



October 2, 2012

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COMMISSION
CLERK

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. 120001-EI

Dear Ms. Cole:

On August 31, 2012, Progress Energy Florida, Inc. ("PEF") filed its petition and projection testimony in the above-referenced docket. Since that time, PEF has discovered inadvertent errors in the 'Capacity Cost Recovery Factors' section of the petition and projection testimony of Marcia Olivier originally filed on August 31, 2012.

Please find enclosed for filing in the above-referenced docket the original and fifteen (15) copies of the following:

- REVISED Petition for approval of fuel and purchase power cost recovery factors for the period January 2013 – December 2013;
- REVISED Projection Testimony of Marcia Olivier (Pages 8 and 10 only);
- REVISED Exhibit MO-2, Part 3, Schedule E12-A (Page 1 of 2) and REVISED Schedule E12-E.

These REVISED pages correct the Capacity Cost Recovery Factors and are consistent with factors approved in Exhibit 1 in the Stipulation and Settlement Agreement approved in Order No. PSC-12-0104-FOF-EI. All other aspects of the petition, testimony and exhibit remain the same. Please replace the originals filed on August 31, 2012 with the attached REVISED petition, testimony and schedules.

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
John T. Burnett

COM	5
AFD	5
APA	1
ECO	1
ENG	1
GCL	1
IDM	1
TEL	1
CLK	1

JTB/lmr
Enclosures


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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 2nd day of October, 2012.


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REVISED Petition

DOCUMENT NUMBER-DATE

06646 OCT-20

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchase Power) Docket No. 120001-EI
Cost Recovery Clause and Generating)
Performance Incentive Factor) Filed: October 2, 2012

**REVISED PETITION FOR APPROVAL OF FUEL AND PURCHASE POWER COST
RECOVERY FACTORS FOR THE PERIOD JANUARY 2013 THROUGH DECEMBER
2013**

Progress Energy Florida, Inc. ("PEF") hereby petitions this Commission for approval of its proposed fuel and capacity cost recovery factors for the period January 2013 through December 2013. 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 3.698 cents/kWh (before metering voltage adjustments). The basic factor consists of a fuel cost for the projection period of 3.30283 cents/kWh (adjusted for jurisdictional losses), a GPIF reward of 0.00400 cents/kWh, and an estimated prior period under-recovery true-up of 0.38885 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 1.060 cents/kWh.

DOCUMENT NUMBER-DATE

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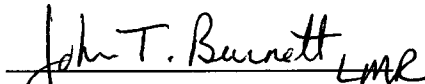
FPSC-COMMISSION CLERK

Other Issues

3. PEF has calculated that it is subject to a GPIF reward of \$1,495,572 for the performance experienced during the period January 1, 2011 through December 31, 2011. The Company is also proposing GPIF targets and ranges for the period January 1, 2013 through December 31, 2013 with such proposed targets and ranges being detailed in the testimony and exhibits of PEF witness Matthew J. Jones.

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 2013 through December 2013 as set forth in the testimony and supporting exhibit of Marcia Olivier filed on August 31, 2012 and the REVISED testimony (Pgs. 8 and 10) and REVISED supporting exhibits (Schedule E12-A, Part 3, Page 1 of 2 and Schedule E12-E) of Marcia Olivier filed on October 2, 2012.

Respectfully submitted,



JOHN T. BURNETT
Deputy General Counsel
DIANNE M. TRIPLETT
Associate General Counsel
PROGRESS ENERGY SERVICE COMPANY, LLC
299 – First Avenue North
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REVISED Testimony of Marcia Olivier
(Pages 8 and 10)

1 **Q. Are current fuel prices the same as those used in the development of the**
 2 **projected fuel factor?**

3 A. No. Fuel prices can change significantly from day to day, particularly in the
 4 storm season. Consistent with past practices, PEF will continue to monitor fuel
 5 prices and update the projection filing prior to the November hearing if changes
 6 in fuel prices warrant such an update.

