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Public Service Commission

November 12, 2010

John T. Burnett  
 Progress Energy Service Company, LLC  
 299 First Avenue North  
 St. Petersburg, FL 33701-3324

STAFF'S DATA REQUEST NO. 2

**Re: Docket No. 100001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor. Progress Energy Florida's Request for Mid-course Correction**

Dear Mr. Burnett:

By this letter, the Commission staff requests that Progress Energy Florida, Inc. provide responses to the following data requests.

1. Please refer to the table below and to Schedule E-2, Line 5, of each of Exhibits A through C in the mid-course petition.

Total Fuel and Net Power Transactions (Dollars)  
 Mid-Course Petition  
 2010

Month	Exhibit A	Exhibit B	Exhibit C	Difference [(b) - (c)]	Difference [(b) - (d)]	Ratio [(f) / (e)]
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	274,137,368	228,803,699	251,470,534	45,333,669	22,666,834	0.499999989
2	157,213,056	138,307,578	147,760,317	18,905,478	9,452,739	0.500000000
3	136,241,454	117,397,373	126,819,414	18,844,081	9,422,040	0.499999973
4	137,368,765	122,221,090	129,794,928	15,147,675	7,573,837	0.499999967
5	208,653,855	186,987,983	197,820,919	21,665,872	10,832,936	0.500000000
6	238,095,374	210,443,152	224,269,263	27,652,222	13,826,111	0.500000000
7	243,284,755	219,577,554	231,431,155	23,707,201	11,853,600	0.499999979
8	242,127,681	218,340,674	230,234,177	23,787,007	11,893,504	0.500000021
9	132,844,253	165,546,373	149,195,313	(32,702,120)	(16,351,060)	0.500000000
10	163,711,595	146,477,558	155,094,576	17,234,037	8,617,019	0.500000029

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11	70,400,175	106,660,162	88,530,168	(36,259,987)	(18,129,993)	0.499999986
12	81,607,423	119,592,930	100,600,176	(37,985,507)	(18,992,753)	0.499999987
Total	2,085,685,754	1,980,356,126	2,033,020,940	105,329,628	52,664,814	0.500000000

- a. Isn't it true that the only differences between the three exhibits are in Schedule E-2, Line 5, Jurisdictional Fuel & Net Power Transactions (Line 8), the December 2009 Schedule E-1B true-up balance, the resulting effects on the 2010 estimated true-up balance on the 2010 E-1B Schedule, on the True-Up Balance on the 2011 E-1 Schedule (Line 28), and on the Total Fuel Cost Factor on the 2011 E-1 Schedule (Line 34)?
  - b. In its petition, is Progress stating that the dollars in Column (e) of the above table are the 2010 CR3 replacement fuel costs?
  - c. The difference between Exhibits B and C is that Progress included only half of the replacement fuel costs in Exhibit C. Correct?
  - d. In the E-2 Schedules, are all of the replacement fuel costs in generation?
2. Please refer to Exhibit B. If the Commission were to exclude the CR3 replacement fuel costs from the 2011 factor's calculation, wouldn't it simply exclude the Jurisdictional dollars associated with Column (e) of the above table, along with any corresponding amounts from 2009, without changing any of the 2009 or 2010 monthly balances? That is, unless the Commission rules that Progress is not to recover those replacement fuel costs, shouldn't the costs remain in the true-up balance? (For now, wouldn't Progress simply defer recovering those amounts?)
  3. Now please refer to Line 9 for January 2010 on the E-1B Schedules in Exhibits A, B, and C.
    - a. The three December 2009 balances are \$22,320,379 (Exhibit A), \$30,917,188 (Exhibit B) and \$26,618,784 (Exhibit C). Did the different balances result from Progress excluding CR3 replacement costs from Exhibit B and C's December 2009 balances?
    - b. If Progress excluded some replacement fuel costs from Exhibit B's December 2009 balance, why is that balance greater than Exhibit A's?
    - c. If the Commission were to exclude the December 2009 replacement fuel costs from the 2011 factor, would that affect Progress's position on Issue 8? Please see question 2.
    - d. What was the CR3 replacement fuel cost amount that Progress excluded from December 2009?
    - e. If Progress did not exclude any replacement fuel costs from December 2009's balance, why are the balances different?

