

Dorothy Menasco

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Subject: Docket No. 120007-EI - PEF Preliminary List of Issues & Positions
Attachments: 120007 PEF Preliminary List of Issues.docx

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 120007-EI

In re: Environmental Cost Recovery Clause

c. Document being filed on behalf of Progress Energy Florida, Inc.

d. There is a total of 4 pages.

e. The document attached for electronic filing is Progress Energy Florida, Inc.'s Preliminary List of Issues and Positions

Thank you for your cooperation.

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DOCUMENT NUMBER-DATE
06244 SEP 18 09
FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 120007-EI

FILED: SEPTEMBER 18, 2012

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

Progress Energy Florida, Inc. ("PEF"), by and through undersigned counsel, hereby submits its Preliminary List of Issues and Positions with respect to its Environmental Cost Recovery Clause ("ECRC") for the period of January 2013 through December 2013. PEF's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

- Issue 1** What are the final environmental cost recovery true-up amounts for the period January 2011 through December 31, 2011?
- PEF:** \$1,688,551 under-recovery (Garrett)
- Issue 2** What are the estimated/actual environmental cost recovery true-up amounts for the period January 2012 through December 2012?
- PEF:** \$14,632,974 over-recovery (Foster, Zeigler, West, Swartz)
- Issue 3** What are the projected environmental cost recovery amounts for the period January 2013 through December 2013?
- PEF:** \$199,023,937 (Foster, Zeigler, West, Swartz, Hixon)
- Issue 4** What are the environmental cost recovery amounts, including true-up amounts, for the period January 2013 through December 2013?
- PEF:** \$186,079,515 (Foster)
- Issue 5** What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2013 through December 2013?
- PEF:** The depreciation rates used to calculate depreciation expense should be the rates in effect during the period the allowed capital investment is in service.

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FPSC-COMMISSION CLERK

However, consistent with the timeframe the Anclote Gas Conversion project was evaluated over, this investment should be depreciated over 5 years. (Foster)

Issue 6 What are the appropriate jurisdictional separation factors for the projected period January 2013 through December 2013?

PEF: The jurisdictional energy separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.

Transmission Average 12 CP demand jurisdictional factor –70.203%
 Distribution Primary demand jurisdictional factor – 99.561%
 Production Demand jurisdictional factors:
 Production Base – 92.885%
 Production Intermediate – 72.703%
 Production Peaking –95.924%
 Production A&G –93.221%
 (Foster)

Issue 7 What are the appropriate environmental cost recovery factors for the period January 2013 through December 2013 for each rate group?

PEF: The appropriate factors are as follows (Foster):

Rate Class	ECRC Factors 12CP & 1/13 AD
Residential	0.503 cents/kWh
General Service Non-Demand	
@ Secondary Voltage	0.500 cents/kWh
@ Primary Voltage	0.495 cents/kWh
@ Transmission Voltage	0.490 cents/kWh
General Service 100% Load Factor	0.494 cents/kWh
General Service Demand	
@ Secondary Voltage	0.495 cents/kWh
@ Primary Voltage	0.490 cents/kWh
@ Transmission Voltage	0.485 cents/kWh
Curtaillable	
@ Secondary Voltage	0.495 cents/kWh
@ Primary Voltage	0.490 cents/kWh
@ Transmission Voltage	0.485 cents/kWh
Interruptible	

@ Secondary Voltage	0.483 cents/kWh
@ Primary Voltage	0.478 cents/kWh
@ Transmission Voltage	0.473 cents/kWh
Lighting	0.485 cents/kWh

Issue 8 What should be the effective date of the new environmental cost recovery factors for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2013, and thereafter through the last billing cycle for December 2013. The first billing cycle may start before January 1, 2013, and the last billing cycle may end after December 31, 2013, so long as each customer is billed for twelve months regardless of when the factors became effective. (Foster)

Company Specific Environmental Cost Recovery Issues

Issue 10A Should the Commission approve PEF's Review of Integrated Clean Air Compliance Plan as reasonable?

PEF: Yes. PEF's Integrated Clean Air Compliance Plan is reasonable and prudent and will have the desired effect of achieving timely compliance with the applicable regulations in a cost-effective manner. All of the major components of the Crystal River Unit 4 and 5 control projects included in PEF's Integrated Clean Air Compliance Plan have been completed. PEF is continuing to evaluate future compliance options in light of EPA's recently remanded Cross-State Air Pollution Rule (CSAPR), finalized Mercury & Air Toxics Standards (MATS), and other regulatory developments affecting fossil fuel-fired generating units. (West, Swartz)

RESPECTFULLY SUBMITTED this 18th day of September, 2012.

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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 18th day of September, 2012 to all parties of record as indicated below.

//Gary V. Perko
GARY V. PERKO

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