

**PROGRESS ENERGY FLORIDA**  
**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE**  
**ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005**

	<u>DOLLARS</u>	<u>MWH</u>	<u>CENTS/KWH</u>
1. Fuel Cost of System Net Generation	1,429,852,257	39,262,465	3.64178
2. Spent Nuclear Fuel Disposal Cost	5,730,430	6,128,802 *	0.09350
3. Coal Car Investment	0	0	0.00000
4. Adjustment to Fuel Cost	<u>39,438,402</u>	<u>0</u>	<u>0.00000</u>
5. TOTAL COST OF GENERATED POWER	1,475,021,089	39,262,465	3.75682
6. Energy Cost of Purchased Power (Excl. Econ & Cogens) (E7)	93,895,836	4,196,258	2.23761
7. Energy Cost of Sch. C,X Economy Purchases (Broker) (E9)	0	0	0.00000
8. Energy Cost of Economy Purchases (Non-Broker) (E9)	23,678,334	471,160	5.02554
9. Energy Cost of Schedule E Economy Purchases (E9)	0	0	0.00000
10. Capacity Cost of Economy Purchases (E9)	0	0 *	0.00000
11. Payments to Qualifying Facilities (E8)	<u>120,730,408</u>	<u>4,728,731</u>	<u>2.55312</u>
12. TOTAL COST OF PURCHASED POWER	238,304,578	9,396,149	2.53619
13. TOTAL AVAILABLE KWH		48,658,614	
14. Fuel Cost of Economy Sales (E6)	0	0	0.00000
14a. Gain on Economy Sales - 80% (E6)	0	0 *	0.00000
15. Fuel Cost of Other Power Sales (E6)	(52,847,025)	(1,157,150)	4.56700
15a. Gain on Other Power Sales (E6)	(6,891,443)	(1,157,150) *	0.59555
16. Fuel Cost of Unit Power Sales (E6)	0	0	0.00000
16a. Gain on Unit Power Sales (E6)	0	0	0.00000
17. Fuel Cost of Stratified Sales (E6)	<u>(81,110,043)</u>	<u>(2,243,088)</u>	<u>3.61600</u>
18. TOTAL FUEL COST AND GAINS ON POWER SALES	(140,848,511)	(3,400,238)	4.14231
19. Net Inadvertent Interchange		0	
20. TOTAL FUEL AND NET POWER TRANSACTIONS	1,572,477,156	45,258,376	3.47444
21. Net Unbilled	(1,215,079)	34,972	(0.00290)
22. Company Use	5,003,200	(144,000)	0.01180
23. T & D Losses	91,566,726	(2,635,435)	0.21538
24. Adjusted System KWH Sales	1,572,477,156	42,513,913	3.69872
25. Wholesale KWH Sales (Excluding Supplemental Sales)	(81,810,023)	(2,221,216)	3.68312
26. Jurisdictional KWH Sales	1,490,667,133	40,292,697	3.69960
27. Jurisdictional KWH Sales Adjusted for Line Losses x 1.0038	1,496,331,668	40,292,697	3.71365
28. Prior Period True-Up (Sch E1-A)	84,589,752	40,292,697	0.20994
29. Total Jurisdictional Fuel Cost	1,580,921,420	40,292,697	3.92359
30. Revenue Tax Factor			1.00072
31. Fuel Cost Adjusted for Taxes	1,582,059,683	40,292,697	3.92641
32. GPIF	2,139,695	40,292,697	0.00531
33. Fuel Factor Adjusted for taxes including GPIF	1,584,199,378	40,292,697	3.93173
34. Total Fuel Cost Factor (rounded to the nearest .001 cents/ KWH)			3.932

