



October 30, 2009

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COMMISSION  
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**VIA HAND DELIVERY**

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

Re: *Petition by Progress Energy Florida, Inc. 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.; Docket No. 090421-EI*

Dear Ms. Cole:

Enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") are the original and seven (7) copies of its Amended Petition in the above referenced docket.

Thank you for your assistance in this matter. If you should have any questions, please feel free to contact me at (813) 229-4145.

Sincerely,  
*Dianne Triplett CMS*  
Dianne Triplett  
Carlton Fields Law Firm

ATTORNEY FOR PROGRESS ENERGY FLORIDA, INC.

DT/lms  
Enclosures

- COM \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCP \_\_\_\_\_
- SSC \_\_\_\_\_
- SGA \_\_\_\_\_
- ADM \_\_\_\_\_
- CLK \_\_\_\_\_

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Petition by Progress Energy Florida, Inc.  
for Commission Approval of Base Rate Increase  
for Costs Associated with the  
CR3 Uprate Project, Pursuant to Section  
366.93(4), F.S. and Rule 25-6.0423(7), F.A.C.

Docket No. 090421-EI

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Submitted for Filing: October 30, 2009

**PROGRESS ENERGY FLORIDA, INC.'S AMDENDED PETITION FOR COMMISSION  
APPROVAL OF BASE RATE INCREASE FOR COSTS ASSOCIATED  
WITH THE CR3 UPRATE PROJECT, PURSUANT TO  
SECTION 366.93(4), F.S. AND RULE 25-6.0423(7), F.A.C.**

Pursuant to Section 366.93(4), Florida Statutes, and Rule 25-6.0423(7), F.A.C., Progress Energy Florida ("PEF" or the "Company") respectfully submits this amended petition to the Florida Public Service Commission ("PSC" or the "Commission") and requests approval of a base rate increase for its costs associated with the Crystal River 3 ("CR3") Uprate Project. PEF filed its original petition in this matter on August 28, 2009. In that petition, the Company based the calculation of the numbers in the original petition consistent with the methods and information from its pending base rate proceeding in Docket 090079-EI. Given the Commission's schedule, the Company expected that the Commission would issue an order in Docket 090079-EI before the end of the year. On October 27, 2009, however, the Commission voted to defer its decision in PEF's general rate proceeding until January 11, 2010, after the assets at issue in this docket will go into service. In this docket, Commission Staff issued its Staff Recommendation on October 29, 2009 with respect to PEF's original petition and recommended that the Commission approve PEF's requested revenue requirements for these assets and allow PEF to add the revenue requirements to the new rates approved in Docket 090079-EI. Because the Commission has deferred

consideration of the base rate case proceeding until January, PEF will not be able to collect revenue requirements for the CR3 Uprate assets during the first two months of 2010. PEF is entitled to recover these revenue requirements pursuant to Section 366.93, Florida Statutes. PEF has therefore amended its petition to provide the revenue requirements for these CR3 assets based on the staff's recommendation, so that it can implement these rates effective with the first billing cycle for January 2010.

Specifically, PEF is providing a revised Attachment E to show the allocation of the retail revenue requirements, as set forth in the Staff Recommendation, to the rate classes in one way, 12CP and 1/13<sup>th</sup> AD, which is the Company's currently approved method. PEF is also providing an Attachment F, which includes the rate factors applicable to the revenue requirements included in the Staff Recommendation. These rates have been formulated using the currently approved 12CP and 1/13<sup>th</sup> AD methodology.

### **BACKGROUND**

1. The Company first introduced its CR3 Uprate Project to the Commission in its need determination proceeding, filed on or about September 22, 2006. This Commission granted a need determination for the CR3 Uprate Project on February 8, 2007.

2. On February 29, 2008, PEF petitioned this Commission for recovery of its carrying costs on construction expenditures for the CR3 Uprate project as provided in Section 366.93, Florida Statutes and Rule 25-6.0423, F.A.C. In support of its petition, PEF filed testimony and exhibits including appropriate Nuclear Filing Requirement ("NFR") schedules. The Commission opened Docket Number 080009, the Nuclear Cost Recovery Clause ("NCRC"), to consider, among other things, the prudence of PEF's actual CR3 Uprate costs.

