

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

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**DATE:** December 4, 2001  
**TO:** Division of the Commission Clerk and Administrative Services  
**FROM:** Division of Legal Services (Helton) *MAH*  
**RE:** Docket No. 000824-EI - Review of Florida Power Corporation's earnings, including effects of proposed acquisition of Florida Power Corporation by Carolina Power & Light.

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Please file the attached letter dated November 29, 2001, in the docket file for the above-referenced docket.

MAH/dm

cc: Division of Regulatory Oversight (McPherson, Vandiver)  
Division of Economic Regulation (Devlin, Costner, D. Draper, E. Draper, Gardner, Hewitt, Iwenjiora, Jones, Kummer, Lee, Mailhot, Maurey, McCaskill, Merchant, Moniz, Rendell, Revell, Romig, Slemkewicz, Springer, Stallcup, Vendetti, Wheeler)  
Division of Policy Analysis & Interagency Liaison (Bass, Noriega, Trapp)  
Division of Safety and Electric Reliability (Ballinger, Bohrmann, Breman, Colson, Floyd, Harlow, Jenkins, Lee, Matlock, Salak)  
Division of Legal Services (Vining)

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# Florida Power

A Progress Energy Company

**JAMES A. MCGEE**  
ASSOCIATE GENERAL COUNSEL

November 29, 2001

Mary Anne Helton, Esquire  
Senior Attorney  
Bureau of Telecommunications  
Division of Legal Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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Re: Docket No. 000824-EI

Dear Ms. Helton:

This will confirm our earlier discussions regarding Florida Power's ability to comply with the "Notice and Public Information" section of the Order Establishing Procedure, Order No. PSC-01-2114-PCO-EI, issued October 25, 2001 in the subject docket. Although this section contains standard customer notice provisions used in a number of prior rate cases, those cases, unlike Florida Power's pending rate case, were initiated by the utility through the filing of a petition for a rate increase.

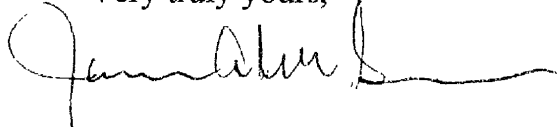
This distinction is significant because the section of the procedural order in question directs Florida Power to comply with the notice and customer information requirements of Rule 25-22.0406, but the applicability of this rule is limited to "requests for general rate increases by electric ... companies subject to the Commission's jurisdiction" and, therefore, does not apply to the instant rate case. In addition, from a practical standpoint, the rule sets forth a lengthy list of notice requirements, most of which are tied to a utility's petition requesting a rate increase or related events triggered by filing the petition under Section 366.06, F.S., and simply have no meaning in the context of Florida Power's pending case.

In light of this, Florida Power has focused on those provisions of Rule 25-22.0406 that have a meaningful relationship to the needs of customers for practical information and notice. In fact, these considerations were discussed with Staff's Mr. Elias and Ms. Kummer well before the procedural order was issued because of the need to provide notice to customers of the rapidly approaching service hearings. Agreement was reached on the content and schedule for providing customer notice

through bill inserts and newspaper advertisements in a manner consistent with those notice provisions of rule, notwithstanding the rule's inapplicability to the case. When the procedural order was subsequently issued, Florida Power was able to include the additional notice language specified in the second paragraph of the order's Notice and Public Information section and comply with additional timing requirement in the third paragraph of that section. The only remaining provision of the rule that is relevant to the instant rate case, and with which Florida Power intends comply, concerns notice to customers of the Commission's final decision and the revised rates.

I believe the foregoing demonstrates that, despite the limited applicability of Rule 25-22.0406 to utility-initiated cases for increased rates, Florida Power has nonetheless complied with the rule to the extent possible. Please let me know if you have any additional questions regarding this matter.

Very truly yours,



James A. McGee

JAM/scc

cc: Commissioner and Prehearing  
Officer Braulio L. Baez  
Parties of record