\* For Informational Purposes Only

**PROGRESS ENERGY FLORIDA  
CALCULATION OF TOTAL TRUE-UP  
(PROJECTED PERIOD)**

**ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005**

1. ACTUAL OVER/(UNDER) RECOVERY JANUARY - DECEMBER 2003 (Schedule E1-B, Line 19 - Dec '04 )	\$ (211,227,688)
2. PROJECTED DECEMBER 2003 UNDER RECOVERY COLLECTED THROUGH DECEMBER 2004 (Schedule E1-B, Line 20 - Dec '04 )	210,426,260
3. ESTIMATED OVER/(UNDER) RECOVERY JANUARY - DECEMBER 2004 (Schedule E1-B, Line 18 - Dec '04)	<u>(162,945,594)</u>
4. TOTAL OVER/(UNDER) RECOVERY (Lines 1 through 3)	\$ (163,747,022)
5. AMOUNT OF TOTAL OVER/(UNDER) RECOVERY DEFERRED TO 2006 (Direct Testimony - Javier Portuondo)	<u>79,157,270</u>
6. TOTAL OVER/(UNDER) RECOVERY APPLICABLE TO 2005 (Lines 4 through 5)	\$ (84,589,752)
6. JURISDICTIONAL MWH SALES (Projected Period)	40,292,697 Mwh
7. TRUE-UP FACTOR (Line 4 / Line 5 / 10)	0.20994 Cents/kwh

PROGRESS ENERGY FLORIDA  
CALCULATION OF ESTIMATED TRUE-UP  
2004 REPROJECTION (Filed 8/04)

DESCRIPTION	ACTUAL Jan-04	ACTUAL Feb-04	ACTUAL Mar-04	ACTUAL Apr-04	ACTUAL May-04	ACTUAL Jun-04	ACTUAL Jul-04	ESTIMATED Aug-04	ESTIMATED Sep-04	ESTIMATED Oct-04	ESTIMATED Nov-04	ESTIMATED Dec-04	TOTAL PERIOD
<b>REVENUE</b>													
1 Jurisdictional MWH Sales	3,057,664	2,669,386	2,749,583	2,644,923	2,946,846	3,856,601	3,830,002	3,843,521	3,873,762	3,512,511	3,026,176	2,953,693	38,764,669
2 Jurisdictional Fuel Factor (Pre-Tax)	3,411	3,421	3,422	3,426	3,441	3,440	3,439	3,450	3,450	3,450	3,450	3,450	3,450
3 Total Jurisdictional Fuel Revenue	104,291,788	91,320,638	94,103,528	90,618,177	101,414,235	125,790,175	131,731,690	132,605,933	133,649,283	121,185,704	104,406,582	101,905,835	1,333,023,567
4 Less: True-Up Provision	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,522)	(17,535,518)	(210,426,260)
5 Less: GPIF Provision	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,769)	(231,764)	(2,781,223)
6 Less: Other	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Net Fuel Revenue	86,524,497	73,553,347	76,336,237	72,850,886	83,646,944	108,022,884	113,964,399	114,838,642	115,881,992	103,418,413	86,639,291	84,138,553	1,119,816,084
<b>FUEL EXPENSE</b>													
8 Total Cost of Generated Power	79,180,754	71,195,503	70,085,820	70,773,824	104,436,588	130,862,260	133,525,701	148,254,725	142,638,402	110,343,065	83,781,501	84,611,270	1,229,687,412
9 Total Cost of Purchased Power	17,287,497	17,007,856	17,729,137	17,425,962	20,067,587	26,545,410	25,735,570	18,877,684	18,017,474	17,083,788	15,947,144	17,070,421	228,775,529
10 Total Cost of Interchange Sales	(8,130,039)	(5,522,122)	(5,445,455)	(5,288,773)	(3,127,555)	(916,787)	(593,278)	(2,781,600)	(3,415,824)	(3,034,698)	(3,912,892)	(4,177,615)	(46,346,637)
11 Total Cost of Stratified Sales	(4,959,124)	(4,779,011)	(7,144,401)	(5,827,641)	(5,529,282)	(6,662,662)	(8,494,696)	(8,145,147)	(8,262,591)	(7,882,382)	(6,564,448)	(5,796,659)	(80,048,243)
12 Total Fuel and Net Power	83,359,088	77,902,225	75,225,100	77,063,373	115,847,339	149,828,221	150,173,297	156,205,662	148,975,461	116,509,773	89,251,306	91,707,217	1,332,068,061
13 Jurisdictional Percentage	97.91%	97.44%	97.72%	97.45%	97.68%	95.51%	94.77%	95.03%	94.86%	94.68%	94.18%	94.76%	95.77%
14 Jurisdictional Loss Multiplier	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038	1.0038
15 Jurisdictional Fuel Cost	81,926,211	76,192,583	73,785,630	75,399,438	113,584,029	143,637,563	142,852,930	148,998,899	141,848,085	110,725,121	84,372,084	87,248,051	1,280,568,614
<b>COST RECOVERY</b>													
16 Net Fuel Revenue Less Expense	4,596,286	(2,639,236)	2,550,607	(2,548,552)	(29,837,085)	(35,614,678)	(28,888,532)	(34,160,257)	(25,966,073)	(7,306,708)	2,267,198	(3,107,498)	(180,752,529)
17 Interest Provision	(174,140)	(152,729)	(134,875)	(123,547)	(125,483)	(159,664)	(206,098)	(222,706)	(237,624)	(236,850)	(219,559)	(199,791)	(2,193,065)
18 Current Cycle Balance	4,424,146	1,632,181	4,047,913	1,375,814	(28,686,754)	(64,461,096)	(93,555,726)	(127,938,689)	(154,142,386)	(161,685,945)	(159,638,306)	(162,845,594)	(1,628,445,594)
19 Plus: Prior Period True-Up Balance	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(211,227,688)	(2,112,276,888)
20 Plus: Cumulative True-Up Provision	17,535,522	35,071,044	52,606,566	70,142,088	87,677,610	105,213,132	122,748,654	140,284,176	157,819,698	175,355,220	192,890,742	210,426,260	(2,112,276,888)
21 Total Retail Balance	(189,268,020)	(174,524,463)	(154,573,209)	(139,709,786)	(152,236,832)	(170,475,652)	(182,034,760)	(198,882,201)	(207,550,376)	(197,558,412)	(177,975,251)	(163,747,022)	(1,637,447,022)

