



March 14, 2008

RECEIVED-PPSC
08 MAR 14 PM 2:15
COMMISSION
CLERK

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: *Fuel and purchased power cost recovery clause with generating performance incentive factor; Docket No. 080001-EI*

Dear Ms. Cole:

Please find enclosed for filing the original and five (5) copies of Progress Energy Florida, Inc.'s ("PEF") responses to Staff's data request dated March 4, 2008 pertaining to hedging activities.

Thank you for your assistance in this matter. Please call me at (727) 820-5184 should you have any questions.

Sincerely,

John T. Burnett lms
John T. Burnett

CMP 1
COM _____
CTR _____
ECR 1
GCL 2
OPC _____
RCA 1
SCR _____
SGA _____
SEC _____
OTH _____

JTB/lms

cc: Parties of Record

DOCUMENT NUMBER-DATE
01917 MAR 14 08
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via regular U.S. mail (* via hand delivery) to the following this ___ day of March, 2008.

Attorney

<p>Lisa Bennett, Esq. * Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850</p> <p>James D. Beasley, Esq. Lee L. Willis, Esq. Ausley & McMullen Law Firm P.O. Box 391 Tallahassee, FL 32302</p> <p>Joseph A. McGlothlin, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, #812 Tallahassee, FL 32399</p> <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Steven R. Griffin Beggs & Lane Law Firm P.O. Box 12950 Pensacola, FL 32591</p> <p>Ms. Paula K. Brown Tampa Electric Company P.O. Box 111 Tampa, FL 33601</p> <p>Ms. Susan D. Ritenour Gulf Power Company One Energy Place Pensacola, FL 32520-0780</p> <p>Natalie F. Smith Florida Power & Light 215 S. Monroe Street, Ste. 810 Tallahassee, FL 32301-1859</p>	<p>Florida Industrial Power Users Group c/o John McWhirter, Jr. McWhirter Reeves Law Firm 400 N. Tampa Street, Ste. 2450 Tampa, FL 33602</p> <p>Norman H. Horton, Jr. Messer, Caparello & Self, P.A. P.O. Box 15579 Tallahassee, FL 32317</p> <p>John T. Butler, Esq. R. Wade Litchfield, Esq. Florida Power & Light Co. 700 Universe Boulevard Juno Beach, FL 33408</p> <p>Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Suite 200 Tallahassee, FL 32301</p> <p>Mehrdad Khojasteh Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395</p> <p>Mr. James W. Brew, Esq. c/o Brickfield Law Firm 1025 Thomas Jefferson St., NW 8th Floor, West Tower Washington, DC 20007</p> <p>AARP c/o Mike Twomey P.O. Box 5256 Tallahassee, FL 32314-5256</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**PEF RESPONSES TO STAFF DATA REQUEST DATED MARCH 4, 2008
REGARDING HEDGING ACTIVITIES**

Q1. Currently, companies typically file hedging plans for the projected year in September of the current year. Companies also typically file the results of their hedging programs for the true-up year in April of the current year.

A. What comments does PEF have regarding the timing of reports on hedging activities?

Answer: PEF believes the current schedule for filing status updates on its hedging activities is appropriate.

B. Should the Commission determine the prudence of utility hedging plans for the projected year?

Answer: Yes. As part of each utility's annual filing requirements, a Risk Management Plan is filed for review and approval by the Commission that outlines the approach to managing fuel price risk and volatility. Per Commission Order No. PSC-08-0030-FOF-EI, the hedging plans of the utilities for 2008 were approved.

Q2. With this next set of questions, staff is seeking to understand the relationship of fuel procurement and hedging activities.

A. Does an electric utility's participation in financial hedging activities for residual oil and natural gas make it a more effective purchaser of residual oil and natural gas? Please explain.

Answer: Yes. A utility's participation in financial hedging activities for residual oil and natural gas makes it a more effective purchaser. First, being a participant in the financial market keeps the utilities engaged and aware of the day-to-day changing markets and conditions that are driving the market. The information provided by financial hedging counterparties provides the purchaser additional insight into market changes and how they may affect physical activity. In addition, some of the financial participants provide daily reports on market prices, statistics, and industry news. This information provides the utility with additional insight into the residual and natural gas markets that it may not get from other sources.

DOCUMENT NUMBER-DATE

01917 MAR 14 8

FPSC-COMMISSION CLERK

- B. Does an electric utility's participation in financial hedging provide it with information that allows it more accurate and timely price discovery and enhanced ability to evaluate specific deals and proposals from suppliers?

Answer: Yes. Please see response to Question 2A.

