

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

STAFF NOTICE OF ALLEGED VIOLATIONS

(October 1, 2012)

Take notice¹ that in a nonpublic preliminary investigation pursuant to 18 C.F.R. Part 1b, the staff of the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has preliminarily determined that Florida Power Corporation d/b/a Progress Energy Florida (PEF) violated Section 205 of the Federal Power Act (FPA)² and the Commission's order granting PEF Market-Based Rate Authority (MBRA).³

PEF is an investor-owned, vertically-integrated public utility located in Florida. It is a subsidiary of Florida Progress Corporation, which, in turn, is a wholly-owned subsidiary of Progress Energy, Inc., a public utility holding company. PEF is engaged in the generation, purchase, transmission, distribution and sale of electricity. Pursuant to a 1997 order, the Commission granted PEF authorization to sell electric energy and capacity at market-based rates to unaffiliated entities outside of peninsular Florida.⁴

Staff alleges that PEF misreported approximately 1,300 transactions executed in peninsular Florida during the period 2004 – 2009, and that PEF violated Section 205 of the FPA and the Commission's order granting PEF MBRA by executing transactions at market-based rates within peninsular Florida. Specifically, staff alleges that from 2004 – 2009, PEF executed 11 transactions within peninsular Florida at rates in excess of those that would have been permitted under PEF's cost-based rate tariffs.

This Notice does not confer a right on third parties to intervene in the investigation or any other right with respect to the investigation.

Kimberly D. Bose,
Secretary.

¹ *Enforcement of Statutes, Regulations, and Orders*, 129 FERC ¶ 61,247 (2009), *order on reh'g*, 134 FERC ¶ 61,054 (2011).

² 16 USC § 824d (2006).

³ *Florida Power Corporation*, 79 FERC ¶ 61,385 (1997).

⁴ *Id.*

Document Content(s)

MS100112.DOC.....1-1