

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
ORDER NO. PSC-02-0116-PCO-EI
ISSUED: January 25, 2002

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER SUSPENDING PROPOSED RATES

BY THE COMMISSION:

BACKGROUND

By Order No. PSC-01-1348-PCO-EI, issued June 20, 2001, this Commission required Florida Power Corporation (FPC or Company) to file minimum filing requirements (MFRs) based on a 2002 projected test year. The MFRs will provide the Commission and interested persons with the information necessary to evaluate whether FPC's retail rates should be changed. This Commission also required FPC to hold \$113,894,794 of annual revenue (beginning July 1, 2001) subject to refund, pending final disposition of the rate proceeding.

On July 2, 2001, FPC filed a Motion for Reconsideration of the requirement in Order No. PSC-01-1348-PCO-EI to hold revenues subject to refund. By Order No. PSC-01-2313-PCO-EI, issued November 26, 2001, we determined that the Crystal River Unit 3 (CR3) equity adjustment was not subject to refund, and reduced the amount held subject to refund by \$15,900,000.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

ANALYSIS AND DECISION

The Company filed testimony and MFRs on September 14, 2001. The Company filed additional testimony and MFRs including revised rate schedules, on November 15, 2001, with a projected test year of December 31, 2002. FPC did not request any interim or permanent rate relief; however, the Company did request a change in the cost allocation methodology used to assign costs to customer classes and changes to rate structure. These requested changes result in modifications to existing tariff sheets which need to be suspended, pending final resolution of the case.

Historically, especially when a projected test year has been involved, we have suspended any requested permanent revised rate schedules in order to adequately and thoroughly examine the basis for new rates. Suspension of the rate schedules is authorized by Section 366.06(3), Florida Statutes, which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

Therefore, pursuant to Section 366.06, Florida Statutes, we suspend the requested revisions to the permanent rate schedules to allow sufficient time to adequately investigate whether FPC's present rates are appropriate.

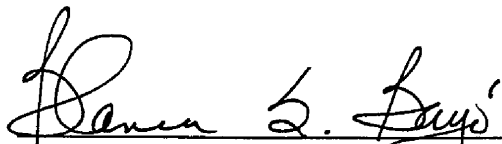
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power Corporation's request for revised permanent rates and the associated tariff sheets are hereby suspended. It is further

ORDERED that this docket shall remain open in order to investigate FPC's earnings.

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By ORDER of the Florida Public Service Commission this 25th
day of January, 2002.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2)

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reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.