



November 1, 2007

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COMMISSION
CLERK

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

*Re: Fuel and purchased power cost recovery clause with generating performance
incentive factor; Docket No. 070001-EI*

Dear Ms. Cole:

Please find attached for filing in the aforementioned docket the late-filed exhibits 1-3 from the deposition of Lori Cross and Joseph McCallister taken by Staff on October 29, 2007.

Thank you for your assistance in this matter. Should you have any questions, please feel free to call me at (727) 820-5184.

Sincerely,

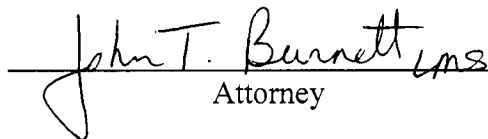
John T. Burnett LMS
John T. Burnett

JTB/lms
Attachments

cc: Lisa Bennett, Esq. (FPSC)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via regular U.S. mail (* via hand delivery) to the following this 1st day of November, 2007.


Attorney

<p>Lisa Bennett, Esq. * Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p>	<p>Florida Industrial Power Users Group c/o John McWhirter, Jr. McWhirter Reeves Law Firm 400 N. Tampa Street, Ste. 2450 Tampa, FL 33602</p>
<p>James D. Beasley, Esq. Lee L. Willis, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302</p>	<p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p>
<p>Joseph A. McGlothlin, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399</p>	<p>John T. Butler, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p>
<p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p>	<p>Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p>
<p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601</p>	<p>R. Wade Litchfield, Esq. Florida Power & Light 700 Universe Boulevard Juno Beach, FL 33408-0420</p>
<p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p>	<p>Ms. Cheryl Martin Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p>
<p>Mr. Bill Walker Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p>	<p>Mr. James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p>
<p>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p>	

Provide an itemization of the quarterly incremental security costs listed on Exhibit LC-1P, Section C, page 1 of 5, line 20.

Response:

In addition to the monthly costs of \$155,875, quarterly costs of \$955,972 are listed in the months of April, July, October and December, for a total 2008 projected incremental security cost of \$5,694,388. The monthly costs reflect incremental security associated with the Maritime Transportation Security Act (MTSA) and the North American Electric Reliability Corporation (NERC) Cyber Security Standards. The quarterly costs consist of nuclear incremental security expenditures.

The quarterly amounts are simply a reflection of the method in which nuclear security costs are recorded on the books and records of PEF. Nuclear security costs are initially charged monthly to either construction work in progress for capital costs or to base-recoverable O&M for operating costs. Then on a quarterly basis, a journal entry is made to move the costs into a separate account for incremental security. This entry is made the month after each quarter end, except for the final quarter of each year in which the entry is made in December. This ensures all applicable costs are included in the appropriate year in which they were incurred.

An itemization of the annual nuclear security projection, reflected on a quarterly basis as explained above, of \$3,823,888 (\$955,972 x 4 quarters) is as follows:

Nuclear Capital	\$1,745,700
Nuclear O&M	3,038,806
Less Base Recoverable Security	<u>(960,618)</u>
Total Nuclear Recoverable Security	<u>\$3,823,888</u>

