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Public Service Commission

February 3, 2012

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R. Alexander Glenn
Progress Energy Service Company, LLC
299 First Avenue North
St. Petersburg, FL 33701

STAFF'S SECOND DATA REQUEST

Re: Docket No. 120022-EI - Petition for limited proceeding to approve stipulation and settlement agreement by Progress Energy Florida, Inc.

Dear Mr. Glenn:

By this letter, the Commission staff requests that Progress Energy Florida, Inc. (PEF or utility) provide responses to the following data requests.

1. With respect to Section 12 of the Settlement:
 - a) How and when does PEF plan to recover the deferred depreciation expense, property taxes, and O&M costs?
 - b) Will carrying costs apply to the deferred expenses? Is PEF planning to recover the carrying costs through the NCRC (and ultimately the Capacity Clause) for the deferred expenses?
 - c) Once plant is in service, will the carrying cost recovered through NCRC (and ultimately the Capacity Clause) be based on the depreciated plant balance?
 - d) What carrying charge rate(s) will be applied from the time the plant goes in service until the plant is approved for recovery through base rates.
2. Provide the December 31, 2011, CR3-related balances for Plant-in-Service, Accumulated Depreciation, Nuclear Fuel Inventory, Materials and Supplies Inventory, and the non-AFUDC CWIP.

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3. Provide the dollar amounts of CR3-related expenses by category (such as O&M, depreciation, property taxes, etc.) for 2011.
4. Please explain how the CAIR assets are allocated to the rate classes in the Environmental Cost Recovery Clause and how these costs will be allocated in base rates.
5. With respect to paragraph 16 on page 18 of the Stipulation and Settlement Agreement, please provide the Company's equity ratio as of December 31, 2011, 2012, and 2013 on an FPSC-adjusted basis and the S&P-adjusted basis as contemplated by this provision. For purposes of this response, please describe and show the calculations.
6. Please refer to the Company's response filed February 1, 2012, to staff's first data request dated January 25, 2012. In the Company's response to Question 34, it indicates the equity ratio adjustment will be phased out over a 13 month period and be completely removed by January 2018. Will the equity ratio adjustment be phased in over a similar period? Please explain when the equity ratio adjustment will go into effect and over what period it will be incorporated into the Company's Earnings Surveillance Report.

Please file the original and five copies of the requested information by Wednesday, February 8, 2012, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6230 if you have any questions.

Sincerely,



Lisa C. Bennett
Senior Attorney

LCB:th

cc: Office of Commission Clerk
Director of Economic Regulation - Marshall Willis
Progress Energy Service Company, LLC - John T. Burnett
Progress Energy Florida, Inc. - Paul Lewis, Jr.
Carlton Fields Law Firm - J. Michael Walls / Blaise N. Gamba