



Florida Power

CORPORATION

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RECORDS AND REPORTING

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JAMES A. MCGEE
SENIOR COUNSEL

November 2, 1999

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 980643-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Additional Comments.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

AFA	<u>Revell</u>
APP	<u>1</u>
CAF	<u> </u>
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Enclosure

cc: Parties of record

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FPSC-RECORDS/REPORTING

FLORIDA POWER CORPORATION

DOCKET NO. 980643-EI

ADDITIONAL COMMENTS

In accordance with Ms. Helton's memorandum dated October 12, 1999, Florida Power Corporation (FPC) offers the following additional comments on Staff's latest proposed revisions to Rule 25-6.1351, F.A.C.

Rule 25-6.1351(2)(h) - Definition of Prevailing Price Valuation

FPC supports this addition and suggests the following changes to place it in more of a definitional context:

(h) Prevailing Price Valuation - Refers to the price an affiliate may charge a regulated utility for products and services, which equates to that charged by the affiliate to third parties. To qualify for this treatment, ~~The occurrence of~~ sales of a particular asset or service to third parties must encompass more than 50 percent of the total quantity of the product or service sold by the affiliate. The 50 percent threshold is applied on an asset-by-asset and service-by-service basis, rather than on a product line or service line basis. This excludes services received by a utility from its affiliate that exists solely to provide services to members of the utility's corporate family, which shall be recorded at fully allocated cost.