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**FEDERAL EXPRESS**

Blanca S. Bayó, Director  
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Re: Docket No. 001148 -EI  
Filing of Dynegy Inc.'s Renewed Petition To Intervene

Dear Ms. Bayó:

Enclosed please find the original and seven (7) copies of Dynegy Inc.'s Renewed Petition to Intervene in the above-referenced docket.

Sincerely,

W. Christopher Browder

GRAY, HARRIS & ROBINSON, P.A.

WCB:gcj  
Enclosure

cc: All individuals on docketing service list

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TALLAHASSEE TAMPA  
FPSC-COMMISSION CLERK

**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

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Docket No.: 001148-EI

**DYNEGY INC.'S RENEWED PETITION TO INTERVENE**

Dynegy Inc. ("Dynegy"), pursuant to Rules 28-106.205 and 25-22.039, Florida

Administrative Code, hereby files this Petition to Intervene, and as grounds therefore, Dynegy  
states:

1. The name and address of the Movant is:

Dynegy Inc.  
c/o Thomas A. Cloud, Esquire  
Gray, Harris & Robinson, P.A.  
301 East Pine Street, Suite 1400  
P.O. Box 3068  
Orlando, Florida 32802-3068  
(407) 843-8880 Phone  
(407) 244-5690 Facsimile

2. All pleadings, orders and correspondence should be directed to Petitioner's

representatives as follows:

Thomas A. Cloud, Esquire  
Gray, Harris & Robinson, P.A.  
301 East Pine Street, Suite 1400  
P.O. Box 3068  
Orlando, Florida 32802-3068  
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(407) 244-5690 Facsimile

and

David Cruthirds, Esquire  
Dynergy Inc.  
1000 Louisiana Street, Suite 5800  
Houston, Texas 77002-5050  
(713) 507-6785 Phone  
(713) 507-6834 Facsimile

3. Dynergy is a corporation organized and existing under the laws of the State of Illinois, with corporate headquarters located in Houston, Texas. Dynergy is one of the country's leading marketers of energy products and services, occupying a significant position in power generation and marketing. Dynergy markets power in the Florida market.

4. On January 5, 2001, Dynergy filed a petition to intervene in this proceeding. On January 12, 2001, FPL filed a motion in opposition to Dynergy's intervention on the basis that Dynergy did not allege itself to be a retail customer of FPL and by arguing that Dynergy's petition to intervene was an intent to misdirect the proceedings towards issues related to the wholesale power market in Florida. On February 2, 2001, Dynergy filed a motion for leave to file an amended petition along with an amended petition to intervene with co-petitioner, Dynergy Midstream Services, L.P. ("Dynergy Midstream"), a retail customer of FPL. On March 14, 2001, the Florida Public Service Commission (the "Commission") issued an order granting Dynergy Midstream's petition to intervene, but denying Dynergy's request. Dynergy's petition to intervene was without prejudice and the Commission stated that "Should issues subsequently be identified that affect Dynergy's substantial interests, then Dynergy may petition for leave to intervene again."

5. Statement of Substantial Interests. In this docket the Commission will consider, among other issues, the prudence of FPL's participation in "GridFlorida", a regional transmission organization ("RTO"), to be formed by FPL, Florida Power Corporation and Tampa Electric Company (the "Joint Applicants"). GridFlorida (if formed) will own transmission lines throughout the state and will determine the availability of transmission services and the prices a wholesaler must pay to transmit its power through the RTO's transmission system. Therefore, the participation of FPL in GridFlorida will have a direct impact on the wholesale generation market because it will help determine the viability of the wholesale power market within Florida. Dynegy has announced the development of the Palmetto Power generation facility and another un-named merchant power plant in Osceola County, Florida. The operation of both of these projects will rely on the purchase by Dynegy of electric transmission services either from Florida Power & Light ("FPL") or an RTO, if formed by the Joint Applicants. Dynegy, therefore, has a substantial interest in assuring that the structural framework essential to the operation of its future Florida generating assets and to effective wholesale electric competition will be in place in Florida.

6. Some activities associated with the development of GridFlorida have been suspended by the Joint Applicants pending the Commission's actions on the issues in this docket and other related dockets. Therefore, a connection exists between the actions contemplated in this proceeding and the formation of the RTO by the Joint Applicants. The actions by the Commission in this docket regarding FPL's participation in the RTO will affect the types of transmission facilities, transmission services, and transmission system governance that will prevail in the Florida market and thereby affect Dynegy's activities as a wholesale electric

provider. Therefore, Dynegy's substantial interests are affected by this docket, and Dynegy should be allowed to intervene.

7. At the May 29, 2001, Agenda Conference on this docket, the Commission qualified the purposes of this docket and related dockets, including the Commission's intent to obtain information regarding GridFlorida to enable the Commission to give guidance to the Governor's 2020 Energy Committee and to allow the Joint Applicants to demonstrate the relative costs and benefits of the RTO. Because the Commission docket has aspects of fact finding and policy making, Dynegy's substantial interests are of the type that these proceedings are designed to protect.

8. Dynegy, as a substantial stakeholder in Florida's wholesale energy market, is in substantially the same position as Reliant. Because the Commission has stated its intent to discuss and make factual findings regarding the prudence of FPL's participation in GridFlorida in this docket, Dynegy, like Reliant, should be allowed to intervene.

9. Statement of Disputed Issues of Material Fact. Dynegy believes that the disputed issues of material fact will including the following:

(a) Will the formation and administration of GridFlorida lead to the development of a more competitive wholesale market?

(b) Will the benefits of GridFlorida to ratepayers in the form of a more competitive generation market outweigh its costs?

(c) In view of the factual data presented in this and related proceedings, what policy position should the Commission adopt regarding the formation of GridFlorida?

Dynegy reserves the right to address these and other issues as its interests may require.

10. Ultimate Facts Alleged. Rate payers will benefit from the creation of a competitive wholesale generation market in Florida. Though a fully competitive wholesale generation market does not presently exist in Florida, the creation of an RTO such as GridFlorida is a necessary step towards establishing such a market.

11. The applicable statute and rules, include, but are not limited to:

Chapter 366, Florida Statutes

Florida Administrative Code, Chapter 25

Florida Administrative Code, Rule 28-106.

WHEREFORE, Dynegy requests that the Florida Public Service Commission grant its Petition to Intervene with full party status in this docket.



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Attorneys for Dynegy, Inc.

## 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 19<sup>th</sup> day of July, 2001:

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