

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost
Recovery Clause

Docket No. 080009-EI

Submitted for Filing: August 25, 2008

MEMORANDUM ON ADDITIONAL ISSUES

Progress Energy Florida, Inc. ("PEF" or the "Company"), pursuant to the Commission's Order issued August 21, 2008, files this Memorandum on Additional Issues raised by the Florida Industrial Power Users Group ("FIPUG") and the Office of Public Counsel ("OPC"), specifically, Issues 1E and 7H.

Issue 1E

FIPUG has raised the following issue as "Issue 1E":

"What is the appropriate procedure to reduce and refund NPCR charges to retail customers when a utility sells a portion of a nuclear unit to a municipality or another investor owned utility?"

Issue 1E is inappropriate for consideration in this proceeding. First, it is premature at this point, because PEF has not sold any portion of its nuclear units. This issue will only become relevant when and if PEF sells a portion of its nuclear units. In any event, even if it was timely raised, the resolution of this issue depends entirely upon PEF's potential joint ownership agreements or contracts with other third parties. The consideration of this issue will be highly fact-specific and is directly impacted by the terms of these agreements. The determination of how to deal with this myriad of issues should be dealt with on a case-by-case basis, using the executed third-party agreements. Consideration of this issue in the abstract, without these specific contracts, is inefficient and unnecessary. Determination of this issue will necessarily depend on the provisions contained in these agreements, which have not yet been executed. Furthermore, the procedures necessary to handle this future issue may already be addressed in

existing Commission policies related to joint ownership and sale of assets. Additionally, Commission policies can be developed and addressed in a future workshop, if needed. Thus, Issue 1E should not be included for consideration in this proceeding.

Issue 7H

OPC has raised the following issue for consideration at the hearing:

“Has PEF demonstrated that the uprate-related costs it seeks to recover in this docket are incremental to those it would incur in conjunction with providing safe and reliable service during the period associated with the extension of its operating license, had there been no uprate project?”

PEF does not challenge the general inclusion of this issue in this proceeding, but it does object to the wording of the issue. Specifically, PEF objects to the use of the words “incremental to.” The word “incremental” implies that there is a relationship between the two costs involved in this issue (those related to the uprate and those related to the extension of the operating license). As demonstrated in PEF’s rebuttal testimony, however, there is no such relationship. In addition, “incremental” is a specific accounting term. It has no application in the issue OPC proposes. PEF therefore proposes to substitute the words “separate and apart from” for “incremental to.” Under PEF’s proposal the issue would be:


“Has PEF demonstrated that the uprate-related costs it seeks to recover in this docket are separate and apart from those it would incur in conjunction with providing safe and reliable service during the period associated with the extension of its operating license, had there been no uprate project?”

With this changed wording, PEF has no objection to the inclusion of Issue 7H in this proceeding.

For the foregoing reasons, PEF respectfully requests that the Commission exclude proposed Issue 1E from consideration in this matter and modify proposed Issue 7H as set forth above.

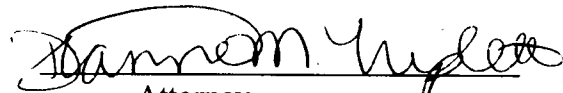
Respectfully submitted this 25th day of August, 2008.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 25th day of August, 2008.


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