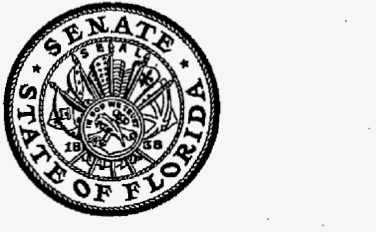


TOM LEE
President



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

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV

ALLAN BENSE
Speaker



Patricia A. Christensen
Associate Public Counsel

December 28, 2004

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

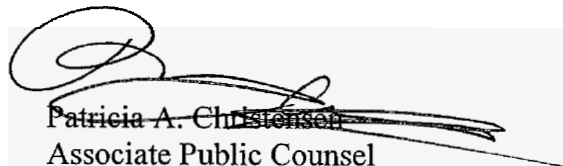
RE: Docket No. 041272-EI

Dear Ms. Bayó:

Enclosed please find an original and one copy of a Notice of Service of the Office of Public Counsel's Third Set of Interrogatories (Nos. 19-23) to Progress Energy Florida for filing in the above-referenced docket.

Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,



Patricia A. Christensen
Associate Public Counsel

PAC/pwd

DOCUMENT NUMBER-DATE

13557 DEC 28 04

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 28, 2004

**NOTICE OF SERVICE OF THE OFFICE OF PUBLIC COUNSEL'S THIRD
SET OF INTERROGATORIES (NOS. 19 - 23) TO PROGRESS ENERGY
FLORIDA**

The Office of Public Counsel files notice that it has served its Third Set of Interrogatories (Nos. 19-23) 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 28th 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



Patricia A. Christensen
Florida Bar No. 0989789
Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
Room 812, 111 W. Madison Street
Tallahassee, FL 32399-1400
(850) 488-9330

Attorneys 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 Third Set of Interrogatories (Nos.19-23) to Progress Energy Florida has been furnished by hand delivery and U.S. Mail on this 28th 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



Patricia A. Christensen
Associate Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Progress Energy Florida, Inc's) Docket No. 041272-EI
[petition for approval of storm cost)
Recovery clause for extraordinary) Filed December 28, 2004
Expenditures related to Hurricanes)
Charley, Frances, Jeanne, and Ivan)

**OFFICE OF PUBLIC COUNSEL'S THIRD SET OF INTERROGATORIES TO
PROGRESS ENERGY FLORIDA (Nos. 19-23)**

Please take notice that the Citizens served the original and one copy of interrogatories (Nos. 19- 23) to Progress Energy Florida (Progress Energy) on December 28, 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, within the time frame established by Order Establishing Procedure PSC-04-1150-PCO-EI.

INTERROGATORIES

19. Please identify each of Progress Energy's major plant accounts.

20. For each of the major plant accounts identified in your answer to item 1 above, state whether the depreciation rates applicable to items in the account were designed to encompass and recover the cost of removing the plant at the end of the plant's service life.

21. For each category of plant for which depreciation rates were designed to encompass and recover the cost of removal at the end of the plant's service life, state whether the depreciation expense (including cost of removal) was factored into the revenue requirements that base rates were designed to collect from customers during the company's last full revenue requirements case.

22. For each major plant account for which base rates were designed to collect cost of

removal, please identify (1) the balance of accumulated depreciation and (2) the portion of the accumulated depreciation balance that represents the cost of removal that has been collected from customers over time.

23. Describe in detail whether and to what extent the company has charged the cost of removing plant damaged or destroyed during the recent hurricanes to the portion of accumulated depreciation that represents the cost of removal that the company has already collected from customers before charging any such costs to the storm damage fund.

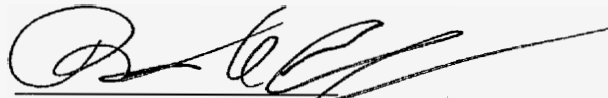
In your answer:

a. Identify any and all criteria the company has established to determine whether removal costs will be charged to the cost of removal previously collected from customers and contained within accumulated depreciation or the storm damage fund in a given case.

b. If the company has not used the accumulated depreciation balance to absorb the cost of removing plant damaged or destroyed during recent hurricanes to the extent already funded by customers through base rates over time, please justify and explain the company's decision to instead charge those amounts to the storm damage fund.

c. If the company collects the cost of removing an item of plant through depreciation rates supported by the base rates that customers have paid over time, and subsequently charges the full cost of removing the item to the storm damage fund without first applying accumulated depreciation to defray the cost, thereby contributing to a negative balance in the storm damage reserve that it subsequently restores to a positive balance through ratepayer-provided funds (whether accrual, or surcharge, or "special

assessment”), do you agree that the customers will have paid twice for the same cost of removing the plant item? Please explain your answer.



Patricia A. Christensen
Florida Bar No. 0989789

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Office of Public Counsel's Third Set of Interrogatories (Nos.19-23) to Progress Energy Florida has been furnished by hand delivery and U.S. Mail on this 28th day of December, 2004, to the following:


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117 South Gadsden Street
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