

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Progress Energy Florida, Inc.'s )**  
**petition for approval of storm cost ) Docket No.: 041272**  
**recovery clause for extraordinary )**  
**expenditures related to Hurricanes )**  
**Charley, Frances, Jeanne, and Ivan. ) Submitted for Filing: January 3, 2005**  
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**PROGRESS ENERGY FLORIDA INC.'S OBJECTIONS REGARDING**  
**OFFICE OF PUBLIC COUNSEL'S SECOND**  
**SET OF INTERROGATORIES (NOS. 12-18)**

Pursuant to Fla. Admin. Code R. 28-106.206, Rule 1.340 of the Florida Rules of Civil Procedure, and the Order Establishing Procedure issued November 18, 2004, Progress Energy Florida, Inc. ("PEF") hereby serves its objections to the Office of Public Counsel's ("OPC") Second Set of Interrogatories (Nos. 12-18) and states as follows:

**GENERAL OBJECTIONS**

With respect to the instructions in OPC's Second Set of Interrogatories (No. 12-18), PEF objects to any instructions that are inconsistent with PEF's discovery obligations under the applicable Rules of Civil Procedure. If some question arises as to PEF's discovery obligations, PEF will comply with the applicable rules of civil procedure. Additionally, PEF generally objects to OPC's interrogatories to the extent that they call for documents or information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law.

Further, in certain circumstances, PEF may determine upon investigation and analysis that information responsive to certain interrogatories to which objections are not otherwise asserted are confidential and proprietary and should be produced only under an appropriate

confidentiality agreement and protective order, if at all. By agreeing to provide such information in response to such an interrogatory, PEF is not waiving its right to insist upon appropriate protection of confidentiality by means of a confidentiality agreement, protective order, or the procedures otherwise provided by law or in the Order Establishing Procedure. PEF hereby asserts its right to require such protection of any and all information that may qualify for protection under the Florida Rules of Civil Procedure, the Order Establishing Procedure, and all other applicable statutes, rules and legal principles.

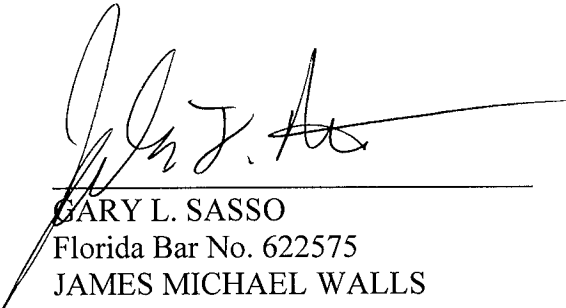
By making these general objections at this time, PEF does not waive or relinquish its right to assert additional general and specific objections to OPC's discovery at the time PEF's response is due under the Florida Rules of Civil Procedure and the Order Establishing Procedure. PEF provides these general objections at this time to comply with the intent of the Order Establishing Procedure to reduce the delay in identifying and resolving any potential discovery disputes.

### **SPECIFIC OBJECTIONS**

PEF objects to OPC's interrogatory numbers 12-18 in OPC's Second Set of Interrogatories because they call for information that is irrelevant to this proceeding and not likely to lead to the discovery of admissible evidence. Specifically, PEF's petition in this matter requests Commission approval of a Storm Cost Recovery Clause that allows PEF to recover its storm costs in excess of the balance in its Storm Damage Reserve. The recoverable storm costs are the Company's reasonable and prudent storm-related O&M costs including its incremental cost above those typically incurred under normal operating conditions for capital expenditures. Such costs are extraordinary, non-reoccurring, and unpredictable and therefore are not included in PEF's base rates.

OPC's interrogatories, numbers 12-18, have nothing to do with the storm costs that PEF incurred as a result of Hurricanes Charley, Frances, Jeanne, and Ivan that are the subject of this proceeding. They seek information regarding such wholly unrelated matters as the Company's nuclear decommissioning and fossil generation dismantlement costs. The interrogatories at issue are, therefore, irrelevant and immaterial to this proceeding. Even if PEF provided the information requested in interrogatories, numbers 12-18 -- which it should not have to do in this limited proceeding addressing PEF's petition to establish a Storm Cost Recovery Clause to recover its extraordinary expenditures related to Hurricanes Charley, Frances, Ivan, and Jeanne -- its answers would not provide OPC with any information regarding the prudence or reasonableness of the costs that PEF incurred preparing for, responding to, and recovering from Hurricanes Charley, Frances, Jeanne, and Ivan.

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**Progress Energy Florida**

**Docket No. 041272-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing has been furnished to the following individuals by electronic mail and regular U.S. Mail the 3rd<sup>th</sup> day of January, 2005.

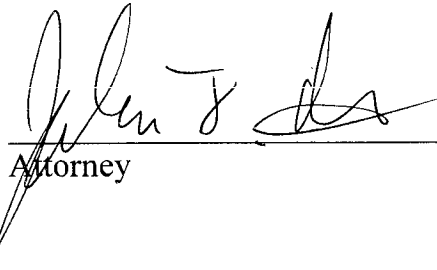
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