



CARLTON FIELDS

ATTORNEYS AT LAW

ONE PROGRESS PLAZA
200 CENTRAL AVENUE, SUITE 2300
ST PETERSBURG, FLORIDA 33701-4352

MAILING ADDRESS
PO BOX 2861, ST. PETERSBURG, FL 33731-2861
TEL (727) 821-7000 FAX (727) 822-3768

November 5, 2001

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

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In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light
Docket No: 000824-EI

Dear Ms. Bayo:

Florida Power Corporation ("FPC" or the "Company") is filing herewith are the original and two (2) copies of Florida Power Corporation's Notice of Service of Response to Citizen's First Set of Interrogatories to FPC, Response to Citizen's Second Set of Requests for Production of Documents to FPC and disc.

We request you acknowledge receipt and filing of the above by stamping the additional copy of this letter and returning it to me in the self-addressed, stamped envelope provided.

If you or your Staff have any questions regarding this filing, please contact me at (727) 821-7000.

Very truly yours,

Gary L. Zasso
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Enclosures

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MIAMI ORLANDO ST. PETERSBURG TALLAHASSEE TAMPA

Cover letter

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light

Docket No. 000824-EI

Submitted for Filing November 6, 2001

RESPONSE TO CITIZENS SECOND SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS TO FPC

Pursuant to § 350.0611(1), Fla. Stat. (2000), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.350, Florida Power Corporation ("FPC") responds to Florida Citizens ("Citizens") Second Request for Production and states as follows:

GENERAL OBJECTIONS

FPC objects to the request that documents be produced at the Office of Public Counsel, Claude Pepper Building, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400. FPC is required only to produce documents at a reasonable time, place and manner.

FPC objects to any request that calls for the production of documents protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time the response is first made to these requests or is later determined to be applicable based on the discovery of documents, investigation or analysis. FPC

in no way intends to waive any such privilege or protection.

In certain circumstances, FPC may determine upon investigation and analysis that documents that respond to certain requests to which objections are not otherwise asserted are

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confidential and proprietary and should be produced only under an appropriate confidentiality agreement and protective order, if at all. By agreeing to produce documents in response to this request, FPC is not waiving its right to insist upon appropriate protection of confidentiality by means of a confidentiality agreement and protective order. FPC hereby asserts its right to require such protection of any and all documents that may qualify for protection under the Florida Rules of Civil Procedure and other applicable statutes, rules and legal principles.

FPC further objects to these requests and any definitions or instructions that purport to expand FPC's obligations under applicable law.

FPC objects to any request that requires the production of "all" or "each" as it cannot give assurances, even after a good faith and reasonably diligent attempt, that "all" or "each" responsive document will be found. Indeed, it may well be impossible to assure compliance with the exercise of reasonable diligence.

FPC incorporates by reference all of the foregoing general objections into each of its specific objections set forth below as though pleaded therein.

Moreover, to the extent documents responsive to the requests have been previously produced, FPC will not be reproducing these documents but will attempt to make appropriate cross-references between and amongst the various requests.

SPECIFIC OBJECTIONS

Definitions

FPC objects to the definition of "FPC", "you", "your" or the "Company" as including Florida Progress Corporation, Progress Energy, Inc., and Progress Energy Service Company, LLC. FPC does not have an obligation under the rules to produce materials in the hands of these companies, but FPC agrees to do so in any event to expedite discovery, to the extent such

documents are relevant to the issues in this case. FPC reserves the right to decline to produce any materials that are not pertinent to the issues in the case. FPC further objects to the definition of “FPC”, “you”, “your” or the “Company” to the extent it includes third parties whose documents are not within its possession, custody, or control.

FPC objects to the definition of the term “management” or “manager” as overbroad and ambiguous. FPC will attribute the usual and customary meaning of this word to its use in these requests.

Instructions

FPC objects to the instructions calling upon FPC to provide designated information regarding any documents withheld from production. FPC will comply with its obligations under applicable rules of procedure.

FPC objects to the instruction to produce “originals” to the extent it purports to expand FPC’s obligations under the Uniform Rules and Florida Rule of Civil Procedure 1.350. FPC will comply with all applicable rules.

