

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

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**FLORIDA POWER CORPORATION'S OBJECTIONS TO
STAFF'S THIRTEENTH SET OF INTERROGATORIES
TO FLORIDA POWER CORPORATION (NOS. 296-317)**

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") objects to The Staff of the Florida Public
Service Commission's Thirteenth Set of Interrogatories (Nos. 296-317) and states as follows:

GENERAL OBJECTIONS

FPC objects to any interrogatory that calls for 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, whether such privilege
or protection appears at the time the response is first made to these interrogatories or is later
determined to be applicable based on the discovery of documents, investigation or analysis. FPC
in no way intends to waive any such privilege or protection.

In certain circumstances, FPC 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 interrogatory, FPC is not waiving its right to insist upon appropriate protection of

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confidentiality by means of a confidentiality agreement and protective order. FPC hereby asserts its right to require such protection of any and all documents that may qualify for protection under the Florida Rules of Civil Procedure and other applicable statutes, rules and legal principles.

FPC objects to these interrogatories and any definitions and instructions that purport to expand FPC's obligations under applicable law.

FPC also objects to these interrogatories to the extent they purport to require FPC to prepare information in a particular format or perform calculations not previously prepared or performed as an attempt to expand FPC's obligations under applicable law. Further, FPC objects to these interrogatories to the extent they purport to require FPC to conduct an analysis or create information not prepared by FPC in the normal course of business. FPC will comply with its obligations under the applicable rules of procedure.

FPC incorporates by reference all of the foregoing general objections into each of its specific objections set forth below as though pleaded therein.

In addition, FPC reserves its right to count interrogatories and their sub-parts (as permitted under the applicable rules of procedure) in determining whether it is obligated to respond to additional interrogatories served by any party.

INTERROGATORIES

296. Has FPC ever had an ESOP or a LESOP? If so, please provide the following:
a) The date it was formed
b) The date it was terminated
c) Your calculation of the tax savings realized during the prior test year ended 12/31/00 and the projected test year ending 12/31/02. (C. Romig)

297. Has FPC or any affiliate of FPC been affected in any way by Internal Revenue Service Notice 2001-82, which expands the safe harbor provisions of interties to include

interties from non-Qualifying Facilities? (C. Romig)

298. Does FPC anticipate any interconnections or interties subsequent to December 24, 2001, that meet the safe harbor provisions of this notice? If so, are the tax consequences of IRS Notice 2001-82 reflected in the MFRs? (C. Romig)

299. Does FPC intend to request any private letter rulings as a result of IRS Notice 2001-82? (C. Romig)

300. Has FPC collected any CIAC gross-up funds that may now be refundable as a result of IRS Notice 2001-82? If so, please provide the tax consequence that should be reflected in the MFRs. (C. Romig)

301. Has FPC included any interest on tax deficiencies in its projected test year? If so, please provide:

- a) A breakdown of the amounts and related tax positions taken that gave rise to the interest recorded
- b) The location and amounts of any related balance sheet accounts included in the MFRs
- c) Justification in the form of a cost/benefit analysis for the inclusion of each tax position taken. (C. Romig)

302. Please describe and provide support for any consolidating tax adjustments that FPC has made for its projected test year. If consolidating tax adjustments were not made, please explain why. (C. Romig)

303. Has the company made a parent debt adjustment? If not, why not? (C. Romig)

304. On page 2 of Javier J. Portuondo's November 15, 2001 prefiled testimony, he speaks of a nonrecurring expense of \$10.7 million in additional amortization of regulatory assets for previously flowed through taxes and the equity component of prior period Allowances for Funds Used During Construction. Please provide an explanation and detail for this adjustment.
(C. Romig)

305. Please refer to Schedule B-3, page 1 of 4 which shows Total Company Per Books rate base of \$3,748,147 and Schedule D-1, which shows System Per Books Capital of

\$4,177,816. Please provide a reconciliation of these two numbers. (C. Romig)

306. Please refer to Schedule B-4, page 3 of 7, lines 3 and 4. Please explain and provide the calculation for the Section 1341 Income Tax adjustment of \$8,995 to working capital further described as, To adjust income tax expense for difference between 89/90 tax true up and its reversal. (C. Romig)

307. Please explain how Schedule B-22, Miscellaneous Deferred Debits, reconciles to Schedule B-2a, Page 8 of 12, Line 25 and Schedule B-2a, Page 2 of 12, Line 24. (C. Romig)

308. Please refer to Schedule B-22, Line 12, Miscellaneous Deferred Debits. Please provide a detailed description of the \$(5,422,736) Interest on Tax Deficiencies - Post 81 in the MFRs. Also, please show all other accounts related to this account and their location in the MFRs. (C. Romig)

FPC objects to this question as compound and reserves its right to count this interrogatory as two (2) separate interrogatories for purposes of determining its obligation to continue to provide responses under the order governing procedure in this case.

309. Please refer to Schedule D-1, Page 3 of 17. Please provide support and further details for your \$9,668 and \$(13,061) adjustments to Deferred Income Taxes. (C. Romig)

310. Please refer to Schedule D-1, Page 3 of 17. Please provide support and further details for your \$(2,210) adjustment to Deferred Income Taxes - FAS 109. (C. Romig)

311. Please refer to Schedule C-3c, page 2 of 4, line 11. Please provide your calculation of the income tax adjustment of \$(2,043) related to the removal of recoverable fuel. (C. Romig)

312. Please refer to Schedule C-3b, page 1 of 4, line 11. Please elaborate on the description and reason for the \$(1,574) adjustment. (C. Romig)

313. Please refer to Schedule C-3b, page 2 of 4, line 7. Please provide your calculation of the \$2,774 interest synchronization adjustment utilizing interest inherent in Schedule D-1's FPSC Adjusted Retail column and Schedule C-42, page 1 of 2, and Schedule C-43, page 1

of 2, interest of \$112,810. (C. Romig)

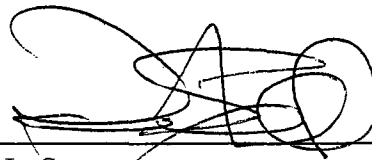
314. Please refer to Schedule C-3b, page 2 of 4, line 15. Please provide your calculation and elaborate on the \$700 adjustment to income tax expense. (C. Romig)

315. Please refer to Schedule D-1, page 1. Please explain why you have reconciled the pro rata adjustments in Column F over all sources of capital except for customer deposits. In other words, please provide your reasoning for not leaving the deferred taxes and investment tax credits whole and reconciling the pro rata adjustments over investor sources of capital only, as has been done in recent Commission orders. (C. Romig)

316. Please refer to Schedule D-1, page 1. Please provide the components and your calculation of the ITC Post 70 debt cost rate of 7.13%. In other words, did you use long-term debt and short-term debt in your calculation? If you did not use short-term debt in your calculation, please explain why not. (C. Romig)

317. Please refer to Schedule C-3c, page 2 of 4. Please provide the detail for the \$(50) and \$(1,051) adjustments to Taxes Other Than Income and the detail of the amount of the particular tax or taxes to which these adjustments should be made. (C. Romig)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary L. Sasso", written over a horizontal line.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of foregoing has been furnished via hand delivery
(where indicated by *) and via U.S. Mail to the following this 22nd day of January, 2002.

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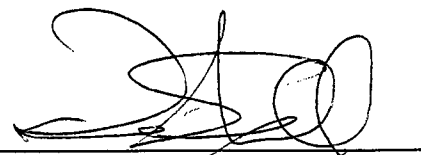
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