

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: November 29, 2004
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**PROGRESS ENERGY FLORIDA INC.'S CLARIFICATIONS REGARDING
FLORIDA INDUSTRIAL POWER USERS GROUP'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS (NO. 1)**

Pursuant to Fla. Admin. Code R. 28-106.206, Rule 1.350 of the Florida Rules of Civil Procedure, and the Order Establishing Procedure issued November 18, 2004, Progress Energy Florida, Inc. ("PEF") hereby provides its clarifications regarding the Florida Industrial Power Users Group's ("FIPUG") First Request for Production (No. 1) and states as follows:

GENERAL CLARIFICATIONS

Regarding the "Time and Place of Production" requirement in FIPUG's First Request for Production of Documents, PEF will make all responsive documents available for inspection and copying at the offices of Carlton Fields, P.A., 215 S. Monroe Street, Suite 500, Tallahassee, Florida, 32301 at a mutually-convenient time or, upon request from FIPUG, will provide copies of responsive documents and materials by U.S. Mail, overnight mail, or will produce the documents in some other manner or at some other place that is mutually convenient to both PEF and FIPUG for purposes of inspection, copying, or handling of the responsive documents.

With respect to the "Instructions" section in FIPUG's First Request for Production of Documents (No. 1), PEF notes that some of those instructions 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.

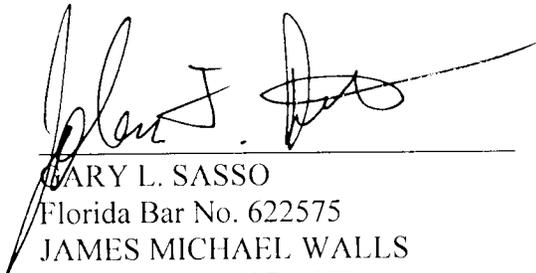
With respect to FIPUG's "Instruction No. 1," there are no such requirements under Florida Rule of Civil Procedure 1.350 or the Order Establishing Procedure. Additionally, PEF objects to FIPUG's "Instruction No. 2" to the extent that FIPUG is attempting to seek documents protected by the attorney-client and/or work product privileges from PEF's attorneys, and further generally objects to FIPUG's First Request for Production of Documents (No. 1) to the extent that the request calls 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. PEF will provide a privilege log in accordance with the applicable law to the extent, if at all, that any document request calls for the production of privileged or protected documents.

Further, in certain circumstances, PEF may determine upon investigation and analysis that information responsive to certain document requests 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 a document request, 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 documents 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 clarifications at this time, PEF does not waive or relinquish its right to assert general and specific objections to FIPUG's discovery request at the time PEF's response is due to the discovery request under the Florida Rules of Civil Procedure and the Order

Establishing Procedure. PEF provides these general clarifications 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.

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Progress Energy Florida

Docket No. 041272-EI

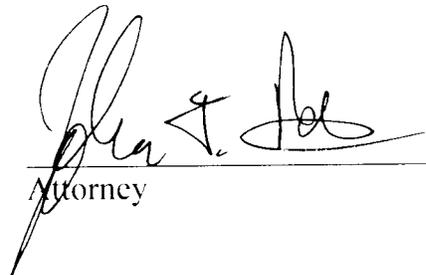
CERTIFICATE OF SERVICE

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 29th day of November, 2004.

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