NOTE: Please refer to the attached tables and graphs for the remaining questions. Table 1 shows NYMEX Last-Trading-Day Settlement Prices for the month-ahead and the following 17 months, for June 1996 through January 2008. Staff views the month-ahead price as the "current market price." Table 2 shows the differences between the month-ahead settlement price and comparable month's futures prices for from one to 17 months. Graphs 1.1 through 1.4 show the month-ahead prices and the same month's futures prices for contracts purchased six, nine, twelve, and fifteen months earlier. Graphs 2.1 through 2.4 show the differences between the prices graphed in Graphs 1.1 through 1.4, or the difference from Table 2, for the six-month, nine-month, twelve month, and fifteen-month columns.

- Q3. Do the prices in Table 1 agree with the historical market prices used by PEF? If your response is no, please explain what the historical market prices are that are used by PEF.

Answer: PEF maintains and utilizes historical natural gas NYMEX settled contract prices as data points. With respect to Table 1, PEF agrees that column M1 is the historical settlement for the NYMEX contract. PEF agrees that columns M2 through M18 identify the following 17 months settlement prices on that specific trading day. In reviewing these daily settlement prices compared to the historical prices used by PEF, some differences were discovered as highlighted in yellow in Exhibit 1.

- Q4. Does PEF agree that the differences in Table 2 and Graphs 2.1 through 2.4 resemble the hedging gains and losses that would have been realized over the 140-month period, had the Last-Trading-Day Settlement Prices been realized (ignoring transactions costs)? If your response is no, please explain.

Answer: PEF does not agree. PEF executes its hedging strategy over long periods of time for various periods and executes hedges when the market is open during the normal course of business. The calculations in Table 2 are utilizing final monthly pricing settlements and settlements for limited respective contract months that are six, nine and fifteen months prior to the final monthly price settlements as a basis for estimating the behavior of hedging gains and losses that would have been realized. This comparison does not account for any hedges that are executed at various points in time prior to settlement for the various time periods and is using very limited distinct points in time for the illustration, which

does not capture the constant movements in market prices that are occurring day-to-day, hour-to-hour and minute-to-minute as hedges are being layered in over time. Additionally, these calculations do not capture the dynamics of a longer-term multi-year hedging program. PEF calculates actual hedging gains and losses as the difference between the applicable monthly natural index gas settlement price compared to the fixed price hedging transaction that was executed to hedge the monthly natural gas pricing index. For example, if PEF purchased a over-the-counter FGT Zn 3 fixed price swap on September 10, 2007 for March 2008 delivery at a price of \$7.78 per MMBtu and the monthly index price for FGT Zn 3 for March 2008 was \$9.11 per MMBtu, PEF would realize a hedging gain (i.e., fuel cost savings) of \$1.33 per MMBtu multiplied by the MMBtus hedged.

- Q5. Does PEF agree that, on the average, the differences in Table 2 and Graphs 2.1 through 2.4 resemble the hedging gains and losses that would have been realized over the 140-month period, had the Last-Trading-Day Settlement Prices NOT been (exactly) realized? Explain your response.

Answer: Please see response to question 4.

- Q6. Does PEF agree that during the natural gas “price spikes” in 2000-2001 (all graphs), 2002-2003 (6- and 9-month graphs), and 2005-2006 (all graphs), large gains would have been realized by anyone purchasing futures contracts several months in advance and selling those contracts during the high-price periods? Explain your response.

Answer: PEF agrees that if a company purchased futures contracts for a specific time period prior to a “price spike” and then sold those same futures contracts for that time period if the market prices of those futures contracts were higher, the company would have realized gains. However, if a company sold the futures contracts that were originally purchased as hedges when prices went up, assuming there were no changes in their forecasted positions and they are not over-hedged, the company would be speculating and would be exposed to future price movements for the volume that was sold. PEF does not execute hedges with any intent to sell them as this would be considered speculation. The intent of executing hedges is to lock in prices for a portion of the expected fuel burns to reduce price risk and the impact of volatility. PEF has not engaged in opportunistic sales of previously executed hedges when market prices are higher than the prices that were hedged.

- Q7. Does PEF agree that following the high-price periods, beginning in 2001 and again in 2003, losses would have been realized by anyone purchasing futures contracts several months in advance and selling those contracts during the lower-than-high-price periods (the periods immediately following the high-price periods)? Explain your response.

Answer: The gains or losses of hedges depend on the price at which the hedge was executed compared to the applicable market settlement price. PEF would agree that purchasing futures contracts for a given time period and then selling those same futures for the same contract time period when the market prices of those futures contracts are lower would result in a loss. PEF does not execute hedges with the intent to sell as this would be considered speculation. The intent of executing hedges is to lock in prices for a portion of the expected fuel burns to reduce the impact of any price risk and volatility.

- Q8. Does PEF agree that immediately following the 2000-2001 and 2002-2003 price spikes, losses would have been realized for only about twelve months? Explain your response.

