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October 26, 2011

VIA HAND DELIVERY

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

Re: Fuel and purchased power cost recovery clause with generating performance incentive factor; Docket No. 110001-EI

Dear Ms. Cole:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen (15) copies of the following:

 Supplemental Direct Testimony of Marcia Olivier with REVISED Schedules E-10, E12-A and E12-E to Exhibit No. __ (MO-2).

Thank you for your assistance in this matter. If you should have any questions, please feel free to contact me at (727) 820-4692.

Diane M. Liplett uns

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic, mail to the following this 26th day of October, 2011.

Diane M. Liplett ins

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PROGRESS ENERGY FLORIDA

DOCKET NO. 110001-EI

Fuel and Capacity Cost Recovery Factors January through December 2012

SUPPLEMENTAL DIRECT TESTIMONY OF MARCIA OLIVIER

October 26, 2011

1	Q.	Please state your name and business address.
2	A.	My name is Marcia Olivier. My business address is 299 1st Avenue North, St.
3		Petersburg, Florida 33701.
4		
5	Q.	By whom are you employed and in what capacity?
6	A.	I am employed by Progress Energy Service Company, LLC as Supervisor of PEF
7		Regulatory Planning Strategy.
8		
9	Q.	Have your duties and responsibilities remained the same since your
10		testimony was last filed in this docket?
11	A.	Yes.
12		
13	Q.	What is the purpose of your Supplemental Direct Testimony?
14	A.	The purpose of my testimony is to amend the 2012 capacity costs and related
15		capacity cost recovery factors of Progress Energy Florida (PEF or the Company)
16		for the period of January through December 2012, based on the Commission's
		DOCUMENT NUMBER -DATE

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1		October 24, 2011 vote in the Nuclear Cost Recovery Clause, Docket No. 110009-
2		El.
3		
4	Q.	Do you have exhibits to your Supplemental Direct Testimony?
5	A.	Yes. I have prepared a revised Schedule E10 in Exhibit MO-2, Part 2 and
6		Schedules E12-A and E12-E in Exhibit MO-2, Part 3.
7		
8	Q.	What revisions were made to PEF's 2012 capacity costs?
9	A.	The capacity costs were revised to include the 2012 nuclear recovery amount of
10		\$85,951,036 (before revenue tax), approved at the October 24, 2011 agenda
11		conference in Docket No. 110009-EI.
12		
13	Q.	What are the appropriate projected total recoverable CCR costs to be
		included in the recovery factor for the period January 2012 through
14		
14 15		December 2012?
	A.	December 2012? The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2,
15	A .	
15 16	Α.	The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2,
15 16 17	Α.	The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2, Part 3, Schedule E12-A. This amount is made up of capacity payments of
15 16 17 18	A.	The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2, Part 3, Schedule E12-A. This amount is made up of capacity payments of
15 16 17 18 19		The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2, Part 3, Schedule E12-A. This amount is made up of capacity payments of \$353,431,884 and nuclear costs of \$86,012,921, including revenue taxes.
15 16 17 18 19 20	Q.	The appropriate amount is \$439,444,805, as shown on revised Exhibit MO-2, Part 3, Schedule E12-A. This amount is made up of capacity payments of \$353,431,884 and nuclear costs of \$86,012,921, including revenue taxes. What is PEF's revised CCR factor?
15 16 17 18 19 20 21	Q.	The appropriate amount is \$439,444,805, as shown on revised ExhibitMO-2, Part 3, Schedule E12-A. This amount is made up of capacity payments of \$353,431,884 and nuclear costs of \$86,012,921, including revenue taxes. What is PEF's revised CCR factor? PEF's revised retail factor is 1.192 ¢/kWh as shown on revised ExhibitMO-2,

- Q. What are the appropriate capacity cost recovery factors for the period 1 January through December 2012? 2 The appropriate capacity cost recovery factors for the period January 3 2012 through December 2012 are listed in the table below. 4 5 Rate Class **CCR Factor** 6 1.460 cents/kWh 7 Residential General Service Non-Demand 1.064 cents/kWh 8 @ Primary Voltage 1.053 cents/kWh 9 @ Transmission Voltage 1.043 cents/kWh 10 General Service 100% Load Factor 0.767 cents/kWh 11 12 General Service Demand 0.949 cents/kWh 13 @ Primary Voltage 0.940 cents/kWh 14 @ Transmission Voltage 0.930 cents/kWh 15 Curtailable 0.873 cents/kWh @ Primary Voltage 16 0.864 cents/kWh @ Transmission Voltage 17 0.856 cents/kWh Interruptible 0.765 cents/kWh 18 19 @ Primary Voltage 0.757 cents/kWh @ Transmission Voltage 20 0.750 cents/kWh 21 Lighting 0.223 cents/kWh
 - Q. Does this conclude your testimony?
- 23 A. Yes.

