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June 21, 2002

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2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0870

Re: Docket No.: 020233-EI
In Re: Review of GridFlorida Regional Transmission Organization
Approval - Petition to Intervene of the Orlando Utilities Commission

Dear Ms. Bayó:

Enclosed please find the original and seven (7) copies of Petition to Intervene of the Orlando Utilities Commission dated June 21, 2002.

Sincerely,



W. Christopher Browder

GRAY, HARRIS & ROBINSON, P.A.

WCB:gcj
Enclosure
cc: All individuals on docketing service list

AUS _____
CAF _____
CMP _____
COM S _____
CTR _____
ECR _____
GCL _____
OPC I _____
MMS _____
SEC _____
OTH None

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of GridFlorida)
Regional Transmission)
Organization (RTO) Proposal)
_____)

Docket No. 020233-EI
Filed: June 20, 2002

PETITION TO INTERVENE
OF THE ORLANDO UTILITIES COMMISSION

The Orlando Utilities Commission ("OUC"), by and through its undersigned counsel hereby submits its Petition to Intervene in the instant proceeding pursuant to Rules 25-22.039 and 28-106.205 of the *Florida Administrative Code*, and as grounds therefore states:

1. The name, address and telephone number of the Petitioner is:

Orlando Utilities Commission
c/o Thomas A. Cloud, Esquire
W. Christopher Browder, Esquire
Gray, Harris & Robinson, P.A.
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2. Copies of all pleadings, notices and orders in this Docket should be provided to:

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DOCUMENT NUMBER 11

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FPSC-COMMISSION CLERK

STATEMENT OF SUBSTANTIAL INTEREST

3. OUC is a statutory utility commission operating an integrated electric generation, transmission, and distribution system in and around the City of Orlando within the State of Florida. OUC serves approximately 170,000 retail electricity customers within the State of Florida.

4. On March 20, 2002, Florida Power Corporation, Florida Power & Light Company, and Tampa Electric Company (the "GridFlorida Companies") filed their revised regional transmission operator ("RTO") proposal (the "Proposal") in compliance with Order No. PSC-01-2489-FOF-EI (the "Order") issued by the Florida Public Service Commission (the "Commission"). The revised proposal deals with the establishment, governance and operation of an Independent System Operator (ISO) to serve as the RTO and become the primary transmission provider within the state.

5. The Commission's actions with respect to the approval or rejection of the structure, governance, operations and rates of the RTO will substantially impact OUC as an owner of transmission facilities within the state and as a retail and wholesale electric generator. The federal government may eventually take actions which will mandate that all transmission providers participate in the RTO, the issues regarding its structure, governance and operations are of great importance to OUC and all transmission owners within the state if such mandatory participation comes about. Regardless of whether OUC ultimately participates in the RTO as a member, it will have to enter into transactions with the RTO not only for interconnection and transmission services, but also may have to rely on the RTO as the provider of last resort for certain ancillary services such as energy balancing services. These services are critical to OUC in order to serve its retail and wholesale electric customers. The issues being addressed in these proceedings with respect to the RTO will dictate many of the terms of such transactions. Any actions taken by the Commission with respect to the RTO will greatly impact the ongoing ability of OUC to serve its customers.

6. For the reasons stated above, OUC's injury is immediate and of the type which is required in order to become party in these proceedings. In re: Application of South Hutchinson Service Company, 87 FPSC 10:298 (1987); Agrico Chemical Co. v. Dept. of Env'tl. Reg., 406 So.2d 478 (Fla. 2d DCA 1981), rev. denied 415 So.2d 1359 (Fla. 1982).

STATEMENT OF DISPUTED ISSUES OF MATERIAL FACT

7. The following are some issues of material fact in these proceedings:

- a. Should GridFlorida be required to revise its Formation Plan and related documents to ensure that the makeup of the Board Selection Committee is more fairly representative of all stakeholders? Since the current proposal is to have the GridFlorida Companies represented by 3 members on the Board Selection Committee and the five other stakeholder groups represented by only 1 member each, there is a lack of balance in the Board Selection Committee makeup. A Board Selection Committee comprised of two representatives from the investor owned utility sector and one representative for each of the other five stakeholder groups would be preferable and would help to assure that a more independent and balanced ISO Board of Directors is maintained. A two-thirds super majority should be required for any action by the Board Section Committee.
- b. Does the current physical transmission rights approach to congestion management assure that transmission capacity will be available for retail electric providers to serve existing native load? Since existing retail electricity consumers have borne the cost of the construction of the transmission grid which will form the backbone of the ISO's transmission

system, those consumers must be protected by the assignment of strong physical transmission rights for the utilities serving such consumers.

- c. Should the sole responsibility for transmission system reliability policy reside with the Florida Reliability Coordination Council rather than the ISO?
- d. Has the Proposal adequately considered the timing and effect of transmission cost shifts that may occur as a result of the operation of the ISO and does the Proposal minimize such cost shifting to the fullest extent possible? The details on the amount and timing of cost shifts and the means by which such costs will be minimized must be further explored. The Florida Public Service Commission should assure that the terms of the Proposal prevent sharp deviations from historical transmission costs to retail customers. At a minimum, if cost shifts are inevitable, such shifts must be quantified, should be equitably applied to all stakeholders and should be permitted to occur in a graduated manner rather than all at once upon initiation of ISO operations.
- e. Does the transmission planning function as set forth in the Proposal adequately protect the retail consumer by assuring that the ISO considers all alternatives to transmission expansion and considers all transmission alternatives to distribution expansion? The Proposal should assure that the ISO considers the location and availability of generation and distribution facilities as well as demand-side management options.

OUC reserves the right to address other issues as its interests may arise.

ULTIMATE FACTS ALLEGED

8. The Commission must do a full review of the Proposal to assure that the ISO form of RTO as set forth in the Proposal adequately protect the interests of all utilities who will use and rely on the RTO for transmission service. Furthermore, any final RTO endorsed by the Commission must assure that retail customers of utilities that do not participate in the RTO are not unduly burdened with RTO related costs.

APPLICABLE STATUTES AND RULES

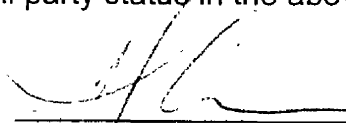
9. Applicable statutes and rules in this proceeding include, but are not limited to:

Chapter 366, Florida Statutes
Florida Administrative Code Chapter 25
Florida Administrative Code Rule 28-106.

AFFECTED AGENCY

10. The affected agency is the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

WHEREFORE, OUC respectfully requests that the Commission enter an order granting this Petition and according it full party status in the above-styled docket.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties of record and interested parties, this 21st day of June, 2002:

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