

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** July 5, 2001  
**TO:** Parties of Record.  
**FROM:** Cochran Keating, Senior Attorney *WCK*  
**RE:** Docket No. 000824-EI - Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.

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Attached is a Compilation of Proposed Issues related to the GridFlorida review phase of the above-referenced docket. This compilation consists of all issues proposed by staff, parties, and interested persons at the issue identification meeting held Monday, July 2, 2001. Also attached is a table identifying those proposed issues that staff believes are repetitive or closely related. These documents are being provided to the Prehearing Officer in preparation for the Prehearing Issue Identification Conference to be held Monday, July 9.

If you presented issues at the July 2 issue identification meeting and those issues are not included in this compilation, or if you have any other questions, please contact Deborah Hart at (850) 413-6216 or Roberta Bass at (850) 413-6654.

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

08322 JUL-90

FPSC-RECORDS/REPORTING

Docket No. 000824-EI (GridFlorida Review)

In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light

## COMPILATION OF PROPOSED ISSUES

### Florida Power Corporation

1. Is Florida Power's decision to participate in a RTO the most prudent alternative in light of FERC's Order No. 2000?
2. Is the GridFlorida proposal advanced by Florida Power, FPL and Tampa Electric prudent, given the parameters established by FERC in its Order No. 2000?
3. What are the benefits to the State of Florida associated with the GridFlorida proposal advanced by Florida Power, FPL and Tampa Electric for the formation and operation of a RTO?
4. What are the estimated costs of Florida Power's retail customers for its participation in GridFlorida, and how should those costs be recovered?
5. What factors support Florida Power's decision to transfer operational control of its transmission facilities of 69 kV and above to GridFlorida while retaining ownership?

### CPV Atlantic, Ltd.

6. Will the formation and administration of GridFlorida lead to the development of a robust competitive wholesale market?
7. What is the effect of FPC's participation in GridFlorida RTO on the adequacy, reliability, and cost of electric transmission capacity in the Florida market?
8. Do the benefits of GridFlorida to ratepayers in the form of a competitive generation market outweigh its costs?
9. What policy position should the Commission adopt regarding the formation of GridFlorida?
10. What is the impact of FPC's participation in the GridFlorida RTO on retail ratepayers?

Duke Energy North America and Calpine Corporation

11. What are the net benefits to customers of forming GridFlorida?
12. What are the expected benefits attributable to the elimination of discrimination through open transmission access resulting from the company's participation in GridFlorida?
13. What are the expected benefits attributable to economies of scale and scope resulting from the company's participation in GridFlorida?
14. Will the establishment of GridFlorida stimulate the development of a competitive wholesale electricity market in Florida?
15. What are the benefits to retail ratepayers of a robust, competitive wholesale power market?
16. Will the establishment of GridFlorida enhance Florida's grid reliability?

Reliant Energy Power Generation, Inc.

17. Will the formation and administration of GridFlorida lead to the development of a more competitive wholesale market?
18. Will the benefits of GridFlorida to ratepayers in the form of a more competitive generation market outweigh its costs?
19. In view of the factual data presented in this and related proceedings, what policy position should the Commission adopt regarding the formation of GridFlorida?

Commission Staff

20. Is participation in an RTO by a FERC jurisdictional utility voluntary?
21. Can the Commission deny recovery of any expenses incurred by FPC to form and participate in GridFlorida?
22. What are the expected benefits to FPC'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?
23. What are the expected benefits to FPC'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?
24. What are the expected benefits to FPC'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?

25. What are the net benefits to FPC's ratepayers resulting from the company's participation in GridFlorida and when will those benefits occur?
26. What are the appropriate amounts and components of rate base to transfer and/or allocate to GridFlorida?
27. What are the appropriate amounts and components of capital structure to transfer and/or allocate to GridFlorida?
28. What is the amount of the company's share of start-up costs associated with GridFlorida?
29. What are the appropriate amounts of revenues and expenses to transfer and/or allocate to GridFlorida?
30. What is the amount of the net increase/decrease in revenue requirements to the utility due to participation in GridFlorida?
31. 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?