3. The CR3 Uprate project is going into commercial service at three different points in time. The first phase, the MUR phase, went into commercial service on January 31, 2008. PEF's MUR phase was the first portion or phase of a nuclear plant to go into commercial service and be subject to Section 366.93(4) and Rule 25-6.0423(7), F.A.C. Due to the relatively small nature of the dollars associated with the MUR phase of the project and for purposes of administrative efficiency, PEF included, in its NFR schedules for recovery through the Capacity Clause, the revenue requirements on these costs for 2008 and 2009.

4. In Docket 080009, Staff, the Office of Public Counsel ("OPC"), and the other interveners took discovery regarding the prudence of PEF's actual 2006 and 2007 CR3 costs, which include costs incurred for the MUR phase of the project. Staff and PEF agreed that PEF could include its 2008 MUR revenue requirements in the NCRC, and that PEF would file a separate petition for Commission approval of a base rate increase for the remaining revenue requirements of the MUR phase. The Commission considered the prudence of PEF's costs and approved a stipulation at a hearing on September 11-12, 2008 resulting in Order PSC-08-0779-TRF-EI.

5. In Docket 090009, PEF has presented the 2009 revenue requirements associated with items going into service in 2009. These items, that will be placed into service in 2009, known as phase two or "Balance of Plant" do not increase the licensed output of the nuclear reactor but will improve the efficient use of that output to produce a higher electrical output. In addition, these improvements will be sized to support the Extended Power Uprate "EPU" and maximize their ultimate capacity. Consistent with how the MUR revenue requirements were handled, PEF is petitioning for a base rate increase in 2010 associated with the remaining revenue requirements for the items being placed in service for the Uprate in

2009. The Commission, OPC, and other interveners have reviewed the CR3 Uprate Project in both the need determination proceeding and the NCRC proceedings. PEF thus does not anticipate that any party will protest the Company's petition, which requests that the Commission approve a base rate increase for its costs associated with items going in service in 2009 for the CR3 Uprate Project. Accordingly, PEF believes that it is submitting ample information upon which the Commission can develop its proposed agency action (PAA) on the Company's request. Because the Company does not believe a hearing will be involved in the disposition of the Petition, it has not filed any pre-filed testimony. PEF, however, reserves its right to submit additional testimony addressing issues identified in any protest of the PAA Order.

#### I. PRELIMINARY INFORMATION.

6. The Petitioner's name and address are:

Progress Energy Florida, Inc.  
299 1st Ave. N.  
St. Petersburg, Florida 33701

7. Any pleading, motion, notice, order, or other document required to be served upon PEF or filed by any party to this proceeding should be served upon the following individuals:

R. Alexander Glenn  
alex.glenn@pgnmail.com  
John Burnett  
john.burnett@pgnmail.com  
**Progress Energy Service Company, LLC**  
P.O. Box 14042  
St. Petersburg, FL 33733  
(727) 820-5587  
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(813) 223-7000  
(813) 229-4133 (fax)

**II. PRIMARILY AFFECTED UTILITY.**

8. PEF is the utility primarily affected by the proposed request for cost recovery.

PEF is an investor-owned electric utility, regulated by the Commission pursuant to Chapter 366, Fla. Stats., and is a wholly owned subsidiary of Progress Energy, Inc. The Company's principal place of business is located at 299 1st Ave. N., St. Petersburg, Florida 33701.

9. PEF serves approximately 1.6 million retail customers in Florida. Its service area comprises approximately 20,000 square miles in 35 of the state's 67 counties, encompassing the densely populated areas of Pinellas and western Pasco Counties and the greater Orlando area in Orange, Osceola, and Seminole Counties. PEF supplies electricity at retail to approximately 350 communities and at wholesale to about 21 Florida municipalities, utilities, and power agencies in the State of Florida.

**III. PEF REQUESTS THAT THE COMMISSION APPROVE A BASE RATE INCREASE FOR COSTS ASSOCIATED WITH THE ASSETS BEING PLACED IN SERVICE IN 2009 ASSOCIATED WITH THE CR3 UPRATE PROJECT, PURSUANT TO SECTION 366.93(4), F.S. AND RULE 25-6.0423(7), F.A.C.**

10. Several assets are planned to go in service in 2009.

11. Section 366.93(4), F.S., provides that a utility shall be allowed to increase its base rate charges, by the projected annual revenue requirements, once the nuclear power plant is placed in commercial service. Rule 25-6.0423(7), F.A.C. further specifies that as operating

units or systems associated with the power plant are placed in commercial service, the utility shall file a petition for Commission approval of the base rate increase.

