ORIGINAL

Timolyn Henry

From: John Butler [John.Butler@steelhector.com]
Sent: Monday, September 27, 2004 4:06 PM
To: Filings@psc.state.fl.us
Subject: Electronic filing for Docket No. 040001-EI

I am enclosing for electronic filing in Docket No. 040001-EI, In re: Fuel and Purchased Power Recovery Clause and Generating Performance Incentive Factor, a PDF file of Florida Power & Light Company's Response in Opposition to Petitions to Intervene of Power Systems Mfg., LLC and Thomas K. Churbuck. Including the letter of transmittal, there are 23 pages in this file.

Thank you for your assistance.

Best regards,

John T. Butler
Steel Hector & Davis LLP
Suite 4000
200 South Biscayne Boulevard
Miami, Florida 33131-2398
305-577-2939
jbutler@steelhector.com

CMP _____
COM 5
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
RCA _____
SCR _____
SEC 1
OTH _____

ORIGINAL

STEEL HECTOR & DAVIS INTERNATIONAL

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Suite 4000
Miami, FL 33131-2398
305.577.7000
305.577.7001 Fax
www.steelhector.com

John T. Butler
305.577.2939
jbutler@steelhector.com

September 27, 2004

-VIA ELECTRONIC FILING AND U.S. MAIL-

Blanca S. Bayó
Director, Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 040001-EI

Dear Ms. Bayó:

I am enclosing for electronic filing in the above docket Florida Power & Light Company's Response in Opposition to Petitions to Intervene of Power Systems Mfg., LLC and Thomas K. Churbuck. I will send you with the hard copy of this letter a diskette containing the electronic version of said Response. The diskette is HD density, the operating system is Windows XP, and the word processing software in which the document appears is Word 2000.

If there are any questions regarding this transmittal, please contact me at 305-577-2939.

Sincerely,

John T. Butler

Enclosures
cc: Counsel for Parties of Record (w/encl.)

MIA2001 365179v1

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power Recovery Clause and Generating Performance Incentive Factor	DOCKET NO. 040001-EI Filed: September 27, 2004

FLORIDA POWER & LIGHT COMPANY'S RESPONSE IN OPPOSITION TO PETITIONS TO INTERVENE OF POWER SYSTEMS MFG., LLC AND THOMAS K. CHURBUCK

Florida Power & Light Company ("FPL") hereby respectfully responds in opposition to the petitions to intervene filed by Power Systems Mfg., LLC ("Power Systems") and Thomas K. Churbuck ("Mr. Churbuck"), and states:

Background

1. On September 17, 2004, Jon C. Moyle, Jr. filed a petition to intervene on behalf of Power Systems (the "Power Systems Petition"). The petition alleges that Power Systems is a "consumer of electricity provided by FPL and pays for the costs of the FPL electricity it uses" via the terms of its lease for office space in Jupiter, Florida, but does not allege that Power Systems is an FPL retail customer. Power Systems Petition at ¶5. The petition asks that all pleadings, orders and correspondence be directed to two representatives of Power Systems: Mr. Moyle and Joseph Regnery. *Id.* at ¶2. It gives Mr. Regnery's e-mail address as JRegnery@calpine.com. *Id.* Mr. Regnery, of course, should be well known to this Commission as a representative of Calpine Corporation ("Calpine") in several past proceedings before the Commission, including most recently in Docket No. 040206-EI, FPL's Turkey Point Unit 5 need determination proceeding (the "PTF5 Need Proceeding"). Likewise, Mr. Moyle was Calpine's counsel in that proceeding.

2. On September 21, 2004, Mr. Moyle filed a second petition to intervene, this one on behalf of Mr. Churbuck (the "Churbuck Petition"). It alleges that Mr. Churbuck is a residential customer of FPL, living in Boca Raton, Florida. Churbuck Petition at ¶5. As with the Power Systems Petition, it asks that all pleadings, orders and correspondence be directed to Mr. Moyle and Mr. Regnery.

