

**Diamond Williams**

100007-EI

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**Sent:** Monday, September 13, 2010 10:09 AM  
**To:** Filings@psc.state.fl.us  
**Subject:** Docket No. 100007-EI  
**Attachments:** 100007 - PEF Preliminary List of Issues and Postiions.DOC

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 100007-EI

In re: Environmental Cost Recovery Clause

c. Document being filed on Progress Energy Florida, Inc.

d. There are a total of 4 pages.

e. The document attached for electronic filing is Progress Energy Florida's Preliminary List of Issues and Positions.

Thank you for your cooperation.

COMMUNICATIONS  
7627 SEP 13 2010  
FPSC-COMMISSION CLERK

9/13/2010

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 100007-EI

FILED: SEPTEMBER 13, 2010

**PROGRESS ENERGY FLORIDA INC.'S  
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Progress Energy Florida, Inc. ("PEF"), by and through undersigned counsel, hereby submits its Preliminary List of Issues and Positions with respect to its Environmental Cost Recovery Clause ("ECRC") for the period of January 2011 through December 2011. PEF's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

- Issue 1      What are the final environmental cost recovery true-up amounts for the period January 2009 through December 31, 2009?
- PEF:    \$4,562,177 over-recovery (Garrett)
- Issue 2      What are the estimated/actual environmental cost recovery true-up amounts for the period January 2010 through December 2010?
- PEF:    \$34,175,003 over-recovery (Foster, Zeigler, West, Murray, Sorrick)
- Issue 3      What are the projected environmental cost recovery amounts for the period January 2011 through December 2011?
- PEF:    \$213,343,861 (Foster, Zeigler, West, Sorrick)
- Issue 4      What are the environmental cost recovery amounts, including true-up amounts, for the period January 2011 through December 2011?
- PEF:    \$174,732,398 (Foster)
- Issue 5      What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2011 through December 2011?
- PEF:    For 2011 final true-up purposes, the depreciation rates used to calculate the depreciation expense should be the rates in effect during that period. (Foster)

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Issue 6

What are the appropriate jurisdictional separation factors for the projected period January 2011 through December 2011?

PEF: The jurisdictional energy separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.

Transmission Average 12 CP demand jurisdictional factor – 68.113%

Distribution Primary demand jurisdictional factor – 99.624%

Jurisdictional Separation Study factors were used for production demand jurisdictional factor as:

Production Base – 91.089%

Production Intermediate – 58.962%

And, Production Peaking – 91.248%

Production A&G – 87.691%

(Foster)

Issue 7

What are the appropriate environmental cost recovery factors for the period January 2011 through December 2011 for each rate group?

PEF: The appropriate factors are as follows (Foster):

<b>Rate Class</b>	<b>ECRC Factors 12CP &amp; 1/13 AD</b>
Residential	0.492 cents/kWh
General Service Non-Demand	
@ Secondary Voltage	0.483 cents/kWh
@ Primary Voltage	0.478 cents/kWh
@ Transmission Voltage	0.473 cents/kWh
General Service 100% Load Factor	0.465 cents/kWh
General Service Demand	
@ Secondary Voltage	0.472 cents/kWh
@ Primary Voltage	0.467 cents/kWh
@ Transmission Voltage	0.463 cents/kWh
Curtailable	
@ Secondary Voltage	0.465 cents/kWh
@ Primary Voltage	0.460 cents/kWh
@ Transmission Voltage	0.456 cents/kWh
Interruptible	
@ Secondary Voltage	0.453 cents/kWh
@ Primary Voltage	0.448 cents/kWh
@ Transmission Voltage	0.444 cents/kWh
Lighting	0.471 cents/kWh

Issue 8 What should be the effective date of the new environmental cost recovery factors for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2011, and thereafter through the last billing cycle for December 2011. The first billing cycle may start before January 1, 2011, and the last billing cycle may end after December 31, 2011, so long as each customer is billed for twelve months regardless of when the factors became effective. (Foster)

Company Specific Environmental Cost Recovery Issues

Issue 10A Should the Commission grant PEF's Petition for approval of cost recovery for the Effluent Limitation Guidelines-related Information Collection Request (ELG-ICR) Project?

PEF: Yes. The costs for this program meet the requirements of Section 366.8255 for recovery through the Environmental Cost Recovery Clause. (West)

Issue 10B How should the costs associated with the ELG-ICR Project be allocated to the rate classes?

PEF: Operating and maintenance costs for the ELG-ICR should be allocated to rate classes on Energy. (Foster)

Issue 10C Should the Commission approve PEF's updated Review of Integrated Clean Air Compliance Plan that was submitted on April 1, 2010?

PEF: Yes. PEF's Integrated Clean Air Compliance Plan will have the desired effect of achieving timely compliance with the applicable regulations in a cost-effective manner. All of the major components of the Crystal River Unit 4 and 5 control projects included in PEF's Integrated Clean Air Compliance Plan have been placed in service. No new or revised environmental regulations have been adopted that have a direct bearing on PEF's compliance plan. However, PEF is continuing to evaluate future compliance options in light of EPA's ongoing development of Maximum Achievable Control Technology (MACT) standards for coal and oil-fired generating units. (West; Sorrick)

RESPECTFULLY SUBMITTED this 13th day of September, 2010.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to all counsel of record and interested parties as listed below by e-mail this 13th day of September, 2010.

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