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January 25, 2010

**VIA HAND DELIVERY**

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 with generating performance incentive factor; Docket No. 100001-EI*

Dear Ms. Cole:

Please find attached for filing in the above referenced docket the original and seven (7) copies of Progress Energy Florida, Inc.'s ("PEF") Status Update regarding the Crystal River Unit 3 Steam Generator Replacement Outage as of January 25, 2010.

Thank you for your assistance in this matter.

Sincerely,

*John T. Burnett cms*  
John T. Burnett

JTB/lms

cc: Parties of Record

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<b>ECR</b>	_____
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## **Status Update Regarding the Crystal River Unit 3 Steam Generator Replacement Outage**

Crystal River Unit 3 ("CR3") entered a planned unit outage on September 26, 2009 as part of the Steam Generator Replacement ("SGR") project for that unit. CR3 was scheduled to return to service on December 19, 2009. During the course of the project, however, PEF discovered cracking in the section of the containment wall that was opened for the SGR project. After investigation, PEF discovered a "de-lamination" of some of the concrete in the section of the containment wall near the SGR opening. PEF informed the Nuclear Regulatory Commission ("NRC") of this discovery and began a root cause evaluation to determine the cause of the de-lamination.

The company and its engineering contractors are nearing completion of an exhaustive review of the root cause of the de-lamination in the unit's exterior containment structure. The analysis team identified over 70 different potential root cause failure modes for the de-lamination and has narrowed this list to a handful of remaining failure modes. Although the analysis is not complete, the remaining variables appear to point toward the interplay between several factors. We expect to have this review completed by the end of January, 2010.

The Company has also developed a work plan to complete the repairs to the building structure. We are mobilizing our efforts to begin the repairs, which we expect to commence once we have further insight from our root cause analysis. The NRC has a designated team of experts in place to evaluate and observe our entire approach to this issue. We have frequent meetings with the NRC representatives to update them on our work processes and are keeping them fully informed as to our plans. We will provide the root cause analysis to the NRC when it is completed as well as our plan to repair the structure.

At present, we do not have a firm return to service date for CR3, nor do we have finalized estimates on repair and replacement power costs, which will be in large part a function of schedule. Once our repair plans have been finalized we will provide those estimates to you promptly. Based on what we know at this time, we do expect that all repairs will be completed so that CR3 will return to service by mid-year.

Our current focus is on returning CR3 to service safely and quickly. Once CR3 returns to service, PEF plans to ask the Florida Public Service Commission to open a docketed matter regarding this outage so that the Commission and all interested parties can review all the relevant facts and information regarding the outage, the root cause, and the repair process.

The Company is confident that it will be able to continue to meet peak load and reserve margin requirements through company-owned generation and purchases if needed as it did during peak records earlier this month.

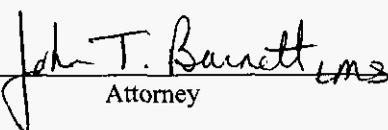
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 25<sup>th</sup> day of January, 2010.

  
Attorney

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