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September 15, 2006

COMMISSION CLERK

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

Re: Energy Conservation Cost Recovery; Docket No. 060002-EG

Dear Ms. Bayo:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen (15) copies of the following:

- PEF's Petition for approval of conservation cost recovery true-up calculations, projected program expenditures and projected cost recovery factors for the period January 2007 through December 2007; and 08516-06
- Direct Testimony of John A. Masiello with Exhibit No. __ (JAM-1P). 08517-06

Please acknowledge receipt and filing of the above by stamping a copy of this letter and returning to me. If you should have any questions, please feel free to contact me at (727) 820-5184.

Thank you for your assistance in this matter.

Respectfully yours,

John T. Burnett LMS
John T. Burnett

CMP _____

COM 5

CTR original

ECR _____

JTB/lms
Enclosures

GCL 1

OPC _____

cc: Certificate of Service

RCA 1

SCR _____

SGA _____

SEC 1

OTH cover
ltr.

DOCUMENT NUMBER-DATE

08516 SEP 15 06

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CERTIFICATE OF SERVICE

Docket No. 060002-EG

I HEREBY CERTIFY that a true and correct copy of PEF's petition and direct testimony in Docket No. 060002-EG has been furnished by regular U.S. Mail to the following this 15th day of September, 2006.

John T. Burnett
John T. Burnett *lms*

<p>Katherine E. Fleming, Senior Attorney Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850</p> <p>Florida Public Utilities Company Cheryl Martin P. O. Box 3395 West Palm Beach, FL 33402-3395</p> <p>McWhirter Law Firm Timothy J. Perry 117 South Gadsden Street Tallahassee, FL 32301</p> <p>Office of Public Counsel Joseph A. McGlothlin c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400</p> <p>R. Wade Litchfield / Natalie F. Smith Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p> <p>Russell Badders/ Jeff Stone Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p>	<p>Ausley Law Firm Lee L. Willis/James D. Beasley P.O. Box 391 Tallahassee, FL 32302</p> <p>Florida Industrial Power Users Group John W. McWhirter, Jr. c/o McWhirter Law Firm 400 North Tampa Street, Suite 2450 Tampa, FL 33602</p> <p>Messer Law Firm Norman H. Horton, Jr. P.O. Box 1876 Tallahassee, FL 32302-1876</p> <p>Gulf Power Company Ms. Susan D. Ritenour One Energy Place Pensacola, FL 32520-0780</p> <p>Tampa Electric Company Brenda Irizarry Regulatory Affairs P. O. Box 111 Tampa, FL 33601-0111</p> <p>Bill Walker Florida Power & Light Co. 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301</p>
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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost Recovery
Clause

Docket No. 060002-EG

Dated: September 15, 2006

**PETITION OF PROGRESS ENERGY FLORIDA, INC. FOR APPROVAL OF
CONSERVATION COST RECOVERY TRUE-UP CALCULATIONS, PROJECTED
PROGRAM EXPENDITURES AND PROJECTED COST RECOVERY FACTORS FOR
THE PERIOD JANUARY THROUGH DECEMBER 2007**

Progress Energy Florida, Inc. ("PEF" or "the Company"), hereby petitions the Commission for approval of the company's conservation cost recovery true-up and cost recovery factors proposed for the period January 2007 through December 2007. In support of thereof, the company says:

1. PEF's actual net true-up amount for period January 2005 through December 2005 was an over-recovery of \$9,598,259, including interest. This amount is \$1,731,334 more than the previous estimate provided in the Company's September 2005 projection filing. See Testimony of John A. Masiello and Exhibit No. __ (JAM-1P), Schedule C-2, filed on September 27, 2005.
2. The total net true-up over-recovery for the period January 2006 through December 2006 is estimated to be \$9,995,588, including interest. See Testimony of John A. Masiello and Exhibit No. __ (JAM-1P), Schedule C-2, filed on September 15, 2006.
3. PEF projects total net conservation program costs of \$81,818,499 for the 2007 projection period. See Testimony of John A. Masiello and Exhibit No. __ (JAM-1P), Schedule C-2, filed on September 15, 2006.

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4. Based upon the required true-up and projected expenditures, PEF has calculated the required conservation cost recovery factors period January through December 2007 as follows:

2007 ECCR Billing Factors (\$/1,000 kWh)

	Secondary	Primary	Transmission
<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
Residential	\$1.96	N/A	N/A
General Service Non-Demand	\$1.76	\$1.74	\$1.72
General Service 100% Load Factor	\$1.41	N/A	N/A
General Service Demand	\$1.58	\$1.56	\$1.55
Curtable	\$1.31	\$1.30	\$1.28
Interruptible	\$1.44	\$1.43	\$1.41
Lighting	\$0.84	N/A	N/A

WHEREFORE, Progress Energy Florida, Inc., respectfully requests the Commission's approval of the Company's prior period conservation cost recovery true-up calculations, projected program expenditures and projected conservation cost recovery charges to be collected during the period January 2007 through December 2007.

RESPECTFULLY SUBMITTED this 15th day of September, 2006.

By: John T. Burnett *ims*
 JOHN T. BURNETT
 Associate General Counsel - Florida
 100 Central Avenue
 St. Petersburg, Florida 33701
 (727) 820-5184