

ORIGINAL

**McWHIRTER REEVES**  
ATTORNEYS AT LAW

TAMPA OFFICE:  
400 NORTH TAMPA STREET, SUITE 2450  
TAMPA, FLORIDA 33602  
P. O. BOX 3350 TAMPA, FL 33601-3350  
(813) 224-0866 (813) 221-1854 FAX

PLEASE REPLY TO:  
  
TALLAHASSEE

TALLAHASSEE OFFICE:  
117 SOUTH GADSDEN  
TALLAHASSEE, FLORIDA 32301  
(850) 222-2525  
(850) 222-5606 FAX

August 30, 2002

**VIA HAND DELIVERY**

Blanca S. Bayo, Director  
Division of Records and Reporting  
Betty Easley Conference Center  
4075 Esplanade Way  
Tallahassee, Florida 32399-0870

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AUG 30 PM 3:51  
COMMISSION  
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Re: Docket No.: 020233-EI

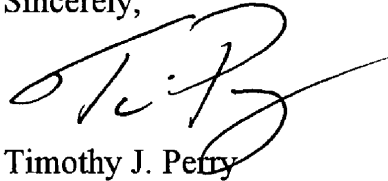
Dear Ms. Bayo:

On behalf of the Florida Industrial Power Users Group (FIPUG), enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ FIPUG's Preliminary Issues List.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

Sincerely,




Timothy J. Petty

TJP/bae  
Enclosure

AUS	_____
CAF	_____
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McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN & ARNOLD, P.A.

DOCUMENT NUMBER - DATE  
09215 AUG 30 02  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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

Docket No. 020233-EI

Filed: August 30, 2002

**FIPUG'S PRELIMINARY ISSUES LIST**

The Florida Industrial Power Users Group (FIPUG), pursuant to the Notice of Issue Identification Meeting issued August 23, 2002, files its Preliminary Issue List. This list is preliminary in nature; FIPUG reserves the right to add additional issues.

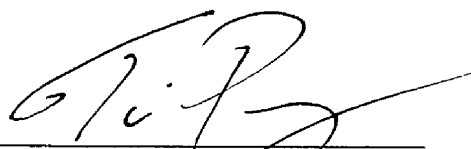
1. Does the market clearing price aspect of the GridFlorida market design enable utilities with market power to sell generation at a price in excess of their cost?
2. Will incremental cost collected through the new transmission cost recovery clause give any consideration to current earnings derived from base rates?
3. Will incremental costs collected through the new transmission cost recovery clause be limited to net incremental costs in excess of revenues derived from sales growth or can utilities keep the revenue from sales growth and pass along all incremental costs to retail customers?
4. Will incremental cost collected through the new transmission cost recovery clause give any consideration to return on new transmission investment; if so, will the addition to rate base be reduced by the depreciation on transmission investment in the rate base since the last general rate proceeding?
5. Will recovery of incremental transmission costs violate the rate stipulations executed by FPC and FPL in the spring of 2002?
6. What pricing mechanism should be incorporated into GridFlorida's market design? If a market clearing price mechanism is adopted, should regulated, investor-owned utilities that do not have market-based rate authority be permitted to receive the market clearing price?
7. How will the market monitoring system work?
8. What measures should be adopted to ensure that the proposed market design provides transparency and public disclosure of prices?

DOCUMENT NUMBER DATE

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FPC-COMMISSION CLERK

9. When the proposed market design fulfills its function of locating zones of transmission congestion, have procedures been developed to ensure that the congestion is eliminated at the least cost to retail electric customers?
10. If the Florida investor-owned utilities must divest assets in order to have access to market-based revenues, should the process for accomplishing this be included in the SMD?
11. Should interruptible customers who are subject to pass-through power premiums be allowed to view real time OASIS price information?
12. Should the Market Monitor discussed in Appendix F of the Applicants' June 21 filing have independent enforcement rights without prior approval from the Florida PSC or FERC?
13. Does an imbalance penalty threshold of 3% create a competitive disadvantage for market generation participants with small numbers of generation assets/contracts?
14. Is the proposed GridFlorida set-up cost excessive?
15. Do FERC definitions and rules for utilities with market power adequately protect Florida retail consumers from excess utility company profits?
16. Are Florida retail consumers adequately protected from excessively high prices from generators that are exempt from FERC market power jurisdiction?
17. Should the GridFlorida LMP market design be implemented in Florida while existing Power Plant Siting Act decisions limit the construction of non-utility competitive generation assets?
18. Is there a danger that short-term Florida wholesale and retail prices may spike when the SMD is implemented?
19. What monitoring and corrective measures should be put in place in the market design plan to adequately protect Florida retail consumers?



John W. McWhirter, Jr.  
McWhirter Reeves McGlothlin Davidson  
Decker Kaufman & Arnold, P.A.  
400 North Tampa Street, Suite 2450  
Tampa, Florida 33602  
(850) 227-0866 Telephone  
(850) 221-1854 Telefax

Vicki Gordon Kaufman  
Timothy J. Perry  
McWhirter Reeves McGlothlin Davidson  
Decker Kaufman & Arnold, P.A.  
117 South Gadsden Street  
Tallahassee, Florida 32301  
(850) 222-2525 Telephone  
(850) 222-5606 Telefax

Attorneys for the Florida Industrial  
Power Users Group

## CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing FIPUG's Preliminary Issues List has been furnished by (\*) hand delivery and electronic mail or U.S. Mail to the following this 30th day of August 2002:

