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RECORDS AND REPORTING

June 7, 2001

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

Re: Docket Number 000824

Dear Ms. Bayo:

I am enclosing for filing and distribution in the above-referenced matter the original and 15 copies of Reliant Energy Power Generation Inc.'s:

- ▶ Petition to Intervene

Please acknowledge receipt of the above on the extra copy of the petition for return to my office.

Thank you for your assistance.

Yours truly,

Joe A. McGlothlin

Joseph A. McGlothlin

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FPSC-RECORDS/REPORTING

MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A.

Done 6/08/01

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light)
) Docket No. 000824-EI
)
) Filed: June 7, 2001
)

RELIANT ENERGY POWER GENERATION, INC.'S
PETITION TO INTERVENE

Pursuant to Rules 25-22.039 and 28-106.205, Florida Administrative Code, Reliant Energy Power Generation, Inc., through its undersigned counsel, submits its Petition to Intervene, and in support thereof states:

1. The name and address of the Petitioner is:

Reliant Energy Power Generation, Inc.
P.O. Box 6187 (77208-1867)
1111 Louisiana Street-43rd Floor
Houston, Texas 77002
Telephone: 713-207-7234
Telecopier: 713-207-0141

2. Copies of all pleadings, notices, and orders in this Docket should be provided to:

Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301

Michael G. Briggs, Senior Counsel
Reliant Energy Power Generation, Inc.
801 Pennsylvania Avenue, Suite 620
Washington, D.C. 20004

3. Statement of Substantial Interests. Reliant Energy Power Generation, Inc. ("Reliant Energy") is a developer of independent power projects throughout the United States. Reliant Energy has acquired certain generation assets in Florida that were formerly owned by the Orlando Utilities

Commission, which it is employing in the wholesale generation market . Reliant Energy is also developing a 500 MW combustion turbine project in Osceola County. In addition, pursuant to contractual arrangements between Reliant Energy and El Paso Energy Corporation, Reliant Energy will market the output of two combustion turbine projects located in Pasco and Hardee Counties that total 1105 MW. In short, Reliant Energy has made a significant commitment to Florida, and is a substantial stakeholder in Florida's developing wholesale generation market. Reliant Energy is exploring opportunities to add to its already considerable presence in the Florida wholesale market. Its ability and willingness to do so depend, in large measure, on its conviction that the structural framework essential to effective wholesale competition will be in place. One such essential component is access to an adequate transmission system, the governance of which is structurally independent and non-discriminatory. In this docket the Commission will consider, among other things, the prudence of Florida Power Corporation's ("FPC") participation in "Grid Florida," a regional transmission organization ("RTO") that is the subject of an application before the Florida Energy Regulatory Commission ("FERC") filed jointly by Florida Power and Light Company, Tampa Electric Company, and FPC. Implicit in the Commission's consideration of the prudence of FPC's participation in the joint application, and of the impact of Grid Florida on retail customer classes, is the issue of whether the RTO would provide benefits to Florida's ratepayers. Inasmuch as the joint applicants have suspended certain activities associated with the development of GridFlorida pending the Commission's actions in this and related dockets, an indisputable nexus exists between the actions contemplated in this proceeding and the formation of the RTO . In other words, the decisions made and actions taken in this docket will affect the type of transmission facilities, transmission service, and transmission system governance that will prevail in a market in

which Reliant Energy has expended hundreds of millions of dollars to participate as a wholesale provider, thereby affecting Reliant Energy's substantial interests.

4. Reliant Energy wishes to protect its interests by preserving its opportunity to ensure that a proper factual record is developed and to participate in the formulation of policies that will affect its vital interests. During the May 29, 2001 agenda conference the Commission clarified and elaborated on the purposes of this and related dockets. One of the purposes of this docket, as it was articulated at that time, is to obtain the type of information regarding the GridFlorida RTO that will enable the Commission to give guidance to the Governor's 2020 Energy Committee and equip the Commission to provide information to the Florida Legislature. Another stated purpose is to provide the joint applicants an opportunity to demonstrate the relative costs and benefits of the RTO. Inasmuch as the Commission has acknowledged that this docket is imbued with aspects of factfinding and policymaking, Reliant Energy's interests are, by definition, of the type that this proceeding is designed to protect. *Agrico Chemical Co. v. Department of Environmental Regulation*, 406 So. 2d 478 (Fla. 2d DCA, 1981).

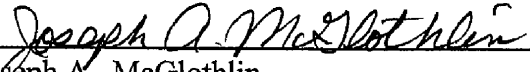
5. Statement of Disputed Issues of Material Fact. While the disputed issues of material fact cannot be identified with certainty at this point, Reliant Energy anticipates they will include the following:

- (a) Will the formation and administration of GridFlorida lead to the development of a more competitive wholesale market?
- (b) Will the benefits of GridFlorida to ratepayers in the form of a more competitive generation market outweigh its costs?
- (c) In view of the factual data presented in this and related proceedings, what policy position should the Commission adopt regarding the formation of GridFlorida?

Reliant Energy reserves the right to address these and other issues as its interest may require.

6. Ultimate Facts Alleged. Ratepayers will benefit from a robustly competitive wholesale generation market. While legal impediments to the creation of a fully competitive wholesale market presently exist in Florida, nonetheless ultimately an RTO such as Grid Florida is needed to achieve that objective.

WHEREFORE, Reliant Energy Power Generation, Inc. requests the Commission to enter an Order authorizing it to intervene with full-party status.


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email: michael-briggs@reliantenergy.com

ATTORNEYS FOR RELIANT ENERGY POWER GENERATION, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing, filed on behalf of Reliant Energy Power Generation, Inc., has been furnished by U.S. mail and by hand-delivery (*) on this 7th day of June, 2001 to the following:

*Robert Elias
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Paul Lewis, Jr.
106 East College Avenue, Suite 800
Tallahassee, Florida 32301-8738

Florida Retail Federation
100 E. Jefferson Street
Tallahassee, Florida 32301

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