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COMMISSION
CLERK

110269-E1

September 16, 2011

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

Re: Petition to Approve Revisions to Tariff Sheet No. 6.370; Docket No. _____

Dear Ms. Cole:

Enclosed for filing are the original and 7 copies of Progress Energy Florida's
Petition to Approve Revisions to Tariff Sheet No. 6.370.

Please acknowledge receipt and filing of the above by stamping the duplicate
copy of this letter and returning same to this writer.

Thank you for your assistance in this matter and please let me know if you have
any questions.

Sincerely,

John T. Burnett
John T. Burnett

JB/bb
Enclosure

COM _____
APA _____
ECR _____
ECL _____
RAD _____
SRC _____
ADM _____
DPC _____
ELK _____

Exhibit B
+ 4 copies "CLEAN COPY"

Progress Energy, Inc.
106 E. College Avenue
Suite 800
Tallahassee, FL 32301

DOCUMENT NUMBER - DATE

06691 SEP 16 =

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy
Florida, Inc. for Approval to make
Permanent the Current Experimental
Rider to Provide Optional Premier
Power Service for General Service
Customers

Docket No.: _____

Submitted for filing:
September 16, 2011

PETITION

Progress Energy Florida, Inc. ("PEF"), hereby petitions the Commission for approval to make permanent the current experimental Premier Power Service Rider, Rate Schedule PPS-1 (attached hereto as Exhibit A) under which general service customers will be offered the option to receive back-up electric service from on-site generation installed and owned by PEF in the event their normal service is interrupted. In support of its Petition, PEF states as follows:

1. PEF is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. PEF General Offices are located at 100 Central Avenue, St. Petersburg, FL 33701.

2. All notices, pleadings and other communications required to be served on petitioner should be directed to:

John T. Burnett, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5249

For express deliveries by private courier, the address is:

299 1st Avenue North
Suite PEF 151
St. Petersburg, FL 33701

DOCUMENT NUMBER - DATE

06691 SEP 16 =

FPSC-COMMISSION CLERK

3. Premier Power Service (“PPS” or the “Service”) is an optional pilot program available to eligible general service customers* under which PEF owns, operates and maintains generation with a minimum capacity of 50 kW installed on the customer’s premises. The Service is offered to satisfy the needs of PEF customers who desire to improve the continuity of their service through the availability of an on-site source of generation, but also desire to avoid the ownership responsibilities of such an emergency generating facility. In addition, those PPS generating facilities on which remote dispatching controls have been installed are available to assist PEF in meeting peak demands on its system during periods of critical capacity conditions.

4. The PPS Rider includes a Monthly Service Payment provision which determines a customer-specific charge that reflects the cost incurred by PEF to provide the Service (excluding the incremental cost of generation to meet system demand).

5. The Rider also provides for the execution of a Premier Power Service Contract between PEF and the customer that states the amount of the customer’s monthly PPS payment determined in accordance with the Monthly Rate provision of the Rider, the contract term (ten-year minimum), and other contractual terms and conditions pertinent to providing the Service. The Commission has previously approved a standard form Premier Power Service

* The PPS program is available to customers with a measured demand of at least 50 kW taking service under Rate Schedules GS-1 (General Service (non-demand)), GST-1 (General Service (non-demand), Time-of-Use), GSD-1 (General Service-Demand), GSDT-1 (General Service-Demand, Time-of-Use), or GSLM-1 (General Service (non-demand), Load Management).

Contract in Docket No. 060480. No change to the standard form contract is being proposed with this petition.

6. PEF requests that the PPS Rider be modified and made permanent until such time as PEF or this Commission take future action to revise it. The current tariff expired to new customers requesting this service on July 24, 2011. In its current form, the PPS Rider has been available to customers with a measured demand of at least 50 kW. This measured demand level was reduced from 200 kW in Docket No. 060480 based on feedback from customers thought to encourage more participation in the tariff. While this reduced demand level has not produced measurable increases in participation at this date, PEF believes that the minimum demand level should remain at 50 kW based on continued communications with customers. Consistent with current annual reporting requirements, PEF will submit annual reports to the Commission Staff regarding participation levels and the amount of generation installed.

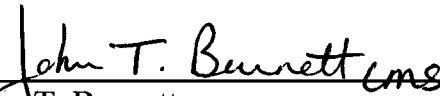
7. PEF currently has 6 generator installations at sites of 4 different customers. While this participation level appears low, the customers opting for this service are highly supportive of the program and some have either extended their contracts, or engaged in discussions to do so. In addition to the current installations, PEF has provided formal proposals for PPS service to 21 other customers in the past 5 years. Some of these are still in active discussions and could result in new installations if the tariff is made permanent. Although not specifically recorded, numerous other customers have made informal inquiries

about this optional service. Our experience has indicated that the strongest appeal of the program is for customers who understand the need to perform the monitoring and maintenance that generator systems require to remain reliable over the long term but who do not have the internal resources for that type of sustained, specialized and highly technical effort. PEF desires to continue to offer and make permanent this service to its firm general service customers.

WHEREFORE, PEF respectfully requests that the Commission grant this petition and approve the Premier Power Service Rider, Rate Schedule PPS-1, as modified and set forth in Exhibit A hereto, as a permanent tariff offering.

Respectfully submitted,

PROGRESS ENERGY FLORIDA, INC.



John T. Burnett

Fla. Bar No. 173304

Associate General Counsel

Progress Energy Service Company, LLC

Post Office Box 14042

St. Petersburg, FL 33733-4042

Telephone: (727) 820-5184

Facsimile: (727) 820-5249

Attorney for Progress Energy Florida, Inc.

