



Progress Energy

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

May 14, 2003

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 030002-EU

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, are an original and ten copies of the direct testimony and exhibits of John A. Masiello.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced testimony in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc
Enclosures

cc: Parties of record

030002-EU
04338 MAY 15 2003
FPSC-DIVISION OF THE CLERK

PROGRESS ENERGY FLORIDA

DOCKET NO. 030002-EU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the direct testimony and exhibits of John A. Masiello has been furnished to the following individuals by regular U.S. Mail this 15th day of May, 2003:

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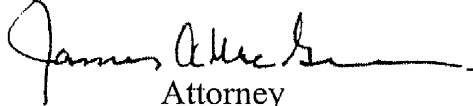
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PROGRESS ENERGY FLORIDA

DOCKET No. 030002-EU

**DIRECT TESTIMONY OF
JOHN A. MASIELLO**

1 **Q. State your name and business address.**

2 A. My name is John A. Masiello. My business address is 3300 Exchange
3 Place, Lake Mary, Florida 32746.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Progress Energy Florida, Inc. (Progress Energy or the
7 Company), as Manager of Program Development & Administration.

8

9 **Q. Have your duties and responsibilities remained the same since you**
10 **last testified in this proceeding?**

11 A. Yes.

12

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to compare Progress Energy's actual costs
15 of implementing conservation programs with the actual revenues collected
16 through the Company's Energy Conservation Cost Recovery Clause
17 (ECCR) during the period January 2002 through December 2002.

1 **Q. For what programs does Progress Energy seek recovery?**

2 A. Progress Energy seeks recovery through the ECCR for the following
3 conservation programs approved by the Commission as part of the
4 Company's DSM Plan, as well as for Conservation Program Administration
5 (i.e., those common administration expenses not specifically linked to an
6 individual program).

- 7 • Home Energy Check
- 8 • Home Energy Improvement
- 9 • Residential New Construction
- 10 • Low-Income Weatherization Assistance Program
- 11 • Energy Management (Residential and Commercial)
- 12 • Business Energy Check
- 13 • Better Business
- 14 • Commercial/Industrial New Construction
- 15 • Innovation Incentive
- 16 • Standby Generation
- 17 • Interruptible Service
- 18 • Curtailable Service
- 19 • Technology Development
- 20 • Qualifying Facilities

1 **Q. Do you have any exhibits to your testimony?**

2 A. Yes, Exhibit No. ____ (JAM-1) entitled, "Progress Energy Florida, Inc. Energy
3 Conservation Adjusted Net True-Up for the Period January 2002 through
4 December 2002." There are five (5) schedules to this exhibit.

5
6 **Q. Will you please explain your exhibit**

7 A. Yes. Exhibit JAM-1 presents Schedules CT-1 through CT-5. These
8 schedules set out the actual costs incurred for all programs during the period
9 from January 2002 through December 2002. They also describe the variance
10 between actual costs and previously projected values for the same time
11 period. Schedule CT-5 provides a brief summary report for each program that
12 includes a program description, annual program expenditures and program
13 accomplishments over the twelve-month period ending December 2002.

14
15 **Q. Would you please discuss Schedule CT-1?**

16 A. Yes. Schedule CT-1 shows that Progress Energy's actual net ECCR true-up
17 for the twelve months ending December 31, 2002 was an over-recovery of
18 \$8,743,330, including principal and interest. This amount is \$3,136,004 more
19 than the previous estimate in the Company's October 4, 2002 ECCR
20 projection filing.

21
22 **Q. Does this conclude your direct testimony?**

23 A. Yes.

PROGRESS ENERGY FLORIDA

ENERGY CONSERVATION ADJUSTED NET TRUE-UP
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE
 NO.

1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$6,787,137)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(8,639,974)	
4	INTEREST (CT 3, PAGE 2 of 3)	(118,104)	
5	PRIOR TRUE-UP REFUND	6,787,137	
6	ADJUSTMENTS	14,748	(\$8,743,330)
		<u> </u>	
7	LESS: ESTIMATED TRUE-UP FROM SEPTEMBER 2002		
8	PROJECTION FILING (OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$6,787,137)	
10	PRINCIPAL	(5,500,298)	
11	INTEREST	(107,031)	
12	PRIOR TRUE-UP REFUND	6,772,411	
13	ADJUSTMENTS	14,728	(\$5,607,327)
		<u> </u>	<u> </u>
14	VARIANCE TO PROJECTION		<u> </u> <u> </u> (\$3,136,004)

