FPL

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May 18, 2004

VIA HAND DELIVERY
Ms. Blanca S. Bayó, Director
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: In re: Petition to Determine Need for Turkey Point Unit 5 Power Plant by Florida Power & Light Company - Docket No. 040206-EI; FPL's Motion to Compel Answers to Interrogatories, Production of Documents and Responses to Request for Admissions by Calpine Energy Services, L.P.

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original and seven (7) copies of FPL's Motion to Compel Answers to Interrogatories, Production of Documents and Responses to Request for Admissions by Calpine Energy Services, L.P.

Also included in this submittal is a computer diskette containing FPL's Motion in Word format. Please contact me if you or your Staff have any questions regarding this filing.

Sincerely,

R. Wade Litchfield

RWL:ec
Enclosures
cc: Parties of Record w/enclosures

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's Petition to Determine Need for Turkey Point Unit 5 Electrical Power Plant.	))))	Docket No. 040206-EI Dated: May 18, 2004

FLORIDA POWER & LIGHT COMPANY'S MOTION TO COMPEL ANSWERS TO INTERROGATORIES, PRODUCTION OF DOCUMENTS AND RESPONSES TO REQUEST FOR ADMISSIONS BY CALPINE ENERGY SERVICES, L.P.

Florida Power & Light Company ("FPL"), pursuant to Rules 28-106.206 and 28-106.303 of the Florida Administrative Code and Florida Rules of Civil Procedure 1.280, 1.340, 1.350 and 1.380 moves to compel Calpine Energy Services, L.P. ("Calpine") to respond to FPL's Second Requests for Production of Documents (Nos. 21-24) ("Second Requests for Production"), a copy of which is attached as Exhibit A, FPL's Second Set of Interrogatories (Nos. 51-61) ("Second Interrogatories"), a copy of which is attached as Exhibit B, and FPL's Second Request for Admissions (No. 27) ("Second Admissions"), a copy of which is attached as Exhibit C (collectively "the Second Set of Discovery"). The grounds for this motion are as follows:

1. On May 6, 2004, Calpine, FPL served its Second Set of Discovery on Calpine. The purpose of the discovery was: 1) to obtain documents or information that supports or contradicts positions Calpine has taken in the present action; 2) to discover evidence and materials upon which Calpine intends to rely; and 3) to discover evidence and materials that support FPL's positions in the present action.

2. On May 17, 2004, Calpine filed and served its "Preliminary Objections" to FPL's Second Set of Discovery (attached as Exhibit D). Through such objections, Calpine asserts that it "is not obligated to respond" to any of FPL's Second Set of Discovery on grounds that the date of service, May 6, 2004, does not allow Calpine adequate time to respond before the discovery

cut-off date of May 26, 2004 in accordance with the Order Establishing Procedure in this docket. (Calpine's Preliminary Objections to Second Set at 2). Calpine correctly notes that the Order Establishing Procedure allows parties 20 days to respond to discovery requests.

3. The undersigned counsel confirmed, before filing this motion, that the service date of May 6 in fact allows Calpine 20 days to respond before the discovery cut-off in this docket. FPL asserts that Calpine's technical objection to responding to FPL's Second Set of Discovery is baseless.

4. With respect to Calpine's Preliminary Objections made to FPL's Second Set of Discovery, FPL asks the Commission to confirm that May 6, 2004, service on Calpine allows Calpine 20 days to respond in accordance with the Order Establishing Procedure, and overrule Calpine's objections on these grounds.

5. Further, with respect to Calpine's Preliminary Objections, FPL asks that the Commission rule that Calpine waived its right to file objections that could have and should have been raised by May 17, 2004. Calpine gave FPL no notice of the specific requests made by FPL to which it does not intend to respond or its reasons for not responding. Per the Order Establishing Procedure, Order No. PSC-04-0325-PCO-EI, such objections are due within 10 days of discovery being served. Therefore, Calpine should be ordered to respond to FPL's Second Set of Discovery Requests without the ability to raise objections that could have been raised within the 10-day period prescribed in the Order Establishing Procedure.

6. FPL respectfully requests that the Prehearing Officer order: (1) Calpine has waived its ability to file specific objections to FPL's Second Set of Discovery; and (2) Calpine must respond to FPL's Second Set of Discovery by May 26, 2004.

7. FPL requires the discovery sought from Calpine so that it may evaluate and anticipate Calpine's challenges to FPL's Petition to Determine Need for Turkey Point Unit 5 and so that it may support its own case. Calpine has not filed a direct case, and it has indicated to FPL that it does not intend to call any witnesses in the case other than FPL employees. Calpine has, thus far, objected to and resisted all of FPL's discovery requests. FPL's only insight into Calpine's challenge to FPL's Petition is Calpine's Petition to Intervene, Calpine's re-filed Prehearing Statement, and the discovery Calpine has served on FPL. FPL is entitled to Calpine's responses to FPL's written discovery, and requires it to prepare for the hearing in this case. Parties naturally need to know what information supports or contradicts their adversaries' position, background on their adversaries' witnesses, and what information their adversaries will rely upon at trial. See generally, Elkins v. Syken, 672 So.2d 517, 522 (Fla. 1996). FPL is also entitled to documents or information upon which Calpine intends to rely in the present action.

8. Please note that FPL expects that Calpine will continue to resist discovery, will continue to search for technical defects and will ask for reconsideration of any prehearing order compelling discovery. FPL submits that an order compelling Calpine to respond to FPL's Second Set of Discovery will help ensure that Calpine does not keep this ball in the air past the discovery cut-off date of May 26, 2004.

Conclusion

There is no reasonable basis for Calpine's objections to FPL's Second Set of Discovery. Accordingly, FPL seeks an order compelling Calpine to produce the documents requested in FPL's Second Request for Production and compelling Calpine to answer FPL's Second Set of Interrogatories and Second Requests for Admission. Further, FPL respectfully requests an order finding that Calpine waived its right to make objections to FPL's Second Set of Discovery that could have been made within the 10-day period prescribed in the Order Establishing Procedure.

FPL represents that Calpine has indicated it will oppose FPL's Motion to Compel. FPL is open to further discussion with Calpine to attempt to resolve the aforementioned issues, but FPL believes it must file this Motion to Compel in the interest of time.

Time is of the utmost concern in the present proceeding. Therefore, FPL respectfully requests expedited treatment of this Motion to Compel. Finally, FPL reserves the right to supplement this Motion pending Calpine's discovery responses due to be filed May 26, 2004.

Certificate of Counsel

Counsel for FPL, R. Wade Litchfield, Esq., certifies that he has consulted with Counsel for Calpine in an attempt to resolve the issues raised in this Motion, but that counsel were unable to agree within a reasonable time that would allow for timely responses to FPL's Second Set of Discovery.