3. Other than allegations specific to the circumstances of Power Systems and Mr. Churbuck, the Power Systems and Churbuck Petitions are identical. They allege the same substantial interests concerning FPL's proposed power purchase contracts with the Southern Company[1], they assert the same "disputed issues of material fact," "additional issues of law and fact," "ultimate facts that entitle [the petitioner] to relief" and "statutes and rules that entitle [the petitioner] to relief," and they request the same relief. *Cf.* Power Systems Petition at ¶¶ 6-11 and "Relief Requested" to Churbuck Petition at ¶¶ 6-11 and "Relief Requested." Clearly, the Churbuck Petition has been filed as a fall-back option by Calpine in the event that the Commission were to find that Power Systems' interests are not sufficient to grant it intervention.

4. What the Power Systems and Churbuck Petitions do *not* state -- but which is highly relevant to understanding what FPL believes to be their real motivation -- is the following:

a. According to its website, Power Systems is "a Calpine Company."[2] A copy of the home page for Power System's website is attached hereto as Exhibit 1.

---

[1] In essence, the petitions assert that FPL has agreed to pay "unreasonably and imprudently excessive" charges under the Southern Company contracts, that the prices to be paid under those contracts are the result of Southern Company's "market power" and that the contracts are not ripe for approval in this proceeding because FPL would not begin to take power under them until 2010. Power Systems and Churbuck Petitions at ¶ 6.

[2] In fact, the website includes a link that allows the visitor to connect directly to the Calpine website.

b. Mr. Churbuck is the president of Power Systems. A copy of a press release from the Investor Relations page of Calpine's website describing Calpine's acquisition of Power Systems and referring to Mr. Churbuck as president of Power Systems is attached hereto as Exhibit 2.

c. Mr. Regnery, one of the two representatives listed for both Power Systems and Mr. Churbuck, is an attorney for Santa Rosa Energy, LLC, a subsidiary of Calpine. As noted above, Mr. Regnery has appeared as a representative of Calpine in several prior Commission proceedings. A copy of an excerpt from the Power Marketing Association's Directory of Power Marketers is attached hereto as Exhibit 3.

d. Calpine's intervention in the PTF5 Need Proceeding was disruptive and disingenuous. Notwithstanding that it had no alternative to FPL's proposed unit that would be remotely cost-competitive, Calpine engaged in a protracted motion practice, the apparent purpose of which was to delay and disrupt the proceeding to the point that FPL could not receive timely approvals for its proposed unit and thus there would be more attractive opportunities for Calpine to market wholesale power in Florida. In another misuse of the administrative process, Calpine propounded voluminous discovery intended to elicit competitively sensitive information from FPL and FPL's material and equipment vendors and contractors,[3] as well as from other bidders who responded to FPL's RFP. The vast majority of the information Calpine sought was irrelevant to the purposes of the PTF5 Need Proceeding, but would be extremely useful to Calpine in advancing its competitive interests in the wholesale power market. FPL, its vendors and the other bidders sought protective orders against this discovery. FPL also sought discovery

[3] In several cases, the entities whose information Calpine sought through discovery in the PTF5 Need Proceeding were entities with whom Calpine negotiates for equipment and material or against whom Calpine directly competes in other jurisdictions.

from Calpine, all of which Calpine refused to answer, thus forcing FPL to move to compel responses. On May 21, 2004, the Commission entered Order No. PSC-04-0518-PCO-EI, denying much of Calpine's discovery and putting strict limits on Calpine's access to and use of the rest. Calpine took a voluntary dismissal on that very same day.[4]

Argument

5. The Power Systems and Churbuck Petitions are Trojan horses. They are intended to gain Calpine access to this proceeding by proxy, so that it can seek information about FPL's plans to purchase power from the Southern Company and, if possible, disrupt those plans while at the same time shielding Calpine from the discovery to which it would be exposed as a party. The petitions are motivated by reasons that have nothing to do with Power Systems' or Mr. Churbuck's interests in FPL's retail rates and everything to do with Calpine's competitive position in the wholesale power market. This proceeding is clearly not intended to address competition in the wholesale power market, a subject beyond this Commission's jurisdiction. Calpine is well aware of this and so has engaged in subterfuge to bring the intervention it seeks within the "zone of interests" requirement for standing and to do so via proxies that would shelter Calpine itself from scrutiny. Calpine's participation in the PTF5 Need Proceeding earlier this year appeared calculated to gather competitive intelligence through discovery and to disrupt the timing of FPL's resource acquisitions so as to economically advantage Calpine's merchant assets -- improper motives and uses of Commission proceedings. Calpine should not be allowed by pretext to gain entrance to this proceeding, either via a subsidiary that is the tenant of a