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09941 NOV-18

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PROGRESS ENERGY FLORIDA, INC. SCHEDULE A7		PURCHASED POWER EXCLUSIVE OF ECONOMY PURCHASES FOR THE MONTH OF: DECEMBER, 2006							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED (000)	KWH FOR UTILITIES (000)	KWH FOR INTERRUPTIBLE (000)	KWH FOR FIRM (000)	FUEL COST \$/KWH	TOTAL COST \$/KWH	TOTAL AMOUNT FOR FUEL ADJ \$	FUEL COST \$
ESTIMATED		426,915			426,915	2,420	2,420	10,332,367.00	10,332,367.00
ACTUAL									
Cargill Power Markets, LLC	NonEconomy	0			0	0.000	0.000	0.00	0.00
Central Power & Lime	NonEconomy	80,895			80,895	3.200	3.200	2,588,640.00	2,588,640.00
Glades	Firm	6			6	13.857	13.857	831.43	831.43
Orlando Utilities Commission	NonEconomy	0			0	0.000	0.000	0.00	0.00
Reliant Energy Florida, LLC	TOLL	0			0	0.000	0.000	0.00	0.00
Southern Company Services, Inc	Southern UPS	204,951			204,951	2.047	2.047	6,242,346.97	6,242,346.97
Tampa Electric Company	TECO AR1	22,361			22,361	6.866	6.866	1,535,319.55	1,535,319.55
The Energy Authority, Inc.	NonEconomy	0			0	0.000	0.000	0.00	0.00
ADJUSTMENTS									
Tampa Electric Company	TECO AR1	-8,850			-8,850	4.975	4.975	(440,261.50)	(440,261.50)
Southern Company Services, Inc	Southern UPS	0			0	0.000	0.000	366,764.04	366,764.04
CURRENT MONTH TOTAL		399,363			399,363	2.578	2.578	10,293,640.49	10,293,640.49
DIFFERENCE		27,552			-27,552	0.158	0.158	(38,726.51)	(38,726.51)
DIFFERENCE %		(6.5)			-6.5	6.5	6.5	-0.4	-0.4
CUMULATIVE ACTUAL		4,913,747			4,913,747	2.875	2.875	141,275,912.01	141,275,912.01
CUMULATIVE ESTIMATED		4,916,525			4,916,525	2.322	2.322	114,125,596.00	114,125,596.00
DIFFERENCE		-1,778			-1,778	0.553	0.553	27,145,316.01	27,145,316.01
DIFFERENCE %		(0.0)			0.0	23.8	23.8	23.8	23.8

