

090009-EI

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Levy Update

For SMC Meeting on June 17, 2009

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 090009-EI EXHIBIT 157
COMPANY SACE
WITNESS Lyash
DATE 9-10-09



Progress Energy

DECLASSIFIED

01/19/2010
kmp

09NC-OPCPOD 792-00001 NUMBER-DATE

09479 SEP 14 8 kmp

FPSC-COMMISSION CLERK

Multiple objectives to solve for...

- PEF retail and wholesale ratepayer impacts
 - Shorter-term, via the NCRC charge
 - Over life – full cost effectiveness, lower, more affordable and more stable rates

- PEF financial objectives and capital constraints
 - ◆ Balance earnings vs. large need for capital and risks of nuclear development

- PEF operational benefits
 - ◆ Source of CO₂-free generation, a key to PEF attaining emission compliance goals
 - ◆ More balanced, less volatile fuel mix for customers
 - ◆ Proper long-term policy decision for State

Economic Views

1. Over entire life, CPVRR methodology
2. Customer rates comparisons:
 - NCRC clause only – ends once in-service
 - Total retail rate comparison
3. Full economic impacts to PEF
 - Capital invested
 - Fund raising needs
 - Indicative earnings profile

Financial cases
to be presented
during the July
MBR

Table of CPVRR's Over Life

<i>2007</i>	<i>50% Ownership Fuel Cost Sensitivity</i>			<i>100% Ownership Fuel Cost Sensitivity</i>		
	Low Fuel	Mid Fuel	High Fuel	Low Fuel	Mid Fuel	High Fuel
No Carbon Tax	(4,108)	(2,336)	433	(6,540)	(3,012)	2,512
Bingaman Specter	(2,857)	(1,053)	1,692	(3,958)	(466)	5,089
EPA	(2,341)	(499)	2,227	(2,807)	670	6,194
MIT	(1,108)	817	3,594	(38)	3,490	8,953
Lieberman Warner	248	2,130	5,048	2,806	6,257	11,768

These numbers are based on our need case filing, and will be subject to revision, up or down, based on a number of factors, including EPC renegotiations