PROGRESS ENERGY FLORIDA

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS. ESTIMATED
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	1,449,590	1,439,241	10,349
2	PAYROLL AND BENEFITS	7,638,578	7,945,117	(306,539)
3	MATERIALS AND SUPPLIES	573,950	501,318	72,632
4	OUTSIDE SERVICES	4,027,130	4,612,205	(585,075)
5	ADVERTISING	1,073,800	892,522	181,278
6	INCENTIVES	47,546,360	48,665,940	(1,119,580)
7	VEHICLES	17,466	202,213	(184,747)
8	OTHER	800,279	928,726	(128,447)
9	PROGRAM REVENUES	<u>(4,125)</u>	<u>0</u>	<u>(4,125)</u>
10	TOTAL PROGRAM COSTS	63,123,028	65,187,282	(2,064,255)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	64,975,865	63,915,169	1,060,696
13	PRIOR TRUE-UP	<u>6,787,137</u>	<u>6,787,137</u>	<u>0</u>
14	TRUE-UP BEFORE INTEREST	(8,639,974)	(5,515,024)	(3,124,951)
15	AUDIT ADJUSTMENT	14,748	14,728	20
16	INTEREST PROVISION	<u>(118,104)</u>	<u>(107,031)</u>	<u>(11,073)</u>
17	END OF PERIOD TRUE-UP	<u><u>(8,743,330)</u></u>	<u><u>(5,607,327)</u></u>	<u><u>(3,136,004)</u></u>

() REFLECTS OVERRECOVERY

PROGRESS ENERGY FLORIDA

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	14,604	3,552	0	640	145,127	0	254	164,177	0	164,177
2	RESIDENTIAL NEW CONSTRUCTION	0	473,956	7,595	23,312	121,560	389,670	0	98,195	1,114,288	0	1,114,288
3	HOME ENERGY IMPROVEMENT	0	454,615	7,619	3,169	87,085	2,510,646	0	116,037	3,179,171	(4,125)	3,175,046
4	COMM / IND NEW CONSTRUCTION	0	4,126	164	0	89	76,436	60	108	80,983	0	80,983
5	HOME ENERGY CHECK	744	1,820,043	179,353	113,580	574,335	0	16,202	314,323	3,018,580	0	3,018,580
6	LOW INCOME	0	36,225	616	1,175	0	13,945	124	16,805	68,890	0	68,890
7	BUSINESS ENERGY CHECK	0	417,614	9,405	115	6,354	0	96	18,269	451,853	0	451,853
8	QUALIFYING FACILITY	575	213,442	1,613	5,225	0	0	0	287,647	508,502	0	508,502
9	INNOVATION INCENTIVE	0	1,600	0	0	0	0	0	0	1,600	0	1,600
10	TECHNOLOGY DEVELOPMENT	0	35,344	495	33,480	0	6,050	58	61,421	136,848	0	136,848
11	STANDBY GENERATION	0	22,999	9,016	26,276	1,907	624,633	206	6,454	691,491	0	691,491
12	INTERRUPT LOAD MANAGEMENT	0	80,370	3,438	926	0	17,445,363	675	9,221	17,539,993	0	17,539,993
13	CURTAIL LOAD MANAGEMENT	0	2,343	192	0	0	641,237	0	0	643,772	0	643,772
14	RESIDENTIAL LOAD MANAGEMENT	1,434,829	1,812,197	166,552	3,034,937	225,859	24,993,399	0	169,868	31,837,641	0	31,837,641
15	COMMERCIAL LOAD MANAGEMENT	0	15,668	334	4,371	0	683,479	43	526	704,421	0	704,421
16	CONSERVATION PROGRAM ADMIN	13,442	2,233,432	184,006	780,564	55,971	16,375	2	(298,849)	2,984,943	0	2,984,943
17	TOTAL ALL PROGRAMS	1,449,590	7,638,578	573,950	4,027,130	1,073,800	47,546,360	17,466	800,279	63,127,153	(4,125)	63,123,028