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PROGRESS ENERGY FLORIDA, INC. SCHEDULE A9		ECONOMY ENERGY PURCHASES INCLUDING LONG TERM PURCHASES FOR THE MONTH OF: DECEMBER, 2006						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
PURCHASED FROM	TYPE & SCHEDULE	TOTAL KWH PURCHASED (000)	ENERGY COST C/KWH	TOTAL AMOUNT FOR FUEL ADJ \$	COST IF GENERATED C/KWH	COST IF GENERATED \$	FUEL SAVINGS \$	
ESTIMATED		30,000	7.151	2,145,225.00	8.939	2,581,625.00	536,400.00	
ACTUAL:								
SubTotal - Energy Purchases (Broker)								
Seco	Hydro	517	3.433	21,182.91	3.433	21,182.91	0.00	
Seminole	Load Following	1,353	5.188	70,200.39	5.188	70,200.39	0.00	
Seminole	RPR Purchase	0	0.000	0.00	0.000	0.00	0.00	
Calpine Energy Services, LP	EEl	348	5.957	20,730.00	8.729	30,377.17	9,647.17	
Cargill Power Markets, LLC	EEl	4,646	4.832	224,486.00	6.119	284,306.55	59,820.55	
Cargill Power Markets, LLC	MR1	1,531	7.460	113,294.00	7.135	109,236.85	(4,057.15)	
City of Chattahoochee, FL	Schedule OS	0	0.000	0.00	0.000	0.00	0.00	
City of Tallahassee, FL	Transmission Purchase	0	0.000	44,287.12	0.000	0.00	(44,287.12)	
Cobb Electric Membership Corp	EEl	22,743	4.627	1,052,375.00	7.283	1,656,462.27	604,087.27	
Duke Electric Transmission	Transmission Purchase	0	0.000	1,961.05	0.000	0.00	(1,961.05)	
Florida Power & Light Company	Schedule OS	175	6.000	10,500.00	6.021	10,536.75	36.75	
Florida Power & Light Company	Transmission Purchase	0	0.000	2,848.00	0.000	0.00	(2,848.00)	
Jacksonville Electric Authority	Transmission Purchase	0	0.000	173,888.27	0.000	0.00	(173,888.27)	
Municipal Electric Authority of Georgia	Transmission Purchase	0	0.000	664.95	0.000	0.00	(664.95)	
Orlando Utilities Commission	Schedule OS	140	4.428	6,200.00	6.171	8,540.00	2,440.00	
Pennsylvania-New Jersey-Maryland Int	MR1	974	2.342	22,812.23	6.672	64,981.00	42,168.77	
Pennsylvania-New Jersey-Maryland Int	Transmission Purchase	0	0.000	652.58	0.000	0.00	(652.58)	
Reedy Creek Improvement District	Schedule OS	160	7.400	11,840.00	6.925	11,080.00	(760.00)	
Seminole Electric Cooperative, Inc	Contract	480	30.675	14,724.00	6.432	30,875.30	200.90	
Seminole Electric Cooperative, Inc	Transmission Purchase	0	0.000	117,474.50	0.000	0.00	(117,474.50)	
Southern Company Services, Inc	MR1	5,840	5.146	301,007.00	7.383	431,811.51	130,804.51	
Southern Company Services, Inc	Transmission Purchase	0	0.000	3,397.14	0.000	0.00	(3,397.14)	
The Energy Authority, Inc	EEl	7,931	4.475	354,887.00	6.095	530,977.22	176,090.22	
The Energy Authority, Inc	Contract	745	4.434	33,035.00	6.519	49,004.07	16,269.07	
Williams Energy Marketing Trading Company	EEl	4,215	3.337	164,266.00	7.203	303,604.95	133,338.95	
ADJUSTMENTS								
City of Chattahoochee, FL	Schedule OS	0	0.000	0.00	0.000	0.00	0.00	
City of Tallahassee, FL	Transmission Purchase	0	0.000	0.04	0.000	0.00	(0.04)	
Duke Electric Transmission	Transmission Purchase	0	0.000	64.00	0.000	0.00	(64.00)	
Florida Power & Light Company	Transmission Purchase	0	0.000	(2,297.20)	0.000	0.00	2,297.20	
Jacksonville Electric Authority	Transmission Purchase	0	0.000	1,367.50	0.000	0.00	(1,367.50)	
Pennsylvania-New Jersey-Maryland Int	Transmission Purchase	0	0.000	533.51	0.000	0.00	(533.51)	
Reliant Energy Services, Inc.	Schedule OS	-3	6.000	(180.00)	(0.000)	0.00	180.00	
Seminole Electric Cooperative, Inc	Transmission Purchase	0	0.000	1.10	0.000	0.00	(1.10)	
Southern Company Services, Inc	Transmission Purchase	0	0.000	274.75	0.000	0.00	(274.75)	
Tampa Electric Company	Transmission Purchase	0	0.000	(0.63)	0.000	0.00	0.63	
SubTotal - Energy Purchases (Non-Broker)		51,904	5.361	2,782,457.82	6.962	3,613,575.94	831,119.12	
CURRENT MONTH TOTAL		51,904	5.361	2,782,457.82	6.962	3,613,575.94	831,119.12	
DIFFERENCE		21,904.3	(1.8)	637,232.8	(2.0)	931,951.9	204,719.1	
DIFFERENCE %		73	(25.035)	29.70	(22.117)	34.75	54.94	
CUMULATIVE ACTUAL		1,075,355	8.549	91,935,462.59	10.821	116,361,273.46	24,425,810.87	
CUMULATIVE ESTIMATED		777,200	7.150	55,641,111.00	8.949	69,530,757.00	13,009,648.00	
DIFFERENCE		298,154.5	1.4	36,294,351.6	1.9	46,810,516.5	10,516,164.9	
DIFFERENCE %		38	19.418	65.23	20.917	67.30	75.50	

Late Filed Exhibit 3
2006 A-7 Purchased Power Actual to Estimated Variance

	<u>Actual</u>	<u>Estimated</u>	<u>Variance</u>	<u>%</u>
KWh	4,913,747	4,915,525	-1,778	-0.04%
c/KWh (\$)	2.875	2.322	0.553	23.82%
Total Cost (\$)	141,270,229	114,138,491	27,131,738	23.77%

Variance Drivers:

As can be seen above, there was no significant difference in the amount (KWh) of power PEF purchased as compared to estimated. The variance for the year was all driven by higher cost per KWh of purchased power. The higher cost per KWh was driven by the fact that purchased power is linked to the commodity prices for fuel and/or the availability of power from providers.

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