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Public Service Commission

June 12, 2008

Progress Energy Florida, Inc.
Mr. John T. Burnett, Esq.
P.O. Box 14042
St. Petersburg, FL 33733-4042

SECOND MID-COURSE CORRECTION DATA REQUESTS

Re: DOCKET NO. 080001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Burnett:

This data request is for information to support the mid-course correction petition which is scheduled for the July 1, 2008 agenda conference.

1. Please provide Fuel Cost Recovery Schedule E-10s for the period August through December 2008 and January through December 2009 for each of the following four scenarios based upon the best information currently available to PEF regarding projected utility costs, customer counts, sales, etc.: (A) PEF's petition for mid-course correction is approved, (B) PEF's petition for mid-course correction is denied (C) Commission requires 50% of requested mid-course underrecovery to be collected in 2008 and the remaining 50% collected in 2009 (D) The Commission requires the requested mid-course underrecovery to be collected over the 17 month period of August 2008 through December 2009.
2. For Data Request 1 above, please identify all cost drivers (e.g. nuclear cost recovery, GBRA for Plant X, fuel price hedging, etc) that cause a change in rates of more than \$0.50 on the residential 1,000 KWH bill for 2009 and quantify each drivers impact on a \$/1,000 KWH basis.
3. Please complete the four tables in Attachment 1.
4. Please refer to PEF's 2008 original E-1 Schedule and to PEF's mid-course E1-B Schedule.

Those schedules list the following dollar amounts and numbers of mWhs:

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	Estimated	Estimated/Actual
Total Jurisdictional Fuel Revenue ("Revenue")	\$1,913,554,662	\$1,794,293,048
Jurisdictional Fuel Costs ("Expenses")	\$2,082,324,008	\$2,158,990,236
True-up and GPIF	-\$168,769,346	--
mWh	41,591,068	39,438,904

\$/mWh calculations based on the above numbers of dollars and mWh's follow.

	Estimated	Estimated/Actual
Total Jurisdictional Fuel Revenue	\$46.00878876	\$45.49550992
Jurisdictional Fuel Costs	\$50.06661546	\$54.74265299
True-up and GPIF	-\$4.057826695	

Staff has calculated PEF's 2008 Estimated/Actual Net Fuel Revenue Less Expense and expressed the calculation as follows, based on estimated/actual mWhs and \$/mWhs. Staff's expression consists of three parts.

- 1) (Estimated Revenue per mWh – Estimated/Actual Revenue per mWh) * Estimated/Actual mWh = $(\$45.49550992 - \$46.00878876) * 39,438,904 = -\$20,243,155$
- 2) (Estimated Expenses per mWh – Estimated/Actual Expenses per mWh) * Estimated/Actual mWh = $(50.06661546 - 54.74265299) * 39,438,904 = -\$184,417,795$
- 3) (Estimated/Actual mWh – Estimated mWh) * True-up and GPIF \$/mWh = $(39,438,904 - 41,591,068) * -\$4.057826695 = \$8,733,109$

Based on these calculations, PEF's estimated 2008 underrecovery is:

$$-\$20,243,155 - \$184,417,795 + \$8,733,109 = -\$195,927,841$$

- A. Does PEF agree that the estimated Jurisdictional Fuel Costs per mWh plus the estimated True-up and GPIF, or $\$50.06661546 - \$4.057826695 = \$46.00878877$ is a \$/mWh representation of PEF's cost recovery factor excluding Revenue Taxes? If not, please explain why not?
- B. Does PEF agree that the $-\$20,243,155$ is a fair estimate of the revenue decrease that will result from variation in the proportions by which the rate classes use energy? If not, please explain why not?
- C. Does PEF agree that the $+\$8,733,109$ is a fair estimate of the unfunded True-up and GPIF dollars for 2008? If not, please explain why not?
- D. Does PEF agree that the two above dollar amounts, $-\$20,243,155$ and $+\$8,733,109$ are small compared to PEF's 2008 estimated/actual Net Fuel Revenue ($\$1,963,062,394$)? If not, please explain why not.

- E. Does PEF agree that the remaining underrecovery dollars, -\$184,417,795, account for nearly all of PEF's estimated/actual 2008 underrecovery? If not, please explain why not.
- F. Does PEF agree that the increased 2008 Fuel and Purchased Power price estimates (as expressed above in \$/mWh) are the main cause of PEF's 2008 estimated/actual underrecovery? If not, please explain why not.
- G. Does PEF agree that neither the difference between estimated mWh's and estimated/actual mWh's nor the difference between the estimated revenue \$/mWh and the estimated/actual revenue \$/mWh has any significant effect of the estimated/actual underrecovery. If not, please explain why not.

Please refer to PEF's response to Question 10 in PEF's Responses to Staff Data Request Dated June 6, 2008, PEF's original 2008 E-3 Schedule, and PEF's revised 2008 E-3 Schedule in its mid-course petition.

- H. Are the dollar amounts listed in PEF's response to Question #10 the difference between estimated dollar amounts and the corresponding estimated/actual dollar amounts, not adjusted for the accompanying differences between estimated mWh amounts and their corresponding actual/estimated mWh amounts? If not, please explain why not.
- I. Does PEF agree that the sum of Other Sales through Adjustment to Fuel Cost represents Jurisdictional Fuel Cost? If not, please explain why not.
- J. Does PEF agree that the annual sum of Other Sales through Adjustment to Fuel Cost from the table is -\$91,675,700? If not, please explain why not.
- K. Does PEF agree that the sum, -\$91,675,700, understates by about 50% the effect of increased Fuel and Purchased Power prices (-\$184,417,795) on PEF's actual/estimated 2008 underrecovery? If not, please explain why not and please explain how PEF's underrecovery can contain -\$99,021,079 due to the decrease in mWh sales when 1) PEF's 2008 True-up and GPIF dollars total only \$168,769,346, 2) the estimated decrease in mWh sales is only by 5.2 percent, 3) the total amount (True-up and GPIF dollars) is being refunded, and 4) the Jurisdictional MWH Sales (revenues and expenses) vary according to the number of mWh's sold.

L. ATTACHMENT 1

Table 1 – 2008				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				
Deferral As of December 31, 2008				
Interest Included In Deferral				

Table 2 – 2009				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

Table 3 – Percent Increases from Current for 2008				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

Table 4 – Percent Increases from 2008 (August-December) to 2009				
	Deny Mid-Course	Approve Mid-Course	Collect ½ in 2008 & ½ in 2009	Collect Over 17 Months
Levelized Fuel Cost Recovery Factor				
Residential 1,000 KWH Bill				

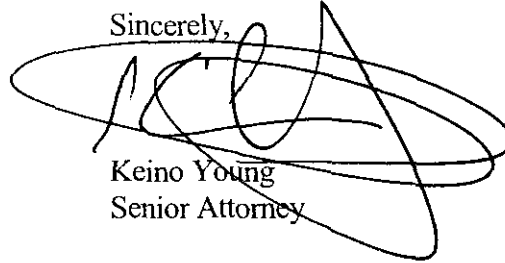
Progress Energy Florida, Inc.

Page 5

June 12, 2008

Please file the original and five copies of the requested information by Monday, June 16, 2008, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6226 or Bill McNulty at (850) 413-6443 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Keino Young', written over a large, loopy scribble.

Keino Young
Senior Attorney

KY:th

cc: Office of Commission Clerk
Division of Economic Regulation (McNulty, et. al)
Docket No. 080001-EI (Parties)