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COMMISSION  
CLERK

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July 20, 2001

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

VIA FEDERAL EXPRESS

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

Dear Ms. Bayo:

Florida Power Corporation ("FPC" or the "Company") is filing herewith an original, disc and fifteen (15) copies of Florida Power Corporation's Response to the Petition to Intervene of PG&E National Energy Group Company.

We request you acknowledge receipt and filing of the above by stamping the additional copy of this letter and returning it to me in the self-addressed, stamped envelope provided.

If you or your Staff have any questions regarding this filing, please contact me at (727) 821-7000.

Very truly yours,

*Gary L. Sasso*  
Gary L. Sasso

Enclosure  
Counsel of Record

RECEIVED & FILED  
*RLM*  
FPSC-BUREAU OF RECORDS

FLORIDA PUBLIC SERVICE COMMISSION  
DIVISION OF ADMINISTRATION  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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**In re: Review of Florida Power Corporation's Earnings, Including Effects of Proposed Acquisition of Florida Power Corporation by Carolina Power & Light**

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DOCKET NO. 000824-EI

Submitted for Filing:  
July 23, 2001

**FLORIDA POWER CORPORATION'S RESPONSE TO THE PETITION TO INTERVENE OF PG&E NATIONAL ENERGY GROUP COMPANY**

Florida Power Corporation ("FPC" or the "Company"), pursuant to Rule 28-106.204, F.A.C., respectfully responds to the petition to intervene of PG&E National Energy Group Company ("PG&E") and states:

1. PG&E 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. PG&E 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 the actions taken in this proceeding. Petition to Intervene, ¶ 3. (emphasis supplied). In particular, PG&E alleges that it has "certain generation assets in Florida" and "is pursuing the development and construction of additional electric generating facilities in Florida" and, therefore, "depends, in significant part, on its access to an adequate electric transmission system." Petition to Intervene, ¶ 3. (emphasis supplied). As a result, PG&E claims an interest in only those issues of material fact concerning GridFlorida. Petition to Intervene, ¶ 4a-e.

2. PG&E 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. PG&E alleges no interest in the issues affecting the rates to be paid by FPC's retail customers.

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FPSC-COMMISSION CLERK

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 PG&E. 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 PG&E, 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.

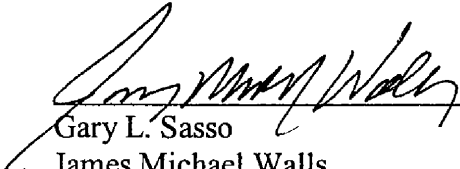
5. FPC likewise believes that the best way to minimize its interference with the GridFlorida aspect of this docket, while at the same time protecting its rights concerning intervention in any retail rate review that is conducted herein, is to acquiesce in PG&E's intervention on the GridFlorida issues while reserving its rights to object to PG&E's standing to participate in other issues which FPC believes do not involve PG&E's substantial interests. As noted, PG&E 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 PG&E'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 PG&E's standing with respect to any other issue at the time that the Commission or PG&E identifies a non-GridFlorida-related issue that PG&E regards as affecting its substantial interests.

WHEREFORE, if PG&E 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 PG&E's standing to participate with respect to any non-GridFlorida-related issues.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via U.S. Mail to the following this 20<sup>TH</sup> day of July, 2001.

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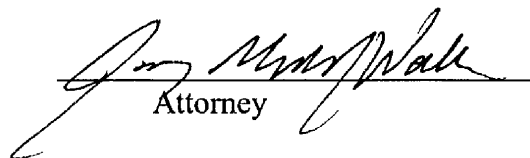
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