Answer: PEF does not agree with this statement. The gains or losses of hedges depend on the price at which the hedge was executed compared to the applicable market settlement price. Further, the referenced graphs show only the prompt contract month prices, which fail to demonstrate how other futures contracts behaved over the periods following the "price spikes".

For example, these graphs show that during the high-price period in 2003, prompt month futures prices reached a peak of over \$9 per MMBtu on February 25 of that year. On this same day, the December 2004 natural gas contract could have been purchased for \$4.77 per MMBtu. The market price of that contract exactly twelve months later increased to \$5.65 per MMBtu and at settlement, the price increased to \$7.98 per MMBtu. Purchasing this contract, even on what appeared to be an extreme peak day, would not have resulted in a loss but rather fuel price savings of \$3.21 per MMBtu.

- Q9. Does PEF agree that between the each of the 2000-2001 and 2002-2003 price spikes and the twelve-month periods immediately following each of those periods, gains and losses would have roughly cancelled each other, and price stability would have resulted for anyone purchasing futures contracts several months in advance and selling those contracts during the lower-than-high-price periods, and using the gains and losses to offset "market price volatility"? Explain your response.

Answer: PEF does not agree with this statement nor does PEF agree that offsetting gains and losses can be classified as "price stability". Market price

volatility is a measure of the change in prices over time and to imply that the averaging effect of high prices offset by low prices eliminates volatility is not accurate. It is also not accurate to say that if two different approaches, such as hedging versus not hedging, average to the same price over time that they are equivalent. There is no simple rule of thumb that guarantees periods of high prices will be followed by periods of low prices. Market price volatility can only be reduced by fixing prices because a fixed price, by definition, is no longer subject to price movements. Hedging, and more specifically hedging over an extended period of time, is an effective way to reduce exposure to market price risk and volatility.

Q10. Does PEF agree that losses are still occurring roughly 24 months after the 2005-2006 price spike? Explain your response.

Answer: PEF does not agree with this statement. The gains or losses of hedges depend on the price at which the hedge was executed compared to the applicable market settlement price. While the prompt contract prices between August 2005 and January 2006 reached levels that have not been seen since, this does not mean that all futures prices peaked during that period. For example, if a company would have purchased each of the April 2008 through December 2008 futures contracts on their respective highest priced days during this period (which happened to have occurred on January 20, 2006 for all of them), the peak day price of every one of these contracts was lower during the period between August 2005 through January 2006 compared to the current market prices for these contracts as of March 6, 2008 (refer to figure below).

NYMEX Natural Gas Settlement Prices (\$ per MMBtu)		
Contract	1/20/2006	3/10/2008
Apr-08	9.222	10.024
May-08	9.027	10.075
Jun-08	9.072	10.136
Jul-08	9.122	10.214
Aug-08	9.172	10.270
Sep-08	9.177	10.268
Oct-08	9.222	10.320
Nov-08	9.787	10.535
Dec-08	10.352	10.840

Q11. Can PEF tell us why, roughly 24 months after the 2005-2006 price spike, futures prices are still one to two dollars above their comparable current market prices?

Answer: Current market prices were defined by Staff to mean the month-ahead price, or the prompt month futures contract price. PEF believes the applicable

futures price and the comparable market for any given forward time period are one in the same.

- Q12. Should another price spike occur in the near future, with regard to natural gas market prices and futures prices, does PEF think that the period following the spike would resemble the period following the 2000-2001 and 2002-2003 spikes, or the period following 2005-2006 price spike? Why?

Answer: PEF can not reasonably and reliably predict the level or timing of prices following a potential future price spike. This is why PEF believes a long-term strategy to managing fuel price risk and volatility by locking in prices over time is a reasonable and prudent approach.

- Q13. In carrying out hedging activities to achieve reduced price volatility, does PEF regard "volatility" as 1) unknown prices in future periods, or 2) period-to-period price variability?

Answer: PEF regards volatility as unknown prices in future periods due to changes in prices over time. The term volatility is typically used as a measurement of the price movements of a commodity over a given period of time. Price risk and the associated volatility are decreased by means of locking in prices for a portion of the projected fuel burns over time. In simple terms, a fixed price is no longer subject to price movements over time.

- Q14. Generally, the longer the refund/recovery period for refunding over recoveries or recovering under recoveries, the smoother will be the period-to-period recovery factors. Agree? Explain your response.

