

Hopping Green & Sams

Attorneys and Counselors

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

October 7, 2003

BY HAND DELIVERY

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

Re: Progress Energy Florida
In re Environmental Cost Recovery Clause
Docket No. 030007-EI

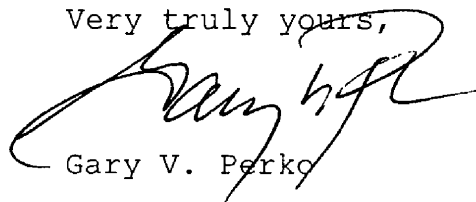
Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida (PEF) are the original and fifteen (15) copies of PEF's Preliminary List of Issues and Positions in the above-referenced docket.

By copy of this letter, the 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/mee
Enclosures

DOCUMENT NUMBER DATE

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental cost)
recovery clause.)
_____)

Docket No. 030007-EI
Filed: October 7, 2003

PROGRESS ENERGY FLORIDA'S
PRELIMINARY LIST OF ISSUES AND POSITIONS

The following is Progress Energy Florida's (PEF's)
preliminary Statement of Issues and Positions:

1. What are the final environmental cost recovery true-up amounts for the period ending December 31, 2002?

PEF: \$38,833 under-recovery

2. What are the estimated environmental cost recovery true-up amounts for the period January 2003 through December 2003?

PEF: \$10,820,135 under-recovery

3. What are the total environmental cost recovery true-up amounts to be collected or refunded during the period January 2004 through December 2004?

PEF: \$10,858,968 under-recovery

4. What are the projected environmental cost recovery amounts for the period January 2004 through December 2004?

PEF: \$10,227,719

5. What are the environmental cost recovery amounts, including true-up amounts and adjusted for revenue taxes, for the period January 2004 through December 2004?

PEF: \$21,101,869

6. What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2003 through December 2003?

PEF: For 2003 final true-up purposes, the depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service as approved by the FPSC.

7. What are the appropriate jurisdictional separation factors for the projected period January 2004 through December 2004?

PEF: The energy jurisdictional separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales. The demand jurisdictional factors used for the 2004 projection period are as follows:
Transmission demand jurisdictional factor - .7211500
Distribution demand jurisdictional factor - .9952900
Production demand jurisdictional factor - .9184800
For 2003 and 2004 actual purposes, PEF will use stratified separation factors.

8. What are the appropriate environmental cost recovery factors for the period January, 2004, through December, 2004, for each rate group?

PEF: The appropriate factors are as follows:

Rate Class	ECR Factor cents/kWh
Residential	0.061
General Service Non-Demand	
@ Secondary Voltage	0.058
@ Primary Voltage	0.058
@ Transmission Voltage	0.057
General Service 100% Load Factor	0.032
General Service Demand	
@ Secondary Voltage	0.048
@ Primary Voltage	0.047
@ Transmission Voltage	0.047
Curtailable	
@ Secondary Voltage	0.057
@ Primary Voltage	0.056
Interruptible	
@ Secondary Voltage	0.037
@ Primary Voltage	0.037
@ Transmission Voltage	0.037
Lighting	0.051

9. What should be the effective date of the environmental cost recovery factors for billing purposes?

PEF: The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January, 2004, through December, 2004. Billing cycles may start before January 1, 2004, and the last cycle may be read after December 31, 2004, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

10. Should the Commission approve Progress Energy Florida's request for recovery through the Environmental Cost Recovery Clause of costs for its Pipeline Integrity Management Program (No. 3) and Aboveground Storage Tank Secondary Containment Projects (No. 4)?

PEF: Yes, these costs meet the requirements of Section 366.8255 for recovery through the Environmental Cost Recovery Clause.

RESPECTFULLY SUBMITTED this 7th day of October, 2003.

HOPPING GREEN & SAMS, P.A.

By: 

Gary V. Perko
P.O. Box 6526
Tallahassee, FL 32314
(850) 425-2313

and

James A. McGee
Associate General Counsel
Florida Power Corporation
100 Central Avenue
St. Petersburg, FL 33701-3324

Attorneys for Progress Energy
Florida, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. mail and/or hand-delivery (*) to the following in Docket No. 030007-EI this 7th day of October, 2003.

Marlene Stern*
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

James A. McGee
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, FL 33733-4042

John T. Butler, Esq.
Steel Hector & Davis, LLP
200 S. Biscayne Bay Blvd, Ste.
Miami, FL 33131-2398

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

Robert Vandiver, 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

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, et al.
P.O. Box 3350
Tampa, FL 33601-3350

Vicki Gordon Kaufman, Esq.
Joseph A. McGlothlin, Esq.
McWhirter Reeves, et al.
117 South Gadsden Street
Tallahassee, FL 32301

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

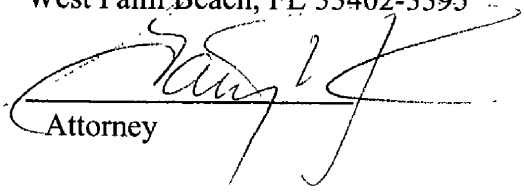
Florida Power & Light Co.
Bill Walker
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301

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

Progress Energy Florida, Inc.
Bonnie Davis
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740

Florida Public Utilities Company
Mr. John T. English
P. O. Box 3395
West Palm Beach, FL 33402-3395


Attorney