

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 080009-EI

COMMISSION
CLERK

Submitted for Filing: July 18, 2008

PROGRESS ENERGY FLORIDA, INC.'S PETITION TO RECOVER COSTS OF THE LEVY NUCLEAR PROJECT, TO MOVE ALL DOCUMENTS FROM DOCKET NO. 080149-EI TO DOCKET NO. 080009-EI, TO CLOSE DOCKET NO. 080149-EI, AND TO AMEND ITS CURRENT PETITION TO RECOVER COSTS OF THE CRYSTAL RIVER UNIT 3 UPRATE TO INCLUDE THE LEVY NUCLEAR PROJECT COSTS

Pursuant to Section 366.93(3), Florida Statutes, and Rule 25-6.0423, F.A.C., Progress Energy Florida ("PEF" or the "Company") respectfully petitions the Florida Public Service Commission ("PSC" or the "Commission") for recovery of its actual and projected costs for its Levy Units 1 and 2 Nuclear Power Plants ("Levy Nuclear Project"), to move all documents from Docket No. 080149-EI to Docket No. 080009-EI, to close Docket No. 080149-EI, and PEF amends its current petition in this docket for recovery of costs for the Crystal River Unit 3 ("CR3") Power Uprate Project ("CR3 Uprate") to include the costs of the Levy Nuclear Project through the Capacity Cost Recovery ("CCR") Clause for the Nuclear Cost Recovery Clause ("NCRC") costs.

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BACKGROUND

1. On February 29, 2008, PEF petitioned this Commission for recovery of its carrying costs on construction expenditures for the CR3 Uprate project as provided in Section 366.93, Florida Statutes and Rule 25-6.0423, F.A.C. In support of its petition, PEF filed testimony and exhibits including appropriate Nuclear Filing Requirement ("NFR") schedules. For the time period November 2006 through December 2007, PEF requested a

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total of \$928,895 in carrying costs for the CR3 Uprate project, adjusted for the contributions to construction expenditures made by the joint owners of CR3.

2. On March 11, 2008, PEF petitioned this Commission to establish a discovery docket regarding the actual and projected costs for the Levy Nuclear Project. The purpose of this petition was to “assist the Commission and Commission Staff in the timely and adequate review of the costs recoverable under the nuclear cost recovery rule” and to “provide an avenue and process for the Commission Staff and interveners to begin to review PEF’s costs in connection with Levy Units 1 and 2.” (Petition for Discovery Docket at p. 1). The Commission established Docket No. 080149-EI as the Levy Nuclear Project discovery docket. In Docket No. 080149-EI, PEF filed site selection, actual/estimated, and projection NFR schedules, reflecting its actual, actual/estimated, and projected costs for its Levy Nuclear Project, with supporting testimony.

3. Also, on March 11, 2008, PEF petitioned this Commission for an affirmative determination of need for Levy Units 1 and 2 Nuclear Power Plants pursuant to Section 403.519(4), Florida Statutes and the Commission’s Rules.

4. On May 1, 2008, consistent with Rule 25-6.0423, F.A.C., PEF filed in this NCRC proceeding testimony together with exhibits reflecting the NFRs for the actual/estimated and true-up costs for 2008 and projected costs for 2009 for the CR3 Uprate Project.

5. On July 15, 2008, the Commission unanimously voted to grant PEF’s petition for an affirmative determination of need for Levy Units 1 and 2. PEF, therefore, seeks to recover its actual and projected costs for the Levy Nuclear project, as filed in its NFR schedules, pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, F.A.C., in this NCRC proceeding.

6. PEF now requests that the Commission: (1) order all documents filed and produced in Docket No. 080149-EI moved to Docket No. 080009-EI and close Docket No. 080149-EI; (2) find that the Levy Nuclear Project site selection costs are appropriately considered for NCRC recovery in this proceeding; (3) find that all of PEF's actual costs reflected in 2006 and 2007 for the Levy Nuclear Project have been prudently incurred; (4) find that all of PEF's actual/estimated and projected costs reflected in 2008 and 2009 for the Levy Nuclear Project are reasonable; (5) find that all of PEF's actual costs reflected in 2006 and 2007 for the CR3 Uprate Project have been prudently incurred; (6) find that all of PEF's actual/estimated and projected costs reflected in 2008 and 2009 for the CR3 Uprate Project are reasonable; and (7) approve for recovery through the CCR and the NCRC all costs appropriately recovered for the Levy Nuclear Project and the CR3 Uprate Project, as provided in Section 366.93, Florida Statutes, and consistent with the Rule 25-6.0423, F.A.C.

