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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

COMMISSION DOCKET NO. 000824-EI CLERK

Submitted for Filing: November 19, 2001

FLORIDA POWER CORPORATION'S OBJECTIONS TO CITIZENS' SIXTH SET OF INTERROGATORIES TO FPC

Pursuant to § 350.0611(1), Fla. Stat. (2000), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.340, Florida Power Corporation ("FPC") objects to Florida's Citizens ("Citizens"), Sixth Set of Interrogatories and states as follows:

GENERAL OBJECTIONS

FPC objects to any interrogatory that calls for information 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 interrogatories 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

- APP information responsive to certain interrogatories to which objections are not otherwise asserted
CAF
CMP
COM are confidential and proprietary and should be produced only under an appropriate
CTR
ECR
LEG confidentiality agreement and protective order, if at all. By agreeing to provide such information
OPC
PAI in response to such interrogatory, FPC is not waiving its right to insist upon appropriate
RGO
SEC protection of confidentiality by means of a confidentiality agreement and protective order. FPC
SER
OTH

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

FPC objects to these interrogatories to the extent they are intended to require any expert/consultant retained by FPC in connection with this proceeding to provide a response, except those interrogatories that are expressly permitted to be directed at an expert/consultant as set forth in Florida Rule of Civil Procedure 1.280(b)(4). Rule 1.340 permits interrogatories to be directed only to parties, and FPC is not obligated to have experts/consultants respond to interrogatories other than those limited interrogatories that are specifically authorized as stated above. However, in the spirit of cooperation, FPC will agree at this point to have its testifying experts/consultants provide responses to this set of interrogatories, but preserves its right to refuse to continue to do so at any point should it so choose. FPC in no way intends to waive this objection.

FPC also objects to these interrogatories to the extent they purport to require FPC to prepare information or perform calculations not previously prepared or performed as an attempt to expand FPC's obligations under applicable law. FPC will comply with its obligations under the applicable rules of procedure.

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

In addition, FPC reserves its right to count interrogatories and their sub-parts (as permitted under the applicable rules of procedure) in determining whether it is obligated to respond to additional interrogatories served by any party.

SPECIFIC OBJECTIONS

Instructions

FPC objects to the first instruction (1) to the extent it purports to expand FPC's obligations under applicable law. FPC will comply with its obligations under applicable rules of procedure.

Interrogatories

- 106. For purposes of this request, please refer to page 24, line 18 through line 20 of Dr. Cicchetti's testimony. Please identify all of the wider range of energy related services that will be offered to Florida's regulated ratepayers.**

- 107. For purposes of this request, please refer to page 25, line 10 through line 11 of Dr. Cicchetti's testimony.**
 - (a) Please indicate whether the two companies are geographically contiguous.**

 - (b) Please indicate whether the two companies (CPL, FPC) are in the same NERC reliability region.**

 - (c) Please indicate whether the two companies (CPL, FPC) are within the same regional transmission organization (RTO) or any proposed RTO.**

- (d) Is the dispatch of CPL and FPC generating units run as a single system or separate systems?
- (e) Please identify the CPL generating resources that are available to FPC.
- (f) Please identify the FPC generating resources that are available to CPL.
- (g) What is the maximum power exchange (in MWs) between the CPL and FPC systems during its merger approval process before the FERC?
- (h) Please quantify the generation availability benefits, in terms of MW available, for Florida ratepayers.
- (i) Please quantify the fuel savings associated with the merger that are allocated to Florida ratepayers.

108. For purposes of this request, please refer to page 34, line16 of Dr. Cicchetti's testimony.

- (a) Please explain why the database used to conduct the ratio analyses and regression analysis presented in Exhibits CJC-5 and CJC-6 differs from that used to conduct the regression analyses in Exhibits CJC-7, CJC-8 and CJC-9.

(b) Please identify all mergers between non-geographically contiguous utilities used in the database to conduct the analysis in Exhibits CJC-5 and CJC-6. For purposes of this request, non-geographically contiguous utilities are those in which utilities systems are not physically/geographically connected.

