



October 14, 2009

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**VIA HAND DELIVERY**

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

Re: *Energy Conservation Cost Recovery Clause; Docket No. 090002-EG*

Dear Ms. Cole:

Please find enclosed for filing in the above referenced docket an original and seven (7) copies of Progress Energy Florida, Inc.'s Prehearing Statement.

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

Sincerely,

*John T. Burnett* lms  
John T. Burnett

JTB/lms  
Enclosure

- COM \_\_\_\_\_
- ECR** \_\_\_\_\_
- GCL   /   \_\_\_\_\_
- OPC \_\_\_\_\_
- RCP   /   \_\_\_\_\_
- SSC \_\_\_\_\_
- SGA \_\_\_\_\_
- ADM \_\_\_\_\_
- CLK \_\_\_\_\_

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy conservation cost  
recovery clause.  
\_\_\_\_\_ )

Docket No. 090002-EG  
Filed: October 14, 2009

**PROGRESS ENERGY FLORIDA, INC.'S**  
**PREHEARING STATEMENT**

Progress Energy Florida, Inc. ("PEF"), pursuant to the Order Establishing Procedure in this proceeding, Order No. PSC-09-0184-PCO-EG dated March 27, 2009, hereby submits its Prehearing Statement:

A. Known Witnesses – PEF intends to offer the direct testimony of:

**Direct Testimony.**

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
John A. Masiello	Final True-up, January – December 2008	1
John A. Masiello	Estimated/Actual True-up, January – December 2009 and ECCR Factors For January – December 2010	2 - 5

**Rebuttal Testimony.**

John A. Masiello	Rebuttal to testimony of FIPUG witness, Jeffry Pollock	9-10
Nancy Holdstein	Rebuttal to testimony of FIPUG witness, Jeffry Pollock	6-8, 10

B. Known Exhibits – PEF intends to offer the following exhibits:

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
<u>(JAM-1T)</u>	Masiello	ECCR Adjusted Net True-Up for January - December 2008, Schedules CT1 – CT5.

<u>          </u> (JAM-1P)	Masiello	Estimated/Actual True-Up, January – December 2009 and ECCR Factors for Billings in January – December 2010, Schedules C1 – C5
<u>          </u> (JAM-1R)	Masiello	PEF Interruptible/Curtailable Event Log (2000 – 2009)
<u>          </u> (NLH-1)	Holdstein	Summary of current & proposed IS/CS credits

C. Statement of Basic Position – None necessary.

D-F. Issues and Positions

PEF’s positions on the issues identified in this proceeding are as follows:

**Generic Conservation Cost Recovery Issues**

**ISSUE 1:** What are the final conservation cost recovery true-up amounts for the period January 2008 through December 2008?

**PEF:** \$3,274,589 over-recovery. (Masiello)

**ISSUE 2:** What are the total conservation cost recovery amounts to be collected during the period January 2010 through December 2010?

**PEF:** \$86,501,449. (Masiello)

**ISSUE 3:** What are the conservation cost recovery factors for the period January 2010 through December 2010?

**PEF:** The actual demand allocator to be applied is dependent on the outcome of PEF’s rate case. Therefore, we have presented multiple calculations to facilitate the 2010 rate calculation once a final decision has been made by the Commission. Based upon the required true-up and projected expenditures, PEF has calculated three scenarios for the required conservation cost recovery factors period January through December 2010 as follows:

- 12 CP and 1/13 annual average demand – Currently approved
- 12 CP and 25% annual average demand – Approved in TECO Rate Case Docket No. 080317 – EI

- 12 CP and 50% annual average demand – Proposed in PEF Rate Case Docket No., 090079-EI, Direct Testimony of William C. Slusser Jr.

**12 CP and 1/13 Annual Average Demand**

<u>ECCR Factor</u>	<u>Customer Class</u>
Residential	0.270 cents/kWh
General Service Non-demand	0.223 cents/kWh
@ Primary Voltage	0.221 cents/kWh
@ Transmission Voltage	0.219 cents/kWh
General Service 100% Load Factor	0.188 cents/kWh
General Service Demand	0.210 cents/kWh
@ Primary Voltage	0.208 cents/kWh
@ Transmission Voltage	0.206 cents/kWh
Curtailed/Interruptible	0.187 cents/kWh
@ Primary Voltage	0.185 cents/kWh
@ Transmission Voltage	0.183 cents/kWh
Lighting	0.124 cents/kWh

