

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for West County Units 1 and 2 electrical power plants in Palm Beach County, by Florida Power & Light Company.

DOCKET NO. 060225-EI
ORDER NO. PSC-06-0456-PHO-EI
ISSUED: May 24, 2006

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on May 23, 2006, in Tallahassee, Florida, before Commissioner Isilio R. Arriaga, as Prehearing Officer.

APPEARANCES:

R. WADE LITCHFIELD, ESQUIRE, BRYAN S. ANDERSON, ESQUIRE, and NATALIE F. SMITH, ESQUIRE, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, FL 33408
On behalf of Florida Power & Light Company (FPL).

KATHERINE E. FLEMING, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

PREHEARING ORDER

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

On March 13, 2006, Florida Power & Light Company (FPL) filed a petition for determination of need for a proposed electrical power plant pursuant to Section 403.519, Florida Statutes, and Rules 25-22.080 and 25-22.081, Florida Administrative Code. This matter has been assigned Docket No. 060225-EI and has been set for a formal evidentiary hearing on June 8, 2006.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapters 120, 366, and 403, Florida Statutes. This hearing will be governed by said Chapters and Chapters 25-6, 25-22, and 28-106, Florida Administrative Code.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any parties intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- a) Any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

- d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Commission Clerk and Administrative Service's confidential files.

V. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of the prehearing order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, Florida Administrative Code, a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages, and shall be filed at the same time.

VI. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VII. ORDER OF WITNESSES

As a result of discussions at the prehearing conference, each witness whose name is preceded by an asterisk (*) has been excused from this hearing if no Commissioner assigned to this case seeks to cross-examine the particular witness. Parties shall be notified as to whether any such witness shall be required to be present at hearing. The testimony of excused witnesses will be inserted into the record as though read, and all exhibits submitted with those witnesses' testimony, as shown in Section X of this Prehearing Order, shall be identified and admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Roger E. Clayton, P.E.	FPL	8, 9
*Dr. Leonardo E. Green	FPL	2, 3, 4, 5, 8, 9
*David N. Hicks	FPL	4, 5, 8, 9, 12
*Steven D. Scroggs	FPL	1, 2, 3, 4, 5, 8, 9
*Rene Silva	FPL	1, 2, 3, 4, 5, 8, 9
*Dr. Steven R. Sim	FPL	1, 2, 3, 4, 5, 6, 7, 8, 9
*Alan S. Taylor	FPL	8, 9
*Gerard J. Yupp	FPL	2, 3, 4, 5, 8, 9
*Judy G. Harlow	STAFF	8, 9, 10, 11
<u>Rebuttal</u>		
*Steven Scroggs	FPL	

VIII. BASIC POSITIONS

FPL: FPL seeks a determination of need for West County 1 and 2. West County 1 and 2 are required in order for FPL to maintain electric system reliability and integrity and to continue to provide adequate electricity to its customers at a reasonable cost. Without the timely addition of West County 1 and 2, FPL expects that it will not meet the summer reserve margin criterion of 20 percent starting in the summer of 2009 and for each summer thereafter.

West County 1 and 2 are also needed to help address the issues associated with the Southeast Florida imbalance of load and generation on FPL's system, such as reducing demand and energy losses and costs associated with operating more expensive Southeast Florida combustion turbines. As discussed in FPL's 2005 Ten Year Site Plan and as highlighted in its 2005 Request for Proposals ("RFP"), there is a growing imbalance between the amount of generating capacity located in the southeast area of FPL's service territory and the electrical load for this region. The electrical load for this region has traditionally been the largest portion of FPL's entire system load, and it continues to grow.

FPL decided to proceed with licensing of West County 1 and 2 only after conducting an internal review of supply-side and demand-side alternatives and after engaging in an extensive capacity solicitation process in accordance with Rule 25-22.082, Florida Administrative Code (the "Bid Rule"). During its internal review of supply-side alternatives, FPL quantified and evaluated each alternative's impact on FPL's system production costs, as well as transmission-related costs. Ultimately, FPL selected West County Units 1 and 2 as the best, most cost-effective alternative.

