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Matthew M. Childs, P.A.

October 12, 2001

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COMMISSION CLERK

- VIA HAND DELIVERY -

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399

RE: DOCKET NOS. 010577-EI, 000824-EI and 001148-EI

Dear Ms. Bayó:

Enclosed for filing on behalf of Tampa Electric Company, Florida Power Corporation and Florida Power and Light Company are the original and ten (10) copies of each of the following late-filed exhibits from the hearing in the above referenced dockets.

1. Late - Filed Exhibit 8
2. Late - Filed Exhibit 11
3. Late - Filed Exhibit 19

Filed w/ hearing exhibits.
Lan

We are by separate cover, transmitting these late-filed exhibits to the Court Reporter.

Very truly yours,

Matthew M. Childs, P.A.

APP
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MMC/gc
Enclosures

cc: All Parties of Record (w/enclosures)

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing late-filed exhibits, filed on behalf of Tampa Electric Company, Florida Power Corporation and Florida Power & Light Company has been furnished by hand delivery (*), or U.S. mail this 12th day of October, 2001, to the following:

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BY: ______________________
MATTHEW M. CHILDS, P.A.

DOCKET NO. 010577-EI
DOCKET NO. 000824-EI
DOCKET NO. 001148-EI
LATE-FILED EXHIBIT 8
WITNESS: RAMON
TR. 459

CIRCUIT MILES OF TRANSMISSION

	Circuit Miles	% of Total
Florida Power & Light	6,190	43
Florida Power Corporation	4,688	32
Tampa Electric Company	1,277	9
Total GridFlorida Companies	12,155	84
All Others	2,281	16
Total Peninsular Florida	14,436	100

Florida Power & Light Company
Potential Financial Vulnerability Due to FERC Sanctions
Proposed In the Memorandum of September 26, 2001, Exhibit No. 5

Pat Wood's September 26, 2001 memorandum identifies three FERC responses to a utility's failure to join an RTO within the appropriate time period: (1) FERC will revoke the authority of the utility and its corporate affiliates to engage in wholesale sales of electricity at market based rates; (2) FERC will not approve any Section 203 application for merger involving that utility; and (3) FERC will take a "hard look" at the transmission rates that the utility is permitted to charge "to ensure that they are just and reasonable and recognize the interdependence of the power grid." The financial vulnerability associated with each of these courses of action is discussed below:

1. Market-based Sales

The FERC has authorized FPL to engage in wholesale sales of electricity at market based rates outside of Florida. Substantially all of gains from these off-system sales are passed through to customers in the fuel or capacity clauses. Recently, in docket 010001-EI, FPL provided testimony on gains received from off-system sales and establishing a threshold amount to be used in calculating Company incentives for the sharing of revenues from off-system sales. The Company's testimony provides gains on off-system sales of $159 million for the years of 1998 through 2000. Of this amount, approximately $110 million was from sales at market based rates. We cannot evaluate how much lower the gain would have been, but the loss of revenues associated with wholesale market based rates could lead to the retail customers not realizing these savings to this degree.

FPL Energy, a wholly owned subsidiary of FPL Group Capital, aggregates FPL Group's unregulated energy-related operations outside of Florida. The potential impact on its financial operations and growth of FPL Energy due to potential FERC sanctions cannot be measured. FPL Energy had over $600 million in sales in 2000 with assets totaling over $2.6 billion.

While it is difficult to predict with any real certainty what level of cost-based rates would be approved by FERC as a substitute for existing market based rates, based on a preliminary analysis, FPL and its affiliates could expect revenues to be reduced.

2. Merger Approval

FPL has no pending applications for Section 203 approval and cannot quantify the effect, if any, the loss of the ability to seek Section 203 approval of a transaction would mean in the future.

3. Transmission Rates

FPL reads Chairman Wood's memorandum as suggesting that entities not participating in RTOs by the FERC's deadline will face the prospect of having their wholesale transmission rates subjected to scrutiny in a rate case proceeding and may face a reduction in the FERC-approved rate of return for their transmission assets. While impossible to quantify at this point in time, the reduction in the approved rates certainly could have a negative impact on FPL's wholesale revenues, its ability to attract investment and the value of the Company to its shareholders, which could in turn have a detrimental effect on FPL's retail ratepayers.

Pat Wood, September 26, 2001: "...utilities must either elect to join an approved RTO organization or have all market based privileges by any corporate affiliate be prospectively revoked"

Calculation of FPL losing Market Based Rates on off-system sales based on 3-year average

	Gains on Off-System Sales [1]	Estimate of amount of sales made at Market Based Rates	Gains on Sales from Market Based Rates
1998	$ 62,276,203	75%	$ 46,707,152
1999	$ 59,183,161	75%	$ 44,387,371
2000	$ 37,400,076	50%	$ 18,700,038
Total:	$ 158,859,440		$ 109,794,561

[1] Testimony of Korel M. Dubin at 5-6 in Docket No. 010001-EI

Docket No. 001148-EI
Late Filed Exhibit No. 19
October 12, 2001

FPL Transmission Projects
Volatility of Estimated Generator Integration Costs
MW by In-Service Year

Line		2001	2002	2003	2004	2005	2006	Totals
1	Number Of Requests	2	7	22	14	6	2	53
2	MW In-Service By Year	374	4,218	8,684	6,770	4,055	318	24,419
3	Generation Integration Costs ($millions)		$71	$119	$129	$119	$94	$531
4	Year to Year Change in Rate of Additions for Integration			66%	9%	-8%	-21%	
5	Estimate of Annual Revenue Requirement Inrease*		$ 13	$ 22	$ 24	$ 22	$ 17	
6	$Revenue Requirement/kW Generation Added		$ 3.13	$ 2.52	$ 3.52	$ 5.41	$ 54.69	
7	Impact on Annual System Charge		$ 13	$ 35	$ 59	$ 81	$ 98	$ 286
8	Annual Increase in Integration Portion of System Charges			166%	68%	37%	21%	

* Estimated using the same 18.5% carrying charge rate used in KMD-1. The actual year portions of these costs would be included in rates is unknown and beyond the control of GridFlorida, because that is dependent on how fast the Generator's contribution to upgrades is credited against transmission service charges, which, in turn, is dependent on the output of each generator.