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July 9, 2001

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COMMISSION
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VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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

Dear Ms. Bayo:

Enron Corporation is filing herewith an original, disc
and fifteen (15) copies of its motion to intervene in the
above-referenced docket.

If you or your Staff has any questions regarding this
filing, please contact Bill Bryant or Natalie Futch at
(850) 224-9634.

Sincerely,

Bill L. Bryant, Jr.
Natalie B. Futch

Enclosures

cc: Parties of Record
Interested Parties

NBF:pah:BLB

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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 000824-EI

Submitted for filing:
July 9, 2001

PETITION TO INTERVENE

Enron Corporation, pursuant to Florida Administrative Code Rules 25-22.039 and 28-106.205, petitions to intervene in this docket. As grounds supporting its petition to intervene, Enron states as follows:

1. The name and address of Petitioner is:

Enron Corporation
1400 Smith Street
Houston, Texas 77002-7361
Telephone: (713) 345-3544

2. All pleadings, orders and correspondence should be directed to Petitioner's representatives as follows:

Bill L. Bryant, Jr.
Natalie B. Futch
Katz, Kutter, Haigler, Alderman, Bryant & Yon, P.A.
106 East College Ave., 12th Floor
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Marchris Robinson
Manager, State Government Affairs
Enron Corporation
1400 Smith Street
Houston, Texas 77002-7361
Telephone: (713) 853-3342
Facsimile: (713) 646-8160

3. The Commission should grant Enron standing to intervene in this proceeding. Enron Corporation ("Enron") has a substantial and immediate interest in the

outcome of this proceeding that cannot adequately be represented by any other party. Enron's interest is of a type that this administrative proceeding is designed to protect.¹

A. Enron has a substantial interest in the outcome of this proceeding. Enron's substantial interests are affected by the outcome of this proceeding because of its projects in Florida that rely upon efficient and reliable transmission service. Enron's transmission-dependent projects include the following:

1. Enron has obtained or has pending the necessary governmental approvals to construct electric generating facilities in St. Lucie and Miami-Dade Counties and the City of Deerfield Beach, Florida.
2. Enron is seeking to execute an interconnection agreement with Florida Power & Light Company ("FPL") to link its electric generating facilities to FPL's transmission system; a system that FPL is proposing to transfer to GridFlorida Transco ("GridFlorida").
3. Enron's electric generating facilities will sell into the wholesale market the facilities' output, using the Florida transmission line grid system (GridFlorida).
4. When the above-described projects are complete, Enron will be producing in excess of 1000 MW of electric energy in Florida.

B. Enron's injury is immediate. As the nation's leading electricity wholesale marketer, Enron's ability to deliver power on the wholesale market to retail-serving utilities is entirely dependent upon its access to an open, non-discriminatory, reliable and efficient transmission grid. Further, Enron's ability to develop and operate facilities for the production of electric energy in Florida is dependent upon the existence of a properly structured Regional Transmission Organization ("RTO"), such as GridFlorida.

Enron has been and continues to be an active participant in the GridFlorida proceedings in Florida and at the FERC. Enron has filed comments to the Compliance Filing for GridFlorida at FERC. Additionally, Enron serves on several committees that are working to implement GridFlorida.

As proposed to the FERC, GridFlorida RTO will address the operational and reliability issues confronting participants in the Florida electric industry, while endeavoring to establish open and non-discriminatory access to transmission services.² GridFlorida aims to improve efficiencies in transmission and grid management.

Pursuant to its authority under the Energy Policy Act of 1992, the Federal

¹ See § 120.52(12)(b), FLA. STAT. (2000); *Agrico Chemical Co. v. Dept. of Env't'l Reg.*, 406 So. 2d 478, 482 (Fla. 2d DCA 1981), *rev. denied* 415 So. 2d 1359 (Fla. 1982).

² See Order on Compliance Filing, GridFlorida, LLC, et al., 94 FERC ¶ 61,363 (March 28, 2001).

