

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's Earnings, Including Effects of Proposed Acquisition of Florida Power Corporation by Carolina Power & Light

DOCKET NO. 000824-EI

Submitted for Filing: December 21, 2001

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FLORIDA POWER CORPORATION'S OBJECTIONS TO CITIZENS' EIGHTH SET OF INTERROGATORIES TO FLORIDA POWER CORPORATION

Pursuant to § 350.0611(1), Fla. Stat. (2000), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P. 1.340, Florida Power Corporation ("FPC") objects to Florida's Citizens' Eighth Set of Interrogatories (Nos. 125-130) and states as follows:

GENERAL OBJECTIONS

FPC objects to any 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 the response is first made to these interrogatories or is later determined to be applicable based on the discovery of documents, investigation or analysis. FPC in no way intends to waive any such privilege or protection.

In certain circumstances, FPC may determine upon investigation and analysis that information responsive to certain interrogatories to which objections are not otherwise asserted are

confidential and proprietary and should be produced only under an appropriate confidentiality agreement and protective order, if at all. By agreeing to provide such information in response to this interrogatory, FPC is not waiving its right to insist upon appropriate protection of

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confidentiality by means of a confidentiality agreement and protective order. FPC hereby asserts its right to require such protection of any and all documents that may qualify for protection under the Florida Rules of Civil Procedure and other applicable statutes, rules and legal principles.

FPC objects to these interrogatories and any definitions and instructions that purport to expand FPC's obligations under applicable law.

FPC objects to these interrogatories to the extent they are intended to require any expert/consultant retained by FPC in connection with this proceeding to provide a response, except those interrogatories that are expressly permitted to be directed at an expert/consultant as set forth in Florida Rule of Civil Procedure 1.280(b)(4). Rule 1.340 permits interrogatories to be directed only to parties, and FPC is not obligated to have experts/consultants respond to interrogatories other than those limited interrogatories that are specifically authorized as stated above. However, in the spirit of cooperation, FPC will agree at this point to have its experts/consultants provide responses to this set of interrogatories, but preserves its right to refuse to continue to do so at any point should it so choose. FPC in no way intends to waive this objection.

FPC also objects to these interrogatories to the extent they purport to require FPC to prepare information in a particular format or perform calculations not previously prepared or performed as an attempt to expand FPC's obligations under applicable law. FPC will comply with its obligations under the applicable rules of procedure.

FPC incorporates by reference all of the foregoing general objections into each of its specific objections set forth below as though pleaded therein.

In addition, FPC 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 served by any party.

### INTERROGATORIES

125. On November 30, 2001, the following press release was issued, in part:  
"RALEIGH, N.C. (November 30, 2001) -- The Eastern North Carolina Natural Gas Project (Eastern NC), which will bring natural gas service to homes and businesses in 14 counties, has begun contacting prospective customers in Edenton, Wynfall, Elizabeth City and Cape Colony."

(a) Was the creation of this new company included in the development of the allocation factors used to allocate costs from Progress Energy Services Company to the various affiliates that it provides service to in the projected test year?

(b) If the response to (a) is affirmative, please describe how this new company was taken into consideration.

(c) Identify all documents that demonstrate that this expansion was considered when developing allocation factors used to allocate costs to this new company for the projected test year.

126. Please state the amount of nuclear property and liability credit for good experience budgeted for the projected test year. State how this credit was reflected in test year expenses. If the credit was not reflected in test year expenses, please explain why it was not. State the amount of actual nuclear property and liability credit received in the years 1999, 2000, and 2001 by the Company and/or its parent.

FPC objects to this interrogatory as compound and reserves its right to count this interrogatory as four (4) separate interrogatories for the purposes of determining its obligation to continue to provide responses under the order governing procedure in this case.

127. For purposes of this request please refer to the response to OPC's POD 49 bates page 000853-000855.

(a) Please explain how costs charged to Progress Energy Service Company are reflected on the books of FPC. (For example, are the expenses

credited, or do the expenses remain on FPC's books and revenue is reflected.)

(b) By FERC account number, state the amount charged Progress Energy Service Company for the year 2001 to date, and explain how any costs and/or revenue are reflected on FPC's books.

(c) By FERC account number, state the amount budgeted to be charged Progress Energy Service Company for the projected test year and explain how any costs and/or revenue are reflected on FPC's books.

128. For purposes of this request, please refer to Bazemore's Appendix C and the Company's response to OPC's POD 49. In response to POD 49 the Company produced service agreements between Progress Energy Services Company and various affiliates that it performs service for. In response to POD 49, there was service agreement with Capital Holding, Inc.

(a) Please explain why no costs were reflected on Appendix C as being charged or allocated to Capital Holding, Inc.

(b) State the amount of costs, but account, that were charged or allocated to Capital Holding, Inc., for each month of the year 2001 to date.

129. On December 3, 2001, the following press release was issued, in part: "ST. PETERSBURG, FL --December 03, 2001 - Progress Telecom, a provider of wholesale telecommunications services, is expanding its sales division with the launch of an Alternate Channels program. The announcement adds to a year in which the three-year-old company, previously engaged only in direct sales to wholesale providers, has exceeded its growth projections."

(a) Was the expansion of the sales division included in the allocation factors used to allocate costs from Progress Energy Services Company to Progress Telecom, for the projected test year?

(b) If the response to (a) is affirmative, please describe how this expansion of the sales division was taken into consideration.

(c) Identify all documents that demonstrate that this expansion was considered when developing allocation factors used to allocate costs to Progress Telecom from Progress Energy Services for the projected test year.

(d) Identify the number of additional sales personnel that were hired as a result of this expansion, by title.

130. (a) For the years ending 2000, 2001, and the projected test year, please state the amount charged the Company by Progress Telecommunications Corporation.
- (b) Identify all documents, calculation and workpapers that show how these costs were charged to the Company by Progress Telecommunications Corporation for each of the years 2000, 2001, and the projected test year.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via \*\*hand delivery and via U.S. Mail to the following this 21<sup>st</sup> day of December, 2001.

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