

Diamond Williams

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Sent: Monday, September 26, 2011 9:51 AM
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Subject: E-filing & E-Service: PEF's Preliminary List of Issues & Positions - Dkt# 110001
Attachments: FINAL - PEF Preliminary List of Issues - 110001.pdf

This electronic filing is made by:

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Docket No. 110001-EI

On Behalf of Progress Energy Florida, Inc.

Consisting of 8 Pages.

The attached document for filing is PEF's Preliminary List of Issues & Positions in the above-referenced docket.

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DOCUMENT NUMBER / DATE

06941 SEP 26 =

9/26/2011

FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 110001-EI

DATED: September 26, 2011

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

Progress Energy Florida, Inc. (PEF) hereby submits its Preliminary List of Issues and Positions with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of January 2012 through December 2012:

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 1A: Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF's April 2011 and August 2011 hedging reports?

PEF: Yes. PEF's actions are reasonable and prudent. (McCallister)

ISSUE 1B: Should the Commission approve PEF's 2012 Risk Management Plan?

PEF: Yes. (McCallister)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$1,137,024. (Olivier)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$905,703. (Olivier)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

PEF: \$158,825,721 under-recovery. (Garrett)

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

PEF: \$35,666,520 over-recovery. (Olivier)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

PEF: \$123,159,202 under-recovery. (Olivier)

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

PEF: \$1,786,078,923. (Olivier)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Progress Energy Florida, Inc.

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

PEF: \$2,980,090 penalty. (Oliver)

ISSUE 17: What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

PEF: The appropriate targets and ranges are shown on Page 4 of Exhibit RMO-1P filed on September 1, 2011 with the Direct Testimony of Robert M. Oliver. (Oliver)

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012?

PEF: \$1,907,632,686. (Olivier)

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012?

PEF: 1.00072. (Olivier)

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

PEF: 5.168 cents per kWh (adjusted for jurisdictional losses). (Olivier)

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

PEF:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss Multiplier</u>
A.	Transmission	0.9800
B.	Distribution Primary	0.9900
C.	Distribution Secondary	1.0000
D.	Lighting Service	1.0000

(Olivier)

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

PEF:

Fuel Cost Factors (cents/kWh)						
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	Time of Use	
					On-Peak	Off-Peak
A	Transmission	--	--	5.072	7.238	4.027
B	Distribution Primary	--	--	5.123	7.311	4.068
C	Distribution Secondary	4.860	5.860	5.175	7.385	4.109
D	Lighting	--	--	4.722	--	--

(Olivier)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23A: Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 110009-EI?

PEF: Yes. PEF has included \$141,020,859 (including Regulatory Assessment Fee) in its 2012 capacity cost recovery factors as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 110009-EI. (Olivier)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

PEF: \$14,684,019 over-recovery. (Garrett)

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2011 through December 2011?

PEF: \$5,983,484 over-recovery. (Olivier)

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

PEF: \$20,667,503 over-recovery. (Olivier)

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

PEF: \$373,845,099. (Olivier)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012?

PEF: \$494,452,743 consisting of \$353,431,884 of capacity payments and \$141,020,859 of nuclear costs as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 110009-EI. (Olivier)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2012 through December 2012?

PEF: Base – 92.792%, Intermediate – 72.541%, Peaking – 91.972%. (Olivier)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

PEF:

<u>Rate Class</u>	<u>CCR Factor</u>
Residential	1.642 cents/kWh
General Service Non-Demand	1.197 cents/kWh
@ Primary Voltage	1.185 cents/kWh
@ Transmission Voltage	1.173 cents/kWh
General Service 100% Load Factor	0.863 cents/kWh
General Service Demand	1.067 cents/kWh
@ Primary Voltage	1.056 cents/kWh
@ Transmission Voltage	1.046 cents/kWh
Curtable	0.982 cents/kWh
@ Primary Voltage	0.972 cents/kWh
@ Transmission Voltage	0.962 cents/kWh
Interruptible	0.860 cents/kWh
@ Primary Voltage	0.851 cents/kWh
@ Transmission Voltage	0.843 cents/kWh
Lighting	0.251 cents/kWh

(Olivier)

EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2012 through the last billing cycle for December 2012. The first billing cycle may start before January 1, 2012, and the last billing cycle may end after December 31, 2012, so long as each customer is billed for twelve months regardless of when the factors became effective. (Olivier)

RESPECTFULLY SUBMITTED this 26th day of September, 2011.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 26th day of September, 2011 to all parties of record as indicated below.

s/ John T. Burnett

JOHN T. BURNETT

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