



October 12, 2007

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

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COMMISSION
CLERK

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:

Please find enclosed for filing in the above referenced docket the original and seven (7) copies of the following:

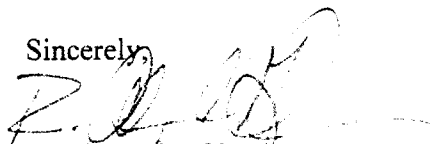
- Joint Motion for Approval of Stipulation and Settlement Agreement; and
- Stipulation and Settlement Agreement.

Thank you for your assistance in this matter. Should you have any questions, please call me at (727) 820-5587.

CMP _____
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 SEC _____
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RAG/lms
Attachments

Sincerely,



R. Alexander Glenn

Joint Motion Stip & Sett. Agreement
 DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy Florida) Docket No: 070290 -EI
to increase base rates to recover the full)
revenue requirements of the Hines Unit 2)
and Unit 4 power plants pursuant to) Submitted for Filing: October 12, 2007
Commission Order No. PSC-05-0945-S-EI)

**JOINT MOTION FOR APPROVAL OF
STIPULATION AND SETTLEMENT AGREEMENT**

Progress Energy Florida, Inc. (“PEF” or the “Company”), the Office of Public Counsel, the Florida Industrial Power Users Group, the AARP, the Florida Retail Federation, and White Springs Agricultural Chemicals, Inc. dba PCS Phosphate, Inc. (collectively, the “Joint Movants”) hereby jointly move the Commission to approve the Stipulation and Settlement Agreement, dated October 12, 2007 (the “Agreement”) and attached hereto, which the Joint Movants have entered into for the resolution of all issues in Docket No. 070290 -EI. In support of this motion, the Joint Movants represent as follows:

1. The Joint Movants have been engaged in negotiations for the purpose of reaching a comprehensive stipulation in settlement of all issues in the above-referenced docket and thereby avoiding the need for expensive, time consuming litigation of these issues in hearings before the

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Commission. These negotiations have culminated in the execution of the attached Agreement. The Joint Movants request that following the Commission's review of this Joint Motion and the Agreement the Commission approve this motion and the Stipulation and Settlement Agreement at the earliest practical date.

2. PEF shall increase base rates pursuant to Commission Order No. PSC-05-0945-S-EI to recover (a) the revenue requirements of the installed cost of the Hines Unit 2 power plant, excluding the unit's non-fuel O&M expenses (as these costs are already in base rates), and (b) the full revenue requirements associated with the Hines 4 power plant and related transmission costs, including the unit's non-fuel O&M expenses. The appropriate jurisdictional base rate revenue requirement for Hines Unit 2 is \$36,339,546. The jurisdictional base rate revenue requirement is \$52,354,000 for Hines Unit 4 and the related transmission facilities.

3. The base rate increase for Hines 2 and Hines 4 will be effective with the first billing cycle in January 2008 and such increase will be based on the rates and charges attached to this settlement. The Company will file revised tariff sheets within 45 days of approval of the Agreement by the Commission for administrative approval by the Commission Staff.

4. For the month of December 2007, PEF will recover one half of the revenue requirements pursuant to Commission Order No. PSC-05-0945-S-EI of the installed cost of the Hines Unit 2 power plant, excluding the unit's non-fuel O&M expenses, through the fuel cost recovery clause. To accomplish this, PEF will charge \$1,458,020 in revenue requirements for the installed cost of the Hines Unit 2 power plant through the fuel cost recovery clause in December

2007, given that PEF's projection in Docket No. 070001 had excluded 100% of the revenue requirement on the assumption it was to be collected through base rates.

5. The Joint Movants represent that the Stipulation and Settlement Agreement fairly and reasonably balances the various positions of the parties on issues in this proceeding, and serves the public interest in general. The Agreement is fully consistent with and supportive of this Commission's long standing policy of encouraging the settlement of contested proceedings in a manner that benefits the ratepayers of utilities subject to the Commission's regulatory jurisdiction and that avoids the need for costly, time consuming and inefficient litigation of matters before the Commission. For these reasons, the Joint Movants request that the Commission approve the Stipulation and Settlement Agreement attached to this motion.

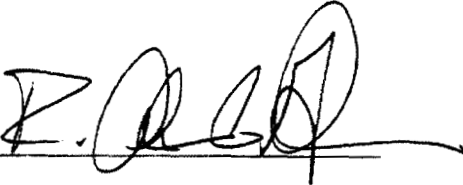
6. The Joint Movants ask that the Commission undertake its review of the Stipulation and Settlement Agreement and act upon this joint motion for its approval at the earliest practicable date in order to allow for the orderly implementation of the Agreement and to provide certainty to the parties and their respective constituents and customers with respect to the outcome of this proceeding.

WHEREFORE, the Joint Movants respectfully request that the Commission approve the Stipulation and Settlement Agreement attached hereto at the earliest practicable date.

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Respectfully submitted,

Progress Energy Florida, Inc.

By 

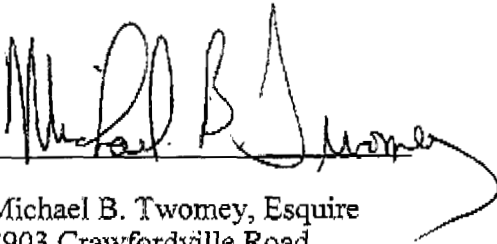
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St. Petersburg, Florida 33733

Office of Public Counsel

By Charles Beck

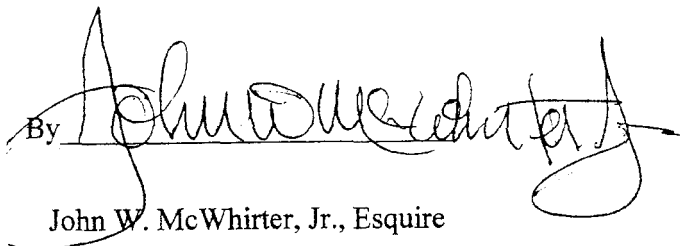
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AARP

By 

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Tallahassee, Florida 32305

Florida Industrial Power Users Group

By 

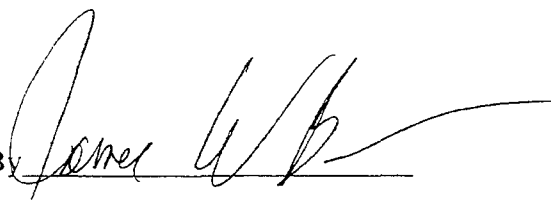
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McWhirter, Reeves

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**White Springs Agricultural Chemicals,
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By 

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