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 28, 2002

FLORIDA POWER CORPORATION'S RESPONSE TO STAFF'S ELEVENTH SET OF INTERROGATORIES TO FLORIDA POWER CORPORATION (NOS. 252-289)

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") response to The Staff of the Florida Public Service Commission's Eleventh Set of Interrogatories (Nos. 252-289) subject to the general and specific objections previously filed and states as follows:

INTERROGATORIES

252. Please provide a table listing the annual distribution reliability goals or targets for all company internal benchmarks, measures, and indices, such as number of complaints, number of outages, SAIDI, SAIFI, CAIDI, MAIFIe, and CEMI5 for the years 1995 through 2003. If regional goals or targets are projected please include the regional data in your response. (Breman & D.Lee)

See attachment.

AUS
CAF
CMP
COM
CTR
ECR
GCL
OPC
MMS
SEC 1
OTH

253. Please provide actual distribution reliability performance compared with the company internal benchmarks, measures, and indices, such as number of complaints, number of outages, SAIDI, SAIFI, CAIDI, MAIFIe, and CEMI5 for the years 1995 through 2003. (Breman & D.Lee)

See response to 252.

254. Please describe the consequences affecting employees and management for not achieving the company internal distribution reliability goal or target for each of the

respective benchmarks, measures, and indices included in your response to Interrogatory No. 252. (Breman & D.Lee)

Employee incentive compensation goals would be adjusted accordingly based on reliability goals being achieved and not being achieved.

255. **Please describe the consequences affecting shareholders for not achieving the company internal distribution reliability goal or target for each of the respective benchmarks, measures, and indices included in your response to Interrogatory No. 253. (Breman & D.Lee)**

In the short term, the impact of not achieving one or more of the distribution reliability goals stated above is negligible given all of the factors that can and do influence the market price of the company's stock. In the long term, the impact of not achieving one or more of the distribution reliability goals stated above can impact the shareholder through lower earnings (higher O&M cost), customer dissatisfaction, etc.

256. **Please provide a revised Schedule B-7 for the projected test year ended 12/31/02 that includes the following adjustments:**

A. **Investment in generator step-up transformers (and related depreciation) included in production plant**

B. **Gain on property disposal allocated to production, transmission, or distribution (Bass)**

Please see attached Revised Schedule B-7 for the projected test year 12/31/02. Please also see attached supporting workpapers provided. Other workpapers include the "Cost Assignment to Allocation Categories" in Section II of the Minimum Filing Requirements Section E – Rate Schedules, Jurisdictional Separation Study Volume filed in this proceeding on September 14,2001.

The Company is also providing the following documents in response to this request:

Functional Cost of Service Study – Projected 2002, Present Rates, Fully Adjusted, Total System (ECOS model output ERSYSFUN-000)

Schedule 1 and Schedule 14 have been provided for the calcuation of income taxes assuming revenues equal to cost of service and equal to present revenues.

This model represents minor revisions to comparable model produced in response to Publix 1st set of Production of Documents No.13

Functional Cost of Service Study – Projected 2002, Present Rates, Fully Adjusted, Total Retail (ECOS model output ER02FUNR-000)

This model represents a revision to the Retail Functional Cost of Service as filed in the Company's 9/14/01 Volumes Minimum Filing Requirements Section E – Rate Schedules, Allocated Class Cost of Service and Rate of Return Study, (all Production Capacity Allocation Methods)
The revision was to correct for an error in the allocation of Item P358.

257. Please provide a revised Schedule C-9 for the projected test year ended 12/31/02 that includes the following adjustments:

A. Duplicate charges, miscellaneous, rents and maintenance (included under administrative and general expenses) allocated to production, transmission, or distribution

B. Regulatory assessment fees allocated to production, transmission, or distribution

C. State and federal current income taxes allocated to production, transmission, or distribution

D. Net operating income allocated to production, transmission, or distribution

E. Any adjustments required to reflect the functionalization of generator step-up transformers as production plant

(Bass)

Please see attached Revised Schedule C-9 for the projected test year 12/31/02. Please also see attached supporting workpapers provided. Other workpapers include the "Cost Assignment to Allocation Categories" in Section II of the Minimum Filing Requirements Section E – Rate Schedules, Jurisdictional Separation Study Volume filed in this proceeding on September 14,2001.