Answer: PEF disagrees. While smoothing out recoveries over a two-year period could potentially achieve the effect of smoothing out the true-up component of the fuel recovery factor, the most unknown and volatile component of the fuel factor is, in fact, the projected cost of fuel in any given year. In Order No. PSC-05-1252-FOF-EI, Docket 050001 (page 4), the Commission states the following:

When rates increase dramatically...we will sometimes approve step increases over a period of time to reduce rate shock to the extent we find the costs to be prudent and reasonable. We have taken such action at times when there is a reasonable expectation that fuel rates would stay the same or decline in the year to which costs are being deferred. We believe there is considerable risk that further fuel increases may occur... These bill impacts may result in overall bills being higher in 2007 than 2006. Deferring collection of underrecovery amounts from 2005 would only serve to compound this problem.

This order also discusses the concern of charging interest expense on these deferred balances to customers as well as the effects of intergenerational inequities.

Furthermore, abandoning a hedging program could exacerbate the effect on rates of unpredictable and volatile fuel costs in a given year. Increased volatility in fuel costs result in higher over and under recoveries.

Q15. Is this truer for under recoveries than it is for over recoveries?

Answer: The effect should be the same regardless of whether fuel is over recovered or under recovered.

Q16. If an under recovery is extraordinarily small (negative sign, large number of dollars) or an over recovery is extraordinarily large (positive sign, large number of dollars), what benefit is there to ratepayers deferring part of the amount beyond the next immediate recovery period?

Answer: The extent of the benefit depends on what fuel costs will do in future periods, which cannot be predicted with certainty. If a portion of a large over recovery is deferred to a year in which fuel prices actually decline or a portion of a large under recovery is deferred to a year in which fuel prices actually rise, then the benefit to ratepayers is a smoothing out of the rate. Conversely, if a portion of a large over recovery is deferred to a year in which fuel prices actually rise or a portion of a large under recovery is deferred to a year in which fuel prices actually decline, then customers experience an even larger than expected price swing. Thus, due to the unpredictable nature of fuel prices, this approach subjects ratepayers to additional prolonged risk.

Q17. As future months draw nearer, if you realize that your natural gas (heavy oil) needs are going to be lower than anticipated when swaps were initiated, do you reverse your short positions to maintain your percentage of hedged MMBtu's (barrels)?

Answer: For hedges that have settled to date, PEF has not reversed any hedge positions due to a change in consumption forecasts.

Table 3 shows the estimated End-of-Period Total Net True-ups [Column (c)], estimated Total Fuel Revenue [Column(d)], and estimated Fuel Revenue Applicable to Period [Column (f)] for the last five years' reprojected estimates. The table also shows over-recovery percentages based on total revenue [Column (e)] and over-recovery percentages based on applicable revenue [Column (g)]. The percents are also based on reprojected estimates.

Q18. Do you agree that the amounts in Table 3 are correct for PEF? If not, please provide corrected dollar amounts.

Answer: PEF agrees with all amounts except the amounts in 2004. Column (c) should be (\$155,959,294), Column (d) should be \$1,320,663,906, Column (e) should be -11.81%, Column (f) should be \$1,107,456,423, and Column G should be -14.08%. These amounts are based on the Revised Supplemental Direct Testimony of Javier Portuondo filed November 5, 2004.

Q19. Do you agree that the percents in Column (g) are calculated according to the mid-course percent method adopted in 2007 (Order No. PSC-07-0333-PAA-EI)? If not, please provide corrected percents.

Answer: Yes, PEF agrees.

Q20. Although none of the four large IOU's have petitioned for mid-course corrections since early 2003, do you agree that during the previous five years, your mid-course percents have been greater than 10 percent, at least at the times that some of the estimated revenues and expenses were "reprojected." If you disagree, please explain.

Answer: PEF agrees that in 2004 and 2005 the midcourse percents were greater than 10% at the time of the estimated/actual true-up filing.

Q21. Please indicate the years from 2003 through 2007 in which hedging gains or losses prevented the percents in columns (e) and (g) from being less than -10% or greater than +10% at the time that the estimates were reprojected.

Answer: There were no years in which hedging gains and losses prevented the percents in columns (e) and (g) from yielding a difference greater than 10%.

Q22. Please indicate the years from 2003 through 2007 in which hedging gains or losses caused the percents in columns (e) and (g) to be greater than -10% or greater than +10% at the time that the estimates were reprojected.

Answer: There were no years in which hedging gains and losses caused the percents in columns (e) and (g) to yield a difference greater than 10%.