Energy Regulatory Commission (“FERC”) issued Order No. 2000. Order No. 2000 established a national policy that it is in the public interest for all jurisdictional public utilities that own, operate, or control facilities for transmitting electric energy in interstate commerce to make certain filings with respect to the formation and participation in an RTO.³ Specifically, the FERC directed all jurisdictional utilities that owned, operated, or controlled interstate transmission facilities to file with the FERC by October 15, 2000, either:

1. A proposal to participate in a RTO that would be operational no later than December 15, 2001, or
2. An alternative filing describing efforts to participate in a RTO, obstacles to RTO participation and any plans and time tables for future efforts to overcome such obstacles.

The purpose of Order No. 2000 is to promote wholesale electricity markets. On October 16, 2000, and supplemented on December 15, 2000, pursuant to §§ 203 and 205 of the Federal Power Act and FERC Order No. 2000, Tampa Electric Company (“TECO”), FPL and Florida Power Corporation (“FPC”) submitted a joint response to Order No. 2000 requesting authorization from the FERC to create GridFlorida. GridFlorida was the product of a collaborative process involving a wide range of participants in the Florida electricity markets. Participants in forming GridFlorida include investor-owned, municipal and rural retail-serving utilities, regulators, including the FERC and Staff of the Florida Public Service Commission, and independent power producers, including Enron.

Enron's suffers an immediate injury in fact as a result of delay in or suspension of GridFlorida activities. Enron's participation in the Florida Reliability Coordinating Council (“FRCC”) and in the GridFlorida proposal includes as follows:

1. A representative from Enron serves on the executive committee of the FRCC, and Enron has participated in the FRCC since its creation. Enron is represented on all FRCC standing committees, and Enron is actively involved in ensuring that the reliability standards in Florida meet the North American Electric Reliability Council (“NERC”) criteria.
2. Enron is a committed stakeholder in the GridFlorida process. Enron is active in discussions, attended the meetings and is an active participant in all proceedings.
3. A representative from Enron is among 13 Advisory Committee members who will represent the Marketing/Trading group in GridFlorida.

³ See 65 Fed. Reg. 809 (January 6, 2000), order on rehearing, Order No. 2000-A, 65 Fed. Reg. 12,088 (March 8, 2000), appeal pending *sub nom. Public Utility District No. 1 of Snohomish County v. Federal Energy Regulatory Commission*, Nos. 00-1174, et. al. (D.C. Cir.).

4. A representative from Enron is chair of the Market Design Working Group for GridFlorida, and Enron is active in all aspects of GridFlorida related to market design.

On March 28, 2001, the FERC issued its order provisionally granting RTO status to GridFlorida. On May 3, 2001, however, the Staff of this Commission filed recommendations that directly challenged the prudence of FPL's and FPC's [and, by implication TECO's] decisions to join an RTO, in general, and to form and participate in GridFlorida, in particular.⁴ On May 15, 2001, this Commission approved Staff's Recommendations challenging the prudence of forming GridFlorida.

On May 17, 2001, in response to this Commission's action challenging the prudence of GridFlorida, TECO, FPL and FPC ("Joint Applicants") jointly filed with the FERC a notice of their decision to temporarily suspend development of GridFlorida. The Joint Applicants stated that the resolution of the complex issues raised by this Commission creates uncertainty and is critical to the continued viability of GridFlorida.

Enron has a substantial and immediate interest in this outcome of this Commission's prudency review of GridFlorida for two primary reasons:

1. Enron has an immediate interest in the formation of an efficient and reliable RTO in Florida and this proceeding has caused a suspension of GridFlorida activities; and
2. Enron has an immediate interest in transmission facilities, transmission system governance, transmission system functioning, including congestion management, and transmission facility access.

These issues are of critical importance to Enron's power production activities in Florida.

C. Enron's interest is of the type that this proceeding is designed to protect.⁵ In the expedited phase of this docket related to the prudence of RTO formation, the Commission will address policy, factual and possibly jurisdictional issues that relate to the net benefits and costs of the creation of a RTO. For example, during the May 29, 2001, Agenda Conference, the Commission stated that its intent with respect to this docket was, in part, to assist the Governor's Energy 2020 Study Commission and the Florida Legislature in answering questions related to the development of a RTO. In particular, the Commission said it will investigate how a RTO may assist in the creation of a robust, competitive wholesale market in Florida. As the nation's leading electricity wholesale marketer, Enron has a substantial and immediate interest in addressing the policy questions that the Commission will consider and that the 2020 Study Commission and the Florida Legislature will ultimately address.

