

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

REVIEW OF FLORIDA POWER CORPORATION'S EARNINGS, INCLUDING EFFECTS OF PROPOSED ACQUISITION OF FLORIDA POWER CORPORATION BY CAROLINA POWER & LIGHT. DOCKET NO. 000824-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. DOCKET NO. 001148-EI

REVIEW OF TAMPA ELECTRIC COMPANY AND IMPACT OF ITS PARTICIPATION IN GRIDFLORIDA, A FLORIDA TRANSMISSION COMPANY, ON TECO'S RETAIL RATEPAYERS. DOCKET NO. 010577-EI

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Volume 2



PROCEEDINGS: PREHEARING CONFERENCE
BEFORE: COMMISSIONER BRAULIO L. BAEZ
Prehearing Officer
DATE: Friday, July 13, 2001
TIME: Commenced at 9:45 a.m.
Concluded at 9:53 a.m.
PLACE: Betty Easley Conference Center
Room 148, 4075 Esplanade Way
Tallahassee, Florida
REPORTED BY: KORETTA E. STANFORD, RPR
Official FPSC Reporter

FLORIDA PUBLIC SERVICE COMMISSION DOCUMENT NUMBER-DATE

08705 JUL 18 763

FPSC-COMMISSION CLERK

1 ADDITIONAL APPEARANCES:

2 JOSEPH A. McGLOTHLIN, McWhirter, Reeves Law Firm,
3 117 South Gadsden Street, Tallahassee, Florida 32301, appearing
4 on behalf of Reliant Energy Power Corporation, Inc.

5 FREDERICK BRYANT, 2061-2 Delta Way, Tallahassee,
6 Florida 32303, appearing on behalf of Florida Municipal Power
7 Agency.

8 MICHAEL TWOMEY, Post Office Box 5256, Tallahassee,
9 Florida 32314-5256, appearing on behalf of Sugarmill Woods
10 Civic Association.

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1 PROCEEDINGS

2 COMMISSIONER BAEZ: We'll call this prehearing to
3 order. This is a continuation of a July 9th prehearing issue
4 identification meeting. Counsel, is there a notice that we
5 need to read for this or are we just going to jump right in?

6 MS. HART: I'll state on the record that this was
7 originally noticed for Monday in a notice that, I believe, was
8 issued on June 25th. And at the conclusion of Monday's
9 meeting, the meeting was recessed and determined that it would
10 continue until this morning at 9:30, and we are now at 9:45.

11 COMMISSIONER BAEZ: Thank you for pointing that out.
12 I want to extend my apologies for my tardiness. It could not
13 be avoided, but we will endeavor to get out of here as soon as
14 possible. Just to let you know, what I intend to do today,
15 we've -- I've read your comments. I want to thank all of those
16 parties that provided comments and those that participated in
17 the providing of comments through others. They were very
18 helpful to me, I think they were very helpful to the Staff, and
19 I think we may be able to resolve all these issues.

20 What I want to do is take statements, if any of you
21 have statements to make. I'm not going to be ruling today.
22 What we're going to try and do is go back and based on your
23 comments and the written comments that you've provided, issue
24 an order by close of business Tuesday. So, we're going to be
25 working all weekend to get it out so that you can have the most

1 time possible to file your -- get your testimony in order. And
2 with that, we can start with Mr. Long, if you have anything to
3 say.

4 MR. LONG: Commissioner, good morning.

5 COMMISSIONER BAEZ: Good morning.

6 MR. LONG: Harry Long appearing on behalf of Tampa
7 Electric Company. Commissioner, we filed a formal statement
8 with our proposed set of issues, and at this time we don't have
9 anything further to add.

10 COMMISSIONER BAEZ: Okay. Mr. Willis.

11 MR. WILLIS: There's not anything additional I would
12 add.

13 COMMISSIONER BAEZ: Okay, great, thank you.

14 Mr. Childs.

15 MR. CHILDS: Same for Florida Power & Light.

16 COMMISSIONER BAEZ: Mr. McGee.

17 MR. MCGEE: If our comments have been read, I don't
18 think we need to add anything.

19 COMMISSIONER BAEZ: Ms. Kiesling.

20 MS. KIESLING: We're essentially in the same
21 position. We would just encourage you to be inclusive of
22 everyone's issues, to get a resolution that promotes --

23 COMMISSIONER BAEZ: I can assure you that's certainly
24 my paramount goal in all of this.

25 MS. KIESLING: Thank you.

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1 COMMISSIONER BAEZ: Mr. Moyle?

2 MR. MOYLE: I would just note for the record that in
3 addition to representing CPV Atlantic, PG&E National Energy
4 Group has filed petitions to intervene after the Monday
5 proceeding, so representing their interests as well, and we are
6 supportive of the position taken by TECO and Florida Power &
7 Light with respect to the issues and then the two subissues
8 that are laid out.

9 COMMISSIONER BAEZ: Thank you. Ms. Kaufman.

10 MS. KAUFMAN: Commissioner, Vicki Gordon Kaufman. I
11 wanted the record to reflect that this morning I'm here on
12 behalf of the Florida Industrial Power Users Group.

