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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

August 11, 2010

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COMMISSION  
CLERK

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

STAFF'S FOURTH DATA REQUEST

VIA FACSIMILE: (727) 820-5519

**Re: Docket No. 100134-EI - Review of Progress Energy Florida, Inc.'s current allowance for funds used during construction.**

Dear Mr. Burnett:

In PEF's response to Staff's Second Data Request, PEF provided a description of all accounts listed in the attached schedule entitled "Deferred Accounts For All Clauses and Derivatives." In the attached schedule, PEF identified which accounts correspond to the respective recovery clauses. Two accounts, Derivative Collateral Receivable and Derivative Collateral Payable, did not appear to be identified as accounts related to the fuel cost recovery clause even though PEF indicated that the Derivative Collateral Receivables account was pre-paid fuel. To help staff better understand the purpose of the derivative collateral accounts, please provide the following.

1. Is the amount of the balance of the Derivative Collateral Receivable account collected from PEF's customers through the fuel cost recovery clause?
2. If the answer to question 1 is affirmative, please provide the schedules from the fuel cost recovery clause docket showing how the balances of the derivative collateral accounts are included in the recovery amount.
3. Please provide a schedule that lists all the derivative instruments and the corresponding balances that comprise the Derivative Collateral Receivable and Payable Accounts (Nos. 1740102 & 2420102).
4. Would PEF classify the Derivative Collateral Receivable account balance as a fuel clause asset or unrecovered fuel? Please explain your answer.
5. Please indicate how the derivative collateral accounts are recorded on PEF's balance sheet. Please identify the name used for the derivative collateral accounts on the balance sheet for PEF included in Progress Energy's 10-Q for the quarterly period ending March 31, 2010, filed with the SEC.

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6. In PEF's response to Staff's Third Data Request, PEF indicated that based on its interpretation of FERC methodologies to set AFUDC, it believes that short-term debt balances used in its AFUDC analysis should be reduced to exclude short-term debt that exists to support collateral issued related to oil/fuel derivatives. Please identify any recent dockets or rate cases where the Florida Public Service Commission approved or made a specific adjustment to short-term debt to exclude short-term debt used to support collateral issued related to oil or fuel derivatives.
7. Please submit revised AFUDC Schedules that reflect specific adjustments to short-term debt to remove \$41,155,120 to convert the variable rate to a daily weighted average balance, and to remove any amounts that are specifically identified and recovered through the fuel cost recovery clause. All other adjustments should be made pro-rata over all sources of capital.

Please provide the requested responses by August 19, 2010. Should you have any questions please contact me at (850) 413-6536.

Sincerely,

A handwritten signature in black ink that reads "Dale R. Buys". The signature is written in a cursive style with a large, sweeping initial "D".

Dale R. Buys  
Regulatory Analyst IV  
Division of Economic Regulation  
Bureau of Rate Filings, Surveillance, Finance & Tax  
Email: [dbuys@psc.state.fl.us](mailto:dbuys@psc.state.fl.us)

cc: Office of Commission Clerk  
Office of the General Counsel (Brubaker)  
Division of Economic Regulation (Bulecza-Banks, C. Davis, Dunoho Maurey,  
Slemkewicz)