West County 1 and 2 will be highly efficient and highly reliable, state-of-the-art generating units. The proposed location of Units 1 and 2 at the West County Energy Center in unincorporated western Palm Beach County, which site has been zoned for power plants, and the selection of combined cycle technology, will maximize the beneficial use of the site while minimizing environmental, land use and cost impacts typically associated with development of a nominal 2438 MW power plant.

FPL's analysis conducted in preparation for its RFP showed that a minimum of 2,371 MW of additional supply resources would be needed to supply customers' needs reliably during the 2009-2011 time frame, including satisfying the summer reserve margin criterion. FPL's most recent forecasts show that FPL's capacity needs are higher than those shown in the forecasts at the time of the issuance of the RFP, further confirming the need for capacity resources.

FPL engaged in an extensive capacity solicitation process through its RFP in compliance with the Bid Rule. Proposals received in response to its RFP were used to develop candidate portfolios in configurations that satisfied the 2009-2011 need. FPL's and an independent evaluator's extensive economic evaluations of these proposals included quantifying and considering generation-related costs, transmission-related costs (including transmission interconnection and integration costs, energy and capacity losses and increased operational costs), as well as the impact of each portfolio on FPL's capital structure minus mitigating factors offered by purchased power options. FPL calculated each option's transmission-related costs by calculating the revenue requirements associated with transmission

interconnection and integration for each option as well as each option's impact on FPL's transmission losses and costs of operating less-efficient gas turbines in Southeast Florida.

The impact of purchased power portfolios on FPL's capital structure was recognized by an equity adjustment according to the methodology contained in the RFP. Because rating agencies treat a portion of a purchasing utility's firm capacity payment as an off-balance sheet obligation, the equity adjustment represents a real cost associated with purchasing power that must be recognized in assessing purchased power options. Purchased power options provide some mitigation, through completion and performance security, to potential costs the purchasing utility might otherwise incur through a self-build alternative. This mitigating value was estimated and factored into the evaluation. The value of the mitigation is applied in the equity adjustment calculation to offset the cost of portfolios containing purchased power options. The sum of each portfolio's generation costs, transmission costs, and cost impact on capital structure minus the mitigating factors represented the total system costs to FPL customers for the portfolio.

FPL's final cost comparisons from its RFP evaluation demonstrated a clear and substantial separation in cost between West County 1 and 2 and all other alternatives. The next most competitive portfolio, compared with West County 1 and 2 alone, consisted of West County 1 and 2 coupled with a 50 MW system sale offered by one participant. The closest alternative portfolio that did not include West County 1 and 2 was more than \$750 million in Cumulative Present Value of Revenue Requirements (CPVRR) more costly to FPL's customers than the addition of West County 1 and 2. Furthermore, that portfolio did not offer any non-economic, fuel diversity or other advantages over West County 1 and 2.

FPL concluded from its evaluation that constructing and operating West County 1 and 2 is the best and most cost-effective alternative for satisfying the new capacity needs of FPL's customers for 2009-2011. An independent evaluation confirmed FPL's conclusion.

FPL attempted to avoid or defer constructing the unit by considering and pursuing demand-side options reasonably available to it, but concluded that it could not avoid or defer its need to construct West County 1 and 2. For all of these reasons, as more fully developed in FPL's Need Study and direct testimony, FPL respectfully requests that the Commission grant a favorable determination of need for West County 1 and 2.

STAFF:

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

IX. ISSUES AND POSITIONS

STIPULATED

ISSUE 1: Has Florida Power & Light Company met the requirements of Rule 25-22.082, Florida Administrative Code, "Selection of Generating Capacity"?

POSITION: Yes. FPL has complied with all aspects of Rule 25-22.082, Florida Administrative Code, "Selection of Generating Capacity." FPL met the notice requirements of the rule by disseminating the Request for Proposals (RFP) to the public and the electric industry at large. The RFP identified FPL's next planned generating units, West County Units 1 and 2, that would be evaluated against potential bids. The RFP also provided a detailed description of the next planned generating units, including the data and information required by Rule 25-22.082, Florida Administrative Code. The RFP included the schedule of critical dates for solicitation, evaluation, screening of proposals, and any subsequent contract negotiations. A description of price and non-price attributes to be addressed by each bidder, as well as a description of FPL's planned evaluation methodology, including the use of the EGEAS model for economic screening, was included in the RFP.