4. Please supply the Commission with Schedules E-1 through E-9 to support Exhibit 71, along with the monthly dollar amounts corresponding to Column (e) in the above table for 2009 and 2010. The E-schedules should include schedules with CR3 replacement power costs being all included, CR3 being all excluded, and with 50% of CR3 being included.
5. Please provide the Commission a 2011 E1-B for Exhibits A, B and C and also with supporting E-schedules for Exhibit 71.
6. What is the date of the forward curve for natural gas futures prices that PEF used to calculate its mid-course petition and supporting schedules?
7. Does Progress agree that the attached table is an accurate representation of the 2011 E-1B Schedule, using the September 27 per KWH expense estimates for revenue and the November 10 revised expense estimates for expenses?
8. Does Progress agree further that the 2011 mid-course percent is 5.22%

Please file the original and five copies of the requested information by 10:00 am, Tuesday, November 16, 2010, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6230 if you have any questions.

Sincerely,



Lisa C. Bennett  
Senior Attorney

LCB:th

cc: Office of Commission Clerk  
Office of the General Counsel (Sayler)  
Division of Economic Regulation (Lester)

Estimation of Progress Energy Florida's December 2011 End-of-Period Total Net True-up  
 Monthly Schedule A-2 Method of Calculating the End-of-Period Net True-up  
 November 2010

** Fuel **		09/27 Revenue; 11/10 Expenses; 100% CR3										** 2011 Original Estimates **	
Month	Jurisdictional Fuel Revenue (Line C1)	True-up Provision (Line C2a)	Incentive Provision (Line C2b)	Total Jurisdictional Fuel Revenue ((b) + (c) + (d)) (Line C3)	Jurisdictional Fuel and Net Power Transactions (Line C6)	True-up And Interest Provision Beginning of Month (Line C9)	True-up Provision For the Month Over/Under Collection ((e) - (f)) (Line C7)	True-up Collected (Refunded) (Line C10)	Ending True-up (Not Including Interest) ((g) + (h) + (i)) (Line D2)	Monthly Average Interest Rate (%) (Line D9)	Interest Provision For the Month <(((g)+(j))/2)*(k)> (Line D10)	Prior-Period Adjustment (m)	End-of-Period Total Net True-up (Inc. Interest) ((j) + (l) + (m)) (Line C11)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Jan	\$144,255,121	(\$9,400,628)	\$56,358	\$134,910,851	\$119,394,064	(\$89,994,728)	\$15,516,787	\$9,400,628	(\$65,077,313)	0.021000	(\$16,283)	\$0	(\$65,093,595)
Feb	133,803,396	(9,400,628)	56,358	124,459,126	104,979,727	(65,093,595)	19,479,399	9,400,628	(36,213,569)	0.021000	(10,637)	0	(36,224,206)
Mar	130,076,132	(9,400,628)	56,358	120,731,862	114,278,313	(38,224,208)	6,453,549	9,400,628	(20,370,028)	0.021000	(5,942)	0	(20,375,971)
Apr	135,230,110	(9,400,628)	56,358	125,885,840	121,968,468	(20,375,971)	3,917,372	9,400,628	(7,057,971)	0.021000	(2,881)	0	(7,060,851)
May	144,371,033	(9,400,628)	56,358	135,026,763	158,060,878	(7,060,851)	(23,034,115)	9,400,628	(20,694,338)	0.021000	(2,914)	0	(20,697,253)
June	173,869,056	(9,400,628)	56,358	164,524,786	166,673,528	(20,697,253)	(2,148,742)	9,400,628	(13,445,366)	0.021000	(3,585)	0	(13,448,951)
July	184,442,255	(9,400,628)	56,358	175,097,985	186,927,670	(13,448,951)	(11,829,685)	9,400,628	(15,878,008)	0.021000	(3,079)	0	(15,881,088)
Aug	187,938,356	(9,400,628)	56,358	178,594,086	179,930,348	(15,881,088)	(1,336,262)	9,400,628	(7,816,722)	0.021000	(2,488)	0	(7,819,210)
Sep	188,936,062	(9,400,628)	56,358	179,591,792	167,782,290	(7,819,210)	11,809,502	9,400,628	13,390,920	0.021000	585	0	13,391,505
Oct	167,648,651	(9,400,628)	56,358	158,304,381	140,552,327	13,391,505	17,752,054	9,400,628	40,544,187	0.021000	5,663	0	40,549,850
Nov	142,839,018	(9,400,628)	56,358	133,494,748	107,982,054	40,549,850	25,512,694	9,400,628	75,463,173	0.021000	12,181	0	75,475,354
Dec	136,049,611	(9,400,628)	56,358	126,705,341	119,877,070	75,475,354	6,828,271	9,400,628	91,704,253	0.021000	17,554	0	91,721,807
	\$1,869,458,800	(\$112,807,536)	\$676,296	\$1,757,327,560	\$1,688,406,735		\$68,920,825	\$112,807,536			(\$11,826)	\$0	

