



August 7, 2008

VIA ELECTRONIC FILING

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

Re: *Fuel and purchased power cost recovery clause and Generating Performance
Incentive Factor*; Docket No. 080001-EI

Dear Ms. Cole:

On August 4, 2008, Progress Energy Florida, Inc. ("PEF") filed the Direct Testimony and Exhibit (MO-1) of Marcia Olivier in the above referenced docket. Please find enclosed for filing a revised Page 4 to the direct testimony of Marcia Olivier. Please substitute the original Page 4 that was filed on August 4, 2008 with the revised page attached hereto.

Thank you for your assistance in this matter. Should you have any questions please feel free to call me at (727) 820-5184.

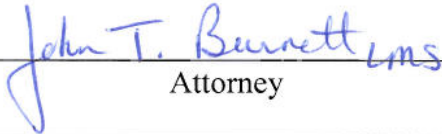
Sincerely,


John T. Burnett

JTB/lms
Attachment

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 7th day of August, 2008.



Attorney

<p>Lisa Bennett, Esq. Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p> <p>James D. Beasley, Esq. Lee L. Willis, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302</p> <p>Joseph A. McGlothlin, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601</p> <p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p> <p>Natalie F. Smith Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p> <p>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p>	<p>Florida Industrial Power Users Group c/o John W. McWhirter, Jr. McWhirter Reeves & Davidson, P.A. P.O. Box 3350 Tampa, FL 33601-3350</p> <p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p> <p>John T. Butler, Esq. R. Wade Litchfield, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p> <p>Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p> <p>Mehrdad Khojasteh Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p> <p>Mr. James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p>
---	---

1 the estimated end-of-period total net true-up (less any previous periods'
2 true-ups for which recovery has been deferred, by order, until after the
3 current recovery period) divided by the current period's total actual and
4 estimated jurisdictional fuel revenue applicable-to-period will be ten
5 percent or greater. PEF's projected under-recovery of \$225 million less
6 the \$106 million the Commission ruled on July 1, 2008 (Order No. PSC-
7 08-0495-PCO-EI in Docket No. 080001) would be deferred consideration
8 until 2009, produces an under-recovery of \$119 million. This is only
9 5.74% of the Actual/Estimated fuel revenues of \$2,072 million (Schedule
10 E1-B, sheet 1, line 7) for the period ending December 31, 2008. PEF
11 does not believe a mid-course correction is appropriate at this time.

12
13 **Q. What are the primary reasons for the \$225 million projected fuel**
14 **year-end 2008 under-recovery?**

15 A. There are three primary factors contributing to the \$225 million projected
16 year-end under-recovery. First, \$106 million of this under-recovery is
17 attributable to the remaining 50% of PEF's \$212 million mid-course
18 correction filing submitted on May 30, 2008. On July 1, 2008, the
19 Commission voted to allow PEF to recover 50% of the \$212 million in
20 2008 and 50% in 2009. Second, approximately \$80 million is due to fuel
21 price increases over and above those projected in the mid-course
22 correction filing. Coal and natural gas costs (including hedges) have
23 been, and are expected to remain higher than forecasted in the 2008
24 mid-course correction filing. This is primarily due to the increasing
25 worldwide demand for energy. Third, actual under-recoveries for May