⁴ Document filing 05601-01.

⁵ See *Agrico*, 406 So. 2d at 482.

The Commission's Office of Policy Analysis and Intergovernmental Liason ("PAI") has also proposed important preliminary policy issues in this docket. For example, one question the Commission has posed relates to the expected benefits attributable to facilitating competition in the wholesale generation market as a result of the participation in GridFlorida by Florida's investor-owned utilities.⁶

Enron's interest in resolving the issues surrounding facilitating competition in Florida's wholesale generation market is intertwined with the formation of a Florida RTO and is an interest that this type of proceeding is designed to protect. It is in this forum that this Commission will address critical issues such as whether facilitating the development of a RTO is in the best interests of the state as a whole and whether the form and function of GridFlorida is in the best interests of retail consumers.⁷ Enron has a substantial and immediate interest in the Commission's process and in the outcome of this proceeding that cannot adequately be represented by any other party. It is an interest of the type that this administrative proceeding is designed to address. The Commission should grant Enron standing to intervene in this proceeding.

4. Enron's motion to intervene is limited to the issues surrounding the formation of GridFlorida RTO. Counsel for Enron has contacted counsel for FPC, and Enron is authorized to represent that FPC has no objection to Enron's intervention in this docket so long as Enron's intervention is limited to the prudence of forming GridFlorida. FPC reserves the right to object to Enron's standing to participate in other issues which FPC believes do not involve Enron's substantial interest.

5. Enron states that there are disputed issues of material fact surrounding the formation of GridFlorida RTO.

- A. What are the net benefits to customers of forming GridFlorida? (PAI's Preliminary Issue No. 1)
- B. What are the expected benefits attributable to the elimination of discrimination through open transmission access resulting from the company's participation in GridFlorida? (PAI's Preliminary Issue No. 2)
- C. What are the expected benefits attributable to economies of scale and scope resulting from the company's participation in GridFlorida? (PAI's Preliminary Issue No. 3)
- D. Will the establishment of GridFlorida stimulate the development of a competitive wholesale electricity market in Florida?
- E. What are the benefits to retail ratepayers of a robust, competitive wholesale power market?

⁶ See PAI FPL/FPC Rate Case Issues submitted on May 23, 2001.

⁷ See May 24, 2001, Staff Recommendation at 3, 5.

F. Will the establishment of GridFlorida enhance Florida's grid reliability?

6. Enron alleges that the findings of fact will ultimately show that GridFlorida RTO is needed to achieve a competitive wholesale market in Florida. Ratepayers will benefit from a robustly competitive wholesale generation market. While legal impediments to the creation of a fully competitive wholesale market presently exist in Florida, ultimately a RTO, such as GridFlorida, is needed to achieve a vibrant competitive wholesale market.

Respectfully submitted,



Bill L. Bryant, Jr.

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Natalie B. Futch

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CERTIFICATE OF SERVICE

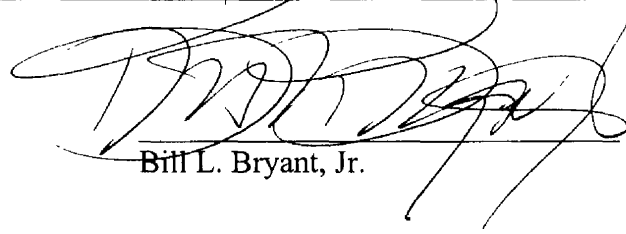
I HEREBY CERTIFY that a copy of the foregoing Petition to Intervene by Enron Corporation has been furnished by U.S. Mail or hand delivered to the following this 9th day of July, 2001.

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Office of Public Counsel Jack Shreve c/o The Florida Legislature 111 W. Madison St., Rm. 812 Tallahassee, FL 32399-1400	Greenberg, Traurig Law Firm Ron LaFace/Seann M. Frazier 101 E. College Ave. Tallahassee, FL 32301
McWhirter Law Firm John McWhirter P.O. Box 3350 Tampa, FL 33601-3350	

INTERESTED PARTIES:

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