**12 CP and 25% Annual Average Demand**

<u>ECCR Factor</u>	<u>Customer Class</u>
Residential	0.264 cents/kWh
General Service Non-demand	0.226 cents/kWh
@ Primary Voltage	0.224 cents/kWh
@ Transmission Voltage	0.221 cents/kWh
General Service 100% Load Factor	0.198 cents/kWh
General Service Demand	0.215 cents/kWh
@ Primary Voltage	0.213 cents/kWh
@ Transmission Voltage	0.211 cents/kWh
Curtailed/Interruptible	0.195 cents/kWh
@ Primary Voltage	0.193 cents/kWh
@ Transmission Voltage	0.191 cents/kWh
Lighting	0.146 cents/kWh

**12 CP and 50% Annual Average Demand**

<u>ECCR Factor</u>	<u>Customer Class</u>
Residential	0.256 cents/kWh
General Service Non-demand	0.231 cents/kWh
@ Primary Voltage	0.229 cents/kWh
@ Transmission Voltage	0.226 cents/kWh
General Service 100% Load Factor	0.212 cents/kWh
General Service Demand	0.223 cents/kWh
@ Primary Voltage	0.221 cents/kWh
@ Transmission Voltage	0.219 cents/kWh
Curtailed/Interruptible	0.208 cents/kWh
@ Primary Voltage	0.206 cents/kWh

@ Transmission Voltage	0.204 cents/kWh
Lighting	0.177 cents/kWh

(Masiello)

**ISSUE 4:** What should be the effective date of the new conservation 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 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. (Masiello)

### **TENTATIVE ISSUES**

**ISSUE 5:** What are the actual/estimated conservation cost recovery true-up amounts for the period January 2009 through December 2009? (NEW ISSUE FPL/FIPUG)

**PEF:** \$505,728 over recovery (Masiello)

**ISSUE 6:** Should FPL's and PEF's conservation program costs be recovered on a demand basis? (FIPUG NEW ISSUE)

**PEF:** No. These costs should be recovered on an energy basis. (Holdstein)

### **TENTATIVE COMPANY-SPECIFIC ISSUES**

#### **PROGRESS ENERGY FLORIDA**

**ISSUE 7:** What is the Interruptible Demand Credit for PEF for the period January 2010 through December 2010? (FIPUG NEW ISSUE)

**PEF:** The appropriate credits for PEF's interruptible and curtailable programs to become effective with the 1<sup>st</sup> billing cycle of January 2010 are as follows:

- IS-1, IST-1, CS-1, CST-1: *Tariffs eliminated*
- IS-2, IST-2: *\$5.65 per kW of Load Factor Adjusted Demand*
- CS-2, CST-2, CS-3, CST-3: *\$4.24 per kW of Load Factor Adjusted Demand*
- SS-2: *The greater of \$0.565 per kW of Specified Demand Capacity or \$0.269 per kW times the sum of the daily maximum kW demand*

- *SS-3: The greater of \$0.424 per kW of Specified Demand Capacity or \$0.202 per kW times the sum of the daily maximum kW demand*  
(Holdstein)

**ISSUE 8:** Should the Interruptible Demand Credit be load factor adjusted? (FIPUG NEW ISSUE)

**PEF:** Yes. (Holdstein)

**ISSUE 9:** Should the value of interruptible power be reflected in the credits applicable to PEF stand-by customers? (FIPUG NEW ISSUE)

**PEF:** No modifications or actions are needed regarding tariffs for PEF's stand-by generation (GSLM-2) customers. (Masiello)

**ISSUE 10:** Should PEF's IS credits be locked in for at least 3 years? (FIPUG NEW ISSUE)

**PEF:** PEF finds that 3 years is consistent with the current standards and would support this request by further clarifying this option in PEF's Program Plan filing. (Masiello/Holdstein)

G. Stipulated Issues

PEF is not a party to any stipulations at this time.

H. Pending Motions

PEF has no pending motions at this time.

I. Requests for Confidentiality

PEF has one request for confidential classification pending. PEF filed a Notice of Intent on October 6, 2009 relating to PEF's responses to FIPUG's First Request for Production of Documents (Nos. 1-3). PEF has until October 27, 2009 to file its Request for Confidential Classification.


J. Requirements of Order

PEF believes that this prehearing statement complies with all the requirements of the Order Establishing Procedure.

K. Objections to Qualifications

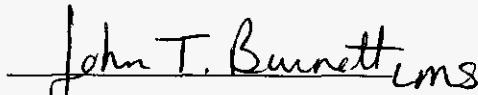
At this time, PEF has no objection to the qualifications of any expert witnesses in this proceeding.

Respectfully submitted this 14th day of October, 2009.

  
R. ALEXANDER GLENN  
General Counsel - Florida  
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Facsimile: (727) 820-5519

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 14<sup>th</sup> day of October, 2009 to all parties of record as indicated below.

  
JOHN T. BURNETT

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