



Florida Power
A Progress Energy Company

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ASSOCIATE GENERAL COUNSEL
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February 06, 2001

Mr. Lee Colson
Division of Safety & Electric Reliability
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

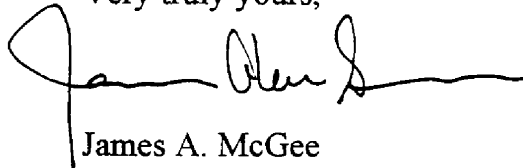
Re: Proposed Rule Development; Rule 25-6.065,
Interconnection of Small Photovoltaic Systems.

Dear Mr. Colson:

As requested by Staff at the conclusion of the Rule Development Workshop, held January 10, 2001 in the subject matter, enclosed is Florida Power Corporation's Post-Workshop Comments.

Please feel free to contact me if you or other Staff members assigned to this proposed rule development should have any questions regarding the enclosed comments.

Very truly yours,



James A. McGee

JAM/scc
Enclosure

cc: Mr. Jim Dean, Division of Policy
Analysis & Intergovernmental Liason

Division of Records and Reporting

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**PROPOSED RULE DEVELOPMENT
RULE 25-6.065, INTERCONNECTION
OF SMALL PHOTOVOLTAIC SYSTEMS**

**FLORIDA POWER CORPORATION'S
POST-WORKSHOP COMMENTS**

Florida Power listened with interest to the comments of the participants at the January 10th rule development workshop and continues its consideration of the issues raised. At this juncture, however, Florida Power has not formulated any definitive proposals or positions concerning the proposed rule development and, instead, offers several preliminary observations.

With respect to the amount of liability insurance to be required of the interconnecting customer, the comments of Florida Power & Light appeared well founded. In particular, FPL offered a reasonable middle ground with its suggestion (as Florida Power understood it) that a reduction in insurance coverage might be acceptable if coupled with additional language limiting the utility's liability.

With respect to the issue of net metering, Florida Power is concerned with its potential divisiveness and an impediment to consensus it presents. PV advocates seem to view net metering as the ultimate litmus test for progressive regulation, and if it truly were a key to encouraging PV use, one could understand the adamant resistance of these PV advocates to utilities and cost-of-service purists who see net metering as a blatant example of cross-subsidization and a disturbing precedent for the broader subject of distributed generation. However, the information available to Florida Power suggests the amount of excess energy produced by small PV systems is so little that any incentive provided by net metering of this energy is inconsequential and not worth the lost opportunity for consensus that reasonable alternatives to net metering might provide.

Florida Power looks forward to reviewing the post-workshop comments of others and to further participation in this proceeding.

2/6/01