7
 8 **CAPACITY COST RECOVERY CLAUSE**

9 **Q. Please explain the schedules that are included in Exhibit__(MO-2) Part 3.**

10 A. The following schedules are included in my exhibit:

11 Schedule E12-A – Calculation of Projected Capacity Costs – Year 2013

12 Page 1 of Schedule E12-A includes estimated 2013 calendar year system
 13 capacity payments to qualifying facilities (QF) and other power suppliers, as
 14 well as recovery of nuclear costs pursuant to Rule 25-6.0423. The retail
 15 portion of the capacity payments is calculated using separation factors
 16 consistent with Exhibit 1 in the Stipulation and Settlement Agreement approved
 17 on March 8, 2012 in Order no. PSC-12-0104-FOF-EI. Total nuclear costs of
 18 \$145,479,597 are made up of costs for the Levy and CR3 nuclear plants. 1)
 19 Revenue requirements for Levy of \$105,417,097 are calculated by applying the
 20 factors in Exhibit 5 of the settlement agreement approved in Order PSC-12-
 21 0104-FOF-EI to the sales in Exhibit E12-E. 2) The revenue requirements for
 22 CR3 are \$40,062,500 as filed with the FPSC on August 14, 2012 in Document
 23 05578-12 in Docket 120009-EI. Schedule E12-A, page 2, provides dates and
 24 MWs associated with the QF and purchase power contracts.

1 factors for primary and transmission rate classes reflect the application of
 2 metering reduction factors of 1% and 2% from the secondary factor. The
 3 factors allocate capacity and CR3 costs to rate classes in the same manner in
 4 which they would be allocated if they were recovered in base rates.

5

6 **Q. Has PEF used the most recent load research information in the**
 7 **development of its capacity cost allocation factors?**

8 A. Yes. The 12CP load factor relationships from PEF's most recent load research
 9 conducted for the period April 2011 through March 2012 are incorporated into
 10 the capacity cost allocation factors. This information is included in PEF's Load
 11 Research Report filed with the Commission on July 31, 2012.

12

13 **Q. What is the 2013 projected average retail CCR factor?**

14 A. The 2013 average retail CCR factor is 1.449 ¢/kWh, made up of capacity and
 15 nuclear costs of 1.060 ¢/kWh and 0.389 ¢/kWh, respectively.

16

17 **Q. Please explain the change in the CCR factor for the projection period**
 18 **compared to the CCR factor currently in effect.**

19 A. The total projected average retail CCR factor of 1.449 ¢/kWh is 0.26 ¢/kWh or
 20 22% higher than the 2012 factor of 1.192 ¢/kWh. This increase is primarily
 21 attributable to a nuclear recoveries increase of \$59,466,677 and a collection of
 22 the prior period under-recovery of \$10,485,622 in 2013 compared to a prior
 23 period over-recovery refunded in 2012 of \$20,667,503.

24

REVISED Capacity Schedules to Exhibit MO-2

(Part 3, Schedule E12-A, Page 1 of 2)
(Schedule E12-E)