12. The Phase II “BOP” costs have been fully vetted and subject to discovery in two proceedings, the CR3 Uprate need determination proceeding and the NCRC proceeding. In both proceedings, Commission Staff, OPC, and other interveners served interrogatories and requests for production and took depositions regarding, among other things, the “BOP” costs.

13. In Docket 090009, the NCRC proceeding, the Commission considered, among other things, the actual “BOP” costs incurred in 2008 for the CR3 Uprate Project, which are the subject of this Petition. The Commission heard PEF’s testimony on these costs at the hearing September 8-11, 2009, and voted to approve these costs on October 16, 2009. The Commission found all of PEF’s actual CR3 Uprate Project costs to be prudent, including the “BOP” costs. Therefore, pursuant to Rule 25-6.0423, F.A.C., the “BOP” costs shall not be subject to disallowance or further prudence review. The Company has also incurred Phase II costs in 2009. The Company recognizes that these 2009 Phase II costs will be considered for prudence review in the 2010 NCRC proceeding. Should the Commission find any of those 2009 Phase II costs to be imprudent, the Company agrees to appropriately refund those amounts collected through the NCRC proceeding.

#### **Calculation of Revenue Requirements**

14. The total retail increase in base rates associated with the assets being placed in service in 2009 is \$16,812,605, as reflected in the Staff Recommendation.

15. PEF should be allowed to reflect these increased rates beginning with the first billing cycle in January 2010. The 2010 Uprate revenue requirements will be transferred from the NCRC to base rates effective January 1, 2010. Given the unforeseen deferral of the

Commission's decision in Docket 090079-EI, and recognizing the Commission's desire to provide as much advance notice of rate changes to customers as possible, PEF respectfully asks that this amended petition be considered at the Commission's November 10<sup>th</sup> Agenda, pursuant to the current schedule.

**Allocation of Costs to Rate Classes**

16. Consistent with the currently-approved methodology, the Company is proposing these costs be allocated to retail classes using the 12CP and 1/13<sup>th</sup> AD method. This calculation is shown on Attachment E.

**Proposed Rates**

17. PEF requests approval of the retail revenue requirements associated with the assets being placed in service in 2009, which have been reflected in the Staff Recommendation. PEF's current and proposed base rate energy charges by rate class and rate schedule are reflected on Attachment F.

18. PEF will file tariff sheets, consistent with the Attachments to the Amended Petition, for administrative approval.

**IV. DISPUTED ISSUES OF MATERIAL FACT.**

19. There are no disputed issues of material fact in this proceeding.

**V. CONCLUSION.**

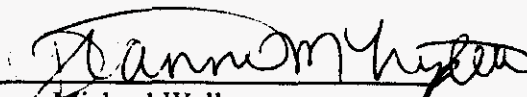
WHEREFORE, for all the reasons provided in this Amended Petition and the Attachments to this Amended Petition, PEF respectfully requests that the Commission approve the revenue requirements requested herein and approve a base rate increase to be effective on the first billing cycle in January 2010, for its costs associated with the 2009 assets being placed in service for the CR3 Uprate Project, pursuant to Section 366.93(4), F.S. and



Rule 25-6.0423(7), F.A.C.

Respectfully submitted this 30th day of October, 2009.

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Associate General Counsel  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 30th day of October, 2009.