13 COMMISSIONER BAEZ: Many hats, Ms. Kaufman.

14 MS. KAUFMAN: Yeah. We e-mailed our comments, and if
15 they have been received --

16 COMMISSIONER BAEZ: They have been received.

17 MS. KAUFMAN: -- we would stand on those. Thank you.

18 COMMISSIONER BAEZ: Thank you. Mr. McGlothlin.

19 MR. MCGLOTHLIN: Good morning, sir. I'm Joe
20 McGlothlin of the McWhirter, Reeves law firm. I appear for
21 Reliant Energy Power Generation, Inc. Reliant Energy did
22 submit comments. I would like to elaborate on those comments
23 for just a second, if I may.

24 As we pointed out in the pleading, in our petition to
25 intervene, we raised three issues. One relates to whether an

1 RTO with GridFlorida will lead to the development of a more
2 competitive wholesale market. Another addresses whether the
3 benefits would outweigh the costs. And it appears to me that
4 in the various versions of issue formulations, those are going
5 to be covered in some way. We will find a home to address
6 those issues.

7 With respect to the third issue, which is in view of
8 the factual data presented in this related proceedings, what
9 policy position should the Commission adopt regarding the
10 formation of GridFlorida? It appears to me that this issue has
11 no home, either in the Monday's Staff list nor in the so-called
12 prudence issues that others have suggested to you.

13 And as we recited in the pleading, the Commission
14 said during the agenda conference when it ruled on the motion
15 to consolidate and again in a written order memorializing their
16 decision that, among other things, it intends to equip itself
17 in this docket to provide guidance to the 2020 Committee and
18 also to respond to questions from the legislature.

19 And I submit that at that point when the Commission
20 makes its presentation it's not going to say Utility A was
21 prudent, Utility B was not prudent. It's going to be talking
22 about the pros and cons from a policy standpoint and whether
23 the GridFlorida or other RTOs are a desirable thing to do or
24 not. And so, we think there is a distinction between the
25 addition of our issue and those that have been suggested by the

1 parties, and we ask you to in your inclusiveness also include
2 that policy statement.

3 COMMISSIONER BAEZ: Thank you, Mr. McGlothlin.
4 Mr. Howe.

5 MR. HOWE: Commissioner Baez, Roger Howe for the
6 Public Counsel's Office. We'll stand with the comments we
7 provided a couple days ago. If there are parties who have not
8 received copies of our comments, I put a few of them back here
9 on the little bar.

10 COMMISSIONER BAEZ: Those over there?

11 MR. HOWE: Yes.

12 COMMISSIONER BAEZ: Thank you. Mr. Bryant.

13 MR. BRYANT: Thank you, Commissioner. Fred Bryant,
14 counsel for the Florida Municipal Power Agency. We filed
15 petition to intervene in this proceeding this week. We had no
16 issues to add to the list, although I might point out, if I
17 might, Commissioner, that things at FERC are happening rather
18 rapidly as witnessed by the draft order that was ordered by
19 FERC Wednesday, I believe, ordering mediation for the
20 southeastern RTO and voluntary participation, whatever that
21 means, by GridFlorida.

22 COMMISSIONER BAEZ: There's that word voluntary
23 again.

24 MR. BRYANT: Yes, the word voluntary. Whenever that
25 comes from a writing from a regulatory agency you scrutinize it

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1 closely, whatever it means. And so, I think that we will see
2 some things happening at FERC that may well impact this
3 proceeding.

4 COMMISSIONER BAEZ: Thank you, Mr. Bryant.
5 Mr. Twomey.

6 MR. TWOMEY: Commissioner, I'm Mike Twomey. My
7 clients are supportive of the issues and positions taken by the
8 Office of Public Counsel.

9 COMMISSIONER BAEZ: Thank you, Mr. Twomey.

10 Is there anyone else that would like to enter
11 comments at this time? Seeing none, thank you all for coming,
12 thank you for providing your comments. And counsel, next thing
13 to do is at least I've committed to an end of Tuesday, so if
14 you're all right with that --

15 MS. HART: I'm going right back to my office right
16 now.

17 COMMISSIONER BAEZ: If not, live with it.

18 MS. HART: One other comment.

19 COMMISSIONER BAEZ: Yes.

20 MS. HART: For all the intervenors, I want to
21 apologize that we haven't gotten orders out yet. That will be
22 the next order of business is to get orders on interventions
23 out as soon as possible.

24 COMMISSIONER BAEZ: Thank you all for coming. We're
25 adjourned.

(Prehearing concluded at 9:53 a.m.)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

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5 I, KORETTA E. STANFORD, RPR, Official Commission
6 Reporter, do hereby certify that a Prehearing Conference was
heard at the time and place herein stated.

7 IT IS FURTHER CERTIFIED that I stenographically
8 reported the said proceedings; that the same has been
transcribed under my direct supervision; and that this
9 transcript constitutes a true transcription of my notes of said
proceedings.

10 I FURTHER CERTIFY that I am not a relative, employee,
11 attorney or counsel of any of the parties, nor am I a relative
or employee of any of the parties' attorneys or counsel
12 connected with the action, nor am I financially interested in
the action.

13 DATED this Tuesday, July 17, 2001.

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Koretta E. Stanford
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FPSC Official Commissioner Reporter
(850) 413-6734

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