Exhibit 1

Progress Energy Florida

Differences between information provided by Commission are highlighted in yellow

Date	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18
6/24/1996	2.646	2.667	2.690	2.693	2.710	2.750	2.745	2.625	2.425	2.235	2.145	2.110	2.100	2.065	2.035	2.035	2.108	2.210
7/26/1996	2.322	2.192	2.169	2.210	2.270	2.285	2.220	2.145	2.070	1.995	2.005	2.015	2.015	2.010	2.005	2.090	2.185	2.190
8/27/1996	1.853	1.882	2.039	2.177	2.209	2.156	2.085	2.030	2.000	2.000	2.000	2.050	2.000	2.030	2.080	2.175	2.175	2.100
9/25/1996	1.828	2.096	2.298	2.341	2.276	2.172	2.040	1.985	1.943	1.930	1.930	1.930	1.935	1.993	2.093	2.095	2.030	1.960
10/28/1996	2.652	2.731	2.709	2.515	2.335	2.165	2.080	2.055	2.055	2.055	2.055	2.055	2.117	2.219	2.220	2.159	2.079	---
11/22/1996	3.901	3.437	2.970	2.625	2.285	2.165	2.160	2.150	2.151	2.153	2.155	2.220	2.310	2.325	2.250	2.170	2.070	2.040
12/26/1996	3.998	3.384	3.000	2.490	2.292	2.195	2.180	2.175	2.170	2.175	2.265	2.350	2.380	2.310	2.230	2.164	2.142	2.125
1/27/1997	2.986	2.557	2.277	2.095	2.110	2.112	2.100	2.120	2.125	2.225	2.335	2.367	2.292	2.215	2.124	2.109	2.085	2.094
2/24/1997	1.780	1.815	1.865	1.910	1.945	1.968	1.990	2.012	2.144	2.267	2.302	2.212	2.124	1.997	1.963	1.962	1.962	1.962
3/24/1997	1.807	1.841	1.900	1.925	1.940	1.950	1.990	2.130	2.250	2.290	2.212	2.097	1.982	1.957	1.957	1.977	1.992	2.002
4/24/1997	2.122	2.122	2.137	2.095	2.140	2.130	2.230	2.357	2.397	2.342	2.245	2.115	2.057	2.027	2.022	2.033	2.042	2.063
5/28/1997	2.346	2.316	2.334	2.286	2.299	2.394	2.495	2.530	2.425	2.275	2.125	2.070	2.045	2.034	2.050	2.057	2.083	2.207
6/26/1997	2.145	2.190	2.120	2.195	2.325	2.400	2.440	2.363	2.253	2.120	2.075	2.055	2.045	2.046	2.043	2.054	2.166	2.264
7/29/1997	2.161	2.113	2.145	2.272	2.396	2.428	2.350	2.245	2.115	2.080	2.068	2.065	2.065	2.065	2.080	2.080	2.295	2.330
8/27/1997	2.515	2.481	2.615	2.732	2.740	2.545	2.360	2.160	2.090	2.078	2.080	2.083	2.085	2.105	2.233	2.363	2.380	2.293
9/26/1997	3.346	3.345	3.304	3.270	2.870	2.570	2.360	2.280	2.270	2.270	2.270	2.270	2.290	2.422	2.565	2.575	2.465	2.345
10/29/1997	3.266	3.475	3.387	2.977	2.612	2.330	2.240	2.220	2.220	2.225	2.230	2.260	2.398	2.545	2.566	2.459	2.331	2.218
11/24/1997	2.577	2.682	2.550	2.393	2.235	2.188	2.183	2.188	2.195	2.204	2.242	2.380	2.532	2.562	2.456	2.318	2.195	2.155
12/30/1997	2.309	2.203	2.155	2.150	2.155	2.160	2.165	2.175	2.228	2.363	2.505	2.530	2.400	2.305	2.187	2.140	2.140	2.140
1/28/1998	2.001	2.043	2.083	2.123	2.148	2.170	2.190	2.198	2.233	2.365	2.495	2.520	2.395	2.285	2.180	2.161	2.163	2.173
2/25/1998	2.286	2.318	2.333	2.343	2.350	2.360	2.363	2.385	2.508	2.630	2.647	2.545	2.425	2.302	2.268	2.260	2.269	2.275
3/27/1998	2.300	2.352	2.385	2.405	2.420	2.420	2.440	2.567	2.682	2.697	2.557	2.422	2.290	2.260	2.250	2.253	2.255	2.255
4/28/1998	2.262	2.311	2.343	2.373	2.373	2.410	2.550	2.684	2.699	2.559	2.414	2.285	2.242	2.242	2.247	2.256	2.260	2.285
5/27/1998	2.017	2.046	2.100	2.146	2.215	2.385	2.552	2.595	2.490	2.385	2.280	2.245	2.245	2.250	2.267	2.281	2.309	2.434