Documents Requested

20. Please provide a copy of the study entitled “Investor Growth Expectations and Stock Prices: the Analysts versus Historical Growth Extrapolation” as referenced on page 19 of Dr. Vander Weide’s direct testimony.

FPC will produce a copy of the requested document.

21. Please provide a copy of the Cragg and Malkiel study referenced on page 20 of Dr. Vander Weide’s direct testimony.

FPC objects to this request to reproduce a copyrighted book for Citizens. Citizens may obtain a copy of this book for its use at various libraries and/or directly from the

publisher. John C. Cragg and Burton G. Malkiel, Expectations and the structure of Share Prices, National Bureau of Economic Research, University of Chicago Press, 1982.

22. For all methods listed in response to part (b) of interrogatory 4, please provide a copy of all studies and analysis relied upon to reach this conclusion.

See FPC's response to request 20 above.

23. Please provide the workpapers in support of Dr. Vander Weide's schedule 4.

FPC will produce documents responsive to this request in response to request # 24 below.

24. Please provide an electronic spreadsheet version of all of Dr. Vander Weide's schedules and workpapers used to prepare his testimony in this proceeding.

FPC will produce documents responsive to this request as an electronic attachment to this response.



"JVV FLA Pwr
Schedule 1,3,5,6.xls"



"JVV FLA Pwr
Schedule 4.xls"

25. Please provide copies of all chapters from financial textbooks that specifically state that it is proper to use an I/B/E/S consensus growth rate as the proxy for long-term growth in a constant growth DCF formula, as identified in response to interrogatory 12.

See FPC's response to interrogatory # 12.

26. Please provide copies of all studies identified in your response to interrogatory 14.

See FPC's response to interrogatory # 14.

27. Please provide all written guidance identified in response to interrogatory 15.

See FPC's response to interrogatory # 15.

28. Please provide all analyses identified in response to interrogatory 16.

See FPC's response to interrogatory # 16.

Respectfully submitted,



Gary L. Sasso
James Michael Walls
CARLTON FIELDS
Post Office Box 2861
St. Petersburg, FL 33731
Telephone: (727) 821-7000
Facsimile: (727) 822-3768
Attorneys for Florida Power Corporation

James A. McGee
FLORIDA POWER CORPORATION
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery
(where indicated by *) and via U.S. Mail to the following this 6th day of Nov. 2001.

Mary Anne Helton, Esquire **
Adrienne Vining, Esquire
Bureau Chief, Electric and Gas
Division of Legal Services
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Phone: (850) 413-6096
Fax: (850) 413-6250
Email: mhelton@psc.state.fl.us

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Charles J. Beck, Esquire
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
Phone: (850) 488-9330
Attorneys for the Citizens of the State of
Florida

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
400 North Tampa Street, Suite 2450
Tampa, FL 33601-3350
Telephone: (813) 224-0866
Fax: (813) 221-1854
Counsel for Florida Industrial Power Users
Group

Ronald C. LaFace, Esquire
Seann M. Frazier, Esquire
Greenberg Traurig, P.A.
101 East College Avenue
Post Office Drawer 1838
Tallahassee, FL 32302
Telephone: (850) 222-6891
Fax:
Counsel for Florida Retail Federation

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden
Tallahassee, FL 32301
Telephone: (850) 222-2525
Fax: (85) 222-5606
Counsel for Florida Industrial Power Users
Group and Reliant Energy Power Generation,
Inc.

James D. Beasley, Esquire
Lee L. Willis, Esquire
Ausley & Macmillan
Post Office Box 391
Tallahassee, FL 32302
Phone: (850) 224-9115
Fax: (850) 222-7952
Counsel for Tampa Electric Company

Michael G. Briggs, Senior Counsel
Reliant Energy Power Generation, Inc.
801 Pennsylvania Avenue, Suite 620
Washington, D.C. 20004
Telephone:
Fax:

Leslie J. Paugh, Esquire
Landers & Parsons, P.A.
310 West College Avenue (32301)
Post Office Box 271
Tallahassee, FL 32302
Telephone: (850) 681-0311
Fax: (850) 224-5595
Counsel for Calpine Corporation, Duke Energy
North America and Mirant Americas
Development, Inc.