	EST Jan-13	EST Feb-13	EST Mar-13	EST Apr-13	EST May-13	EST Jun-13	EST Jul-13	EST Aug-13	EST Sep-13	EST Oct-13	EST Nov-13	EST Dec-13	TOTAL
1 Base Production Level Capacity Costs													
2 Auburndale Power Partners, L.P. (AUBRDLFC)	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$824,670	\$9,896,040
3 Auburndale Power Partners, L.P. (AUBSET)	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	3,611,259	43,335,108
4 Lake County (LAKCOUNT)	773,160	773,160	773,160	773,160	773,160	773,160	773,160	773,160	773,160	773,160	773,160	773,160	9,277,920
5 Lake Cogen Limited (LAKORDER)	3,735,759	3,735,759	3,735,759	3,735,759	3,735,759	3,735,759	3,735,759	-	-	-	-	-	26,150,313
6 Metro-Dade County (METRDADE)	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	1,402,230	417,889	15,842,419
7 Orange Cogen (ORANGECO)	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	2,957,505	35,490,060
8 Orlando Cogen Limited (ORLACOGL)	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	2,879,413	34,552,956
9 Pasco County Resource Recovery (PASCOUNT)	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	1,394,720	16,736,640
10 Pinellas County Resource Recovery (PINCOUNT)	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	3,320,040	39,840,480
11 Polk Power Partners, L.P. (MULBERRY/ROYSER)	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	5,708,711	68,504,532
12 Wheelabrator Ridge Energy, Inc. (RIDGEGEN)	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	800,946	9,611,352
13 Southern Scherer	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	1,528,620	18,343,440
14 Subtotal - Base Level Capacity Costs	28,937,033	28,937,033	28,937,033	28,937,033	28,937,033	28,937,033	28,937,033	25,201,274	25,201,274	25,201,274	25,201,274	24,216,933	327,581,260
15 Base Production Jurisdictional Responsibility	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	92.885%	
16 Base Level Jurisdictional Capacity Costs	26,878,163	26,878,162	26,878,162	26,878,162	26,878,162	26,878,163	26,878,163	23,408,203	23,408,203	23,408,203	23,408,203	22,493,898	304,273,849
17 Intermediate Production Level Capacity Costs													
18 Southern Franklin	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	25,956,000
19 Schedule H Capacity Sales - NSB & RCID	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(10,942)	(131,304)
20 Subtotal - Intermediate Level Capacity Costs	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	2,152,058	25,824,696
21 Intermediate Production Jurisdictional Responsibility	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	72.703%	
22 Intermediate Level Jurisdictional Capacity Costs	1,564,611	1,564,611	1,564,611	1,564,611	1,564,612	1,564,611	1,564,611	1,564,611	1,564,611	1,564,611	1,564,611	1,564,611	18,775,330
23 Peaking Production Level Capacity Costs													
24 Chattahoochee	12,634	12,634	12,634	12,634	12,634	12,634	12,634	12,634	12,634	12,634	12,634	12,634	151,612
25 Shady Hills	1,952,294	1,952,294	1,394,496	1,394,496	1,952,294	4,183,488	4,183,488	4,183,488	1,952,294	1,394,496	1,394,496	1,952,294	27,889,920
26 Vandalia (NSG)	2,660,851	2,676,173	1,898,784	1,876,896	2,584,243	5,400,864	5,384,448	5,340,672	2,520,403	1,838,592	1,882,368	2,676,173	36,740,467
27 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Subtotal - Peaking Level Capacity Costs	4,625,780	4,641,102	3,305,914	3,284,026	4,549,172	9,596,986	9,580,570	9,536,794	4,485,332	3,245,722	3,289,498	4,641,102	64,782,000
29 Peaking Production Jurisdictional Responsibility	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	95.924%	
30 Peaking Level Jurisdictional Capacity Costs	4,437,233	4,451,930	3,171,165	3,150,169	4,363,748	9,205,813	9,190,066	9,148,075	4,302,510	3,113,427	3,155,418	4,451,930	62,141,485
31 Other Capacity Costs													
32 Retail Wheeling	(50,606)	(9,946)	(423)	(216)	(8,176)	(339)	(13,256)	(26,542)	(710)	(7,754)	(559)	-	(118,528)
33 Total Capacity Costs (line 16+22+30+32)	32,829,401	32,884,757	31,613,515	31,592,726	32,798,346	37,648,248	37,619,584	34,094,346	29,274,613	28,078,487	28,127,673	28,510,439	385,072,136
34 Estimated/Actual True-Up Provision - Jan - Dec 2011													10,485,622
35 Total Capacity Costs w/ True-Up													395,557,759
36 Revenue Tax Multiplier													1.00072
37 Total Recoverable Capacity Costs													395,842,560
38 Nuclear Cost Recovery Clause													145,374,927
39 Revenue Tax Multiplier													1.00072
40 Total Recoverable Nuclear Costs													145,479,597
41 Total Recov Capacity & Nuclear Costs (line 37+40)													541,322,157

