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COMMISSION CLERK

October 26, 2011

VIA HAND DELIVERY

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

Re: *Fuel and purchased power cost recovery clause with 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:

- Supplemental Direct Testimony of Marcia Olivier with REVISED Schedules E-10, E12-A and E12-E to Exhibit No. __ (MO-2).

Thank you for your assistance in this matter. If you should have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

Dianne M. Triplett cms
Dianne M. Triplett

COM	5	DMT/lms
APA	1	Enclosures
ECR	6	
GCL	1	
RAD	1	
SRC	1	
ADM	1	
OPC	1	
CLK	CF. RFR	

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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 to the following this 26th day of October, 2011.

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PROGRESS ENERGY FLORIDA

DOCKET No. 110001-EI

**Fuel and Capacity Cost Recovery Factors
January through December 2012**

**SUPPLEMENTAL DIRECT TESTIMONY OF
MARCIA OLIVIER**

October 26, 2011

1 **Q. Please state your name and business address.**

2 A. My name is Marcia Olivier. My business address is 299 1st Avenue North, St.
3 Petersburg, Florida 33701.
4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Progress Energy Service Company, LLC as Supervisor of PEF
7 Regulatory Planning Strategy.
8

9 **Q. Have your duties and responsibilities remained the same since your**
10 **testimony was last filed in this docket?**

11 A. Yes.
12

13 **Q. What is the purpose of your Supplemental Direct Testimony?**

14 A. The purpose of my testimony is to amend the 2012 capacity costs and related
15 capacity cost recovery factors of Progress Energy Florida (PEF or the Company)
16 for the period of January through December 2012, based on the Commission's

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1 October 24, 2011 vote in the Nuclear Cost Recovery Clause, Docket No. 110009-
2 EI.

3
4 **Q. Do you have exhibits to your Supplemental Direct Testimony?**

5 A. Yes. I have prepared a revised Schedule E10 in Exhibit MO-2, Part 2 and
6 Schedules E12-A and E12-E in Exhibit MO-2, Part 3.

7
8 **Q. What revisions were made to PEF's 2012 capacity costs?**

9 A. The capacity costs were revised to include the 2012 nuclear recovery amount of
10 \$85,951,036 (before revenue tax), approved at the October 24, 2011 agenda
11 conference in Docket No. 110009-EI.

12
13 **Q. What are the appropriate projected total recoverable CCR costs to be**
14 **included in the recovery factor for the period January 2012 through**
15 **December 2012?**

16 A. The appropriate amount is \$439,444,805, as shown on revised Exhibit__ MO-2,
17 Part 3, Schedule E12-A. This amount is made up of capacity payments of
18 \$353,431,884 and nuclear costs of \$86,012,921, including revenue taxes.

19
20 **Q. What is PEF's revised CCR factor?**

21 A. PEF's revised retail factor is 1.192 ¢/kWh as shown on revised Exhibit __ MO-2,
22 Part 3, Schedule E12-E.

23

24

1 **Q. What are the appropriate capacity cost recovery factors for the period**
2 **January through December 2012?**

3 **A. The appropriate capacity cost recovery factors for the period January**
4 **2012 through December 2012 are listed in the table below.**

<u>Rate Class</u>	<u>CCR Factor</u>
Residential	1.460 cents/kWh
General Service Non-Demand	1.064 cents/kWh
@ Primary Voltage	1.053 cents/kWh
@ Transmission Voltage	1.043 cents/kWh
General Service 100% Load Factor	0.767 cents/kWh
General Service Demand	0.949 cents/kWh
@ Primary Voltage	0.940 cents/kWh
@ Transmission Voltage	0.930 cents/kWh
Curtable	0.873 cents/kWh
@ Primary Voltage	0.864 cents/kWh
@ Transmission Voltage	0.856 cents/kWh
Interruptible	0.765 cents/kWh
@ Primary Voltage	0.757 cents/kWh
@ Transmission Voltage	0.750 cents/kWh
Lighting	0.223 cents/kWh

22 **Q. Does this conclude your testimony?**

23 **A. Yes.**

Progress Energy Florida
Fuel and Purchased Power Cost Recovery Clause
Residential Bill Comparison
Estimated for the Period of : January through December 2012