PROGRESS ENERGY FLORIDA

VARIANCE IN ENERGY CONSERVATION PROGRAM COSTS
 12 MONTHS ACTUAL VERSUS 12 MONTHS ESTIMATED

FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	(6,491)	3,538	0	265	(93,935)	(395)	664	(96,354)	0	(96,354)
2	RESIDENTIAL NEW CONSTRUCTION	0	59,721	(5,337)	(6,221)	(59,752)	174,967	(14,797)	10,033	158,614	0	158,614
3	HOME ENERGY IMPROVEMENT	0	(110,958)	1,940	1,081	8,994	(4,531)	(16,206)	9,977	(109,703)	(4,125)	(113,828)
4	COMM / IND NEW CONSTRUCTION	0	(644)	0	0	89	38,936	(36)	455	38,800	0	38,800
5	HOME ENERGY CHECK	0	(206,528)	48,906	39,548	130,739	0	(71,300)	119,167	60,532	0	60,532
6	LOW INCOME	0	1,074	0	(904)	0	(17,498)	(270)	1,252	(16,346)	0	(16,346)
7	BUSINESS ENERGY CHECK	0	(23,257)	4,586	50	6,226	0	(12,001)	16,576	(7,820)	0	(7,820)
8	QUALIFYING FACILITY	0	(11,298)	(189)	(1,750)	0	0	(530)	14,237	470	0	470
9	INNOVATION INCENTIVE	0	(7,051)	0	0	0	(20,838)	(366)	(266)	(28,521)	0	(28,521)
10	TECHNOLOGY DEVELOPMENT	0	(6,301)	0	(32,749)	0	0	(463)	50,798	11,285	0	11,285
11	STANDBY GENERATION	0	7,330	8,824	15,857	1,907	56,784	(316)	2,224	92,610	0	92,610
12	INTERRUPT LOAD MANAGEMENT	0	32,677	405	0	0	(1,415,710)	546	6,231	(1,375,851)	0	(1,375,851)
13	CURTAIL LOAD MANAGEMENT	0	997	0	0	0	(381)	0	88	704	0	704
14	RESIDENTIAL LOAD MANAGEMENT	10,365	(204,764)	9,391	(501,656)	50,742	158,108	(51,427)	239,276	(289,965)	0	(289,965)
15	COMMERCIAL LOAD MANAGEMENT	0	(3,560)	0	1,378	0	303	(316)	(229)	(2,424)	0	(2,424)
16	CONSERVATION PROGRAM ADMIN	(16)	172,514	568	(99,709)	42,068	4,215	(16,870)	(598,930)	(496,160)	0	(496,160)
17	TOTAL ALL PROGRAMS	10,349	(306,539)	72,632	(585,075)	181,278	(1,119,580)	(184,747)	(128,447)	(2,060,130)	(4,125)	(2,064,255)

PROGRESS ENERGY FLORIDA

PROJECTED ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS (E)	0	21,095	14	0	375	239,062	395	(410)	260,531	0	260,531
2	RESIDENTIAL NEW CONSTRUCT (E)	0	414,235	12,932	29,533	181,312	214,703	14,797	88,162	955,674	0	955,674
3	HOME ENERGY IMPROVEMENT (E)	0	565,573	5,679	2,088	78,091	2,515,177	16,206	106,060	3,288,874	0	3,288,874
4	CI NEW CONSTRUCTION (E)	0	4,770	164	0	0	37,500	96	(347)	42,183	0	42,183
5	HOME ENERGY CHECK (E)	744	2,026,571	130,447	74,032	443,596	0	87,502	195,156	2,958,048	0	2,958,048
6	LOW INCOME (E)	0	35,151	616	2,079	0	31,443	394	15,553	85,236	0	85,236
7	BUSINESS ENERGY CHECK (E)	0	440,871	4,819	65	128	0	12,097	1,693	459,673	0	459,673
8	CONSERVATION PROGRAM ADMIN (E)	13,458	2,060,918	183,438	880,273	13,903	12,160	16,872	300,081	3,481,103	0	3,481,103
9	CONSERVATION PROGRAM ADMIN (D)										0	0
10	QUALIFYING FACILITY (E)	575	224,740	1,802	6,975	0	0	530	273,410	508,032	0	508,032
11	INNOVATION INCENTIVE (E)	0	8,651	0	0	0	20,838	366	266	30,121	0	30,121
12	TECHNOLOGY DEVELOPMENT (E)	0	41,645	495	66,229	0	6,050	521	10,623	125,563	0	125,563
13	STANDBY GENERATION (D)	0	15,669	192	10,419	0	567,849	522	4,230	598,881	0	598,881
14	INTERRUPTIBLE SERVICE (D)	0	47,693	3,033	926	0	18,861,073	129	2,990	18,915,844	0	18,915,844
15	CURTAILABLE SERVICE (D)	0	1,346	192	0	0	641,618	0	(88)	643,068	0	643,068
16	RES ENERGY MANGMNT-ADMIN (D)	1,424,464	2,016,961	157,161	3,536,593	175,117	24,835,291	51,427	(69,408)	32,127,606	0	32,127,606
17	RES ENERGY MANGMNT-EQUIP SVC (D)										0	0
18	LOAD MANAGEMENT SWITCHES (D)		0	0	0	0	0	0	0	0	0	0
19	COM ENERGY MANGMNT-ADMIN (D)	0	19,228	334	2,993	0	683,176	359	755	706,845	0	706,845
20	COM ENERGY MANGMNT-EQUIP SVC (D)									0	0	0
TOTAL ALL PROGRAMS		1,439,241	7,945,117	501,318	4,612,205	892,522	48,665,940	202,213	928,726	65,187,282	0	65,187,282

