

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

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**DATE:** June 29, 2001  
**TO:** Parties of Record  
**FROM:** Wm. Cochran Keating, Senior Attorney  
**RE:** Docket No. 001148-EI - Review of Florida Power & Light Company's proposed merger with Entergy Corporation, the formation of a Florida Transco, and their effect on Florida Power & Light's retail rates.

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Attached is the Commission staff's preliminary list of issues related to the GridFlorida phase of the above-referenced docket.

If you have any questions about this document, please call me at (850) 413-6193.

WCK/jb

Attachment

cc: Division of Economic Regulation  
Division of Policy Analysis and Intergovernmental Liaison  
Division of Safety and Electric Reliability  
Division of Regulatory Oversight  
Division of Competitive Services

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DOCUMENT NUMBER - DATE

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FPSC - RECORDS MANAGEMENT

## STAFF'S PRELIMINARY LIST OF ISSUES

### DOCKET NO. 001148-EI - GRIDFLORIDA (FPL)

#### LEGAL

1. Can the Commission deny recovery of any expenses incurred by FPL to form and participate in GridFlorida?

#### BENEFITS

2. What are the expected benefits to FPL's ratepayers attributable to the elimination of discrimination through open transmission access resulting from the company's participation in GridFlorida and when will those benefits occur?
3. What are the expected benefits to FPL's ratepayers associated with transferring functions and/or activities from the regulated utility to GridFlorida or GridFlorida related entities and when will those benefits occur?
4. What are the expected benefits to FPL's ratepayers attributable to facilitation of competition in the wholesale generation market resulting from the company's participation in GridFlorida and when will those benefits occur?
5. What are the net benefits to FPL's ratepayers resulting from the company's participation in GridFlorida and when will those benefits occur?

#### RATE BASE

6. What are the appropriate amounts and components of rate base to transfer and/or allocate to GridFlorida?
7. What are the appropriate amounts and components of capital structure to transfer and/or allocate to GridFlorida?

#### REVENUES AND EXPENSES

8. What is the amount of the company's share of start-up costs associated with GridFlorida?
9. What are the appropriate amounts of revenues and expenses to transfer and/or allocate to GridFlorida?
10. What is the amount of the net increase/decrease in revenue requirements to the utility due to participation in GridFlorida?

## RATES

11. How and when should costs associated with the company's participation in GridFlorida be recovered?
12. How and when should costs associated with the company's participation in GridFlorida that exceed the costs currently included in base rates be recovered from retail ratepayers?
13. How should revenue requirements associated with transmission costs be allocated among rate classes?

## POLICY

14. If net benefits cannot be demonstrated, or will accrue at some future date, should transmission costs recovered from retail ratepayers remain at or below current levels until such benefits are realized?