	Approved	Requested	Difference	
	Jan 11 - Dec 11 (\$/1000 KWH)	Jan 12 - Dec 12 (\$/1000 KWH)	from Current \$	%
Base Rate	\$48.58	\$48.58	\$0.00	0.00%
Fuel Cost Recovery	44.61	48.60	3.99	8.94%
Capacity Cost Recovery (CCR)	9.74	11.74	2.00	20.53%
Energy Conservation Cost Recovery (ECCR) ⁽¹⁾	2.99	2.88	(0.11)	-3.68%
Environmental Cost Recovery (ECRC) ⁽²⁾	4.91	5.45	0.54	11.00%
Nuclear CR3 Uprate	0.54	0.19	(0.35)	-64.81%
Nuclear Levy ⁽³⁾	4.99	2.67	(2.32)	-46.49%
Subtotal	116.36	120.11	3.75	3.22%
Gross Receipts Tax	2.98	3.08	0.10	3.36%
Total	\$119.34	\$123.19	\$3.85	3.23%

⁽¹⁾ The 2012 ECCR rate is based on Exhibit HTG-1P attached to the Direct Testimony of Helena (Lee) Guthrie in the ECCR docket filed on September 13, 2011.

⁽²⁾ The 2012 ECRC rate is based on the Revised Schedules for Exhibit TGF-3 attached to the Revised Direct Testimony of Thomas G. Foster in the ECRC docket filed on October 14, 2011.

⁽³⁾ The 2012 Nuclear Levy rate was updated based on the outcome of the NCRC Special Agenda Conference on October 24, 2011.

Progress Energy Florida
 Calculation of Capacity Cost Recovery Factors by Rate Class
 For the Year 2012

Docket No. 110001-EI
 Exhibit MO-2, Part 3
 Schedule E12-E
REVISED 10/28/11

Rate Class	(1) 12CP 1/13 AD Demand Allocator (%)	(2) Effective mWh at Secondary Level Year 2010 (mWh)	(3) Capacity Production Demand Costs (\$)	(4) Nuclear Production Demand Costs (\$)	(5) Capacity + Nuclear Production Demand Costs (\$)	(6) Capacity CCR Factor (c/kWh)	(7) Nuclear CCR Factor (c/kWh)	(8) Capacity & Nuclear CCR Factor (c/kWh)
Residential								
RS-1, RST-1, RSL-1, RSL-2, RSS-1								
Secondary	61.779%	18,600,869	\$218,346,071	\$53,137,773	\$271,483,845	1.174	0.286	1.460
General Service Non-Demand								
GS-1, GST-1								
Secondary		1,209,225				0.856	0.208	1.064
Primary		5,940				0.847	0.206	1.053
Transmission		4,255				0.839	0.204	1.043
TOTAL GS	2.952%	1,219,420	10,433,111	2,539,053	12,972,164			
General Service								
GS-2								
Secondary	0.210%	120,227	742,167	180,617	922,784	0.617	0.150	0.767
General Service Demand								
GSD-1, GSDT-1, SS-1								
Secondary		12,082,271				0.763	0.186	0.949
Primary		2,280,315				0.755	0.184	0.940
Transmission		9,192				0.748	0.182	0.930
TOTAL GSD	31.023%	14,371,778	109,645,118	26,683,775	136,328,893			
Curtable								
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3								
Secondary		-				0.702	0.171	0.873
Primary		159,935				0.695	0.169	0.864
Transmission		-				0.688	0.168	0.856
TOTAL CS	0.318%	159,935	1,123,116	273,327	1,396,443			
Interruptible								
IS-1, IST-1, IS-2, IST-2, SS-2								
Secondary		109,609				0.615	0.150	0.765
Primary		1,501,477				0.609	0.149	0.757
Transmission		422,008				0.603	0.147	0.750
TOTAL IS	3.536%	2,033,093	12,497,802	3,041,526	15,539,328			
Lighting								
LS-1								
Secondary	0.182%	359,167	644,499	156,848	801,348	0.179	0.044	0.223
	100.000%	36,864,489	\$353,431,884	\$86,012,921	\$439,444,805	0.959	0.233	1.192

Notes:

- (1) From Schedule E12-D, Column 10
- (2) Projected mWh sales at effective voltage level for Jan-Dec
- (3),(4) Column 1 x Total Recoverable Payments (Schedule E12-A)
- (5) Calculated: Column 3 + Column 4
- (6) (Column 3 / Column 2) / 10
- (7) (Column 4 / Column 2) / 10
- (8) Column 6 + Column 7