Office of Public Counsel

32. Is Commission authorization required before Florida Power Corporation can unbundle its retail electric service? If so, should Florida Power Corporation be required to continue providing bundles retail service?
33. Is Commission authorization required before Florida Power Corporation can stop providing retail transmission service? If so, should Florida Power Corporation be required to continue providing retail transmission service?
34. Is Commission authorization required before Florida Power Corporation can transfer operational control of its retail transmission assets? If so, should Florida Power Corporation be permitted to transfer operational control of its retail transmission assets now subject to the Commission's jurisdiction?
35. Should Florida Power Corporation's voluntary transfer of operation control of its retail transmission assets to GridFlorida LLC have any adverse effect on retail rates?

SIMILAR OR REPETITIVE PROPOSED ISSUES

<u>Issue Numbers</u>	<u>Subject Matter</u>
6, 14, 17	Competitive wholesale market
8, 11, 18, 24	Net benefits of participation in GridFlorida
7, 16	Grid reliability
9, 19	Policy position on the formation of GridFlorida
12, 21	Benefits of elimination of discrimination

State of Florida



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**DATE:** July 5, 2001  
**TO:** Parties of Record  
**FROM:** Cochran Keating, Senior Attorney *WCK*  
**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 a Compilation of Proposed Issues related to the GridFlorida review phase of the above-referenced docket. This compilation consists of all issues proposed by staff, parties, and interested persons at the issue identification meeting held Monday, July 2, 2001. Also attached is a table identifying those proposed issues that staff believes are repetitive or closely related. These documents are being provided to the Prehearing Officer in preparation for the Prehearing Issue Identification Conference to be held Monday, July 9.

If you presented issues at the July 2 issue identification meeting and those issues are not included in this compilation, or if you have any other questions, please contact Cochran Keating at (850) 413-6193 or Roberta Bass at (850) 413-6654.

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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Docket No. 001148-EI (GridFlorida Review)

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.

## COMPILATION OF PROPOSED ISSUES

### Florida Power & Light Company

1. Is FPL's decision to participate in a RTO the most prudent alternative in light of FERC's Order No. 2000?
2. Is the GridFlorida proposal advanced by FPL, FPC and Tampa Electric prudent, given the parameters established by FERC in its Order No. 2000?
3. What are the benefits to the State of Florida associated with the GridFlorida proposal advanced by FPL, Tampa Electric, and FPC for the formation and operation of a RTO?
4. What are the estimated costs of FPL's retail customers for its participation in GridFlorida, and how should those costs be recovered?
5. What factors support FPL's decision to transfer ownership and control of its transmission facilities of 69 kV and above to GridFlorida?

### CPV Atlantic, Ltd.

6. Will the formation and administration of GridFlorida lead to the development of a robust competitive wholesale market?
7. What is the effect of FPL's participation in GridFlorida RTO on the adequacy, reliability, and cost of electric transmission capacity in the Florida market?
8. Do the benefits of GridFlorida to ratepayers in the form of a competitive generation market outweigh its costs?
9. What policy position should the Commission adopt regarding the formation of GridFlorida?
10. What is the impact of FPL's participation in the GridFlorida RTO on retail ratepayers?

### Duke Energy North America and Calpine Corporation

11. What are the net benefits to customers of forming GridFlorida?
12. What are the expected benefits attributable to the elimination of discrimination through open transmission access resulting from the company's participation in GridFlorida?
13. What are the expected benefits attributable to economies of scale and scope resulting from the company's participation in GridFlorida?
14. Will the establishment of GridFlorida stimulate the development of a competitive wholesale electricity market in Florida?
15. What are the benefits to retail ratepayers of a robust, competitive wholesale power market?
16. Will the establishment of GridFlorida enhance Florida's grid reliability?

### Reliant Energy Power Generation, Inc.

17. Will the formation and administration of GridFlorida lead to the development of a more competitive wholesale market?
18. Will the benefits of GridFlorida to ratepayers in the form of a more competitive generation market outweigh its costs?
19. In view of the factual data presented in this and related proceedings, what policy position should the Commission adopt regarding the formation of GridFlorida?

### Commission Staff

20. Is participation in an RTO by a FERC jurisdictional utility voluntary?
21. Can the Commission deny recovery of any expenses incurred by FPL to form and participate in GridFlorida?
22. 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?
23. 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?
24. 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?



