



August 29, 2008

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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Re: Docket No. 080001-EI; **CONFIDENTIAL INFORMATION ENCLOSED**

Dear Ms. Cole:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen (15) copies of the following:

- PEF's Petition for approval of fuel and purchase power cost recovery factors for the period January 2009 through December 2009; **07898-08**
- Testimony of Marcia Olivier with Exhibit No. ___ (MO-2); **07899-08**
- Testimony of Joseph McCallister with Exhibit No. ___ (JM-1P) and Exhibit No. ___ **07900-08** (JM-2P);
- Testimony of Robert M. Oliver with Exhibit No. ___ (RMO-1); and **07901-08**
- PEF's Request for Confidential Classification for portions of Exhibit No. ___ (MO-2) of the testimony of Marcia Olivier and to portions of the testimony of Joseph McCallister, Exhibit No. ___ (JM-1P) and Exhibit No. ___ (JM-2P), along with a package containing two (2) redacted copies of the confidential documents and a separate envelope labeled "Confidential" containing one (1) unredacted copy of the exhibits with the confidential information highlighted in yellow.

Please acknowledge receipt and filing of the above by stamping a copy of this letter and returning to me. If you should have any questions, please feel free to contact me at (727) 820-5184.

Thank you for your assistance in this matter.

Respectfully yours,

John T. Burnett lms
John T. Burnett

JTB/lms
Enclosures

cc: Certificate of Service

DOCUMENT NUMBER-DATE

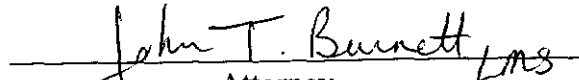
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via regular U.S. mail to the following this 27th day of August, 2008.


Attorney

<p>Lisa Bennett, Esq. Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p> <p>James D. Beasley, Esq. Lee L. Willis, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302</p> <p>Joseph A. McGlothlin, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601</p> <p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p> <p>Natalie F. Smith Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p> <p>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p>	<p>Florida Industrial Power Users Group c/o John W. McWhirter, Jr. McWhirter Reeves & Davidson, P.A. P.O. Box 3350 Tampa, FL 33601-3350</p> <p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p> <p>John T. Butler, Esq. R. Wade Litchfield, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p> <p>Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p> <p>Mehrdad Khojasteh Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p> <p>Mr. James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p>
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchase Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor)

Docket No. 080001-EI
Filed: August 29, 2008

**PETITION FOR APPROVAL OF FUEL AND PURCHASE POWER COST RECOVERY
FACTORS FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of its proposed fuel and capacity cost recovery factors for the period January 2009 through December 2009. In support of this Petition, PEF states as follows:

Fuel Cost Recovery Factors

1. PEF's proposed fuel cost recovery factors are presented in the pre-filed testimony and exhibit of Marcia Olivier. Schedule E1, Part 2 of Exhibit No. __ (MO-2) shows the calculation of the Company's basic fuel cost factor of 7.317 cents/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 6.7536 cents/kWh (adjusted for jurisdictional losses), a GPIF reward of 0.00533 cents/kWh, and an estimated prior period under-recovery true-up of 0.55323 cents/kWh. Utilizing this basic factor, Schedule E1-D shows the calculation and supporting data for the Company's final levelized fuel cost factors for service taken at secondary, primary, and transmission metering voltage levels.

Capacity Cost Recovery Factors

2. The calculation of PEF's proposed capacity cost recovery (CCR) factors is shown in Part 3 of Exhibit No. __ (MO-2). The proposed CCR factors allocate capacity costs to rate classes in the same manner that they would be allocated if they were recovered in base rates. As shown on page 5 of Part 3, the average retail capacity CCR factor is 1.847 cents/kWh.

Other Issues

3. PEF has calculated that it is subject to a GPIF reward of \$2,167,933 for the performance experienced during the period January 1, 2007 through December 31, 2007. The

DOCUMENT NUMBER-DATE

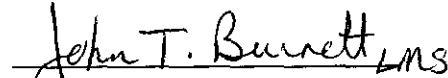
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Company is also proposing GPIF targets and ranges for the period January 1, 2009 through December 31, 2009 with such proposed targets and ranges being detailed in the testimony and exhibits of PEF witness Robert M. Oliver.

WHEREFORE, Progress Energy Florida, Inc., respectfully requests that the Commission approve the Company's fuel and capacity cost recovery true-ups and proposed fuel and capacity cost recovery factors for the period January 2009 through December 2009 as set forth in the testimony and supporting exhibit of Marcia Olivier filed on August 29, 2008.

Respectfully submitted,

Handwritten signature of John T. Burnett in cursive, with the initials "LMS" written at the end.

R. ALEXANDER GLENN
General Counsel – Florida
JOHN T. BURNETT
Associate General Counsel – Florida
PROGRESS ENERGY SERVICE COMPANY, LLC
299 – First Avenue North
St. Petersburg, FL 33701