

TOM LEE
President



Harold McLean
Public Counsel

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
850-488-9330

ALLAN BENSE
Speaker



December 22, 2004

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Progress Energy Florida, Inc.'s petition for approval of storm cost recovery clause for extraordinary expenditures related to Hurricanes Charley, Frances, Jeanne, and Ivan – FPSC Docket No. 041272-EI

Dear Ms. Bayó:

Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of the Office of Public Counsel's Notice of Service of its Second Set of Interrogatories to Progress Energy Florida (Nos. 12-18) for filing in the above referenced docket.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

A handwritten signature in cursive script that reads "Joe McGlothlin".

Joseph A. McGlothlin
Associate Public Counsel

JM/pwd
Enclosures

DOCUMENT NUMBER-DAT1

13420 DEC 22 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Progress Energy Florida, Inc.'s)
petition for approval of storm cost)
recovery clause for extraordinary)
expenditures related to Hurricanes)
Charley, Frances, Jeanne, and Ivan)
_____)

Docket No. 041272-EI

Filed: December 22, 2004

**NOTICE OF SERVICE OF THE OFFICE OF PUBLIC COUNSEL'S SECOND
SET OF INTERROGATORIES (NOS. 12 - 18) TO PROGRESS ENERGY
FLORIDA**

The Office of Public Counsel files notice that it has served its Second Set of Interrogatories (Nos. 12-18) to Progress Energy Florida, Inc. by hand delivery and U.S. Mail to: James A. McGee, Progress Energy Florida, Inc., 100 Central Avenue, Suite CXID, St. Petersburg, FL 33701, on this 22nd day of December 2004.


Joseph A. McGlothlin
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
(850) 488-9330 (telephone)
(850) 488-4491 (fax)
McGlothlin.Joseph@leg.state.fl.us

Attorney for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing Notice of Service of the Office of Public Counsel's Second Set of Interrogatories (Nos.12-18) to Progress Energy Florida has been furnished by hand delivery and U.S. Mail on this 22nd day of December, 2004, to the following:


James McGee
Progress Energy Service Company
100 Central Avenue
St. Petersburg, Florida 33701-3324

Vicki G. Kaufman
McWhirter, Reeves Law Firm
117 South Gadsden Street
Tallahassee, FL 32301

Jennifer Brubaker
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Timothy J. Perry
McWhirter, Reeves Law Firm
117 South Gadsden Street
Tallahassee, FL 32301

John W. McWhirter, Jr. Esq.
McWhirter, Reeves Law Firm
Attorneys for FIPUG
P. O. Box 3350
Tampa, FL 33602


Joseph A. McGlothlin, Esquire
Associate Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Progress Energy Florida, Inc.'s)
petition for approval of storm cost)
recovery clause for extraordinary)
expenditures related to Hurricanes)
Charley, Frances, Jeanne, and Ivan)
_____)

Docket No. 041272-EI
Filed: December 22, 2004

**OFFICE OF PUBLIC COUNSEL'S SECOND SET OF INTERROGATORIES TO
PROGRESS ENERGY FLORIDA (Nos. 12- 18)**

Please take notice that the Citizens served the original and one copy of interrogatories (Nos. 12- 18) to Progress Energy Florida, (Progress Energy) on December 22, 2004. The interrogatories are to be answered under oath by Progress Energy and the answers are to be given in writing immediately following the question to which it responds. Please provide the name, address, and relationship to Progress Energy of those persons giving the answers to each of the interrogatories.

Thereafter, the original of the interrogatories, together with the answers, is to be served on the Citizens at the Office of Public Counsel, c/o the Florida Legislature, 111 West Madison Street, Claude Pepper Building, Room 812, Tallahassee, Florida 32399-1400. Copies are to be served on all parties in accordance with applicable Rules of Civil Procedure.

INTERROGATORIES

12. Regarding FASB Statement No. 143, and FERC Order No. 631 in Docket No. RM02-7-000, on a plant account-by-plant account basis, please identify any and all "legal obligations" associated with the retirement of the assets contained in the account that result from the acquisition, construction, development and (or) the normal operation of

the assets in the account. For the purposes of this question, please use the definition of a “legal obligation” provided in FASB Statement No. 143: “an obligation that a party is required to settle as a result of an existing or enacted law, statute, ordinance, or written or oral contract under the doctrine of promissory estoppel.”

13. For any asset retirement obligations identified above, please provide the “fair value” of the obligation. For the purposes of the question, fair value means “the amount at which that liability could be settled in a current [not future] transaction between willing parties, that is, other than in a forced or liquidation transaction.” Please provide all assumptions and calculations underlying these amounts.


14. Please provide the accounting entries (debits and credits) used to implement SFAS No. 143. Also, please provide all workpapers supporting those entries. Please provide these workpapers and calculations in electronic format (Excel) with all formulae intact.

15. If not provided elsewhere, please describe the method of calculation of the \$2,169 million of removal, decommissioning and dismantlement costs included in regulatory liabilities at December 31, 2003, including the \$1,897 million of removal costs, \$129 million of removal costs for non-irradiated areas at nuclear facilities and \$143 million in fossil generation dismantlement costs, as discussed on page 63 of the 2003 Annual Report. Please state the amount of related tax effects. Also, please provide updated calculations as of September 30, 2004.

16. If not provided elsewhere, please describe the calculation of the \$2,940 million of removal costs at December 31, 2002, including the \$1,790 million of removal costs, \$1,008 million of decommissioning costs for nuclear facilities and \$142 million in fossil generation dismantlement costs, as discussed on page 63 of the 2003 Annual Report. Please describe all related tax effects.

17. Please define “regulatory liability” and provide a source for the definition.

18. Please explain the revenue calculations necessary in order to use the SFAS No. 143 Regulatory Liability for storm damages.


Joseph A. McGlothlin
Florida Bar No. 163771
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
Room 812, 111 W. Madison Street
Tallahassee, Florida, 32399-1400
(850) 488-9330

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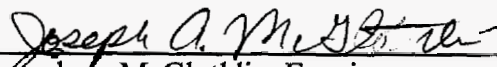
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