

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
_____)

**PROGRESS ENERGY FLORIDA INC.'S CLARIFICATIONS REGARDING
STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-10)
AND STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-16)**

Pursuant to Fla. Admin. Code R. 28-106.206, Rules 1.340 and 1.350 of the Florida Rules of Civil Procedure, and the Order Establishing Procedure issued November 18, 2004, Progress Energy Florida, Inc. ("PEF") hereby serves its clarifications to the Staff of the Florida Public Service Commission's ("Staff") First Request for Production (Nos. 1-10) and First Set of Interrogatories (Nos. 1-16) and states as follows:

GENERAL CLARIFICATIONS

With respect to the "Time and Place of Production" requirement in Staff'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 Staff, 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 Staff for purposes of inspection, copying, or handling of the responsive documents.

To the extent that Staff asks PEF to have each interrogatory answer signed by the person providing the answer, there is no such requirement under Rule 1.340 of the Florida Rules of Civil Procedure or the Order Establishing Procedure. PEF will answer the interrogatories in

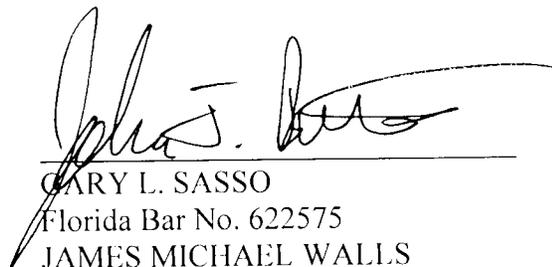
accordance with the Florida Rules of Civil Procedure and the Order Establishing Procedure. PEF generally objects to Staff's First Request for Production of Documents (Nos. 1-10) and Staff's First Set of Interrogatories (Nos. 1-16) to the extent that any discovery request calls for documents or information 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 or 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 a document request or 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 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 Staff's discovery requests at the time PEF's responses are due to the discovery requests 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

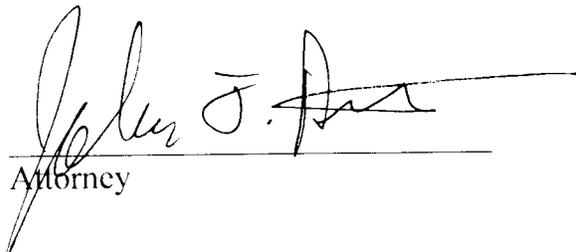
CERTIFICATE OF SERVICE

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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