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February 21, 2002

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Honorable Lila A. Jaber, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0870

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COMMISSION CLERK

RE: Docket No. 010949-EI, Stipulation for Partial Settlement executed by Federal Executive Agencies, Florida Industrial Power Users Group and Gulf Power Company regarding Cost of Service and Rate Design Issues

Dear Chairman Jaber:

The purpose of this letter is to advise the Commission that the parties to the Stipulation for Partial Settlement that was filed with the Commission Clerk on February 15, 2002 and distributed at the prehearing conference that same day have now decided to withdraw the stipulation. This action is taken in order to ensure that the issue is fully considered on the merits rather than perhaps becoming entangled in any procedural concerns that may stem from settlement of certain issues short of consideration on the merits.

Although Commission approval of the stipulation would provide an efficient means of resolving the cost of service and rate design issues as a package, given Staff's stated concern over the interrelated Issues 88, 89 and 90, upon further consideration the parties to the stipulation now feel that it is important for the Commission to actually hear from the witnesses who have prefiled testimony on these issues. This is particularly true with regard to appropriateness of using a cost of service that incorporates the concept of a Minimum Distribution System. It is important for the Commission to have an opportunity to consider the evidence before ruling on this important issue.

We appreciate the Commission's continued support for settlement of issues short of litigation whenever possible.

Very truly yours,

Jeffrey A. Stone  
For the Firm

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Cc: Commissioners  
Counsel for the parties of record

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