(1) Interest for the August through December 2004 period calculated at the July 2004 monthly rate of .117%

**PROGRESS ENERGY FLORIDA  
CALCULATION OF GENERATING PERFORMANCE INCENTIVE  
AND TRUE-UP ADJUSTMENT FACTORS  
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005**

1. TOTAL AMOUNT OF ADJUSTMENTS:

A. Generating Performance Incentive Reward / (Penalty)	\$	2,139,695
B. True-Up (Over) / Under Recovery	\$	84,589,752

2. JURISDICTIONAL MWH SALES 40,292,697 Mwh

3. ADJUSTMENT FACTORS:

A. Generating Performance Incentive Factor	0.00531	Cents/kwh
B. True-Up Factor	0.20994	Cents/kwh

**PROGRESS ENERGY FLORIDA  
CALCULATION OF LEVELIZED FUEL ADJUSTMENT FACTORS  
(PROJECTED PERIOD)  
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005**

1. Period Jurisdictional Fuel Cost (E1, line 27)	\$ 1,496,331,668
2. Prior Period True-Up (E1, line 28)	84,589,752
3. Other Adjustments	0
4. Regulatory Assessment Fee (E1, line 30)	1,138,263
5. Generating Performance Incentive Factor (GPIF) (E1, line 32)	<u>2,139,695</u>
6. Total Jurisdictional Fuel Cost (E1, line 33)	\$ 1,584,199,378
7. Jurisdictional Sales (E1, line 26)	40,292,697 Mwh
8. Jurisdictional Cost per Kwh Sold (Line 6 / Line 7 / 10)	3.932 Cents/kwh
9. Effective Jurisdictional Sales (See Below)	40,232,285 Mwh

**LEVELIZED FUEL FACTORS:**

10. Fuel Factor at Secondary Metering (Line 6 / Line 9 / 10)	<b>3.938</b> Cents/kwh
11. Fuel Factor at Primary Metering (Line 10 * 99%)	<b>3.899</b> Cents/kwh
12. Fuel Factor at Transmission Metering (Line 10 * 98%)	<b>3.859</b> Cents/kwh

<u>METERING VOLTAGE:</u>	<u>JURISDICTIONAL SALES (MWH)</u>	
	<u>METER</u>	<u>SECONDARY</u>
Distribution Secondary	34,788,122	34,788,122
Distribution Primary	4,967,861	4,918,183
Transmission	536,714	525,980
<b>Total</b>	<b><u>40,292,697</u></b>	<b><u>40,232,285</u></b>

**PROGRESS ENERGY FLORIDA  
CALCULATION OF FINAL FUEL COST FACTORS  
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005**

Line:	Metering Voltage	(1)	(2)	(3)
		Levelized Factors Cents/kWh	On-Peak Multiplier	Off-Peak Multiplier
1.	Distribution Secondary	3.938	5.072	3.454
2.	Distribution Primary	3.899	5.022	3.419
3.	Transmission	3.859	4.970	3.384
4.	Lighting Service	3.756	--	--

Line 4 Calculated as secondary rate 3.938 \* (18.7% \* On-Peak Multiplier 1.288 + 81.3% \* Off-Peak Multiplier 0.877).