[4] Indeed, in neither of FPL's last two need proceedings did Calpine file testimony or submit any evidence whatsoever supporting the cost-effectiveness of its own projects. Neither did Calpine respond to a single written discovery request, nor permit its representatives to be deposed in either case, in each instance taking a voluntary dismissal after discovery was served on Calpine, but before any responses were provided.

customer of record or via a residential customer of record who happens to be an officer of that subsidiary. In other words, Calpine should not be permitted to do indirectly through proxy interventions what it obviously has no standing to do directly. To avoid the risk of Calpine's unwarranted and disruptive interference, the Commission should deny the Power Systems and Churbuck Petitions. If the Commission nonetheless allows either petitioner to intervene, it should place explicit limits on the intervention to protect against abuse of this proceeding by Calpine.

A. Intervention standards.

6. Rule 28-106.205, F.A.C., requires that a petition to intervene in a Commission proceeding contain allegations sufficient to demonstrate that the person seeking intervention is entitled to participate in the proceeding, either as a matter of constitutional or statutory right or pursuant to Commission rule, or because the person's substantial interests are subject to determination or will be affected by the proceeding. The Power Systems and Churbuck Petitions do not allege, nor could they, that Power Systems or Mr. Churbuck have any sort of constitutional, statutory or regulatory right to intervene. Therefore, in order to demonstrate that either entity is entitled to intervene, the petitions have to contain allegations sufficient to demonstrate that Power Systems' and Mr. Churbuck's substantial interests will be affected.

7. To demonstrate standing to intervene under the "substantial interest" test, a potential intervener must show that (a) it will suffer injury in fact as a result of the agency action contemplated in the proceeding that is of sufficient immediacy to entitle it to a hearing, and (b) the injury suffered is a type against which the proceeding is designed to protect. *Ameristeel Corp. v. Clark*, 691 So.2d 473, 477 (Fla. 1997) (quoting *Agrico Chemical Co. v. Dep't of Environmental Regulation*, 406 So.2d 478 (Fla. 2nd DCA 1981)). Mere economic losses due to

increased competition are not of sufficient immediacy to warrant intervention. *Florida Soc'y of Ophthalmology v. State Board of Optometry*, 532 So.2d 1279, 1285 (Fla. 1st DCA 1988). Nor do general concerns shared by members of the community at large reflect the type of injury that proceedings are intended to protect. *Boca Raton Mausoleum v. Dep't of Banking and Finance*, 511 So.2d 1060, 1066 (Fla. 1st DCA 1987).

8. Courts strictly limit the ability of a party who does have standing before a court or agency to assert the interests of third parties who are not before the court or agency. "[The Supreme Court of the United States] has held that the plaintiff [who has demonstrated standing] generally must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties. ... Without such limitations -- closely related to Article III concerns but essentially matters of judicial self-governance -- the courts would be called upon to decide abstract questions of wide public significance even though other governmental institutions may be more competent to address the questions and even though judicial intervention may be unnecessary to protect individual rights." *Warth v. Seldin*, 422 U.S. 490, 499-500 (1975) (citations omitted); *see also Singleton v. Wulff*, 428 U.S. 106, 113-117 (1976).

B. Power Systems has failed to allege an adequate basis for intervention.

9. As support for its contention that Power Systems is entitled to intervene, Paragraph 11 of the Power Systems Petition references three Commission orders which all have to do with the Commission's usual practice of allowing retail customers to intervene in proceedings that affect a utility's retail rates. But the petition does not allege that Power Systems is a retail customer of FPL, and Power Systems is not such a customer. Simply put, the Power Systems Petition is deficient on its face.

10. The petition tries to finesse this inconvenient fact by alleging that Power Systems must pay its landlord for the electricity used in its office and therefore has an economic interest in the level of FPL's retail rates. But this is not nearly the same thing as being an FPL customer. The relationship between a utility and its customers is one of privity: each has particular rights and responsibilities relative to the other. No such relationship exists between FPL and Power Systems. To expand the universe of standing as Power Systems suggests would open the floodgates to all sorts of generalized, diffuse standing claims based upon indirect economic impacts. General concerns such as these, which are shared by members of the community at large, are not sufficient grounds for standing. *Boca Raton Mausoleum, supra.,* 511 So.2d at 1066. Any such generalized concerns or interests would be more than adequately represented by the Office of Public Counsel ("OPC").

