

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

In re: Review of Florida Power & Light Company's proposed merger with Entergy Corporation, the formation of a Florida transmission company ("Florida transco"), and their effect on FPL's retail rates.

DOCKET NO. 001148-EI

In re: Review of Tampa Electric Company and impact of its participation in GridFlorida, a Florida Transmission Company, on TECO's retail ratepayers.

DOCKET NO. 010577-EI

Filed: _____

CPV ATLANTIC, LTD.'S
PREHEARING STATEMENT OF ISSUES AND POSITIONS

CPV Atlantic, Ltd. ("CPV Atlantic"), pursuant to the Order Establishing Procedure (Phase 1) and Granting Joint Motion to Partially Alter Dates for Filing Testimony in these dockets, Order No. PSC-01-1549-PCO-EI, issued July 26, 2001, and Uniform Rule 28-106.211, Florida Administrative Code, hereby files its Prehearing Statement of Issues and Positions.

A. Witnesses.

None at this time.

B. Exhibits.

None at this time.

C. Statement of Basic Position.

The Commission should issue an order approving establishment of a regional transmission organization for Florida that integrates the characteristics and performs the functions of an RTO set forth in Order No. 2000. An independent RTO, appropriately formed and

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operated, could successfully address impediments to an efficient, reliable electric transmission grid and could foster wholesale competition which should benefit Florida ratepayers in the form of lower electricity rates.

D. Issues of Fact.

Issue 1: Is participation in a regional transmission organization (RTO) pursuant to FERC Order No. 2000 voluntary?

CPV Atlantic: No position at this time.

Issue 2: What are the benefits to Peninsular Florida associated with the utility's (FPC, FPL, or TECO) participation in GridFlorida?

CPV Atlantic: An RTO, if properly implemented, will provide greater system efficiencies from the existing supply infrastructure. Additionally, it should provide access to a broader array of additional supply options through a competitive wholesale electricity market. Generally, an RTO will improve efficiencies in transmission grid management, improve grid reliability and remove impediments to competitive supply entry. Florida consumers' access to power supply alternatives would be further enhanced through uniform interconnection procedures for merchant generation, coordination of planning functions, and enhanced transmission expansion and upgrade activities.

Issue 3: What are the benefits to the utility's ratepayers of its participation in GridFlorida?

CPV Atlantic: An RTO should benefit ratepayers by facilitating enhanced grid reliability and more efficient power supply. Since an RTO should consider all resources under its control in assuring reliability and selecting the least cost supply solutions without regard to economic benefit to any utility affiliate, it is expected to be more efficient and reliable than the existing local level of system control. Likewise, unified transmission system operation and planning should lower transmission costs through economies of scale and the elimination of duplicative practices. An RTO will provide the operational independence and infrastructure necessary to facilitate a viable, competitive wholesale market. In general, a competitive wholesale market will provide consumers with access to a broader array of

generation supply alternatives, including merchant generation where the investment risk is borne primarily by the market participants.

Issue 4: What are the estimated costs to the utility's ratepayers of its participation in GridFlorida?

CPV Atlantic: No position at this time.

Issue 5: Is TECO/FPL's decision to transfer ownership and control of its transmission facilities of 69 kV and above to GridFlorida appropriate?

and

Is FPC's decision to transfer operational control of its transmission facilities of 69 kV and above to GridFlorida while retaining ownership appropriate?

CPV Atlantic: No position at this time.

Issue 6: Is the utility's decision to participate in GridFlorida prudent?

CPV Atlantic: Yes.

E. Policy Issues.

Issue 7: What policy position should the Commission adopt regarding the formation of GridFlorida?

CPV Atlantic: The Commission should adopt a policy position that recognizes the benefits of a robust, competitive wholesale power market in Florida and support the establishment of an independent grid management structure that will ensure the development of competitive wholesale generation markets to increase Florida load's access to generation supply and to promote efficient system operation. The Commission should support establishment of an RTO to accomplish these objectives.

Issue 11: Is a Regional Transmission Organization for the Southeast region of the United States a better alternative for Florida than the GridFlorida RTO?

CPV Atlantic: No position at this time.

F. Issues of Law.

Issue 8: Is Commission authorization required before the utility can unbundle its retail electric service?

CPV Atlantic: No position at this time.

Issue 9: Is Commission authorization required before the utility can stop providing retail transmission service?

CPV Atlantic: No position at this time.

Issue 10: Is Commission authorization required before the FPC can transfer operational control of its retail transmission assets?

and

Is Commission authorization required before FPL/TECO can sell its retail transmission assets?

CPV Atlantic: No position at this time.