PROGRESS ENERGY FLORIDA

ACTUAL CONSERVATION PROGRAM COSTS BY MONTH
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO	PROGRAM TITLE	JAN 02	FEB 02	MAR 02	APR 02	MAY 02	JUN 02	JUL 02	AUG 02	SEP 02	OCT 02	NOV 02	DEC 02	TOTAL
1	BETTER BUSINESS	2,311	98,833	11,035	1,257	10,608	632	8,015	27,188	3,851	21,885	18,669	(40,107)	164,177
2	RESIDENTIAL NEW CONSTRUCTION	27,684	81,287	97,222	71,868	58,500	66,522	60,384	139,061	56,529	78,958	90,367	285,906	1,114,288
3	HOME ENERGY IMPROVEMENT	160,764	168,144	328,128	272,258	435,953	50,200	300,531	365,230	299,111	292,933	246,604	259,315	3,179,171
4	COMM / IND NEW CONSTRUCTION	2,559	808	722	0	0	0	25	74	270	0	0	76,525	80,983
5	HOME ENERGY CHECK	141,263	156,040	156,058	226,926	202,056	209,588	279,132	269,241	192,360	296,198	193,794	695,924	3,018,580
6	LOW INCOME	4,270	8,289	4,711	4,183	6,776	3,199	3,610	8,085	9,537	5,003	4,819	6,408	68,890
7	BUSINESS ENERGY CHECK	35,796	41,502	36,977	39,789	42,526	36,919	9,100	66,925	31,259	31,120	34,803	45,137	451,853
8	QUALIFYING FACILITY	99	93	266,881	20,127	21,446	23,458	27,336	49,239	26,213	23,865	21,874	27,871	508,502
9	INNOVATION INCENTIVE	732	848	20	0	0	0	0	0	0	0	0	0	1,600
10	TECHNOLOGY DEVELOPMENT	2,203	5,051	10,551	9,925	2,768	4,223	2,190	3,990	5,115	2,762	2,264	85,806	136,848
11	STANDBY GENERATION	31,369	60,757	52,784	59,147	57,369	50,625	55,336	68,316	61,471	61,348	61,154	71,795	691,491
12	INTERRUPT LOAD MANAGEMENT	1,344,540	1,597,745	1,539,735	1,570,969	1,582,030	1,259,515	1,472,840	1,375,884	1,403,232	1,329,001	1,514,304	1,550,198	17,539,993
13	CURTAIL LOAD MANAGEMENT	40,357	46,406	48,134	13,550	98,572	27,067	91,985	57,326	56,856	51,476	13,891	98,152	643,772
14	RESIDENTIAL LOAD MANAGEMENT	3,198,317	2,346,459	2,751,283	2,139,787	3,159,451	2,396,513	2,567,539	2,560,650	2,485,871	2,456,655	2,776,497	2,998,619	31,837,641
15	COMMERCIAL LOAD MANAGEMENT	60,086	59,372	607,315	40,808	(465,005)	36,321	69,474	68,515	59,247	51,049	69,362	47,877	704,421
16	CONSERVATION PROGRAM ADMIN	414,673	433,347	205,055	(568,788)	211,145	451,390	557,679	110,513	273,687	194,310	264,838	437,094	2,984,943
17	TOTAL ALL PROGRAMS	5,467,043	5,104,981	6,116,611	3,901,806	5,424,195	4,616,172	5,505,176	5,170,237	4,964,609	4,896,563	5,313,240	6,646,520	63,127,153
18														
19	LESS. BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
20														
21	NET RECOVERABLE (CT-3,PAGE 2)	5,467,043	5,104,981	6,116,611	3,901,806	5,424,195	4,616,172	5,505,176	5,170,237	4,964,609	4,896,563	5,313,240	6,646,520	63,127,153