STIPULATED

ISSUE 2: Is there a need for the proposed West County Unit 1, taking into account the need for electric system reliability and integrity, as this criterion is used in section 403.519, Florida Statutes?

POSITION: There is a need for West County Unit 1, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes. Without completing West County Unit 1 by June 2009, FPL's and Peninsular Florida's electric system reliability and integrity will be significantly reduced. FPL will also fail to meet its 20 percent reserve margin planning criterion. Without the unit, FPL's summer reserve margin for 2009 would decrease to 15.5% and decrease further in each following year.

FPL's analysis conducted in preparation for its RFP showed that a minimum of 2,371 MW of additional supply resources would be needed to supply customers' needs reliably during the 2009-2011 time frame based upon satisfying the summer reserve margin criterion. FPL's capacity planning process took into account reasonably available purchased power (as well as Demand Side Resources "DSM", discussed below) which resources are insufficient to meet customers' needs for capacity beginning in 2009, thus further demonstrating the need for West County Unit 1.

STIPULATED

ISSUE 3: Is there a need for the proposed West County Unit 2, taking into account the need for electric system reliability and integrity, as this criterion is used in section 403.519, Florida Statutes?

POSITION: There is a need for West County Unit 2, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes. Without completing West County Unit 2 by June 2010, (assuming that West County Unit 1 is completed) FPL's summer reserve margin would be reduced to 17.4% in 2010 and 14.8% in 2011, which is below FPL's 20 percent reserve margin planning criterion. West County Unit 2 is therefore needed to maintain the electric system reliability and integrity of FPL and Peninsular Florida.

FPL's analysis conducted in preparation for its RFP showed that a minimum of 2,371 MW of additional supply resources would be needed to supply customers' needs reliably during the 2009-2011 time frame based upon satisfying the summer reserve margin criterion. FPL's most recent forecasts show that FPL's capacity needs are even higher than those shown in the forecasts at the time of the issuance of the RFP, further confirming the need for 2010 capacity resources. FPL's capacity planning process took into account reasonably available purchased power (as well as DSM, discussed below) which resources are insufficient to meet customers' needs for capacity beginning in 2010, thus further demonstrating the need for West County Unit 2.

STIPULATED

ISSUE 4: Is there a need for the proposed West County Unit 1, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in section 403.519, Florida Statutes?

POSITION: Yes. West County Unit 1 will be a highly efficient and reliable, state-of-the-art unit producing electricity for FPL's customers at a reasonable cost. The cost estimates, heat rate, and equivalent availability parameters for West County Unit 1 are reasonable.

The addition of West County Units 1 and 2 will improve FPL's system average heat rate by about 4 percent. This means that in general, FPL's generating system will use 4 percent less natural gas to produce the same amount of electricity, thus helping mitigate the effect of high gas prices.

STIPULATED

ISSUE 5: Is there a need for the proposed West County Unit 2, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in section 403.519, Florida Statutes?

POSITION: Yes. West County Unit 2 will be a highly efficient and reliable, state-of-the-art unit producing electricity for FPL's customers at a reasonable cost. The cost estimates, heat rate, and equivalent availability parameters for West County Unit 2 are reasonable.

The addition of West County Units 1 and 2 will improve FPL's system average heat rate by about 4 percent. This means that in general, FPL will utilize 4 percent less natural gas to produce the same amount of electricity, thus helping mitigate the effect of high gas prices.

STIPULATED

ISSUE 6: Are there any conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed West County Unit 1?

POSITION: No. The need for West County Unit 1 takes into account implementation of all reasonably achievable, cost-effective conservation and load management measures previously determined by the Commission.

