)

STAFF ANALYSIS: This docket should remain open pending the Commission vote on the proposed tariff revision.