

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Progress
Energy Florida, Inc.

DOCKET NO. 090079-EI

DATED: AUGUST 13, 2009

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COMMISSION
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STAFF'S PRELIMINARY LIST OF ISSUES

Staff of the Florida Public Service Commission hereby files its Preliminary List of Issues.

TEST PERIOD AND FORECASTING

- ISSUE 1:** Is PEF's projected test period of the twelve months ending December 31, 2010 appropriate?
- ISSUE 2:** Are PEF's forecasts of customer growth, KWH by revenue class, and system KW for the projected test year appropriate?
- ISSUE 3:** Are PEF's forecasts of billing determinants by rate class for the projected test year appropriate?

QUALITY OF SERVICE

- ISSUE 4:** Is the quality and reliability of electric service provided by PEF adequate?

DEPRECIATION STUDY

- ISSUE 5:** Should the current-approved depreciation rates, capital recovery schedules, and amortization schedules be revised?
- ISSUE 6:** What are the appropriate depreciation rates, capital recovery schedules, and amortization schedules?
- ISSUE 7:** What, if any, corrective reserve measures should be approved?
- ISSUE 8:** What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

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FOSSIL DISMANTLEMENT COST STUDY

- ISSUE 9:** Should the current-approved annual dismantlement provision be revised?
- ISSUE 10:** What, if any, corrective reserve measures should be approved?
- ISSUE 11:** What is the appropriate annual provision for dismantlement?

NUCLEAR DECOMMISSIONING COST STUDY

- ISSUE 12:** Should the currently approved annual nuclear decommissioning accruals be revised?
- ISSUE 13:** What is the appropriate annual decommissioning accrual in equal dollar amounts necessary to recover future decommissioning costs over the remaining life Crystal River Unit 3 (CR3)?
- ISSUE 14:** What adjustments, if any, should be made to the amortization of End of Life Material and Supplies inventories?
- ISSUE 15:** What adjustments, if any, should be made to the amortization of the costs associated with the last core of nuclear fuel?

RATE BASE

- ISSUE 16:** Has the company removed all non-utility activities from rate base?
- ISSUE 17:** Should any adjustments be made to rate base related to the Bartow Repowering Project?
- ISSUE 18:** Should any adjustments be made to rate base related to the CR3 Steam Generator replacement project?
- ISSUE 19:** Is PEF's treatment of costs for metering and Advanced Metering Infrastructure (AMI) in rate base appropriate?
- ISSUE 20:** Is PEF's requested level of Plant in Service for the projected 2010 test year appropriate?
- ISSUE 21:** What adjustments, if any, should be made to accumulated depreciation to reflect revised depreciation rates, capital recovery schedules, and amortization schedules resulting from PEF's depreciation study?

- ISSUE 22:** Is PEF's requested level of Accumulated Depreciation and Amortization in the amount of \$4,437,117,000 for the 2010 projected test year appropriate?
- ISSUE 23:** Is PEF's requested level of CWIP – No AFUDC in the amount of \$151,145,000 for the projected 2010 test year appropriate?
- ISSUE 24:** Is PEF's requested level of Plant Held for Future Use in the amount of \$25,723,000 for the projected 2010 test year appropriate?
- ISSUE 25:** Is PEF's requested level of Nuclear Fuel – No AFUDC (net) in the amount of \$126,566,000 for the projected 2010 test year appropriate?
- ISSUE 26:** Should an adjustment be made to PEF's storm damage reserve annual accrual and level?
- ISSUE 27:** Has PEF reflected the appropriate accumulated provision for uncollectibles?
- ISSUE 28:** Should any adjustments be made to PEF's fuel inventories?
- ISSUE 29:** Should unamortized rate case expense be included in Working Capital?
- ISSUE 30:** Is PEF's requested level of Working Capital Allowance in the amount of (\$9,041,000) for the projected test year appropriate?
- ISSUE 31:** Is PEF's requested level of Rate Base in the amount of \$6,238,617,000 for the 2010 projected test year appropriate?

COST OF CAPITAL

- ISSUE 32:** What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the projected test year?
- ISSUE 33:** What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the projected test year?
- ISSUE 34:** Should PEF's requested pro forma adjustment to equity to offset off-balance sheet purchased power obligations be approved?
- ISSUE 35:** What is the appropriate equity ratio that should be used for PEF for purposes of setting rates in this proceeding?
- ISSUE 36:** Have rate base and capital structure been reconciled appropriately?
- ISSUE 37:** What is the appropriate capital structure for the projected test year?

- ISSUE 38:** What is the appropriate cost rate for short-term debt for the projected test year?
- ISSUE 39:** What is the appropriate cost rate for long-term debt for the projected test year?
- ISSUE 40:** What is the appropriate return on equity (ROE) for the projected test year?
- ISSUE 41:** What is the appropriate weighted average cost of capital including the proper components, amounts, and cost rates associated with the projected capital structure?

NET OPERATING INCOME

- ISSUE 42:** Is PEF's projected level of total operating revenues in the amount of \$1,517,918,000 for the 2010 projected test year appropriate?
- ISSUE 43:** What are the appropriate adjustments to reflect the base rate increase for the Bartow Repowering Project authorized in Order No. PSC-09-0415-PAA-EI?
- ISSUE 44:** Has PEF made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Conservation Cost Recovery Clause?
- ISSUE 45:** Has PEF made the appropriate test year adjustments to remove fuel and purchased power revenues and expenses recoverable through the Fuel and Purchased Power Cost Recovery Clause?
- ISSUE 46:** Has PEF made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause?
- ISSUE 47:** Has PEF made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause?
- ISSUE 48:** Should an adjustment be made to PEF's requested level of salaries and employee benefits for the 2010 projected test year?
- ISSUE 49:** Should an adjustment be made to the accrual for property damage for the 2010 projected test year?
- ISSUE 50:** Should an adjustment be made to PEF's generation maintenance expense?
- ISSUE 51:** Should an adjustment be made to reduce PEF's vegetation management expense for the 2010 projected test year?