FPL is committed to continuing to assess and working to identify additional cost-effective demand-side management programs (DSM). FPL has petitioned the Commission to modify two of its existing DSM programs and will petition the Commission for approval of modification to at least five other DSM programs by May 22, 2006. In addition, FPL will also petition for approval of at least two new DSM programs by May 22, 2006, thereby increasing the participation in DSM programs in the 2006 through 2014 time period. The proposed modifications to FPL's DSM plan are designed to meet, in part, the increased capacity needs that resulted from the revised peak load forecast.

STIPULATED

ISSUE 7: Are there any conservation measures taken by or reasonably available to Florida Power & Light Company which might mitigate the need for the proposed West County Unit 2?

POSITION: No. The need for West County Unit 2 takes into account implementation of all reasonably achievable, cost-effective conservation and load management measures previously determined by the Commission.

FPL is committed to continuing to assess and working to identify additional cost-effective DSM. FPL has petitioned the Commission to modify two of its existing DSM programs and will petition the Commission for approval of modification to at least five other DSM programs by May 22, 2006. In addition, FPL will also petition for approval of at least two new DSM programs by May 22, 2006, thereby increasing the participation in DSM programs in the 2006 through 2014 time period. The proposed modifications to FPL's DSM plan are designed to meet, in part, the increased capacity needs that resulted from the revised peak load forecast.

STIPULATED

ISSUE 8: Is the proposed West County Unit 1 the most cost-effective alternative available, as this criterion is used in section 403.519, Florida Statutes?

POSITION: Yes. In evaluating its next planned generating units, FPL quantified and evaluated each alternative's impact on FPL's system production costs and transmission-related costs. Ultimately, FPL selected the West County Unit 1 combined cycle option as the most cost-effective alternative and identified it as its next planned generating unit.

FPL recognizes the need for fuel diversity on its system. However, coal-fired generation can not be constructed to provide service on FPL's system to replace West County Units 1 and 2. FPL will accelerate its actions to install advanced technology coal capacity and purchases from renewable generators to provide electricity for FPL's customers.

By June 2, 2006, FPL will petition the Commission for an exemption from Rule 25-22.082, Florida Administrative Code, with respect to its proposed advanced technology coal plant, thereby helping to expedite the benefits of fuel diversity to FPL's customers, including projected reductions in the level and volatility of fuel costs.

As ordered by the Commission on May 16, 2006 in Docket No. 050806-EQ, FPL is preparing an additional standard offer contract for the consideration of renewable providers based on FPL's proposed 2012 advanced technology coal plant. FPL is also actively encouraging development of renewable energy, consistent with the direction of the Florida legislature and the Commission, by (i) negotiating and being continuously available for negotiation of custom purchased power contracts with renewable energy providers; and (ii) having continuously available a standard offer contract for renewable generation, including the contract approved by the Commission on May 16, 2006 for use beginning June 1, 2006 which implements input received from renewable providers that participated in the Commission's renewable energy workshops; and (iii) filing with the Commission, no later than August 21, 2006, additional standard offer contracts

for consideration of renewable energy providers as directed by the Commission in the above-referenced docket. FPL will also maintain its pursuit of additional coal-based power purchase contracts in order to provide additional fuel diversity for the benefit of FPL's customers.

As discussed in Issue 1, FPL fully complied with Rule 25-22.082, Florida Administrative Code. Proposals received in response to its RFP were used to develop candidate portfolios in configurations that satisfied the 2009-2011 need. FPL's and the independent evaluator's extensive economic evaluations of these proposals included quantifying and considering generation-related costs, transmission-related costs (including transmission interconnection and integration costs, energy and capacity losses), upstream gas pipeline costs as well as the impact of each portfolio on FPL's capital structure minus mitigating factors offered by purchased power options. To determine the magnitude of this impact on its capital structure, FPL applied an equity adjustment. In past need determination cases, the Commission stated that any application of an equity adjustment should be evaluated on a case-by-case basis. In the instant case, the equity adjustment does not materially affect the overall cost effectiveness of West County Units 1 and 2. The sum of each portfolio's generation costs, transmission costs, upstream gas pipeline costs and cost impact on capital structured minus the mitigating factors represented the total system costs to FPL customers for the portfolio.