(c) Please identify all mergers between remotely separated utilities used in the database to conduct the analysis in Exhibits CJC-5 and CJC-6. For purposes of this request, remotely separated utilities are those in which utilities systems are not within the same NERC reliability region.

109. For purposes of this request, please refer to page 36, line 5 through line 6 and Exhibits CJC-5 and CJC-6 of Dr. Cicchetti's testimony. Please identify which results do not vary from a statistically significant perspective. Please identify the significance level facilitated for all variables/metrics analyzed.

FPC objects to this interrogatory as compound and reserves its right to count this interrogatory as two (2) separate interrogatories for the purposes of determining its obligation to continue to provide responses under the order governing procedure in this case.

110. For purposes of this request, please refer to Exhibits CJC-6, CJC-7, CJC-8, CJC-9, and CJC-10 of Dr. Cicchetti's testimony.

(a) Please explain how the independent variables were selected for these regression analyses. If a stepwise regression was facilitated, please identify the confidence level used for selection.

(b) Please identify the software packaged used to estimate the regression equations.

(c) Please identify all academic and trade literature consulted by Dr. Cicchetti or his staff that was relied upon, or is supportive, of the analysis conducted in Exhibit CJC-6, CJC-7, CJC-8, CJC-9, and CJC-10.

(d) Please acknowledge whether these analyses, or any similar analyses, have been conducted by Dr. Cicchetti and submitted to an academic or trade journal.

(e) Please identify all state regulatory commissions, and the mergers analyzed, in which Dr. Cicchetti presented a similar analysis.

111. For purposes of this request, please refer to page 39, line 18 through line 19 and Exhibit CJC-8 of Dr. Cicchetti's testimony.

(a) Please identify which of the variables listed in Exhibit CJC-8 reflect regulatory factors.

(b) Did Dr. Cicchetti's analysis consider the state regulatory treatment of acquisition premiums, goodwill, or transactions costs in his regression analysis?

(c) If the response to (b) is affirmative, please indicate whether the result was statistically significant.

(d) Please identify the variables listed in Exhibit CJC-8 that reflect strategic value.

(e) Were any variables reflecting strategic value statistically significant?

(f) Please identify any variables included in Exhibit CJC-8 that reflect defensive rationales.

(g) Were any variables reflecting defensive rationales statistically significant?

(h) Is it correct to conclude that variables not included in Dr. Cicchetti's regression analysis are not statistically important indicators of investor perceptions of the premiums paid in mergers?

112. Please identify each of the assignments referenced on page 41, line 18 of Dr. Cicchetti's testimony.

FPC objects to this request to the extent it would require Dr. Cicchetti to provide information concerning "assignments" that Dr. Cicchetti has agreed to keep confidential. Dr. Cicchetti can provide no further information about such assignments than he has already provided without violating his agreements with third parties. But he will provide information relating to assignments that are not subject to such an understanding.

113. Please identify which variables, in each of the models analyzed, reflecting state regulatory treatment of merger premiums, goodwill, or transition costs were statistically significant.

114. For purposes of this request, please refer to page 25, line 3 through line 4 of Dr. Cicchetti's testimony,

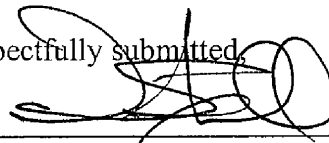
(a) Please provide the a pre and post merger break out of generating resources and their respective fuel mixes for the merging companies.

(b) Please provide a pre and post merger break out of the customer mix for the merging companies.

FPC objects to this interrogatory as compound and reserves its right to count this interrogatory as two (2) separate interrogatories for the purposes of determining its obligation to continue to provide responses under the order governing procedure in this case.

115. For purposes of this request, please refer to page 25, line 10 through line 11 of Dr. Cicchetti's testimony. Please provide the estimated fuel savings that will result from the merger between CPL and FPC.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via U.S. Mail to the following this 19 day of November 2001.

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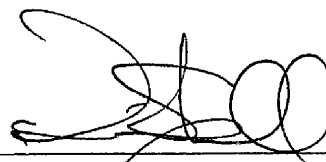
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