- ISSUE 52:** Should an adjustment be made to reduce PEF's pole inspection expense for the 2010 projected test year?
- ISSUE 53:** Should an adjustment be made to Operating and Maintenance (O&M) expenses to normalize the number of outages PEF has projected for the 2010 projected test year?
- ISSUE 54:** What is the appropriate amount and amortization period for PEF's rate case expense for the 2010 projected test year?
- ISSUE 55:** Should an adjustment be made to bad debt expense for the 2010 projected test year?
- ISSUE 56:** What adjustments, if any, should be made to the 2010 projected test year depreciation expense to reflect revised depreciation rates, capital recovery schedules, and amortization schedules resulting from PEF's depreciation study?
- ISSUE 57:** What is the appropriate amount of depreciation and fossil dismantlement expense for the 2010 projected test year?
- ISSUE 58:** What is the appropriate amount of nuclear decommissioning expense for the 2010 projected test year?
- ISSUE 59:** Should an adjustment be made to taxes other than income taxes for the 2010 projected test year?
- ISSUE 60:** Is it appropriate to make a parent debt adjustment as per Rule 25-14.004, Florida Administrative Code?
- ISSUE 61:** Should an adjustment be made to Income Tax expense for the 2010 projected test year?
- ISSUE 62:** Is PEF's requested level of O&M expense in the amount of \$1,249,372 for the 2010 projected test year appropriate?
- ISSUE 63:** Is PEF's projected net operating income in the amount of \$268,546,000 for the 2010 projected test year appropriate?

REVENUE REQUIREMENTS

- ISSUE 64:** What is the appropriate projected test year revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for PEF?

ISSUE 65: Is PEF's requested annual operating revenue increase of \$499,997,000 for the 2010 projected test year appropriate?

COST OF SERVICE AND RATE DESIGN

ISSUE 66: Are PEF's forecasts of customer growth, KWH by revenue class, and system KW for the projected test year appropriate?

ISSUE 67: Are PEF's forecasts of billing determinants by rate class for the projected test year appropriate?

ISSUE 68: Has PEF correctly calculated revenues at current rates for the projected test year?

ISSUE 69: Is PEF's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

ISSUE 70: Is PEF's proposed cost of service study to be used in designing PEF's rates appropriate?

ISSUE 71: If the Commission approves a cost allocation methodology other than the 12 CP and 1/13th Average Demand, should all cost recovery factors be adjusted to reflect the new cost of service methodology?

ISSUE 72: How should any change in revenue requirements approved by the Commission be allocated among the customer classes?

ISSUE 73: Is PEF's proposed treatment of unbilled revenue due to any recommended rate change appropriate?

ISSUE 74: Is PEF's proposed charge for Investigation of Unauthorized Use appropriate?

ISSUE 75: Should the Commission approve PEF's proposal to eliminate its IS-1, IST-1, CS-1, and CST-1 rate schedules and transfer the current customers to otherwise applicable rate schedules?

ISSUE 76: Is PEF's proposal to grandfather certain terms and conditions for existing IS-1, IST-1, CS-1, and CST-1 customers under the combined IS and CS rate schedules appropriate?

ISSUE 77: Should PEF's proposal to close the RST-1 rate to new customers be approved?

ISSUE 78: Are PEF's proposed customer charges appropriate?

ISSUE 79: Are PEF's proposed service charges appropriate?

- ISSUE 80:** Is PEF's proposed charge for Temporary Service appropriate?
- ISSUE 81:** Is PEF's proposed Premium Distribution Service charge appropriate?
- ISSUE 82:** Are PEF's proposed tariffed LS-1 lighting rate schedule charges for standard equipment appropriate?
- ISSUE 83:** Are PEF's proposed monthly fixed charge carrying rates to be applied to the installed cost of customer-requested distribution equipment, lighting service fixtures, and lighting service poles, for which there are no tariffed charges, appropriate?
- ISSUE 84:** Are PEF's proposed delivery voltage credits appropriate?
- ISSUE 85:** Are PEF's power factor charges and credits appropriate?
- ISSUE 86:** Is PEF's proposed lump sum payment for time-of-use metering costs appropriate?
- ISSUE 87:** What are the appropriate charges and credits under the Firm, Interruptible, and Curtailable Standby Service rate schedules?
- ISSUE 88:** What are the appropriate energy charges?
- ISSUE 89:** What are the appropriate demand charges?
- ISSUE 90:** What are the appropriate lighting charges?
- ISSUE 91:** What is the appropriate effective date for PEF's revised rates and charges?
- ISSUE 92:** Should PEF's proposal to revise its Leave Service Active (LSA) provision (tariff sheet No. 6.110) be approved?
- ISSUE 93:** Are PEF's estimated revenues for sales of electricity by rate class appropriate?

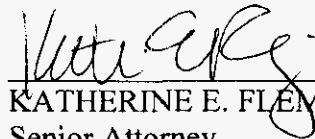
OTHER ISSUES

- ISSUE 94:** Should any of the \$13,078,000 interim rate increase granted by Order No. PSC-09-0413-PCO-EI be refunded to the ratepayers?
- ISSUE 95:** Should PEF be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, earnings surveillance reports, and books and records which will be required as a result of the Commission's findings in this docket?

ISSUE 96: Should this docket be closed?

Dated this 13th day of August, 2009.

Respectfully submitted,



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| DATED: AUGUST 13, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Preliminary List of Issues was furnished to the following, by electronic and U.S. Mail, on this 13th day of August, 2009:

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