6/26/1998	2.358	2.423	2.433	2.458	2.618	2.783	2.815	2.670	2.525	2.385	2.335	2.340	2.343	2.346	2.358	2.395	2.515	2.616
7/29/1998	1.942	1.933	1.982	2.235	2.513	2.603	2.508	2.408	2.308	2.279	2.285	2.284	2.282	2.297	2.325	2.467	2.596	2.630
8/27/1998	1.672	1.716	1.973	2.253	2.385	2.342	2.270	2.205	2.185	2.185	2.185	2.185	2.188	2.213	2.356	2.487	2.523	2.423
9/28/1998	2.031	2.302	2.514	2.590	2.480	2.340	2.195	2.145	2.140	2.137	2.138	2.140	2.188	2.329	2.452	2.495	2.395	2.280
10/28/1998	1.972	2.324	2.477	2.405	2.305	2.205	2.175	2.175	2.175	2.175	2.175	2.215	2.353	2.490	2.538	2.429	2.317	2.224
11/24/1998	2.149	2.275	2.235	2.190	2.153	2.145	2.149	2.153	2.158	2.160	2.205	2.340	2.478	2.536	2.423	2.309	2.218	2.183
12/29/1998	1.765	1.781	1.799	1.797	1.827	1.860	1.890	1.920	1.950	2.000	2.145	2.310	2.380	2.299	2.200	2.110	2.085	2.089
1/27/1999	1.810	1.826	1.851	1.871	1.896	1.925	1.951	1.976	2.031	2.181	2.331	2.381	2.301	2.216	2.148	2.123	2.140	2.157
2/24/1999	1.666	1.697	1.727	1.767	1.806	1.846	1.886	1.932	2.119	2.290	2.360	2.290	2.219	2.137	2.112	2.122	2.131	2.135
3/29/1999	1.852	1.883	1.915	1.945	1.970	1.995	2.035	2.216	2.398	2.470	2.390	2.283	2.165	2.137	2.147	2.157	2.167	2.172
4/28/1999	2.348	2.341	2.358	2.372	2.375	2.398	2.525	2.673	2.723	2.606	2.476	2.333	2.295	2.305	2.310	2.320	2.325	2.349
5/26/1999	2.226	2.210	2.235	2.255	2.295	2.475	2.635	2.680	2.585	2.465	2.350	2.310	2.315	2.318	2.327	2.335	2.365	2.513
6/28/1999	2.262	2.324	2.349	2.374	2.521	2.668	2.723	2.615	2.470	2.335	2.290	2.285	2.290	2.300	2.313	2.342	2.492	2.640
7/28/1999	2.601	2.606	2.623	2.738	2.868	2.898	2.770	2.605	2.435	2.370	2.360	2.360	2.365	2.368	2.400	2.551	2.692	2.742
8/27/1999	2.912	2.922	3.027	3.124	3.144	2.957	2.765	2.580	2.485	2.465	2.465	2.470	2.485	2.520	2.661	2.804	2.845	2.720
9/28/1999	2.560	2.855	3.056	3.091	2.886	2.720	2.585	2.540	2.550	2.560	2.570	2.580	2.620	2.762	2.877	2.905	2.780	2.644
10/27/1999	3.092	3.223	3.230	3.050	2.850	2.655	2.575	2.577	2.587	2.597	2.607	2.637	2.769	2.896	2.930	2.788	2.649	2.519
11/24/1999	2.120	2.330	2.335	2.302	2.295	2.308	2.300	2.355	2.375	2.403	2.433	2.554	2.690	2.723	2.606	2.491	2.391	2.366
12/28/1999	2.344	2.396	2.354	2.340	2.342	2.355	2.375	2.395	2.413	2.438	2.557	2.684	2.715	2.601	2.490	2.387	2.360	2.374
1/27/2000	2.610	2.549	2.500	2.495	2.500	2.515	2.530	2.540	2.558	2.665	2.775	2.800	2.670	2.555	2.458	2.430	2.434	2.445
2/24/2000	2.549	2.556	2.576	2.596	2.613	2.630	2.635	2.668	2.802	2.925	2.950	2.801	2.671	2.557	2.520	2.530	2.540	2.547
3/29/2000	2.900	2.908	2.928	2.943	2.953	2.951	2.961	3.061	3.158	3.173	3.020	2.860	2.730	2.691	2.697	2.704	2.712	2.717
4/26/2000	3.089	3.090	3.105	3.117	3.113	3.126	3.219	3.313	3.327	3.162	2.997	2.845	2.804	2.805	2.810	2.817	2.815	2.834
5/26/2000	4.406	4.406	4.268	4.268	4.250	4.265	4.365	4.465	4.475	4.255	4.035	3.795	3.672	3.649	3.652	3.662	3.657	3.677
6/28/2000	4.369	4.369	4.397	4.370	4.355	4.415	4.485	4.465	4.195	3.925	3.640	3.480	3.425	3.402	3.382	3.362	3.372	3.453
7/27/2000	3.820	3.843	3.861	3.951	4.050	4.048	3.888	3.738	3.593	3.558	3.555	3.546	3.558	3.541	3.544	3.650	3.750	3.767

