

# ORIGINAL

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchase Power Cost ) Docket No. 060001-EI  
 Recovery Clause and Generating )  
 Performance Incentive Factor. ) Filed: October 25, 2006

**SUPPLEMENTAL PETITION OF PROGRESS ENERGY FLORIDA  
 FOR APPROVAL OF ITS REVISED FUEL AND CAPACITY COST RECOVERY  
 FACTORS FOR JANUARY THROUGH DECEMBER 2007  
 AND REVISED FUEL AND CAPACITY COST RECOVERY  
 ESTIMATED/ACTUAL TRUE-UP  
FOR JANUARY THROUGH DECEMBER 2006**

Progress Energy Florida ("PEF"), pursuant to Order No. 9273 in Docket No. 74680-CI, Order No. 10093 in Docket No. 810001-EU, Order No. 13694 in Docket No. 840001-EI, and Commission Directives of April 24 and April 30, 1980, hereby petitions this Commission (1) to approve: (a) 5.166 cents per kWh as its levelized Fuel and Purchased Power Cost Recovery ("FCR") charge, with a two tiered rate of 4.832 cents per kWh for the first 1,000 kWh and 5.832 cents per kWh thereafter, and (b) .964 cents per kWh as its Capacity Cost Recovery ("CCR") charge for the January through December 2007 billing period, with all such charges and factors to become effective starting with meter readings scheduled to be read on or after the first billing cycle of 2007; and (2) to approve PEF's revised estimated/actual: (a) FCR true-up of \$33,016,382 over-recovery and (b) CCR true-up of \$4,799,289 under-recovery, which incorporate actual data through September 2006 and updated projections for October 2006 through December 2006. In support of this Supplemental Petition, PEF states as follows:

1. On August 8, 2006 and September 1, 2006, PEF filed its petitions and supporting testimonies and exhibits ("original filings") seeking approval of PEF's FCR

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and CCR estimated/actual true-up for 2006 and PEF's FCR and CCR charges for 2007, respectively. The FCR charges included in these original filings were based on fuel price projections as of May 31, 2006, the most current information that could be accommodated. Subsequent to the original filings, the fuel price projections for residual fuel oil and natural gas have declined substantially. As a result, PEF has updated fuel prices for all fuel commodities and has re-dispatched its generation and purchased power resources based on fuel price projections as of October 5, 2006. These price projections continue to be reasonable at the time of the filing of this supplemental petition. PEF has also updated its CCR filings to include new winter and summer peaking contracts entered into subsequent to its original filings, and PEF has updated its incremental security projections based on more current information. This Supplemental Petition seeks approval of the recalculated 2007 FCR and CCR charges and 2006 estimated/actual FCR and CCR true-ups, in lieu of those presented in its original filings. PEF respectfully requests that the Commission approve the original filings in all other respects.

2. The calculations of the revised FCR charges for the period January through December 2007 are contained in Javier Portuondo's prepared supplemental Testimony and Exhibit \_\_JP-1S, Section A, which are being filed together with the Supplemental Petition and are incorporated herein by reference.

3. The revised estimated/actual \$33,016,382 FCR over-recovery for the period January through December 2006 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This estimated/actual FCR over-recovery has been revised from that filed on August 8, 2006 to include three more months of actual data and to reflect updated projection data for the

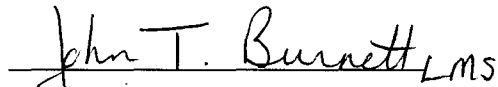
remainder of 2006. PEF's revised total true-up over-recovery is \$32,631,327. This consists of the \$33,016,382 revised estimated/actual over-recovery for 2006, decreased by the final under-recovery of \$385,055 for the period ending December 2005 filed March 1, 2006. The calculations of the revised 2006 estimated/actual true-up amount are contained in Javier Portuondo's prepared supplemental Testimony and Exhibit \_\_JP-1S, Section B, which are being filed together with the Supplemental Petition and are incorporated herein by reference.

4. The estimated/actual \$4,799,289 CCR under-recovery for the period January through December 2006 has been revised from that filed on August 8, 2006 to include three more months of actual data and to reflect updated projection data for the remainder of 2006. PEF's revised total true-up under-recovery is \$5,380,565. This consists of the \$4,799,289 revised estimated/actual under-recovery for 2006, plus the final under-recovery of \$581,276 for the period ending December 2005 filed March 1, 2006. The calculations of the revised 2006 estimated/actual true-up amount are contained in Javier Portuondo's prepared supplemental Testimony and Exhibit \_\_JP-1S, Section C, which are being filed together with the Supplemental Petition and are incorporated herein by reference.

5. Under PEF's levelization proposal, the residential bill for 1,000 kWh for the period January through December 2007 is \$110.69, which includes a base rate charge of \$41.18, a fuel recovery charge of \$48.32, a capacity cost recovery charge of \$11.32, a conservation charge of \$1.96, an environmental cost recovery charge of \$1.53, gross receipts tax of \$2.77, and a storm surcharge of \$3.61.

WHEREFORE, PEF respectfully requests this Commission: (1) to approve (a) 5.166 cents per kWh as PEF's levelized Fuel and Purchased Power Cost Recovery ("FCR") charge, with a two tiered rate of 4.832 cents per kWh for the first 1,000 kWh and 5.832 cents per kWh thereafter, and (b) .964 cents per kWh as PEF's Capacity Cost Recovery ("CCR") charge for the January through December 2007 billing period, with all such charges and factors to become effective starting with meter readings scheduled to be read on or after the first billing cycle of 2007; and (2) to approve PEF's revised estimated/actual (a) FCR true-up of \$33,016,382 over-recovery and (b) CCR true-up of \$4,799,289 under-recovery, which incorporate actual data through September 2006 and updated projections for October 2006 through December 2006.

RESPECTFULLY SUBMITTED this 25<sup>th</sup> day of October, 2006.

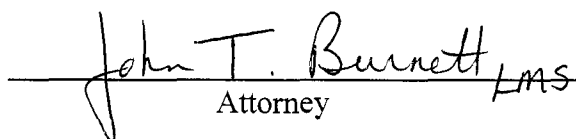
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing in Docket No. 060001-EI has been furnished by regular U.S. mail to the following this 25<sup>th</sup> day of October, 2006.

  
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