

# ORIGINAL

**Timolyn Henry**

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**From:** Stright, Lisa [Lisa.Stright@pgnmail.com]  
**Sent:** Wednesday, May 02, 2007 9:57 AM  
**To:** Filings@psc.state.fl.us  
**Cc:** Glenn, Alex  
**Subject:** Corrected Exhibits JP-3 and JP-4; Dkt # 070290-EI  
**Attachments:** Corrected JP-3 and JP-4.pdf

**This electronic filing is made by**

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**Docket No. 070290-EI**

On behalf of **Progress Energy Florida**

Consisting of **3 pages**.

The attached document for filing is Progress Energy's  
**Corrected Exhibit Nos. JP-3 and JP-4 to the**  
**Direct testimony of Javier Portuondo,**  
including a filing letter.

<<Corrected JP-3 and JP-4.pdf>>

CMP \_\_\_\_\_  
COM 3  
CTR 1  
ECR 1  
GCL 1  
OPC \_\_\_\_\_  
RCA \_\_\_\_\_  
SCR \_\_\_\_\_  
SGA \_\_\_\_\_  
SEC \_\_\_\_\_  
OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
**03704 MAY-25**  
FPSC-COMMISSION CLERK



May 2, 2007

VIA ELECTRONIC FILING

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

*Re: Petition of Progress Energy Florida to increase base rates to recover the full revenue requirements of the Hines Unit 2 and Unit 4 power plants pursuant to Commission Order No. PSC-05-0945-S-EI; Docket No. 070290-EI*

Dear Ms. Cole:

On April 30, 2007, Progress Energy Florida, Inc. ("PEF") filed its petition in the above referenced docket. An inadvertent error was discovered on Exhibit Nos. JP-3 and JP-4 attached to the direct testimony of Javier Portuondo. Please substitute the attached corrected Exhibit Nos. JP-3 and JP-4 with the originals filed on April 30, 2007.

Thank you for your assistance in this matter.

Sincerely,

  
R. Alexander Glenn

RAG/lms  
Enclosures

DOCUMENT NUMBER-DATE

03704 MAY-25

FPSC-COMMISSION CLERK

(Dollars in Thousands)

Line No.		Generation			Transmission			Total
		System	Separation Factor	Retail Jurisdictional	System	Separation Factor	Retail Jurisdictional	Retail Jurisdictional
1	Estimated In-Service Date							12/1/07
2								
3	<b>Annualized Rate Base</b>							
4	Electric Plant in Service	\$267,004	93.753%	\$250,324	\$60,071	70.597%	\$42,408	\$292,732
5	Accumulated Reserve for Depreciation	(5,153)	93.753%	(4,831)	(616)	70.597%	(435)	(5,266)
6	Fuel Inventory	1,100	89.884%	989	0		0	989
7	Working Capital - Income Taxes Payable	(3,088)		(3,727)	(591)		(442)	(4,160)
8	<b>Total Annualized Rate Base</b>	<b>\$258,963</b>		<b>\$242,754</b>	<b>\$58,864</b>		<b>\$41,531</b>	<b>\$284,286</b>
9								
10	<b>Annualized NOI</b>							
11	O&M	\$1,873	93.753%	\$1,756	\$0	70.597%	\$0	\$1,756
12	Depreciation Expense	10,308	93.753%	9,663	1,231	70.597%	869	10,532
13	Property Taxes	2,600	91.926%	2,390	600	91.926%	552	2,942
14	Payroll Taxes & Benefits	453	91.670%	415	0		0	415
15	Income Taxes -							
16	Direct Current & Deferred	(5,876)		(5,487)	(708)		(548)	(6,035)
17	Imputed Interest	(2,100)		(1,968)	(475)		(335)	(2,303)
18	Manufacturing Tax Benefit	(533)	91.251%	(486)	0		0	(486)
19	<b>Total Annualized NOI</b>	<b>(\$6,724)</b>		<b>(\$6,283)</b>	<b>(\$650)</b>		<b>(\$638)</b>	<b>(\$6,821)</b>
20								
21								
22	<b>Calculation of Revenue Requirement</b>							
23	Fully Adjusted Cost of Capital (MFR D-1)	8.89%		8.89%	8.89%		8.89%	8.89%
24	NOI Requirement (Line 8 * Line 23)	\$23,022		\$21,581	\$5,233		\$3,692	\$25,273
25	NOI Deficiency (Line 24 less Line 19)	\$29,746		\$27,864	\$5,863		\$4,230	\$32,094
26	Net Operating Income Multiplier (MFR C-11)	1.6315		1.6315	1.6315		1.6315	1.6315
27								
28	<b>Revenue Requirement (Line 25 * Line 26)</b>	<b>\$48,530</b>	93.67%	<b>\$45,460</b>	<b>\$9,598</b>	71.90%	<b>\$6,901</b>	<b>\$52,361</b>
29								
30								
31								
32	<b>Calculation of Taxes on Imputed Interest</b>							
33	<b>Weighted Cost of Debt Capital (MFR D-1):</b>							
34	Long Term Debt Fixed Rate	1.88%		1.88%	1.88%		1.88%	
35	Long Term Debt Variable Rate	0.00%		0.00%	0.00%		0.00%	
36	Short Term Debt	0.02%		0.02%	0.02%		0.02%	
37	Customer Deposits	0.13%		0.13%	0.13%		0.13%	
38	JDIC	0.04%		0.04%	0.04%		0.04%	
39		<b>2.07%</b>		<b>2.07%</b>	<b>2.07%</b>		<b>2.07%</b>	
40								
41	Imputed Interest (Line 8 * Line 39)	\$5,443		\$5,102	\$1,231		\$869	
42	Income Taxes on Imputed Interest at 38.675%	(\$2,100)		(\$1,968)	(\$475)		(\$335)	

