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Re: Docket No. 020233-EI

Dear Ms. Bayó:

By this letter, the members of the Florida Municipal Group (FMG)¹ respond to the GridFlorida Companies' January 27, 2006 Motion to Withdraw Compliance Filing and to the answer in opposition filed jointly by Florida Municipal Power Agency (FMPA) and Seminole Electric Cooperative Inc. (Seminole) on February 13, 2006.

The essence of the GridFlorida Companies' motion is that interceding events, including the unfavorable results reflected in the cost-benefit study performed by ICF, warrant termination of the GridFlorida proceedings before this Commission. FMPA and Seminole, by contrast, believe it important that this Commission keep a docket (either the one referenced above or another one) open as a means of "encouraging" the GridFlorida Companies to take steps toward enhanced joint planning and rate de-pancaking for transmission service within the Florida grid.

While sympathetic to FMPA/Seminole's concerns about maintaining momentum toward joint transmission planning and rate equity, FMG members are of the view that the GridFlorida docket should be allowed to close as requested by the GridFlorida Companies. Several considerations support this result. First, as the GridFlorida Companies note at page 4, footnote 3 of their March 10, 2006 Response to Opposition to FMPA and Seminole, there is an ongoing forum in which many of the same topics and issues are under active review by virtually all Florida transmission owners. This forum is under the auspices of the Florida Reliability Coordinating Council (FRCC) and involves implementation of the enhanced reliability planning principles adopted by the FRCC Board of Directors last year. These new planning protocols are being tested now, and the FMG members are optimistic they will lead to a materially higher

¹ FMG members include the City of Tallahassee (Tallahassee), Gainesville Regional Utilities (GRU), Kissimmee Utilities Authority (KUA) and Lakeland Electric (Lakeland).

level of coordinated transmission planning and improvements among all operators. Notably, the GridFlorida Companies, in their March 10, 2006 answer, commit to "continue to work on this planning process regarding FPSC oversight." FMG members' optimism about the FRCC process -- and their willingness to see the GridFlorida proceedings closed -- is based in no small part on taking the GridFlorida Companies at their word in this regard.

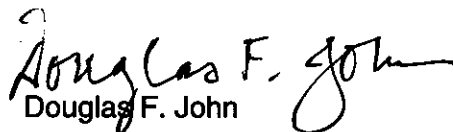
Second, FMG members call the Commission's attention to the Federal Energy Regulatory Commission's (FERC) recently adopted Order No. 672, issued February 3, 2006 in Docket No. RM05-30-000, in which the FERC, in compliance with directives contained in the Energy Policy Act of 2005, promulgates rules for the certification of a national Electricity Reliability Organization (ERO), which, along with any regional subdivisions of the ERO, will operate under FERC jurisdiction. An application is expected to be filed with the FERC within the next few weeks by NERC or its successor for certification as the ERO. The changes that will flow from this new reliability regime are not fully known at present, but are expected to be profound. One area of uncertainty is how the actions of this new FERC-regulated organization will interface with the responsibility of the FPSC to oversee power supply adequacy for Florida consumers. In FMG's members' view, it would be wise to give this process time to evolve before asking the FPSC to stand prepared to wade into GridFlorida-type issues on short notice (as would be implied by keeping the GridFlorida docket open at this point).

Finally, and notwithstanding the thoughts expressed in the preceding paragraph, IF events occurred as would support the prompt intercession of the FPSC to prevent harm, FMG members know of no reason such intercession could not be secured through the filing of a complaint or petition seeking expedited action. The availability of this option is one more reason closure of the current GridFlorida docket will not compromise public interest.

For all of these reasons, the FMG members believe the current proceedings at Docket No. 020233-EI should be terminated, without prejudice to the right of any party to petition this Commission for relief due to the alleged actions or inactions of one or more of the GridFlorida Companies in the future.

Should you have any questions or comments regarding this letter, please direct them to the undersigned.

Very truly yours,


Douglas F. John

Counsel for the City of Tallahassee, Gainesville
Regional Utilities, Kissimmee Utilities Authority, and
Lakeland Electric

cc: All Parties (Certificate of Service attached)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail, this 15th day of March, 2006, to the following:

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