

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial Number
(850) 425-2359

October 10, 2005

BY HAND DELIVERY

Blanca Bayó
Director, Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 050007-EI

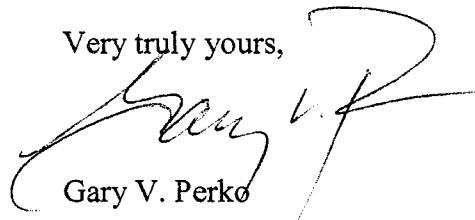
Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen copies of PEF's Preliminary List of Issues and Positions in the above docket. I also have enclosed a diskette containing the document in Microsoft Word format.

By copy of this letter, this document has been furnished to the parties on the attached certificate of service.

Please stamp and return the enclosed extra copy of this filing. If you have any questions regarding this filing, please give me a call at 425-2359.

Very truly yours,



Gary V. Perko

GVP/dwg
Enclosures
cc: Certificate of Service

DOCUMENT NUMBER-DATE

09694 OCT 10 03

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Preliminary Statement of Issues and Positions in Docket No. 050007-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 17th day of October, 2005.

Marlene Stern (*)
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James A. McGee
Progress Energy Services Co, LLC.
P.O. Box 14042
St. Petersburg, FL 33733-4042

Lee L. Willis, Esq.
James D. Beasley, Esq.
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302

Patricia Ann Christensen, Esq.
Office of Public Counsel
111 West Madison Street, Rm. 812
Tallahassee, FL 32399

Jeffrey A. Stone, Esq.
Russell A. Badders, Esq.
Beggs and Lane
P.O. Box 12950
Pensacola, FL 32576

Florida Industrial Power Users Group
c/o John W. McWhirter, Jr.
McWhirter Reeves
400 North Tampa Street, Suite 2450
Tampa, FL 33602

Vicki Gordon Kaufman, Esq.
Timothy J. Perry, Esq.
McWhirter Reeves, et al.
117 South Gadsden Street
Tallahassee, FL 32301

Florida Power & Light Co.
R. Wade Litchfield, Esq.
Natalie F. Smith, Esq.
700 Universe Blvd.
Juno Beach, FL 33408-0420

Florida Power & Light Co.
Bill Walker
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301

John T. Butler, Esq.
Squire, Sanders & Dempsey, LLP
200 S. Biscayne Bay Blvd, Suite 4000
Miami FL 33131-2398

Gulf Power Company
Susan Ritenour
One Energy Place
Pensacola, FL 32520-0780

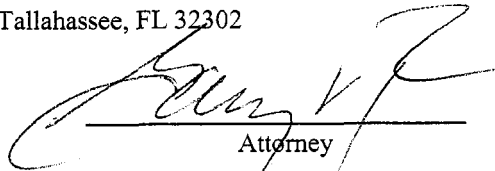
Tampa Electric Company
Angela Llewellyn
Regulatory Affairs
P.O. Box 111
Tampa, FL 33601-0111

Messer Law Firm
Norman Horton, Jr.
P.O. Box 1876
Tallahassee, FL 32302-1876

Florida Public Utilities Company
Ms. Cheryl Martin
P. O. Box 3395
West Palm Beach, FL 33402-3395

R. Alexander Glenn
Deputy General Counsel - Florida
Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, FL 33733

Landers Law Firm
Robert Scheffel Wright/John LaVia, III
P.O. Box 271
Tallahassee, FL 32302



Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

Docket No. 050007-EI
Filed: October 10, 2005

**PROGRESS ENERGY FLORIDA'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Pursuant to the requirements of the Order on Procedure (Order No. PSC-05-0264-PCO-EI), Progress Energy Florida, Inc. ("PEF") hereby submits its Preliminary List of Issues and Positions with respect to its Environmental Cost Recovery Clause (ECRC) for the period of January 2006 through December 2006. PEF's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

Issue 1 What are the final environmental cost recovery true-up amounts for the period ending December 31, 2004?

PEF: \$5,961,886 over-recovery (Portuondo)

Issue 2 What are the estimated environmental cost recovery true-up amounts for the period January 2005 through December 2005?

PEF: \$11,922,307 under-recovery (Portuondo)

Issue 3 What are the projected environmental cost recovery amounts for the period January 2006 through December 2006?

PEF: \$17,526,546 (Portuondo)

Issue 4 What are the environmental cost recovery amounts, including true-up amounts, for the period January 2006 through December 2006?

PEF: \$23,503,878 (Portuondo)

Issue 5 What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2006 through December 2006?

PEF: For 2006 final true-up purposes, the depreciation rates used to calculate the depreciation expense is based on the applicable rate per Exhibit 2 of the Stipulation and Settlement approved in Docket No. 050078-EI. (Portuondo)

Issue 6 What are the appropriate jurisdictional separation factors for the projected period January 2006 through December 2006?

PEF: The jurisdictional energy separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.
Transmission Average 12 CP demand jurisdictional factor - 70.597%
Distribution Primary demand jurisdictional factor - 99.597%
Jurisdictional Separation Study factors were used for production demand jurisdictional factor as Production Base - 93.753%, Production Intermediate - 79.046%, and Production Peaking - 88.979%.
(Portuondo)

Issue 7 What are the appropriate environmental cost recovery factors for the period January 2006 through December 2006, for each rate group?

PEF: The appropriate factors are as follows:

Rate Class	ECR Factor cents/kWh
Residential	0.062
General Service Non-Demand	
@ Secondary Voltage	0.060
@ Primary Voltage	0.059
@ Transmission Voltage	0.059
General Service 100% Load Factor	0.048
General Service Demand	
@ Secondary Voltage	0.056
@ Primary Voltage	0.055
@ Transmission Voltage	0.055
Curtailable	
@ Secondary Voltage	0.055
@ Primary Voltage	0.054
Interruptible	
@ Secondary Voltage	0.049
@ Primary Voltage	0.049
@ Transmission Voltage	0.048
Lighting	0.050

(Portuondo)

Issue 8 What should be the effective date of the environmental cost recovery factors for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2006, and thereafter through the last billing cycle for December, 2006. The first billing cycle may start before January 1, 2006, and the last billing cycle may end after December 31, 2006, so long as each customer is billed for twelve months regardless of when the factors became effective.
(Portuondo)

Company Specific Environmental Cost Recovery Issues

Issue 10A Should the Commission approve Progress Energy Florida's request for recovery through the Environmental Cost Recovery Clause of costs for its new Arsenic Groundwater Standard Program (No. 8), Sea Turtle Lighting Program (No. 9), and Underground Storage Tanks Program (No. 10)?

PEF: Yes. The costs for these programs meet the requirements of Section 366.8255 for recovery through the Environmental Cost Recovery Clause. (Portuondo, West, Hedrick)

RESPECTFULLY SUBMITTED this 10th day of October, 2005.

HOPPING GREEN & SAMS, P.A.

By: 

Gary V. Perko
Virginia C. Dailey
P.O. Box 6526
Tallahassee, FL 32314
(850) 222-7500

and

R. Alexander Glenn
Deputy General Counsel-Florida
Progress Energy Service Co., LLC
100 Central Avenue
St. Petersburg, FL 33701-3324

Attorneys for Progress Energy
Florida, Inc.