Exhibit 1

Progress Energy Florida

Differences between information provided by Commission are highlighted in yellow

Date	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18
8/29/2000	4.618	4.643	4.697	4.770	4.720	4.465	4.205	3.945	3.845	3.825	3.810	3.820	3.805	3.790	3.895	3.985	3.957	3.787
9/27/2000	5.312	5.447	5.562	5.522	5.257	4.988	4.722	4.632	4.607	4.592	4.589	4.569	4.567	4.692	4.812	4.787	4.562	4.332
10/27/2000	4.541	4.652	4.677	4.497	4.287	4.064	3.984	3.977	3.975	3.970	3.970	3.980	4.100	4.215	4.227	4.032	3.852	3.676
11/28/2000	6.016	6.207	6.005	5.505	4.895	4.680	4.655	4.640	4.625	4.605	4.595	4.685	4.775	4.785	4.565	4.375	4.145	4.095
12/27/2000	9.980	9.286	8.286	6.170	5.450	5.365	5.340	5.320	5.285	5.270	5.350	5.430	5.420	5.165	4.832	4.372	4.257	4.232
1/29/2001	6.293	6.136	5.550	5.355	5.343	5.375	5.390	5.355	5.360	5.440	5.560	5.595	5.392	5.090	4.540	4.415	4.410	4.425
2/26/2001	4.998	5.097	5.122	5.166	5.210	5.235	5.210	5.225	5.320	5.440	5.460	5.240	4.890	4.470	4.350	4.350	4.387	4.392
3/28/2001	5.384	5.453	5.508	5.555	5.580	5.550	5.555	5.665	5.775	5.800	5.585	5.205	4.715	4.600	4.585	4.610	4.620	4.600
4/26/2001	4.891	4.940	5.002	5.055	5.070	5.102	5.252	5.402	5.462	5.317	5.086	4.646	4.533	4.573	4.623	4.636	4.626	4.636
5/29/2001	3.738	3.810	3.893	3.930	3.962	4.142	4.321	4.401	4.291	4.130	3.813	3.753	3.803	3.856	3.889	3.906	3.924	4.059
6/27/2001	3.182	3.286	3.353	3.428	3.700	3.965	4.048	3.933	3.758	3.463	3.433	3.480	3.532	3.559	3.574	3.601	3.748	3.890
7/27/2001	3.167	3.194	3.239	3.499	3.759	3.864	3.804	3.704	3.544	3.555	3.595	3.640	3.665	3.663	3.675	3.830	3.995	4.070
8/29/2001	2.415	2.443	2.713	3.018	3.168	3.136	3.058	2.968	2.988	3.030	3.078	3.123	3.124	3.139	3.294	3.462	3.548	3.433
9/26/2001	1.830	2.253	2.633	2.835	2.835	2.805	2.750	2.775	2.827	2.873	2.913	2.911	2.931	3.101	3.291	3.381	3.284	3.159
10/29/2001	3.202	3.339	3.464	3.452	3.389	3.279	3.309	3.344	3.379	3.414	3.414	3.439	3.604	3.786	3.896	3.801	3.691	3.561
11/28/2001	2.545	2.732	2.827	2.815	2.772	2.820	2.865	2.905	2.945	2.950	2.980	3.175	3.355	3.455	3.383	3.283	3.146	3.146
12/27/2001	2.555	2.619	2.630	2.630	2.681	2.740	2.788	2.833	2.843	2.878	3.068	3.258	3.348	3.288	3.218	3.063	3.063	3.098
1/29/2002	2.006	2.067	2.150	2.240	2.320	2.393	2.453	2.458	2.488	2.718	2.933	3.031	2.991	2.919	2.804	2.821	2.879	2.919
2/26/2002	2.388	2.389	2.449	2.509	2.564	2.614	2.624	2.659	2.921	3.161	3.266	3.211	3.116	2.992	3.007	3.057	3.097	3.142
3/26/2002	3.472	3.374	3.394	3.424	3.454	3.459	3.474	3.716	3.948	4.053	3.977	3.818	3.566	3.551	3.573	3.605	3.635	3.620
4/26/2002	3.319	3.372	3.407	3.447	3.447	3.452	3.707	3.930	4.014	3.927	3.767	3.554	3.537	3.567	3.587	3.602	3.587	3.617
5/29/2002	3.420	3.505	3.557	3.582	3.612	3.867	4.099	4.182	4.127	4.007	3.827	3.792	3.820	3.857	3.882	3.872	3.912	4.082
6/26/2002	3.278	3.353	3.373	3.401	3.694	3.951	4.038	3.975	3.888	3.776	3.756	3.781	3.823	3.860	3.865	3.900	4.090	4.275