**DEVELOPMENT OF TIME OF USE MULTIPLIERS**

**ON-PEAK PERIOD**

Mo/Yr	System MWH Requirements		Average Marginal Cost (¢/kWh)		System MWH Requirements		Average Marginal Cost (¢/kWh)	
	Requirements	Cost	Requirements	Cost	Requirements	Cost	Requirements	Cost
Jan-05	934,416	56,926,599	2,793,554	128,584,401	3,727,970	185,511,000	4,603	4.976
Feb-05	904,948	58,358,558	2,449,462	110,966,431	3,354,410	169,324,990	4.530	5.048
Mar-05	929,664	55,002,581	2,664,951	143,796,494	3,594,615	198,799,075	5.396	5.530
Apr-05	1,094,814	71,425,578	2,379,607	101,637,065	3,474,421	173,062,643	4.271	4.981
May-05	1,397,202	108,462,240	2,796,698	125,744,189	4,193,900	234,206,429	4.496	5.584
Jun-05	1,493,751	132,792,979	2,863,722	152,816,576	4,377,473	285,609,555	5.299	6.525
Jul-05	1,462,793	137,638,152	3,273,062	203,983,146	4,735,855	341,621,299	6.232	7.214
Aug-05	1,621,966	160,971,691	3,152,051	192,704,065	4,774,017	353,675,757	6.114	7.408
Sep-05	1,438,032	125,185,871	2,917,874	167,026,010	4,355,906	292,211,881	5.724	6.708
Oct-05	1,207,943	89,233,739	2,694,841	129,633,130	3,902,784	218,866,869	4.810	5.608
Nov-05	860,288	50,255,273	2,512,158	148,223,624	3,372,446	198,478,897	5.900	5.885
Dec-05	897,852	43,745,890	2,748,271	128,911,233	3,646,123	172,657,124	4.691	4.735
TOTAL	14,243,670	1,089,999,152	33,266,253	1,734,026,366	47,509,922	2,824,025,518	5.213	5.944

MARGINAL FUEL COST WEIGHTING MULTIPLIER

ON-PEAK  
1.288

OFF-PEAK  
0.877

AVERAGE  
1.000

**PROGRESS ENERGY FLORIDA**  
**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE**  
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005

