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December 28, 2001

VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida 32399-0870

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COMMISSION
CLERK

Re: Docket No.: 000824-EI

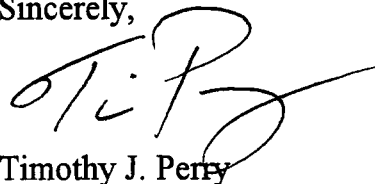
Dear Ms. Bayo:

On behalf of the Florida Industrial Power Users Group (FIPUG), enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ The Florida Industrial Power Users Group's Preliminary Issue List.

Please acknowledge receipt of the above on the extra copy and return the stamped copies to me. Thank you for your assistance.

Sincerely,

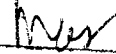


Timothy J. Perry

TJP/bae
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McWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A. 6177 DEC 28 2

FPSC-COMMISSION CLERK

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

Filed: December 28, 2001

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
PRELIMINARY ISSUE LIST**

The Florida Industrial Power Users Group (FIPUG), pursuant to Staff's request, files its Preliminary Issue List. This list is preliminary in nature and FIPUG reserves the right to add additional issues up to and including the time of the Prehearing Conference in this matter.

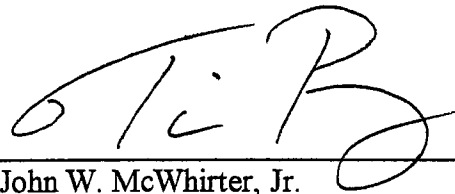
1. Are FPC's 2002 *pro forma* operating expenses prudent?
2. Has FPC included any nonrecurring expenses included in its operating expenses request?
3. Is FPC overrecovering salvage costs for the Bartow Plant?
4. Is FPC overrecovering FASB 106 medical expense costs for its current employment level?
5. What is the appropriate cost of common equity capital for FPC?
6. What is the appropriate common equity ratio for FPC?
7. What is the appropriate level of working capital?
8. What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for FPC for the projected test year?
9. Has FPC made the appropriate adjustments to remove fuel revenues and fuel

expenses recoverable through the fuel adjustment clause?

10. Is FPC's adjustment concerning the last core of nuclear fuel reasonable?
11. Is FPC's proposal to amortize CR3 materials and supplies that it estimates will not be consumed by the unit over its remaining life reasonable?
12. What is the appropriate retirement date for CR3 and what impact should that date have on associated depreciation and decommissioning expenses?
13. What savings, if any, will Florida ratepayers realize as a result of FPC's merger with CP&L?
14. Has FPC supplied the requisite quantification of benefits to justify an acquisition adjustment?
15. Should FPC's proposed acquisition adjustment be approved?
16. Is FPC's projected sales forecast reasonable as a basis upon which to set rates?
17. Are the FPC sales forecasts for the nonfirm industrial classes reasonable?
18. Is FPC justified in increasing its pension fund expense \$23 million?
19. Is the Hines Power Block 2 in use-and-useful service during the test year?
20. Should Hines Power Block 2 be included in the test year cost of service study?
21. Has FPC offered appropriate justification for depreciating the Tiger Bay asset more rapidly than its useful life?
22. Is FPC's proposal to accelerate the recovery for the Tiger Bay asset appropriate?
23. What is the appropriate treatment for FPC's 2001 excess earnings?

24. How should revenue in excess of the amount approved in this case be treated?
25. Should FPC be required to refinance its indebtedness under current conditions?
26. Should FPC's proposed earnings sharing plan be approved?
27. Has FPC appropriately documented and justified all transactions with affiliated companies included in its MFRs so as to demonstrate that each transaction is priced at or below market?
28. Should adjustments be made for the rate base effects of transactions with affiliated companies?
29. Should adjustments be made for the capital structure effects of transactions with affiliated companies?
30. Should adjustments be made for the net operating effects of transactions with affiliated companies?
31. What is the appropriate cost of service methodology to be used in designing FPC's rates?
32. Is FPC justified in treating nonfirm industrial customers as firm customers for determining cost of service?
33. Are the IS-1, IST-1, CS-1 and CST-1 rate classes cost effective?
34. What is the appropriate means to determine cost effectiveness in a general rate case?
35. Is FPC justified in applying a load factor component to its IS classes?
36. Should the existing IS-1, IST-1, CS-1 and CST-1 rates be continued?

37. Is FPC's proposed reduction to demand credits appropriate?
38. Should FPC be required to provide real time pricing to customers? If so, by when should it be required to make such offering available?
39. Has FPC properly separated its wholesale sales from its retail sales?
40. Should the optional buy through provision be revised to allow nonfirm customers to acquire alternative sources of power using brokers other than FPC?



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing The Florida Industrial Power Users Group's Preliminary Issue List has been furnished by (*) hand delivery and U.S. Mail to the following this 28th day of December, 2001:

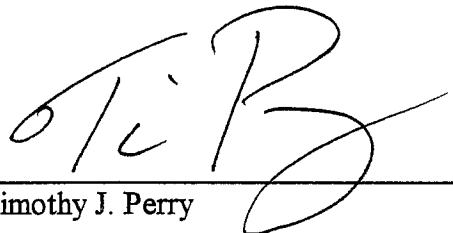
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