EXHIBIT A

**Legislative Format Tariffs
(1 copy)**

Twenty-Third Revised Sheet No. 6.370

**RATE SCHEDULE PPS-1
GENERAL SERVICE – PREMIER POWER SERVICE RIDER
(EXPERIMENTAL)**

Availability:

Available throughout the entire territory served by the Company.

~~Service under this experimental schedule must be requested before July 24, 2011, unless extended by order of the Florida Public Service Commission.~~

Applicable:

This Rider is applicable on a voluntary basis to a customer with a minimum measured demand of 50 kW taking service under General Service Rate Schedules GS-1, GST-1, GSD-1, GSDT-1 or GSLM-1 when the customer contracts with the Company to own, install, operate and maintain generation on the customer's premises for the primary purpose of providing a back-up supply of electric service in the event normal electric supply is interrupted. The applicable General Service Rate Schedule with which this Rider is used is modified only as required by the terms hereof.

Character of Service:

Continuous service, alternating current, 60 cycle, single-phase or three-phase, at the Company's standard distribution voltage available.

Limitation of Service:

Standby or resale service is not permitted hereunder. Service under this rate is subject to the Company's currently effective and filed "General Rules and Regulations Governing Electric Service."

Monthly Service Payment:

The Monthly Service Payment under this Rider is in addition to the monthly rate determined under the applicable General Service Rate Schedule and other riders, if applicable, and shall be calculated based on the following formula:

$$\text{Monthly Service Payment} = \text{Capital Cost} + \text{Expenses}$$

Where:

Capital Cost equals a carrying cost times the levelized plant investment based upon the estimated installed cost of facilities. The carrying cost includes the cost of capital, reflecting current capital structure and most recent approved return on common equity; income taxes; property taxes; general plant; administrative and general plant-related expenses; and intangible plant. Any replacement cost expected to be incurred during the Contract Period will also be included. Any special equipment installed by the Company that is not necessary to support back-up service to the customer shall not be included in the Monthly Service Payment.

Expenses shall be levelized over the Contract Term and shall include: Company operations and maintenance (O&M) expenses times a carrying cost that is inclusive of administrative and general and labor expenses related to O&M and cash working capital; third-party expenses for operations and maintenance, warranties, or insurance; fuel expense, based upon an estimate of the cost of fuel consumed for normal back-up operation and testing, less a credit based upon the system average cost of fuel and purchased power included in retail tariffs; inventory cost associated with fuel, materials, and supplies times a carrying cost that recovers the cost of capital and income taxes; depreciation expense, adjusted for the estimated salvage value at the end of the Contract Term; deferred income taxes; and customer accounting, customer service and information, program administration, and sales expenses. Any expenses incurred in operating the on-site generation for other than normal back-up operation and testing shall not be included in the Monthly Service Payment.

Installation cost will be recovered over the initial Contract Term. Pricing of capital-related costs and expenses shall be based upon no shorter than 10 years from the equipment's original in-service date and the resulting Monthly Service Payment shall include an upward adjustment for Contract Terms that expire prior to 10 years from this in-service date.

(Continued on Page No. 2)

ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning

EFFECTIVE: ~~December 5, 2006~~

**RATE SCHEDULE PPS-1
GENERAL SERVICE – PREMIER POWER SERVICE RIDER
(EXPERIMENTAL)**

(Continued from Page No. 1)

Definition of Services:

Services provided under the terms of this Rider shall be provided by an on-site generator supplied by the Company for the purpose of continuing the supply of electricity to the customer's site in the event the normal electric supply is interrupted. In cases where the customer's total electric requirement exceeds the generation capability, the customer shall arrange its electrical requirements to ensure that the electrical requirement to be supplied when normal service is interrupted will not be greater than the generation capacity. The minimum generator capacity supplied by the Company under this rider shall be not less than 50 kW.

The Company shall have the right to operate the on-site generator at all times it deems appropriate, including, but not limited to, for the purposes of testing of the generator to verify that it will operate within required parameters, and dispatching the generator to assist in meeting system demand or for other system benefits. The generator and appropriate transfer switching shall be electrically connected on the Company's side of the billing meter; therefore, billing for generation provided during normal back-up operation and testing shall continue to be billed under the applicable General Service Rate Schedule based on solely upon consumption registered on the Company's billing meter.

Minimum Monthly Bill:

The minimum monthly bill shall be the customer's minimum bill under the applicable General Service Rate Schedule, plus the Monthly Service Payment under this Rider.

Terms of Payment:

Bills rendered hereunder are payable within the time limit specified on the bill at Company-designated locations.

Term of Service:

Service under this Rider shall be for the term specified in the Premier Power Service Contract.

Service Contract:

The Company and the customer shall execute a Premier Power Service Contract that will state the amount of the customer's Monthly Service Payment determined in accordance with this Rider, the Contract Term, and other terms and conditions pertinent to providing Premier Power Service.

EXHIBIT B

Clean Copy Format Tariffs

1 (5 Copies)

4 copies forwarded to ECR

Twenty-Third Revised Sheet No. 6.370

**RATE SCHEDULE PPS-1
GENERAL SERVICE – PREMIER POWER SERVICE RIDER****Availability:**

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Applicable:

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(Continued on Page No. 2)

ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning

EFFECTIVE:

**RATE SCHEDULE PPS-1
GENERAL SERVICE – PREMIER POWER SERVICE RIDER**

(Continued from Page No. 1)

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ISSUED BY: Lori J. Cross, Manager, Utility Regulatory Planning

EFFECTIVE: