

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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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

Submitted for Filing:
November 19, 2001

COMMISSION
CLERK

FLORIDA POWER CORPORATION'S NOTICE OF FILING

Florida Power Corporation, through its undersigned counsel, hereby gives notice of service of its Response to Citizen's Interrogatory to Florida Power Corporation No. 55 and Production Request No. 80, via U.S. Mail to all counsel of record on the attached service list this 19th day of November, 2001.

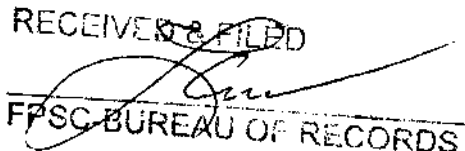
Respectfully submitted,



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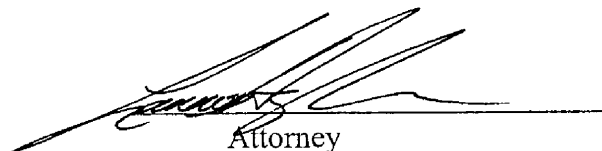
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Interrogatory

55. For each affiliate, subsidiary or division of Progress Energy, where Florida Power Corporation provides services or products to the affiliate, subsidiary, or division of the Progress Energy, please respond to the following for the years 2000, 2001 and the projected test year.

(a) Please explain how the carrying charges associated with land, buildings, and equipment are charged by Florida Power Corporation to the affiliate, subsidiary, or division.

FPC is uncertain of what OPC's means to include in the definition of carrying charges.

However, Florida Power charges Progress Telecom for its tower/pole attachments. These charges are incorporated into the annual pole rate specified in the Service Level Agreement between the two Companies. It is calculated using the cost based rate determination methodology approved by the FCC. The components being Return & Income Taxes, Depreciation Expense Other Taxes, Maintenance Expense and Administrative Expense. The Company is also compensated for land and building use and charges Progress Telecom the market base annual rate specified in the Service Level Agreement between the two Companies.

*(b) Provide the amount of carrying charges charged to the affiliate, subsidiary, of division.

For each year that is the subject of this request the described cost are as follows:

Tower/Pole Attachments:

2000, 2001, 2002 – annual charge is \$160,000.

Land and Building Usage

2000, 2001, 2002 – annual charge is \$569,000.

- (c) **Explain how Florida Power Corporation is compensated for the use of land, building, and equipment used by affiliates, subsidiaries, or divisions.**

FPC is uncertain of what OPC's means to include in the definition of carrying charges.

However, Florida Power is compensated by Progress Telecom for its tower/pole attachments by charging Progress Telecom an annual pole attachment rate specified in the Service Level Agreement between the two Companies. It is calculated using the cost based rate determination methodology approved by the FCC. The components being Return & Income Taxes, Depreciation Expense, Other Taxes, Maintenance Expense and Administrative Expense.

- *(d) Please state the amount of revenue recorded on Florida Power Corporation's books and the account number and name in which the revenue is recorded.**

Tower/Pole Attachments

Annual revenue for 2000, 2001, 2002 is \$160,000 recorded in Account 45400 – Rent from Electric Property

Land and Building Usage

Annual revenue for 2000, 2001, 2002 is \$569,000 recorded in Account 45400 – Rent from Electric Property

* responses to subparts (b) and (d) above are intended to replace the responses previously served in error.

Production Request

80. **Please provide the workpapers and source documents used to develop the amount of carrying charges or allocated costs charged to any affiliate, subsidiary, division, by Florida Power Corporation. These workpapers should include, where applicable, the return on investment used, the capital structure used, the return on equity used, the cost of debt used, and the investment to which the return is applied.**

Florida Power will produce documents responsive to this request.