

**BEFORE THE PUBLIC SERVICE COMMISSION**

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

Docket No. 050001-EI

Dated: October 14, 2005

**PROGRESS ENERGY FLORIDA'S REVISED 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, proposed fuel and capacity cost recovery factors and GPIF targets and ranges 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-1S) shows the calculation of the Company's basic fuel cost factor of 5.321 ¢/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 4.53001 ¢/kWh (adjusted for jurisdictional losses), a GPIF reward of 0.00133 ¢/kWh, and an estimated prior period true-up of 0.78632 ¢/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-

DOCUMENT NUMBER-DAT1

09919 OCT 14 08

FPSC-COMMISSION CLERK

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-1S). 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, the average retail capacity CCR factor is .879 ¢/kWh.

### **Other Issues**

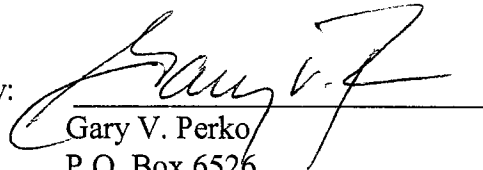
3. The testimony of PEF's witnesses also addresses certain other issues including but not limited to the Company's request for approval of a new contract with Central Power and Lime for the purchase of 133 MW of coal-based energy and capacity beginning in December 2005, the Company's request for approval of new waterborne coal transportation service contracts, and the Company's proposed GPIF targets and ranges for the period of January through December 2006.

WHEREFORE, Progress Energy Florida, Inc., respectfully requests that the Commission approve the Company's fuel and capacity cost recovery true-ups, proposed fuel and capacity cost recovery factors and GPIF targets and ranges for period January 2006 through December 2006.

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of October, 2005.

HOPPING GREEN & SAMS, P.A.

By:



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

Attorneys for Progress Energy Florida