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January 15, 2002

HAND DELIVERED

COLUMN 15 PH 4: 30

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

Re: Docket Nos. 001148-EI; 010577-EI; 000824-EI

Dear Ms. Bayo:

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Enclosed for filing in the above dockets are the original and fifteen (15) copies of Tampa Electric Company's Cross Motion for Clarification.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in connection with this matter.

Sincerel Lee

AUS LLW/pp CAF Enclosures CMP COM All Parties of Record (w/encl.) CTR cc: ECR GCL OPC MMS SEC each itst OTH

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DOCUMENT NUMBER-DATE

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power and 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.

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

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

DOCKET NO. 001148-EI

DOCKET NO. 010577-EI

DOCKET NO. 000824-EI

FILED: January 15, 2002

TAMPA ELECTRIC COMPANY'S CROSS MOTION FOR CLARIFICATION

Pursuant to Rule 25-22.060, Florida Administrative Code, Tampa Electric Company ("Tampa Electric") respectfully requests that the Commission reconsider Order No. PSC-01-2489-FOF-EI ("Order 01-2489" or the "Order"), dated December 20, 2001, for the limited purpose of clarifying the scope of the Commission's ruling, and, in support thereof, states as follows.

1. Tampa Electric fully supports this Commission's basic finding in Order 01-2489 that the formation of a Regional Transmission Organization ("RTO") in Florida will lead to benefits to ratepayers. Tampa Electric will continue to aggressively pursue the formation of an RTO in a timely manner using the guidelines and directions provided by the Commission. 2. The Commission should, however, clarify the Order so it will be clear that the Order conforms with the vote of the Commission. Such clarification will enable the parties to remain focused on the formation of the RTO and be distracted by issues which the Commission determined do not need to be decided at this point.

3. More specifically, the Commission should clarify the Order to clearly state that on November 7, 2001 it did not vote on Issue No. 10 identified in the Prehearing Order No. PSC-01-1959-PHO-EI dated October 10, 2001 as follows:

"Is Commission authorization required before TECO [FP&L] can sell its retail transmission assets?"

"Is Commission authorization required before a utility can transfer operational control of its retail transmission assets?"

See Vote Sheet attached as Attachment 1.

4. Page 4 of the Order, the Commission states:

"... we believe that certain aspects of GridFlorida are not in the best interests of Florida's retail ratepayers at this time, most particularly the transfer of ownership of transmission assets that would take place under GridFlorida."

Page 13 of the Order further states:

"... we believe that it would be premature to allow the divestiture of existing transmission assets in this state."

5. Tampa Electric respectfully suggests that the above-quoted portions of the Order are sufficiently ambiguous to create the impression that the Commission has decided Issue No. 10 in the affirmative when, in fact, the Commission explicitly decided not to vote on the issue. Tampa Electric does not want to be foreclosed from addressing the matter raised in Issue No. 10 in a future proceeding on the ground it waived its right to do so by failing to appeal the Order in this proceeding.

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6. Tampa Electric also respectfully requests that the Order be conformed to the Commission's vote on Issue No. 4 that there be:

"...a statement in the Order that expenses incurred up to May 31st 2001 were prudently incurred ..."

See Attachment 2, Tr. 50-51 November 7, 2001 Agenda Conference motion of Chairman Jaber on Issue 4 and the Commission's 5-0 vote on the Motion. The May 1, 2001 date on page 11 of the Order should read May 31.

WHEREFORE, Tampa Electric respectfully requests that the Commission clarify: (1) that it has not asserted jurisdiction in the Order over the transfer of ownership or control of transmission facilities, consistent with its decision not to vote on Issue No. 10 in this proceeding; and (2) that the Grid Florida Companies' expenses up to May 31st 2001 were prudently incurred consistent with this Commission's vote on Issue No. 4 in this proceeding.

DATED this <u>15</u> day of January, 2002.

Respectfully Submitted,

HARRY W. LONG, JR. Assistant General Counsel Tampa Electric Company Post Office Box 111 Tampa, Florida 33601 (813) 228-1702

JAMES D. BEASLEY Ausley & McMullen Post Office Box 391 Tallahassee, Florida 32302 (850) 224-9115

ATTORNEYS FOR TAMPA ELECTRIC COMPANY

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Cross Motion for Clarification, filed on behalf of Tampa Electric Company, has been served by hand delivery (*) or U. S. Mail on this 15^{++} day of January 2002 to the following:

Mr. Wm. Cochran Keating* Mr. Robert V. Elias* Staff Counsel Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

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Florida Retail Federation 100 E. Jefferson Street Tallahassee, FL 32301

Ms. Linda Quick South Florida Hospital and Healthcare 6363 Taft Street Hollywood, FL 33024

ATTO

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 VOTE SHEET NOVEMBER 7, 2001 Docket No. 000824-EI - Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light. Docket No. 001148-EI - Review of the retail rates of Florida Power & Light Company.
 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.

(Continued from previous page)

<u>ISSUE 10</u>: Is Commission authorization required before FPC can transfer operational control of its retail transmission assets?

and

. .

Is Commission authorization required before FPL/TECO can sell its retail transmission assets? <u>RECOMMENDATION</u>: Yes. While the Commission's statutory authority does not expressly require Commission approval for a transfer or ownership or operational control of a utility's transmission assets, such authority is necessarily implied from the provisions of Chapter 366.