DESCRIPTION	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
1 Fuel Cost of System Net Generation	\$106,882,208	\$82,408,911	\$102,219,446	\$91,214,749	\$123,764,021	\$139,215,805	\$158,456,702	\$164,591,612	\$137,966,574	\$115,380,640	\$103,732,170	\$84,017,418	\$1,429,852,257
1a Nuclear Fuel Disposal Cost	532,630	480,990	532,630	515,663	521,829	505,206	521,829	521,829	505,206	353,427	206,560	532,630	5,730,430
1b Adjustments to Fuel Cost	3,162,195	3,130,656	3,109,251	3,085,251	3,100,881	3,128,661	3,183,983	3,177,095	3,169,814	4,903,733	3,145,743	3,141,739	39,438,402
2 Fuel Cost of Power Sold	(6,384,132)	(7,208,139)	(7,295,975)	(5,256,567)	(2,747,860)	(2,074,073)	(3,256,300)	(3,153,785)	(3,694,896)	(2,882,685)	(3,911,954)	(4,980,660)	(52,847,025)
2a Fuel Cost of Stratified Sales	(6,138,829)	(7,246,044)	(7,690,922)	(8,574,647)	(7,703,859)	(7,589,593)	(6,776,525)	(6,863,298)	(6,680,042)	(6,100,390)	(5,176,210)	(4,589,742)	(61,110,043)
2b Gains on Power Sales	(661,556)	(850,581)	(942,575)	(699,578)	(372,956)	(332,295)	(521,120)	(500,670)	(617,100)	(386,603)	(486,150)	(520,260)	(6,891,443)
3 Energy Cost of Purchased Power	8,263,509	6,985,646	5,999,972	5,488,719	5,647,851	9,195,588	10,954,044	10,945,666	8,870,620	7,761,943	7,392,788	6,189,480	93,895,836
3a Capacity Cost of Economy Purchases													
3b Payments to Qualifying Facilities	11,416,711	10,011,221	10,139,532	9,160,790	9,944,701	9,904,025	10,570,411	10,502,564	9,661,115	9,480,558	9,855,160	10,083,620	120,730,408
4 Energy Cost of Economy Purchases	1,035,892	469,340	910,472	1,230,296	2,979,969	2,952,741	3,947,869	3,419,463	3,218,679	1,993,253	908,120	612,240	23,678,334
5 Total Fuel & Net Power Transactions	\$118,108,628	\$98,182,000	\$106,981,631	\$96,164,677	\$135,334,577	\$154,906,074	\$177,080,293	\$182,640,476	\$152,401,969	\$130,503,937	\$115,666,227	\$104,506,465	\$1,572,477,156
6 Adjusted System Sales	MWH	3,254,372	3,115,752	3,039,122	3,092,620	3,217,807	3,810,651	4,151,123	4,224,387	3,827,028	3,303,839	3,224,531	42,513,913
7 System Cost per KWH Sold	c/kwh	3,6292	3,1512	3,5201	3,1095	4,2058	4,0651	4,2658	3,6076	3,4100	3,5010	3,2410	3,6987
7a Jurisdictional Loss Multiplier	x	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038	1,0038
7b Jurisdictional Cost per KWH Sold	c/kwh	3,6430	3,1631	3,5335	3,1213	4,2218	4,0805	4,2821	3,6214	3,4230	3,5143	3,2533	3,7137
8 Prior Period True-Up	c/kwh	0,2288	0,2382	0,2456	0,2413	0,2319	0,1947	0,1782	0,1757	0,1945	0,2269	0,2311	0,2099
9 Total Jurisdictional Fuel Expense	c/kwh	3,8718	3,4014	3,7791	3,3626	4,4536	4,2752	4,4602	3,7971	3,6176	3,7411	3,4844	3,9236
10 Revenue Tax Multiplier	x	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072	1,00072
11 Fuel Cost Factor Adjusted for Taxes	c/kwh	3,8746	3,4038	3,7819	3,3650	4,4588	4,4634	4,4883	3,7998	3,6202	3,7438	3,4869	3,9264
12 GPIF	c/kwh	0,0058	0,0060	0,0062	0,0061	0,0059	0,0049	0,0045	0,0044	0,0049	0,0057	0,0058	0,0053
13 Total Fuel Cost Factor (rounded .001)	c/kwh	3,880	3,410	3,788	3,371	4,463	4,468	4,493	3,804	3,625	3,750	3,493	3,932

**PROGRESS ENERGY FLORIDA**  
**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE**  
ESTIMATED FOR THE PERIOD OF: JANUARY THROUGH DECEMBER 2005

DESCRIPTION	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Period Average	Prior Residential Bill (a)	Jan-05 vs. Prior
1 Base Rate Revenues (\$)	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	41.18	0.00
2 Fuel Recovery Factor (c/kwh)	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.932	3.453	
3 Fuel Cost Recovery Revenues (\$)	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	39.38	34.58	4.80
4 Capacity Cost Recovery Revenues (\$)	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.77	-0.02
5 Energy Conservation Cost Revenues (\$)	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.74	-0.05
6 Environmental Cost Recovery Revenues (\$)	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	1.27	0.61	0.66
7 Gross Receipt Taxes (\$)	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.23	0.14
8 Total Revenues (\$)	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	94.64	89.11	5.53

(a) Actual Residential Billing for December 2004.