Final cost comparisons from the RFP evaluation demonstrated that West County Units 1 and 2 offered a more than \$750 million CPVRR benefit compared with the closest alternative portfolio that did not include both West County Units 1 and 2. Furthermore, that portfolio did not offer any non-economic, fuel diversity or other advantages over West County Units 1 and 2. An independent evaluation confirmed these conclusions. West County Units 1 and 2 are therefore the most cost-effective alternative available for meeting the needs of FPL's customers.

STIPULATED

ISSUE 9: Is the proposed West County Unit 2 the most cost-effective alternative available, as this criterion is used in section 403.519, Florida Statutes?

POSITION: Yes, for the reasons stated with respect to Issue 8 above.

STIPULATED

ISSUE 10: Based on the resolution of the foregoing issues, should the Commission grant FPL's petition to determine the need for the proposed West County Unit 1?

POSITION: Yes. For the foregoing reasons, and as more fully developed in FPL's Need Study and testimony, the Commission should grant FPL's petition to determine the need for the proposed West County Unit 1.

STIPULATED

ISSUE 11: Based on the resolution of the foregoing issues, should the Commission grant FPL's petition to determine the need for the proposed West County Unit 2?

POSITION: Yes. For the foregoing reasons, and as more fully developed in FPL's Need Study and testimony, the Commission should grant FPL's petition to determine the need for the proposed West County Unit 2.

STIPULATED

ISSUE 12: If an affirmative determination of need is granted, should Florida Power & Light Company be required to annually report the budgeted and actual cost compared to the estimated total in-service cost of the proposed West County Units 1 and 2?

POSITION: Yes. Although Rule 25-22.082, Florida Administrative Code, does not require that a utility annually report budgeted and actual costs associated with a proposed power plant, FPL is amenable to providing such information on an annual basis. Some costs may be higher than estimated and other costs may be lower, but FPL agrees that providing this information on an annual basis will allow Commission Staff to monitor FPL's progress for West County Units 1 and 2. In providing this information, it should be understood that the cost used in the evaluation that resulted in selecting West County Units 1 and 2 as the most cost-effective resource option to meet FPL's needs is the total estimated cost and that any under-runs in one category may be used to off-set any overruns in another category.

STIPULATED

ISSUE 13: Should this docket be closed?

POSITION: Yes, following the issuance of an affirmative determination of need for West County Units 1 and 2.

X. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
<u>Direct</u>			
Roger E. Clayton, P. E., Dr. Leonardo E. Green, David N. Hicks, Steven Scroggs, Rene Silva, Dr. Steven R. Sim Gerard J. Yupp	FPL	<u>Need Study for Electrical Power Plant 2009</u>	Detailed analysis containing (i) a description of the utility primarily affected; (ii) a description of the proposed power plant; (iii) a discussion of FPL's need for the proposed power plant; (iv) a discussion of FPL's process for determining the best available option; (v) a discussion of non-generating alternatives and the effects of DSM efforts on the timing and size of the proposed plant; and (vi) an evaluation of the adverse consequences that will result if the proposed power plant is not added in the size or time sought.
Roger E. Clayton, P. E.	FPL	<u>Need Study App. A</u>	Interconnection with Other Utilities
Steven Scroggs	FPL	<u>Need Study App. B</u>	Existing Generating Facilities
Dr. Leonardo E. Green, Dr. Steven R. Sim	FPL	<u>Need Study App. C</u>	Computer Models Used in Resource Planning
Steven Scroggs	FPL	<u>Need Study App. D</u>	2005 RFP
Dr. Leonardo E. Green	FPL	<u>Need Study App. E</u>	Load Forecast

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Gerard J. Yupp	FPL	<u>Need Study App. F</u>	Fuel Forecast
Dr. Steven R. Sim	FPL	<u>Need Study App. G</u>	Financial and Economic Assumptions
Steven Scroggs	FPL	<u>Need Study App. H</u>	2005 RFP Notices and News Release
Steven Scroggs	FPL	<u>Need Study App. I</u>	2005 RFP Questions and Answers
David N. Hicks	FPL	<u>Need Study App. J</u>	Self Build Construction Option
	FPL	<u>Need Study App. K</u>	Intentionally Blank
Roger E. Clayton, P. E.	FPL	<u>Need Study App. L</u>	Transmission Capacity Loss Estimates
Dr. Steven R. Sim	FPL	<u>Need Study App. M</u>	Transmission Capacity and Energy Loss Cost Estimates
	FPL	<u>Need Study App. N</u>	Intentionally Blank
Dr. Steven R. Sim	FPL	<u>Need Study App. O</u>	Non-Economic Evaluation Results
Dr. Steven R. Sim	FPL	<u>Need Study App. P</u>	Approved DSM Programs

