Progress Energy

March 2, 2009

Mr. Timothy Devlin, Director
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: 2008 Annual Wood Pole Inspection Report

Dear Mr. Devlin:

Pursuant to Order Nos. PSC-06-0144-PAA-EI and PSC-07-0918-PAA-PU, enclosed is Progress Energy Florida, Inc.'s ("PEF") Annual Wood Pole Inspection Report for CY 2008.

Please call me at (727) 820-5184 should you have any questions.

Sincerely,

John T. Burnett LMS

John T. Burnett

JTB/lms
Enclosures

Progress Energy

PROGRESS ENERGY FLORIDA'S
2008 ANNUAL WOOD POLE INSPECTION REPORT

I. In Order No. PSC-06-0144-PAA-EI, the Commission stated that on an annual basis, investor-owned electric utilities shall file wood pole inspection reports containing the following information:

- A review of the methods the company used to determine NESC compliance for strength and structural integrity of the wood poles included in the previous year's annual inspections, taking into account pole loadings, where required;
- An explanation of the inspected poles selection criteria, including, among other things, geographic location and the rationale for including each such selection criterion; and
- Summary data and results of the company's previous year's wood pole inspections, addressing the strength, structural integrity, and loading requirements of the NESC.

In compliance with Order No. PSC-06-0144-PAA-EI, PEF submits the following information for calendar year 2008:

METHODS USED

Please see Attachment A – Column J. For a more detailed explanation of the methods used, please refer to PEF's Wood Pole Inspection Plan filed on September 20, 2006.

SELECTION CRITERIA

See comments on Attachment A.

SUMMARY DATA AND RESULTS

Please see Attachment A.

II. In addition, Order No. PSC-07-0918-PAA-PU issued November 14, 2007, requires all investor-owned utilities ("IOU's") to report the following additional information in their respective annual wood pole inspection reports:

- The number of poles failing inspection and designated for replacement,

- The number of replacements made to date,
- The plan for replacement of the remaining poles that failed inspection,
- The projected number of poles to be inspected in the next annual inspection cycle, and
- The cumulative number and percentage of poles inspected in the eight-year cycle.

All of this information is included in Attachment A.

CCA Pole Sampling Report

Pursuant to Order No. PSC-08-0615-PAA-EI issued September 23, 2008 in Docket No. 080219-EI, the Commission approved deviations from the sounding and boring excavation requirements of Order No. 06-0144-PAA-EI with regard to CCA wood poles less than 16 years old. On Pages 3 and 4 of Order No. PSC-08-0615-PAA-EI, it states,

> *"ORDERED that, consistent with the deviation granted to Gulf Power Company in Order No. PSC-07-0078-PAA-EU, Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company shall be required to sound and selectively bore all CCA poles under the age of 16 years, but shall not be required to perform full excavation on these poles. It is further*
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> *ORDERED that Progress Energy Florida, Inc., Florida Power & Light Company, and Tampa Electric Company shall also be required to perform full excavation sampling to validate their inspection method. It is further*
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> *ORDERED that the results of the utilities' sampling shall be filed in their annual distribution reliability reports."*

2008 CCA Pole Sampling Results

Please see "Attachment R" contained in PEF's 2008 Annual Service Reliability Report filed with the FPSC on March 2, 2009.

Progress Energy Florida (Distribution)
Annual Wood Pole Inspection Report
(Reporting Year 2008)

a	b	c	d	e	f	g	h	i	j	k	l	m
Total # of Wooden Poles in the Company Inventory	# of Pole Inspections Planned this Annual Inspection	# of Poles Inspected this Annual Inspection	# of Poles Failing Inspection this Annual Inspection	Pole Failure Rate (%) this Annual Inspection	# of Poles Designated for Replacement this Annual Inspection	Total # of Poles Replaced this Annual Inspection	# of Poles Requiring Minor Follow-up this Annual Inspection	# of Poles Overloaded this Annual Inspection	Method(s) V = Visual E = Excavation P= Prod S = Sound B= Bore	# of Pole Inspections Planned for Next Annual Inspection Cycle	Total # of Poles Inspected (Cumulative) in the 8-Year Cycle To Date	% of Poles Inspected (Cumulative) in the 8-Year Cycle To Date
									V, E, S, B, P			
764,899	96,000	96,054	6,416	6.7	2,999	1,903	36,576	273		96,000	256,218	33.5
If b - c > 0, provide explanation	N/A											
If d - g > 0, provide explanation	The number of poles that were identified in 2008 as needing replacement was greater than projected as can be seen by comparing the numbers in Column D with those in Column F. Pole replacements planned for 2008 were based on 2007 inspection data which included a failure rate of 3.9%. The higher than expected failure rate was likely due to the fact that PEF performed a focused inspection in 2008 on some of its oldest poles in the distribution system. Regarding the poles failing inspection as reflected in Column D, PEF performed a prioritization analysis on those poles and determined what poles needed to be replaced in 2008 given their relative condition. Based on that analysis, PEF determined that the poles reflected in Column G needed to be replaced in 2008 in order to maintain system integrity and safety, while the remainder of the poles in Column D could be replaced on a step-wise prioritization basis relative to other priority system requirements. PEF will continue to replace the balance of the poles in Column D on an ongoing basis consistent with their relative prioritization. As a matter of generality, the non-priority poles are replaced within two years of inspection, but most are conservatively replaced in less than two years.											
Description of selection criteria for inspections	The selection criterion was based on the age of the poles and their geographic location.											

Progress Energy Florida (Transmission)
Annual Wood Pole Inspection Report
(Reporting Year 2008)

a	b	c	d	e	f	g	h	i	j	k	l	m
Total # of Wooden Poles in the Company Inventory	# of Pole Inspections Planned this Annual Inspection	# of Poles Inspected this Annual Inspection	# of Poles Failing Inspection this Annual Inspection	Pole Failure Rate (%) this Annual Inspection	# of Poles Designated for Replacement this Annual Inspection	Total # of Poles Replaced this annual Inspection	# of Poles Requiring Minor Follow-up this Annual Inspection	# of Poles Overloaded this Annual Inspection	Methods(s) V=Visual E=Excavation P= Prod S=Sound B=Bore R=Resistograph	# of Poles Inspections Planned for Next Annual Inspection Cycle	Total # of Poles Inspected (cumulative in the 8-Year Cycle to Date	% of Poles Inspected (Cumulative) in the 8-Year Cycle to Date
31,259 Wood Structures	7,000	10,520	743	7.06%	743	866	469	1	V&P=6,874 S&B=2,887 Total= 10,520	0	Inspected 06 = 15,161 Inspected 07 = 12,287 Inspected 08 = 10,520 Total=37,968	100.00%
If b - c > 0, Provide Explaination												
If d - g > 0, provide explanation												
Description of Selection Criteria for Inspections	PEF Transmission Inspects transmission lines with wood poles on a 3 year cycle. PEF also inspect Transmission lines with Steel or Concrete Poles and Lattice Towers on a 5 year cycle. Inspection criteria is included in Document MNT-TRMX-00051 contained in PEF's Annual Service Reliability Report.											