

Ruth Nettles

090007-EI

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Subject: Docket 090007-EI
Attachments: Docket 090007 - Preliminary List of Issues & Positions.DOC

Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 090007-EI

In re: Environmental Cost Recovery Clause

c. Document being filed on behalf of Progress Energy Florida, Inc.

d. There are a total of 5 pages.

e. The document attached for electronic filing is Progress Energy Florida, Inc.'s Preliminary List of Issues and Positions.

Thank you for your cooperation.

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DOCUMENT NUMBER-DATE
09529 SEP 14 8
FPSC-COMMISSION CLERK

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause.

DOCKET NO. 090007-EI

FILED: SEPTEMBER 14, 2009

**PROGRESS ENERGY FLORIDA INC.'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Progress Energy Florida, Inc. ("PEF") hereby submits its Preliminary List of Issues and Positions with respect to its Environmental Cost Recovery Clause ("ECRC") for the period of January 2010 through December 2010. PEF's positions on the issues identified in this proceeding are as follows:

Generic Environmental Cost Recovery Issues

- Issue 1 What are the final environmental cost recovery true-up amounts for the period January 2008 through December 31, 2008?
- PEF: \$4,320,606 under-recovery (Garrett)
- Issue 2 What are the estimated/actual environmental cost recovery true-up amounts for the period January 2009 through December 2009?
- PEF: \$24,075,581 over-recovery (Foster, Zeigler, West, McCallister, Wilterdink (to be adopted by Murray))
- Issue 3 What are the projected environmental cost recovery amounts for the period January 2010 through December 2010?
- PEF: \$253,589,049 (Foster, Zeigler, West, McCallister, Murray)
- Issue 4 What are the environmental cost recovery amounts, including true-up amounts, for the period January 2010 through December 2010?
- PEF: \$234,002,435 (Foster)

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FPSC-COMMISSION CLERK

Issue 5

What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2010 through December 2010?

PEF: For 2010 final true-up purposes, the depreciation rates used to calculate the depreciation expense should be the rates in effect during that period. (Foster)

Issue 6

What are the appropriate jurisdictional separation factors for the projected period January 2010 through December 2010?

PEF: The jurisdictional energy separation factor is calculated for each month based on retail kWh sales as a percentage of projected total system kWh sales.
Transmission Average 12 CP demand jurisdictional factor - 68.256%
Distribution Primary demand jurisdictional factor - 99.634%
Jurisdictional Separation Study factors were used for production demand jurisdictional factor as Production Base – 91.669%, Production Intermediate – 59.352%, and Production Peaking – 91.716%
Production A&G – 87.583%.
(Foster)

Issue 7

What are the appropriate environmental cost recovery factors for the period January 2010 through December 2010 for each rate group?

PEF: Depending upon the approved production demand allocator established in PEF's pending rate case (Docket No. 090079-EI), the appropriate factors are as follows:

RATE CLASS	ECRC FACTORS	ECRC FACTORS	ECRC FACTORS
	12CP & 50%AD	12CP & 25%AD	12CP & 1/13AD
Residential	0.655 cents/kWh	0.656 cents/kWh	0.656 cents/kWh
General Service Non-Demand			
@ Secondary Voltage	0.647 cents/kWh	0.646 cents/kWh	0.646 cents/kWh
@ Primary Voltage	0.641 cents/kWh	0.640 cents/kWh	0.640 cents/kWh
@ Transmission Voltage	0.634 cents/kWh	0.633 cents/kWh	0.633 cents/kWh
General Service 100% Load Factor	0.630 cents/kWh	0.628 cents/kWh	0.627 cents/kWh
General Service Demand			
@ Secondary Voltage	0.636 cents/kWh	0.635 cents/kWh	0.634 cents/kWh
@ Primary Voltage	0.630 cents/kWh	0.629 cents/kWh	0.628 cents/kWh
@ Transmission Voltage	0.623 cents/kWh	0.622 cents/kWh	0.621 cents/kWh
Interruptible & Curtailable			
@ Secondary Voltage	0.616 cents/kWh	0.615 cents/kWh	0.614 cents/kWh
@ Primary Voltage	0.610 cents/kWh	0.609 cents/kWh	0.608 cents/kWh
@ Transmission Voltage	0.604 cents/kWh	0.603 cents/kWh	0.602 cents/kWh
Lighting	0.637 cents/kWh	0.634 cents/kWh	0.632 cents/kWh

(Foster)

Issue 8

What should be the effective date of the new environmental cost recovery factors for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2010, and thereafter through the last billing cycle for December 2010. The first billing cycle may start before January 1, 2010, and the last billing cycle may end after December 31, 2010, so long as each customer is billed for twelve months regardless of when the factors became effective. (Foster)

Company Specific Environmental Cost Recovery Issues

Issue 10A Should the Commission grant PEF's petition for approval of cost recovery for the Total Maximum Daily Loads Hg Emissions (TMDLs-Hg emission) Program?

PEF: Yes. The costs for this program meet the requirements of Section 366.8255 for recovery through the Environmental Cost Recovery Clause. (West)

Issue 10B How should the costs associated with the TMDLs-Hg Emission Program be allocated to the rate classes?

PEF: Operating and maintenance costs for the TMDLs-Hg Emission Program should be allocated to rate classes on Energy. (Foster)

Issue 10C Should the Commission approve PEF's 2009 Review of Integrated Clean Air Compliance Plan as reasonable and prudent?

PEF: Yes. PEF remains confident that its Integrated Clean Air Compliance Plan will have the desired effect of achieving timely compliance with the applicable regulations in a cost-effective manner. PEF has achieved significant project milestones, including execution of all major contracts and commencement of construction activities, including installation of steel support for the Crystal River Unit 4 and 5 control projects. No new or revised environmental regulations have been adopted that have a direct bearing on PEF's compliance plan. (West)

RESPECTFULLY SUBMITTED this 14th day of September, 2009.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to all counsel of record and interested parties as listed below by e-mail and regular U.S. mail this 14th day of September, 2009.

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