The Company has also provided the following documents in response to Staff's Interrogatory # 256:

Functional Cost of Service Study – Projected 2002, Present Rates, Fully Adjusted, Total System (ECOS model output ERSYSFUN-000)
Schedule 1 and Schedule 14 have been provided for the calcuation of income taxes assuming revenues equal to cost of service and equal to present revenues.
This model represents minor revisions to comparable model produced in response to Publix 1st set of Production of Documents No.13

Functional Cost of Service Study – Projected 2002, Present Rates, Fully Adjusted, Total Retail (ECOS model output ER02FUNR-000)

This model represents a revision to the Retail Functional Cost of Service as filed in the Company's 9/14/01 Volumes Minimum Filing Requirements Section E – Rate Schedules, Allocated Class Cost of Service and Rate of Return Study, (all Production Capacity Allocation Methods)
The revision was to correct for an error in the allocation of Item P358.

258. Please provide a schedule that reconciles the totals by function on the revised Schedule C-9, requested in Interrogatory No. 257, to the totals by function contained on MFR E-8b Table 4B. (Bass)

Please see attached reconciliation schedule. Please see also responses to Staff's Interrogatories numbers 256 and 257.

259. Please recalculate the Distribution Capacity Charge, the Generation and Transmission Capacity Charges, and the Non-Fuel Energy Charge of the SS-1 rate based on the 12 CP and 1/13 Average Demand allocation method. Please provide the response in the same format as shown in MFR Schedule E-17 Supplement, Schedule D, pages 186 and 187. (Wheeler)

The information requested is attached as Table Staff Inter-259.

260. Please explain what costs the Base Demand Charge of the GSDT-1 rate is designed to recover. (Wheeler)

The Company is proposing a continuation of the present monthly Base Demand Charge

of $0.94 per kw having given consideration to the following:

1. The Base Demand Charge of the GSDT-1 rate must be set at least equal to or greater than the Delivery Voltage Credit provided a customer who takes service at transmission delivery voltage. Otherwise such a customer would have a negative Base Demand Charge billing. In this proceeding, the Company is proposing a monthly Delivery Voltage Credit for Transmission Delivery Voltage of $0.89 per kw of Base Demand.

2. It would be desirable that the Base Demand Charge be designed to recover at least the cost of Distribution Secondary facilities. These facilities, especially those supplying larger GSDT-1 customers, have little or no diversity of use with other customers and are generally sized to meet the maximum demand imposed by a GSDT-1 customer. The average unit monthly cost for GSDT customers related to Distribution Secondary Capacity facilities is $0.78 per Base Demand.

3. Although it may be appropriate to recover a portion of other capacity costs in a Base Demand Charge, these are generally kept to a minimum and included in on-peak demand and energy charges to provide a greater price signal or economic incentive for a time-of-use customer to reduce or shift its on-peak usage.

261. Please explain what costs the On-Peak Demand Charge of the GSDT-1 rate is designed to recover. (Wheeler)

The On-Peak Demand Charge of the GSDT-1 rate has been established such that the sum of the Base Demand Charge (discussed in the answer to Question 260) and the On-peak Demand Charge is equal to the Demand Charge of the standard GSD-1 rate. The Company is proposing a continuation of the present monthly Demand Charge of the standard GSD-1 rate of $3.80 per kw in order to maintain approximately the same effective load factor breakpoint (22%) that presently exists between the standard non-demand GS-1 rate and the standard demand GSD-1 rate. If this effective load factor breakpoint were to change, customer migration between GS-1 and GSD-1 would occur and further analyses would be required to establish the general service rate charges required to appropriately recover the Company's revenue requirements.

The Company believes that the standard monthly Demand Charge of $3.80 per billing kw adequately recovers all transmission and distribution average unit capacity costs for the GSD rate group. These unit costs total $3.46 per billing kw. The remainder recovers a small portion of generation capacity costs whereas most of the generation capacity costs are recovered in energy charges which is the same as being recovered in proportion to a customer's load factor where it is believed a customer's load factor is a good approximation for a customer's coincident peak responsibility for generation capacity costs.

