

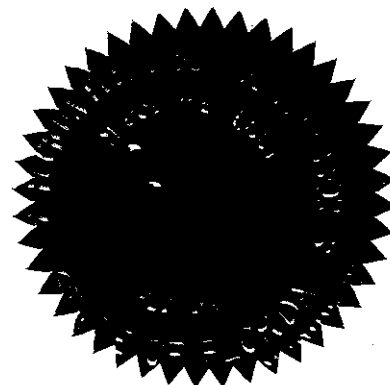
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080603-EI

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In the Matter of:

PETITION FOR EXPEDITED COMMISSION
APPROVAL OF BASE RATE INCREASE FOR
COSTS ASSOCIATED WITH MUR PHASE OF
CR3 UPRATE PROJECT, PURSUANT TO
SECTION 366.93(4), F.S. AND RULE
25-6.0423(7), F.A.C., BY PROGRESS
ENERGY FLORIDA, INC.



PROCEEDINGS: AGENDA CONFERENCE
ITEM NO. 9

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Tuesday, October 28, 2008

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 PARTICIPATING:

2 ERIK SAYLER, ESQUIRE, and JOHN SLEMKEWICZ,
3 representing the Commission Staff.

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CHAIRMAN CARTER: We are back on the record.

And with that, Staff, you're recognized for Item 9.

MR. SLEMKEWICZ: I'm John Slemkewicz.

Item 9 is Docket Number 080603-EI, Progress Energy Florida, Inc.'s petition to increase base rates for the costs associated with the MUR phase of the CR-3 uprate project.

Staff is recommending that the Commission approve the requested \$1,297,979 base rate increase subject to review and true-up of the 2008 construction costs related to the MUR phase. This base rate increase is requested pursuant to Rule 25-6.0423, Florida Administrative Code. Staff is prepared to answer any questions, and also company representatives are present.

CHAIRMAN CARTER: Commissioner Skop, you're recognized.

COMMISSIONER SKOP: Thank you, Mr. Chairman.

Just two quick comments. Again, I think I would like to commend Progress for completing the uprate. It added 12 megawatts of additional nuclear capacity to the state through the Phase I of the MUR uprate for CR-3. So I think that is an excellent win/win for the state and the environment as well as the ratepayers.

1 Also, too, with respect to Issue 2, just a
2 forward-going concern. I think recently it came up in
3 customer hearings that the base rate component when it is
4 expressed in 1,000 kilowatts -- and this is on Page 5 --
5 on the residential bill, it really isn't a -- it's a good
6 unit block metric because it is a whole number, but it is
7 not really indicative of what the average customer bill
8 would be.

9 So I would just ask that on a going-forward
10 basis that maybe staff in future recommendations add a
11 footnote to kind of bound the range of what the expected
12 impact would be to consumers in terms of the average
13 household consumption, whether that be 1,300 kilowatt
14 hours or, you know, 1,500, or 2,000, or something like
15 that, just so they could at least see what would be more
16 representative of the average consumer's bill. And I
17 think we had some discussion from my colleagues recently
18 on that, so that just may be a good thing to do on a
19 forward-going basis.

20 But, with that, I would just like to commend
21 Progress for completing the uprate on time and schedule.
22 And if there's no further questions, move staff
23 recommendation on Issues 1, 2, and, I believe, 3.

24 **CHAIRMAN CARTER:** Commissioner Argenziano.

25 **COMMISSIONER ARGENZIANO:** Yes, just some

1 comments. And I can only speak for myself, but I can
2 imagine being one Commissioner you all have heard from
3 people. And coming from Progress territory there, that's
4 my home town, Crystal River, or near Crystal River, and I
5 want to make it clear that obviously we have made a
6 decision as a Commission that there is a need, and the
7 Legislature has directed and encouraged us to move forward
8 with nuclear power.

9 And as I said so many times, down the road when
10 people want to flip that switch they want their electric
11 to come on. And Progress has been a good corporate friend
12 to that area, many counties, people who work there, they
13 have been a good community help in so many areas, and I
14 appreciate that.

15 And this is not meant to be negative or any
16 other way. What I want to make sure that people
17 understand is that this Commission will, as directed by
18 the statute, number one, for those cost recoveries -- and
19 recently I was called by a reporter in my home town there
20 asking why are you -- why is the PCS allowing these cost
21 recoveries up front. And I said, well, we have been
22 directed by the statutes, because of the need to make sure
23 that we have energy down the road, because of the fact
24 that we are maybe not growing as quickly as we were, but
25 nonetheless we are still growing, and we have to meet that

1 need somehow.

2 So I want to make sure that people understand,
3 once again, that there is a legislative mandate, and that
4 this Commission will be -- and our staff will be looking
5 at those numbers and scrutinizing, as we always do, and
6 making sure that those monies that are spent are spent
7 prudently and wisely.

8 So with that said, Mr. Chairman, I am ready to
9 move forward, also.

10 **CHAIRMAN CARTER:** Thank you.

11 Commissioners, anything further? We have got a
12 motion. Do we have a second?

13 **COMMISSIONER ARGENZIANO:** Second.

14 **CHAIRMAN CARTER:** A motion and a second. Any
15 further discussion? Any further debate?

16 Hearing none. All those in favor, let it be
17 known by the sign of aye.

18 (Simultaneous aye.)

19 **CHAIRMAN CARTER:** All those opposed, like sign.
20 Show it done. Thank you, staff.

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STATE OF FLORIDA)

COUNTY OF LEON)

: CERTIFICATE OF REPORTER

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 10th day of November, 2008.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
(850) 413-6732