Previous Period's Actual End-of-Period Total Net True-up	(\$89,994,728)	
Previous Period's Estimated End-of-Period Total Net True-up	(112,807,536)	
Difference		\$22,812,808
Estimated Interest Provision	(\$11,826)	
Estimated Over Recovery	68,920,825	
Estimated Prior-Period Adjustment	0	
Subtotal		68,908,999
Estimated December End-of-Period Total Net True-up		<u>\$91,721,807</u>

Estimation of Progress Energy Florida's December 2011 End-of-Period Total Net True-up

November 2010

\*\* Fuel \*\*

09/27 Revenue; 11/10 Expenses; 100% CR3

\*\* 2011 Original Estimates \*\*

Month (a)	Total Jurisdictional Fuel Revenue			Jurisdictional Fuel Revenue Applicable to Period			Adjusted Total Fuel and Net Power Transactions			End-of-Period Total Net True-up		
	Dollars (b)	MWH (c)	c/kWh (d)	Dollars (e)	MWH (f)	c/kWh (g)	Dollars (h)	MWH (i)	c/kWh (j)	Dollars (k)	MWH (l)	c/kWh (m)
Jan	\$144,255,121	2,827,541	5.1018	\$134,910,851	2,827,541	4.7713	\$119,394,064	2,827,541	4.2225		2,827,541	
Feb	133,803,396	2,622,677	5.1018	124,459,126	2,622,677	4.7455	104,979,727	2,622,677	4.0028		2,622,677	
Mar	130,076,132	2,549,619	5.1018	120,731,862	2,549,619	4.7353	114,278,313	2,549,619	4.4822		2,549,619	
Apr	135,230,110	2,650,642	5.1018	125,885,840	2,650,642	4.7493	121,968,468	2,650,642	4.6015		2,650,642	
May	144,371,033	2,829,813	5.1018	135,026,763	2,829,813	4.7716	158,060,878	2,829,813	5.5856		2,829,813	
June	173,869,056	3,408,003	5.1018	164,524,786	3,408,003	4.8276	166,673,528	3,408,003	4.8907		3,408,003	
July	184,442,255	3,615,248	5.1018	175,097,985	3,615,248	4.8433	186,927,670	3,615,248	5.1705		3,615,248	
Aug	187,938,356	3,683,775	5.1018	178,594,086	3,683,775	4.8481	179,930,348	3,683,775	4.8844		3,683,775	
Sep	188,936,062	3,703,331	5.1018	179,591,792	3,703,331	4.8495	167,782,290	3,703,331	4.5306		3,703,331	
Oct	167,648,651	3,286,077	5.1018	158,304,381	3,286,077	4.8174	140,552,327	3,286,077	4.2772		3,286,077	
Nov	142,839,018	2,799,784	5.1018	133,494,748	2,799,784	4.7680	107,982,054	2,799,784	3.8568		2,799,784	
Dec	136,049,611	2,666,705	5.1018	126,705,341	2,666,705	4.7514	119,877,070	2,666,705	4.4953		2,666,705	
	\$1,869,458,800	36,643,215	5.1018	\$1,757,327,560	36,643,215	4.7958	\$1,688,406,735	36,643,215	4.6077	\$91,721,807	36,643,215	0.2503

Over Recovery Percentage -> 5.22  
As of 11/01/2010

Column (k) Divided by Column (e)  
Column (m) Divided by Column (g)