11. Mr. Moyle's filing of a separate, but virtually identical, petition to intervene for Mr. Churbuck strongly suggests that he, too, believes that Power Systems' assertion of an indirect economic impact from changes in FPL's retail rates cannot confer standing to intervene.

C. Mr. Churbuck has failed to allege an interest that is substantial enough to justify intervention.

12. Mr. Churbuck, president of Power Systems, is indeed alleged to be a retail, residential customer of FPL. This is a status he shares with about 3.6 million other Floridians. Nothing is alleged that would distinguish Mr. Churbuck's interest in FPL's power purchase contracts with the Southern Company from the interests of his 3.6 million fellow residential customers. The interests of all FPL customers, residential and otherwise, are ably represented in this proceeding by OPC. Mr. Churbuck alleges nothing inadequate or inappropriate about OPC's representation of his interests. In short, Mr. Churbuck's interest in this proceeding is minimal, widely shared with others, and is already adequately represented.

13. While the Commission typically allows a utility customer to intervene in proceedings that affect that utility's rates, FPL respectfully suggests that the Commission need not do so automatically and should not do so in this case. The test for intervention is founded upon section 120.57 of the Florida Statutes, which sets forth procedures that must be followed for agency action that "determines the *substantial* interests of a party." (Emphasis added). The expectation that parties to section 120.57 hearings must have a "substantial" interest in the outcome of those hearings is echoed in the test for intervention enunciated in *Agrico Chemical Co. v. Dep't of Environmental Regulation, supra.*: "we believe that before one can be considered to have a *substantial* interest in the outcome of a proceeding he must show 1) that he will suffer injury in fact which is of sufficient immediacy to entitle him to a section 120.57 hearing, and 2) that his *substantial* injury is of a type or nature which the proceeding is designed to protect." 406 So.2d at 482 (emphasis added). Under the circumstances that exist here, Mr. Churbuck cannot plausibly claim that his own, personal interest in this proceeding is substantial enough to warrant intervention.

D. The Power Systems and Churbuck Petitions are merely subterfuges to advance Calpine's competitive interests in the wholesale power markets, which this proceeding is not designed to protect.

14. The preceding sections have taken the Power Systems and Churbuck Petitions at face value and addressed their merits as if the petitioners were truly out to protect their own interests. But the bigger issue here lies behind the surface of these petitions: what is really motivating Power Systems and Mr. Churbuck to seek intervention? It strains credulity to believe that a business with a modest-sized office where the rent somehow reflects electricity costs, or an individual residential ratepayer, would incur the expense of representation by a law firm such as Mr. Moyle's merely out of a concern that they might pay more if FPL recovers the costs of the

Southern Company contracts through Commission-approved adjustment clauses. That strain reaches the breaking point when one considers that the business happens to be a subsidiary of Calpine and the individual happens to be president of that subsidiary. And, if any further clarity were needed, Mr. Moyle has told counsel for FPL that representatives of Calpine contacted FPL to advise that Calpine would seek to intervene.

1. Allowing intervention in order to protect Calpine's competitive interests in the wholesale power market would be legally impermissible.

15. The Commission *may not* allow Power Systems or Mr. Churbuck to intervene to protect Calpine's interests as a participant in the wholesale power market, because those interests are not within the zone of interests that this proceeding is intended to protect. Competition in the wholesale power market is not a subject of this proceeding, and is in any event beyond the jurisdiction of this Commission. Calpine's interests as a participant in the wholesale power market do not satisfy the second prong of the "substantial interest" test stated in *Ameristeel Corp. v. Clark, supra.*, 691 So.2d at 477: they are not of "a type against which the proceeding is designed to protect." If Calpine has a complaint about the workings of the wholesale power market, it needs to seek relief elsewhere, from bodies that have jurisdiction to hear and decide such complaints.[5]

16. What Calpine may not seek in this proceeding directly, Power Systems and Mr. Churbuck may not seek indirectly in Calpine's stead. Legal proceedings are, with narrow exceptions, intended to resolve the personal interests of the parties to those proceedings, not the

[5] The Power Systems and Churbuck Petitions provide a brief glimpse of what really interests Calpine: both express a concern that Southern Company has failed "one of the indicative tests used by the Federal Energy Regulatory Commission ('FERC') for determining market power." Power Systems and Churbuck Petitions at ¶ 7. While the petitions try to dress this up as a concern affecting FPL's customers, it is in fact clear evidence that Calpine is really looking for yet another battleground on which to wage its ongoing dispute with the Southern Company.

separate interests of others who are not -- or, as here, cannot be -- parties. Addressing in this docket Calpine's complaints about the wholesale power market would be exactly the sort of decision on "abstract questions of wide public significance even though other governmental institutions may be more competent to address the questions" against which Justice Powell warned in *Warth v. Seldin, supra.*, 422 U.S. at 500.