**HINES UNIT 2**  
**SCHEDULE OF SYSTEM DEPRECIATION AND RETURN**  
**FOR THE PERIOD JANUARY 2005 THRU DECEMBER 2005**

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST
<b>1 Hines Unit 2 - Land</b>													
2 Beginning Balance	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196	\$2,206,196
3 Add Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Less Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Ending Balance	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196	2,206,196
<b>6 Hines Unit 2 - Production Plant</b>													
7 Beginning Balance	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941
8 Add Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Less Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Ending Balance	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941
11 Average Balance	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941	238,023,941
12 (rate)	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%	0.308333%
13 Depreciation Expense	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906	733,906
14 Less Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Beginning Balance Depreciation	9,094,003	9,827,909	10,561,815	11,295,721	12,029,627	12,763,533	13,497,439	14,231,345	14,965,251	15,699,157	16,433,063	17,166,969	9,094,003
16 Ending Balance Depreciation	9,827,909	10,561,815	11,295,721	12,029,627	12,763,533	13,497,439	14,231,345	14,965,251	15,699,157	16,433,063	17,166,969	17,900,875	17,900,875
<b>17 Station Equipment</b>													
18 Beginning Balance	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657
19 Add Investment	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Less Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Ending Balance	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657
22 Average Balance	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657	4,902,657
23 (rate)	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%	0.183333%
24 Depreciation Expense	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988	8,988
25 Less Retirements	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Beginning Balance Depreciation	111,374	120,362	129,350	138,338	147,326	156,314	165,302	174,290	183,278	192,266	201,254	210,242	111,374
27 Ending Balance Depreciation	120,362	129,350	138,338	147,326	156,314	165,302	174,290	183,278	192,266	201,254	210,242	219,230	219,230
<b>28 Hines Unit 2 - Total Depreciation</b>													
29 Total Depreciation Expense	742,894	742,894	742,894	742,894	742,894	742,894	742,894	742,894	742,894	742,894	742,894	742,894	8,914,728
30 Total End Balance Depreciation	9,948,271	10,691,165	11,434,059	12,176,953	12,919,847	13,662,741	14,405,635	15,148,529	15,891,423	16,634,317	17,377,211	18,120,105	18,120,105
<b>31 Return:</b>													
32 Beginning Net Investment	235,927,417	235,184,523	234,441,629	233,698,735	232,955,841	232,212,947	231,470,053	230,727,159	229,984,265	229,241,371	228,498,477	227,755,583	227,755,583
33 Ending Net Investment	235,184,523	234,441,629	233,698,735	232,955,841	232,212,947	231,470,053	230,727,159	229,984,265	229,241,371	228,498,477	227,755,583	227,012,689	227,012,689
34 Average Investment	235,555,970	234,813,076	234,070,182	233,327,288	232,584,394	231,841,500	231,098,606	230,355,712	229,612,818	228,869,924	228,127,030	227,384,136	227,384,136
35 Allowed Equity Return (1)	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%	.55083%
36 Equity Component Alter Tax	1,297,513	1,293,421	1,289,329	1,285,237	1,281,145	1,277,053	1,272,960	1,268,868	1,264,776	1,260,684	1,256,592	1,252,500	1,252,500
37 Conversion to Pre-tax	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800	1,62800
38 Equity Component Pre-Tax	2,112,351	2,105,689	2,099,028	2,092,366	2,085,704	2,079,042	2,072,379	2,065,717	2,059,055	2,052,394	2,045,732	2,039,070	2,039,070
39 Allowed Debt Return (1)	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%	.21417%
40 Debt Component	504,490	502,899	501,308	499,717	498,126	496,535	494,944	493,353	491,762	490,171	488,580	486,989	486,989
41 Total Return Requirements (2)	2,616,841	2,608,588	2,600,336	2,592,083	2,583,830	2,575,577	2,567,323	2,559,070	2,550,817	2,542,565	2,534,312	2,526,059	30,857,401

