



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,

A handwritten signature in blue ink that reads 'R. Alexander Glenn LMS'.

R. Alexander Glenn

RAG/lms
Enclosures

(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	<u>Annualized Rate Base</u>							
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	(3,988)		(3,727)	(591)		(442)	(4,169)
8	Total Annualized Rate Base	<u>\$258,963</u>		<u>\$242,754</u>	<u>\$58,864</u>		<u>\$41,531</u>	<u>\$284,286</u>
9								
10	<u>Annualized NOI</u>							
11	O&M	\$1,873	93.753%	\$1,756	\$0	70.597%	\$0	\$1,756
12	Depreciation Expense	10,306	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)	(706)		(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	Total Annualized NOI	<u>(\$6,724)</u>		<u>(\$6,283)</u>	<u>(\$650)</u>		<u>(\$538)</u>	<u>(\$6,821)</u>
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21								
22	<u>Calculation of Revenue Requirement</u>							
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	\$5,883		\$4,230	\$32,094
26	Net Operating Income Multiplier (MFR C-44)	1.6315		1.6315	1.6315		1.6315	1.6315
27								
28	Revenue Requirement (Line 25 * Line 26)	<u>\$48,530</u>	93.67%	<u>\$45,460</u>	<u>\$9,598</u>	71.90%	<u>\$6,901</u>	<u>\$52,361</u>
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30								
31								
32	<u>Calculation of Taxes on Imputed Interest</u>							
33	Weighted Cost of Debt Capital (MFR D-1):							
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		<u>2.07%</u>		<u>2.07%</u>	<u>2.07%</u>		<u>2.07%</u>	
40								
41	Imputed Interest (Line 8 * Line 39)	\$5,443		\$5,102	\$1,231		\$869	
42	Income Taxes on Imputed Interest at 38.575%	(\$2,100)		(\$1,968)	(\$475)		(\$335)	

Line	Rate Schedule	(1) Billed Sales	(2) Total	(3) Customer Charge	(4) Energy and Demand Charge	(5) Unbilled MWH Sales	(6) Energy and Demand Chg \$/MWH	(7) Unbilled Revenue (\$000)	(8) Total Class Revenue (\$000)	(9) Billed and Unbilled Rev Energy and Demand	(10) 7.45%	(11) Increase @ 11.75% ROE	(12) Total Class Revenue	(13) Revenues from Demand & Energy Chgs
1	I. SALES	20,435,616	\$ 882,282	\$ 133,256	\$ 749,024	22,697	\$ 36.65	\$ 832	\$ 883,114	\$ 749,856	7.45%	55,832	938,946	805,688
2	RS-1													
3	GS-1	1,353,988	63,877	14,760	49,117	1,503	36.28	55	63,932	49,171	7.45%	3,661	67,593	52,832
4	GS-2	85,622	2,526	1,354	1,172	95	13.69	1	2,527	1,173	7.45%	87	2,615	1,261
5	GS-2													
6	GSD	15,105,869	345,598	8,092	337,506	16,777	22.34	375	345,973	337,880	7.45%	25,158	371,130	363,038
7	CS-1, CS-2, CS-3	356,624	6,712	17	6,695	396	18.77	7	6,720	6,702	7.45%	499	7,219	7,201
8	IS-1, IS-2, IS-3	2,293,952	36,911	640	36,271	2,548	15.81	40	36,951	36,312	7.45%	2,704	39,655	39,015
9	SS-1	14,661	618	18	600	17	40.92	1	618	601	7.45%	45	663	645
10	SS-2	166,747	4,563	18	4,545	186	27.25	5	4,568	4,550	7.45%	339	4,907	4,888
11	SS-3	1,842	226	1	225	2	122.32	0	226	226	7.45%	17	243	242
12	LS-1	333,325	5,680	860	4,820	370	14.46	5	5,685	4,825	7.45%	359	6,044	5,185
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21	TOTAL	40,146,246	1,346,993	159,019	1,189,974	44,591	1.322	1,322	1,350,314	\$ 1,191,296	7.45%	\$ 88,700	\$ 1,439,015	\$ 1,279,996
22														
23														
24														
25	II. OTHER													
26	LS-1													
27	FIXTURE		24,669						\$ 24,669	\$ 24,669		\$	\$ 24,669	
28	MAINTENANCE		8,760						8,760	8,760			8,760	
29	POLES		18,260						18,260	18,260			18,260	
30	TOTAL OTHER REVENUE		\$ 51,689						\$ 51,689	\$ 51,689		\$	\$ 51,689	
31														
32	III. TOTAL CLASS REVENUE		\$ 1,400,682					\$ 1,322	\$ 1,402,004	\$ 1,242,985		\$ 88,700	\$ 1,490,704	

Components of Increase -
 ¶ 12a. Hines Unit 4 \$ 52,361
 ¶ 12b. Hines Unit 2 \$ 36,340
 \$ 88,700