



Progress Energy

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October 16, 2006

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

Re: Contents of Petition, Rule 25-22.081; Undocketed

Dear Ms. Bayó:

I am enclosing for filing on behalf of Progress Energy Florida, Inc. ("PEF") and Florida Power & Light Company ("FPL") our joint comments in the above referenced matter for preparation of the October 18, 2006 Staff Workshop.

Sincerely,

R. Alexander Glenn

RAG/lms
Enclosure

Progress Energy Florida, Inc.
106 S. College Avenue
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Tallahassee, FL 32301

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THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS:

25-22.081 Contents of Petition.

(1) Petition for Fossil or Nuclear Fuel Electric Plants.

Petitions submitted to commence a proceeding to determine the need for a proposed fossil or nuclear fuel electrical power plant or responses to the Commission's order commencing such a proceeding shall comply with the other requirements of Chapter 25-22, F.A.C., as to form and style except that a utility may, as its option, submit its petition in the same format and style as its application for site certification pursuant to Sections 403.501 through 403.517, Florida Statutes, so long as the informational requirements of this rule and Chapter 25-22, F.A.C., are satisfied.

The petition, to allow the Commission to take into account the need for electric system reliability and integrity, the need for adequate reasonable cost electricity, the need for fuel diversity and supply reliability, and the need to determine whether the proposed plant is the most cost effective alternative available, shall contain the following information:

- (a1) A general description of the utility or utilities primarily affected, including the load and electrical characteristics, generating capability, and interconnections.
- (b2) A general description of the proposed electrical power plant, including the size, number of units, fuel type and supply modes, the approximate costs, and projected in-service date or dates.
- (c3) A statement of the specific conditions, contingencies or other factors which indicate a need for the proposed electrical power plant including the general time within which the generating units will be needed. Documentation shall include historical and forecasted summer and winter peaks, number of customers, net energy for load, and load factors with a discussion of the more critical operating conditions. Load forecasts shall identify the model or models on which they

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were based and shall include sufficient detail to permit analysis of the model or models. If a determination is sought on some basis in addition to or in lieu of capacity needs, such as fuel diversity oil blackout, then detailed analysis and supporting documentation of the projected costs and benefits is required. Where a determination is sought for a nuclear power plant, the non-binding estimate provided for in Section 25-22.081(2)(b) shall be considered to be a sufficient basis of costs for purposes of this Section.

(~~d~~4) A summary discussion of the major available generating alternatives which were examined and evaluated in arriving at the decision to pursue the proposed generating unit. The discussion shall include a general description of the generating unit alternatives, including purchases where appropriate; and an evaluation of each alternative in terms of economics, reliability, long-term flexibility and usefulness and any other relevant factors such as fuel diversity and fuel supply reliability. These major generating technologies generally available and potentially appropriate for the timing of the proposed plant and other conditions specific to it shall be discussed. In addition, each investor-owned utility shall include a detailed description of the selection process used and a detailed description of the generating unit alternatives proposed by each finalist, if any, selected to participate in subsequent contract negotiations pursuant to Rule 25-22.082, F.A.C. No provision of Rule 25-22.082, Florida Administrative Code, shall be applicable to a nuclear power plant sited after June 19, 2006.

(~~e~~5) A discussion of viable nongenerating alternatives including an evaluation of the nature and extent of reductions in the growth rates of peak demand, KWH consumption and oil consumption resulting from the goals and programs adopted pursuant to the Florida Energy Efficiency and Conservation Act both historically and prospectively and the effects on the timing and size of the proposed plant.

(~~f~~6) An evaluation of the adverse consequences which will result if the proposed electrical power plant is not added in the approximate size sought or in the approximate time sought.

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(g7) If the generation addition is the result of a purchased power agreement between an investor owned utility and a nonutility generator, the petition shall include a discussion of the potential for increases or decreases in the utility's cost of capital, the effect of the seller's financing arrangements on the utility's system reliability, any competitive advantage the financing arrangements may give the seller and the seller's fuel supply adequacy.

(2) In addition to complying with (1)(a) through (g) above, a nuclear plant petition shall contain the following information:

(a) A description of how the proposed nuclear power plant will enhance the reliability of electric power production within the state by improving the balance of power plant fuel diversity and reducing Florida's dependence on fuel oil and natural gas.

(b) A description of and a nonbinding estimate of the cost of the nuclear power plant.

(c) The annualized base revenue requirement for the first 12 months of operation of the nuclear power plant, based on the nonbinding estimate of the cost of the nuclear power plant.

Specific Authority: 350.127(2), 366.05(1) FS.

Law Implemented: 403.519 FS

History-New 12-22-81, Formerly 25-2.133, 25-22.81, Amended 1-10-94, _____.