

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of GridFlorida
Regional Transmission
Organization (RTO) proposal.

DOCKET NO. 020233-EI

JEA'S PETITION FOR FORMAL HEARING

Pursuant to Rules 25-22.029 and 28-106.201, Florida Administrative Code, and Order No. PSC-02-1199-PAA-EI (Order 02-1199), issued on September 3, 2002, JEA, through its undersigned counsel, files this petition for a \$120.57, Florida Statutes, formal hearing and in support thereof states as follows:

I. Background

1. This docket was opened on March 13, 2002 as a generic docket to address the modified GridFlorida proposal which the Commission required the Applicants (Florida Power & Light Company (FPL), Florida Power Corporation (FPC) and Tampa Electric Company (TECO)) to file in Order No. PSC-01-2489-FOF-EI, issued on December 20, 2001. JEA filed a petition for leave to intervene in this docket on May 2, 2002 which is still outstanding.

2. Subsequent to the filing of the modified GridFlorida proposal by the Applicants on March 20, 2002, the Commission held a workshop and accepted written pre and post-workshop comments from JEA and other intervenors in the docket. Based on the Commission's consideration of the workshop presentation and pre and post-workshop comments and discussion at its August 20th agenda conference, the Commission issued Order 02-1199 in which it determined that short term wheeling revenue losses would be mitigated over the first five years of GridFlorida's operation by reimbursing Participating Owners in declining increments of 20% per

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year. [Order 02-1199 at 68.] This section of Order 02-1199 was issued as a Proposed Agency Action (PAA) pursuant to Rule 25-22.029, Florida Administrative Code. [Order 02-1199 at 5.]

II. Intervenor information

3. The name and address of the Petitioner is:

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21 West Church Street
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4. Copies of all correspondence, pleadings, notices and orders in this docket should be provided to:

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III. Substantial interest

5. JEA is a vertically integrated municipal electric utility operating in northeastern Florida since 1895. JEA has installed generating capacity of 2,981 MW and will exceed 3,400 MW by 2004. JEA owns 634 circuit miles of transmission lines at voltage levels of 69kV, 115 kV, 138 kV and 500 kV. JEA currently has in excess of 360,000 electric customers on its system.

6. As JEA stated at the workshop held on May 29th and at the August 20th agenda conference, it is JEA's preference to join GridFlorida both as an applicant and Participating Owner. However, JEA cannot do so without mitigation of its \$10 million annual revenue loss which would be the result of the loss of short term wheeling revenues for use of its share of the two 500 kV lines interconnecting Florida with Georgia. Thus, JEA timely raised this issue in its pre and post-hearing comments filed in this docket and proposed that short term wheeling revenue losses be treated as are Existing Transmission Agreement revenues, i.e., fully recovered in the first five years of GridFlorida's operation. The revenues to reimburse JEA for these cost shifts would be recovered through the revenues generated by the "through and out" rate charged by GridFlorida with carry-overs as needed. Without this type of mitigation, JEA stands to lose approximately \$0.90/mWh as compared to the Applicants' combined loss of less than \$0.06/mWh upon the commencement of GridFlorida operations. Thus, JEA's substantial interests will be directly and substantially affected by the decision rendered in this docket regarding the treatment of short term wheeling revenues. Further, JEA's participation in

GridFlorida will enhance the efficient and economic operation of GridFlorida, and continue the seamless operation of the transmission assets located within Florida for the benefit of all of Florida's ratepayers.

7. That being the case, the two prong test of Agrico Chemical Company v. Department of Environmental Regulation, 406 So.2d 478 (Fla. 2d DCA 1981), for proving substantial interest has been met by JEA. JEA will, as demonstrated above, sustain an injury in fact of sufficient immediacy due to the Commission's decision in Order 02-1199 and JEA's interest is of the type this proceeding is designed to protect: formation of an efficient and reliable RTO for the delivery of bulk electric power throughout Peninsular Florida as efficiently and economically as possible.

III. Disputed Issues of Fact and Law

8. The following issue has been identified by JEA as disputed issues of material fact in this proceeding:¹

Issue 1: What is the appropriate mitigation mechanism for the cost shift associated with the immediate termination of short-term wheeling revenues experienced by Participating Owners?

IV. Ultimate Facts Alleged

9. In order to economically and efficiently participate in

¹ JEA incorporates by reference the broad issues of disputed material fact raised by JEA in its May 2, 2002 petition for leave to intervene. JEA recognizes that the previous procedural decisions in this docket have rendered moot many of these broad procedural issues which have been addressed as final agency action in Order 02-1199. JEA does not contest the procedural treatment of these issues or any of the other issues identified in Order 02-1199, but simply wishes to reserve its right to raise these issues in the unlikely event that it should subsequently become necessary.

the newly evolving national energy market, Florida must develop an efficient and reliable RTO in Peninsular Florida. This market must facilitate the creation of a competitive wholesale generation market while maintaining the economic stability of existing transmission owners. JEA's participation in GridFlorida, and the mitigation of the cost shifts associated with the treatment of short term wheeling revenues for a five year period as suggested above, will assist the state in accomplishing that goal.

WHEREFORE, JEA respectfully requests that this Commission:

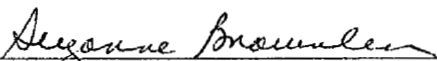
(1) Set this matter for a §120.57 formal evidentiary hearing to be heard in conjunction with the evidentiary hearing currently scheduled for market design issues to be held on October 31, 2002;

(2) Adopt the following schedule to be followed by JEA and other parties with regard to filing testimony addressing the short term wheeling issue raised above (and other PAA issues which may be subsequently protested):

JEA/Protestant direct testimony	September 27, 2002
Applicants'/intervenor testimony	October 14, 2002
JEA/Protestant rebuttal testimony	October 21, 2002;

(3) Such other relief as the Commission deems appropriate.

Respectfully submitted this 9th day of September, 2002 by:


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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 all parties listed below and also by (*) Hand-Delivery or (**) E-mail as indicated on this 9th day of September, 2002.

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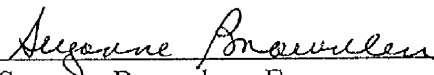
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