G. Stipulated Issues.

CPV Atlantic is not aware of any stipulated issues at this time.

H. Pending Motions.

At this time, CPV Atlantic is aware of the following pending motions and petitions:

OPC - Response in Opposition to FPC's Proposal, filed on May 21, 2001 (Docket No. 000824)

CPV Atlantic - Petition to Intervene, filed on May 25, 2001 (Docket No. 001148).

Reliant Energy Power Generation, Inc. - Petition to Intervene, filed on June 7, 2001 (Docket Nos. 010577, 001148 and 000824).

FPL - Response to CPV Atlantic's Petition to Intervene, filed on June 8, 2001 (Docket No. 001148).

OPC - Response in Opposition to (FPL's, TECO's and FPC's) Petition to Determine Prudence of Formation of and Participation in GridFlorida, LLC., filed on June 15, 2001

(Docket Nos. 010577, 001148 and 000824).

Florida Industrial Power Users Group - Petition to Intervene, filed on June 18, 2001 (Docket No. 010577).

FPL - Response to Reliant's Petition to Intervene, filed on June 20, 2001 (Docket No. 001148).

CPV Atlantic, Ltd. - Petition to Intervene, filed on June 28, 2001 (Docket Nos. 010577 and 000824).

Duke Energy North America - Petition to Intervene, filed on June 28, 2001 (Docket Nos. 010577, 001148 and 000824).

Calpine Corporation - Petition to Intervene, filed on June 28, 2001 (Docket Nos. 010577, 001148 and 000824).

FPC - Motion for Reconsideration of the Requirement in Order PSC-01-1348-PCO-EI to Hold Revenues Subject to Refund, filed on July 2, 2001 (Docket No. 000824).

FPC - Request for Oral Argument on Motion for Reconsideration of Order PSC-01-1348-PCO-EI, filed on July 2, 2001 (Docket No. 000824).

OPC - Request in Opposition to FPC's Motion for Reconsideration, filed on July 6, 2001 (Docket No. 000824).

Florida Municipal Power Agency - Petition to Intervene, filed on July 6, 2001 (Docket Nos. 001148 and 000824).

Mirant Americas Development, Inc. - Petition to Intervene, filed on July 9, 2001 (Docket Nos. 010577, 001148 and 000824).

Enron Corporation - Petition to Intervene, filed on July 2, 2001 (Docket Nos. 010577, 001148 and 00824).

FPC - Response to the Petition to Intervene of CPV Atlantic, Ltd., filed on July 10, 2001 (Docket No. 00824).

PG&E National Energy Group Company - Petition to Intervene, filed on July 10, 2001 (Docket Nos. 010577, 001148 and 000824).

FPL (Butler) - Response to FMPA's Petition to Intervene, filed on July 10, 2001, Docket No. 001148).

Dynegy, Inc. - Petition to Intervene, filed on July 18, 2001 (Docket No. 001148).

FPC - Response to PG&E's Petition to Intervene, filed on July 23, 2001 (Docket No. 001148).

FPL - Response to PG&E's Petition to Intervene, filed on July 23, 2001, (Docket No. 001148).

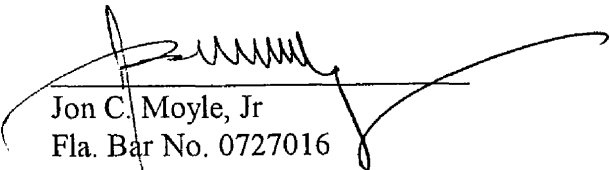
FPC - Response to FMPA's Petition to Intervene, filed on July 25, 2001 (Docket No. 000824).

FPC - Response to Walt Disney World's Petition to Intervene, filed on July 25, 2001 (Docket No. 000824).

TECO - Motion for leave to file testimony and exhibits out of time, filed on August 16, 2001 (Docket No. 010577).

Seminole Electric Cooperative, Inc. - Petition to Intervene, filed on September 4, 2001 (Docket Nos. 010577, 001148 and 000824).

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of CPV Atlantic, Ltd.'s Prehearing Statement of Issues and Positions was served by U.S. Mail this 12th day of September 2001 to the following persons.

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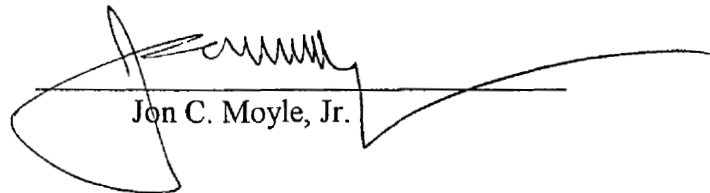
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