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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost)
recovery clause.)
_____)

Docket No. 120002-EG
Filed: October 8, 2012

**PROGRESS ENERGY FLORIDA, INC.'S
PREHEARING STATEMENT**

Progress Energy Florida, Inc. ("PEF"), pursuant to the Order Establishing Procedure in this proceeding, Order No. PSC-12-0062-PCO-EG dated February 10, 2012, hereby submits its Prehearing Statement:

A. Known Witnesses – PEF intends to offer the direct testimony of:

Direct Testimony.

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Helena T. Guthrie	Final True-up, January – December 2011	1
Helena T. Guthrie	Estimated/Actual True-up, January – December 2012 and ECCR Factors For January – December 2013	2 - 4

B. Known Exhibits – PEF intends to offer the following exhibits:

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
_____ (HTG-1T)	Guthrie	ECCR Adjusted Net True-Up for January - December 2011, Schedules CT1 – CT5.
_____ (HTG-1P)	Guthrie	Estimated/Actual True-Up, January – December 2012 and ECCR Factors for Billings in January – December 2013, Schedules C1 – C5

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C. Statement of Basic Position

The Commission should determine that PEF has properly calculated its conservation cost recovery true-up and projections and the conservation cost recovery factors set forth in the testimony and exhibits of witness Helena T. Guthrie during the period January 2013 through December 2013.

D. Issues and Positions

PEF's positions on the issues identified in this proceeding are as follows:

Generic Conservation Cost Recovery Issues

ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2011 through December 2011?

PEF: \$4,391,708 over-recovery. (Guthrie)

ISSUE 2: What are the total conservation cost recovery amounts to be collected during the period January 2013 through December 2013?

PEF: \$101,274,893. (Guthrie)

ISSUE 3: What are the conservation cost recovery factors for the period January 2013 through December 2013?

PEF:

<u>Customer Class</u>	<u>ECCR Factor</u>
Residential	0.306 cents/kWh
General Service Non-Demand	0.265 cents/kWh
@ Primary Voltage	0.262 cents/kWh
@ Transmission Voltage	0.260 cents/kWh
General Service 100% Load Factor	0.210 cents/kWh
General Service Demand	0.90 \$/kW
@ Primary Voltage	0.89 \$/kW
@ Transmission Voltage	0.88 \$/kW
Curtaillable	0.86 \$/kW
@ Primary Voltage	0.85 \$/kW
@ Transmission Voltage	0.84 \$/kW
Interruptible	0.80 \$/kW

@ Primary Voltage	0.79 \$/kW
@ Transmission Voltage	0.78 \$/kW
Standby Monthly	0.089 \$/kW
@ Primary Voltage	0.088 \$/kW
@ Transmission Voltage	0.087 \$/kW
Standby Daily	0.042 \$/kW
@ Primary Voltage	0.042 \$/kW
@ Transmission Voltage	0.041 \$/kW
Lighting	0.123 cents/kWh

(Guthrie)

ISSUE 4: What should be the effective date of the new conservation 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 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. (Guthrie)

SACE's Proposed Generic Issues

ISSUE 1: Does the utility have a measure plan in place to ensure that energy savings associated with its ECCR factors are accurate?

PEF: PEF objects to this issue, because it is irrelevant and beyond the scope of this docket. This docket is limited to the approval of costs incurred by PEF for Commission-approved programs. PEF included its impact evaluation plan, for each program, in its last DSM plan filing, and the Commission considered and approved that plan in Docket 040031. Modifications to the DSM plan were subsequently considered and approved in Docket 060647. This issue is therefore more appropriately addressed in a DSM plan approval proceeding, not this cost recovery proceeding. PEF notes that SACE attempted to introduce similar issues in last year's cost recovery proceeding (Docket 110002) and the pre-hearing officer appropriately struck those issues. These issues should likewise be struck.

ISSUE 2: Does the utility have a verification plan in place to ensure that energy savings associated with its ECCR factors are accurate?

PEF: PEF objects to this issue, because it is irrelevant and beyond the scope of this docket. This docket is limited to the approval of costs incurred by PEF for Commission-approved programs. PEF included its impact evaluation plan, for each program, in its last DSM plan filing, and the

Commission considered and approved that plan in Docket 040031. Modifications to the DSM plan were subsequently considered and approved in Docket 060647. This issue is therefore more appropriately addressed in a DSM plan approval proceeding, not this cost recovery proceeding. PEF notes that SACE attempted to introduce similar issues in last year's cost recovery proceeding (Docket 110002) and the pre-hearing officer appropriately struck those issues. These issues should likewise be struck.

ISSUE 3: Does the utility have an evaluation plan in place to ensure optimal program impacts and performance?

PEF: PEF objects to this issue, because it is irrelevant and beyond the scope of this docket. This docket is limited to the approval of costs incurred by PEF for Commission-approved programs. PEF included its impact evaluation plan, for each program, in its last DSM plan filing, and the Commission considered and approved that plan in Docket 040031. Modifications to the DSM plan were subsequently considered and approved in Docket 060647. This issue is therefore more appropriately addressed in a DSM plan approval proceeding, not this cost recovery proceeding. PEF notes that SACE attempted to introduce similar issues in last year's cost recovery proceeding (Docket 110002) and the pre-hearing officer appropriately struck those issues. These issues should likewise be struck.

E. Stipulated Issues

None at this time.

F. Pending Motions

PEF has no pending motions at this time.

G. Requests for Confidentiality

PEF has no requests for confidentiality pending at this time.

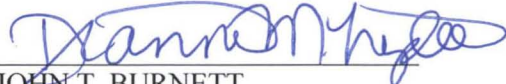
H. Requirements of Order

PEF believes that this prehearing statement complies with all the requirements of the Order Establishing Procedure.

I. Objections to Qualifications

At this time, PEF has no objection to the qualifications of any expert witnesses in this proceeding.

Respectfully submitted this 8th day of October, 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 and U.S. Mail this 8th day of October, 2012 to all parties of record as indicated below.


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