* GROSS EXPENDITURES ONLY AUDIT PROGRAM REVENUES ARE ACCOUNTED FOR IN CALCULATION OF TRUE-UP SCHEDULE CT-3, PAGE 2 OF 3

PROGRESS ENERGY FLORIDA
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO	JAN 02	FEB 02	MAR 02	APR 02	MAY 02	JUN 02	JUL 02	AUG 02	SEP 02	OCT 02	NOV 02	DEC 02	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	90	75	90	90	150	110	120	150	0	320	2,930	4,125
1C HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D SUBTOTAL - FEES	0	90	75	90	90	150	110	120	150	0	320	2,930	4,125
2 CONSERVATION CLAUSE REVENUES	5,280,289	4,346,171	4,468,271	4,592,297	5,855,509	5,514,133	6,092,227	6,124,452	6,334,878	5,856,489	5,526,359	4,984,790	64,975,865
2A CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	5,280,289	4,346,261	4,468,346	4,592,387	5,855,599	5,514,283	6,092,337	6,124,572	6,335,028	5,856,489	5,526,679	4,987,720	64,979,990
4 PRIOR PERIOD TRUE-UP OVER/(UNDER)	6,787,137	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,592	6,787,137
5 CONSERVATION REVENUES APPLICABLE TO PERIOD*	5,845,884	4,911,856	5,033,941	5,157,982	6,421,194	6,079,878	6,657,932	6,690,167	6,900,623	6,422,084	6,092,274	5,553,312	71,767,127
6 CONSERVATION EXPENSES (CT-3,PAGE 1, LINE 73)	5,467,043	5,104,981	6,116,611	3,901,806	5,424,195	4,616,172	5,505,176	5,170,237	4,964,609	4,896,563	5,313,240	6,646,520	63,127,153
7 TRUE-UP THIS PERIOD (O)/U	(378,841)	193,125	1,082,670	(1,256,176)	(996,999)	(1,463,706)	(1,152,756)	(1,519,930)	(1,936,014)	(1,525,521)	(779,034)	1,093,208	(8,639,974)
8 CURRENT PERIOD INTEREST	(9,879)	(9,117)	(7,428)	(6,731)	(7,507)	(8,493)	(9,485)	(10,494)	(12,282)	(13,742)	(12,627)	(10,319)	(118,104)
9 ADJUSTMENTS PER AUDIT \ RDC Order	14,748	0	0	0	0	0	0	0	0	0	0	0	14,748
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(6,787,137)	(6,595,514)	(5,845,911)	(4,205,074)	(4,902,386)	(5,341,297)	(6,247,901)	(6,844,547)	(7,809,376)	(9,192,077)	(10,165,745)	(10,391,811)	(6,787,137)
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ (COLLECTED)	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,595	565,592	6,787,137
12 END OF PERIOD NET TRUE-UP	(6,595,514)	(5,845,911)	(4,205,074)	(4,902,386)	(5,341,297)	(5,247,901)	(6,844,547)	(7,809,376)	(9,192,077)	(10,165,745)	(10,391,811)	(8,743,330)	(8,743,330)

PROGRESS ENERGY FLORIDA
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO	JAN 02	FEB 02	MAR 02	APR 02	MAY 02	JUN 02	JUL 02	AUG 02	SEP 02	OCT 02	NOV 02	DEC 02	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10)	(6,772,389)	(6,595,514)	(5,845,911)	(4,205,074)	(4,902,386)	(5,341,297)	(6,247,901)	(6,844,547)	(7,809,376)	(9,192,077)	(10,165,745)	(10,391,811)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(6,585,635)	(5,836,794)	(4,197,646)	(4,895,655)	(5,333,790)	(6,239,408)	(6,835,062)	(7,798,882)	(9,179,795)	(10,152,003)	(10,379,184)	(8,733,011)	
3 TOTAL BEGINNING & ENDING TRUE-UP	(13,358,024)	(12,432,308)	(10,043,557)	(9,100,729)	(10,236,176)	(11,580,705)	(13,082,963)	(14,643,429)	(16,989,171)	(19,344,080)	(20,544,929)	(19,124,822)	
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(6,679,012)	(6,216,154)	(5,021,779)	(4,550,365)	(5,118,088)	(5,790,353)	(6,541,482)	(7,321,715)	(8,494,586)	(9,672,040)	(10,272,465)	(9,562,411)	
5 INTEREST RATE, FIRST DAY REPORTING BUSINESS MONTH	1.78%	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	
6 INTEREST RATE, FIRST DAY SUBSEQUENT BUSINESS MONTH	1.77%	1.75%	1.80%	1.75%	1.77%	1.75%	1.73%	1.71%	1.76%	1.65%	1.30%	1.29%	
7 TOTAL (LINE 5 AND LINE 6)	3.55%	3.52%	3.55%	3.55%	3.52%	3.52%	3.48%	3.44%	3.47%	3.41%	2.95%	2.59%	
8 AVERAGE INTEREST RATE (50% OF LINE 7)	1.775%	1.760%	1.775%	1.775%	1.760%	1.760%	1.740%	1.720%	1.735%	1.705%	1.475%	1.295%	
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	(9,879)	(9,117)	(7,428)	(6,731)	(7,507)	(8,493)	(9,485)	(10,494)	(12,282)	(13,742)	(12,627)	(10,319)	(118,104)

