VOTE SHEET

August 14, 2007

Docket No. 060162-EI – Petition by Progress Energy Florida, Inc. for approval to recover modular cooling tower costs through environmental cost recovery clause.

(Post-hearing decision - participation is limited to Commissioners and staff)

<u>Issue 1</u>: What is the appropriate mechanism to recover the prudently incurred costs of Progress Energy's temporary cooling tower project?

(A) Should PEF recover costs for the Crystal River Units 1 and 2 cooling tower project through the Environmental Cost Recovery Clause?

(B) Should PEF recover costs for the Crystal River Units 1 and 2 cooling tower project through current base rates?

(C) Should PEF recover costs for the Crystal River Units 1 and 2 cooling tower project through the Fuel Cost Recovery Clause?

Recommendation: The appropriate mechanism to recover the prudently incurred costs of Progress Energy's temporary cooling tower project is through the Environmental Cost Recovery Clause, not through the fuel clause or in base rates. The project meets the eligibility requirements for ECRC recovery and is in the public interest. Recovery of project costs through the ECRC is reasonable and consistent with prior Commission decisions. Cost recovery should be reviewed annually as part of the Commission's ongoing proceedings in the ECRC. If the Commission denies cost recovery through either clause, the project costs should be recovered through base rates.

MODIFIED, no conclusion reached on drawer (B) or (C).

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY Murrian. **REMARKS/DISSENTING COMMENTS:**

DOCUMENT NUMBER-DATE

DISSENTING

07133 AUG 145

FPSC-COMMISSION CLERK

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Issue 2: How should the Commission's decision on Issue 1 be implemented?

Recommendation: If ECRC recovery is approved on Issue 1, project costs are included in the annual cost recovery factors in accordance with prior Commission practice and precedent, subject to prudence review and true-ups. If base rate recovery is approved on Issue 1, the 2006 costs included in the ECRC clause should be refunded in the 2007 ECRC docket true-up process with interest added.

APPROVED

<u>Issue 3</u>: Should this docket be closed? **Recommendation:** The docket should be closed after the time for filing an appeal has run.

APPROVED