2. Allowing intervention in order to protect Calpine's competitive interests in the wholesale power market would put the interests of FPL's customers at risk.

17. The Commission *should not* allow Power Systems or Mr. Churbuck to intervene to protect Calpine's interests as a participant in the wholesale power market, because of the grave risks that Calpine will (a) misuse this proceeding to gather information in furtherance of its own competitive interests while using its non-party status to shield itself from the discovery to which a party is exposed, and (b) disrupt the proceeding to the detriment of FPL's customers. Calpine's interests in the wholesale power market could be adversely affected by the Southern Company contracts irrespective of whether those contracts are a good deal for FPL's customers. Calpine's motivation, therefore, will be to gather information about the Southern Company contracts and to interfere with their implementation regardless of how this might affect FPL's customers. In fact, Calpine's competitive interest in making wholesale power sales from its facilities in Florida would be enhanced if the outcome of this proceeding were to *increase* FPL's power purchase costs and *decrease* FPL's access to transmission from the SERC region. Of course, both of these outcomes would be directly antithetical to the interests of FPL's customers. The Commission should not allow Calpine to capture this proceeding for its own, improper purposes.

E If the Commission were to allow either Power Systems or Mr. Churbuck to intervene, it should expressly limit that intervention to matters that are directly relevant to, and in the interests of, FPL's customers.

18. For the foregoing reasons, neither Power Systems nor Mr. Churbuck should be permitted to intervene. Their intervention is unnecessary to protect the interests of any FPL customer or to protect any other legitimate interest that is within this proceeding's zone of interests. If the Commission nonetheless allows either to intervene, it is extremely important that the intervention be explicitly limited in ways that will minimize the potential for mischief by Calpine. Any order on intervention should explicitly warn that:

a. neither FPL nor any other entity will be required to answer discovery directed to any subject that would advance Calpine's competitive interests unless it is demonstrated that the predominant purpose for the discovery is to advance the interests of FPL customers

b. any documents or information provided to the intervener(s) in response to discovery may only be viewed or used by the intervener(s) and by counsel and any consultant or witness personally hired by the intervener(s), and may not be disclosed to or discussed with Calpine or any officer, director, employee or agent of Calpine (all normal discovery restrictions and protections will also be available with respect to any such documents and information);

c. the prehearing office will not approve the inclusion of any issue for resolution in this proceeding that advances Calpine's competitive interests unless it is demonstrated that the predominant purpose for the issue is to advance the interests of FPL customers; and

d. the intervener(s) will not be permitted to offer any direct testimony or engage in any cross examination that advances Calpine's competitive interests unless it is

demonstrated that the predominant purpose for the testimony or cross examination is to advance the interests of FPL customers.

WHEREFORE, FPL respectfully requests that the Commission deny the Power Systems Petition and the Churbuck Petition and not allow either Power Systems or Mr. Churbuck to intervene in this proceeding. If the Commission permits either Power Systems Petition or Mr. Churbuck to intervene, then FPL respectfully requests that the Commission limit any such intervention set forth in Paragraph 18 above.

Respectfully submitted,

Florida Power & Light Company

R. Wade Litchfield, Esq.
Senior Attorney
Florida Power & Light Company
Juno Beach, Florida 33408-0420
Telephone: 561-691-7101

Steel Hector & Davis LLP
200 South Biscayne Boulevard
Suite 400
Miami, Florida 33131-2398
Telephone: 305-577-7000

By: _____
John T. Butler
Florida Bar No. 283479

CERTIFICATE OF SERVICE
Docket No. 040001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic transmission (*) or United States Mail this 27th day of September, 2004, to the following:

Adrienne Vining, Esq.(*)
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Robert Vandiver, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
Attorneys for Tampa Electric
P.O. Box 391
Tallahassee, Florida 32302