262. Please explain the methodology for the development of the proposed On-Peak Non-Fuel Energy Charges in the RST-1, GST-1, and GSDT-1 rate schedules. (Wheeler)

The Company's methodology underlying the development of time-of-use rate energy charges for any of the optional time-of-use rate schedules is to establish charges such that the application of the time-of-use energy charges would result in the same effective energy charge as its corresponding standard rate charge assuming the customer's proportion of energy use on-peak and off-peak are in the same proportion as when this methodology were employed to derive the present time-of-use rate charges.

The on-peak non-fuel charge for each time-of-use rate schedule is mathematically imputed given the following information regarding that rate schedule: (1) the standard rate non-fuel energy charge, (2) the off-peak non-fuel energy charge, and (3) the proportion of energy use on-peak and off-peak.

The development is demonstrated in the workpapers provided in response to No. 49 of Staff's Eighth Request for Production of Documents.

263. Please indicate whether the test year residential kWh sales forecast incorporated any price elasticity effects due to FPC's proposed inverted rate design. (Wheeler)

No, it did not.

264. Please provide the total costs allocated to the LS-1 rate class for the maintenance of fixtures (appropriate accounts in the 580-598 series plus A&G). (Wheeler)

The total amount of O&M expense allocated to the LS-1 fixture-related rate class grouping is $5,653,000. This amount is shown on page 17 of any of the Allocated Class Cost of Service Study volumes submitted in this proceeding.

265. For each rate class, and for each currently tariffed customer charge, please provide updated customer charges based upon the unit costs from the Cost of Service Study filed in MFR E-1. (Wheeler)

Please see attached workpapers.

266. For each rate class for which they are offered, please provide updated one-time CIAC charges for Time of Use Metering based on current costs. (Wheeler)

Rate Schedule	TOU CIAC Present	TOU CIAC Updated
RST-1		
1 Phase	$258	$213
3 Phase	$393	$213
GST-1		
1 Phase	$258	$213
3 Phase	$393	$213
GSDT-1		
1 Phase	$258	$213
3 Phase	$393	$213

267. Page 16 of the September 14, 2001 testimony of Mark Myers discusses how the merger with CP&L will enable FPC to reduce transmission and distribution operating costs. The testimony states that FPC will be able to reduce redundant delivery functions through the integration and consolidation of functions, programs, and the implementation of best practices and process improvement initiatives.

A. Please provide a detailed listing of the transmission and distribution functions and programs that will be integrated and consolidated.

Please see the confidential 60 day report produced in response to Citizen First Request for Production of Documents .

B. Please identify the FPC transmission and distribution functions and programs that will exist after the integration and consolidation.

Please see the confidential 60 day report produced in response to Citizens First Request for Production of Documents.

C. **Please explain how the integration and consolidation of redundant functions and programs will be accomplished.**

Please see FPC's response to Citizens interrogatories numbered 42(d) and 42(e).

D. **Please explain how the reduction in redundant energy delivery functions will impact FPC's participation as a member of an ISO (independent system operator).**

The consolidation of functions has no impact on FPC's participation in and ISO.

E. **Please provide all accounting changes that will occur to effectuate the reduction in redundant energy delivery functions.**

The only accounting change that occurs as a result of consolidation is the manner in which actual charges are recorded in the general ledger. Previous to consolidation, actual charges would have been recorded via the voucher register and/or specific journal entries established for the cost type, i.e. payroll, materials, fleet, etc. Subsequent to consolidation, costs are now recorded in the general ledger via Intercompany billing. The history of the cost type is still maintained, the total cost (labor, materials) is still recorded at cost and the cost is still recorded in the appropriate FERC account.

F. **Please provide a detailed breakdown of the major components comprising the $7.1 million and $4.1 million merger-related budgeted cost reductions for 2002, respectively for transmission, distribution, and nuclear operations.**

Please see FPC's response to Citizen's Ninth Set of Interrogatories number 135.

G. **Please explain the process improvement initiatives that have been implemented for nuclear operations, transmission, and distribution. (Gardner & P.Lee)**

Please refer to Schedule C-57b, pages 2 through 5 for discussion of improvement initiatives implemented for Nuclear Operations. Please also see FPC's response to Citizens interrogatory 42(e).