Respectfully submitted this 18th of May, 2004.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Second Motion to Compel has been furnished by hand delivery (*) and by United States Mail this 18th day of May, 2004, to the following:

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By: ______________________
R. Wade Litchfield, Esquire

EXHIBIT A

FPL'S SECOND SET OF INTERROGATORIES

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to Determine Need for Turkey Point Unit 5 Electrical Power Plant by Florida Power and Light Company	)))))	DOCKET NO. 040206-EI Date: May 6, 2004

FLORIDA POWER & LIGHT COMPANY'S SECOND SET OF INTERROGATORIES TO CALPINE ENERGY SERVICES, L.P. (NOS. 51-61)

Florida Power & Light Company ("FPL") propounds the following second interrogatories on Calpine Energy Services, L.P., and requests that they be answered separately, fully and under oath pursuant to the timeframes established in the Commission's Order Establishing Procedure in the above-referenced docket.

DEFINITIONS

1. "You," "yours" and/or "yourselves" means "Calpine."

2. Unless the interrogatory states otherwise, "Calpine" means Calpine Energy Services, L.P., its parent, Calpine Corporation, any affiliated entities, and any attorney, employee, agent, representative, or other person acting or purporting to act on your behalf.

3. "Person" or "persons" means all natural persons and entities, including but not limited to: corporations, companies, partnerships, limited partnerships, joint ventures, trusts, estates, associations, public agencies, departments, bureaus, or boards.

4. "Document or documents" means "documents" as defined in Rule 1.350 of the Florida Rules of Civil Procedure. In addition, the words "document" or "documents" shall mean any writing, recording, computer-stored information, or

photograph in your possession, custody, care or control, which pertain directly or indirectly, in whole or in part, to any of the subjects listed below, or which are themselves listed below as specific documents, including, but not limited to: correspondence, memoranda, notes, messages, e-mails, diaries, minutes, books, reports, charts, ledgers, invoices, computer printouts, computer discs, microfilms, video tapes, or tape recordings.

5. "FPL" means Florida Power & Light Company.

6. "MW" means megawatts.

7. "Florida electric utility" means "electric utility" as that term is defined in Section 366.02(2), Florida Statutes.

8. The "Bid Rule" means Rule 25-22.082, Florida Administrative Code.

9. "SEC" means the federal Securities and Exchange Commission.

10. "RFP" means Request for Proposals.

11. "Identify" shall mean to denote, list, state, or respond in similar fashion.

12. "Identify" shall also mean: (1) when used with respect to a person, to state the person's full name, present or last known business address; and present or last known employer and position; (2) when used in respect to a document, to describe the document by character (e.g., letter, report, memorandum, etc.), author, date, and to state its present location and custodian; and (3) when used with respect to an oral communication, to identify the persons making and receiving the communication, the approximate date of and time of the communication, and a summary of its content or substance.

13. "Relate to" shall mean contain, discuss, describe or address.

14. "All" means all or any.

INSTRUCTIONS

15. If any of the following interrogatories cannot be answered in full after exercising due diligence to secure the information, please so state and answer to the extent possible, specifying your inability to answer the remainder, and state whatever information you have concerning the unanswered portion. If your answer is qualified or limited in any respect, please set forth the details of such qualifications and/or limitations.

16. If you object to fully identifying a document or oral communication because of a privilege, you must nevertheless provide the following information, unless divulging the information would disclose the privileged information:

a. the nature of the privilege claimed (including work product);

b. the date of the document or oral communication;

c. if a document; its type (correspondence, memorandum, facsimile electronic mail, etc.), custodian, location, and such other information sufficient to identify the document for a subpoena duces tecum or a document request, including where appropriate the author, the addressee, and, if not apparent, the relationship between the author and addressee;

d. if an oral communication; the place where it was made, the names of the persons present while it was made, and, if not apparent, the relationship of the persons present to the declarant; and

e. the general subject matter of the document or the oral communication.

17. If you object to all or part of any interrogatory and refuse to answer that part, state your objection, identify the part to which you are objecting, and answer the remaining portion of the interrogatory.

18. Whenever an interrogatory calls for information that is not available to you in the form requested, but is available in another form, or can be obtained at least in part from other data in your possession, so state and either supply the information requested in the form in which it is available, or supply the data from which the information requested can be obtained.

19. The singular shall include the plural and vice versa; the terms "and" and "or" shall be both conjunctive and disjunctive; and the term "including" means "including without limitation."

20. If any interrogatory fails to specify a time period from which items should be listed, identified or described, your answer shall include information from the previous three years.

21. These interrogatories shall be answered under oath by you or through your agent who is qualified to answer and who shall be fully identified, with said answers being served as provided pursuant to the Florida Rules of Civil Procedure or order of the Commission.

INTERROGATORIES

51. Identify and explain any material difference you contend exists between the method used by Standard & Poor's to quantify the financial impact of the off-balance-sheet liability associated with purchased power obligations and the equity adjustment approach used by FPL.

52. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), describe and explain in detail any and all bases for the assertion attributed to Mr. Cartwright at page 3 that "prices customers pay for regulated generation are rarely lower than merchant power." Include in your explanation a discussion of the merchant sector in California and a comparison of prices paid by California customers over the last three years relative to the prices Florida customers paid for regulated generation over the same period.

53. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), describe and explain in detail what Mr. Cartwright meant in indicating that "the chief threat facing the competitive power industry was the threat of utilities pulling unregulated plants back into a regulated regime" (see page 3), particularly how and why he believes such to be the chief threat to Calpine. If you contend that the statement attributed to Mr. Cartwright was not accurately conveyed in the article, provide a corrected version of the statement and provide a response to this interrogatory based on the corrected statement.

54. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), describe and explain in detail any and all bases for the assertion attributed to Mr. Cartwright at page 3 that "we are better at producing power for customers at lower prices than they are."

55. Explain in detail how Calpine would propose that FPL and its customers be protected from a failure of Calpine to timely construct the Blue Heron Energy Center and deliver the promised capacity and energy to FPL. Include in your response a description of the types, amounts, and forms of security Calpine would be willing to post or provide in connection with a purchase power agreement, how Calpine would compute such amounts, and how each such type, amount, and form of security would protect FPL and its customers in the event of such a failure.

56. Explain in detail how Calpine would propose that FPL and its customers be protected from a failure of Calpine, following completion of the Blue Heron Energy Center, to deliver the promised capacity and energy to FPL. Include in your response a description of the types, amounts, and forms of security Calpine would be willing to post or provide in connection with a purchase power agreement, how Calpine would compute such amounts, and how each such type, amount, and form of security would protect FPL and its customers in the event of such a failure.

57. Explain in detail how Calpine, were it to enter into a purchased power agreement with FPL consistent with its proposal in response to the RFP, would propose that FPL and its customers be protected in the event that Calpine were to seek bankruptcy protection from its creditors. Include in your response a description of the types, amounts, and forms of security Calpine would be willing to post or provide in connection with a purchase power agreement and how each such type, amount, and form of security would protect FPL and its customers in the event of such an event.

58. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), and the quote from Calpine's 2003 10-K (see page 2), stating that Calpine has "substantial indebtedness that we may be unable to service and that restricts our activities," explain all ways in which that indebtedness restricts Calpine's activities, including its access to capital markets, its cost of capital, and its ability to commence and complete projects.

