

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

Submitted for Filing: January 7, 2002

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FLORIDA POWER CORPORATION'S RESPONSE TO THE FLORIDA INDUSTRIAL POWER USERS GROUP'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO FLORIDA POWER CORPORATION

Pursuant to § 350.0611(1), Fla. Stat. (2000), Fla. Admin. Code R. 28-106.206, and Fla. R. Civ. P.1.350, Florida Power Corporation ("FPC") responds to The Florida Industrial Power Users Group's ("FIPUG") First Request for Production subject to the previously filed general and specific objections and states as follows:

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.
a. None.
b. FPC will produce documents responsive to this request.

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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.

FPC will produce documents responsive to this request.

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.

a. Please refer to Staff Documentation Request # 12 and #14 for credit reports issued by Standard & Poor's and Moody's Investor Service produced in response to this request. The company does not subscribe to any other rating services.

b. FPC will produce documents responsive to this request.

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.

FPC directs FIPUG to documents produced in response to production request number

6.

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.

FPC does not believe it has documents responsive to this request.

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

FPC will produce documents responsive to this request.

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.

FPC directs FIPUG to documents produced in response to production request number 6.

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.

FPC will produce documents responsive to this request.

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.

FPC will produce documents responsive to this request.

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.

FPC does not believe it has any documents responsive to this request.

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.

FPC directs FIPUG to MFR Schedule E-17 Supplement, Schedule E, which is on pages 188 through 195 of the MFR volume containing Section E - Rate Schedules filed on November 15, 2001.

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.

FPC will produce Order No. PSC-96-0842-FOF-EI, issued July 1, 1996, in Docket No. 950645-EI.

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.

Florida Power is not aware of any Commission order that directs that the curtailable demand credit be set at a particular level 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.

The workpapers are contained in Schedule E-17 Supplement, Schedule E, on pages 188 through 195 of the volume containing MFR Section E - Rate Schedules, filed on November 15, 2001. In addition, the Company has the attached workpapers, which provide a different format for comparing the same benefits and costs.

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.

FPC will produce documents responsive to this request.

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.

FPC will produce documents responsive to this request.

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.

FPC will produce documents responsive to this request.

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.

See Chapter 3, Forecast Facilities Requirements, of Florida Power Corporation's 10-Year Site Plan dated April 2001 submitted to the Florida Public Service Commission.

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.

FPC will produce documents responsive to this request.

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.

This information was provided in MFR Schedule E-17 on pages 101 through 174 of the Volume containing Section E - Rate Schedules as filed on November 15, 2001.

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.

The cost of service model utilized by the Company in this case is written in the FoxBASE+ command language. The program called ECOS was obtained from the Federal Energy Regulatory Commission. We are not aware that it is convertible to Microsoft Excel format. Once a party has the FERC program operational on their computer, the Company can provide a disk containing the input data file for the study desired for execution by the program.

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.

FPC will produce documents responsive to this request.

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

This information was provided in MFR Schedule E-17 Supplement, Schedule D, which is on pages 186 and 187 of the volume containing MFRs Section E - Rate Schedules filed on November 15, 2001.

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

FPC will produce documents responsive to this request.

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.

FPC does not believe it has any documents responsive to this request.

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

FPC will produce documents responsive to this request. 2001 FERC Form 1 will not become available until April 30, 2002.

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.

FPC does not believe it has any documents responsive to this request.

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

FPC will produce documents responsive to this request.

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.

FPC directs FIPUG to documents produced in response to production request number 6.

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."

FPC will produce documents responsive to this request.

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).

FPC will produce documents responsive to this request.

Respectfully submitted,



James A. McGee
FLORIDA POWER CORPORATION
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Gary L. Sasso
James Michael Walls
Jill H. Bowman
W. Douglas Hall
CARLTON FIELDS, P. A.
Post Office Box 2861
St. Petersburg, FL 33731
Telephone: (727) 821-7000
Facsimile: (727) 822-3768
Attorneys for Florida Power Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via U.S. Mail to the following this 7th day of January, 2002.

Mary Anne Helton, Esquire **
Adrienne Vining, Esquire
Bureau Chief, Electric and Gas
Division of Legal Services
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
Phone: (850) 413-6096
Fax: (850) 413-6250
Email: mhelton@psc.state.fl.us

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Charles J. Beck, Esquire
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400
Phone: (850) 488-9330
Fax: (850) 488-4491
Attorneys for the Citizens of the State of
Florida

Daniel E. Frank
Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2415
Telephone: (202) 383-0838
Fax: (202) 637-3593
Counsel for Walt Disney World Co.


Thomas A. Cloud, Esq.
Gray, Harris & Robinson, P.A.
301 East Pine Street, Ste. 1400
P.O. Box 3068
Orlando, FL 32801
Phone: (407) 244-5624
Fax: (407) 244-5690
Attorneys for Publix Super Markets, Inc.

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
117 South Gadsden
Tallahassee, FL 32301
Telephone: (850) 222-2525
Fax: (85) 222-5606
Counsel for Florida Industrial Power Users
Group and Reliant Energy Power Generation,
Inc.

Russell S. Kent, Esq.
Sutherland Asbill & Brennan LLP
2282 Killearn Center Blvd.
Tallahassee, FL 32308-3561
Telephone: (850) 894-0015
Fax: (850) 894-0030
Counsel for Walt Disney World Co.

John W. McWhirter, Jr., Esquire
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman, Arnold & Steen, P.A.
400 North Tampa Street, Suite 2450
Tampa, FL 33601-3350
Telephone: (813) 224-0866
Fax: (813) 221-1854
Counsel for Florida Industrial Power Users
Group

Michael B. Twomey, Esq.
8903 Crawfordville Road (32305)
P.O. Box 5256
Tallahassee, FL 32314-5256
Phone: (850) 421-9530
Fax: (850) 421-8543
Counsel for Sugarmill Woods Civic
Association, Inc. and Buddy L. Hansen



Attorney