James A. McGee, Esq.
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, Florida 33733

Joseph A. McGlothlin, Esq.
Vicki Gordon Kaufman, Esq.
McWhirter, Reeves, McGlothlin, Davidson, et al.
Attorneys for FIPUG
117 South Gadsden Street
Tallahassee, Florida 32301

Norman H. Horton, Esq.
Floyd R. Self, Esq.
Messer, Caparello & Self
Attorneys for FPUC
215 South Monroe Street, Suite 701
Tallahassee, Florida 32302-0551

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin, Davidson, et al.
Attorneys for FIPUG
P.O. Box 3350
Tampa, Florida 33602

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs & Lane
Attorneys for Gulf Power
P.O. Box 12950
Pensacola, Florida 32576-2950

John C. Moyle, Jr., Esq.
Moyle, Flannigan, Katz, Raymond & Sheehan, P.A.
The Perkins House
118 North Gadsden Street
Tallahassee, Florida 32301

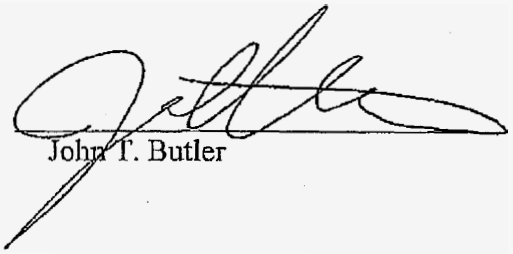
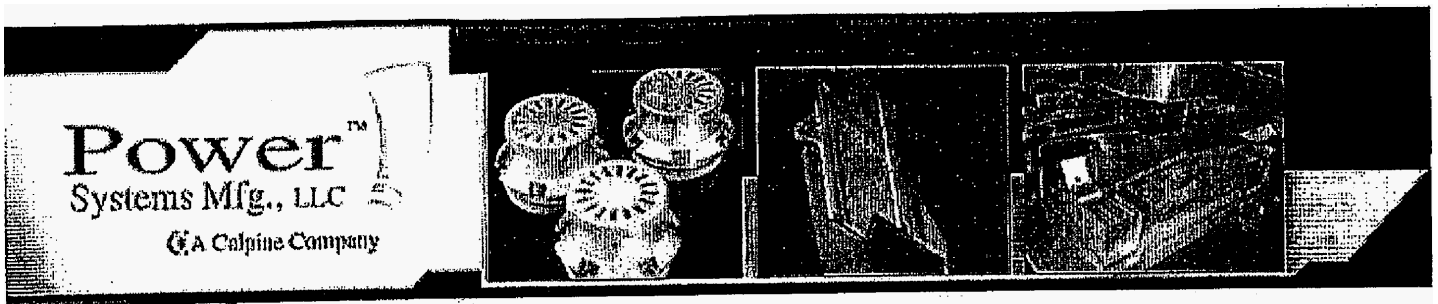
By: 
John T. Butler

EXHIBIT 1



Home
About Us
Products
Services
Employment
Contact Us
News
LOGIN
PARTS CATALOG

Visit Calpine

The Proven Alternative.

Power Systems Mfg. engineers high-performance alternatives for OEM turbine parts and systems that can increase output and maximize efficiency.

Register here to get. . .

7EA+e Buckets & Nozzles

Vendors - View Current PSM Specification List

Home / About Us / Products / Services / Employment / Contact Us / Papers & Press / Register / Login

Company Headquarters & Sales
1440 West Indiantown Road, Suite 200
Jupiter, Florida 33458
Phone: 561.354.1100 | Fax: 561.354.1199

EXHIBIT 2

CALPINE

Investor Relations . . .

Directors/Executives . . .
Stock Chart . . .
> News Room
SEC Filings . . .
Financial Reports . . .
Fundamentals . . .
Earnings Estimates . . .
Audio Archives . . .
Presentations . . .
Analysts . . .
Information Request . . .
Email Alerts . . .
Calendar . . .

