

MEMORANDUM

AUGUST 4, 1997

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FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (ELIAS) *RVE*
RE: DOCKET NO. 961216-EI - APPLICATION FOR AUTHORITY TO ISSUE
AND SELL SECURITIES DURING THE TWELVE MONTHS ENDING
DECEMBER 31, 1997, PURSUANT TO SECTION 366.04, F.S., AND
CHAPTER 25-8, F.A.C., BY FLORIDA POWER CORPORATION

PSC-97-0925-FPE-EI

Attached is an ORDER GRANTING AMENDMENT TO AUTHORITY TO ISSUE
AND SELL SECURITIES to be issued in the above referenced docket.
(Number of pages in order - 4)

RVE/js
Attachment
cc: Division of Auditing and Financial Analysis (Jones)
I:961216or.rve

see 1

*forward
mailed - 1/0*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell securities during the twelve months ending December 31, 1997, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power Corporation.

DOCKET NO. 961216-EI
ORDER NO. PSC-97-0925-FOF-EI
ISSUED: August 4, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA

ORDER GRANTING AMENDMENT TO AUTHORITY TO
ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Florida Power Corporation (FPC or Company) filed an application on October 9, 1996 seeking approval to issue and sell short-term unsecured promissory notes not to exceed \$400 million and long-term debt and equity securities not to exceed \$700 million during the year ending December 31, 1997. In addition, FPC requested to have \$400 million of short-term secured promissory notes outstanding. By Order No. PSC-96-1521-FOF-EI, issued December 16, 1996, we approved the Company's application.

On June 6, 1997, FPC filed an application to amend its authority to issue and sell securities as provided by Order No. PSC-96-1521-FOF-EI. FPC has requested authority to permit the issuance of additional securities in connection with the Tiger Bay Transaction. By Order No. PSC-97-0652-S-EQ, issued June 9, 1997, the Commission approved FPC's petition in Docket No. 970096-EI regarding the Company's acquisition of the Tiger Bay cogeneration facility located in Polk County, Florida (Tiger Bay Transaction). In the amended application, the Company states when the original application was filed the Company did not anticipate closing the Tiger Bay Transaction, and did not account for the issuance of long-term and possibly short-term securities to finance the

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transaction. The purchase price of the Tiger Bay Transaction is approximately \$445 million.

Specifically, the Company requests to increase the amount of long-term securities and debt obligations that the Company is authorized to issue and sell or otherwise incur during 1997 from \$1.1 billion to \$1.55 billion and increase the amount of short-term unsecured borrowings and commercial paper that the Company is authorized to issue, sell and have outstanding at any given time during 1997 from \$400 million to \$850 million. Because of the timing difference between the receipt of the proceeds from the sale of medium-term notes and the closing of the Tiger Bay Transaction, the Company believes it may need authority to incur not only \$450 of additional long-term debt in the form of medium-term notes, but also up to an additional \$450 million of short-term debt in the form of bridge loan financing in order to complete the Tiger Bay Transaction. PPC's request in the original application to have \$400 million of short-term secured promissory notes outstanding will not be affected by the amended application. Pursuant to Rule 25-8.009, Florida Administrative Code, the Company will file its consummation report within 90 days following the end of its fiscal year for all securities except those relating to the Tiger Bay Transaction. For securities relating to the Tiger Bay Transaction, the Company has agreed to provide its consummation report within 90 days after the issuance of the securities.

Commission approval of the proposed issuance of securities by FPC does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for review within the context of a rate proceeding. The subject financing is approved subject to the Commission's retention of the right to disallow any of the costs incurred for rate making purposes.

For these reasons, we find that FPC's application for modification of authority to issue and sell securities during the year ending December 31, 1997 shall be granted.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that FPC's application for modification of authority to issue and sell securities during the year ending December 31, 1997 shall be granted. It is further

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ORDERED that this docket shall remain open to monitor activity during the authorized twelve-month period and allow 90 days after the end of its fiscal year for the Company to file its consummation report with the Commission. Pursuant to Rule 25-8.009, Florida Administrative Code, the Company will file its consummation report within 90 days following the end of its fiscal year for all securities except those relating to the Tiger Bay Transaction. For securities relating to the Tiger Bay Transaction, the Company has agreed to provide its consummation report within 90 days after the issuance of the securities. Following the receipt and review of the Company's consummation reports, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission, this 4th day of August, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

RVE

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.