  
ATTORNEY

MR. PAUL LEWIS, JR.  
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Rate Class	(1) 12CP & 1/13 AD Demand Allocator (%)	(2) Phase II 12CP & 1/13 AD Demand Costs (\$)	Effective mWh at Secondary Level Year 2010 (mWh)	Rates Phase II 12CP & 1/13 AD Demand Costs (\$)
<b>Residential</b>				
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>				
Secondary	61.798%	\$10,389,792	18,303,702	0.057
<b>General Service Non-Demand</b>				
<b>GS-1, GST-1</b>				
Secondary			1,120,052	
Primary			7,221	
Transmission			3,503	
<b>TOTAL GS</b>	<b>2.783%</b>	<b>467,812</b>	<b>1,130,776</b>	<b>0.041</b>
<b>General Service</b>				
<b>GS-2</b>				
Secondary	0.153%	25,734	86,214	0.030
<b>General Service Demand</b>				
<b>GSD-1, GSDT-1, SS-1</b>				
Secondary			11,831,271	
Primary			2,234,837	
Transmission			15,881	
<b>TOTAL GSD</b>	<b>30.895%</b>	<b>5,194,251</b>	<b>14,081,989</b>	<b>0.037</b>
<b>Curtailable</b>				
<b>CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3</b>				
Secondary			-	
Primary			176,488	
Transmission				
<b>TOTAL CS</b>	<b>0.341%</b>	<b>57,399</b>	<b>176,488</b>	<b>0.033</b>
<b>Interruptible</b>				
<b>IS-1, IST-1, IS-2, IST-2, SS-2</b>				
Secondary			98,446	
Primary			1,727,314	
Transmission			348,760	
<b>TOTAL IS</b>	<b>3.846%</b>	<b>646,663</b>	<b>2,174,521</b>	<b>0.030</b>
<b>Lighting</b>				
<b>LS-1</b>				
Secondary	0.184%	30,954	356,890	0.009
	100%	\$16,812,605	36,310,579	0.046

Notes: (1) Demand Allocator From Supplemental CCR Filing 10/23/09 in Dkt 090001  
 (2) Total Phase II Revenue Requirements from Attachment B Line 27

Progress Energy Florida  
 2009 Proposed Base Rate Energy Charges  
 CR3 Uprate Phase II  
 Proposed Base Rate

Revised - Attachment F  
 Revised per Staff Rec  
 October 30, 2009  
 Page 1 of 1

Rate Schedule	Type of Charge	Cents / KWH		\$ / KWH Actual Billing Rate (CSS)	
		Current Rate	Proposed Rate	Current Rate	Proposed Rate
<b>RS-1</b>	Energy and Demand Charge				
<b>RST-1</b>	Standard				
<b>RSS-1</b>	0 - 1,000 KWH	3.592	3.649	0.03592	0.03649
<b>RSL-1</b>	Over 1,000 KWH	4.592	4.649	0.04592	0.04649
<b>RSL-2</b>	Time of Use - On Peak	11.212	11.269	0.11212	0.11269
	Time of Use - Off Peak	0.569	0.626	0.00569	0.00626
<b>GS-1</b>	Energy and Demand Charge				
<b>GST-1</b>	Standard	3.923	3.964	0.03923	0.03964
	Time of Use - On Peak	11.211	11.252	0.11211	0.11252
	Time of Use - Off Peak	0.568	0.609	0.00568	0.00609
<b>GS-2</b>	Energy and Demand Charge	1.473	1.503	0.01473	0.01503
<b>GSD-1</b>	Energy Charge				
<b>GSDT-1</b>	Standard	1.618	1.655	0.01618	0.01655
	Time of Use - On Peak	3.566	3.603	0.03566	0.03603
	Time of Use - Off Peak	0.568	0.605	0.00568	0.00605
<b>CS-1</b>	Energy Charge				
<b>CS-2</b>	Standard	1.057	1.090	0.01057	0.01090
<b>CS-3</b>	Time of Use - On Peak	1.966	1.999	0.01966	0.01999
<b>CST-1</b>	Time of Use - Off Peak	0.567	0.600	0.00567	0.00600
<b>CST-2</b>					
<b>CST-3</b>					
<b>IS-1</b>	Energy Charge				
<b>IS-2</b>	Standard	0.700	0.730	0.00700	0.00730
<b>IST-1</b>	Time of Use - On Peak	0.993	1.023	0.00993	0.01023
<b>IST-2</b>	Time of Use - Off Peak	0.567	0.597	0.00567	0.00597
<b>LS-1</b>	Energy and Demand Charge	1.555	1.564	0.01555	0.01564
<b>SS-1</b>	Energy Charge	0.683	0.720	0.00683	0.00720
<b>SS-2</b>	Energy Charge	0.682	0.712	0.00682	0.00712
<b>SS-3</b>	Energy Charge	0.682	0.715	0.00682	0.00715