268. **Please discuss the role CP&L will have in the development and governance of an ISO in which FPC is a participating member. (Gardner & P.Lee)**

At this time, Florida Power does not anticipate that CP&L will have any role in the development and governance of either a Florida ISO or RTO.

269. **On page 10 of Mark Myer's September 14, 2001 testimony, there is a discussion of FPC's plans to purchase new energy delivery vehicles over the next three years.**
   A. Please provide a list of existing vehicles, along with in-service dates and original cost, FPC plans to replace with the new delivery vehicles in each of the next three years.
   B. Please provide the best practices evaluation indicating a need for new energy vehicles. (Gardner & P.Lee)

A. Attached is an analysis of existing Florida Power Energy Delivery vehicles that are forecasted to be replaced over the next three years. This information was provided by the Florida Power Fleet Management System and has not been reconciled to the Florida Power Fixed Asset System. Florida Power used an average annual replacement cost of $20 million per year. In addition, the attached analysis separates the purchase of vehicles into "One Time" and "Annual". Below is the definition of these terms.

> One Time – Assumes all units out of life cycle as of 12/31/00 will be replaced over a 3-year period. 1/3 each year.
>
> Annual – Assumes all units falling out of life cycle each subsequent year will be replaced.

Annual Replacement Summary:

	2002	2003	2004	Total	
Vehicle	$15,715,188	$22,888,381	$16,799,270	$55,402,839	
POE's & Trailers	$2,434,271	$2,321,251	$2,546,200	$7,301,722	
	$18,149,459	$25,209,632	$19,345,470	Total	$62,704,561
			Three Year Average =		$20,901,520

POE = Power Operated Equipment

B. Please see Office of Public Counsel's third Set of Production of Documents No. 57.

270. **When does FPC plan to purchase and install the new dispatch radio system referred to on page 10 of Mark Myer's September 14, 2001 testimony?**

1. **Will the new radio system replace an existing system? If so, provide the in-service date of the existing system along with the original cost and associated accumulated depreciation.**
2. **Please describe the new dispatch radio system including the source technology. (Gardner & P.Lee)**

Florida Power began the purchase of the new dispatch radio system in late 2001 with implementation projected to begin in February 2002.

A. The new dispatch radio system will replace existing radio infrastructure within Florida Power's system. The existing FPC radio infrastructure is recorded in FERC account 397. This is an amortizable account and is handled differently. Therefore, as the new radio system is installed, FPC will not record retirements of the existing radio assets until the period of amortization (i.e. 7 years) has been completed. Assets recorded to the amortizable accounts are not required to be retired until the end of the amortization period. FPC began amortizing this investment as part of its last depreciation study. Docket No. 971570-EI, Order PSC-98-1723-FOF-EI.

B. The new trunked 900Mhz dispatch radio system replaces the technically obsolete system currently in place. Broadcast communications (one to many) is required for daily dispatch, during storms, and is necessary for safety reasons for stop test and

clearances. The new dispatch radio system will increase system reliability and improve coverage of service area. It will operate with a high level of reliability such that no single point of failure shall cause system failure. The new system will also mitigate interference and congestion of the existing system. The technology being implemented is a Motorola 900 MHz trunked radio system. This system consists of 14 racks of computer central site equipment at the Energy Control Center, 27 dispatch consoles for Transmission and Distribution, 2 remote distribution consoles, 50 towers with antennas, 600 mobile radios, and 400 hand-held radios.

271. In what account is the cost of new software recorded that is referred to on page 13 of Mark Myer's September 14, 2001 testimony?

1. Please provide the in-service date and original cost of the new software.

2. Does the new software replace existing software? If so, please describe the software being replaced including the in-service date, original cost, and period being amortized.

3. What new features does the new software offer that the existing software does not? (Gardner & P.Lee)

A. The forecasted In-service date is mid 2002 and the projected cost is $1.2 million. The new software will be recorded in Account 303 and amortized over five years.

