

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

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

Submitted for Filing: July 10, 2001

FLORIDA POWER CORPORATION'S RESPONSE TO THE PETITION TO INTERVENE OF CPV ATLANTIC, LTD.

RECEIVED-FPSC 01 JUL 10 PM 4: 18 COMMISSION CLERK

Florida Power Corporation ("FPC" or the "Company"), pursuant to Rule 28-106.201, F.A.C., respectfully responds to the petition to intervene of CPV Atlantic, Ltd. ("CPV Atlantic") and states:

1. CPV Atlantic is interested in this proceeding because the Florida Public Service Commission (the "Commission"), has made the Company's involvement with the Regional Transmission Organization ("RTO") known as GridFlorida an issue in it. CPV Atlantic alleges in its petition that its substantial interests are affected in this proceeding because it allegedly has "invested substantial financial resources to participate as a wholesale provider" in a market affected by any actions taken in this proceeding. Petition to Intervene, ¶ 6. (emphasis supplied). In particular, CPV Atlantic alleges that it has the "necessary governmental approvals to construct an electric generating facility in Florida" and, therefore, will "sell into the wholesale market," using the "Florida transmission line grid system," and that it's development of additional

electrical generation facilities in Florida "depends, in significant part, on its access to an adequate electric transmission system." Petition to Intervene, ¶ 5. (emphasis supplied). As a result, CPV Atlantic claims an interest in only those issues of material fact concerning GridFlorida. Petition to Intervene, ¶ 6a-e.

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2. CPV Atlantic does not and cannot allege that it is a retail customer of FPC, nor does it allege that it has any interest in participating in this docket to protect ratepayer interests. CPV Atlantic alleges no interest in the issues affecting the rates to be paid by FPC's retail customers.

3. The Commission's potential pairing in this docket of the disparate issues of the prudence of FPC's involvement with GridFlorida and the review of FPC's retail rates puts FPC in a difficult position with respect to the petitions to intervene of entities claiming an interest in the proceeding only to the extent that it concerns GridFlorida, like CPV Atlantic. On the one hand, in view of their allegations about their involvement in the Florida wholesale electric market and the Commission's decision to consider GridFlorida issues here, FPC does not object to their intervention to protect their alleged interests in the GridFlorida issues. On the other hand, if the Commission uses the same docket for reviewing FPC's retail rates, FPC does not believe that the standing of parties, such as CPV Atlantic, that is predicated on involvement in Florida's wholesale electric market should automatically confer standing to participate in issues associated with the retail rate review.

4. As a result, FPC has reached an agreement with certain entities claiming standing predicated on their alleged involvement in Florida's wholesale electric market, e.g. Calpine Corporation and Duke Energy North America, that it will not object to their intervention on the GridFlorida issues subject to the reservation of FPC's right to object to their standing on other issues. Calpine Corporation and Duke Energy North America have agreed that FPC's position is reasonable and have consented to this limitation on their right to intervene.

5. FPC likewise believes that the best way to minimize its interference with the GridFlorida aspect of this docket, while at the same time protecting its rights concerning

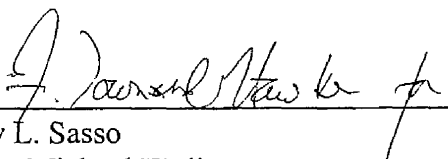
intervention in any retail rate review that is conducted herein, is to acquiesce in CPV Atlantic's intervention on the GridFlorida issues while reserving its rights to object to CPV Atlantic's standing to participate in other issues which FPC believes do not involve CPV Atlantic's substantial interests. As noted, CPV Atlantic has alleged no substantial interest that might in any way be affected by the aspects of this docket involving the review of FPC's retail rates.

Accordingly, FPC acquiesces in CPV Atlantic's intervention in this docket with respect to the separate, disparate issues with respect to GridFlorida with the understanding that FPC is reserving its rights to object to CPV Atlantic's standing with respect to any other issue at the time that the Commission or CPV Atlantic identifies a non-GridFlorida-related issue that CPV Atlantic regards as affecting its substantial interests.

WHEREFORE, if CPV Atlantic Ltd. is permitted to intervene in this docket in order to protect its alleged interests in the GridFlorida issues in this docket, if any, FPC respectfully reserves its rights to object to CPV Atlantic's standing to participate with respect to any non-GridFlorida-related issues.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery

(where indicated by \*) and via U.S. Mail to the following this 10<sup>th</sup> day of July 2001.

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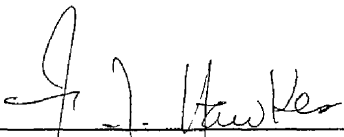
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