PROGRESS ENERGY FLORIDA

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO	BEGINNING BALANCE	JAN 02	FEB 02	MAR 02	APR 02	MAY 02	JUN 02	JUL 02	AUG 02	SEP 02	OCT 02	NOV 02	DEC 02	TOTAL
1	QUALIFYING FACILITY													
2		0	0	0	0	0	0	0	0	0	0	0	0	0
3		0	687	0	0	0	0	0	0	0	0	0	0	687
4		5,697	5,354	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	
5														
6		95	89	84	84	84	84	39	0	0	0	0	0	559
7														
8		5,697	5,697	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010
9		5,138	5,233	4,635	4,719	4,803	4,887	4,971	5,010	5,010	5,010	5,010	5,010	5,010
10		559	464	375	291	207	123	39	0	0	0	0	0	0
11			512	420	333	249	165	81	20	0	0	0	0	0
12			3	3	2	2	1	0	0	0	0	0	0	11
13														
14			4	4	3	3	2	0	0	0	0	0	0	16
15														
16			99	93	87	87	86	84	39	0	0	0	0	575
17														
34														
35	LOAD MANAGEMENT ASSETS													
36			0	0	0	0	0	0	0	0	0	0	0	0
37			0	0	0	0	0	0	0	0	27,295	0	0	27,295
38			508,036	508,036	508,036	508,036	508,036	508,036	508,036	508,036	494,389	480,741	480,741	
39														
40			8,467	8,467	8,467	8,467	8,467	8,467	8,467	8,467	8,240	8,012	8,012	100,467
41														
42			508,036	508,036	508,036	508,036	508,036	508,036	508,036	508,036	480,741	480,741	480,741	480,741
43			80,944	89,411	97,878	106,345	114,812	123,279	131,746	140,213	148,680	157,147	165,604	154,116
44			427,092	418,625	410,158	401,691	393,224	384,757	376,290	367,823	359,356	350,889	342,649	326,625
45				422,859	414,392	405,925	397,458	388,991	380,524	372,057	363,590	355,123	346,769	338,643
46				2,949	2,890	2,831	2,772	2,714	2,655	2,595	2,536	2,477	2,419	2,362
47														31,506
48				4,082	4,000	3,919	3,837	3,756	3,675	3,592	3,510	3,428	3,348	3,269
49														43,608
50			12,549	12,467	12,386	12,304	12,223	12,142	12,059	11,977	11,895	11,811	11,728	114,075

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-E1). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

PROGRESS ENERGY FLORIDA

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002

LINE NO	BEGINNING BALANCE	JAN 02	FEB 02	MAR 02	APR 02	MAY 02	JUN 02	JUL 02	AUG 02	SEP 02	OCT 02	NOV 02	DEC 02	TOTAL
1	HOME ENERGY CHECK													
2		0	0	0	0	0	0	0	0	0	0	0	0	0
3			0	0	0	0	0	0	0	0	0	0	0	0
4		2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	
5		<hr/>												
6		41	41	41	41	41	41	41	41	41	41	41	41	492
7		<hr/>												
8	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435
9		93	134	175	216	257	298	339	380	421	462	503	544	544
10	2,938	2,342	2,301	2,260	2,219	2,178	2,137	2,096	2,055	2,014	1,973	1,932	1,891	1,891
11		2,640	2,322	2,281	2,240	2,199	2,158	2,117	2,076	2,035	1,994	1,953	1,912	
12		18	16	16	16	15	15	15	15	15	14	13	13	181
13		<hr/>												
14		25	22	22	22	21	21	21	21	21	20	18	18	252
15		<hr/>												
16		66	63	63	63	62	62	62	62	62	61	59	59	744
17		<hr/>												
18	CONSERV. PROGRAM ADMIN													
19		0	0	0	0	0	0	0	0	0	0	0	0	0
20		0	0	0	0	0	0	0	0	0	671	0	0	671
21		63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	62,672	62,336	62,336	
22		<hr/>												
23		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,045	1,039	1,039	12,573
24		<hr/>												
25	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	62,336	62,336	62,336	62,336
26	49,200	50,250	51,300	52,350	53,400	54,450	55,500	56,550	57,600	58,650	59,024	60,063	61,102	61,102
27	13,807	12,757	11,707	10,657	9,607	8,557	7,507	6,457	5,407	4,357	3,312	2,273	1,234	1,234
28		13,282	12,232	11,182	10,132	9,082	8,032	6,982	5,932	4,882	3,835	2,793	1,754	
29		93	85	78	70	64	56	49	41	34	26	20	12	628
30		<hr/>												
31		129	118	108	97	88	77	68	57	47	36	28	16	869
32		<hr/>												
33		1,179	1,168	1,158	1,147	1,138	1,127	1,118	1,107	1,097	1,081	1,067	1,055	13,442
34		<hr/>												
35	LOAD MANAGEMENT SWITCHES													
36		41,549	18,296	17,149	13,764	16,900	12,908	23,799	22,713	19,118	44,781	54,021	70,621	355,620
37		152,553	131,867	88,044	455,964	398,994	415,656	371,948	97,663	95,824	404,360	133,578	439,366	3,185,817
38		6,701,574	6,589,287	6,497,054	6,240,506	5,828,359	5,435,938	5,060,490	4,848,940	4,773,112	4,554,970	4,335,402	4,111,251	
39		<hr/>												
40		111,893	109,822	108,284	104,009	97,140	90,599	84,342	80,816	79,552	75,916	72,257	68,521	1,082,951
41		<hr/>												
42	6,757,076	6,646,072	6,532,501	6,461,606	6,019,406	5,637,312	5,234,564	4,886,415	4,811,466	4,734,759	4,375,180	4,295,624	3,926,879	3,926,879
43	4,511,952	4,471,092	4,449,047	4,469,287	4,117,332	3,815,478	3,490,421	3,202,815	3,185,968	3,169,696	2,841,252	2,779,931	2,409,086	2,409,086
44	2,245,124	2,174,980	2,083,454	1,992,319	1,902,074	1,821,834	1,744,143	1,683,600	1,625,498	1,565,063	1,533,928	1,515,693	1,517,793	1,517,793
45		2,210,052	2,129,217	2,037,887	1,947,197	1,861,954	1,782,989	1,713,872	1,654,549	1,595,280	1,549,496	1,524,811	1,516,743	
46		15,415	14,852	14,214	13,582	12,987	12,436	11,955	11,540	11,127	10,807	10,636	10,579	150,130
47		<hr/>												
48		21,337	20,557	19,674	18,799	17,976	17,213	16,548	15,973	15,402	14,959	14,722	14,643	207,803
49		<hr/>												
50		133,030	130,379	127,958	122,808	115,116	107,812	100,890	96,789	94,954	90,975	86,979	83,164	1,290,754

