

ORIGINAL

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: December 14, 2001

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FLORIDA POWER CORPORATION'S OBJECTIONS TO THE FLORIDA INDUSTRIAL POWER USERS GROUP'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO FLORIDA POWER CORPORATION (NOS. 1-32)

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") objects to The Florida Industrial Power Users Group's ("FIPUG") First Request for Production and states as follows:

GENERAL OBJECTIONS

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 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

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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 objects to these definitions and instructions to the extent they purport to require FPC to provide documents or other information on diskette. FPC will entertain specific requests to produce electronic copies of documents that so exist in the normal course of business in a format designed to preserve the integrity of those documents.

FPC objects to those requests to the extent they purport to require FPC to prepare information or documents or perform calculations that FPC has not prepared or performed in the normal course of business as an attempt to expand FPC's obligations under applicable law. FPC will comply with applicable law.

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

DOCUMENTS REQUESTED

The following questions relate to the direct testimony of Mark A. Meyers submitted for filing on November 15, 2001.

1. Referring to Mr. Meyers' Exhibit MAM-4, please provide the following:
 - a. An update of the Company's net pension cost (benefit) for October 2001 and November 2001.
 - b. All workpapers used to derive the pension cost (benefit) as shown on this exhibit.
2. Referring to Mr. Meyers' Exhibit MAM-5, as it relates to the RTO cost included on this schedule, provide copies of all workpapers and documents relied on for this adjustment.

The following questions relate to the direct testimony of Mark A. Meyers submitted for filing on September 14, 2001

3. At page 4 of Mr. Meyers' testimony, he states that Progress Energy must be given an opportunity to recover the costs incurred to bring about the benefits of the merger to avoid harming shareholders, increase the Company's capital, and impair its financial standing. With respect to this testimony, please provide the following:
 - a. A copy of all credit reports issued in the last 12 months by all credit rating agencies, including Standard & Poor's, Moody's Investors Service, Fitch IBCA and Duff & Phelps.
 - b. A copy of all equity security analyst reports which describe the benefits to Progress Energy, and its affiliates CP&L and FPC.
4. Referring to Page 14 of Mr. Meyers' testimony, he estimates FPC will realize \$58.7 million in synergies from the merger in 2002. With respect to this savings, as broken out on Page 15, please provide all workpapers used to derive the savings estimates shown.
5. Referring to Page 17 of Mr. Meyers' testimony, please provide copies of all security analysts' reports and credit analysts' reports that support his statement that FPC's

ability to attract capital will be improved, and its overall cost of capital will decline, because of the benefits produced by the merger with CP&L.

6. Referring to Mr. Meyers' Exhibit MAM-1, please provide copies of all workpapers and documents relied on to complete this exhibit.

7. Referring to Mr. Meyers' Exhibit MAM-1, Line 11, please provide all workpapers relating to any adjustments to be made to Line 11 in order to show the full retail revenue requirement needed to fully recover this cost.

8. Referring to Page 32 of Mr. Meyers' testimony, please provide a complete copy of the parties' settlement in Docket No. 970261-EL, and Order No. PSC-97-0840-S-EL.

The following questions relate to the direct testimony of John B. Crisp Submitted for Filing on November 15, 2001

9. On Pages 14 and 15 of Mr. Crisp's testimony he summarizes the adjustments the Company has made to its 2002 energy sales forecast. Mr. Crisp states that the Company adjusted downward its projected sales forecast to reflect the weakening service area economy. With respect to this testimony, provide copies of all reports issued by the state or federal government that discuss projections for FPC's service area economy in 2001, 2002, 2003 and 2004.

The following questions relate to the direct testimony of William C. Slusser

10. Provide any workpapers or studies that support your response to Interrogatory No. 14.

11. Referring to the direct testimony of William C. Slusser, page 25, provide a copy of all studies and analyses conducted by the Company in developing its proposed interruptible and curtailable demand credits.