22

Progress Energy Florida Fuel and Purchased Power Cost Recovery Clause Residential Bill Comparison Estimated for the Period of: January through December 2012

	Approved Jan 11 - Dec 11 (\$/1000 KWH)	Requested Jan 12 - Dec 12 (\$/1000 KWH)	Differ from C \$	
Base Rate	\$48.58	\$48.58	\$0.00	0.00%
Fuel Cost Recovery	44.61	48.60	3.99	8.94%
Capacity Cost Recovery (CCR)	9.74	11.74	2.00	20.53%
Energy Conservation Cost Recovery (ECCR) (1)	2.99	2.88	(0.11)	-3.68%
Environmental Cost Recovery (ECRC) (2)	4.91	5.45	0.54	11.00%
Nuclear CR3 Uprate	0.54	0.19	(0.35)	-64.81%
Nuclear Levy ⁽³⁾	4.99	2.67	(2.32)	-46.49%
Subtotal	116.36	120.11	3.75	3.22%
Gross Receipts Tax	2.98	3.08	0.10	3.36%
Total	\$119.34	\$123.19	\$3.85	3.23%

⁽¹⁾ The 2012 ECCR rate is based on Exhibit HTG-1P attached to the Direct Testimony of Helena (Lee) Guthrie in the ECCR docket filed on September 13, 2011.

⁽²⁾ The 2012 ECRC rate is based on the Revised Schedules for Exhibit TGF-3 attached to the Revised Direct Testimony of Thomas G. Foster in the ECRC docket filed on October 14, 2011.

⁽³⁾ The 2012 Nuclear Levy rate was updated based on the outcome of the NCRC Special Agenda Conference on October 24, 2011.

Docket No. 110001-EI Exhibit_MO-2, Part 3 Schedule E12-A Page 1 of 2 REVISED 10/28/11

