



ORIGINAL

JAMES A. MCGEE  
ASSOCIATE GENERAL COUNSEL  
PROGRESS ENERGY SERVICE COMPANY, LLC

November 2, 2004

VIA HAND DELIVERY

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

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NOV -2 PM 4:37  
COMMISSION  
CLERK

Re: Docket No. 040001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., are an original and fifteen copies of its Motion for Leave to File Supplemental Testimony and the Supplemental Direct Testimony of Donna M. Davis proffered therewith.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3½ inch diskette containing the above-referenced documents in Word format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

- CMP \_\_\_\_\_
- COM 5
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_ JAM/scc
- GCL \_\_\_\_\_ Enclosures
- OPC \_\_\_\_\_ cc: Parties of record
- MMS \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SEC 1
- OTH Kim P.

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FPSC BUREAU OF RECORDS

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DOCUMENT NUMBER-D/

11810 NOV-2

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ok 11/15/04  
Vam

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Fuel and Purchased Power Cost  
Recovery Clause and Generating  
Performance Incentive Factor.

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Docket No. 040001-EI  
Submitted for filing:  
November 2, 2004

**PROGRESS ENERGY FLORIDA'S MOTION FOR  
LEAVE TO FILE SUPPLEMENTAL TESTIMONY**

Progress Energy Florida ("Progress Energy" or the "Company"), hereby moves the Prehearing Officer for leave to file the supplemental direct testimony of Donna M. Davis proffered herewith. In support of its motion, Progress Energy states as follows:

1. At the recent Prehearing Conference on October 25, 2004, the Office of Public Counsel (OPC) requested the Prehearing Officer to add the following issue for consideration by the Commission at the hearing commencing on November 8, 2004:

Pursuant to Order No. PSC-94-0390-FOF-EI, in Docket No. 940001-EI, issued April 4, 1994, should the Commission make an adjustment to Progress Energy Florida's 2001-2003 waterborne coal transportation costs to account for transloading costs for coal commodity contracts which are quoted FOB Barge?

2. This issue was initially included in Staff's Preliminary List of Issues filed on October 4, 2004. Staff subsequently withdrew the issue following an informal meeting with Progress Energy on Friday, October 15, 2004 to determine whether this and one other issue could be resolved. OPC and FIPUG participated in the meeting

and advised Staff at its conclusion that they would concur with whatever position Staff decided to take on the two issues. Later that day Staff informed the Company that each issue had been resolved to Staff's satisfaction and that they would be withdrawn. The following week OPC notified Progress Energy of its intention to take the depositions of Company representatives Donna Davis and Javier Portuondo regarding the issue now in question, which the Company agreed to schedule on October 26, 2004.

3. These events and activities regarding OPC's above-quoted issue occurred well after Progress Energy's direct testimony for the November hearing was filed. For that reason, the Company informed the Prehearing Officer during the Prehearing Conference that it desired to reserve the opportunity to submit supplemental on OPC's new issue in the event the issue could not be resolved following the depositions scheduled by OPC. As of this time, Progress Energy has received no indication from OPC that such a resolution has been reached.

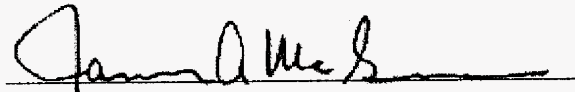
4. Accordingly, Progress Energy asks that it be granted leave to file the brief testimony of Donna M. Davis proffered with this motion to address the issue raised by OPC that has been included with the issues listed in the Prehearing Order for consideration at the November hearing. This request would have been unnecessary had OPC availed itself of the opportunity to file testimony addressing the issue it now desires to pursue, since the Company would have been able to submit rebuttal testimony without the need to seek leave from the Prehearing Officer. While the time

prior to the hearing is short, OPC has already had discovery on the Company through the deposition it conducted on October 26, 2004. The proffered testimony is necessary in order for the Commission to have a record basis, including any cross-examination by OPC, for its consideration of the issue at the November hearing in accordance with the Prehearing Order.

5. The undersigned has contacted counsel for Staff and intervenors and has been advised that Staff and FIPUG take no position on the Company's motion at this time but reserve the right to do so later, and that OPC does not object to the motion, but reserves the right to object to the content of the supplemental testimony after it has been reviewed by OPC.

WHEREFORE, Progress Energy respectfully requests that the Prehearing Officer grant the Company leave to file the supplemental testimony Donna M. Davis proffered with this motion for consideration by the Commission at the November hearing in this docket.

Respectfully submitted,



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