

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for extension of  
time to file 2001 forecasted  
earnings surveillance report by  
Florida Power Corporation.

DOCKET NO. 010112-EI  
ORDER NO. PSC-01-0625-PAA-EI  
ISSUED: March 14, 2001

The following Commissioners participated in the disposition of  
this matter:

E. LEON JACOBS, JR., Chairman  
J. TERRY DEASON  
LILA A. JABER  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

NOTICE OF PROPOSED AGENCY ACTION  
ORDER GRANTING REQUEST FOR EXTENSION OF TIME

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.

Pursuant to Rule 25-6.1353, Florida Administrative Code, investor-owned electric utilities are required to file a Forecasted Earnings Surveillance Report for the current year on or before March 1st of that year. One extension of 15 days can be granted upon request. Requests for longer extensions must be accompanied by a statement of good cause and specify a proposed filing date.

In its letter, dated January 8, 2001 (Attachment), Florida Power Corporation (FPC) stated that the extra time and resources involved in the integration of the FPC and Carolina Power & Light Company (CPL) budgeting process would delay the availability of data critical for completing the required forecasted report for calendar year 2001. As a result, FPC has requested a two-month

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extension of the filing deadline to May 1, 2001. The letter contained an inadvertent reference to the year 2000, rather than to the appropriate year of 2001.

Although the acquisition of FPC by CP&L Holdings, Inc. (now known as Progress Energy Company) was initiated in 1999, it was not consummated until November 30, 2000. It was not until that time that many of the projected expenses of the combined entity could be more accurately determined for the forthcoming year 2001. This contributed to the delay and disruption of the normal budgeting process, as did the combination of the two different budgeting systems of FPC and CPL. Although an overall operating budget is in place, it still needs further review and analysis to ensure that the forecasted expenses are allocated to the appropriate FERC accounts for FPC's budgeting and reporting purposes.

One reason for requiring forecasted data is to give the Commission an early opportunity to assess whether there is a possibility of potential overearnings during the current year. If the forecasted data indicates that overearnings might occur, we can take action to attach jurisdiction to those earnings for disposition at a later date. Although FPC is not under an incentive regulation plan or subject to an earnings or revenue cap, it does have the discretion to accelerate the amortization of the Tiger Bay regulatory asset (Order No. PSC-97-0652-S-EQ). The ability to accelerate this amortization mitigates the concern that FPC would have overearnings for 2001. In addition, FPC will still be required to submit its monthly surveillance reports on an actual basis for 2001. This will allow the Commission to monitor FPC's 2001 earnings during the extension period for submitting the 2001 forecasted data.

Given the circumstances of the merger's affect on the budgeting process and FPC's ability to accelerate the Tiger Bay amortization during 2001, we approve FPC's request to extend the deadline for filing its 2001 Forecasted Earnings Surveillance Report to May 1, 2001. The utility agrees that if any action is necessary to place money subject to refund, such jurisdiction will be effective 60 days prior to the date of that action because we are granting a 60-day extension to file the original information.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's Request for Extension of Time to File the 2001 Forecasted Earnings Surveillance Report, is approved. It is further

ORDERED that the deadline to file the 2001 forecasted earnings surveillance report is May 1, 2001. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 14th day of March, 2001.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

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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 April 4, 2001.

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.