

Diamond Williams

100001-EI

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Subject: E-Filing: PEF Preliminary List of Issues & Positions - Dkt# 100001-EI
Attachments: FINAL - PEF List of Issues - 100001.pdf

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Docket No. 100001-EI

On behalf of Progress Energy Florida

Consisting of 8 pages.

The attached document for filing is PEF's Preliminary List of Issues & Positions in the above reference docket.

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 100001-EI

DATED: September 27, 2010

**PROGRESS ENERGY FLORIDA, INC.'S
PRELIMINARY LIST OF ISSUES AND POSITIONS**

Progress Energy Florida, Inc. (PEF) hereby submits its Preliminary List of Issues and Positions with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of January 2011 through December 2011:

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 1A: Should the Commission approve as prudent, PEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in PEF's April 2010 and August 2010 hedging reports?

PEF: Yes. PEF's actions are reasonable and prudent. (McCallister)

ISSUE 1B: Should the Commission approve PEF's 2011 Risk Management Plan?

PEF: Yes. (McCallister)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$1,618,573. (Olivier)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PEF: \$1,053,364. (Olivier)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

PEF: \$8,064,647 over-recovery. (Garrett)

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

PEF: \$120,872,183 under-recovery. (Olivier)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2011 to December 2011?

PEF: \$112,807,536 under-recovery. (Olivier)

ISSUE 11: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2011 through December 2011?

PEF: 1.00072. (Olivier)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2011 through December 2011?

PEF: \$1,857,187,298. (Olivier)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2011 through December 2011?

PEF: 5.105 cents per kWh (adjusted for jurisdictional losses). (Olivier)

ISSUE 14: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

PEF:

| <u>Group</u> | <u>Delivery Voltage Level</u> | <u>Line Loss Multiplier</u> |
|--------------|-------------------------------|-----------------------------|
| A. | Transmission | 0.9800 |
| B. | Distribution Primary | 0.9900 |

- C. Distribution Secondary 1.0000
- D. Lighting Service 1.0000
(Olivier)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

PEF:

| Fuel Cost Factors (cents/kWh) | | | | | | |
|-------------------------------|------------------------|-------------------|---------------------|-------------------|-------------|----------|
| Group | Delivery Voltage Level | First Tier Factor | Second Tier Factors | Levelized Factors | Time of Use | |
| | | | | | On-Peak | Off-Peak |
| A | Transmission | -- | -- | 5.010 | 6.543 | 4.284 |
| B | Distribution Primary | -- | -- | 5.061 | 6.610 | 4.327 |
| C | Distribution Secondary | 4.797 | 5.797 | 5.112 | 6.676 | 4.371 |
| D | Lighting | -- | -- | 4.802 | -- | -- |

(Olivier)

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

PEF: The new factors should be effective beginning with the first billing cycle for January 2011 through the last billing cycle for December 2011. The first billing cycle may start before January 1, 2011, and the last billing cycle may end after December 31, 2011, so long as each customer is billed for twelve months regardless of when the factors became effective. (Olivier)

**COMPANY-SPECIFIC GENERATING PERFORMANCE
INCENTIVE FACTOR ISSUES**

Progress Energy Florida, Inc.

No company-specific issues for Progress Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 17A, 17B, 17C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

PEF: \$676,296 penalty. (Oliver)

ISSUE 22: What should the GPIF targets/ranges be for the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF?

PEF: The appropriate targets and ranges are shown on Page 4 of Exhibit RMO-1P filed on September 1, 2010 with the Direct Testimony of Robert M. Oliver. (Oliver)

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 23A: Has PEF included in the capacity cost recovery clause, the nuclear cost recovery amount ordered by the Commission in Docket No. 100009-EI?

PEF: Yes. PEF has included \$163,698,438 (including Regulatory Assessment Fee) in its 2011 capacity cost recovery factors as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 100009-EI. (Olivier)

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

PEF: \$14,181,129 over-recovery. (Garrett)

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

PEF: \$38,129,941 over-recovery. (Olivier)

NO ISSUE 29 LISTED

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2011 through December 2011?

PEF: \$52,311,070 over-recovery. (Olivier)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2011 through December 2011?

PEF: \$451,867,504 consisting of \$288,169,066 of capacity payments and \$163,698,438 of nuclear costs as presented in Thomas G. Foster's testimony pending Commission approval in Docket No. 100009-EI. (Olivier)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2011 through December 2011?

PEF: Base - 91.089%, Intermediate – 58.962%, Peaking – 91.248%. (Olivier)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2011 through December 2011?

PEF:

| <u>Rate Class</u> | <u>CCR Factor</u> |
|----------------------------------|-------------------|
| Residential | 1.527 cents/kWh |
| General Service Non-Demand | 1.113 cents/kWh |
| @ Primary Voltage | 1.102 cents/kWh |
| @ Transmission Voltage | 1.091 cents/kWh |
| General Service 100% Load Factor | 0.803 cents/kWh |
| General Service Demand | 0.992 cents/kWh |
| @ Primary Voltage | 0.982 cents/kWh |
| @ Transmission Voltage | 0.972 cents/kWh |
| Curtaillable | 0.845 cents/kWh |
| @ Primary Voltage | 0.837 cents/kWh |
| @ Transmission Voltage | 0.828 cents/kWh |
| Interruptible | 0.798 cents/kWh |
| @ Primary Voltage | 0.790 cents/kWh |
| @ Transmission Voltage | 0.782 cents/kWh |
| Lighting | 0.233 cents/kWh |

(Olivier)

RESPECTFULLY SUBMITTED this 27th day of September, 2010.

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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 this 27th day of September, 2010 to all parties of record as indicated below.

s/ John T. Burnett

JOHN T. BURNETT

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