25. What are the net benefits to FPL's ratepayers resulting from the company's participation in GridFlorida and when will those benefits occur?
26. What are the appropriate amounts and components of rate base to transfer and/or allocate to GridFlorida?
27. What are the appropriate amounts and components of capital structure to transfer and/or allocate to GridFlorida?
28. What is the amount of the company's share of start-up costs associated with GridFlorida?
29. What are the appropriate amounts of revenues and expenses to transfer and/or allocate to GridFlorida?
30. What is the amount of the net increase/decrease in revenue requirements to the utility due to participation in GridFlorida?
31. 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?

Office of Public Counsel

32. Is Commission authorization required before Florida Power & Light Company can unbundle its retail electric service? If so, should Florida Power & Light Company be required to continue providing bundles retail service?
33. Is Commission authorization required before Florida Power & Light Company can stop providing retail transmission service? If so, should Florida Power & Light Company be required to continue providing retail transmission service?
34. Is Commission authorization required before Florida Power & Light Company can sell its retail transmission assets? If so, should Florida Power & Light Company be permitted to sell the retail transmission assets now subject to the Commission's jurisdiction?
35. Should Florida Power & Light Company's voluntary transfer of retail transmission assets to GridFlorida LLC have any adverse effect on retail rates?
36. What value should be placed on the divested transmission assets for purposes of identifying any gain on sale?

SIMILAR OR REPETITIVE PROPOSED ISSUES

<u>Issue Numbers</u>	<u>Subject Matter</u>
6, 14, 17	Competitive wholesale market
8, 11, 18, 24	Net benefits of participation in GridFlorida
7, 16	Grid reliability
9, 19	Policy position on the formation of GridFlorida
12, 21	Benefits of elimination of discrimination

State of Florida



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**DATE:** July 5, 2001  
**TO:** Parties of Record  
**FROM:** Cochran Keating, Senior Attorney *WCK*  
**RE:** Docket No. 010577-EI - Review of Tampa Electric Company and impact of its participation in GridFlorida, a Florida Transmission Company, on TECO's retail ratepayers.

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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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Docket No. 010577-EI (GridFlorida Review)

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

## COMPILATION OF PROPOSED ISSUES

### Tampa Electric Company

1. Is Tampa Electric's decision to participate in a RTO the most prudent alternative in light of FERC's Order No. 2000?
2. Is the GridFlorida proposal advanced by FPC, FPL and Tampa Electric prudent, given the parameters established by FERC in its Order No. 2000?
3. What are the benefits to the State of Florida associated with the GridFlorida proposal advanced by Tampa Electric, FPC, and FPL for the formation and operation of a RTO?
4. What are the estimated costs to Tampa Electric's retail customers for its participation in GridFlorida?
5. What factors support Tampa Electric's decision to transfer ownership and control of its transmission facilities of 69 kV and above to GridFlorida?

### CPV Atlantic, Ltd.

6. Will the formation and administration of GridFlorida lead to the development of a robust competitive wholesale market?
7. What is the effect of Tampa Electric's participation in GridFlorida RTO on the adequacy, reliability, and cost of electric transmission capacity in the Florida market?
8. Do the benefits of GridFlorida to ratepayers in the form of a competitive generation market outweigh its costs?
9. What policy position should the Commission adopt regarding the formation of GridFlorida?
10. What is the impact of Tampa Electric's participation in the GridFlorida RTO on retail ratepayers?

### Duke Energy North America and Calpine Corporation

11. What are the net benefits to customers of forming GridFlorida?
12. What are the expected benefits attributable to the elimination of discrimination through open transmission access resulting from the company's participation in GridFlorida?
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19. In view of the factual data presented in this and related proceedings, what policy position should the Commission adopt regarding the formation of GridFlorida?

### Commission Staff

20. Is participation in an RTO by a FERC jurisdictional utility voluntary?
21. Can the Commission deny recovery of any expenses incurred by Tampa Electric to form and participate in GridFlorida?
22. What are the expected benefits to Tampa Electric'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?
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Office of Public Counsel

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