

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

**POTENTIAL ISSUES TO BE CONSIDERED BY PUBLIC SERVICE COMMISSION
STAFF ON THIS DOCKET**

Dynegy Mid-Stream Services, Limited Partnership, ("Dynegy Midstream"), in response to the request contained in the Public Service Commission ("PSC") Memorandum of May 17, 2001, to all parties of record , hereby files the following as potential issues to be considered by PSC staff for this Docket No. 001148-EI:

A. The following issues related to the pending Joint Motion to Establish a Separate Generic Docket to Determine on an Expedited Basis the Prudence of Formation and Participation in GridFlorida by Florida Power & Light Company, Tampa Electric Company and Florida Power Corporation (hereinafter referred to as the "Joint Movants") should be considered:

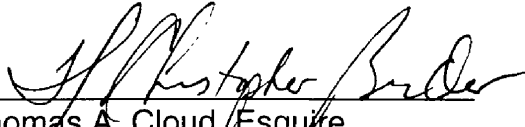
1. The potential cost benefits to be derived from the formation of GridFlorida by Florida wholesale and retail electric customers, transmission customers, municipal utilities, independent power producers and electric cooperatives from the elimination of "pancaked" transmission costs.
2. The relatively small startup costs of GridFlorida to Florida electric and transmission ratepayers as compared to the potential cost of installing

adequate transmission capacity to address the future electricity needs within the State of Florida.

3. The general need for expansion of and upgrades to the transmission system within the State of Florida to accommodate new generation and to increase import-export interfaces with SERC and how the formation of GridFlorida might address those needs.
4. The need for a functional regional transmission organization such as GridFlorida even prior to full wholesale electric competition in the State of Florida to support municipal utilities, electric cooperatives and independent power producers which have in the past and will continue to develop power generation facilities which are not required to gain approval pursuant to the Power Plant Siting Act.
5. Whether the Federal Energy Regulatory Commission ("FERC") Order 2000 mandate that a regional transmission organization be formed by the Joint Movants in a timely manner to promote competition in electric sales and the potential repercussion for failure to do so rises to the level of a requirement that GridFlorida be formed.
6. Whether common issues exist among the Joint Movants and all transmission utilities within the State of Florida would be addressed in a combined generic proceeding on the formation of GridFlorida and the potential conservation of resources and cost savings in addressing these common issues in a combined proceeding.

7. Any potential benefit that would be derived by Florida wholesale and retail rate payers by permitting an expedited determination of the prudence of the formation of and participation in GridFlorida by the Joint Movants given the relationship of transmission availability and cost with rates for electricity charged by municipal utilities, independent power producers, electric cooperatives and others relying on transmission services within the State of Florida.

WHEREFORE, Dynegy Midstream requests that the Florida Public Service Commission consider the above issues in its May 24, 2001, meetings.


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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Facsimile to the following parties of record and interested parties, this 23rd day of May, 2001:

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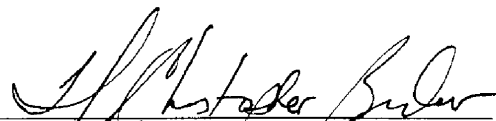
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