12. Referring to the direct testimony of William C. Slusser, page 25, provide copies of any Commission rules or final orders that provide any precedent for the application of a benefit to cost ratio of 1.2 in developing demand credits for interruptible or curtailable rates.

13. Referring to the direct testimony of William C. Slusser, page 25, provide copies of any Commission final orders that provide any precedent for establishing the level of the curtailable demand credit at 75% of the interruptible demand credit.

14. Referring to the direct testimony of Willis C. Slusser, page 25, provide detailed workpapers supporting the Company's quantification of the benefits and costs associated with interruptible and curtailable service.

15. Referring to the direct testimony of William C. Slusser, page 26, provide any studies conducted by the Company to support the assumption that a customer's billing load factor is a suitable proxy for the customer's coincidence factor.

16. Referring to the direct testimony of William C. Slusser, page 14, provide copies of the Equivalent Peaker Method analyses performed by the Company in Docket Nos. 870220-EI and 910890-E1.

17. Referring to the direct testimony of William C. Slusser, page 16, provide copies of any studies or analyses prepared by the Company to quantify the amount of production plant investment that is related to environmental concerns.

18. Referring to the direct testimony of William C. Slusser, page 15, provide any memos, workpapers, studies, or other analyses supporting the assertion that energy utilization is a major consideration in Florida Power's generation expansion planning. Provide any documents that quantify the precise weight given to energy use in the Company's generation planning process.

19. Referring to the direct testimony of William C. Slusser, page 17, please provide a copy of the Commission's Final Order in Docket No. 770316-EU.

Minimum Filing Requirements – General

20. Please provide a legible hard copy of all of Florida Power's proposed retail tariff in this case, with revisions to the current tariffs fully annotated. Include all proposed revisions to the

standby rates.

21. Please provide an electronic copy of Florida Power's proposed cost of study in this case, in Microsoft Excel format, with all formulas intact. Please provide the version of the study that reflects a 12 CP and 1/13 AD allocation of production capacity costs.

22. Provide copies of relevant excerpts from any Commission rules or final orders that either support or require the treatment of interruptible and curtailable rates as demand side management programs.

23. Provide detailed workpapers supporting the development of each rate element of the Company's proposed SS-1, SS-2, and SS-3 rates.

24. Provide copies of any Commission rules or final orders that provide any support or precedent for the Company's proposed standby rate design.

25. Please provide a copy of any Equivalent Peaker Method analysis prepared by the Company in developing its cost of service studies in this proceeding.

26. Please provide a complete copy of FPC's 1999 and 2000, and 2001 when it is available, FERC Form 1.

27. Please provide a complete copy of all presentations made by FPC or on behalf of FPC to bond rating analysts, and equity security analysts over the last two years.

28. Provide all workpapers showing the derivation of the items referred to in Interrogatory No. 5.

29. If the Company has requested an operating license extension at Crystal River Unit No. 3 from the Nuclear Regulatory Commission, provide a copy of the request.

30. Provide all workpapers supporting your response to Interrogatory No. 17.

31. Referencing Florida Power's Minimum Filing Requirements, Section F, Miscellaneous Schedules, Schedule F-17, please provide the analyses supporting the statement, "Phosphate energy consumption - as a percentage of total FPC Industrial class usage - is expected to fall to 27% in the 2001 - 2002 time frame, the second lowest share ever seen. A return to even a 35% share - recorded just a year ago - is not expected in the short term."

32. Referencing Florida Power's Minimum Filing Requirements, Section F, Miscellaneous Schedules, Schedule F-17, please provide a copy of the state and national economic assumptions produced by WEFA in their national and Florida forecasts (March 2001).

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 14th day of December, 2001.

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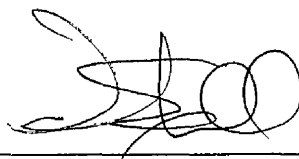
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