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Roger E. Clayton, P. E.	FPL	<u>REC-1</u>	Summary of Performance of all Portfolios for: FPL System – Integration Impact, Interconnection Costs, Peak & Average Losses and SE Florida Import Limits; Non-FPL System – Integration Impact
Roger E. Clayton, P. E.	FPL	<u>REC-2</u>	Transmission Loss Estimates
Dr. Leonardo E. Green	FPL	<u>LEG-1</u>	Total Average Customers
Dr. Leonardo E. Green	FPL	<u>LEG-2</u>	Summer Peak Load (MW)
Dr. Leonardo E. Green	FPL	<u>LEG-3</u>	Summer Peak Load Per Customer (KW)
Dr. Leonardo E. Green	FPL	<u>LEG-4</u>	Winter Peak Load (MW)
Dr. Leonardo E. Green	FPL	<u>LEG-5</u>	Winter Peak Load Per Customer (KW)
Dr. Leonardo E. Green	FPL	<u>LEG-6</u>	Summer Peak Weather
Dr. Leonardo E. Green	FPL	<u>LEG-7</u>	Comparison of 2004 & 2006 Need Determination Forecast
Dr. Leonardo E. Green	FPL	<u>LEG-8</u>	Comparison of Global Insight's Forecasts of Florida Real Personal Income
Dr. Leonardo E. Green	FPL	<u>LEG-9</u>	Net Energy for Load Use Per Customer (KWH)
Dr. Leonardo E. Green	FPL	<u>LEG-10</u>	Net Energy for Load (GWH)
Dr. Leonardo E. Green	FPL	<u>LEG-11</u>	Non-Agricultural Employment

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Dr. Leonardo E. Green	FPL	<u>LEG-12</u>	Comparison of 2004 & 2005 Need Determination Forecast – Real Price of Electricity
Dr. Leonardo E. Green	FPL	<u>LEG-13</u>	Comparison of 2006 Need Determination & Current Forecast
David N. Hicks	FPL	<u>DNH-1</u>	Typical 3x1 CC Unit Process Diagram
David N. Hicks	FPL	<u>DNH-2</u>	FPL Operational Combined Cycle Plants & FPL Combined Cycle Construction Projects in Progress
David N. Hicks	FPL	<u>DNH-3</u>	West County Plant Vicinity Map
David N. Hicks	FPL	<u>DNH-4</u>	West County Plant Aerial Map
David N. Hicks	FPL	<u>DNH-5</u>	West County Proposed Power Block Area
David N. Hicks	FPL	<u>DNH-6</u>	West County Unit 1 Fact Sheet
David N. Hicks	FPL	<u>DNH-7</u>	West County Unit 2 Fact Sheet
David N. Hicks	FPL	<u>DNH-8</u>	Overall Water Balance for the West County Site
David N. Hicks	FPL	<u>DNH-9</u>	West County Expected Construction Schedule
David N. Hicks	FPL	<u>DNH-10</u>	West County Construction Cost Components
Steven Scroggs	FPL	<u>SDS-1</u>	Notice Publication Affidavits
Steven Scroggs	FPL	<u>SDS-2</u>	List of Registered RFP Participants and Attendees at RFP Meetings