														VISED IWANTI
		EST Jan-12	EST Feb-12	EST Mar-12	EST Apr-12	EST May-12	EST Jun-12	EST Jul-12	EST Aug-12	EST Sep-12	EST Oct-12	EST Nov-12	EST Dec-12	TOTAL
1	Base Production Level Capacity Costs	Jan-12	F QD- 1Z	1VIc1-12	Api-12	May-12	Juir 12	JUF12	Aug-12	3 0 p-12	ÇOUTZ	1101-12		101712
2	Aubumdale Power Partners, L.P. (AUBRDLFC)	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$775,370	\$9,304,440
3	Aubumdale Power Partners, L.P. (AUBSET)	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	3,437,396	41,248,748
4	Lake County (LAKCOUNT)	726,878	726,878	726,878	726,878	726,878	726,878	726,878	726,878	726,878	726,878	726,878	726,878	8,722,530
5	Lake Cogen Limited (LAKORDER)	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	3,553,265	42,639,179
6	Metro-Dade County (METRDADE)	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	1,334,720	16,016,640
7	Orange Cogen (ORANGECO)	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	2,813,601	33,763,214
8	Orlando Cogen Limited (ORLACOGL)	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	2,740,784	32,889,409
9	Pasco County Resource Recovery (PASCOUNT)	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	1,311,230	15,734,760
10	Pinellas County Resource Recovery (PINCOUNT)	3,121,298	3.121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	3,121,298	37,455,570
11	Polk Power Partners, L.P. (MULBERRY/ROYSTER)	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	5,431,879	65,182,551
12	Wheelabrator Ridge Energy, Inc. (RIDGEGEN)	800,946	800,946	800,946	800,946	800,946	800,946	800.946	800,946	800,946	800,946	800 946	800,946	9,611,349
13	UPS Purchase (414 total mw) - Southern	800,946	000,540	000,540	800,940	500,540	500,540	000,840	-	660,840	000,340	-	-	0,011,010
14	Southern Scherer	944.620	944.620	944.620	944,620	944.620	944.620	944,620	944.620	944.620	944,620	944,620	944.620	11,335,440
15	Subtotal - Base Level Capacity Costs	26.991.986	26,991,986	26,991,986	26.991.986	26.991.986	26,991,986	26,991,986	26,991,986	26.991.986	26,991,986	26,991,986	26,991,986	323,903,829
16	Base Production Jurisdictional Responsibility	92.792%	92,792%	92.792%	92.792%	92.792%	92.792%	92.792%	92.792%	92.792%	92,792%	92.792%	92.792%	020,000,020
17	Base Level Jurisdictional Capacity Costs	25,046,403	25,046,402	25.046.402	25,046,402	25.046.402	25.046.403	25.046.403	25,046,403	25.046.403	25.046.403	25,046,403	25,046,403	300,556,835
18	Intermediate Production Level Capacity Costs	25,040,403	20,040,402	23,040,402	23,040,402	25,046,402	25,040,403	20,040,400	20,040,400	25,040,405	20,040,400	20,010,100	20,040,400	000,000,000
19	Southern Franklin	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	2,163,000	25,956,000
20		(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(11,489)	(137,869)
	Schedule H Capacity Sales - NSB & RCID	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2,151,511	2.151.511	2.151.511	25,818,131
21 22	Subtotal - Intermediate Level Capacity Costs	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	72.541%	20,010,101
23	Intermediate Production Jurisdict. Responsibility	1.560,728	1,560,728	1,560,728	1.560,728	1,560,729	1,560,728	1.560.728	1.560.728	1.560.728	1.560,728	1.560.728	1.560.728	18,728,733
23 24	Intermediate Level Jurisdict. Capacity Costs Peaking Production Level Capacity Costs	1,560,726	1,560,726	1,560,726	1,500,720	1,500,729	1,500,720	1,500,720	1,500.120	1,500,720	1,500,720	1,500,720	1,000,120	10,120,100
2 4 25		12,231	12,231	12,231	12,231	12,231	12,231	12,231	12.231	12,231	12.231	12,231	12,231	146,774
	Chattahoochee	1,951,009	1,951,009	1,393,578	1,393,578	1,951,009	4,180,734	4,180,734	4,180,734	1,951,009	1,393,578	1,393,578	1,951,009	27,871,560
26	Shady Hills	1,418,840	1,418,840	1,014,360	1,014,360	1,418,840	4,100,734	4,100,734	4,160,754	1,931,009	1,535,576	1,080,010	1,551,005	6,285,240
27	Vandolah (RRI)	1,410,040	1,416,640	1,014,300	1,014,360	1,410,040	5,400,864	5,384,448	5.340,672	2,520,403	1,838,592	1,882,368	2,676,173	25,043,520
28	Vandolah (NSG)	-	•	-	-	-	3,400,004	5,364,446	5,540,072	2,320,403	1,000,002	1,002,500	2,070,175	20,040,020
29	Other			2 420 480	0.400.460	2 202 000	9,593,829	9,577,413	9,533,637	4,483,644	3,244,401	3,288,177	4,639,413	59,347,094
30	Subtotal - Peaking Level Capacity Costs	3,382,080	3,382,080	2,420,169	2,420,169	3,382,080	91.972%	91.972%	91.972%	91.972%	91.972%	91.972%	91.972%	39,347,034
31	Peaking Production Jurisdictional Responsibility	91.972%	91.972%	91.972%	91.972%	91.972%	8,823,637	8.808.538	8.768.277	4.123.697	2,983,941	3,024,202	4,266,961	54,582,709
32	Peaking Level Jurisdictional Capacity Costs	3,110,567	3,110,567	2,225,878	2,225,878	3,110,567	8,823,637	8,808,538	8,768,277	4,123,097	2,863,841	3,024,202	4,200,901	54,562,70 8
33	Other Capacity Costs	(4.744)	(4.550)	(057)	(050)	(007)	(256)	(E00)	(4.000)	(44.4)	(5,889)	(2,758)	(1,027)	(23,178)
34	Retail Wheeling	(4,711)	(4,356)	(657)	(959)	(397)	(356)	(589)	(1,068)	(411)	(5,668)	(2,736)	(1,021)	(23,176)
35	Total Capacity Costs (line 17+23+32+34)	29.712.987	29.713.341	28.832.351	28,832,049	29,717,300	35,430,411	35,415,081	35,374,340	30,730,417	29,585,183	29,628,575	30,873,065	373,845,099
36	Estimated/Actual True-Up Provision - Jan - Dec 2011	29,7 12,807	29,715,541	20,032,031	20,002,043	25,717,500	50,400,411	30,410,001	00,017,070	00,700,717	20,000, .00	20,020,0.0	00,0,0,000	(20,667,503)
37	Total Capacity Costs w/ True-Up												•	353,177,596
38	Revenue Tax Multiplier													1.00072
39	Total Recoverable Capacity Costs													353,431,884
35	Total Recoverable Capacity Costs													555, 151,551
40	Nuclear Cost Recovery Clause													85,951,036
41	Revenue Tax Multiplier													1.00072
42	Total Recoverable Nuclear Costs													86,012,921
74	FAMILY AND ALAMAN INDIAN AADD													,
43	Total Recov Capacity & Nuclear Costs (line 39+42)												,	\$439,444,805