Michael B. Twomey, Esquire
8903 Crawfordville Rd. (32305)
Post Office Box 5256
Tallahassee, FL 32314-5256
Phone: (85) 421-9530
Fax: (850) 421-8543
Counsel for Sugarmill Woods Civic
Association, Inc. and Buddy L. Hansen

Thomas W. Kaslow
Director, Market Policy & Regulatory Affairs
Calpine Eastern
The Pilot House, 2nd Floor
Lewis Wharf
Boston, Massachusetts 02110
Phone: (617) 723-7200 (ext 393)
Fax: (617) 557-5353

Jon C. Moyle, Jr., Esq.
Cathy M. Sellers, Esq.
Moyle, Flanigan, Katz, Raymond &
Sheehan, P.A.
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301
Telephone: (850) 681-3828
Fax: (850) 681-8788
Counsel for CPV Atlantic, Ltd. and PG&E
National Energy Group Company

Lee E. Barrett, Director
Regulatory Policy
Duke Energy North America
5400 Westheimer Court
Houston, TX 77056-5310
Telephone: (713) 627-6519
Fax: (713) 627-6566

Melissa Lavinson
PG&E National Energy Group Company
7500 Old Georgetown Road
Bethesda, MD 20814

Beth Bradley
Director of Market Affairs
Mirant Americas Development, Inc.
1155 Perimeter Center West
Atlanta, GA 30338-5416
Telephone: (678) 579-3055
Fax: (678) 579-5819

Frederick M. Bryant, Esq.
General Counsel
Florida Municipal Power Agency
2061-2 Delta Way
Tallahassee, FL 32303
Telephone: (850) 297-2011
Fax: (850) 297-2014

Robert C. Williams, P.E.
Director of Engineering
Florida Municipal Power Agency
8553 Commodity Circle
Orlando, FL 32819-9002
Telephone: (407) 355-7767

Bill L. Bryant, Jr., Esq.
Natalie B. Futch
Katz, Kutter, Haigler, Alderman, Bryant &
Yon, P.A.
106 East College Avenue, 12th Floor
Tallahassee, FL 32301
Telephone: (850) 224-9634
Fax: (850) 222-0103
Counsel for Enron Corporation

Marchris Robinson
Manager, State Government Affairs
Enron Corporation
1400 Smith Street
Houston, TX 77002-7361
Telephone: (713) 853-3342
Fax: (713) 646-8160

Thomas J. Maida, Esq.
Foley & Lardner
106 East college Avenue, Ste. 900
Tallahassee, FL 32301
Telephone: (850) 222-6100
Fax: (850) 224-3101
Attorneys for Seminole Electric Cooperative,
Inc.

Russell S. Kent, Esq.
Sutherland Asbill & Brennan LLP
2282 Killlearn Center Blvd.
Tallahassee, FL 32308-3561
Telephone: (850) 894-0015
Counsel for Walt Disney World Co.

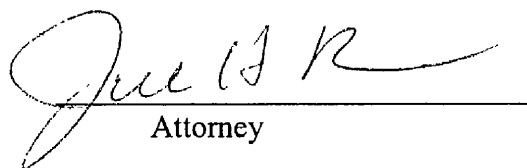
Daniel E. Frank
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
Telephone: (202) 383-0838
Counsel for Walt Disney World Co.

Lee Schmudde
Vice President, Legal
Walt Disney World Co.
1375 Lake Buena Drive
Fourth Floor North
Lake Buena Vista, FL 32830
Telephone: (407) 828-1723

James P. Fama
LeBoeuf, Lamb, Greene & MacRae, LLP
1875 Connecticut Avenue, NW Ste. 1200
Washington, D.C. 20009
Telephone: (202) 986-8053
Facsimile: (202) 986-8102
Attorneys for Florida Power Corporation

Timothy S. Woodbury
Vice President – Strategic Services
Seminole Electric Cooperative, Inc.
16313 North Dale Mabry Highway
Tampa, FL 33688-2000
Telephone: (813) 963-0994
Fax: (813) 264-7906

Thomas A. Cloud, Esq.
Gray, Harris & Robinson, P.A.
301 East Pine Street, Ste. 1400
P.O. Box 3068
Orlando, FL 32801
Phone: (407) 244-5624
Fax: (407) 244-5690
Attorneys for Publix Super Markets, Inc.



Julie A. R.
Attorney