B. No.

C. Please refer to Office of Public Counsel's Third set of Production of Documents No. 64.

272. Schedule B-7, page 2 of 16, shows $17 million of General Plant and $1.1 million of Intangible plant being allocated to transmission for the projected test year. Will FPC consider these allocated amounts as part of the total transmission system that will be under the operational control of a Florida RTO or ISO and under the jurisdiction of FERC? If so, provide any accounting changes that may occur for these assets. If no, why not? (Gardner & P.Lee)

These allocated amounts are considered costs related to the transmission system that will be under the operational control of a Florida RTO or ISO. From an accounting standpoint, these

items are properly recorded on the Company's books, i.e. general plant or intangible plant, and there is no accounting changes required to this classification since FPC is not divesting this plant.

273. Please explain in detail how the Commission's decision at the November 7, 2001, Special Agenda regarding the prudence of and participation in GridFlorida, will impact FPC's participation in a Florida RTO. (Gardner & P.Lee)

The December 20, 2001 order resulting from this requires FPC and the other two GridFlorida applicants to respond within 90 days with a modified GridFlorida proposal that reflects certain features as specified in the order. Florida Power is currently working to respond to this order, and how any changes made to the original GridFlorida proposal will impact Florida Power's participation is not yet known. In the meantime, development activities for GridFlorida are being held in abeyance.

274. Please provide the revenue requirements needed to support FPC's retail transmission service, including a discussion of all assumptions used. (Gardner & P.Lee)

The annual revenue requirements to support FPC's retail transmission service is $115,965,000. This amount is derived in the Functional Cost of Service Study presented in Section V, pages 53 through 83, of any of the Allocated Class Cost of Service Studies submitted in this proceeding.

Assumptions underlying the above determination are as follows:

1. For functional cost of service purposes, the cost of generator step-up facilities is classified as production function rather than transmission function to be consistent with FERC's policy regarding treatment of these costs.

2. The transmission cost of service reflects an allocation of general plant and A&G expenses apportioned on an appropriate Labor or Plant ratio basis.

3. Transmission function costs are jurisdictionally separated between wholesale and retail businesses based on the Average 12 CP methodology.

4. The costs reflect the Company's projected calendar year 2002 data presented in this proceeding.

5. Revenues from Non-firm wholesale transmission service are treated as transmission related revenue credits to the cost of service.

275. Please explain in detail how FPC has determined what is considered transmission investment. (Gardner & P.Lee)

Electric plant in service amounts for transmission plant are those recorded in FERC accounts 350 through 359. A reclassification for functional cost of service purposes is made for the investment in generator step-up facilities included in account 353 to treat this cost as production related rather than transmission related. To develop the total investment (rate base) related to providing transmission service, the transmission plant in service amounts excluding generator step-ups is reduced by its respective accumulated provision for depreciation and increased for allocated amounts of general & intangible plant, plant held for future use, construction work in progress, and working capital.

276. Will any FPC assets currently accounted as distribution plant be transferred and accounted as transmission plant? If so, please identify those distribution assets or accounts that FPC plans to transfer the accounting to transmission and identify the projected test year investment and reserve amounts. (Gardner & P.Lee)

The Company has no plans to transfer any FPC assets currently accounted for as distribution plant to transmission plant in its accounting records.

277. Please identify any plant currently accounted as distribution plant, but actually performing a transmission function. (Gardner & P.Lee)

For accounting purposes, the Company establishes the records of a substation as wholly transmission plant (FERC accounts 350, 352, and 353) or wholly as distribution plant (FERC

accounts 360, 361, and 362) according to the major use thereof. The Company has 80 substations whose costs are recorded in transmission plant accounts and 270 substations whose costs are recorded in distribution plant accounts.

There are a number of distribution substations that may have facilities performing a transmission function. These facilities are not easily identifiable, and it would require an extensive analysis of each of the 270 substations classified as distribution to identify.

278. Please identify any plant currently accounted as transmission plant, but actually performing a generation function. Will the accounting of any of these assets be reclassified to generation? If no, why not? (Gardner & P.Lee)

For accounting purposes, the Company establishes the records of a substation as wholly transmission plant (FERC accounts 350, 352, and 353) according to the major use thereof. The Company has 80 substations whose costs are recorded in transmission plant accounts.

