STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR DIVISION OF ECONOMIC REGULATION (850) 413-6900

Aublic Service Commission

February 13, 2009

STAFF'S DATA REQUESTS'

Mr. Paul Lewis Progress Energy Florida, Inc. 106 East College Avenue, Suite 800 Tallahassee, FL 32301

Re: Docket No. 090001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Lewis:

On February 12, 2009, Progress Energy issued a press release stating the intent to file a proposal with the Florida Public Service Commission to decrease customer bills through reductions in the fuel charge and the nuclear recovery charge. To help facilitate the prompt analysis and evaluation of this proposal, staff requests that Progress Energy include the following information in the expected filing.

- 1. Please provide the NYMEX forward curve for natural gas prices for each month of 2009 as of September 22, 2008, and as of the date of the reprojections.
- 2. Please provide the forward curve for light oil for each month of 2009 as of September 22, 2008, and as of the date of the reprojections.
- 3. Please provide the forward curve for heavy oil (1% SO2) for each month of 2009 as of September 22, 2008, and as of the date of the reprojections.
- 4. Please provide the forward curve for heavy oil (1.5% SO2) for each month of 2009 as of September 22, 2008, and as of the date of the reprojections.
- For coal at CR1 and CR2, please provide the forward curve for prices for each month of 5. 2009 as of September 22, 2008, and as of the date of the reprojections.
- 6. For coal at CR4 and CR5, please provide the forward curve for prices for each month of 2009 as of September 22, 2008, and as of the date of the reprojections.

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- 7. (a) Please explain how the trend in spot coal prices since July 1, 2008, has affected the cost of the UPS power supply agreement with Southern. Further, as part of the explanation, what portion of coal prices that affect this agreement are set by long-term contract, when were the contract prices established, and when will the contract(s) expire?
  - (b) In calculating the mid-course correction to fuel factors, did PEF reproject the cost of coal associated with the UPS power supply agreement? Please explain.
- 8. (a) For the power supply agreements with Shady Hills and with Osceola, does PEF provide the natural gas to these generators (tolling arrangements)?
  - (b) In calculating the mid-course correction to fuel factors, did PEF reproject the cost of natural gas associated with these power supply agreements? Please explain.
- 9. For power supply agreements not discussed in questions 7 and 8 above, did PEF reproject the cost of purchase power in calculating the mid-course correction to fuel factors? Please explain.
- 10. In calculating the mid-course correction to fuel factors, did PEF reproject the fuel costs and gains associated with power sales. Please explain.
- 11. In calculating the mid-course correction to fuel factors, did PEF reproject the cost of nuclear fuel? Please explain.

If you have any questions regarding this data request, please contact Pete Lester at 850-413-6467.

Sincerely,

Cayce H. Hinton Bureau Chief

Bureau of Cost Analysis and Recovery

CHH:kb

cc. 090001-EI parties

Commission Clerk