

# Hopping Green & Sams

Attorneys and Counselors

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COMMISSION  
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October 7, 2010

**BY HAND-DELIVERY**

Ann Cole  
Director, Division of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 100007-EI

Dear Ms. Cole:

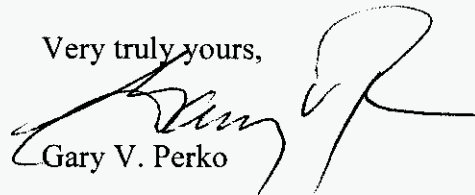
On behalf of Progress Energy Florida, Inc. (PEF), I enclose for filing in the above docket the original and fifteen (15) copies of the following:

- PEF's Motion for Leave to File Revised Direct Testimony and Exhibits; 08405-10
- Proffered Direct Testimony of Thomas G. Foster, originally filed on August 2, 08406-10 2010 and revised on October 7, 2010, along with Mr. Foster's revised Exhibit No. \_\_\_ (TGF-1);
- Proffered Direct Testimony of Thomas G. Foster, originally filed on August 27, 08407-10 2010 and revised on October 7, 2010, along with Mr. Foster's revised Exhibit No. \_\_\_ (TGF-3); and
- Proffered Direct Testimony of David Sorrick, originally filed on August 27, 2010 08408-10 and revised on October 7, 2010.

By copy of this letter, the enclosed documents have been furnished to the parties on the attached certificate of service.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning it to me. If you have any questions regarding this filing, please give one of us a call at 222-7500.

Very truly yours,



Gary V. Perko

Attorneys for PROGRESS ENERGY FLORIDA, INC.

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 FPSC-COMMISSIONER

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 100007-EI

FILED: OCTOBER 7, 2010

**PROGRESS ENERGY FLORIDA'S MOTION FOR LEAVE TO FILE  
REVISED DIRECT TESTIMONY AND EXHIBITS**

Progress Energy Florida ("PEF"), pursuant to Rule 28-106.204, Florida Administrative Code (F.A.C.), hereby moves for leave to file the revised direct testimony and exhibits of Thomas G. Foster and the revised direct testimony of David Sorrick proffered herewith. In support, PEF states:

1. During the course of discovery in this docket, PEF has determined that minor corrections should be made to the pre-filed direct testimony of Thomas G. Foster and David Sorrick, as well as schedules included in Mr. Foster's Exhibit Nos. \_\_ (TGF-1) and \_\_ (TGF-3). As shown in Attachment A to this motion, the net impact of such corrections would reduce PEF's requested 2011 retail revenue requirements by a total of \$428,846. In turn, this would reduce PEF's proposed ECRC residential factors by \$0.01 (1000/kWh). Each correction is described below:

(a) **Depreciation Credit on Retired Base Rate Assets:** In responding to Interrogatory No. 26 of Staff's Sixth Set of Interrogatories, PEF determined that a credit for depreciation consistent with the requirements of Order PSC-99-2513-FOF associated with base rate items retired in 2008 and 2009 was unintentionally omitted from the true-up filing. As

discussed in PEF's discovery response, inclusion of the depreciation credit would decrease PEF's revenue requirements by \$154,045 on a system basis and \$144,545 for the retail jurisdiction. This adjustment is reflected on line 10 of revised schedule 42-2E in Mr. Foster's

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revised Exhibit No. \_\_\_ (TGF-1) and flows through to schedules 42-3E, 42-1E, 42-1P and 42-7P. This correction also necessitates minor changes to the Mr. Foster's Estimated/Actual True-up testimony (originally submitted on August 2, 2010) and Projection testimony (originally submitted on August 27, 2010). Changes to the testimony are specifically identified by page and line number in Attachment "B" to this motion.