There are a number of transmission substations that may have facilities performing a generation function. The facilities providing a distribution function are not easily identifiable, and it would require an extensive analysis of each of the 80 substations classified as transmission to identify. The facilities providing a generation function are those facilities that perform a generator step-up function. The investments in these generator step-up facilities are shown on the attached table.

The Company has no plans to transfer any FPC assets currently accounted for as transmission plant to generation plant in its accounting records. For functional cost of service purposes, the Company has treated the investment in generator step-up facilities as generation capacity related.

ATTACHMENT TABLE STAFF11-278

279. FPC has identified $985.7 million in total company transmission plant on MFR Schedule B-7 for the projected test year. Does this represent all transmission assets that will have operational control transferred to a Florida peninsular ISO? (Gardner & P.Lee)

This figure is intended to represent an appropriate gross transmission plant in service value (including an allocation of general plant) for purposes of establishing the current annual revenue requirements of FPC's transmission system which is proposed to have its operational control transferred to a Florida peninsular ISO.

280. How will the assets that will be under the operational control of an ISO be accounted and reported to the FERC and to the FPSC? (Gardner & P.Lee)

The Company has no plans to change its current accounting practices related to any of the Company's assets that may be under the operational control of an ISO. Therefore, all reports of plant accounting records to the FERC or FPSC are unaffected by FPC placing assets under the operational control of an ISO.

281. Will there be separate accounting for the general plant accounts that have an allocation to transmission for the purpose of reporting to FERC and the FPSC? (Gardner & P.Lee)

No.

282. Referring to MFR Schedule B-7, page 7 of 16, Construction Work in Progress, line 11 shows an allocation of general plant to transmission in the amount of $423,000 (total company) with the following breakdown: (a) FPSC jurisdictional amount of $305,000, and (b) FERC jurisdictional amount of $118,000. Under a Florida peninsular ISO, will the total company amount of $423,000 be allocated to the FERC jurisdiction with no portion of this amount allocate to the FPSC jurisdiction? If not, please explain. (Gardner & P.Lee)

Since efforts to design the Florida peninsular ISO has just commenced pursuant to FPSC Order No. PSC-01-2489-FOF-EI issued December 20, 2001; it is not known for certain how the jurisdictional cost responsibility will be allocated.

283. Working Capital indicates allocations to the transmission function. Under a Florida peninsular ISO, will these allocated amounts be considered part of the transmission system and be transferred to FERC's jurisdiction? If so, what accounting adjustments, if any, will FPC make to its books and records? (Gardner & P.Lee)

The Company has no plans to make any adjustments to its current practices of maintaining its books and records. The allocation of working capital to the transmission function is performed for purposes of including all the costs related to the transmission function in developing transmission service costs for ratemaking purposes.

284. What portion of FPC's projected test year Plant in Service reflects FPC's transmission assets that will be under the operational control of a peninsular Florida RTO or regional ISO? (Gardner & P.Lee)

$950,871,000. This figure represents a revised figure from the amount described in Question 279 to recognize the classification of generator step-ups as production related. A revised MFR Schedule B-7 is provided in the Answer to Question 256 supporting the revised figure.

285. Please provide the portion of FPC's projected test year Accumulated Provision for Deprecation reflects FPC's transmission assets that will be under the operational control of a peninsular or regional ISO. (Gardner & P.Lee)

$437,342,000. This figure represents a revised figure from the amount provided in the originally filed MFR Schedule B-7 to recognize the classification of generator step-ups as production

related. A revised MFR Schedule B-7 is provided in the Answer to Question 256 supporting the revised figure.

286. Please provide the portion of FPC's projected test year depreciation expense that relates to FPC's transmission system that will be under the operational control of a peninsular ISO. (Gardner & P.Lee)

$30,628,000. This figure represents a revised figure from the amount provided in the originally filed MFR Schedule C-9 to recognize the classification of generator step-ups as production related. A revised MFR Schedule C-9 is provided in the Answer to Question 257 supporting the revised figure.