NOTE DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO 910890-EI) RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

Program Description and Progress

Program Title: Home Energy Check

Program Description: The Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides PEF residential customers with an analysis of energy consumption and recommendations on energy efficiency improvements. It acts as a motivational tool to identify, evaluate, and inform consumers on cost-effective energy saving measures. The Program serves as the foundation of the residential Home Energy Improvement program and is a program requirement for participation. There are six types of this audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (Energy Gauge), the mail-in audit, an internet option and a phone assisted audit

Program Accomplishments for January, 2002 through December, 2002: There were 29,920 customers that participated in this program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$3,018,580

Program Progress Summary: The Home Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements that result in implementation of energy efficiency measures.

Program Description and Progress

Program Title: Home Energy Improvement

Program Description: This umbrella efficiency program provides existing residential customers incentives for energy efficient heating, air conditioning, water heating, ceiling insulation upgrade and duct leakage repair.

Program Accomplishments January, 2002 through December, 2002: There were 20,687 customers that participated in this program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$3,175,046.

Program Progress Summary: Completions met projections in 2002.

Program Description and Progress

Program Title: Residential New Construction

Program Description: This program is designed to encourage builders to construct more energy efficient homes by choosing from a menu of energy saving measures such as duct sealing, duct layout, attic insulation, high efficiency heat pump, heat recovery water heating or dedicated heat pump. This is also an educational program that strives to teach builders, Realtors, HVAC dealers, and homebuyers the importance of energy efficiency. Incentives are awarded to the builder based on the level of efficiency they choose.

Program Accomplishments January, 2002 through December, 2002: There were 13,322 measures implemented in the program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$\$1,114,288

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of homes built. Participation has increased each year since program inception.

Program Description and Progress

Program Title: Low-Income Weatherization Assistance Program

Program Description: The program goal is to integrate PEF's DSM program measures with the Department of Community Affairs (DCA) and local weatherization providers to deliver energy efficiency measures to low-income families. Through this partnership, PEF assists local weatherization agencies by providing energy education materials and financial incentives to weatherize the homes of low-income families.

Program Accomplishments January, 2002 through December, 2002: There were 143 families that participated in the program in 2002.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$68,890.

Program Progress Summary. Projections were met in the Weatherization Program in 2002.

Program Description and Progress

Program Title: Energy Management (Residential & Commercial)

Program Description: The Energy Management Program (sometimes referred to as the Load Management Program) incorporates direct radio control of selected customer equipment to reduce system demand during peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage. As of April 1, 2001 customers entering the program receive credits for interruption of central electric heating systems and electric water heaters November through March.

Program Accomplishments for January, 2002 through December, 2002: During this period we added 5,765 customers to the program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Program expenditures during this period were. \$32,542,062

Program Progress Summary: As of December 31, 2002 there were 427,519 customers participating in the Energy Management Program.