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Rene Silva	FPL	<u>RS-1</u>	Comparison of Projected Gas-Coal Price Differentials
Rene Silva	FPL	<u>RS-2</u>	FPL's Plan for Capacity Additions for 2009 through 2013
Rene Silva	FPL	<u>RS-3</u>	FPL's Projected Energy Mix in 2014
Rene Silva	FPL	<u>RS-4</u>	List of Proposals Received by FPL in Response to Part 1 of its RFP, and the Capacity, Technology and Term of Each Proposal
Rene Silva	FPL	<u>RS-5</u>	Economic Ranking of Portfolios Reflecting Each of the Proposals Received, Compared to FPL's Next Planned Generating Unit (NPGU)
Dr. Steven R. Sim	FPL	<u>SRS-1</u>	Projection of FPL's 2009-2011 Capacity Needs
Dr. Steven R. Sim	FPL	<u>SRS-2</u>	FPL's Commission-Approved DSM Goals
Dr. Steven R. Sim	FPL	<u>SRS-3</u>	Overview of FPL Self-Build Options Evaluated
Dr. Steven R. Sim	FPL	<u>SRS-4</u>	Economic Evaluation Results for FPL Self-Build Options
Dr. Steven R. Sim	FPL	<u>SRS-5</u>	List of Organizations Submitting Proposals & Proposal Overview
Dr. Steven R. Sim	FPL	<u>SRS-6</u>	Proposal Details
Dr. Steven R. Sim	FPL	<u>SRS-7</u>	Economic Evaluation Results for Individual Proposals

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Dr. Steven R. Sim	FPL	<u>SRS-8</u>	Summary of Portfolios Evaluated
Dr. Steven R. Sim	FPL	<u>SRS-9</u>	Economic Evaluation Results for Portfolios – Generation System Costs Only
Dr. Steven R. Sim	FPL	<u>SRS-10</u>	Economic Evaluation Results for Portfolios – Generation System and Transmission-Related Costs Only
Dr. Steven R. Sim	FPL	<u>SRS-11</u>	Calculation of Peak Hour Loss Cost for Portfolio 5 (WCEC 1 and P1)
Dr. Steven R. Sim	FPL	<u>SRS-12</u>	Calculation of Annual Energy Loss Cost for Portfolio 5 (WCEC 1 and P1)
Dr. Steven R. Sim	FPL	<u>SRS-13</u>	Economic Evaluation Results for Portfolios – All Costs
Dr. Steven R. Sim	FPL	<u>SRS-14</u>	Non-Economic Evaluation Results
Dr. Steven R. Sim	FPL	<u>SRS-15</u>	Eligibility Determination Evaluation Results
Dr. Steven R. Sim	FPL	<u>SRS-16</u>	Projection of FPL’s 2006-2011 Capacity Needs with Updated Load Forecast (without New Resource Additions)
Dr. Steven R. Sim	FPL	<u>SRS-17</u>	Projection of FPL’s 2006-2011 Capacity Needs with Updated Load Forecast (with Additional DSM and New Near-Term Purchases)

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
Dr. Steven R. Sim	FPL	<u>SRS-18</u>	Projection of FPL's 2006-2011 Capacity Needs with Updated Load Forecast (with Additional DSM, New Near-Term Purchases with WCEC 1 and WCEC 2)
Dr. Steven R. Sim	FPL	<u>SRS-19</u>	Change in FPL System Costs if WCEC 1 is Delayed to 2010 (A 7 Month Delay from June 2009 to January 2010)
Dr. Steven R. Sim	FPL	<u>SRS-20</u>	Change in FPL System Costs if WCEC 1 is Delayed to 2010 (A One Year Delay from June 2009 to June 2010)
Alan S. Taylor	FPL	<u>AST-1</u>	Resume of Alan S. Taylor
Alan S. Taylor	FPL	<u>AST-2</u>	Sedway Consulting's Independent Evaluation Report

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

XI. PROPOSED STIPULATIONS

FPL and Staff propose the stipulated positions on Issues 1-13, as identified in Section IX, to resolve all issues in this docket.

XII. PENDING MOTIONS

There are no pending motions at this time.

XIII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

XIV. RULINGS

Opening statements, if any, shall not exceed ten minutes per party.

It is therefore,

ORDERED by Commissioner Isilio R. Arriaga, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Isilio Arriaga, as Prehearing Officer, this 24th day of May, 2006.


ISILIO ARRIAGA
Commissioner and Prehearing Officer

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.