

Marguerite McLean

From: Stright, Lisa [Lisa.Stright@pgnmail.com]
Sent: Friday, April 16, 2010 2:07 PM
To: Filings@psc.state.fl.us
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Subject: PEF's Suppl Schedule - Cap Structure & Cost Rates - Dkt# 100001-EI
Attachments: FINAL - Cap Structure & Cost Rates (4.16.10) - Dkt# 100001-EI.pdf

This electronic filing is made by:

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Docket No. 100001-EI

On behalf of Progress Energy Florida

Consisting of 4 pages.

**The attached document for filing is PEF's
Supplemental schedule showing the capital
Structure components and cost rates
Pursuant to Procedural Order #10-0154.**

Lisa Stright

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4/16/2010

FPSC-COMMISSION CLERK



April 16, 2010

Via Electronic Filing

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:

Progress Energy Florida, Inc. ("PEF") filed its True-Up testimony on March 12, 2010 in the above referenced docket. Pursuant to Procedural Order No. PSC-10-0154-PCO-EI issued March 18, 2010, the Order states:

"With its Estimated/Actual and Projection testimony and exhibits, and as a supplement to its True-up testimony and exhibits, each utility shall file a schedule that shows the capital structure components and cost rates relied upon to calculate the revenue requirement rate of return on all capital projects recovered through the fuel clause. The schedule shall include the derivation of debt and equity components used in the calculation of the return on average net investment attached to the testimony of the utility's witness. Each utility shall cite all sources and include rationale for using the particular capital structure and cost rates."

PEF inadvertently did not provide this information with our March 12, 2010 True-up filing. To comply with the requirements of Order Establishing Procedure noted above, please find attached PEF's supplemental schedule which shows the capital structure components and cost rates relied upon to calculate the revenue requirement rate of return on all capital projects recovered through the fuel clause.

The source of PEF's 2009 capital structure and cost rates is Order No. PSC-05-0945-S-EI (2005 Rate Case Settlement) Page 3, which states:

"PEF will continue to operate without an authorized return on equity (ROE) range for the purpose of addressing earnings levels, and the Stipulation's sharing mechanism will be the mechanism to address earnings levels. However, for purposes other than reporting or assessing earnings (such as

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cost recovery clauses or AFUDC), PEF will use 11.75% as its ROE, and the annual AFUDC rate will be 8.848%. (Paragraph 14)"

A supplemental schedule will also be provided along with our Estimated/Actual and Projection filings at later dates as specified in the Order Establishing Procedure.

Thank you for your assistance and we apologize for any inconvenience. If you have any questions, please do not hesitate to call me at (727) 820-5184.

Sincerely,

Handwritten signature of John T. Burnett in black ink.

John T. Burnett
Associate General Counsel

JTB/lms

CC: Parties of record

SUPPLEMENTAL SCHEDULE TO TRUE-UP FILING DATED MARCH 12, 2010
 (as required by Order No. PSC-10-0154-PCO-EI)
 Docket No. 100001-EI

Capital Structure Components and Cost Rates relied upon for 2009 True-up Filing

Progress Energy Florida

Per Settlement Agreement dated 8/23/05 - D-1a as filed with 11.75% Equity Docket 050078-EI


	Adjusted Retail			Weighted Cost
	\$000's	Ratio	Cost Rate	
	\$			
Common Equity	2,684,417	57.83%	11.75%	6.80%
Preferred Stock	25,044	0.54%	4.51%	0.02%
Long Term Debt	1,520,653	32.76%	5.73%	1.88%
Short Term Debt	25,148	0.54%	4.04%	0.02%
Customer Deposits	101,979	2.20%	5.92%	0.13%
ITC-Equity	13,485	0.29%	11.68%	0.03%
ITC-Debt	7,568	0.16%	5.73%	0.01%
Deferred Tax	309,400	6.67%	0.00%	0.00%
Deferred Tax (FAS 109)	(46,088)	-0.99%	0.00%	0.00%
	<u>4,641,606</u>	<u>100.00%</u>		<u>8.89%</u>
			Total Debt	2.04%
			Total Equity	6.85%

Order No. PSC-05-0945-S-EI (2005 Rate Case Settlement) Page 3 states:

“PEF will continue to operate without an authorized return on equity (ROE) range for the purpose of addressing earnings levels, and the Stipulation’s sharing mechanism will be the mechanism to address earnings levels. However, for purposes other than reporting or assessing earnings (such as cost recovery clauses or AFUDC), PEF will use 11.75% as its ROE, and the annual AFUDC rate will be 8.848%.” (Paragraph 14)

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 16th day of April, 2010.


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