

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Power Corporation for Waiver of Depreciation Study Filing Requirement In Rule 25-6.0436(8)(a), F.A.C.)))
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Docket no. 011611-EI
Filed December 14, 2001

**CITIZENS' RESPONSE IN OPPOSITION TO FLORIDA POWER'S
REQUEST FOR WAIVER**

The Citizens of Florida (Citizens), by and through Jack Shreve, Public Counsel, submit this response opposing the request for waiver filed by Florida Power Corporation (Florida Power) on November 28, 2001.

1. According to rule 25-6.0436(8)(a), F.A.C., Florida Power must submit its next depreciation filing to the Florida Public Service Commission (Commission) by no later than December 31, 2001. In its petition, Florida Power argues that it is too busy with its rate case proceeding to submit a depreciation study.

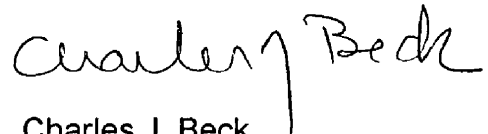
2. Florida Power's petition ignores the fact that rate case proceedings are normally accompanied by depreciation represcriptions for good reason. In a rate case, the Commission sets rates based upon the company's financial statements for the test year. That process attempts to match the company's revenues and expenses during a representative test year period and sets rates based upon the company's expected performance during the test year. If a major area of expense, such as depreciation, is not reviewed during the process, it is likely that the rates set by the Commission will be wrong.

3. The last rate proceedings involving the major telecommunications companies, for example, all involved depreciation represcriptions. BellSouth's rate case in docket 920260-TL was accompanied by a depreciation represcription in docket 920385-TL; GTE Florida's rate case in docket 920188-TL was accompanied by a depreciation represcription in docket 920284-TL; and Sprint's rate case in docket 910980-TL was accompanied by a depreciation represcription in docket 910725-TL. Customers and the company benefited from the proper matching of revenues and expenses in these rate case proceedings.

4. There is no reason to excuse Florida Power from doing the same thing that these other companies were able to do. A depreciation study is necessary in order to properly match revenues and expenses during the test year in the docket 000824-EI rate case proceeding. The Commission should deny the waiver requested by Florida Power and require the company to file the depreciation study.

Respectfully submitted,

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DOCKET NO. 011611-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished by U.S.

Mail or hand-delivery to the following parties on this 14th day of December, 2001.



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