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September 1, 2011

COMMISSION  
CLERK

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

Re: Docket No. 110001-EI; **CONFIDENTIAL INFORMATION ENCLOSED**

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 Petition for approval of fuel and purchase power cost recovery factors for the period January 2012 through December 2012;
- Testimony of Marcia Olivier with Redacted Exhibit No. \_\_\_ (MO-2);
- Testimony of Joseph McCallister with Redacted Exhibit No. \_\_\_ (JM-1P) and Redacted Exhibit No. \_\_\_ (JM-2P);
- Testimony of Robert M. Oliver with Exhibit No. \_\_\_ (RMO-1P); and
- PEF's Request for Confidential Classification for a portion of Exhibit No. \_\_\_ (MO-2) of the testimony of Marcia Olivier and portions of the testimony of Joseph McCallister, along with a package containing two (2) redacted copies of the confidential documents and a separate envelope labeled "Confidential" containing one (1) unredacted copy of the exhibits with the confidential information highlighted in yellow.

Regarding Exhibit No. \_\_\_ (JM-1P) and Exhibit No. \_\_\_ (JM-2P) to the testimony of Joseph McCallister, only the redacted exhibits are being submitted. The confidential versions of Exhibit No. \_\_\_ (JM-1P) – "2012 Risk Management Plan" and Exhibit No. \_\_\_ (JM-2P) – "Hedging Report (January – July 2011)" have both been previously filed with the Commission along with separate Requests for Confidential Classification filed on August 1, 2011 and August 15, 2011, respectively. The confidential information provided in Exhibits JM-1P and JM-2P are covered under these originally filed Requests for Confidential Classification.

Thank you for your assistance in this matter. If you should have any questions, please feel free to contact me at (727) 820-5184.

Sincerely,

*John T. Burnett*  
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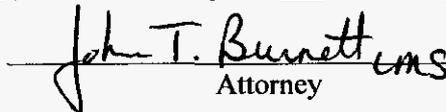
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**CERTIFICATE OF SERVICE**

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

  
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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: September 1, 2011

**PETITION FOR APPROVAL OF FUEL AND PURCHASE POWER COST RECOVERY FACTORS FOR THE PERIOD JANUARY 2012 THROUGH DECEMBER 2012**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of its proposed fuel and capacity cost recovery factors for the period January 2012 through December 2012. In support of this Petition, PEF states as follows:

**Fuel Cost Recovery Factors**

1. PEF's proposed fuel cost recovery factors are presented in the pre-filed testimony and exhibit of Marcia Olivier. Schedule E1, Part 2 of Exhibit No. \_\_ (MO-2) shows the calculation of the Company's basic fuel cost factor of 5.168 cents/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 4.83858 cents/kWh (adjusted for jurisdictional losses), a GPIF penalty of 0.00807 cents/kWh, and an estimated prior period under-recovery true-up of 0.33364 cents/kWh. Utilizing this basic factor, Schedule E1-D shows the calculation and supporting data for the Company's final levelized fuel cost factors for service taken at secondary, primary, and transmission metering voltage levels.

**Capacity Cost Recovery Factors**

2. The calculation of PEF's proposed capacity cost recovery (CCR) factors is shown in Part 3 of Exhibit No. \_\_ (MO-2). The proposed CCR factors allocate capacity costs to rate classes in the same manner that they would be allocated if they were recovered in base rates. As shown on Schedule E12-E of Part 3, the average retail capacity CCR factor excluding nuclear costs is 0.959 cents/kWh.

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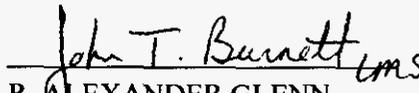
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Other Issues

3. PEF has calculated that it is subject to a GPIF penalty of \$2,980,090 for the performance experienced during the period January 1, 2010 through December 31, 2010. The Company is also proposing GPIF targets and ranges for the period January 1, 2012 through December 31, 2012 with such proposed targets and ranges being detailed in the testimony and exhibits of PEF witness Robert M. Oliver.

WHEREFORE, Progress Energy Florida, Inc., respectfully requests that the Commission approve the Company's fuel and capacity cost recovery true-ups and proposed fuel and capacity cost recovery factors for the period January 2012 through December 2012 as set forth in the testimony and supporting exhibit of Marcia Olivier filed on September 1, 2011.

Respectfully submitted,



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