

3. Statement of Substantial Interests in this Proceeding. In this docket, the Commission will consider Florida Power Corporation's ("FPC's") participation in the formation of a Regional Transmission Organization ("RTO"), for peninsular Florida. NEG is a developer of independent power projects throughout the United States. NEG has certain generation assets in Florida, specifically, Indiantown Cogeneration, L.P., a facility located in Martin County, Florida, and Cedar Bay Generating Company, L.P., a facility located in Duval County, Florida. Further, NEG is pursuing the development and construction of additional electric generating facilities in Florida. Its ability to do so depends, in significant part, on its access to an adequate electric transmission system, the governance of which is structurally independent and non-discriminatory. Implicit in the Commission's consideration of the prudence of FPC's participation in the RTO, and the RTO's impact on retail customer classes, is the issue of whether the RTO would provide benefits to Florida's ratepayers. Inasmuch as FPC and other investor-owned utilities 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. Actions taken pursuant to this docket will affect the nature of transmission facilities, transmission service, and transmission system governance in a market in which NEG has invested substantial financial resources to participate as a wholesale provider. Thus, NEG's substantial interests are affected in this proceeding. Agrico Chemical Co. v. Department of Environmental Regulation, 406 So.2d 478 (Fla 2d DCA, 1981).

4. Statement of Disputed Issues of Material Fact. The following are anticipated to be disputed issues of material fact in this proceeding:

a. Whether the formation and administration of GridFlorida would lead to the development of a robust competitive wholesale market;

b. The effect of FPC's participation in GridFlorida RTO on the adequacy, reliability, and cost of electric transmission capacity in the Florida market;

c. Whether the benefits of GridFlorida to ratepayers in the form of a competitive generation market outweigh its costs;

d. What policy position should the Commission adopt regarding the formation of GridFlorida; and

e. What are the impacts of FPC's participation in the GridFlorida RTO on retail ratepayers.

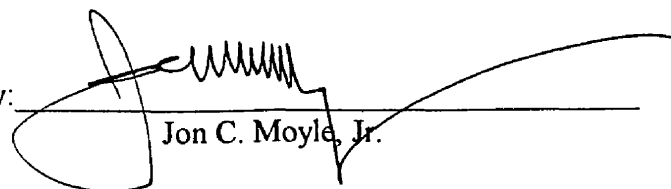
5. Ultimate Facts Alleged. Ratepayers will benefit from a competitive wholesale generation market. A RTO, such as GridFlorida, and FPC and other investor-owned utilities' participation in the RTO, is necessary in order to achieve those benefits.

WHEREFORE, PG&E National Energy Group Company respectfully requests the Commission to enter an Order authorizing it to intervene and participate as a full party in this proceeding.

Respectfully submitted,

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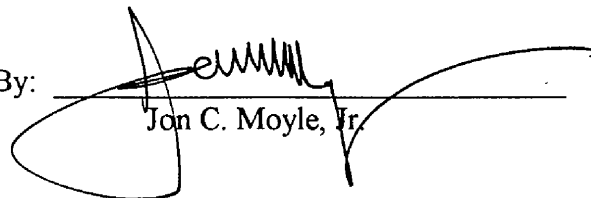
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