Program Description and Progress

Program Title: Business Energy Check

Program Description: The Business Energy Check is an audit for non-residential customers, and has three options. The free audit provides a no-cost energy audit for non-residential facilities. The paid audit provides a more thorough energy analysis for non-residential facilities. For each, a qualified energy auditor determines which energy-reducing actions apply to a customer's facility and operation. An internet option is an interactive web audit for small/medium business facilities. The cost of implementing recommended measures and the resulting savings are estimated in writing based on industry averages. The auditor also explains other PEF programs and incentives available to encourage implementation of the conservation recommendations.

Program Accomplishments January, 2002 through December, 2002: There were 1478 customers that participated in this program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$451,853.

Program Progress Summary: The program is required for participation in most of the Company's other DSM incentive programs.

Program Description and Progress

Program Title: Better Business

Program Description: This umbrella efficiency program provides incentives to existing commercial and industrial customers for heating, air conditioning, motors, water heating, roof insulation upgrade, duct leakage and repair, and window film.

Program Accomplishments January, 2002 through December, 2002: There were 172 customers that participated in the program.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$164,177.

Program Progress Summary: There were 172 Better Business program completions in 2002.

Program Description and Progress

Program Title: Commercial/Industrial New Construction

Program Description: This umbrella efficiency program provides incentives for the design and construction of energy efficient commercial and industrial facilities. Incentives are provided for energy efficient heating, air conditioning, motors, water heating, window film, insulation and leak free ducts.

Program Accomplishments January, 2002 through December, 2002: There were 2 participants during this period.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$80,983

Program Progress Summary: There were 2 Commercial/Industrial New Construction program completions in 2002.

Program Description and Progress

Program Title: Innovation Incentive

Program Description: Significant conservation efforts that are not supported by other PEF programs can be encouraged through Innovation Incentive. Major equipment replacement or other actions that substantially reduce PEF peak demand requirements are evaluated to determine their impact on PEF's system. If cost effective, these actions may qualify for an economic incentive in order to shorten the "payback" time of the project.

Program Accomplishments January, 2002 through December, 2002: There were no participants during this period.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$1600

Program Progress Summary: This program continues to target specialized, customer specific energy efficiency measures not covered through the Company's other DSM programs.

Program Description and Progress

Program Title: Standby Generation

Program Description: Progress Energy Florida, Inc. provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Accomplishments January, 2002 through December, 2002: There were 8 new customers added to the program during this period.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$691,491

Program Progress Summary: The program met projections in 2002.

Program Description and Progress

Program Title: Interruptible Service Program

Program Description: The Interruptible Service program is a rate tariff which allows Florida Power to switch off electrical service to customers during times of capacity shortages. The signal to operate the automatic switch on the customer's service is activated by the Energy Control Center. In return for this, the customers receive a monthly rebate on their kW demand charge.

Program Accomplishments January, 2002 through December, 2002: There were 3 new participants added to the program under the IS-2 tariff during this period.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$ \$17,539,993

Program Progress Summary: The original program filed as the IS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. The 3 new participants in 2002 were placed on the newer IS-2 tariff.

Program Description and Progress

Program Title: Curtailable Service Program

Program Description: The Curtailable Service is a dispatchable DSM program in which customers contract to curtail or shut down a portion of their load during times of capacity shortages. The curtailment is done voluntarily by the customer when notified by PEF. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

Program Accomplishments January, 2002 through December, 2002: One new participant was added during the period.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$643,772

Program Progress Summary: To date the program has 9 participants. The original program filed as the CS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the newer CS-2 tariff.

Program Description and Progress

Program Title: Technology Development

Program Description: This program allows Progress Energy Florida, Inc. to undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs.

Program Accomplishments January, 2002 through December, 2002: Summary of the residential monitoring and field evaluation of the HVAC proper airflow and refrigerant charge was completed. Also completed in 2002 was the summary report on dual compressor heat pumps. Monitoring of six photovoltaic systems on manufactured homes that were installed in 2001 continued

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$ \$136,848.

Program Progress Summary: The results from the proper refrigerant charging and airflow and the dual compressor heat pumps projects have been documented in a final report. The energy/demand impacts from the manufactured housing project were analyzed and presented to the full commission on August 28th 2002. We will continue to monitor the photovoltaic production to evaluate long term potential of this technology.

Program Description and Progress

Program Title: Qualifying Facilities

Program Description: Power is purchased from qualifying cogeneration and small power production facilities.

Program Accomplishments for January, 2002 through December, 2002: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2002 through December, 2002: Expenses for this program were \$508,502

Program Progress Summary: The total MW of qualifying facility capacity is approximately 830 MW, excluding the Tiger Bay capacity that is now owned by PEF. As approved in Order No. PSC-97-0652-S-EQ Order Approving Stipulation and Supplemental Stipulation, the Tiger Bay QF payments will continue to be recovered as if the contracts are still in place.