(\*)W. Cochran Keating  
Division of Legal Services  
Public Service Commission 2540  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

(\*)Jennifer Brubaker  
Division of Legal Services  
Public Service Commission 2540  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Mark Sundback  
Kenneth Wiseman  
1701 Pennsylvania Ave., NW, Suite 300  
Washington, DC 20006

Thomas W. Kaslow  
The Pilot House, 2<sup>nd</sup> Floor  
Lewis Wharf  
Boston, MA 02110

Lee E. Barrett  
Duke Energy North America  
5400 Westheimer Court  
Houston, TX 77056-5310

James Beasley  
Lee Willis  
Ausley Law Firm  
P.O. Box 391  
Tallahassee, FL 32301

David L. Cruthirds  
Dynergy, Inc.  
1000 Louisiana Street, Suite 5800  
Houston, TX 77002-5050

Frederick M. Bryant  
Florida Municipal Power Agency  
2061-2 Delta Way  
Tallahassee, FL 32303

Kenneth A. Hoffman  
Rutledge, Ecenia, Purnell & Hoffman,  
PA  
P.O. Box 551  
Tallahassee, FL 32302

Thomas J. Maida  
N. Wes Strickland  
106 East College Avenue, Suite 900  
Tallahassee, FL 32301-7732

Ron LaFace  
Seann M. Frazier  
Greenberg, Traurig Law Firm  
101 E. College Avenue  
Tallahassee, FL 32301

Leslie J. Paugh, P.A.  
P.O. Box 16069  
Tallahassee, FL 32317-6069

Bill Bryant, Jr.  
Natalie Futch  
Katz Kutter Law Firm  
106 E. College Avenue, 12<sup>th</sup> Floor  
Tallahassee, FL 32301

Robert S. Wright  
Landers Law Firm  
310 W. College Avenue  
Tallahassee, FL 32301

James Fama  
LeBoeuf Law Firm  
1875 Connecticut Avenue, NW, Suite  
1200  
Washington, DC 20009

Gary L. Sasso  
W. Douglas Hall  
c/o Kim Pullen  
Carlton Fields, P.A.  
Post Office Box 2861  
St. Petersburg, Florida 33731

Daniel E. Frank  
Sutherland Asbill & Brennan LLP  
1275 Pennsylvania Avenue, NW  
Washington, DC 20004-2415

Thomas A. Cloud  
Gray, Harris & Robinson, P.A.  
301 East Pine Street, Suite 1400  
Post Office Box 3068  
Orlando, Florida 32801

Charles J. Beck  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400

Jon C. Moyle, Jr.  
Moyle Law Firm  
The Perkins House  
118 North Gadsden Street  
Tallahassee, FL 32301

Timothy Woodbury  
Seminole Electric Cooperative, Inc.  
16313 N. Dale Mabry Highway  
Tampa, FL 33688-2000

Russell S. Kent  
Sutherland Asbill & Brennan LLP  
2282 Killearn Center Blvd  
Tallahassee, FL 32308-3561

Michael Twomey  
PO Box 5256  
Tallahassee, FL 32314-5256

Melissa Lavinson  
PG&E Energy Group Company  
7500 Old Georgetown Road  
Bethesda, MD 20814

Publix Super Markets, Inc.  
John Attaway  
P.O. Box 32015  
Lakeland, FL 33802-2018

Spiegel & McDiarmid  
Cynthia Bogoraid  
David Pomper  
J. Schwarz  
1350 New York Ave, NW, Suite 1100  
Washington, DC 20005

Lee Schmulde  
Walt Disney World Co  
1375 Lake Buena Drive  
Fourth Floor North  
Lake Buena Vista, FL 32820

Suzanne Brownless  
Suzanne Brownless, P.A.  
1975 Burford Boulevard  
Tallahassee, Florida 32308

City of Tallahassee  
Pete Koikos  
100 W. Virginia Street, Fifth Floor  
Tallahassee, FL 32301

Dick Basford & Associates, Inc.  
5616 Ft. Sumter Road  
Jacksonville, FL 32210

Douglas F. John  
Matthew T. Rick  
John & Hengerer  
1200 17th Street, NW, Suite 600  
Washington, DC 20036

Gainesville Regional Utilities  
City of Gainesville  
Ed Regan  
P.O. Box 147117, Station A136  
Gainesville, FL 32614-7117

JEA  
P. G. Para  
21 West Church Street  
Jacksonville, FL 32202-3139

Mr. Robert Miller  
Kissimmee Utility Authority  
1701 West Carroll Street  
Kissimmee, Florida 32746

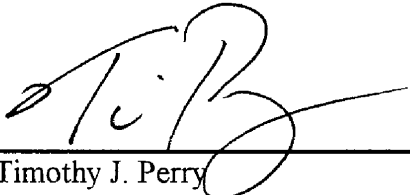
Paul Elwing  
Lakeland Electric  
501 E. Lemon Street  
Lakeland, Florida 33801-5079

Michael Wedner  
117 West Duval Street  
Suite 480  
Jacksonville, Florida 32202

Reedy Creek Improvement District  
Post Office Box 10170  
Lake Buena Vista, Florida 32830

Michael Briggs  
Reliant Energy Power Generation, Inc.  
801 Pennsylvania Avenue, Suite 520  
Washington, DC 20004

William T. Miller  
C/o Miller Law Firm  
Seminole Member Systems  
1140 19<sup>th</sup> Street, NW, Suite 700  
Washington, DC 20036



---

Timothy J. Perry