

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchase Power)
Cost Recovery Clause and Generating)
Performance Incentive Factor)

Docket No. 070001-EI

Filed: September 4, 2007

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PETITION FOR APPROVAL OF FUEL AND PURCHASE POWER COST RECOVERY FACTORS FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of its proposed fuel and capacity cost recovery factors for the period January 2008 through December 2008. In support of this Petition, PEF states as follows:

Fuel Cost Recovery Factors

1. PEF's proposed fuel cost recovery factors are presented in the pre-filed testimony and exhibit of Lori Cross. Schedule E1, Section B of Exhibit No. __ (LC-1P) shows the calculation of the Company's basic fuel cost factor of 4.604 cents/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 5.0067 cents/kWh (adjusted for jurisdictional losses), a GPIF reward of 0.00146 cents/kWh, and an estimated prior period over-recovery true-up of 0.40724 cents/kWh. Utilizing this basic factor, Schedule E1D 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.

Capacity Cost Recovery Factors

2. The calculation of PEF's proposed capacity cost recovery (CCR) factors is shown in Part C of Exhibit No. __ (LC-1P). 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 5 of Part C, the average retail capacity CCR factor is 1.018 cents/kWh.

Other Issues

3. PEF has calculated that it is subject to a GPIF reward of \$607,201 for the performance experienced during the period January 1, 2006 through December 31, 2006. The

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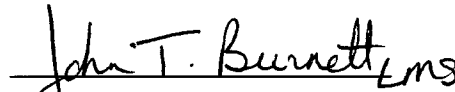
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Company is also proposing GPIF targets and ranges for the period January 1, 2008 through December 31, 2008 with such proposed targets and ranges being detailed in the testimony and exhibits of PEF witness Robert M. Oliver.

WHEREFORE, Progress Energy Florida, Inc., respectfully requests that the Commission approve the Company's fuel and capacity cost recovery true-ups and proposed fuel and capacity cost recovery factors for the period January 2008 through December 2008 as set forth in the testimony and supporting exhibit of Lori Cross filed on September 4, 2007.

Respectfully submitted,

Handwritten signature of John T. Burnett in black ink, with the initials 'JTB' and 'ms' visible.

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