59. With respect to the statement referenced in interrogatory number 58, explain how any such restrictions may affect the Blue Heron Energy Center, or Calpine's ability to complete the Blue Heron Energy Center on time. If you don't believe such restrictions would have any adverse effect on Calpine's Blue Heron Project or its ability to timely complete the project, explain fully any and all bases for that belief.

60. Indicate whether Calpine has offered to supply power from its planned Blue Heron Energy Center to any prospective purchaser at a price lower than Calpine proposed to FPL in its response to FPL's recent RFP.

61. Referencing Calpine's 2002 10-K at page 5, wherein Calpine states, "Our vision is to become North America's largest and most profitable power company and ultimately become a major worldwide power company. In achieving our corporate strategic objectives, the number one priority for our company is maintaining the highest level of integrity in all of our endeavors", indicate which of these corporate objectives/priorities is served by Calpine's efforts through discovery in this proceeding to obtain access to the detailed cost and pricing information of FPL and its major equipment suppliers, suppliers with whom Calpine also does business.

Respectfully submitted this 6th day of May, 2004.

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Charles A. Guyton, Esquire FBN 0104507
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CERTIFICATE OF SERVICE
Docket No. 040206-EI

I HEREBY CERTIFY, that on this 6th day of May, 2004, a copy or courtesy copy (*) of Florida Power & Light Company's Second Request for Production of Documents to Calpine Energy Services, L.P. was served by electronically (**) and by U.S. Mail to the following:

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Global Power Report

April 22, 2004

Entergy, Cleco Power tell La. PSC of plans to issue RFPs for up to 3,300 MW this fall

Entergy and Cleco Power have notified the Louisiana Public Service Commission that they will both issue solicitations for long-term power supplies this fall for up to 3,300 MW in aggregate.

Under new rules adopted by the PSC in January 2004, utilities in the state are now required to give notice of solicitations for new supplies five months in advance. They will submit draft requests for proposals in June, which will be reviewed by bidders and by the PSC and then issue the RFPs in September.

Under the new rules, the utilities must propose "independent monitors" to oversee the bidding process and guard against favoritism to utility affiliates. The PSC can accept the utility nominees or name substitutes.

Entergy informed the PSC in early April it would seek between 250 MW and 1,500 MW of short-term and long-term power supplies for Entergy Louisiana and Entergy Gulf States. It also proposed that Susan Tierney of the Analysis Group act as an "independent monitor" to oversee the RFP.

(continued on page 4)

PG&E, out of bankruptcy, once again is considering building power plants

Pacific Gas and Electric is planning what might be significant new generation investment, but will not create a new subsidiary to do so. The effort would be part of PG&E's efforts to design a long-term power resource portfolio, said Dan Richard, utility senior vice president, at a California Public Utilities Commission hearing.

Richard declined to provide additional details, or to characterize PG&E's aggressiveness. The company emerged from bankruptcy on April 12.

PG&E does not plan to create a subsidiary, which would emulate Southern California Edison's approach to the contentious Mountainview power proposal, said Richard. He also said that generation development would be outside the utility's northern and central California service territory, but possibly somewhere in the Western region. "We are looking at all opportunities," he said.

Approved by state and federal regulators earlier this year, the 1,054-MW Mountainview proposal enabled SoCal Ed to create a new subsidiary and then sign a 30-year contract for its output (GPR, 26 Feb, 18). The action outraged power producers because the plant was not competitively bid. PG&E, the state's largest utility, will "borrow a page" from independent producers by looking at turnkey generation, Richards said. Under a turnkey

(continued on page 4)

Calpine CEO Cartwright looks past near-term problems; lays out company's longer strategy

Three years ago, in the spring of 2001, with its stock price pushing $60 a share and with aspirations of building a 40,000-MW fleet of power plants, Calpine Corp. was nothing if not the picture of the confident, high-flying independent power producer.

Its founder, Pete Cartwright, a Princeton graduate with a civil engineering degree from Columbia University and deep international experience with General Electric, was hailed as a "visionary" in numerous press reports.

But since the winter of 2001, everyone in the power sector has been humbled in one way or another. Independent generators such as NRG Energy, PG&E National Energy Group, and Mirant Corp. are either in bankruptcy or are emerging from reorganization. Calpine, which in some respects is the purest of the independent power producers, has hardly escaped the carnage. Its stock price, as of April 15, was down to $4.60 a share. But compared with other companies in the industry, Calpine looks good for merely having avoided bankruptcy as long as it has. However, some analysts wonder how long that can last.

Last week, Pete Cartwright embarked on something of a mini

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Calpine CEO Cartwright looks past near-term problems, lays out strategy ... from page 1

public relations blitz. He sought to relay some of the things he believes are going right with Calpine, and sat down with Platts in the tenth-floor board room of Calpine's new 32-floor tower in downtown Houston.

A strategy review board meeting at the end of last year, he said, laid out the company's general direction. Despite what most feel is an overbuilt sector, Calpine intends to continue to build out what it already considers the largest portfolio of the most modern plants in the business.

Taking a "the bad times can't last forever" attitude, Calpine's commitment to the 12 new plants under "active construction" that will push the company's current net capacity up to almost 30,000 MW by year-end 2006, will make Calpine the seventh largest generation company in the country. Number one would be Southern Company, at 40,960 MW, followed, in descending order, by American Electric Power, Duke, Tennessee Valley Authority, FPL Group, and Entergy.

By the end of 2003, Calpine owned interests in 87 power plants with an aggregate capacity of 22,206 MW, 97% of which are gas-fired plants and 3% of which are geothermal stations. The company has 12 gas-fired projects and one project expansion under construction, which will add 7,685 MW to its portfolio. The company boasts that with the completion of the new projects, it will have interests in 99 plants in 22 states, three Canadian provinces and the United Kingdom, giving it a net capacity of 29,891 MW.

Despite its fleet of state-of-the-art turbines, Calpine acknowledges it has problems, namely, the huge debt load it incurred to build all those plants. In its 2003 form 10-K filed with the Securities and Exchange Commission on March 25 Calpine stated that it has "substantial indebtedness that we may be unable to service and that restricts our activities." It put its consolidated debt at $17.8 billion versus consolidated assets of $27.3 billion and stockholders equity of just $4.6 billion.

"We cannot assure that our business will generate sufficient cash flow from operations" to enable it to pay debt in the out years, the company stated in its 10-K. It said that its ability to service obligations and repay, extend or refinance its indebtedness will be "dependent primarily on the operational performance of our power generation facilities and of our oil and gas properties, movements in electric and natural gas prices over time, and our marketing and risk management activities."

As of year-end 2003, Calpine's debt structure consisted of $9.4 billion in senior notes, $4.3 billion in secured construction project notes, $1.3 billion in convertible senior notes, $1.2 billion in trust preferred securities, and $1 billion of secured and unsecured notes payable and borrowings under credit facilities. There were an additional $200 million in capital lease obligations and $200 million in preferred interests.

For 2003, the company's "statement on cash provided by operating activities" totaled just $290 million, compared with $1.06 billion in 2002, $423 million in 2001, and $875 million in 2000.The company in 2003 dished out some $726 million in debt interest expenses, compared with $413 million in 2002 and $196 million in 2001, and $81 million in 2000.