DEVELOPMENT OF LABILLED REVENUE @ PRESENT RATES AND SUMMARY OF TOTAL CLASS REVENUES															
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
					Base Revenues \$00's - Billed							7.45%			
Line	Rate Schedule	Billed MWH Sales	Total	Customer Charge	Energy and Demand Charge	Unbilled MWH Sales	Energy and Demand Chg \$/MWH (4) * (1)	Unbilled Revenue (\$000) (5) * (6)	Total Class Revenue (\$000) (7) + (8)	Billed and Unbilled Pk Energy and Demand		Increase @ 11.75% ROE	Total Class Revenue (3) - (9) + (11)	Revenues from Demand & Energy Chgs	
1	LSALES	RS-1	20,436,616	\$ 882,282	\$ 123,258	\$ 749,024	22,697	\$ 33.55	\$ 832	\$ 833,114	\$ 749,356	7.45%	55,832	933,945	805,688
2															
3		GS-1	1,353,938	83,877	14,760	46,177	1,503	36.28	55	33,932	49,171	7.45%	3,651	67,593	52,832
4															
5		GS-2	35,622	2,628	1,354	1,172	95	13.39	1	2,527	1,173	7.45%	87	2,315	1,261
6															
7		GSD	15,105,859	345,596	8,052	332,505	16,777	22.34	375	345,973	337,380	7.45%	25,158	371,100	365,038
8															
9		CS-1, CS-2, CS-3	356,624	6,712	17	6,695	393	16.77	7	6,720	6,702	7.45%	439	7,219	7,201
10															
11		IS-1, IS-2, IS-3	2,233,952	36,911	640	36,271	2,549	15.31	40	36,951	36,312	7.45%	2,734	39,355	36,615
12															
13		SS-1	14,651	616	18	600	17	40.32	1	616	601	7.45%	45	363	645
14															
15		SS-2	196,747	4,663	18	4,645	183	27.25	5	4,568	4,550	7.45%	339	4,307	4,588
16															
17		SS-3	1,842	226		225	2	122.32	0	226	226	7.45%	17	243	242
18															
19		LS-1	333,325	6,680	850	4,820	370	14.46	5	5,635	4,825	7.45%	359	5,344	4,185
20															
21		TOTAL	40,748,246	1,246,693	159,019	1,186,974	44,591	1,322	1,350,314	\$ 1,191,296		\$ 98,730	\$ 1,439,715	\$ 1,275,996	
22												7.45%			
23															
24															
25															
26	II OTHER														
27		LS-1													
28		FIXTURE		24,666					\$ 24,666	\$ 24,669			\$ 24,669		
29		MAINTENANCE		6,760					8,750	8,760			3,760		
30		PCLES		18,260					18,260	18,260			3,260		
31		TOTAL OTHER REVENUE		51,686					51,636	51,689			51,689		
32	III TOTAL CLASS REVENUE			1,402,602					1,322	1,402,004	1,242,985		98,730	1,490,704	

Components of Increase -

112a. Hines Unit 4	\$	52,261
112b. Hines Unit 2	\$	36,240
	\$	88,500