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July 14, 2006

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. 060007-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 425-2346.

Very truly yours,


Carolyn S. Raepple

CSR/dwg
Enclosures
cc: Certificate of Service

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Preliminary List of New Projects for Cost Recovery in Docket No. 060007-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 17th day of July, 2006.

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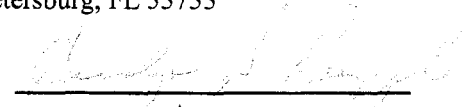
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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental cost recovery clause.

Docket No. 060007-EI

Dated: July 14, 2006

**PROGRESS ENERGY FLORIDA, INC.'S PRELIMINARY
LIST OF NEW PROJECTS FOR COST RECOVERY**

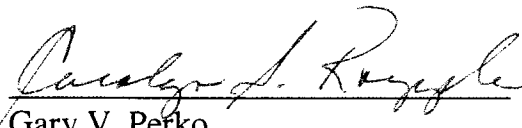
PROGRESS ENERGY FLORIDA, INC., (PEF), hereby submits its preliminary description and justification for new projects for which PEF may seek cost recovery under the environmental cost recovery clause.

Modular Cooling Tower Project: The Florida Department of Environmental Protection's (FDEP's) environmental permit requirements for PEF's Crystal River plant establish a thermal limit on the temperature of discharged cooling water. In past years, during periods of unusually high inlet water temperatures that exceeded the permanent cooling towers' cooling capacity, PEF has de-rated Crystal River Units 1 or 2 (CR-1 or CR-2) or both to achieve compliance with the FDEP's thermal discharge limits. When de-ratings occur, PEF must replace the lost generation by using more expensive oil or gas-fired units, or by purchasing higher-cost power on the open market. Due to weather conditions beyond the control of PEF, in the summer of 2005, record high temperatures in the Crystal River inlet water, with attendant de-ratings, were experienced. The Modular Cooling Tower Project will enable PEF to assess whether the thermal de-rate problem is a temporary or cyclical phenomenon before costs are unnecessarily expended on a permanent solution. PEF is seeking approval for cost recovery for the Modular Cooling Tower Project under the Environmental Cost Recovery Clause (ECRC) in the separate PSC Docket 060162, as the cost of this Project are not currently reflected in PEF's existing base rates. If cost-recovery is approved in that separate docket, PEF will seek recovery in this ECRC docket of its prudent and reasonable costs to implement the Modular Cooling Tower Project

incurred since the filing of its original petition in Docket 060162 as well as projected future costs.

RESPECTFULLY SUBMITTED this 14th day of July, 2006.

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