While the company has seen its power generation increase from 42.4 million MWh in 2001 to 82.4 million MWh in 2003, it also saw its net income drop from $623 million in 2001 to $282 million in 2003. The company reported that while its average realized price for electricity increased from $44.28/MWh in 2002 to $56.97/MWh in 2003, and its plants operated at the respectably efficient average heat rate of 8,007 Btu/kWh, the company's average spark spread, which takes into consideration the price of fuel, declined to $22.11/MWh from $25.64/MWh in 2002 and $35.72/MWh in 2001.

Rescheduling, buying back or eliminating this debt burden has consumed a fair amount of the company's resources over the past 18 months. In 2003 the firm went to the capital market 14 times, raising $7.68 million through various secured note issues or

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term loans. Most of the notes issued were for between six, seven or eight years duration and were below investment grade with yields generally running between 8.75% to as high as 9.84%.

The funds raised in 2003 were used to repay $2.43 billion in credit facilities, a California peaker plant financing, and an outstanding balance on its Calpine Construction Finance Co.-I LLC financing vehicle. With the money Calpine also repurchased $1.9 billion of various debt securities and swapped common stock for some $182 million worth of debt securities and its Remarketable Term Income Deferrable Equity Securities, otherwise known as HIGH TIDES, in a private transaction.

As it entered 2004, Calpine was faced with $276 million of additional HIGH TIDES to be remarketed by November 2004, $360 million by Feb. 1, 2005, and $517 million more by Aug. 1, 2005.

More pressing, however, was the fact that the $2.5 billion secured revolving construction facility held by Calpine Construction Finance Co.-II, LLC, would come due in December 2004. Refinancing CCFC-II was a major goal for the early part of this year.

In late February, Calpine failed in its first attempt to refinance CCFC-II when investors balked at the terms (GPR, 26 Feb, 6). When the offering was cancelled, Calpine's stock, which had risen to over $6.20 a share in early February, plunged to below $5.40 a share. Calpine changed the name of the financing vehicle, changed the terms and changed its banker, and sold the refinancing in March (GPR, 25 March, 9).

In the original attempt to refinance CCFC-II, which was handled by Deutsche Bank, Calpine called for a $1 billion fixed rate bond offering with a coupon of about 11% and a senior secured term loan that was expected to be priced at the London Interbank Offered Rate plus 475 basis points.

In the revised refinancing, led by Morgan Stanley, Calpine created a new vehicle, Calpine Generating Co. (CalGen), and tightened up the terms. In broad strokes, in the first, failed offering the terms gave Calpine more latitude with respect to the power plant assets that would have secured the financing instruments. For instance, Calpine might have been able to sell some assets or otherwise move them out from under the terms or covenants.

The CalGen deal tightened up those terms. The total deal was for $2.4 billion in a combination of floating rate term notes and floating rate term loans broken into three tranches. The maturities of the tranches range from 2009 out to 2011 with pricing ranging from 375 basis points over LIBOR to 900 basis points over LIBOR and a coupon of 11.5% on $150 million of third priority fixed rate notes. The main change, however, was that the instruments were secured through a combination of direct and indirect stock pledges and asset liens by CalGen's 14 generating stations and related assets throughout the U.S. None of the indebtedness will be guaranteed by Calpine Corp.

Calpine later closed an additional $200 million revolving credit line with a syndicate led by The Bank of Nova Scotia. But, by early April, Morgan Stanley was reportedly troubled by its difficulty in laying off to the secondary markets portions of the notes it had bought. The secondary market had apparently been spooked by credit rating agencies that had lowered the ratings on the third priority, or most subordinated tranches, of the offering.

Indeed, on March 22, Standard & Poor's assigned its CCC-plus rating to the $830 million of third-priority notes and loans, and gave the tranches its "5" recovery rating, which, the rating agency noted, indicated that third-priority note holders could expect between a 0% to 25% recovery of principal in the event of a default.

But asked what he felt was the biggest obstacle facing Calpine today, Cartwright did not point to the company's debt load. The 74 year-old chairman, president and CEO, who owns roughly 1.1 million of the company's 415 million outstanding shares, said the chief threat facing the competitive power industry was the threat of utilities pulling unregulated plants back into a regulated regime.

Cartwright said that the collapse of Enron and the California energy crisis, "which were not related events, as many people like to think," had nonetheless given deregulation "a bad name." A move to go backwards to a regulated industry, he said, "is now on the table."

The model that Calpine promotes is one in which "utilities are responsible for their customers, and do resource planning. But they go and acquire that power competitively. We are better at producing power for customers at lower prices than they are," Cartwright said. "It seems simple." To put into rate base plants that are not economic, "is an outdated model that can't win. ... But they are trying."

Calpine has led the charge in challenging decisions by several utilities, including Southern California Edison and Florida Power and Light, among others, to build plants rather than buy from the competitive market. That policy, however, "is not in the ratepayers' interest" because the prices customers pay for regulated generation are rarely lower than merchant power, Cartwright argued. He noted that since enactment of the Energy Policy Act of 1992, 72% of all new plants brought on-line in the U.S. have been built by the merchant sector. "These are modern and efficient plants," he said.

The very efficiency of those plants, however, can hurt the bottom line when efficient plants begin to dominate the market (see story, page 15). The competitive power industry is at the mercy of the vagaries of the natural gas market. And Calpine is among the most vulnerable. Sixty-nine of Calpine's 87 plants are fired by natural gas, and the company says it is the single largest user of natural gas in the United States.

To offset volatile and often rising natural gas prices, Calpine has been expanding its gas resources and now controls or owns 1 trillion cubic feet of proven natural gas reserves. Last year, Calpine produced 20% of the company's annual gas demand, said Cartwright. He admitted that the company was not "balanced, as yet, in terms of gas production and use," but said that the near-term goal is to have production equal to at least 25% of the company's demand. "Our goal is to have enough of our own gas to meet fixed-priced electricity contracts. We see more need for fixed-price power contracts."

In 2003, Calpine's marketing and sales unit closed on the sale of 7,000 MW of contracted power. The contracts, said Cartwright, were done on a two-year average and at an average spark spread of $18.

The company's best deal to date, however, may have been the power sales contract it signed with the California Dept. of Water Resources in May 2001. The company locked in $2 billion in gross margin, averaging a $25 spark spread when spreads in the market were ranging between $5 and $10.

Overall, Cartwright said Calpine is "pursuing portfolio opportunities of 20,000 MW, with an average life of nine years in 2004," he added. The market value of the company's portfolio of contracted wholesale power is now "about $4.5 billion," according to Cartwright. That compares with total revenues last year of $8.9 billion.

In its 10-K filing with the SEC, the company said it aims to have 65% of its available capacity sold under long-term contracts or hedged by its risk management group. "Currently we have 52% of our available capacity sold or hedged for 2004," the company said.

Looking further into the future, Cartwright said one of the company's key strategic goals was to expand into the U.K. and Europe. He argued that Europe should prove to be a key growth area "because it is deregulating, is short of power, and natural gas is the preferred fuel."

