

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 21, 2001

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FLORIDA POWER CORPORATION'S OBJECTIONS TO PUBLIX SUPER MARKET, INC.'s FIRST SET OF REQUESTS FOR PRODUCTION OF DOCUMENTS 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 Publix Super Market, Inc. ("Publix") First Set of Requests for Production of Documents (Nos. 1-15) 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 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

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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 further objects to these requests and any definitions or instructions that purport to expand FPC's obligations under 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.

Moreover, to the extent documents responsive to the requests have been previously produced, FPC will not be reproducing these documents but will attempt to make appropriate cross-references between and amongst the various requests. In addition, FPC reserves its right to count production requests and their sub-parts (as permitted under the applicable rules of procedure) in determining whether it is obligated to respond to additional production requests served by any party.

SPECIFIC OBJECTIONS

Definitions

FPC objects to the definition of "FPC", "you", "your" or the "Company" as including Florida Progress Corporation, Progress Energy, Inc., and Progress Energy Service Company, LLC. FPC does not have an obligation under the rules to produce materials in the hands of these companies, but FPC agrees to do so in any event to expedite discovery, to the extent such documents are relevant to the issues in this case. FPC reserves the right to decline to produce

any materials that are not pertinent to the issues in the case. FPC further objects to the definition of “FPC”, “you”, “your” or the “Company” to the extent it includes third parties whose documents are not within its possession, custody, or control.

Instructions

FPC objects to the instructions calling upon FPC to provide designated information regarding any documents withheld from production to the extent it purports to expand FPC’s obligations. FPC will comply with its obligations under applicable rules of procedure.

FPC objects to the instruction to produce “originals” to the extent it purports to expand FPC’s obligations under the Uniform Rules and Florida Rule of Civil Procedure 1.350. FPC will, however, comply with all applicable rules.

DOCUMENTS REQUESTED

- 1. Please provide a copy of all discovery responses provided by FPC to all other parties propounding interrogatories and requesting document production in this proceeding to date.**

- 2. The following refers to MFR Schedule C-3c. On Schedule C-3c, page 1 of 4, an adjustment of \$6,218,000 is made to the jurisdictional depreciation expense to convert per books accumulated depreciation to a 100% retail basis. Please provide all work papers showing the detail behind this adjustment, by function.**

- 3. The following questions refer to MFR Schedule E-17. With reference to the Schedule E-17 Supplement, Schedule E, page 3 of 8, please provide work papers supporting the calculations shown on the Schedule E-17 supplement, Schedule E, page 3 of 8.**

- 4. Please provide a copy of FPC’s most recent decommissioning study.**

- 5. Please provide copies of the FPC journal entries used to reflect the booking of the Merger Transaction using the purchase accounting method and any other journal entries that were made as a result of the Merger Transaction.**

6. The following question refers to the Merger Transaction.

a. Please provide all supporting data for the fair market values assigned to all assets acquired in the Merger Transaction. Include details relative to each subsidiary acquired, showing the fair market value of each subsidiary's assets (e.g. production plant, materials and supplies, etc.).

b. Provide financial statements of the subsidiaries as of the closing date on the Merger Transaction and reconcile the fair market values to the financial statements.

7. The following refers to MFR Schedule F-1. On page 79 of Schedule F-1, Florida Progress noted that SFAS No. 142 requires that, effective January 1, 2002, the Company cease amortization of goodwill. It was further noted that amortization of goodwill was expected to be approximately \$2.5 million for the 2001 year. Please provide all work papers supporting the amortization of goodwill of \$2.5 million, including an explanation of the transactions leading to the goodwill which is being amortized, the total goodwill expected at 12/31/2001.

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

8. Please provide all cost of equity testimony sponsored, either wholly or jointly, by Dr. Vander Weide.

Florida Power objects to this request as unduly burdensome as Dr. VanderWeide has testified on this topic in over 300 regulatory proceedings. Florida Power will produce such testimony to the extent Dr. VanderWeide has retained copies for a reasonable period.

9. Please provide any studies that Dr. Vander Weide has relied upon to support his contention in A-48 that "stock prices have been bid up in anticipation of merger-related cost savings and new market opportunities".

10. Please provide any studies that Dr. Vander Weide has relied upon to support his contention in A-49 that "In an industry such as the electric utility industry where merger

activity is widespread, the stock prices of most companies in the industry tend to be bid up in anticipation of potential merger announcements.”

11. Please provide any studies Dr. Vander Weide has relied upon to support his contention in A-52 that LDCs “are regulated by public utility commissions that have traditionally viewed electric and natural gas utilities as being comparable in risk.”

12. Please provide any work papers supporting Dr. Vander Weide’s estimated risk premium of 7.5% in A-62.

13. The following questions are related to the jurisdictional allocations, where such allocations are not developed in the Jurisdictional Separation Study.

a. Please provide work papers detailing the development of the jurisdictional allocation factors used to allocate customer account expenses for accounts 901, 903, and 905 as shown on MFR Schedule C-9, page 27 of 36.

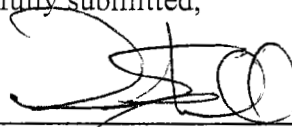
b. Please provide work papers detailing the development of the jurisdictional allocation factors used to allocate Administrative and General expenses as shown on MFR Schedule C-9, pages 27 through 30 of 36.

c. Please provide work papers detailing the development of the jurisdictional allocation factors used to allocate Other Operating Revenues as shown on MFR Schedule C-9, page 19 of 36.

14. Please provide the jurisdictional separation study information used to develop the jurisdictional allocation factors for the Prior Year ending December 31, 2001, used in MFR Schedules B-7 and C-9.

15. Regarding the accruals and reserve for Injuries and Damages shown on MFR Schedule C-28, page 1, please provide all work papers or calculations deriving the MFR Test Year charges of \$2.261 million for Workman’s compensation and \$2.468 million for claims.

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 21st day of December, 2001.

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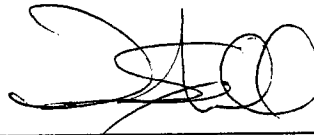
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