

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: January 22, 2002

RECEIVED - FPSC 02 JAN 22 PM 4:50 COMMISSION CLERK

FLORIDA POWER CORPORATION'S RESPONSE TO THE FLORIDA INDUSTRIAL POWER USERS GROUP'S THIRD SET OF INTERROGATORIES (Nos. 34-39) 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") responds to The Florida Industrial Power Users Group's (FIPUG) Third Set of Interrogatories, subject to the general and specific objections previously filed, and states as follows:

INTERROGATORIES

35. Please provide the delivered fuel cost for each FPC generating unit used to supply retail customer's energy requirements broken out by the following factors:

FPC objects to this interrogatory as irrelevant, immaterial and not reasonably calculated to lead to the discovery of admissible evidence in a proceeding concerning base rates as FPC does not recover the fuel costs in base rates.

- a. Commodity costs (annual expense, MMBtus purchased and \$/MMBtu),
b. Transportation costs (annual expense, MMBtus purchased and \$/MMBtu),
c. Handling costs (annual expense, MMBtus purchased and \$/MMBtu) and
d. List whether or not the fuel supplier and transporter of fuel is an affiliate of FPC.

AUS
CAF
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MMS
SEC
OTH

36. Please identify, by activity, all affiliate company services expenses or corporate services expenses included in FPC's MFRs in this proceeding by page and line number.

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**Identify and summarize all investigations the Company undertook to establish the market value of the services provided to FPC by affiliated companies.**

See response to Citizen's First Set of Production of Documents to FPC Question #13.

See response to Citizen's Second Set of Interrogatories to FPC Question #48.

See MFR C-60.

The Company has not undertaken an investigation to establish the market value of services provided by affiliated companies. The Company has reduced its cost of service through 700 fewer positions and merger synergies presented in the rate case.

**37. Provide all assumptions used to develop CR3's decommissioning expense and depreciation expense.**

FPC objects to this request as irrelevant, immaterial and not reasonably calculated to lead to the discovery of admissible evidence in this proceeding, as the matter has already been determined by the Commission in Docket 001835.

**38. Discuss in detail the Company's plans to introduce real-time pricing options for its customers. If the Company does not plan to introduce any such options, explain in detail why not.**

Florida Power did offer a Real Time Pricing tariff in 1996 available to a limited number of large general service customers on an experimental basis. No customers elected such service and the tariff was closed in 1999.

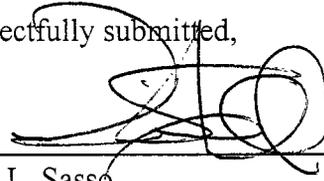
The Company is currently studying a redesign of the RTP tariff previously offered which may be of more interest for customers to participate again in an experimental offering. The redesign involves developing a two part RTP rate where a customer is subject to the Company's system marginal costs for hourly usage changes the customer may impose as compared to his

normal usage pattern. The Company is currently collecting an actual hourly marginal cost database in order to analyze the impacts of such a rate on potential customers before it is offered.

**39. Explain in detail whether the Company has any plans to provide hourly forecasted marginal cost data for the Company's system to its industrial customers on a day-ahead basis. If the Company has no such plans, explain in detail why not.**

This information is available from the Company upon request and is currently being provided to a number of FPC's industrial customers.

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 22<sup>nd</sup> day of January, 2002.

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A handwritten signature in black ink, appearing to read "M. Twomey", is written over a horizontal line. The signature is stylized and somewhat abstract.

Attorney

[Handwritten Signature]  
Signature

STATE OF FLORIDA

COUNTY OF PINELLAS

BEFORE ME, the undersigned authority, duly authorized to administer oaths, personally appeared MARK A. MYERS (to me well known) (who has produced ~~as identification~~ \_\_\_\_\_), on behalf of Florida Power Corporation, as its VICE PRESIDENT, FINANCE and who, after first being duly sworn, deposes and says that he/she executed the above and foregoing.

SWORN TO and subscribed before me this 18<sup>th</sup> day of JANUARY, 2002.

Anne M. Sheloski  
(Signature)

ANNE M. SHELOSKI  
(Printed Name)

NOTARY PUBLIC, STATE OF FLORIDA

\_\_\_\_\_  
(Commission Expiration Date)

\_\_\_\_\_  
(Serial Number, If Any)



Anne M. Sheloski  
MY COMMISSION # CC725907 EXPIRES  
April 12, 2002  
BONDED THRU TROY FAHN INSURANCE, INC