Docket No. 110001-EI Exhibit_MO-2, Part 3 Schedule E12-E REVISED 10/26/11

								TOL VI	DED 10/20/11
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		• •	Effective	, ,	. ,	Capacity +	, ,	. ,	. ,
			mWh at	Capacity	Nuclear	Nuclear			Capacity &
		12CP 1/13 AD	Secondary	Production	Production	Production	Capacity	Nuclear	Nuclear
		Demand	Level	Demand	Demand	Demand	CCR	CCR	CCR
		Allocator	Year 2010	Costs	Costs	Costs	Factor	Factor	Factor
Rate Cla	ss	(%)	(mVVh)	(\$)	(\$)	(\$)	(c/kWh)	(c/kWh)	(c/kWh)
Residen	tial			-					
	ST-1, RSL-1, RSL-2, RSS-1								
	Secondary	61.779%	18,600,869	\$218,346,071	\$53,137,773	\$271,483,845	1.174	0.286	1.460
	•								
General GS-1, G	Service Non-Demand								
G5-1, G	Secondary		1,209,225				0.856	0.208	1.064
	Primary		5,940				0.847	0.206	1.053
	Transmission		4,255				0.839	0.204	1.043
	TOTAL GS	2.952%	1,219,420	10,433,111	2,539,053	12,972,164	0.000	0.204	110-10
	-	2.00270	1,210,120	70,100,111	2,000,000	,	4		
<u>General</u>									
GS-2	Secondary	0.210%	120,227	742,167	180,617	922,784	0.617	0.150	0.767
General	Service Demand								
	3SDT-1, SS-1								
•	Secondary		12,082,271				0.763	0.186	0.949
	Primary		2,280,315				0.755	0.184	0.940
	Transmission		9,192				0.748	0.182	0.930
	TOTAL GSD	31.023%	14,371,778	109,645,118	26,683,775	136,328,893			
Curtaila	nla								
	8T-1, CS-2, CST-2, CS-3, CST-3, SS-3	1							
,	Secondary		_				0.702	0.171	0.873
	Primary		159,935				0.695	0.169	0.864
	Transmission		· -				0.688	0.168	0.856
	TOTAL CS	0.318%	159,935	1,123,116	273,327	1,396,443			
Interrup	<u>tible</u> -1, IS-2, IST-2, SS-2								
13-1, 13 1	Secondary		109,609				0.615	0.150	0.765
	Primary		1,501,477				0.609	0.149	0.757
	Transmission		422,008				0.603	0.147	0.750
	TOTAL IS	3.536%	2,033,093	12,497,802	3,041,526	15,539,328	0.000	*****	000
				, ,	-,,-	,,			
<u>Lighting</u>									
LS-1	Secondary _	0.182%	359,167	644,499	156,848	801,348	0.179	0.044	0.223
		100.000%	36,864,489	\$353,431,884	\$86,012,921	\$439,444,805	0.959	0.233	1.192
	Notes:		rom Schedule E12-		Ţ,,- - ,-	J. 1. 1, 1, 1, 1, 1		Column 3 / Co	
		• • •		s at effective voltage	e level for Jan-Dec		(7)	Column 4 / Co	olumn 2) / 10
		• • •		coverable Payment			(8)	Column 6 + Co	olumn 7
		(5) C	alculated: Column	3 + Column 4					
		•							