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August 25, 2006

Ms. Blanca S. Bayó, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition of Progress Energy Florida, Inc. to Amend Residential Rate
Schedule RS-1; Docket No. 060574 -E1

Dear Ms. Bayó:

Please find enclosed for filing the original and fifteen (15) copies of Petition of
Progress Energy Florida, Inc. to Amend Residential Rate Schedule RS-1.

Please acknowledge receipt of this filing by stamping the extra copy of this letter
and returning to the undersigned. Also, enclosed is a 3 ½ inch diskette containing the
petition in Word format.

Thank you for your assistance in this matter.

Sincerely,

John T. Burnett LMS
John T. Burnett

*Original Schedule + Disk
forwarded to ECR*

JTB/lms
Enclosure

Progress Energy Florida, Inc.
106 E. College Avenue
Suite 800
Tallahassee, FL 32301

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FPSC-BUREAU OF RECORDS

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy
Florida, Inc. to Amend Residential
Rate Schedule RS-1

Docket No.: 060574-E1

Submitted for filing:
August 25, 2006

PETITION

Progress Energy Florida, Inc. ("PEF"), hereby petitions the Commission for approval to amend Rate Schedule RS-1 to clarify the calculation of energy charges for prorated bills. A copy of the proposed revised rate schedule in legislative and final format is attached hereto as Composite Exhibit A. In support of its Petition, PEF states as follows:

1. PEF is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF's General Offices are located at 100 Central Avenue, St. Petersburg, FL 33701.
2. All notices, pleadings and other communications required to be served on petitioner should be directed to:

John T. Burnett, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5249

For express deliveries by private courier, the address is:

100 Central Avenue
Suite CX1D
St. Petersburg, FL 33701

3. Rate Schedule RS-1 ("RS-1") is PEF's standard residential service rate tariff. Under RS-1, energy charges are calculated on a tiered basis. For the

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FPSC-COMMISSION CLERK

first 1000kWh of use, the base rate is 3.315 cents per kWh and the fuel adjustment rate is 4.979 cents per kWh. All additional use after the first 1000kWh is billed at 4.315 cents per kWh for base rates and 5.979 cents per kWh for the fuel adjustment. The other adjustment clause rates are not tiered (i.e. the rate is the same for all kWh levels)

4. Sections 8.01 and 8.02 of PEF's General Rules and Regulations governing electric service and Rule 25-6.100, Florida Administrative Code dictate certain situations where customer bills must be prorated. However neither these sections/rules nor Schedule RS-1 specifically state how energy charges should be calculated on a prorated bill under the aforementioned tiered charges.

5. In applying its tiered energy charges to prorated bills, PEF has historically calculated such charges in the following manner:

A proration factor is determined by dividing the actual number of days of the bill by 30 (normal billing period). This factor is then multiplied by the 1000 kWh breakpoint above to determine the equivalent breakpoint kWh for the 1st and 2nd tier prices. This equivalent breakpoint kWh is then applied to the customer's actual kWh usage to determine the amount of kWhs priced at the 1st and 2nd tier prices.

This calculation methodology is consistent with how other utilities calculate such prorations and has been accepted by PSC Staff on at least one occasion in the context of a customer complaint resolution. See PSC Complaint No. 489165E.

6. To avoid any question as to how PEF should calculate prorations under RS-1, PEF proposes to amend RS-1 in the manner set forth in Composite Exhibit A to specifically set forth PEF's calculation methodology. The proposed amendments promote the intent of PEF's tiered rates under RS-1, the promotion of demand side energy conversation, and are both logically and technically consistent with the application of Schedule RS-1.

WHEREFORE, PEF respectfully requests that the Commission grant this petition and approve the amendments to RS-1 as set forth in Composite Exhibit A.

Respectfully submitted,

PROGRESS ENERGY FLORIDA, INC.

s/ John T. Burnett LMS

John T. Burnett

Fla. Bar No. 173304

Associate General Counsel

Progress Energy Service Company, LLC

Post Office Box 14042

St. Petersburg, FL 33733-4042

Telephone: (727) 820-5184

Facsimile: (727) 820-5249

Attorney for Progress Energy Florida, Inc.

Composite Exhibit A

Rate Schedule RS-1
(Clean Version)

**RATE SCHEDULE RS-1
RESIDENTIAL SERVICE****Availability:**

Available throughout the entire territory served by the Company.

Applicable:

To residential customers in a single dwelling house, a mobile home, or individually metered single apartment unit or other unit having housekeeping facilities, occupied by one family or household as a residence. The premises of such single dwelling may include an additional apartment with separate housekeeping facilities, as well as a garage and other separate structures where they are occupied or used solely by the members or servants of such family or household. Also, for energy used in commonly-owned facilities in condominium and cooperative apartment buildings subject to the following criteria:

1. 100% of the energy is used exclusively for the co-owner's benefit.
2. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee.
3. Each point of delivery is separately metered and billed.
4. A responsible legal entity is established as the customer to whom the Company can render its bill(s) for said service.