> News Room:

Calpine Natural Gas Trust News Releases

Calpine Corporation (ticker: CPN, exchange: New York Stock Exchange) News Release - 12/19/00

Calpine Acquires Power Systems Mfg. LLC

SAN JOSE, Calif., Dec. 19 /PRNewswire/ -- Calpine Corporation (NYSE: CPN), the national independent power company, today announced that is has acquired Boca Raton, Fla.-based Power Systems Mfg. LLC (PSM), an industry leader in combustion turbine component engineering, design and manufacturing, for approximately $43 million -- $10.7 million in Calpine common stock, totaling approximately 280,000 shares, and $32.3 million in cash. The majority of the cash payments will be made in five equal annual installments beginning in January 2002, and are contingent upon future PSM performance. PSM's expertise directly supports Calpine's goal of being the low cost producer of electricity and provides Calpine with a competitive advantage in the North American power industry. PSM will operate as a subsidiary of Calpine and will continue to sell its products to the combustion turbine market.

Tom Mason, executive vice president - operations for Calpine, stated, "Over the next few years, Calpine will become the owner and operator of the world's largest fleet of state-of-the-art natural gas-fired power plants. PSM will significantly strengthen Calpine's ability to operate and maintain this fleet to maximize value. With this acquisition and our large backlog of gas turbine orders with Siemens Westinghouse and General Electric, Calpine continues to be well positioned to meet North America's growing demand for electricity."

PSM will be a key strategic component of Calpine's turbine maintenance strategy and will help ensure continued reliable plant performance, while helping reduce Calpine's overall operating costs. PSM employs 40 energy professionals with in-depth gas turbine experience. PSM specializes in the design and manufacturing of turbine hot section blades, vanes, combustors and low emissions combustion components.

> Contact Info:

Need to contact Calpine?

> IR Contact Info
> PR Contact Info

> Calpine Quick Facts:

- Founded in 1984
- Headquartered in San Jose, Calif.
- Publicly traded (NYSE: CPN) since 1996
- Listed on the S&P 500
- Has 88 facilities in operation with a total capacity of about 22,000 megawatts
- Has over 10 more facilities under construction that will provide more than 7,000 additional megawatts of capacity
- Owns 1.0 trillion cubic feet of proved natural gas reserves
- Uses clean, proven technologies: natural gas combined-cycle and geothermal energy
- Is the world's leading

"Consistent with Calpine's fully integrated approach to power generation, PSM will add value to every phase of our power generation program -- from input on design and engineering, through start-up, operations and maintenance. PSM will provide us with new options with which we can ensure that Calpine provides our customers with the highest quality product at competitive rates," continued Mason.

Thomas Churbuck president of PSM, commented, "PSM's capabilities are an excellent match for Calpine's North American energy initiative. We look forward to building the PSM staff to become a vital part of Calpine's long- range plans."

Calpine has launched the largest power plant construction program in North America. To date, the company has 23 projects in construction, totaling 11,100 megawatts of base load capacity, with an additional 2,100 megawatts of peaking capacity. On the development front, Calpine has announced plans to bring on line an additional 11,600 megawatts of base load capacity and 2,000 megawatts of peaking capacity.

To power its aggressive energy initiative, Calpine has firm orders in place for 183 state-of-the-art gas turbines. When operating in a combined- cycle configuration, these turbines will generate more than 45,000 megawatts of electricity.

Based in San Jose, Calif., Calpine Corporation is dedicated to providing customers with reliable and competitively priced electricity. Calpine is focused on clean, efficient combined-cycle, natural gas-fired generation and is the world's largest producer of renewable geothermal energy. Calpine has launched the largest power development program in North America. To date, the company has approximately 27,600 megawatts of base load capacity and 5,300 megawatts of peaking capacity in operation, under construction and in announced development in 27 states and Canada. The company was founded in 1984 and is publicly traded on the New York Stock Exchange under the symbol CPN. For more information about Calpine, visit its website at www.calpine.com.

This news release discusses certain matters that may be considered "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the intent, belief or current expectations of Calpine Corporation ("the Company") and its management. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties that could materially affect actual results such as, but not limited to, (i) changes in government regulations and anticipated deregulation of the electric energy industry, (ii) commercial operations of new plants that may be delayed or prevented because of various development and construction risks, such as a failure to obtain financing and

geothermal power producer. At The Geysers in northern California, Calpine harnesses naturally heated steam from the earth to create renewable "green" electric power.

