

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Florida Power Corporation for authority to issue and sell securities during the twelve months ending 12/31/99 pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C.

DOCKET NO. 981268-EI
ORDER NO. PSC-98-1611-FOF-EI
ISSUED: December 3, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER GRANTING FLORIDA POWER CORPORATION AUTHORITY TO ISSUE AND SELL SECURITIES DURING THE TWELVE MONTHS ENDING DECEMBER 31, 1999

BY THE COMMISSION:

On September 30, 1998, Florida Power Corporation (FPC or Company) filed an application to issue and sell securities pursuant to Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code. A notice of FPC's application was published in the October 30, 1998, Florida Administrative Weekly. We considered this matter at our November 17, 1998, Agenda Conference.

FPC's application seeks authority to issue, sell, or otherwise incur any combination of additional equity securities and long-term debt securities and obligations during the twelve months ending December 31, 1999, consisting of: 1) up to \$400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's Long-Term Credit Agreements; and, 2) \$910 million of any combination of equity securities and other long-term debt securities and obligations. FPC also seeks authorization to issue, sell and have outstanding at any given time short-term unsecured borrowings and commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not to exceed \$500

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million, which amount shall be in addition to and in excess of the authority conferred on FPC by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five per cent of the par value of the Company's other outstanding securities.

The net proceeds to be received from the sale of the additional securities will be added to FPC's general funds and may be used to provide additional electric facilities during 1999, pursuant to FPC's construction program, to repay maturing long-term debt or short-term unsecured debt, to refund existing obligations with lower cost debt, or for other corporate purposes. FPC's construction program is developed from its long-range plan to determine needed construction facilities. While the final 1999 Construction Budget is not yet available, FPC's most recently approved construction expenditures forecast excluding Allowance for Funds Used During Construction (AFUDC) which for 1999 is approximately \$263.2 million. During 1999, FPC may refund some or all of two series of its first mortgage bonds totaling \$100 million, depending upon market conditions. Also, FPC is considering the possibility of a tender offer for, or the defeasance of, one \$150 million series of its first mortgage bonds.

FPC asserts that the proposed financings are consistent with the proper performance by the Company of service as a public utility, will enable and permit the company to perform that service, are compatible with the public interest and are reasonably necessary and appropriate for such purposes. Upon examination of the application, we concur.

It appears that FPC has complied with the requirements of Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code in applying for the authority to issue securities. The application is, therefore, granted.

Based upon the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that Florida Power Corporation's Application for Authority to Issue and Sell Securities During the Twelve Months Ending December 31, 1999, Pursuant to Section 366.04, Florida Statutes, and Chapter 25-08, Florida Administrative Code, is granted. It is further

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ORDERED that Florida Power Corporation is authorized to issue, sell, or otherwise incur any combination of additional equity securities and long-term debt securities and obligations during the twelve month period ending December 31, 1999, consisting of: 1) up to \$400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's Long-Term Credit Agreements; and, 2) \$910 million of any combination of equity securities and other long-term debt securities and obligations. It is further

ORDERED that Florida Power Corporation may issue, sell and have outstanding at any given time short-term unsecured borrowings and commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not to exceed \$500 million, which amount shall be in addition to and in excess of the authority conferred on Florida Power Corporation by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five per cent of the par value of the Company's other outstanding securities. It is further


ORDERED that the kind and nature of securities that Florida Power Corporation is authorized to issue during 1999 are equity securities and short-term and long-term debt securities and obligations, as set forth in Florida Power Corporation's application. It is further

ORDERED that Florida Power Corporation shall file a consummation report in accordance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities. It is further

ORDERED that this docket shall remain open to monitor the issuance and/or sale of these securities until April 15, 2000, at which time it shall be closed.

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By ORDER of the Florida Public Service Commission this 3rd
day of December, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.