NO VOTE

<u>ISSUE 11</u>: Is a Regional Transmission Organization for the Southeast region of the United States a better alternative for Florida than the GridFlorida RTO?

<u>RECOMMENDATION</u>: No. At this time, it would not appear advantageous to the GridFlorida Companies and their respective ratepayers to discard the notion of a peninsular Florida RTO in favor of joining a regional RTO. However, the utilities should continue to participate in discussions regarding the creation of a Southeast RTO in anticipation that the FERC may one day mandate all FERC-regulated utilities to join a regional transmission organization.

APPROVED approved with clarification discussed at the conference.

		1	
1	BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION		
2	In the Matte	r of:	
3	REVIEW OF FLORIDA PO	WER CORPORATION'S DOCKET NO. 000824-EI	
4	EARNINGS INCLUDING E PROPOSED ACQUISITION		
5	CORPORATION BY CAROL		
6	REVIEW OF FLORIDA PO COMPANY'S PROPOSED M		
7	CORPORATION, THE FOR TRANSCO, AND THEIR E POWER & LIGHT'S RETA	MATION OF A FLORIDA FFECT ON FLORIDA	
8			
9	IMPACT OF ITS PARTIC		
10	GRIDFLORIDA, A FLORI COMPANY, ON TECO'S R	DA TRANSMISSION ETAIL RATEPAYERS.	
11			
12	A CONV	C VERSIONS OF THIS TRANSCRIPT ARE	
13		CIAL TRANSCRIPT OF THE HEARING, ERSION INCLUDES PREFILED TESTIMONY	
14	PROCEEDINGS:	SPECIAL COMMISSION CONFERENCE	
15 16	BEFORE:	CHAIRMAN E. LEON JACOBS, JR. COMMISSIONER J. TERRY DEASON	
10		COMMISSIONER LILA A. JABER	
18		COMMISSIONER MICHAEL A. PALECKI	
10 19	DATE:	Wednesday, November 7, 2001	
20	TIME:	Commenced at 10:00 a.m. Concluded at 1:15 p.m.	
21	PLACE:	Betty Easley Conference Center Room 148	
22		4075 Esplanade Way Tallahassee, Florida	
23	REPORTED BY:	JANE FAUROT, RPR	
24 25		Chief, Office of Hearing Reporter FPSC Division of Commission Clerk and Administrative Services	
		(850) 413-6732 DOCUMENT NUMBER-DATE	
	FLOR	IDA PUBLIC SERVICE COMMISSION 14543 NOV 16 =	
		Attachment 2	

discussed. I think you may see some of these numbers come back 1 2 as, perhaps, a starting point basis for the ISO. Because, 3 again, as Ms. Bass has said, we haven't changed that many 4 features of GridFlorida. But for the purposes of this record. 5 you know, I think the sunk costs, the \$9 million and the 6 decision to treat it in Phase II is relevant, but I'm not sure 7 of the relevance of the rest. 8 MS. BASS: I think I would agree with that. The 9 important numbers that should be reflected are the 10 approximately 9 million, because those --11 COMMISSIONER BAEZ: Right. 12 MS. BASS: -- were pretty firm numbers as far as 13 start-up costs, and they had been incurred through the end of 14 May. So the \$9 million associated with the start-up costs and the recognition of the cost-recovery methodology in Phase II, I 15 16 think are the salient points of the recommendation. I think 17 all the rest of them were just estimates and are subject to 18 change. 19 COMMISSIONER JABER: Okay. Then how about I move to 20 direct staff to make a statement in the order that the expenses 21 incurred up to May 31st, 2001 were prudently incurred and that 22 in Phase II for FPL and Florida Power Corporation the 23 cost-recovery mechanism for those costs will be decided. And 24 for TECO, the cost-recovery mechanism will be decided at the 25 point TECO seeks recovery.

FLORIDA PUBLIC SERVICE COMMISSION

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1	MS. BASS: And those costs would be subject to audit.		
2	COMMISSIONER JABER: Yes.		
3	MS. LEE: That's what I was going to suggest that you		
4	would want to include that language, the subject to audit in		
5	Phase II.		
6	COMMISSIONER JABER: Okay.		
7	COMMISSIONER BAEZ: Is that a motion?		
8	COMMISSIONER JABER: Yes, that is a motion.		
9	COMMISSIONER PALECKI: I would second that.		
10	CHAIRMAN JACOBS: Motion and second. All in favor?		
11 .	(Simultaneous affirmative vote.)		
12	CHAIRMAN JACOBS: Opposed? Show it approved.		
13	Issue 5.		
14	COMMISSIONER JABER: What page is 5 on?		
15	CHAIRMAN JACOBS: 42.		
16	COMMISSIONER JABER: I would move staff's		
17	recommendation on Issue 5.		
18	COMMISSIONER PALECKI: Second.		
19	CHAIRMAN JACOBS: A motion and a second. Any		
20	questions?		
21	COMMISSIONER DEASON: No questions.		
22	CHAIRMAN JACOBS: All in favor?		
23	(Simultaneous affirmative vote.)		
24	CHAIRMAN JACOBS: Opposed? Show it approved.		
25	Issue 6.		
	-		
	FLORIDA PUBLIC SERVICE COMMISSION		