

Matilda Sanders

From: Dana Greene [DanaG@hgslaw.com]
 Sent: Tuesday, November 14, 2006 2:11 PM
 To: Filings@psc.state.fl.us
 Cc: ljacobs50@comcast.net; barmstrong@ngn-tally.com; psimms@nrhc.org; Jennifer Brubaker; Katherine Fleming; jeanne@wildlaw.org
 Subject: Docket 060635-EU

ORIGINAL

Attachments: Preliminary List of Issues & Positions of FMPA, JEA, RCID & City of Tallahassee.pdf

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Preliminary
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Electronic Filing

a. Person responsible for this electronic filing:

Gary V. Perko
 Hopping Green & Sams, P.A.
 123 S. Calhoun Street
 Tallahassee, FL 32301
 1-850-425-2359
 garyp@hgslaw.com

b. Docket No. 060635-EU

In re: Petition To Determine Need For an Electrical Power Plant in Taylor County

c. Document being filed on behalf of Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and City of Tallahassee

d. There are a total of 4 pages.

e. The document attached for electronic filing is the Preliminary List of Issues and Positions of Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and City of Tallahassee

Thank you for your cooperation.

Dana Greene, Legal Assistant to
 William H. Green, Gary V. Perko & Virginia C. Dailey Hopping Green & Sams, P.A.
 123 South Calhoun Street
 P.O. Box 6526
 Tallahassee, Florida 32314
 850-425-3437 (direct)
 850-224-8551 (fax)
 danag@hgslaw.com

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FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition To Determine Need For an Electrical Power Plant in Taylor County by Florida Municipal Power Agency, JEA, Reedy Creek Improvement District and City of Tallahassee.

DOCKET NO. 060635-EU

DATED: November 14, 2006

PRELIMINARY LIST OF ISSUES AND POSITIONS OF FLORIDA MUNICIPAL POWER AGENCY, JEA, REEDY CREEK IMPROVEMENT DISTRICT AND CITY OF TALLAHASSEE

Florida Municipal Power Agency (FMPA), JEA, Reedy Creek Improvement District (RCID) and the City of Tallahassee (Tallahassee), collectively referred to as the Participants, hereby submit their Preliminary List of Issues and Positions:

ISSUE 1: Is there a need for the proposed Taylor Energy Center (TEC) generating unit, taking into account the need for electric system reliability and integrity, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC is needed to satisfy each Participant's forecast capacity requirements and to maintain their respective reserve margins. Fuel diversity and supply reliability also will be increased through the capability to utilize fuel sourced from multiple international and domestic supply regions. The use of demonstrated supercritical pulverized coal technology will also increase reliability.

ISSUE 2: Is there a need for the proposed TEC generating unit, taking into account the need for adequate electricity at a reasonable cost, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC was identified as the most cost-effective unit addition available to each of the Participants. A comprehensive economic analysis was performed for each Participant, including numerous sensitivity analyses. TEC was identified as the most cost-effective alternative for each Participant in all of these analyses.

ISSUE 3: Is there a need for the proposed TEC generating unit, taking into account the need for fuel diversity and supply reliability, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC will increase fuel diversity and supply reliability for each Participant and the State of Florida as a whole. TEC will be capable of utilizing fuel sourced from multiple international and domestic supply regions with multiple transportation alternatives.

ISSUE 4: Are there any conservation measures taken by or reasonably available to the Florida Municipal Power Agency, JEA, Reedy Creek Improvement District, and the City of Tallahassee (Participants) which might mitigate the need for the proposed TEC generating unit?

Participants: No. The Need for Power Application presents an analysis of conservation and demand side management (DSM) measures. This analysis demonstrates that there are no conservation measures taken by or reasonably available to the Participants which mitigate the need for the unit. Consistent with Commission precedent, FMPA and JEA evaluated DSM alternatives using the Florida Integrated Resource Evaluator (FIRE) model. None of the measures were determined cost-effective under the Commission-approved methodology. Tallahassee's DSM evaluation was developed to be consistent with the methodology used in recent internal evaluations. If the DSM measures result in the assumed capacity reductions, Tallahassee's capacity need for TEC may be delayed until 2016, but such a delay would not affect Tallahassee's economic need for TEC. RCID and its customers continually evaluate opportunities for energy conservation and additional energy conservation for RCID is not feasible at this time.

ISSUE 5: Is the proposed TEC generating unit the most cost-effective alternative available, as this criterion is used in Section 403.519, Florida Statutes?

Participants: Yes. TEC is the most cost-effective alternative available to the Participants to satisfy forecast capacity requirements. This determination was made by conducting comprehensive, detailed economic analyses of each of the Participants' systems considering numerous other available generating and DSM alternatives.

ISSUE 6: Based on the resolution of the foregoing issues, should the Commission grant Participants' petition to determine the need for the proposed TEC generating unit?

Participants: Yes. The Commission should grant the petition for determination of need for TEC. TEC provides the Participants and Florida electric system reliability and integrity, adequate electricity at a reasonable cost, fuel diversity and supply reliability and is the most cost-effective alternative available. There also are no conservation measures taken by or reasonably available to the Participants which mitigate the need for the unit.

ISSUE 7: Should this docket be closed?

Participants: Yes. When the Commission has issued its final order in the case and the time for reconsideration has passed, this docket should be closed.

Respectfully submitted this 14th day of November, 2006.

//S// Gary V. Perko
Gary V. Perko
Carolyn S. Raepple
Virginia C. Dailey
HOPPING GREEN & SAMS, P.A.
123 South Calhoun Street (32301)
P. O. Box 6526
Tallahassee, Florida 32314
Phone: 850/222-7500
Fax: 850/224-8551
Email: GPerko@hgslaw.com
CRaepple@hgslaw.com
VDailey@hgslaw.com

Attorneys for Florida Municipal Power
Agency, JEA, Reedy Creek Improvement
District, and the City of Tallahassee

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petitioners' Preliminary List of Issues and Positions in Docket No. 060635-EU was served upon the following by U.S. Mail and electronic mail(*) on this 14th day of November, 2006:

Brian P. Armstrong, Esq.*
7025 Lake Basin Road
Tallahassee, FL 32312

Jennifer Brubaker, Esq.*
Katherine Fleming, Esq.*
Legal Division
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

E. Leon Jacobs, Jr. *
Williams, Jacobs & Associates, LLC
P.O. Box 1101
Tallahassee, Florida 32302

Jeanne Zokovitch Paben*
Brett M. Paben
WildLaw
1415 Devils Dip
Tallahassee, FL 32308-5140

Patrice L. Simms*
Natural Resources Defense Council
1200 New York Ave., NW, Suite 400
Washington, DC 20005

Harold A. McLean, Esq.
Office of Public Counsel
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400

Valerie Hubbard, Director
Department of Community Affairs
Division of Community Planning
2555 Shumard Oak Blvd.
Tallahassee, FL 32399-2100

Buck Oven
Michael P. Halpin
Department of Environmental Protection
2600 Blairstone Road MS 48
Tallahassee, FL 32301

//S//Gary V. Perko

Attorney