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July 11, 2002

Via Federal Express

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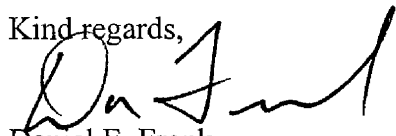
Re: *In re: Review of GridFlorida Regional Transmission Organization (RTO)
Proposal*, Docket No. 020233-EI
Supplemental Comments of RCID on Market Design

Dear Ms. Bayo:

Please find enclosed for filing an original and fifteen copies of the Supplemental Comments of Reedy Creek Improvement District in the above-referenced proceeding. Also enclosed is a 3.5" diskette containing an electronic copy of the filing. Two additional copies of this filing labeled "stamp-and-return" also are enclosed; please stamp the date and time on those copies and return them to us in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Kind regards,



Daniel E. Frank
Attorney for
Reedy Creek Improvement District

Enclosures

DOCUMENT NUMBER 0000
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of GridFlorida Regional) Docket No. 020233-EI
Transmission Organization (RTO) Proposal) Filed July 12, 2002
_____)

**Supplemental Comments of
Reedy Creek Improvement District**

Pursuant to the Prehearing Officer's June 25, 2002 Order in the above-captioned proceeding, Reedy Creek Improvement District ("RCID") respectfully submits the following supplemental comments on market-design issues in the above-captioned proceeding.

The GridFlorida Applicants' July 5, 2002 market-design comments present an entirely new market-design proposal. Their new model is a "Locational Marginal Pricing" ("LMP") model including the use of financial transmission rights ("FTRs") for congestion management, a two-settlement system (day-ahead and real-time markets), and a "market clearing price" approach for determining energy prices and payments to generators. In contrast, the Commission's December 20, 2001 Order in this proceeding required the use of physical transmission rights ("PTRs") and a "get what you bid" approach.

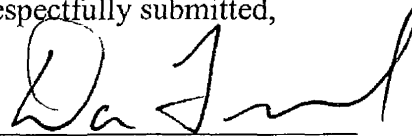
RCID continues to evaluate the Applicants' new proposal. The December 20 Order clearly contemplated something other than what the Applicants have proposed, and whether their new market-design model is more suitable for Florida remains to be seen. At a minimum, however, whether the congestion management model uses a PTR approach or an FTR approach, it is imperative that any such rights follow the load. Thus, PTRs or FTRs should be allocated to existing users of the transmission system and, upon expiration of existing agreements, should be

reallocated to the load-serving entity under such expiring agreements.¹ Transmission rights must be allocated in this manner in order to ensure that load-serving entities are able to continue to provide reliable electric service to their retail native load and to ensure that retail customers in Florida do not bear new congestion costs.

RCID reserves the right to raise additional issues, submit additional comments, and endorse or oppose the comments of other parties at a later time in this proceeding.

Wherefore, Reedy Creek Improvement District respectfully requests that the Commission consider these comments and take such action as requested herein.

Respectfully submitted,



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July 11, 2002

¹ In their July 5 comments, the Applicants state that RCID's "concern is unwarranted" because, they explain, FTRs will be allocated either to the customer whose contract is converted to RTO service or, in the case of an unconverted contract, to the company providing the service. July 5 Comments at 13. However, the Applicants fail to address what happens when the existing contract, whether converted or not converted, expires. That is the focus of RCID's concern, as well as the concern of other stakeholders who participated in the July 8, 2002 stakeholder conference call.

**CERTIFICATE OF SERVICE
DOCKET NO. 020233-EI**

I hereby certify that a true and correct copy of the foregoing has been furnished by U.S. Mail to the following parties on this 11th day of July, 2002.

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A handwritten signature in black ink, appearing to read "D. Frank", written over a horizontal line.

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