

STATE OF FLORIDA

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Public Service Commission

July 15, 2003

VIA ELECTRONIC FILING

The Honorable Magalie R. Salas  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *Ex Parte* Comments in Docket No. EL02-101-001, Cleco Power LLC, et al**

Dear Ms. Salas:

Forwarded herewith is a copy of a letter sent to Chairman Pat Wood, Commissioner Nora Mead Brownell and Commissioner William L. Massey by Chairman Lila A. Jaber in the above-referenced docket.

Sincerely,

/ s /

Cynthia B. Miller, Esquire  
Office of Federal and Legislative Liaison

CBM:tys  
Enclosure

LILA A. JABER  
CHAIRMAN

STATE OF FLORIDA



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## Public Service Commission

July 15, 2003

Chairman Pat Wood  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *Ex Parte* Comments in Docket No. EL02-101-001, Cleco Power LLC, et al**

Dear Chairman Wood:

The Florida Public Service Commission (FPSC) files in support of the SeTrans Sponsors' July 3 Petition for Rehearing of the June 4 "Order Granting and Denying Requests for Rehearing." The SeTrans Sponsors sought rehearing of the portion of the June 4 Order, discussing the treatment of the rates for bundled retail transmission service. The concern relates to language in the Order that would appear to require review, and therefore approval, by the Federal Energy Regulatory Commission (FERC) of retail rates.

On the one hand, there is language in the Order that provides a comfort level that the FERC is not over-stepping into State jurisdiction. In Paragraph 17, the Order states: "[W]e clarify that the Commission's [October 10, 2002] Order did not assert jurisdiction over the transmission rate component of bundled retail service." This language is consistent with the FPSC's prior comments in this regard.

On the other hand, the FERC Order then states that the October 10 Order required that the Independent System Administrator (ISA) put in place service agreements that explicitly state that the transmission rate to be charged for the transmission service, which will be re-sold to retail customers, will become part of the costs paid for by bundled customers. It appears that the requirements place the transmission component of state-set rates, and non-jurisdictional rates for non-jurisdictional entities, for bundled retail service under the same FERC regulatory umbrella as FERC-set rates for wholesale transmission service provided by jurisdictional entities.

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As SeTrans Sponsors urged, the FERC should rescind or clarify P.19 of the June 4 Order. It may be that, as the SeTrans Sponsors noted, the statements in the June 4 Order only meant that the agreements between the ISA and the transmission customers should provide that State-set rates will govern transmission services performed as part of a bundled retail service. If so, FERC should clearly state this. FERC should clarify that the rates for bundled retail transmission services will be the rates set by the states and non-jurisdictional entities and that the jurisdictional retail transmission rates need not be specified. The FERC also could clarify that the rates are filed for informational purposes only, and are not subject to FERC approval.

Thank you in advance for your consideration of our letter.

Sincerely,

/ s /

Lila A. Jaber  
Chairman

CBM:tys  
cc: Commissioner Nora Mead Brownell  
Commissioner William L. Massey  
Parties on FERC Service List