**HINES UNIT 2  
SCHEDULE OF SYSTEM DEPRECIATION AND RETURN  
FOR THE PERIOD JANUARY 2005 THRU DECEMBER 2005**

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	TOTAL
	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	EST	
<b>Net System Benefit/(Cost):</b>													
Total Depreciation & Return	\$3,359,735	\$3,351,482	\$3,343,230	\$3,334,977	\$3,326,724	\$3,318,471	\$3,310,217	\$3,301,964	\$3,293,711	\$3,285,459	\$3,277,206	\$3,268,953	\$39,772,129
Total Fuel Savings	2,723,548	533,549	86,864	739,105	3,585,223	7,944,249	9,811,245	11,281,953	5,288,463	2,438,511	169,902	-	44,602,612
Total Net Benefit/(Cost)	(\$636,187)	(\$2,817,933)	(\$3,256,366)	(\$2,595,872)	\$258,499	\$4,625,778	\$6,501,028	\$7,979,989	\$1,994,752	(\$846,948)	(\$3,107,304)	(\$3,268,953)	\$4,830,483
<b>Net Retail Benefit (Cost):</b>													
Retail Depreciation & Return	\$2,996,817	\$2,975,701	\$2,939,174	\$2,917,103	\$2,932,812	\$2,975,998	\$3,036,972	\$3,028,430	\$3,013,239	\$2,994,644	\$2,961,390	\$2,975,232	\$35,747,512
Retail Fuel Savings	2,429,351	473,725	76,366	646,495	3,160,703	7,124,387	9,001,367	10,347,357	4,838,129	2,222,665	153,529	-	40,474,074
Retail Net Benefit (cost)	(\$567,466)	(\$2,501,976)	(\$2,862,808)	(\$2,270,608)	\$227,891	\$4,148,389	\$5,964,395	\$7,318,927	\$1,824,890	(\$771,979)	(\$2,807,861)	(\$2,975,232)	\$4,726,562
<b>Hines 2 System Savings:</b>													
Hines Unit 2 Displaced Fuel Exp.	\$12,431,661	\$8,899,947	\$13,887,217	\$6,187,990	\$13,586,557	\$19,958,268	\$24,387,244	\$26,237,392	\$18,427,084	\$12,909,132	\$13,935,009	\$6,022,348	\$176,869,839
A9 Purchase Power Fuel Savings	207,198	93,836	182,049	246,020	595,983	590,662	789,919	683,672	613,463	733,336	361,793	311,882	5,409,812
Hines Unit 2 Actual Fuel Exp.	(9,915,311)	(8,460,234)	(13,982,402)	(5,694,905)	(10,597,317)	(12,604,681)	(15,365,918)	(15,639,101)	(13,752,084)	(11,203,956)	(14,126,900)	(6,355,688)	(137,698,497)
Hines 2 Fixed Transport Costs	\$2,723,548	\$533,549	\$86,864	\$739,105	\$3,585,223	\$7,944,249	\$9,811,245	\$11,281,953	\$5,288,463	\$2,438,511	\$169,902	\$0	\$44,602,612
Fuel Savings	3,081,182	2,958,866	2,870,053	2,921,388	3,040,446	3,621,077	3,956,372	4,049,622	4,012,063	3,623,553	3,107,367	3,050,708	40,292,697
Retail Sales	173,190	156,886	169,069	171,232	177,361	189,574	194,751	203,059	212,324	203,475	196,472	173,823	2,221,216
Wholesale Avg Sales	3,254,372	3,115,752	3,039,122	3,092,620	3,217,807	3,810,651	4,151,123	4,252,681	4,224,387	3,827,028	3,303,839	3,224,531	42,513,913
Subtotal	200,151	218,485	225,455	247,226	230,912	227,186	161,398	162,745	161,107	148,137	134,899	127,887	2,243,088
Total Sales	3,454,523	3,332,237	3,284,577	3,339,846	3,448,719	4,037,837	4,312,521	4,415,426	4,385,494	3,975,165	3,438,738	3,351,918	44,757,001
Check	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PERCENT</b>													
Retail & Whis Avg Cost Sales	94.21%	93.50%	93.09%	92.60%	93.30%	94.37%	96.26%	96.31%	96.33%	96.27%	96.08%	96.20%	96.20%
Stratified Sales	5.79%	6.50%	6.91%	7.40%	6.70%	5.63%	3.74%	3.69%	3.67%	3.73%	3.92%	3.80%	3.80%
Total Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>RETAIL FACTOR</b>	94.68%	94.96%	94.44%	94.46%	94.49%	95.03%	95.31%	95.23%	94.97%	94.68%	94.05%	94.61%	94.61%

**Development of Factors:**

**MWH**

Retail Sales	3,081,182
Wholesale Avg Sales	173,190
Subtotal	3,254,372
Stratified Sales	200,151
Total Sales	3,454,523
Check	0

**PERCENT**

Retail & Whis Avg Cost Sales	94.21%
Stratified Sales	5.79%
Total Sales	100.00%

**RETAIL FACTOR**

Retail & Whis Avg Cost Sales	94.68%
Stratified Sales	5.79%
Total Sales	100.00%