287. Please provide a detailed explanation on how the thirteen month average plant in service and accumulated depreciation were calculated for the projected test year, the prior year, and the historical year. (Gardner & P.Lee)

Prior Year (2000) – The prior year (2000) thirteen-month historical average for plant in service and accumulated depreciation was developed using actual monthly plant and accumulated depreciation data from the Florida Power Fixed Asset subsidiary ledger. The thirteen-month information was developed by extracting FERC level monthly additions, retirements, and accrued depreciation from the Fixed Asset subsidiary ledger. This information then built the monthly plant balances that ultimately calculated the thirteen-month average.

Projected Test Year (2002) - The projected test year (2002) thirteen-month average for plant in service and accumulated depreciation was developed using forecasted monthly plant and accumulated depreciation data from the 2002 forecast. The FPC Forecast does not forecast plant and reserve data to the FERC level, only to the functional plant level, i.e. steam, nuclear, other production, distribution, transmission, and general. The beginning balance (12/31/01) plant and reserve balances was calculated by taking functional level forecasted data and allocating this functional data to the FERC level using actual FERC level data as of May, 2001. The FPC 2002 forecast provided monthly functional level additions and depreciation that was allocated to the FERC level to develop monthly plant and reserve balances. 2002 retirements were forecasted to the FERC level. This 2002 data, i.e. additions, retirements, and depreciation expense, was used to calculate the monthly plant and reserve balances to the FERC level and thus calculate the thirteen month averages.

288. In regards to the Tiger Bay settlement approved by Order No. PSC-97-0652-S-EQ, issued June 9, 1997, in Docket No. 970096-EQ:

1. **Please provide documentation for the proposed $9 million adjustment shown on Schedule C-3c to accelerate the recovery of the Tiger Bay regulatory asset for the projected test year.**
2. **In what accounts are the regulatory asset and associated accumulated amortization recorded?**
3. **Please provide the portion of the Tiger Bay purchase price FPC is proposing to be included in rate base.**
4. **When does FPC currently project the regulatory asset will be fully amortized?**
5. **What portion, if any, of the projected test year $9 million amortization reflects an accelerated amortization?**
6. **For each year since the Tiger Bay regulatory asset was established, please provide the amortization FPC recorded and identify the accelerated amortization amount.**
7. **What is the actual amortization taken in 2001? (Gardner & P.Lee)**

A. See response to Publix First Set of Interrogatories to FPC Question #1.

B. 182.37

C. $75 million of the purchase price is in rate base.

D. By the end of 2003.

E. The $9 million is entirely accelerated amortization of the Tiger Bay regulatory asset.

F. See response to Citizen's Ninth Set of Interrogatories to FPC Question #137.

G. See response to Citizen's Ninth Set of Interrogatories to FPC Question #137.

289. Please provide the adjustments to the test year rate base and NOI to reflect the Commission's decision in each of the following dockets: Docket No. 001835-EI and Docket No. 991931-EI. (Gardner & P.Lee)

Rate Base
(thousands)

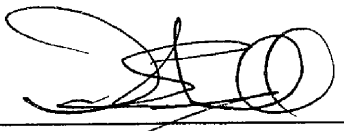
Adjustment	FERC	Jurisdictional Amount 13 Mo. Average Adjmt p/ Order*	Adjmt p/ MFRs	Increase/ (Decrease)
Nuclear Fuel (Net)				
Last Core Nuclear Fuel	228.51	$338	$360	($22)
Working Capital				
Nuclear M&S Inventory	228.52	$461	$472	($11)
Rate Base Effect				$33

NOI
(thousands)

Adjustment	FERC	Jurisdictional Amount 12 Mos Ended 12/31/02 Adjmt p/ Order*	Adjmt p/ MFRs	Increase/ (Decrease)
O&M				
Last Core Nuclear Fuel	518.00	$1,100	$1,172	($72)
Nuclear M&S Inventory	528.00	$1,500	$1,600	($100)
Pre Tax NOI Effect				$172
Income Tax				$66
After Tax NOI Effect				$106

* PSC-02-0055-PAA-EI

Respectfully submitted,



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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 28th day of January, 2002.

Mary Anne Helton, Esquire **
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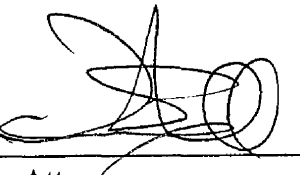

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