Entergy, Cleco Power tell La. PSC of plans to issue RFPs this fall ... from page 1

Cleco Power said it had notified the Louisiana Public Service Commission April 15 that it would issue a request for proposals covering up to 1,800 MW of new supplies for the period starting Jan. 1, 2006.

One part of the RFP will seek up to 1,000 MW of long-term supplies of intermediate and peaking power to replace expiring purchase contracts and meet new demand growth. The power would have to be available starting Jan. 1, 2006 and would fill needs through 2020. A second part of the RFP asks for up to 800 MW of capacity "with stable fuel prices" to allow Cleco to replace older in-house capacity.

Cleco said that it would consider offers of firm energy and capacity as well as asset purchases. It also said it would test several self-build options against the market in ensure the lowest price for customers. Cleco also proposed Elizabeth Benson, president of Energy Associates, to be the monitor.

PG&E, out of bankruptcy, once again is considering building plants ... from page 1

contract all construction risk is held by contractors, rather than ratepayers. He noted that the plants would be considered utility-owned generation under cost-of-service rates.

Richard said PG&E would unveil its plans in June as part of long-term resource procurement filings to the PUC by the state's three investor-owned utilities. The filings will detail the utilities' resource portfolios to meet their demand needs. Richard said the company hopes the PUC approves the plans by year end.

During the hearing, representatives of PG&E, SoCal Ed and San Diego Gas & Electric asked to allow their larger customers freedom of choice, but said that the PUC must first determine resource-adequacy rules. Such rules would help ensure utilities and suppliers are able to meet load demands and know their customer base and their corresponding cost so they can attract the necessary capital to invest in generation, Richard said.

"All load-serving entities should be responsible for serving their customers," said SoCal Ed President Bob Foster. "There should be no free riding on the [generation] investment of others." "A direct-access program should mean some customers control their [energy] costs, not get a cost evasion," said Sempra Utilities Senior Vice President Bill Reed.

The PUC suspended direct access in September 2001 at the height of the state's power crisis.

COMPANY NEWS

Duke executive starts his own company, seeks opportunities in distressed market

Houston-based Federal Power Co. LLC—run by President and CEO Steven Gilliland, a former executive of Duke Energy North America—believes it has devised a formula to prosper even though the merchant power market has yet to return to health.

"We think the market will turn around in a non-homogenous way, with capacity needed in some areas and not in others," Gilliland said. The key for companies like Federal Power and others is identifying where new capacity is needed in a largely over-built country.

"The closer you are to Manhattan the better off you are [as a power plant developer], and the same thing applies to the San Francisco area," said Gilliland. "Florida will need new capacity sooner, rather than later, and you can say the same thing for PJM East," he added. "And if you could drop a power plant onto certain portions of the Houston Ship Channel, you could have a viable project tonight." Gilliland said it is those markets Federal Power will attack first.

Initially, the company will focus on three activities: consulting work, plants suspended in the construction phase and green field projects initiated by others, and, perhaps, even by Federal Power itself.

There are plenty of power stations from which to choose. According to data from the Platts-operated NewGen database of North American power stations, since January 2002 approximately 178,000 MW of capacity was canceled in North America, 172,500 in the U.S. Over the same period, another 112,000 MW in North America were put on hold, of which 104,000 MW is in the U.S.

There are currently 190,000 MW proposed and under development in North America, 165,000 MW in the U.S. There is no reliable estimate of how much of that total will be brought into service. Currently 44,000 MW are under construction in North America, including 40,000 MW in the U.S.

Negotiations are under way on several deals, said Gilliland, adding that the company could have between 1,000 MW and 2,000 MW of capacity in its portfolio by year end. "Gas and coal projects are being discussed," said Gilliland, but he declined to offer specifics. He also declined specifics on Federal Power's

EXHIBIT B

FPL'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to Determine Need for Turkey Point Unit 5 Electrical Power Plant by Florida Power and Light Company	)	DOCKET NO. 040206-EI
	)	Date: May 6, 2004

FLORIDA POWER & LIGHT COMPANY'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS TO CALPINE ENERGY SERVICES, L.P. (NOS. 21-24)

Pursuant to Rule 28-106.206, Florida Administrative Code and Rule 1.350, Florida Rules of Civil Procedure, Florida Power & Light Company ("FPL"), serves the following second request for production of documents upon Calpine Energy Services, L.P., and requests that responsive documents be produced pursuant to the timeframes established in the Commission's Order Establishing Procedure in the above-referenced docket.

DEFINITIONS

1. "You," "yours" and/or "yourselves" means "Calpine."

2. Unless the interrogatory states otherwise, "Calpine" means Calpine Energy Services, L.P., its parent, Calpine Corporation, any affiliated entities, and any attorney, employee, agent, representative, or other person acting or purporting to act on your behalf.

3. "Person" or "persons" means all natural persons and entities, including but not limited to: corporations, companies, partnerships, limited partnerships, joint ventures, trusts, estates, associations, public agencies, departments, bureaus, or boards.

4. "Document or documents" means "documents" as defined in Rule 1.350 of the Florida Rules of Civil Procedure. In addition, the words "document" or "documents" shall mean any writing, recording, computer-stored information, or photograph in your possession, custody,

care or control, which pertain directly or indirectly, in whole or in part, to any of the subjects listed below, or which are themselves listed below as specific documents, including, but not limited to: correspondence, memoranda, notes, messages, e-mails, diaries, minutes, books, reports, charts, ledgers, invoices, computer printouts, computer discs, microfilms, video tapes, or tape recordings.

5. "FPL" means Florida Power & Light Company.

6. Unless the request states otherwise, "Calpine" means Calpine Energy Services, L.P., its parent, Calpine Corporation, and any affiliated entities.

7. "Relate to" shall mean contain, discuss, describe or address.

8. "All" means all or any.

9. The singular of any word contained herein shall include the plural and vice versa; the terms "and" and "or" shall be both conjunctive and disjunctive; and the term "including" means "including without limitation."

INSTRUCTIONS

10. Scope of Production. In responding to this request to produce, produce all responsive documents, including any and all non-identical copies of each such document.

11. Manner of Objections and Inability to Respond. If you object to a part of a request and refuse to respond to that part, state your objection and answer the remaining portion of that request. If you object to the scope of a request and refuse to produce documents for that scope, state your objection and produce documents for the scope you believe is appropriate.

12. If any of the requests cannot be responded to in full after exercising due diligence to secure the requested documents, please so state and respond and produce documents to the extent possible, specifying your inability to respond further. If your response or production is

qualified or limited in any particular way, please set forth the details and specifics of such qualification or limitation.

13. Privileged Information or Documents. In the event you wish to assert attorney/client privilege or the work product doctrine, or both, or any other claim of privilege, then as to such documents allegedly subject to such asserted privileges, you are requested to supply an identification of such documents, in writing, with sufficient specificity to permit the Prehearing Officer or Commission to reach a determination in the event of a motion to compel as to the applicability of the asserted objection, together with an indication of the basis for the assertion of the claim of attorney/client privilege or the work product doctrine, or any other claim of privilege. The identification called for by this instruction shall include the nature of the document (e.g., interoffice memoranda, correspondence, report, etc.), the sender or author, the recipient of each copy, the date, the name of each person to whom the original or any copy was circulated, the names appearing on any circulation list associated with such document, and a summary statement of the subject matter of the document in sufficient detail to permit the Court to reach a determination in the event of a motion to compel.

