

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION
CLERK

12 JUL 17 PM 3:20

RECEIVED FPSC

DATE: July 17, 2012
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Lisa C. Bennett, Senior Attorney, Office of the General Counsel *LCB*
RE: Docket Numbers:
100437 EI - Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc.
120001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.
120007-EI - Environmental cost recovery clause.
120009-EI - Nuclear cost recovery clause.
120022-EI - Petition for limited proceeding to approve stipulation and settlement agreement by Progress Energy Florida, Inc.

Please place the attached correspondence from Chairman Brisé in the above-referenced docket files.

LCB/th
Attachment

DOCUMENT NUMBER-DATE

04760 JUL 17 12

FPSC-COMMISSION CLERK

STATE OF FLORIDA

RONALD A. BRISÉ
CHAIRMAN



Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6046

Public Service Commission

July 17, 2012

R. Alexander Glenn
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042

Dear Mr. Glenn:

The Florida Public Service Commission (Florida Commission) has monitored the Duke-Progress merger over the past year and a half, after being apprised by Progress Energy Florida of the pending merger at our January 26, 2011, Internal Affairs meeting. In addition to intervening in the Federal Energy Regulatory Commission's (FERC) proceedings regarding the proposed merger, we have also reviewed updates on the proceedings before the various state commissions. We recently received confirmation by the FERC that the merger was consummated.

In the aftermath of the sudden change in leadership at the new Duke from Mr. William Johnson to Mr. James Rogers, this Commission monitored the hearing before the North Carolina Utilities Commission, where Mr. Rogers indicated the change in leadership was predicated, in part, on the extended outage of Progress Energy Florida's Crystal River Unit 3.

Accordingly, we would appreciate the opportunity to meet the new leadership of Duke. The meeting will be an opportunity for Duke to inform the Florida Commission and the Florida consumers of how the Duke-Progress merger will affect Florida consumers. In particular, our discussion will necessarily include the Settlement Agreement between Progress Energy Florida and several parties representing a majority of Progress Energy Florida's ratepayers, which, after extensive review, was approved by the Florida Commission. A primary focus of the Settlement Agreement was the extended outage of Crystal River Unit 3, and whether Progress would repair or retire this unit.

Ultimately, we would like assurances that our understanding of that agreement is the same as that of the new leadership at Duke.

R. Alexander Glenn

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We look forward to having Mr. Rogers, and any other of Duke's executive management team who are able to further this discussion, attend a Commission meeting on August 13, 2012. We will provide you with an agenda prior to the meeting so that Mr. Rogers can be prepared to cover the topics of interest to us.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald A. Brisé", with a long horizontal flourish extending to the right.

Ronald A. Brisé
Chairman

RAB:th

cc: Ann Cole, Commission Clerk