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March 1, 2011

**VIA HAND DELIVERY**

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Fuel and purchase power cost recovery clause and generating performance incentive factor; Docket No. 110001-EI*

Dear Ms. Cole:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen (15) copies of the following:

- PEF's True-Up Petition; and
- Direct Testimony of Will Garrett with Exhibit No. \_\_\_\_ (WG-1T), Exhibit No. \_\_\_\_ (WG-2T), Exhibit No. \_\_\_\_ (WG-3T), and Exhibit No. \_\_\_\_ (WG-4T).

Also enclosed for filing is PEF's Request for Confidential Classification for a portion of Exhibit No. \_\_ (WG-3T) and the Affidavit of Will Garrett in Support of PEF's Request for Confidential Classification.

A CD Rom is included containing the testimony in Microsoft Word format and the Schedules in Excel format, as requested by Staff.

Thank you for your assistance in this matter. Please call me at (727) 820-5184 should you have any questions.

COM \_\_\_\_\_  
 APA \_\_\_\_\_  
 ECR 3+ \_\_\_\_\_  
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 RAD \_\_\_\_\_  
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 ADM \_\_\_\_\_  
 OPC \_\_\_\_\_  
 CLK \_\_\_\_\_

Actual testimony  
 3 CD containing exhibits to testimony.  
 Fwd to staff.

Sincerely,  
  
 John T. Burnett

JTB/lms  
Enclosures

cc: Parties of Record

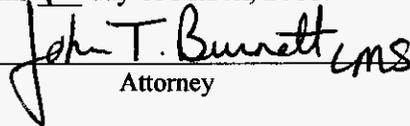
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via US Mail (\* hand delivery) to the following this 1<sup>st</sup> day of March, 2011.

  
Attorney

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchase Power ) Docket No. 110001-EI  
Cost Recovery Clause and Generating )  
Performance Incentive Factor ) Filed: March 1, 2011

**PETITION FOR APPROVAL OF FUEL COST RECOVERY AND CAPACITY COST RECOVERY ACTUAL TRUE-UPS FOR THE PERIOD ENDING DECEMBER 2010**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of PEF's actual Fuel and Purchased Power Cost Recovery ("FCR") true-up amount of \$219,326,886 under-recovery, and actual Capacity Cost Recovery ("CCR") true-up amount of \$66,995,089 over-recovery for the period ending December 2010. In support of this Petition, PEF states as follows:

1. The actual \$219,326,886 FCR under-recovery for the period January 2010 through December 2010 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order 10093 dated June 19, 1981. This calculation and the supporting documentation are contained in the prepared testimony of PEF witness Will Garrett, which is being filed together with the Petition and is incorporated herein by reference.
2. By Order No. PSC-10-0734-FOF-EI, the Commission approved a levelized FCR Factor of 4.770 cents/kWh for the period commencing January 2011. This FCR Factor reflected an "estimated/actual" under-recovery including interest for the period January 2010 through December 2010 of \$60,501,165. The actual under-recovery including interest for the period January 2010 through December 2010 is \$219,326,886. The \$219,326,886 actual under-recovery less the estimated/actual under-recovery of \$60,501,165 results in the total under-recovery of \$158,825,721. The total under-recovery of \$158,825,721 is to be included in the calculation of the FCR Factors for the period beginning January 2012.

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3. The actual \$66,995,089 CCR over-recovery for the period January 2010 through December 2010 was calculated in accordance with the methodology set forth in Order No. 25773, dated February 24, 1992. This calculation and the supporting documentation are contained in the prepared testimony of PEF witness Will Garrett.
4. By Order No. PSC-10-0734-FOF-EI, the Commission approved CCR Factors for the period commencing January 2011. These factors reflected an estimated/actual over-recovery, including interest, for the period January 2010 through December 2010 of \$52,311,070, which was also approved in Order No. PSC-10-0734-FOF-EI. The actual over-recovery, including interest, for the period January 2010 through December 2010 is \$66,995,089. The \$66,995,089 actual over-recovery, less the estimated/actual over-recovery of \$52,311,070 which is currently reflected in charges for the period beginning January 2011, results in a total over-recovery of \$14,684,019. The total over-recovery of \$14,684,019 is to be included in the calculation of the CCR Factors for the period beginning January 2012.

WHEREFORE, PEF respectfully requests the Commission to approve the net \$158,825,721 FCR under-recovery as the actual true-up amount for the period ending December 2010 and include this amount in the calculation of the FCR Factors for the period beginning January 2012; and to approve the net \$14,684,019 CCR over-recovery as the actual true-up amount for the period ending December 2010 and include this amount in the calculation of the CCR Factors for the period beginning January 2012.

Respectfully submitted,

Handwritten signature of John T. Burnett in black ink, with the initials 'JTB' and 'ms' visible at the end of the signature.

R. ALEXANDER GLENN  
General Counsel  
JOHN T. BURNETT  
Associate General Counsel  
PROGRESS ENERGY SERVICE COMPANY, LLC  
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