14. Computer-Generated Documents. If a requested document is on computer or word processing disc or tape, produce an electronic copy of the document and a printout of the document.

15. Organization of Documents. With respect to the documents produced, you shall produce them as they are kept in the usual course of business, labeling them to correspond with each numbered paragraph of this Request in response to which such documents are produced. All pages now stapled or fastened together and all documents that cannot be copied legibly should be produced in their original form.

DOCUMENTS REQUESTED

21. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), provide any and all documents that support the assertion attributed to Mr. Cartwright at page 3 that "prices customers pay for regulated generation are rarely lower than merchant power."

22. Referencing the April 22, 2004 article in Platts Global Power Report, pages 1-4 (attached as Exhibit A), provide any and all documents that support the assertion attributed to Mr. Cartwright at page 3 that "we are better at producing power for customers at lower prices than they are."

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24. Please provide all documents, used to gain executive Calpine management approval to commence construction of all power plants for the last three years.

Respectfully submitted this 6th day of May, 2004.

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Charles A. Guyton, Esquire FBN 0104507
Fla. Bar No.: 0398039

CERTIFICATE OF SERVICE
Docket No. 040206-EI

I HEREBY CERTIFY, that on this 6th day of May, 2004, a copy or courtesy copy (*) of Florida Power & Light Company's Second Request for Production of Documents to Calpine Energy Services, L.P. was served by electronically (**) and by U.S. Mail to the following:

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2540 Shumard Oak Boulevard
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Global Power Report

April 22, 2004

Entergy, Cleco Power tell La. PSC of plans to issue RFPs for up to 3,300 MW this fall

Entergy and Cleco Power have notified the Louisiana Public Service Commission that they will both issue solicitations for long-term power supplies this fall for up to 3,300 MW in aggregate.

Under new rules adopted by the PSC in January 2004, utilities in the state are now required to give notice of solicitations for new supplies five months in advance. They will submit draft requests for proposals in June, which will be reviewed by bidders and by the PSC and then issue the RFPs in September.

Under the new rules, the utilities must propose "independent monitors" to oversee the bidding process and guard against favoritism to utility affiliates. The PSC can accept the utility nominees or name substitutes.

Entergy informed the PSC in early April it would seek between 250 MW and 1,500 MW of short-term and long-term power supplies for Entergy Louisiana and Entergy Gulf States. It also proposed that Susan Tierney of the Analysis Group act as an "independent monitor" to oversee the RFP.

(continued on page 4)

PG&E, out of bankruptcy, once again is considering building power plants

Pacific Gas and Electric is planning what might be significant new generation investment, but will not create a new subsidiary to do so. The effort would be part of PG&E's efforts to design a long-term power resource portfolio, said Dan Richard, utility senior vice president, at a California Public Utilities Commission hearing.

Richard declined to provide additional details, or to characterize PG&E's aggressiveness. The company emerged from bankruptcy on April 12.

PG&E does not plan to create a subsidiary, which would emulate Southern California Edison's approach to the contentious Mountainview power proposal, said Richard. He also said that generation development would be outside the utility's northern and central California service territory, but possibly somewhere in the Western region. "We are looking at all opportunities," he said.

Approved by state and federal regulators earlier this year, the 1,054-MW Mountainview proposal enabled SoCal Ed to create a new subsidiary and then sign a 30-year contract for its output (GPR, 26 Feb, 18). The action outraged power producers because the plant was not competitively bid. PG&E, the state's largest utility, will "borrow a page" from independent producers by looking at turnkey generation, Richards said. Under a turnkey

(continued on page 4)

Calpine CEO Cartwright looks past near-term problems; lays out company's longer strategy

Three years ago, in the spring of 2001, with its stock price pushing $60 a share and with aspirations of building a 40,000-MW fleet of power plants, Calpine Corp. was nothing if not the picture of the confident, high-flying independent power producer.

Its founder, Pete Cartwright, a Princeton graduate with a civil engineering degree from Columbia University and deep international experience with General Electric, was hailed as a "visionary" in numerous press reports.

But since the winter of 2001, everyone in the power sector has been humbled in one way or another. Independent generators such as NRG Energy, PG&E National Energy Group, and Mirant Corp. are either in bankruptcy or are emerging from reorganization. Calpine, which in some respects is the purest of the independent power producers, has hardly escaped the carnage. Its stock price, as of April 15, was down to $4.60 a share. But compared with other companies in the industry, Calpine looks good for merely having avoided bankruptcy as long as it has. However, some analysts wonder how long that can last.

Last week, Pete Cartwright embarked on something of a mini

(continued on page 2)

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Calpine CEO Cartwright looks past near-term problems, lays out strategy ... from page 1

public relations blitz. He sought to relay some of the things he believes are going right with Calpine, and sat down with Platts in the tenth-floor board room of Calpine's new 32-floor tower in downtown Houston.

A strategy review board meeting at the end of last year, he said, laid out the company's general direction. Despite what most feel is an overbuilt sector, Calpine intends to continue to build out what it already considers the largest portfolio of the most modern plants in the business.

Taking a "the bad times can't last forever" attitude, Calpine's commitment to the 12 new plants under "active construction" that will push the company's current net capacity up to almost 30,000 MW by year-end 2006, will make Calpine the seventh largest generation company in the country. Number one would be Southern Company, at 40,960 MW, followed, in descending order, by American Electric Power, Duke, Tennessee Valley Authority, FPL Group, and Entergy.

By the end of 2003, Calpine owned interests in 87 power plants with an aggregate capacity of 22,206 MW, 97% of which are gas-fired plants and 3% of which are geothermal stations. The company has 12 gas-fired projects and one project expansion under construction, which will add 7,685 MW to its portfolio. The company boasts that with the completion of the new projects, it will have interests in 99 plants in 22 states, three Canadian provinces and the United Kingdom, giving it a net capacity of 29,891 MW.

Despite its fleet of state-of-the-art turbines, Calpine acknowledges it has problems, namely, the huge debt load it incurred to build all those plants. In its 2003 form 10-K filed with the Securities and Exchange Commission on March 25 Calpine stated that it has "substantial indebtedness that we may be unable to service and that restricts our activities." It put its consolidated debt at $17.8 billion versus consolidated assets of $27.3 billion and stockholders equity of just $4.6 billion.

"We cannot assure that our business will generate sufficient cash flow from operations" to enable it to pay debt in the out years, the company stated in its 10-K. It said that its ability to service obligations and repay, extend or refinance its indebtedness will be "dependent primarily on the operational performance of our power generation facilities and of our oil and gas properties, movements in electric and natural gas prices over time, and our marketing and risk management activities."

As of year-end 2003, Calpine's debt structure consisted of $9.4 billion in senior notes, $4.3 billion in secured construction project notes, $1.3 billion in convertible senior notes, $1.2 billion in trust preferred securities, and $1 billion of secured and unsecured notes payable and borrowings under credit facilities. There were an additional $200 million in capital lease obligations and $200 million in preferred interests.

