



Florida Power CORPORATION

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JAMES A. MCGEE SENIOR COUNSEL

July 31, 2000

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. 991695

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Motion for Extension of Time to File Proposal.

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,

Handwritten signature of James A. McGee

James A. McGee

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Florida Power Corporation for authority to establish a regulatory liability to defer 1999 earnings for disposition in 2000.

Docket No. 991695-EI

Submitted for filing:
July 31, 2000

**MOTION OF FLORIDA POWER CORPORATION
FOR EXTENSION OF TIME TO FILE PROPOSAL**

Florida Power Corporation (Florida Power, or the Company) hereby moves the Florida Public Service Commission (the Commission) for an extension of time until and including October 2, 2000 to file a proposal for the disposition of the Company's deferred 1999 earnings, and in support hereof, states as follows:

1. By Order No. PSC-99-2437-PAA-EI, issued in this proceeding on December 13, 1999 (the Deferral Order),¹ the Commission authorized Florida Power to create a regulatory liability for the purpose of deferring additional 1999 earnings above the level estimated in the Company's March 1999 forecasted surveillance report. Absent this authority, Florida Power would have used these additional earnings to accelerate the amortization of the Tiger Bay regulatory asset prior to the closing of its 1999 books and records.² The deferral was intended to allow Florida Power the opportunity to consider other alternatives that might enable its customers

¹ The Deferral Order was made final and consummated by Order No. PSC-00-0068-CO-EI, issued January 7, 2000.

² The authority to create the Tiger Bay regulatory asset and to accelerate its amortization at Florida Power's discretion was established by Order No. PSC-97-0652-S-EQ, issued July 1, 1997 in Docket No. 970096-EQ. Accelerating the Tiger Bay amortization in this manner has the potential to shorten the time from 2008 to 2005 when customers will begin to receive the savings from the Tiger Bay buy-out.

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to receive the benefit of the additional 1999 earnings sooner than if these earnings were used to amortize the Tiger Bay regulatory asset. Of significance to this motion, the Deferral Order also provided that if Florida Power does not file a proposal for such an alternative disposition of the deferred earnings by August 1, 2000, the Company is required to immediately apply these earnings, plus interest, to the Tiger Bay regulatory asset without further action by the Commission.

2. Florida Power is currently engaged in ongoing negotiations with several potential intervenors regarding the disposition of the deferred 1999 earnings. Florida Power believes that these negotiations, if successfully concluded, have the potential to enhance the benefit that customers would otherwise receive from the deferred earnings, consistent with the objective of the Deferral Order. The participants have endeavored to conclude the negotiations in time to file a joint proposal for disposition of the deferred earnings by the August 1, 2000 deadline, but despite these efforts it is now apparent that this deadline cannot be met.

3. Accordingly, and with the support of the other participants to the negotiations, Florida Power requests a two-month extension of the August 1st filing deadline in order to allow the participants an opportunity to determine whether a mutually satisfactory agreement can be reached regarding the deferred 1999 earnings and, if so, to prepare and file a joint proposal with the Commission. If such a filing is not made by the extended deadline of October 2, 2000, the self-executing nature of the Deferral Order would remain in effect and automatically require Florida Power to apply the deferred earnings to the Tiger Bay regulatory asset.

4. Florida Power submits that the requested extension of time should not impair the ability of Staff and the Commission to properly review the proposal for disposition of the deferred 1999 earnings by year end. More likely, the filing extension will simplify the review process. If the extension of time allows the pending negotiations to be concluded successfully, the filing of a joint proposal will minimize, if not eliminate, the possibility of an adversarial proceeding regarding the disposition of the deferred earnings, as well as the complexities and time requirements attendant such a proceeding. In any event, even if a decision were not reached by year end, no adverse consequences would result. The deferred earnings will remain on the Company's books as a regulatory liability, accruing interest, until its disposition is decided by the Commission, irrespective of whether that decision is made in late 2000 or early 2001.

WHEREFORE, Florida Power Corporation respectfully requests that the Commission grant this motion and extend the time to file a proposal for the disposition of the Company's deferred 1999 earnings until and including September 1, 2000.

Respectfully submitted,

OFFICE OF THE GENERAL COUNSEL
FLORIDA POWER CORPORATION

By 

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