

Ruth Nettles

090001-EI

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Subject: E-Filing: PEF's Preliminary List of Issues and Positions - Dkt# 090001
Attachments: FINAL - PEF List of Issues - 090001.pdf

This electronic filing is made by:

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Docket No. 090001-EI

On behalf of Progress Energy Florida

Consisting of 8 pages.

The attached document for filing is PEF's Preliminary List of Issues and Positions in the above referenced docket.

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DOCUMENT NUMBER-DATE

09997 SEP 29 8

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 090001-EI

DATED: September 28, 2009

**PROGRESS ENERGY FLORIDA, INC.'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Progress Energy Florida, Inc. (PEF) hereby submits its Preliminary List of Issues and Positions with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of January 2010 through December 2010:

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 1A: Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF's April 2009 and August 2009 hedging reports?

PEF: Yes. PEF's actions are reasonable and prudent. (McCallister)

ISSUE 1B: Should the Commission approve PEF's 2010 Risk Management Plan?

PEF: Yes. (McCallister)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2009 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$1,875,691. (Olivier)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$1,663,602. (Olivier)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2008 through December 2008?

PEF: \$870,658 over-recovery. (Garrett)

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

PEF: \$13,385,074 over-recovery. (Olivier)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2010 to December 2010?

PEF: \$14,255,732 over-recovery. (Olivier)

ISSUE 11: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility’s levelized fuel factor for the projection period January 2010 through December 2010?

PEF: 1.00072. (Olivier)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2010 through December 2010?

PEF: \$1,787,670,318. (Olivier)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2010 through December 2010?

PEF: 4.917 cents per kWh (adjusted for jurisdictional losses). (Olivier)

ISSUE 14: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

PEF:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss Multiplier</u>
A.	Transmission	0.9800
B.	Distribution Primary	0.9900

- C. Distribution Secondary 1.0000
 - D. Lighting Service 1.0000
- (Olivier)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

PEF:

Fuel Cost Factors (cents/kWh)						
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	Time of Use	
					On-Peak	Off-Peak
A	Transmission	--	--	4.825	6.929	3.812
B	Distribution Primary	--	--	4.874	6.999	3.850
C	Distribution Secondary	4.611	5.611	4.923	7.069	3.889
D	Lighting	--	--	4.484	--	--

(Olivier)

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2010, and thereafter through the last billing cycle for December 2010. The first billing cycle may start before January 1, 2010, and the last billing cycle may end after December 31, 2010, so long as each customer is billed for twelve months regardless of when the factors became effective. (Olivier)

**COMPANY-SPECIFIC GENERATING PERFORMANCE
INCENTIVE FACTOR ISSUES**

Progress Energy Florida, Inc.

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 17A, 17B, 17C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2008 through December 2008 for each investor-owned electric utility subject to the GPIF?

PEF: \$531,150 penalty. (Oliver)

ISSUE 22: What should the GPIF targets/ranges be for the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

PEF: The appropriate targets and ranges are shown on Page 4 of Exhibit RMO-1 filed on September 14, 2009 with the Direct Testimony of Robert M. Oliver. (Oliver)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23A: Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 090009-EI?

PEF: Yes. PEF has included \$236,421,116 in its 2010 capacity cost recovery factors using the Levy nuclear cost recovery deferred method as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 090009-EI. (Olivier)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2008 through December 2008?

PEF: \$2,529,653 over-recovery. (Garrett)

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

PEF: \$336,781,318 under-recovery. (Olivier)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2010 through December 2010?

PEF: \$334,251,665 under-recovery. (Olivier)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2010 through December 2010?

PEF: \$607,016,105 using the Levy nuclear cost recovery deferred method as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 090009-EI. (Olivier)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2010 through December 2010?

PEF: Base - 91.669%, Intermediate – 59.352%, Peaking – 91.716%. (Olivier)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2010 through December 2010?

PEF: Using 12CP and 50%AD method as presented in Docket No. 090079-EI, and subject to Commission approval, the cost recovery factors are as follows:

<u>Rate Class</u>	<u>CCR Factor</u>
Residential	1.879 cents/kWh
General Service Non-Demand	1.577 cents/kWh
@ Primary Voltage	1.561 cents/kWh
@ Transmission Voltage	1.545 cents/kWh
General Service 100% Load Factor	1.353 cents/kWh
General Service Demand	1.487 cents/kWh
@ Primary Voltage	1.472 cents/kWh
@ Transmission Voltage	1.457 cents/kWh
Curtaillable	1.387 cents/kWh
@ Primary Voltage	1.373 cents/kWh
@ Transmission Voltage	1.359 cents/kWh
Interruptible	1.333 cents/kWh
@ Primary Voltage	1.320 cents/kWh
@ Transmission Voltage	1.306 cents/kWh
Lighting	0.938 cents/kWh

(Olivier)

RESPECTFULLY SUBMITTED this 28th day of September, 2009.

By: s/ John T. Burnett
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Attorneys for Progress Energy Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 28th day of September, 2009 to all parties of record as indicated below.

s/ John T. Burnett

JOHN T. BURNETT

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