For 2003, the company's "statement on cash provided by operating activities" totaled just $290 million, compared with $1.06 billion in 2002, $423 million in 2001, and $875 million in 2000.The company in 2003 dished out some $726 million in debt interest expenses, compared with $413 million in 2002 and $196 million in 2001, and $81 million in 2000.

While the company has seen its power generation increase from 42.4 million MWh in 2001 to 82.4 million MWh in 2003, it also saw its net income drop from $623 million in 2001 to $282 million in 2003. The company reported that while its average realized price for electricity increased from $44.28/MWh in 2002 to $56.97/MWh in 2003, and its plants operated at the respectably efficient average heat rate of 8,007 Btu/kWh, the company's average spark spread, which takes into consideration the price of fuel, declined to $22.11/MWh from $25.64/MWh in 2002 and $35.72/MWh in 2001.

Rescheduling, buying back or eliminating this debt burden has consumed a fair amount of the company's resources over the past 18 months. In 2003 the firm went to the capital market 14 times, raising $7.68 million through various secured note issues or

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term loans. Most of the notes issued were for between six, seven or eight years duration and were below investment grade with yields generally running between 8.75% to as high as 9.84%.

The funds raised in 2003 were used to repay $2.43 billion in credit facilities, a California peaker plant financing, and an outstanding balance on its Calpine Construction Finance Co.-I LLC financing vehicle. With the money Calpine also repurchased $1.9 billion of various debt securities and swapped common stock for some $182 million worth of debt securities and its Remarketable Term Income Deferrable Equity Securities, otherwise known as HIGH TIDES, in a private transaction.

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Calpine has led the charge in challenging decisions by several utilities, including Southern California Edison and Florida Power and Light, among others, to build plants rather than buy from the competitive market. That policy, however, "is not in the ratepayers' interest" because the prices customers pay for regulated generation are rarely lower than merchant power, Cartwright argued. He noted that since enactment of the Energy Policy Act of 1992, 72% of all new plants brought on-line in the U.S. have been built by the merchant sector. "These are modern and efficient plants," he said.

The very efficiency of those plants, however, can hurt the bottom line when efficient plants begin to dominate the market (see story, page 15). The competitive power industry is at the mercy of the vagaries of the natural gas market. And Calpine is among the most vulnerable. Sixty-nine of Calpine's 87 plants are fired by natural gas, and the company says it is the single largest user of natural gas in the United States.

To offset volatile and often rising natural gas prices, Calpine has been expanding its gas resources and now controls or owns 1 trillion cubic feet of proven natural gas reserves. Last year, Calpine produced 20% of the company's annual gas demand, said Cartwright. He admitted that the company was not "balanced, as yet, in terms of gas production and use," but said that the near-term goal is to have production equal to at least 25% of the company's demand. "Our goal is to have enough of our own gas to meet fixed-priced electricity contracts. We see more need for fixed-price power contracts."

In 2003, Calpine's marketing and sales unit closed on the sale of 7,000 MW of contracted power. The contracts, said Cartwright, were done on a two-year average and at an average spark spread of $18.

The company's best deal to date, however, may have been the power sales contract it signed with the California Dept. of Water Resources in May 2001. The company locked in $2 billion in gross margin, averaging a $25 spark spread when spreads in the market were ranging between $5 and $10.

Overall, Cartwright said Calpine is "pursuing portfolio opportunities of 20,000 MW, with an average life of nine years in 2004," he added. The market value of the company's portfolio of contracted wholesale power is now "about $4.5 billion," according to Cartwright. That compares with total revenues last year of $8.9 billion.

In its 10-K filing with the SEC, the company said it aims to have 65% of its available capacity sold under long-term contracts or hedged by its risk management group. "Currently we have 52% of our available capacity sold or hedged for 2004," the company said.

Looking further into the future, Cartwright said one of the company's key strategic goals was to expand into the U.K. and Europe. He argued that Europe should prove to be a key growth area "because it is deregulating, is short of power, and natural gas is the preferred fuel."

Entergy, Cleco Power tell La. PSC of plans to issue RFPs this fall ... from page 1

Cleco Power said it had notified the Louisiana Public Service Commission April 15 that it would issue a request for proposals covering up to 1,800 MW of new supplies for the period starting Jan. 1, 2006.

One part of the RFP will seek up to 1,000 MW of long-term supplies of intermediate and peaking power to replace expiring purchase contracts and meet new demand growth. The power would have to be available starting Jan. 1, 2006 and would fill needs through 2020. A second part of the RFP asks for up to 800 MW of capacity "with stable fuel prices" to allow Cleco to replace older in-house capacity.

Cleco said that it would consider offers of firm energy and capacity as well as asset purchases. It also said it would test several self-build options against the market in ensure the lowest price for customers. Cleco also proposed Elizabeth Benson, president of Energy Associates, to be the monitor.

PG&E, out of bankruptcy, once again is considering building plants ... from page 1

contract all construction risk is held by contractors, rather than ratepayers. He noted that the plants would be considered utility-owned generation under cost-of-service rates.

Richard said PG&E would unveil its plans in June as part of long-term resource procurement filings to the PUC by the state's three investor-owned utilities. The filings will detail the utilities' resource portfolios to meet their demand needs. Richard said the company hopes the PUC approves the plans by year end.

During the hearing, representatives of PG&E, SoCal Ed and San Diego Gas & Electric asked to allow their larger customers freedom of choice, but said that the PUC must first determine resource-adequacy rules. Such rules would help ensure utilities and suppliers are able to meet load demands and know their customer base and their corresponding cost so they can attract the necessary capital to invest in generation, Richard said.

"All load-serving entities should be responsible for serving their customers," said SoCal Ed President Bob Foster. "There should be no free riding on the [generation] investment of others." "A direct-access program should mean some customers control their [energy] costs, not get a cost evasion," said Sempra Utilities Senior Vice President Bill Reed.

The PUC suspended direct access in September 2001 at the height of the state's power crisis.

COMPANY NEWS

Duke executive starts his own company, seeks opportunities in distressed market

Houston-based Federal Power Co. LLC—run by President and CEO Steven Gilliland, a former executive of Duke Energy North America—believes it has devised a formula to prosper even though the merchant power market has yet to return to health.

"We think the market will turn around in a non-homogenous way, with capacity needed in some areas and not in others," Gilliland said. The key for companies like Federal Power and others is identifying where new capacity is needed in a largely over-built country.

"The closer you are to Manhattan the better off you are [as a power plant developer], and the same thing applies to the San Francisco area," said Gilliland. "Florida will need new capacity sooner, rather than later, and you can say the same thing for PJM East," he added. "And if you could drop a power plant onto certain portions of the Houston Ship Channel, you could have a viable project tonight." Gilliland said it is those markets Federal Power will attack first.

Initially, the company will focus on three activities: consulting work, plants suspended in the construction phase and green field projects initiated by others, and, perhaps, even by Federal Power itself.

