

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Florida Power Corporation for authority to issue and sell securities during the twelve months ending 12/31/2000 pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C.

DOCKET NO. 991525-EI
ORDER NO. PSC-99-2506-PAA-EI
ISSUED: December 21, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING FLORIDA POWER CORPORATION AUTHORITY TO ISSUE AND SELL SECURITIES DURING THE TWELVE MONTHS ENDING DECEMBER 31, 2000

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On October 8, 1999, Florida Power Corporation (FPC or Company) filed an application to issue and sell securities pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code. We considered this matter at our December 21, 1999, Agenda Conference.

APPLICATION

In its application, FPC requests authority to issue, sell, or otherwise incur during 2000 any combination of additional equity

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securities and long-term debt securities and obligations consisting of: (i) up to \$400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's long-term credit agreements; and (ii) \$850 million of any combination of equity securities and other long-term debt securities and obligations. In addition, the Company requests authority to issue, sell and have outstanding at any given time during 2000 short-term unsecured securities and debt obligations, including commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not in excess of \$500 million, which amount shall be in addition to and in excess of the authority conferred on FPC by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five per cent of the par value of the Company's other outstanding securities.

The net proceeds to be received from the sale of the additional securities will be added to FPC's general funds and may be used to provide additional electric facilities during 1999, pursuant to FPC's construction program, to repay maturing long-term debt or short-term unsecured debt, to refund existing obligations with lower cost debt, or for other corporate purposes. FPC's construction program is developed from its long-range plan to determine needed construction facilities. While the final 1999 Construction Budget is not yet available, FPC's most recently approved construction expenditures forecast excluding Allowance for Funds Used During Construction (AFUDC) which for 1999 is approximately \$263.2 million. During 1999, FPC may refund some or all of two series of its first mortgage bonds totaling \$100 million, depending upon market conditions. Also, FPC is considering the possibility of a tender offer for, or the defeasance of, one \$150 million series of its first mortgage bonds.

FPC asserts that the proposed financings are consistent with the proper performance by the Company of service as a public utility, will enable and permit the company to perform that service, are compatible with the public interest and are reasonably necessary and appropriate for such purposes. Upon examination of the application, we concur.

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It appears that FPC has complied with the requirements of Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code in applying for the authority to issue securities. Therefore, FPC's application is hereby granted.

If no timely protest is received upon expiration of the protest period, this Order shall become final upon issuance of a Consummating Order. However, this docket shall remain open to monitor the issuance and/or sale of these securities until April 15, 2001, at which time it shall be closed administratively.

Based upon the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that Florida Power Corporation's Application for Authority to Issue and Sell Securities During the Twelve Months Ending December 31, 2000, Pursuant to Section 366.04, Florida Statutes, and Chapter 25-08, Florida Administrative Code, is granted. It is further

ORDERED that Florida Power Corporation is authorized, effective January 1, 2000, to issue, sell, or otherwise incur any combination of additional equity securities and long-term debt securities and obligations during the twelve month period ending December 31, 2000, consisting of: 1) up to \$400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's Long-Term Credit Agreements; and, 2) \$850 million of any combination of equity securities and other long-term debt securities and obligations. It is further

ORDERED that Florida Power Corporation is authorized, effective January 1, 2000, to issue, sell and have outstanding at any given time short-term unsecured borrowings and commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not to exceed \$500 million, which amount shall be in addition to and in excess of the authority conferred on Florida Power Corporation by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five per cent of the par value of the Company's other outstanding securities. It is further

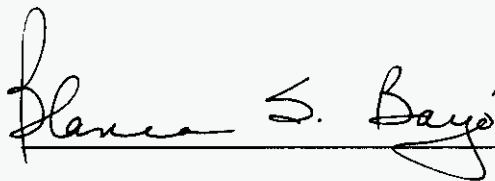
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ORDERED that the kind and nature of securities that Florida Power Corporation is authorized to issue during 2000 are equity securities and short-term and long-term debt securities and obligations, as set forth in Florida Power Corporation's application, as well as forward refunding or forward swap contracts in connection with outstanding pollution control refunding revenue bonds that are not currently callable. It is further

ORDERED that Florida Power Corporation shall file a consummation report in accordance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities. It is further

ORDERED that if no timely protest is received from a substantially affected person within the 21-day protest period, this Order shall become final upon issuance of a Consummating Order. However, this docket shall remain open to monitor the issuance and/or sale of these securities until April 15, 2001, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 21st day of December, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 11, 2000.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.