- Since 1997, Calpine has had a 67% compound annual growth rate in generating capacity
- Has a safety record much better than the industry average
- According to a survey reported in 2002 in the New York Times, Calpine ranked as the second-lowest emissions-producer of the 100 largest U.S. power companies. (The leader was later sold, moving Calpine to No. 1.)
- Calpine's natural gas-fired plants produce 95% less nitrogen oxide, 99% less sulfur dioxide, 64% less carbon dioxide, 98% less mercury and 83% less particulate matter than the average U.S. fossil-fuel plant

the necessary permits to operate or the failure of third-party contractors to perform their contractual obligations, (iii) cost estimates are preliminary and actual cost may be higher than estimated, (iv) the assurance that the Company will develop additional plants, (v) a competitor's development of a lower-cost generating gas-fired power plant, (vi) the risks associated with marketing and selling power from power plants in the newly competitive energy market, (vii) the risks associated with marketing and selling combustion turbine parts and components in the competitive combustion turbine parts market, (viii) the risks associated with engineering, designing and manufacturing combustion turbine parts and components, or (ix) delivery and performance risks associated with combustion turbine parts and components attributable to production, quality control, suppliers and transportation. Prospective investors are also referred to the other risks identified from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission. SOURCE Calpine Corporation

CONTACT: media relations, Katherine Potter, ext. 1168, or, investor relations, Rick Barraza, ext. 1125, both of Calpine Corporation, 408-995-5115/

EXHIBIT 3

The Power Marketing Association
Directory of Power Marketers

Directory Page One
Directory Page Two
Directory Page Three

Updated on: 28 April 2002

Download the PMA Directory of Power Marketers in Microsoft Word format.

The Power Marking Association
Directory of Power Marketers
Page Three

ONEOK Power Marketing Company
Ms. Deborah Browers Barnes
Corp. Secty. & Assoc. General Counsel
1100 ONEOK Plaza
100 West Fifth Street
Tulsa, OK 74103-4298
Voice: 918-588-7932
FERC Filing Summary: ER98-3897

Onondaga Cogeneration, L.P.
c/o GPU
Ronald P. Lantzy
One Upper Pond Road
Parsippany, NJ 07054
Voice: 973-263-6950
Fax: 973-263-6977
FERC Filing Summary: ER00-0895

Orion Power Midwest, L.L.C.
c/o Constellation Power Source, Inc.
111 Market Place, Suite 500
Baltimore, MD 21202
FERC Filing Summary: ER00-1463

Outback Power Marketing, Inc.
Hinwing Lee
President
3720 West Alabama, Suite 5215
Houston, TX 77027
FERC Filing Summary: ER01-0297

Oxbow Power Marketing, Inc.
Mr. David W. Clark, Esq.
Assistant Counsel
1601 Forum Place, Suite P-2
West Palm Beach, FL 33401

San Manuel Power Company, L.L.C.
Vito Konur
P.O. Box M
San Manuel, AZ 85631
Voice: 602-385-3138
FERC Filing Summary: ER01-2086

Sandia Resources Corporation
Mr. Jerry D. Padilla
President
4600 S. Ulster Street, Suite 700
Denver, CO 80237
Voice: 303-740-6676
Fax: 303-470-3466
FERC Filing Summary: ER99-4044

Santa Rosa Energy, L.L.C.
c/o Calpine Corp.
Joseph Regnery
Attorney
4890 West Kennedy Boulevard
Tampa, FL 33609
Voice: 813-637-3520
Fax: 813-637-3597
FERC Filing Summary: ER01-1714

SCANA Energy Marketing, Inc.
Mr. Charles A. Rampey, Jr., P.E.
President
110 Gateway Corporate Blvd.
Columbia, SC 29203
Voice: 803-865-3300
FERC Filing Summary: ER96-1086

SDS Petroleum Products, Inc.
Mr. James T. Smith, Jr.
President
P.O. Box 371377
Denver, CO 80237-5377
Voice: 303-369-8755
Fax: 303-369-1920
FERC Filing Summary: ER96-1724

Seagull Power Services, Inc.
Mr. John R. Medler
1001 Fannin, Suite 1700
Houston, TX 77002
Voice: 713-951-4747
Fax: 713-951-4819
FERC Filing Summary: ER96-0342

Select Energy , Inc.
c/o Northeast Utilities Service Company
Ms. Phyllis E. Lemell
P.O. Box 270
Hartford, CT 06141-0270
Voice: 860-665-5118
FERC Filing Summary: ER99-014