There are plenty of power stations from which to choose. According to data from the Platts-operated NewGen database of North American power stations, since January 2002 approximately 178,000 MW of capacity was canceled in North America, 172,500 in the U.S. Over the same period, another 112,000 MW in North America were put on hold, of which 104,000 MW is in the U.S.

There are currently 190,000 MW proposed and under development in North America, 165,000 MW in the U.S. There is no reliable estimate of how much of that total will be brought into service. Currently 44,000 MW are under construction in North America, including 40,000 MW in the U.S.

Negotiations are under way on several deals, said Gilliland, adding that the company could have between 1,000 MW and 2,000 MW of capacity in its portfolio by year end. "Gas and coal projects are being discussed," said Gilliland, but he declined to offer specifics. He also declined specifics on Federal Power's

EXHIBIT C

FPL'S SECOND REQUEST FOR ADMISSIONS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's Petition to Determine Need for Turkey Point Unit 5 Electrical Power Plant.	))))	Docket No. 040206-EI Dated: May 6, 2004

FLORIDA POWER & LIGHT COMPANY'S SECOND REQUEST FOR ADMISSIONS (NO. 27) TO CALPINE ENERGY SERVICES, L.P.

Pursuant Rule 1.370(a), Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and Order No. PSC-04-0325-PCO-EI, the Order Establishing Procedure in the above-referenced docket, Florida Power & Light Company ("FPL") or the "Company") requests Calpine Energy Services, L.P. ("Calpine") to admit the truth of the following matters:

Each of the following statements is true:

27. The Calpine Forms 10-K at the following websites and/or as provided by Calpine in response to FPL's first Request for Production of Documents No. 18 are true and correct, authentic copies of such forms as filed with the Securities and Exchange Commission by Calpine: investor relations link at www.calpine.com.

Respectfully submitted this 6th day of May, 2004.

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By: Charles A. Guyton / by EC Daley
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Fla. Bar No.: 0398039

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Second Request for Admissions to Calpine Energy Services, L.P. has been furnished by hand delivery (*) and by United States Mail this 6th day of May, 2004, to the following:

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EXHIBIT D

CALPINE'S MAY 17, 2004, PRELIMINARY OBJECTIONS TO FPL'S SECOND SET

RECEIVED

MAY 17 2004
Via hand delivery
STEEL, HECTOR & DAVIS
Tallahassee, Florida
2:40 p.m.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to Determine Need for)
Turkey Point Unit 5 Power Plant
by Florida Power & Light Company.

Docket No. 040206-EI

Dated: May 17, 2004

PRELIMINARY OBJECTIONS TO FLORIDA POWER & LIGHT COMPANY'S SECOND SET OF INTERROGATORIES (NOS. 51-61), SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 21-24), AND SECOND REQUEST FOR ADMISSIONS (NOS. 27) TO CALPINE ENERGY SERVICES, L.P.

Calpine Energy Services, L.P. ("Calpine") submits the following Objections to Florida Power & Light's ("FPL") Second Set Of Interrogatories (Nos. 51-61), Second Request For Production Of Documents (Nos. 21-24), and Second Request For Admissions (Nos. 27):

I. Preliminary Nature of These Objections

Calpine's objections stated herein are preliminary in nature. Calpine makes these objections consistent with the time frames set forth in the Commission's Order Establishing Procedure, Order No. PSC-04-0325-PCO-E1, dated March 30, 2004 (the "Order Establishing Procedure"), and Rule 1.190(e), Florida Rules of Civil Procedure. Should additional grounds for objection be discovered, Calpine reserves the right to supplement or modify its objections. Should Calpine determine that a protective order is necessary regarding any of the information requested of it, Calpine reserves the right to file a motion with the Commission seeking such an order.

Preliminary objections of Calpine are set forth below:

II. General Objections

Calpine objects to responding to FPL's Second Set of Interrogatories since the response of Calpine is due after the discovery cut-off date. The Order Establishing Procedure set May 26, 2004 the discovery cut off date. This same order provided parties with twenty (20) days to respond to discovery. FPL served its Second Set of Interrogatories on May 6, 2004. As the date of service is not counted in calculating Calpine's response due date, FPL's Second Set of Interrogatories is untimely since Calpine's responses are due after May 26, 2004, the discovery cut-off date and, accordingly, Calpine is not obligated to respond.

Calpine objects to each and every request for documents or interrogatory that calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time response is first made or is later determined to be applicable for any reason. Calpine in no way intends to waive such privilege or protection.

Calpine objects to providing information that is proprietary, confidential business information without adequate provisions in place to protect the confidentiality of the information. Calpine in no way intends to waive claims of confidentiality.

Calpine is a large corporation with employees located in many different locations. Documents are kept in numerous locations and frequently are moved from site to site as employees change jobs or as business is reorganized. Therefore, it is possible that not every relevant document may have been consulted in developing Calpine's response, if one is ordered. Rather, these responses provide all the information that Calpine obtained after a reasonable and diligent search conducted in connection with this discovery request. To the extent that the discovery requests propose to require more, Calpine objects on the grounds that compliance would impose an undue burden or expense.

Calpine also objects to these discovery requests to the extent they call for Calpine to prepare information in a particular format or perform calculations or analyses not previously prepared or performed as purporting to expand Calpine's obligations under applicable law. Further, Calpine objects to these interrogatories to the extent they purport to require Calpine to conduct an analysis or create information not prepared by Calpine in the normal course of business.

Calpine objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission, the Securities and Exchange Commission or other entity and requested information is available to FPL through normal procedures.

Calpine objects to requests that are overbroad, seek information not relevant to the proceeding, or are overly broad. Calpine objects to each discovery request and any definitions and instructions that purport to expand Calpine's obligations under applicable law. Calpine objects to the definitions set forth in the FPL's First Request For Production of Documents/Interrogatories to the extent that they purport to impose upon Calpine obligations that Calpine does not have under the law. Calpine objects to these "definitions" to the extent they do not comply with the Florida Rules of Civil Procedure regarding discovery or the Commission's Order Establishing Procedure.

Calpine reserves its right to count interrogatories and their sub-parts (as permitted under the applicable rules of procedure) in determining whether it is obligated to respond to additional interrogatories. Calpine to each discovery request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. FPL reserves the right to file specific objections to FPL's First Set of Interrogatories and First Request for Production of Documents in the event FPL fails to reserve its discovery properly or Calpine is ordered to respond to discovery, notwithstanding FPL's glaring error in serving discovery. Calpine also objects to the extent that FPL's discovery seeks to impose an obligation on Calpine to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case. Such requests, besides being overly broad, are unduly burdensome, oppressive or not permitted by applicable discovery rules.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy was served by hand-delivery this 17th day of May, 2004, on Jennifer Brubaker, Esq., Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-9850; Charles A. Guyton, Esq., Steel Hector & Davis, LLP, 215 South Monroe Street, Suite 601, Tallahassee, FL 32301, and Mr. Bill Walker and Ms. Lynne Adams, Florida Power & Light Company, 215 South Monroe Street, Suite 810, Tallahassee, Florida 32301-1859; and by U.S. Mail to the following persons:

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