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December 20, 2012

VIA HAND DELIVERY

Kathryn Dyal Lewis
c/o Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: *Section 120.745, F.S. (2011), Legislative review of agency rules in effect on or before November 16, 2010; Docket No. 110303-OT*

Dear Ms. Lewis:

Please find attached Progress Energy Florida, Inc.'s ("PEF") Responses to Staff's Survey Questions pertaining to **Rule 25-6.0423, F.A.C.**, titled "Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery".

Thank you for the opportunity to respond. Should you have any questions, please don't hesitate to contact me at (727) 820-5184.

Respectfully,

John T. Burnett LMR
John T. Burnett
Deputy General Counsel

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**PROGRESS ENERGY FLORIDA, INC.'S RESPONSES TO SURVEY QUESTIONS
 RULE 25-6.0423, F.A.C.
 NUCLEAR OR INTEGRATED GASIFICATION COMBINED CYCLE POWER PLANT COST RECOVERY**

Q1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-6.0423, F.A.C., Subparagraphs 1, 2, 3, 6 and 7 for the five-year period beginning July 1, 2011?

Response: PEF does not estimate incurring any transactional costs to comply with Rule 25-6.0423 Subparagraphs 1 and 2 as these are definitional paragraphs. Subparagraph 3 relates to the accounting for the project and is tied more closely to Subparagraphs 4 and 5 which set out the bulk of the filing requirements. Outside of the costs identified in Q2 below paragraph 3 is not expected to cause any transactional costs. Any costs associated with subparagraphs 6 & 7 are unknown at this time and will be heavily dependent on the facts and circumstances should filings be made within the 5 year period under these subparagraphs.

Q2. What are the actual or estimated transactional costs for each of the 5 years beginning July 1, 2011, to comply with Rule 25-6.0423, F.A.C., Subparagraphs 4 and 5? Please specify which of these costs are recovered through base rates and/or which cost recovery clause. Include, for example, the following items:

- a. The costs of annual filings required to be submitted as part of the Company's capacity cost recovery clause filings.
- b. Legal services and consultants
- c. Other costs associated with the required annual filings – please identify each.

Response:

Estimated Transactional Costs (\$ 000's)	July, 2011	July, 2012	July, 2013	July, 2014	July, 2015
	to June, 2012	to June, 2013	to June, 2014	to June, 2015	to June, 2016
(a) Cost of Annual Filings	2,230	2,297	2,366	2,437	2,510
(b) Legal Costs (included in (a))	697	718	740	762	785
(c) Other costs associated with Annual Filings	-	-	-	-	-
(d) Costs recovered through clause	1,585	1,637	1,686	1,737	1,780
(e) Costs recovered through Base Rates	645	660	680	700	730

Note: Costs include internal costs which are a high level estimate based on estimated FTE's and estimated average salaries. Internal costs are not separately tracked in the financial systems.

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Q3. What are the actual or estimated transactional costs for each of the 5 years beginning July 1, 2011, to comply with Rule 25-6.0423, F.A.C., Subparagraph 8? Please specify which of these costs are recovered through base rates and/or which cost recovery clause. Include, for example, the following items:

- a. The costs of the Company's detailed statement of project costs required to be submitted as part of the Company's detailed statement of project cost filings as described in Rule 25-6.0423, subparagraphs 8(b) – 8(e).
- b. The costs of including the additional information specified in Rule 25-6.0423, subparagraph 8(f) in the Company's annual report filed pursuant to Rule 25-6.134, F.A.C.

Response:

- a. PEF does not track work related to subparagraphs 8(b)-8(e) separately and as such has included these costs in its response to Q2 above.
- b. PEF does not track work related to subparagraph 8(f) separately and as such has included these costs in its response to Q2 above.

Q4. Of the costs provided in answer to Questions 1 through 3 above, which, if any, would be incurred by the Company if Rule 25-6.0423, F.A.C., were not in effect?

Response: Of the costs provided in response to Question 1 through 3 above, most of these costs would be incurred if Rule 25-6.0423 were not in effect. Although the alternative cost recovery mechanism for the recovery of costs incurred in the siting, design, licensing, and construction of nuclear or integrated gasification combined cycle power plants process might be less prescribed without this rule, most of the work would still need to be done to support the Company's alternative cost recovery request provided for under F.S. 366.93.

Q5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on small businesses (as defined in Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five-year period beginning July 1, 2011?

Response: PEF does not believe that this rule causes any direct costs for small businesses given that the rule does not apply to them for compliance purposes. However, PEF does believe that the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery rule provides small businesses an indirect benefit as it implements the legislative intent of Section 366.93, Florida Statutes.

Q6. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five-year period beginning July 1, 2011?

Response: PEF does not believe that this rule causes any direct costs for small counties and cities given that the rule does not apply to them for compliance purposes. However, PEF does believe that the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery rule provides small counties and cities an indirect benefit as it implements the legislative intent of Section 366.93, Florida Statutes.

Q7. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on entities located in the Company's service territory other than those specifically identified in Questions 5 and 6, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five-year period beginning July 1, 2011?

Response: PEF does not believe that this rule causes any direct costs for other entities given that the rule does not apply to them for compliance purposes. However, PEF does believe that the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery rule provides other entities an indirect benefit as it implements the legislative intent of Section 366.93, Florida Statutes.

Q8. What does the Company believe is the expected impact of Rule 25-6.0423, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five-year period beginning July 1, 2011?

Response: PEF does not believe that this rule alone causes any direct impact on economic growth, private sector job creation or employment, and private section investment. However, PEF does believe that the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery rule provides an indirect benefit to all these factors given that it implements the legislative intent of Section 366.93, Florida Statutes.

Q9. What does the Company believe is the expected impact of Rule 25-6.0423, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five-year period beginning July 1, 2011?

Response: PEF does not believe that this rule alone causes any direct impact on business competitiveness. However, PEF does believe that the Nuclear or Integrated

Gasification Combined Cycle Power Plant Cost Recovery rule provides an indirect benefit to business competitiveness given that it implements the legislative intent of Section 366.93, Florida Statutes.

Q10. What does the Company believe are the benefits associated with Rule 25-6.0423, F.A.C.?

Response: PEF believes that the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery rule provides an indirect benefit to all of PEF's customers given that it implements the legislative intent of Section 366.93, Florida Statutes. PEF also believes that this rule provides an orderly and efficient process by which Section 366.93 can be implemented.