Progress Energy Florida
Calculation of Capacity Cost Recovery Factors by Rate Class
For the Year 2013

Revised
Docket No. 120001-EI
Exhibit__MO-2, Part 3
Schedule E12-E

Rate Class	(1) 12CP 1/13 AD Demand Allocator (%)	(2) Effective mWh at Secondary Level (mWh)	(3) Capacity Production Demand Costs (\$)	(4) Levy Production Demand Costs (\$)	(5) CR3 Production Demand Costs (\$)	(6) Capacity + Nuclear Production Demand Costs (\$)	(7) Capacity CCR Factor (c/kWh)	(8) Levy CCR Factor (c/kWh)	(9) CR3 CCR Factor (c/kWh)	(10) Capacity & Nuclear CCR Factor (c/kWh)
Residential										
RS-1, RST-1, RSL-1, RSL-2, RSS-1										
Secondary	60.884%	19,052,365	\$241,004,840	\$65,730,659	\$24,391,658	\$331,127,158	1.265	0.345	0.128	1.738
General Service Non-Demand										
GS-1, GST-1										
Secondary		1,231,321					1.023	0.252	0.104	1.379
Primary		3,323					1.013	0.249	0.103	1.365
Transmission		3,921					1.003	0.247	0.102	1.351
TOTAL GS	3.202%	1,238,565	12,674,073	3,121,185	1,282,720	17,077,978				
General Service										
GS-2										
Secondary	0.215%	122,218	850,421	222,437	86,070	1,158,928	0.696	0.182	0.070	0.948
General Service Demand										
GSD-1, GSDT-1, SS-1										
Secondary		12,089,141					0.872	0.224	0.088	1.184
Primary		2,316,907					0.863	0.222	0.087	1.172
Transmission		9,601					0.855	0.220	0.086	1.160
TOTAL GSD	31.739%	14,415,649	125,638,061	32,291,054	12,715,598	170,644,712				
Curtailable										
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3										
Secondary		-					0.623	0.207	0.063	0.893
Primary		103,675					0.617	0.205	0.062	0.884
Transmission		-					0.611	0.203	0.062	0.875
TOTAL CS	0.163%	103,675	645,427	214,607	65,323	925,357				
Interruptible										
IS-1, IST-1, IS-2, IST-2, SS-2										
Secondary		95,523					0.709	0.180	0.072	0.961
Primary		1,548,123					0.702	0.178	0.071	0.951
Transmission		377,998					0.695	0.176	0.071	0.942
TOTAL IS	3.622%	2,021,644	14,336,934	3,638,959	1,451,015	19,426,909				
Lighting										
LS-1										
Secondary	0.175%	381,146	692,803	198,196	70,117	961,116	0.182	0.052	0.018	0.252
	100.000%	37,335,262	\$395,842,560	\$105,417,097	\$40,062,500	\$541,322,157	1.060	0.282	0.107	1.449

Notes:

- (1) From Schedule E12-D, Column 10
- (2) Projected mWh sales at effective voltage level for Jan-Dec
- (3) Column 1 x Total Recoverable Payments (Schedule E12-A)
- (4) (Column 8 x Column 2) x 10
- (5) Column 1 x Total Recoverable Payments (Schedule E12-A)
- (6) Calculated: Column 3 + Column 4 + Column 5
- (7) (Column 3 / Column 2) / 10
- (8) (Column 4 / Column 2) / 10
- (9) (Column 5 / Column 2) / 10
- (10) Column 7 + Column 8 + Column 9