Character of Service:

Continuous service, alternating current, 60 cycles per second, single-phase or three-phase, at the Company's standard available distribution voltage. Three-phase service, if available, will be supplied only under the conditions set forth in the Company's booklet "Requirements for Electric Service and Meter Installations."

Limitation of Service:

Standby or resale service not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations for Electric Service."

Rate Per Month:

Customer Charge: \$ 8.03

Demand and Energy Charges:**Non-Fuel Energy Charges:**

First 1,000 kWh 3.315¢ per kWh
All additional kWh 4.315¢ per kWh

Plus the Cost Recovery Factors listed in
Rate Schedule BA-1, *Billing Adjustments*,
except the Fuel Cost Recovery Factor: See Sheet No. 6.105 and 6.106

See also provision below for calculation of Energy Charges for a prorated bill

Additional Charges:

Fuel Cost Recovery Factor: See Sheet No. 6.105
Gross Receipts Tax Factor: See Sheet No. 6.106
Right-of-Way Utilization Fee: See Sheet No. 6.106
Municipal Tax: See Sheet No. 6.106
Sales Tax: See Sheet No. 6.106

(Continued on Page No. 2)

ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning

EFFECTIVE:

**RATE SCHEDULE RS-1
RESIDENTIAL SERVICE**
(Continued from Page No. 1)

Minimum Monthly Bill:

The Minimum Monthly Bill shall be the Customer Charge.

Terms of Payment:

Bills rendered hereunder are payable within the time limit specified on bill at company-designated locations.

Term of Service:

From billing period to billing period, until receipt of notice by the Company from the customer to disconnect, or upon disconnect by the Company under Florida Public Service Commission or Company rules.

Calculation of Energy Charges for a Prorated Bill

In the event that a customer's bill shall be prorated as required by Commission rule and as provided for in Company rules and regulations, the monthly Non-Fuel Energy Charge shall be calculated in the following manner:

A proration factor is determined by dividing the actual number of days of the bill by 30 (normal billing period). This factor is then multiplied by the 1000 kWh breakpoint above to determine the equivalent breakpoint kWh for the 1st and 2nd tier prices above. This equivalent breakpoint kWh is then applied to the customer's actual kWh usage to determine the amount of kWhs priced at the 1st and 2nd tier prices above.

Budget Billing Plan (Optional):

A customer may elect to be billed for service hereunder by an alternative-billing plan called the "Budget Billing Plan." This billing plan provides for payments on an averaged monthly installment basis rather than payments on an actual monthly usage basis.

Under the Budget Billing Plan, the monthly billing is determined as follows:

1. The Annual Base Amount is calculated using the most recent twelve (12) months' billings for the premise and then averaged and rounded to the nearest whole dollar (Monthly Budget Billing Amount). If the customer has not resided at the premise for twelve (12) months, the Annual Base Amount will be determined by the customer's available monthly billings plus the previous occupant's billings. If the premise is new, a twelve (12) month estimated billing would be used.
2. The Monthly Budget Billing Amount is recalculated every third month using the most recent Annual Base Amount plus any deferred balances (the difference in prior billings made under the Budget Billing Plan and that of actual charges).

$$\text{Monthly Budget Billing Amount} = \frac{\text{12 Month Summation Actual or Est. Annual Base} + \text{Deferred Balance}}{12}$$

If the difference between the newly calculated Monthly Budget Billing Amount and the current Monthly Budget Billing Amount is greater than \$5 or 10%, then the Monthly Billing Amount will be re-established at the newly calculated amount (rounded to the nearest whole dollar).

3. At the customer's option (in lieu of carrying the deferred balance forward in the recalculation of the Monthly Budget Billing Amount) any deferred balance that is outstanding at the customer's annual review may be settled either through being applied to the customer's next bill (if a credit balance) or direct payment to the Company (if a debit balance).

A customer may request termination of the Budget Billing Plan at any time. The Company may terminate application of the Plan to any Customer whose balance due becomes sixty (60) days delinquent. Upon termination of the Plan or disconnection of service, the Customer must settle the account in full. Once the Customer has terminated, he or she may not rejoin the plan for twelve (12) months.

Composite Exhibit A

Rate Schedule RS-1
(Legislative Version)

**RATE SCHEDULE RS-1
RESIDENTIAL SERVICE****Availability:**

Available throughout the entire territory served by the Company.

Applicable:

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Municipal Tax: See Sheet No. 6.106
Sales Tax: See Sheet No. 6.106

(Continued on Page No. 2)

ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning Mark A. Myers, Vice President, Finance

EFFECTIVE: August 1, 2005

**RATE SCHEDULE RS-1
 RESIDENTIAL SERVICE**
 (Continued from Page No. 1)

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