

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 20, 2001

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FLORIDA POWER CORPORATION'S OBJECTIONS TO CITIZENS' SEVENTH SET OF INTERROGATORIES TO FLORIDA POWER CORPORATION

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' Seventh Set of Interrogatories (Nos. 116-124) 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 information responsive to certain interrogatories 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 provide such information in response to such interrogatory, FPC is not waiving its right to insist upon appropriate protection of

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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 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 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 in a particular format 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.

### INTERROGATORIES

**116. For purposes of this request please refer to the Company's response to OPC POD 79.**

- (a) Please provide a detailed description of page 1 of the documents produced in response to this POD.**
- (b) Please explain how it was determined which assets were below the line versus which assets were above the line.**
- (c) Please provide a description of the below the line assets and the above the line assets.**
- (d) When did the transaction shown on page 1 of this response take place (date)?**
- (e) In what accounts were these transaction booked? Please provide the amounts associated with each account.**
- (f) Please provide a narrative description of how the costs charged to FPC, as shown on pages 2 through 7 of this response were developed.**
- (g) State the amounts included in the projected test year comparable to the amounts shown on pages 2 through 7 of this response.**

**117. For purposes of this request please refer to the Company's response to OPC POD 73.**

- (a) Please explain the purpose of page 001741 and how it affects or is related to the projected test year.**
- (b) Please explain the purpose of page 001742 and how it affects or is related to the projected test year.**

- (c) Please explain the purpose of page 001746 and how it affects or is related to the projected test year.
- (d) Please explain how the total in column one was separated between the entities identified in columns two and three on page 0001746, by each line item shown on the page.

118. For purposes of this request please refer to Myers Testimony, p. 28, where he states: **“In fact, based on our projection of net synergies, we are prepared to guarantee that Florida Power’s customers will receive an annual rate credit of \$5 million for a period of 15 years, totaling \$75 million, representing 50 percent of expected net synergies.”** Please describe how this projection was made.

119. For purposes of this request, please refer to Bazemore’s Appendix A.

- (a) Please provide the amount of cost charged, by product, to each entity shown on pages 1 through 6 of this appendix for the years ending 2000 to date, and as budgeted for the year ending 2001. For each year, provide the amount that is direct product billed, direct assignment and the amount that is allocated by product for each entity. Provide the allocation factor for each product category, for each company, the calculation of the allocation factor, and a description of the allocation factor.

FPC objects to this interrogatory as compound and reserves its right to count this interrogatory as two (3) separate interrogatories for the purposes of determining its obligation to continue to provide responses under the order governing procedure in this case.

- (b) For the budget year 2000, please provide, by product, and entity the amount direct billed, direct assignment and the amount allocated. Provide the calculation of the allocation factor.

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.

**120. For purposes of this request, please refer to Bazemore's Appendix A.**

- (a) Please explain why Electric Fuels, Progress Telecom, SRS, and Monroe are not allocated or charged costs from the product Corporate Services Management.**
- (b) Please explain why SRS and Monroe are not allocated or charged costs from the product worker compensation.**
- (c) Please explain why Electric Fuels and Progress Telecom are not allocated or charged costs from the product environmental services.**
- (d) Please explain why Electric Fuels, Progress Telecom, SRS, and Monroe are not allocated or charged costs from the product accounting management.**
- (e) Please explain why Electric Fuels, Progress Telecom, SRS, and Monroe are not allocated or charged costs from the product management reporting.**
- (f) Please explain why SRS is not allocated or charged costs from the product infrastructure & maintenance.**
- (g) Please explain why Electric Fuels, Progress Telecom, SRS, and Monroe are not allocated or charged costs from the product FPC tax services.**
- (h) Please explain why Electric Fuels, Progress Telecom, and SRS, and are not allocated or charged costs from the product tax-payroll.**
- (i) Please explain why Electric Fuels and Monroe are not allocated or charged costs from the product cash management.**
- (j) Please explain why SRS is not allocated or charged costs from the product treasury-property insurance.**
- (k) Please explain why the parent company of CP&L and FPC were allocated the nuclear property and liability credit for good experience and none of this was allocated to either CP&L or FPC.**

- (l) Please explain why Electric Fuels is not allocated or charged costs from the product human resources management.
- (m) Please explain why SRS is not allocated or charged costs from the product labor relations.
- (n) Please explain why Electric Fuels and SRS are not allocated or charged costs from the product EEO/AA/Diversity.
- (o) Please explain why Electric Fuels and SRS are not allocated or charged costs from the product HRIS.
- (p) Please explain why Electric Fuels and SRS are not allocated or charged costs from the product Policy/Pay/Benefit Adm.
- (q) Please explain why Electric Fuels, Progress Telecom and SRS are not allocated or charged costs from the product organization effectiveness.
- (r) Please explain why Electric Fuels and SRS are not allocated or charged costs from the product training and development.

121. For purposes of this request, please refer to Bazemore's Appendix C.

- (a) Do the amounts shown in this appendix include savings associated with the merger?
- (b) Please explain what costs are included in the \$4.3 million charge to FPC Corp, labeled "unspecified-other" and "unspecified-information technology."

122. For purposes of this request, please refer to Bazemore's Appendix E. Please describe and define each abbreviation.

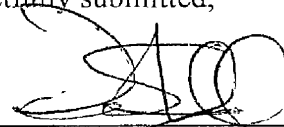
123. Please refer to the attachment Serve Co – Question 48 black provided in response to Set 2, Interrogatory 48.

- (a) Please provide the Prior Year Usage Data used to develop the Prior Year Usage Ratios on the second page of the attachment, labeled 2001 Allocation

**Metrics.**

- (b) **Please provide the raw data used to develop the FTEs Assigned Ratios on the second page of the attachment, labeled 2001 Allocation Metrics.**
- 124 **Please refer to the attachment “Third Set 50a CP&L charges” provided in response to Set 3, Interrogatory 50.**
- (a) **For each of the allocation factors identified on the sheet labeled Shared Utility Cost Model Jan 2001 – Dec 2001, please provide the numerator and denominator of the factor as requested in Interrogatory 50.**
- (b) **For each of the allocation factors identified on the sheet labeled Shared Utility Cost Model 2002 please provide the numerator and denominator of the factor as requested in Interrogatory 50.**

Respectfully submitted,



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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 20th day of December, 2001.

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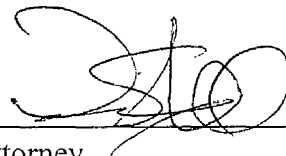
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A handwritten signature in black ink, appearing to read "M. Twomey", written over a horizontal line.

Attorney