

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 020233-EI
Filed: September 23, 2002

PUBLIC COUNSEL'S RESPONSE TO FLORIDA POWER CORPORATION'S MOTION FOR RECONSIDERATION

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to Rule 25-22.060(3), Florida Administrative Code, respond to Florida Power Corporation's September 18, 2002, motion for reconsideration of Order No. PSC-02-1199-PAA-EI as follows:

1. Under the original transco proposal for GridFlorida, all rates for transmission service, both wholesale and retail, were to be under FERC's jurisdiction. Even though the Commission in its December 20, 2001, order rejected the transco in favor of an ISO and insisted upon retaining its traditional ratemaking jurisdiction, the GridFlorida Companies obstinately put forth an alternative rate structure still designed to transfer jurisdiction to FERC. Under the companies' revised proposal, all new transmission assets were to be subject to a FERC-approved system-wide rate, and all existing transmission facilities were to be subject to a FERC-approved zonal rate (although the companies, with FERC's approval, might elect to exempt existing facilities used to serve bundled retail load from zonal rates for a limited period of five years). The demarcation date for identifying new transmission assets would, therefore, only serve to distinguish between two categories of transmission assets, both of which would be removed from Commission jurisdiction in contravention of the Commission's December 20 order.

2. In Order No. 02-1199 (at page 63), however, the Commission directed that the GridFlorida filing be modified so that the Commission retains its jurisdiction: “[W]e find that the modified compliance filing does not provide for preservation of our jurisdiction over retail transmission rates and, therefore, does not comply with our December 20 order. The Applicants are directed to modify the GridFlorida compliance filing to recognize our continuing jurisdiction over the total cost of transmission service to retail customers.” A true compliance filing in response to Order No. 02-1199 should not distinguish between new and existing transmission assets because the Commission has the same retail jurisdiction over both. The demarcation date for new transmission assets under the rejected rate structure proposal is irrelevant.

Respectfully submitted,

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**CERTIFICATE OF SERVICE
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I HEREBY CERTIFY that a true and correct copy of the foregoing PUBLIC COUNSEL'S RESPONSE TO FLORIDA POWER CORPORATION'S MOTION FOR RECONSIDERATION has been furnished by U.S. Mail or *hand-delivery to the following parties on this 23rd day of September, 2002:

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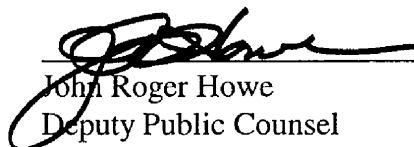
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