(b) **2011 Project 7.4 Projected Base O&M expense:** In responding to Interrogatory No. 38 of Staff's Ninth Set of Interrogatories, PEF realized that there was an error in the projected O&M costs for PEF's Crystal River Clean Air Project (Project 7.4). As indicated in PEF's discovery response, correction of the error would decrease PEF's revenue requirements by \$311,672 on a system basis and \$283,898 for the retail jurisdiction. This adjustment can be seen in line 1 of revised schedule 42-2P for project 7.4 CAIR Crystal River-Base and flows through to schedule 42-1P line 1 and 42-7P of Mr. Foster's revised Exhibit No. \_\_\_ (TGF-3). Additionally, the changes in projected costs and revenue requirements also are reflected on schedule 42-5P page 7 of 16 of the same exhibit. As shown in Attachment "B" to this motion, the corrections also necessitate minor changes to the Projection testimony submitted by Mr. Foster and Mr. Sorrick on August 27, 2010.

(c) **Project 10.2 Depreciation Rate:** After answering Interrogatory No. 30 of Staff's Seventh Set of Interrogatories question, PEF discovered that there was an error in the depreciation rate used in 2010 and 2011 for this project. The depreciation rate used in 2010 was 2.10%, but should have been 3.20% based on account 342 for Bartow CC. Similarly, the depreciation rate used in 2011 was 3.40% but, as above, should have been 3.20%. The impact of these corrections is to increase the 2010 revenue requirements by \$794 on a system basis and \$468 for the retail jurisdiction and to decrease the 2011 revenue requirements by \$226 on a

system basis and \$133 for the retail jurisdiction. These changes are reflected in schedules 42-8E page 13 of 15 and 42-4P page 13 of 15 line 8a of Mr. Foster's revised Exhibit Nos. \_\_ (TGF-1) and \_\_ (TGF-3). The changes then flow through to the 42-1E, 2E, 3E, 6E, 8E and 42-1P, 3P, and 7P. As shown in Attachment "B," the corrections also necessitate minor changes to Mr. Foster's Estimated Actual and Projection testimony.

(d) **AFUDC Rate:** Footnote (A) on schedules 42-8E pages 9 and 15 of Exhibit No. \_ (TGF-1) and schedule 42-4P page 15 of Exhibit No. \_ (TGF-3) referenced the wrong AFUDC rate. This note has been revised consistent with PEF's response provided to Interrogatory No. 33(d) of Staff's Eighth Set of Interrogatories. This correction has no impact on revenue requirements.

(e) **Formula Error:** Schedule 42-8E page 15 of Exhibit No. \_ (TGF-1) and schedule 42-4P page 15 of Exhibit No. \_\_ (TGF-3) have been updated to correct the formula error described in PEF's response to Interrogatory No. 32 of Staff's Eighth Set of Interrogatories. Additionally, line 1.d of schedules 42-8E page 15 and 42-4P page 15 has been revised to correct an error in the estimated AFUDC calculation. These corrections have no impact on revenue requirements.

(f) **Data Entry Error:** In Schedule 42-5E line 1 of Exhibit No. \_\_ (TGF-1), the dollar amounts for Project #14 and Project #15 were flipped. The total in line 14 should have been \$400,000 and the total in line 15 should have been \$60,000. These amounts were reflected properly in the testimony of Patricia Q. West and in schedule 42-4E. This correction has no impact on revenue requirements.

2. PEF respectfully submits that revising the testimony of Mr. Foster and Mr. Sorrick, as well as Mr. Foster's Exhibit Nos. \_\_ (TGF-1) and \_\_ (TGF-3) to make the

corrections discussed above would help ensure that the Commission has accurate information at the time of the ECRC hearing.

3. In accordance with Rule 28-106.204(3), F.A.C., counsel for the Applicants has attempted to contact counsel for Staff and Intervenors in this proceeding to determine their positions on the motion. Staff and Office of Public Counsel have no objection to the motion. Florida Power Industrial Users Group takes no position pending review of the motion. Federal Executive Agencies take no position on the motion.

