

Hopping Green & Sams

Attorneys and Counselors

September 9, 2005

BY HAND-DELIVERY

Blanca Bayó
Director, Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 050001-EI

Dear Ms. Bayó:

On behalf of Progress Energy Florida, Inc. (PEF), I enclose for filing in the above docket the original and fifteen (15) copies of the following:

- PEF's Petition for Approval of Fuel and Purchase Power True-up and Cost Recovery Factors for the Period January 2006 to December 2006;
- Pre-filed Direct Testimony of Javier Portuondo and a redacted version of Exhibit No. __ (JP-1P);
- Motion for Leave to file Supplemental Testimony of Javier Portuondo and revised Exhibit No. __ (JP-1R);
- Supplemental Pre-filed Direct Testimony of Javier Portuondo and a redacted version of revised Exhibit No. __ (JP-1R);
- Pre-filed Direct Testimony of Michael F. Jacob and Exhibit No. __ (MJF-1);
- Pre-filed Direct Testimony of Pamela R. Murphy and a redacted version of Exhibit No. __ (PRM-2); and
- Pre-filed Direct Testimony of Samuel S. Waters and a redacted version of Exhibit No. __ (SSW-1).

I also have included a diskette containing the petition and Motion in Microsoft Word Format. By copy of this letter, the enclosed documents have been furnished to the parties on the attached certificate of service.

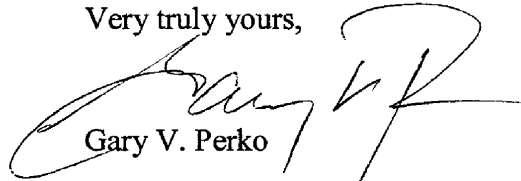
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Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions regarding this filing, please give me a call at 425-2359.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gary V. Perko". The signature is fluid and cursive, with a large, stylized initial "G" and "P".

Gary V. Perko

Counsel for PROGRESS ENERGY FLORIDA, INC.

cc: Certificate of Service

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copies of the documents described above in Docket No. 050001-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 9th day of September, 2005.

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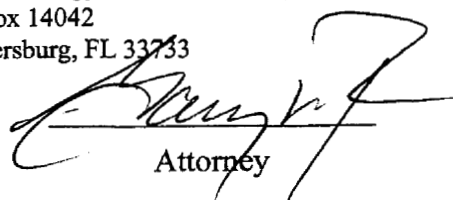
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Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

Docket No. 050001-EI

Dated: September 9, 2005

**PROGRESS ENERGY FLORIDA'S PETITION FOR APPROVAL OF
FUEL AND PURCHASE POWER COST RECOVERY FACTORS
FOR THE PERIOD JANUARY 2006 to DECEMBER 2006**

Progress Energy Florida, Inc. ("PEF" or "the Company"), hereby petitions for approval of its fuel and capacity cost recovery true-up and proposed fuel and capacity cost recovery factors for the period January 2006 to December 2006. In support of this Petition, PEF states:

Fuel Cost Recovery Factors

1. PEF's proposed fuel cost recovery factors are presented in the pre-filed testimony and exhibits of Javier Portuondo. Schedule E1, page 1 of the "E" Schedules in Mr. Portuondo's Exhibit No. __ (JP-1P) shows the calculation of the Company's basic fuel cost factor of 5.195 ¢/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 4.53010 ¢/kWh (adjusted for jurisdictional losses), a GPIF reward of 0.00133 ¢/kWh, and an estimated prior period true-up of 0.65988 ¢/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.

2. As explained in Mr. Portuondo's testimony, in light of continually increasing fuel costs, the Company is proposing a new inverted rate design for residential fuel factors to encourage energy efficiency and conservation. Specifically, the Company is proposing a two-

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tiered fuel charge whereby the charge for a customer's monthly usage in excess of 1,000 kWh (second tier) is priced one cent per kWh more than the charge for the customer's usage up to 1,000 kWh (first tier). The 1,000 kWh price change breakpoint is reasonable in that approximately 2/3 of all residential energy is consumed in the first tier and 1/3 of all energy is consumed in the second tier. The Company believes the one cent higher per unit price, targeted at 1/3 of the residential class's energy consumption, will promote energy efficiency and conservation.

Capacity Cost Recovery Factors

2. The calculation of PEF's proposed capacity cost recovery (CCR) factors is shown in Part D of Mr. Portuondo's Exhibit No. __ (JP-1P). 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 7 of Part D, of the exhibit, the average retail capacity CCR factor is .886 ¢/kWh.

Other Issues

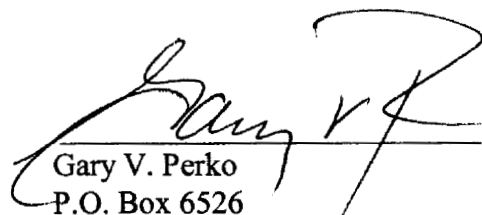
3. The testimony of PEF's witnesses also addresses certain other issues including but not limited to the Company's request for approval of a new contract with Central Power and Lime for the purchase of 133 MW of coal-based energy and capacity beginning in December 2005.

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 2006 through December 2006 as set forth in the testimony and supporting exhibits of Javier Portuondo filed on September 9, 2005.

RESPECTFULLY SUBMITTED this 9th day of September, 2005.

HOPPING GREEN & SAMS, P.A.

By:



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Attorneys for Progress Energy Florida