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State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32309-0050

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COMMISSION CLERK

DATE: August 2, 2004
TO: All Parties of Record
FROM: Adrienne Vining - Economic Regulation Section - Office of the General Counsel *AEV*
RE: Docket No. 040001-EI - Fuel and Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor.

VIA ELECTRONIC MAIL

Please note that the Commission Staff will conduct an informal status meeting with Progress Energy Florida, Inc. (Progress) in the above-referenced docket at the following time and place:

10:00 a.m., Thursday, August 26, 2004
 Florida Public Service Commission
 Room 362, Gerald L. Gunter Building
 2540 Shumard Oak Blvd.
 Tallahassee, Florida

The purpose of this meeting is to conduct a review of various topics that impact or may impact Progress's fuel revenues and costs. Attached is a draft meeting agenda to allow parties the opportunity to review and provide input to the agenda. After receiving feedback from the parties, staff will prepare and distribute the final meeting agenda at least seven days prior to the meeting.

This meeting will be the third of the periodic status meetings to be conducted with Progress Energy Florida, Inc. in 2004 pursuant to the arrangements discussed at the January 22, 2004, meeting between staff and all the parties. Parties wishing to participate by phone should call (850)921-6433 or *Suncom* 291-6433 at the start time for this meeting.

CMP _____

COM _____

CTR _____

ECR _____

GCL _____ *AEV/jb*

OPC _____ *ee:* Division of Economic Regulation

MMS _____ Division of Regulatory Compliance and Consumer Assistance

RCA _____ Division of the Commission Clerk and Administrative Services (Docket File)

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OTH *k. Pena*

If you have any questions concerning this meeting, please call me at (850) 413-6183.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Draft Agenda for Progress Energy Florida's 3rd Quarter Meeting
Docket No. 040001-EI
August 26, 2004

For purposes of discussion, staff will accept data provided in PEF's A-schedules for April through June 2004 as filed. Unless otherwise noted, time period for the these questions is April, May, and June 2004. Please respond to the following:

1. What date did PEF experience its firm peak demand? What was the level of PEF's firm peak demand on that date?
 - A. On that date, how much energy did PEF produce from its own generation resources?
 - B. On that date, how much firm energy did PEF purchase on the wholesale energy market?
 - C. On that date, how much non-firm energy did PEF purchase on the wholesale energy market?
 - D. On that date, how much firm energy did PEF sell on the wholesale energy market?
 - E. On that date, how much non-firm energy did PEF sell on the wholesale energy market?
 - F. On that date, what level of planned outages did PEF experience?
 - G. On that date, what level of unplanned outages did PEF experience?
2. What date did PEF experience its highest level of system net generation? What was the level of system net generation on that date?
 - A. On that date, how much firm energy did PEF purchase on the wholesale energy market?
 - B. On that date, how much non-firm energy did PEF purchase on the wholesale energy market?
 - C. On that date, how much firm energy did PEF sell on the wholesale energy market?
 - D. On that date, how much non-firm energy did PEF sell on the wholesale energy market?

- E. On that date, what level of planned outages did PEF experience?
 - F. On that date, what level of unplanned outages did PEF experience?
3. What date did PEF experience its highest level of wholesale energy purchases (firm and non-firm)? What was the level of wholesale energy purchases on that date?
- A. On that date, how much energy did PEF produce from its own generation resources?
 - B. On that date, how much firm energy did PEF sell on the wholesale energy market?
 - C. On that date, how much non-firm energy did PEF sell on the wholesale energy market?
 - D. On that date, what level of planned outages did PEF experience?
 - E. On that date, what level of unplanned outages did PEF experience?
4. What date did PEF experience its highest level of wholesale energy sales (firm and non-firm)? What was the level of PEF's wholesale energy sales on that date?
- A. On that date, how much energy did PEF produce from its own generation resources?
 - B. On that date, how much firm energy did PEF purchase on the wholesale energy market?
 - C. On that date, how much non-firm energy did PEF purchase on the wholesale energy market?
 - D. On that date, what level of planned outages did PEF experience?
 - E. On that date, what level of unplanned outages did PEF experience?
5. What date did PEF experience its highest level of outages (planned and unplanned)? What was the level of PEF's outages on that date?
- A. On that date, how much energy did PEF produce from its own generation resources?
 - B. On that date, how much firm energy did PEF purchase on the wholesale energy market?

- C. On that date, how much non-firm energy did PEF purchase on the wholesale energy market?
 - D. On that date, how much firm energy did PEF sell on the wholesale energy market?
 - E. On that date, how much non-firm energy did PEF sell on the wholesale energy market?
6. What date did PEF experience its lowest level of coal inventory? What was the level of PEF's coal inventory on that date?
- A. From that date until PEF received its next coal shipment, how much energy did PEF generate per day from its own resources?
 - B. From that date until PEF received its next coal shipment, how much firm energy did PEF purchase on the wholesale energy market?
 - C. On that date until PEF received its next coal shipment, how much non-firm energy did PEF purchase on the wholesale energy market?
 - D. On that date until PEF received its next coal shipment, how much firm energy did PEF sell on the wholesale energy market?
 - E. On that date until PEF received its next coal shipment, how much non-firm energy did PEF sell on the wholesale energy market?
7. On how many instances did weather conditions delay the delivery of coal shipments to PEF? Please provide details for each instance.
8. Please respond to the following questions regarding capital expenditures:
- A. What is the budgeted amount for capital expenditures in 2005 for maintaining and improving PEF's existing generation units?
 - B. What is the process that PEF follows when deciding which capital projects will be funded?
 - C. What criteria must a proposed capital project meet before PEF will finance the project?
 - D. When evaluating a proposed capital project, does PEF consider base rate cash flows equal to cost recovery clause cash flows?

E. What planning documents does PEF prepare on plant-level operations on a month-ahead or year-ahead basis?

9. Why did PEF incur an as-burned natural gas cost of \$6.93/MCF in June 2004 compared with PEF's estimated as-burned natural gas cost of \$5.79/MCF and FPL's actual as-burned natural gas cost of \$6.65/MCF for the same month?
10. What impact would an average as-burned natural gas cost of \$8.00/MCF through 2005 have on PEF's 2005 levelized fuel factor?
11. What impact would a \$50 per barrel world oil price through 2005 have on PEF's 2005 levelized fuel factor?
12. Please provide any recent changes to PEF's fuel price hedging strategies and activities.
13. Intervening parties' comments.
14. What's next?