I. PRELIMINARY INFORMATION.

7. The Petitioner's name and address are:

Progress Energy Florida, Inc.
299 1st Ave. N.
St. Petersburg, Florida 33701

8. Any pleading, motion, notice, order, or other document required to be served upon PEF or filed by any party to this proceeding should be served upon the following individuals:

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II. PRIMARILY AFFECTED UTILITY.

9. PEF is the utility primarily affected by the proposed request for cost recovery. PEF is an investor-owned electric utility, regulated by the Commission pursuant to Chapter 366, Fla. Stats., and is a wholly owned subsidiary of Progress Energy, Inc. The Company's principal place of business is located at 299 1st Ave. N., St. Petersburg, Florida 33701.

10. PEF serves approximately 1.7 million retail customers in Florida. Its service area comprises approximately 20,000 square miles in 35 of the state's 67 counties, encompassing the densely populated areas of Pinellas and western Pasco Counties and the greater Orlando area in Orange, Osceola, and Seminole Counties. PEF supplies electricity at retail to approximately 350 communities and at wholesale to about 21 Florida municipalities, utilities, and power agencies in the State of Florida.

III. PEF REQUESTS THAT ALL DOCUMENTS FILED IN DOCKET 080149-EI BE TRANSFERRED TO DOCKET 080009-EI AND THAT DOCKET 080149-EI BE CLOSED.

11. Docket Number 080149-EI was established so that Commission Staff and other interested parties could take discovery regarding PEF's Levy Nuclear project costs

while PEF's petition for determination of need for the Levy Units was pending. To that end, PEF filed pre-filed testimony, exhibits, and NFR schedules in support of its actual, actual/estimated, and projected costs in Docket No. 080149-EI consistent with Rule 25-6.0423, F.A.C. PEF also responded to interrogatories and requests for production regarding these Levy Nuclear project costs in Docket No. 080149-EI. On July 15, 2008, the Commission voted unanimously to grant PEF's need determination petition for Levy Units 1 and 2.

12. PEF is now petitioning the PSC for cost recovery for the Levy Nuclear Project through the NCRC. Docket No. 080009-EI was established as the NCRC Docket by the Commission. Accordingly, now that the Commission has voted affirmatively on PEF's petition for determination of need for Levy Units 1 and 2, PEF's testimony, exhibits, and NFRs supporting PEF's request for cost recovery for the Levy Nuclear Project through the NCRC should be considered in Docket No. 080009-EI. PEF requests, therefore, that all documents and information from Docket 080149-EI be transferred to Docket No. 080009-EI and that Docket No. 080149-EI be closed.

IV. PEF REQUESTS COST RECOVERY FOR THE LEVY NUCLEAR PROJECT AS PROVIDED IN SECTION 366.93, FLORIDA STATUTES, AND THE NUCLEAR COST RECOVERY RULE, RULE 25-6.0423, F.A.C.

13. As noted above, the Commission approved PEF's determination of need for Levy Units 1 and 2 in an agenda vote taken on July 15, 2008. PEF therefore requests that, pursuant to Rule 25-6.0423, F.A.C., the Commission: (1) determine that the Levy Nuclear Project site selection costs are appropriately considered for NCRC recovery in this proceeding; (2) determine the costs PEF incurred during 2006 and 2007 for the Levy Nuclear project were reasonable and prudent; (3) approve, pursuant to Rule 25-6.0423(5)(c) F.A.C., PEF's final true-up of the carrying costs on its actual construction expenditures for

the Levy Nuclear project for years 2006 and 2007; and (4) approve PEF's actual/estimated and projected costs for the Levy Nuclear Project for the remainder of 2008 and 2009.

Detailed descriptions of these expenditures, the estimated and projected costs, the contracts executed, the carrying costs, and the other information required by Rule 25-6.0423(8) F.A.C., were provided in PEF's pre-filed testimony, exhibits, and NFR schedules. PEF therefore requests recovery of those costs, consistent with its pre-filed testimony, exhibits, and NFR schedules, which are hereby incorporated by reference.

