

ORIGINAL

Hopping Green & Sams

Attorneys and Counselors

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September 15, 2006

COMMISSION
CLERK

BY HAND-DELIVERY

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

Re: Docket No. 060007-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:

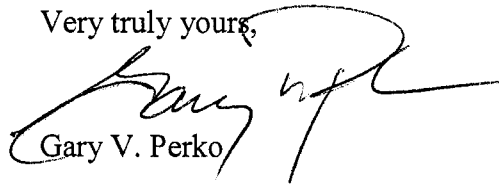
- PEF's Preliminary List of Issues and Positions; and 08480-06
- PEF's Petition for Approval of Environmental Cost Recovery True-up and Environmental Cost Recovery Clause Factors for the Period January 2007 to December 2007, which was inadvertently omitted from our September 1, 2006 filing. 08481-06

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

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.

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Very truly yours,

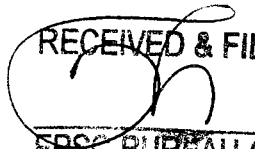


Gary V. Perko

Counsel for PROGRESS ENERGY FLORIDA, INC.

cc: Certificate of Service

RECEIVED & FILED



PPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08480 SEP 15 06

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Preliminary List of Issues and Positions and Petition for Approval of Environmental Cost Recovery True-up and Environmental Cost Recovery Factors for the Period January 2007 to December 2007 in Docket No. 060007-EI have been furnished by hand-delivery (*) or regular U.S. mail to the following this 15 day of September, 2006.

Martha Carter Brown (*)
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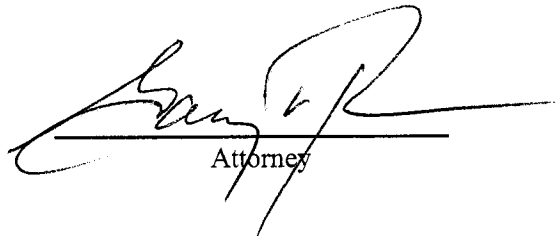
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Juno Beach, FL 33408-0420



Attorney

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost)
Recovery Clause.)
_____)

Docket No. 060007-EI
Filed: September 15, 2006

**PROGRESS ENERGY FLORIDA'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Progress Energy Florida, Inc. ("PEF") hereby submits its Preliminary List of Issues and Positions with respect to its Environmental Cost Recovery Clause (ECRC) for the period of January 2007 through December 2007. PEF's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

Issue 1 What are the final environmental cost recovery true-up amounts for the period ending December 31, 2005?

PEF: \$237,170 under-recovery (Portuondo)

Issue 2 What are the estimated environmental cost recovery true-up amounts for the period January 2006 through December 2006?

PEF: \$16,770,646 under-recovery (Portuondo)

Issue 3 What are the projected environmental cost recovery amounts for the period January 2007 through December 2007?

PEF: \$36,759,254 (Portuondo)

Issue 4 What are the environmental cost recovery amounts, including true-up amounts, for the period January 2007

through December 2007?

PEF: \$53,805,782 (Portuondo)

Issue 5 What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2007 through December 2007?

PEF: For 2007 final true-up purposes, the depreciation rates used to calculate the depreciation expense is based on the applicable rate per Exhibit 2 of PEF's Settlement Agreement, dated August 23, 2005.
(Portuondo)

Issue 6 What are the appropriate jurisdictional separation factors for the projected period January 2007 through December 2007?

PEF: The jurisdictional energy separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.
Transmission Average 12 CP demand jurisdictional factor - 70.597%
Distribution Primary demand jurisdictional factor - 99.597%
Jurisdictional Separation Study factors were used for production demand jurisdictional factor as Production Base - 93.753%, Production Intermediate - 79.046%, and Production Peaking - 88.979%.
(Portuondo)

Issue 7 What are the appropriate environmental cost recovery factors for the period January 2007 through December 2007, for each rate group?

PEF: The appropriate factors are as follows:

Rate Class	ECR Factor cents/kWh
Residential	0.153
General Service Non-Demand	
@ Secondary Voltage	0.137
@ Primary Voltage	0.136
@ Transmission Voltage	0.134
General Service 100% Load Factor	0.088
General Service Demand	
@ Secondary Voltage	0.111
@ Primary Voltage	0.110
@ Transmission Voltage	0.109
Curtailable	
@ Secondary Voltage	0.107
@ Primary Voltage	0.106
@ Transmission Voltage	0.105
Interruptible	
@ Secondary Voltage	0.089
@ Primary Voltage	0.088
@ Transmission Voltage	0.087
Lighting	0.111

(Portuondo)

Issue 8 What should be the effective date of the environmental cost recovery factors for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2007, and thereafter through the last billing cycle for

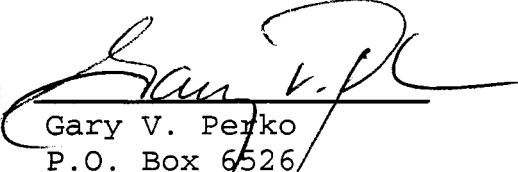
December, 2007. The first billing cycle may start before January 1, 2007, and the last billing cycle may end after December 31, 2007, so long as each customer is billed for twelve months regardless of when the factors became effective.

RESPECTFULLY SUBMITTED this 15th day of September, 2006.

R. Alexander Glenn
Deputy General Counsel
John T. Burnett
Associate General Counsel
Progress Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042

HOPPING GREEN & SAMS, P.A.

By:


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