WHEREFORE, Progress Energy Florida respectfully requests that the Prehearing Officer grant PEF leave to file the revised testimony and exhibits of Thomas G. Foster and the revised direct testimony of David Sorrick proffered with this motion for inclusion in the record at the Commission's November hearing in this docket.


RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of October, 2010.

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## Attachment "A"

<b>2010 - Retail Revenue Requirements</b>			
	<b>As Filed</b>	<b>Revised</b>	<b>Change</b>
Retired Asset Depreciation Credit	-	(144,545)	(144,545)
UST Depreciation Rate Correction	5,762	6,230	468
Impact on Interest Calculation	(111,210)	(111,640)	(430)
<b>Total 2010 Change in Retail Revenue Requirements</b>			<b>(144,506)</b>
<b>2011 - Retail Revenue Requirements</b>			
	<b>As Filed</b>	<b>Revised</b>	<b>Change</b>
UST Depreciation Rate Correction	6,206	6,073	(133)
CAIR Project 7.4 Base O&M	14,238,262	13,954,364	(283,898)
<b>Total 2011 Change in Retail Revenue Requirements</b>			<b>(284,031)</b>
Total Change to 2011 Requested Revenue Requirements			(428,537)
<b>Total Change to 2011 Requested Revenue Requirements Adj for Taxes (Rev Tax Multiplier 1.00072)</b>			<b>(428,846)</b>

## Attachment "B"

Corrections to Testimony of Thomas G. Foster  
originally submitted o August 2, 1010

Page	Line	From	Change	To
3	11	\$ 34,175,003		\$ 34,319,509
3	14	38,737,180		38,881,686
7	7	29,374,192		29,373,398

Corrections to Testimony of Thomas G. Foster  
originally submitted o August 27, 1010

Page	Line	From	Change	To
3	6	\$ 174,732,398		\$ 174,303,552
3	11	38,737,180		38,881,686
3	14	34,175,003		34,319,509
3	17	August 2, 2010		October 7, 2010
5	18	47,282,794		46,998,896
6	2	166,061,067		166,060,934
6	12	213,343,861		213,059,829
8	Rate Class Table			
	Residential	0.492 cents/kWh		0.491 cents/kWh
	General Svc Non-Demand			
	@ Secondary	0.483 cents/kWh		0.482 cents/kWh
	@Primary	0.478 cents/kWh		0.477 cents/kWh
	@Transmission	0.473 cents/kWh		0.472 cents/kWh
	General Service	0.465 cents/kWh		0.463 cents/kWh
	General Svc Deman			
	@ Secondary	0.472 cents/kWh		0.471 cents/kWh
	@Primary	0.467 cents/kWh		0.466 cents/kWh
	@Transmission	0.463 cents/kWh		0.462 cents/kWh
	Interruptible			
	@ Secondary	0.465 cents/kWh		0.464 cents/kWh
	@Primary	0.460 cents/kWh		0.459 cents/kWh
	@Transmission	0.456 cents/kWh		0.455 cents/kWh
	Curtable			
	@ Secondary	0.453 cents/kWh		0.451 cents/kWh
	@Primary	0.448 cents/kWh		0.446 cents/kWh
	@Transmission	0.444 cents/kWh		0.442 cents/kWh
	Lighting	0.471 cents/kWh		0.470 cents/kWh
9	9	0.481 cents/kWh		0.480 cents/kWh
9	10	231,343,861		213,059,829
9	11	38,737,180		38,881,686

**Attachment "B"**  
**(cont'd)**

Corrections to Testimony of David Sorrick  
originally submitted on August 27, 1010

Page	Line	Change	
		From	To
2	17	\$ 28,916,838	\$ 28,605,166
2	20	6,863,473	6,423,026
3	8	2,860,000	2,988,775



**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 hand-delivery (\*) or regular U.S. mail this 7<sup>th</sup> day of October, 2010.

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