V. PEF REQUESTS COST RECOVERY FOR THE CR3 UPRATE PROJECT AS PROVIDED IN SECTION 366.93, FLORIDA STATUTES, AND THE NUCLEAR COST RECOVERY RULE, RULE 25-6.0423, F.A.C.

14. The Commission approved PEF's determination of need for the CR3 Uprate Project in Order No. PSC-07-0119-FOF-EI. PEF initially filed its petition requesting the recovery of costs for the CR3 Uprate Project through the NCRC in this Docket on February 29, 2008. PEF subsequently filed testimony and NFRs on May 1, 2008 for the CR3 Uprate Project consistent with the Nuclear Cost Recovery Rule, Rule 25-6.0423, F.A.C. PEF amends its prior petition now to include the costs of the Levy Nuclear Project.

Accordingly, PEF requests that the Commission: (1) determine the costs PEF incurred during 2006 and 2007 for the CR3 Uprate Project were reasonable and prudent; (2) approve, pursuant to Rule 25-6.0423(5)(c) F.A.C., PEF's final true-up of the carrying costs on its actual construction expenditures for the CR3 Uprate Project for years 2006 and 2007; and (3) approve PEF's actual/estimated and projected costs for the CR3 Uprate Project for the remainder of 2008 and 2009. Detailed descriptions of these expenditures, the estimated and projected costs, the contracts executed, the carrying costs, and the other information required by Rule 25-6.0423(8) F.A.C., were provided in PEF's pre-filed testimony, exhibits, and NFR schedules. PEF therefore requests recovery of those costs, consistent

with its pre-filed testimony, exhibits, and NFR schedules, which are hereby incorporated by reference.

VI. DISPUTED ISSUES OF MATERIAL FACT.

15. PEF is not aware at this time that there will be any disputed issues of material fact in this proceeding. Through its testimony and exhibits, incorporated herein by reference, PEF has demonstrated the reasonableness and prudence of the costs it has incurred thus far on the Levy Nuclear Project and the CR3 Uprate Project, as well as the reasonableness of its cost projections for those Projects. PEF has also demonstrated through its testimony and exhibits why the recovery PEF requests is appropriated and warranted under Section 366.93, Florida Statutes, and Rule 25-6.0423, F.A.C.

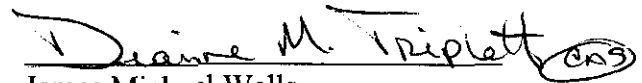
VII. CONCLUSION.

WHEREFORE, for all the reasons provided in this Petition, as developed more fully in PEF's pre-filed testimony and exhibits, PEF respectfully requests that the Commission: (1) order all documents filed and produced in Docket No. 080149-EI moved to Docket No. 080009-EI and close Docket No. 080149-EI; (2) find that the Levy Nuclear Project site selection costs are appropriately considered for NCRC recovery in this proceeding; (3) find that all of PEF's actual costs reflected in 2006 and 2007 for the Levy Nuclear Project have been prudently incurred; (4) find that all of PEF's actual/estimated and projected costs reflected in 2008 and 2009 for the Levy Nuclear Project are reasonable; (5) find that all of PEF's actual costs reflected in 2006 and 2007 for the CR3 Uprate Project have been prudently incurred; (6) find that all of PEF's actual/estimated and projected costs reflected in 2008 and 2009 for the CR3 Uprate Project are reasonable; and (7) approve for recovery

through the CCR and the NCRC all costs appropriately recovered for the Levy Nuclear Project and the CR3 Uprate Project, as provided in Section 366.93, Florida Statutes, and consistent with the Rule 25-6.0423, F.A.C.

Respectfully submitted this ^{18th}18 day of July, 2008.

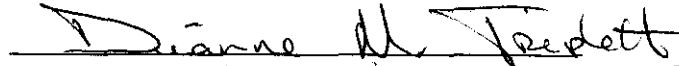

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Handwritten signature of Dianne M. Triplett in black ink, with the initials 'DMS' circled at the end.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Progress Energy Florida, Inc.'s Petition for Cost Recovery in Docket No. 080009-EI has been furnished electronically and by regular U.S. mail to the following this 18th day of July, 2008.


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