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Public Service Commission

September 30, 2009

John T. Burnett
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042

Re: Docket No. 090421-EI - Petition for Commission approval of base rate increase for costs associated with CR3 uprate project, pursuant to Section 366.93(4), F.S. and Rule 25-6.0423(7), F.A.C., by Progress Energy Florida, Inc.

Dear Mr. Burnett:

By this letter, the Commission staff requests that Progress Energy Florida, Inc., provide responses to the following data requests.

1. Please refer to PEF's response to Staff Data Request No. 1, question 1. The response indicates that the development of the revenue requirements by account number includes the depreciation rates as filed in Docket No. 090079-EI. Please provide the revenue requirements by account number using PEF's currently approved depreciation rates in determining depreciation expense and the Accumulated Reserve.
2. Please refer to PEF's response to Staff Data Request No. 1, question 2. In describing the development of the 12/31/2009 Accumulated Reserve associated with the retiring assets in Accounts 322, 323, and 324, PEF states that it first looked at the "actual accumulated reserve for these assets as of July 2009."
 - a. In general, does PEF maintain Accumulated Reserve amounts by asset?
 - b. If the response to (a) is affirmative, please indicate when PEF began maintaining the reserve for each asset. If the response to (a) is negative, please explain or describe how the reserves for the assets planned for retirement was determined.
 - c. Please provide all calculations supporting the development of the "actual" reserve for each of the retiring assets.

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- d. Please provide all calculations supporting the development of the “actual” reserve for each of the retiring assets.
3. Please refer to PEF’s response to Staff Data Request No. 1, question 2.
 - a. In estimating the depreciation to be incurred for the remaining 5 months of the year, did PEF utilize the depreciation rates it has proposed in Docket No. 090079-EI?
 - b. If affirmative, please indicate the depreciation to be incurred for the remaining 5 months of the year using PEF’s currently prescribed depreciation rates.
 - c. Please provide the workpapers showing the development of the depreciation expense for the remaining 5 months of the year using PEF’s currently prescribed depreciation rates.
 4. Please refer to the support labeled NBV Analysis for EPU Phase 2 Retirements that PEF filed in response to Staff Data Request No. 1, questions 2(b) and 3.
 - a. Please identify the source for the book cost of each asset shown on the NBV Analysis.
 - b. Please indicate the meaning of the column entitled “Allocated Reserve – Life.”
 - c. Please indicate the meaning of the column entitled “Allocated Reserve – COR.”
 - d. Please indicate with specificity how the Allocated Reserve – Life for Asset ID 3628416, Turbine Control Valves, was developed.
 - e. Please provide all calculations supporting the development of the Allocated Reserve – Life for Asset ID 3628416, Turbine Control Valves, in the amount of \$351,834.85.
 - f. Please indicate with specificity how the Allocated Reserve – COR for Asset ID 3628416, Turbine Control Valves, was developed.
 - g. Please provide all calculations supporting the development of the Allocated Reserve – COR for Asset ID 3628416, Turbine Control Valves, in the amount of \$64,961.20.
 - h. Please indicate why the column entitled Net Book Value does not include the Allocated Reserve – COR amounts.

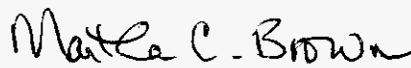
- i. Please explain or describe the logic supporting the negative book cost, negative Allocated Reserve -- Life, Negative Net Book Value and Negative Allocated Reserve - COR for Asset IDs 3839143 and 3839147, described as Heat Exchanger, Waterbox.

5. Please refer to the support labeled NBV Analysis for EPU Phase 2 Retirements that PEF filed in response to Staff Data Request No 1, questions 2(b) and 3.
 - a. Please provide the calculations supporting the monthly Life Rate for Account 322, Account 323, and Account 324 shown on the Projected August – December 2009 worksheet.
 - b. Please provide the calculations supporting the monthly COR Rate for Account 322, Account 323, and Account 324 shown on the Projected August – December 2009 worksheet.
 - c. Please indicate if the Life Rates and COR Rates shown on the Projected August – December 2009 worksheet are those currently approved or those the Company has proposed in Docket No. 090079-EI.
 - d. Please explain or describe the logic supporting the negative depreciation expense for Asset IDs 3839143 and 3839147, described as Heat Exchanger, Waterbox.

6. Please refer to PEF's response to Staff Data Request No. 1, question 5. For the EPU Assets to be retired in 2009, does the system and jurisdictional 13-month average accumulated depreciation and the 12-month depreciation expense included in the projected 2010 test year in Docket No. 090079-EI reflect the use of PEF's proposed depreciation rates? If affirmative, please identify the system and jurisdictional 13-month average accumulated depreciation and the 12-month depreciation expense for the 2010 test year using the currently prescribed depreciation rates.

Please file the original and five copies of the requested information by October 14, 2009, 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) 413-6187 if you have any questions.

Sincerely,



Martha C. Brown
Senior Attorney

MCB/tfw

cc: Office of Commission Clerk