7/29/2002	2.976	2.905	2.930	3.230	3.500	3.635	3.610	3.565	3.480	3.483	3.498	3.533	3.563	3.563	3.593	3.763	3.918	3.973
8/28/2002	3.288	3.403	3.673	3.923	4.038	3.983	3.898	3.773	3.776	3.791	3.814	3.829	3.829	3.848	4.013	4.173	4.233	4.118
9/26/2002	3.686	3.889	4.114	4.216	4.126	3.986	3.832	3.805	3.827	3.853	3.873	3.875	3.895	4.070	4.223	4.273	4.158	3.993
10/29/2002	4.126	4.261	4.346	4.256	4.116	3.946	3.906	3.930	3.961	3.975	3.960	3.965	4.135	4.290	4.350	4.230	4.065	3.820
11/26/2002	4.140	4.236	4.186	4.086	3.941	3.891	3.901	3.924	3.947	3.927	3.927	4.087	4.224	4.289	4.164	3.993	3.768	3.723
12/27/2002	4.988	5.022	4.892	4.612	4.517	4.507	4.524	4.537	4.510	4.502	4.660	4.815	4.880	4.770	4.555	4.210	4.075	4.025
1/29/2003	5.660	5.629	5.234	4.969	4.879	4.876	4.864	4.819	4.814	4.929	5.034	5.099	4.964	4.744	4.384	4.244	4.202	4.199
2/26/2003	9.133	7.390	6.230	5.810	5.700	5.600	5.500	5.490	5.645	5.810	5.870	5.730	5.472	4.837	4.617	4.492	4.407	4.397
3/27/2003	5.146	5.240	5.280	5.276	5.274	5.232	5.217	5.305	5.400	5.475	5.335	5.100	4.605	4.475	4.420	4.400	4.400	4.410
4/28/2003	5.123	5.190	5.265	5.305	5.290	5.305	5.445	5.585	5.670	5.540	5.315	4.715	4.625	4.600	4.590	4.595	4.585	4.585
5/28/2003	5.945	6.016	6.067	6.057	6.060	6.160	6.300	6.385	6.240	5.970	5.115	4.940	4.890	4.880	4.875	4.865	4.880	5.060
6/26/2003	5.291	5.410	5.450	5.490	5.663	5.837	5.951	5.886	5.691	5.021	4.875	4.865	4.860	4.880	4.880	4.910	5.115	5.310
7/29/2003	4.693	4.638	4.671	4.911	5.146	5.281	5.246	5.166	4.680	4.570	4.570	4.570	4.580	4.554	4.578	4.752	4.927	5.027
8/27/2003	4.927	4.883	5.108	5.358	5.488	5.428	5.313	4.858	4.770	4.774	4.778	4.785	4.765	4.783	4.946	5.108	5.193	5.130
9/26/2003	4.430	4.621	4.881	5.071	5.033	4.946	4.681	4.593	4.613	4.623	4.630	4.617	4.630	4.775	4.935	5.025	4.970	4.820
10/29/2003	4.459	4.858	5.103	5.104	5.007	4.734	4.679	4.689	4.699	4.714	4.699	4.713	4.883	5.050	5.163	5.130	4.960	4.595
11/25/2003	4.860	5.050	5.080	4.975	4.655	4.620	4.638	4.655	4.675	4.665	4.678	4.841	5.001	5.111	5.071	4.923	4.571	4.501
12/29/2003	6.150	6.243	5.993	5.258	5.088	5.083	5.108	5.133	5.108	5.123	5.303	5.478	5.608	5.563	5.353	4.768	4.658	4.688
1/28/2004	5.775	5.740	5.325	5.233	5.230	5.245	5.253	5.228	5.233	5.431	5.621	5.756	5.716	5.541	4.996	4.896	4.926	4.956
2/25/2004	5.150	5.221	5.241	5.271	5.302	5.321	5.290	5.305	5.473	5.645	5.775	5.725	5.555	5.075	4.975	5.000	5.035	5.040
3/29/2004	5.365	5.482	5.550	5.610	5.635	5.607	5.629	5.802	5.974	6.104	6.054	5.854	5.254	5.139	5.152	5.182	5.182	5.157
4/28/2004	5.935	5.966	6.033	6.072	6.052	6.066	6.229	6.395	6.509	6.454	6.244	5.484	5.329	5.339	5.359	5.369	5.331	5.341
5/26/2004	6.680	6.732	6.759	6.724	6.734	6.886	7.066	7.191	7.129	6.931	6.136	5.956	5.964	5.986	5.998	5.958	5.969	6.144
6/28/2004	6.141	6.201	6.228	6.260	6.490	6.714	6.844	6.792	6.640	6.015	5.860	5.875	5.915	5.930	5.920	5.940	6.105	6.275
7/28/2004	6.048	6.142	6.197	6.501	6.774	6.943	6.901	6.758	6.093	5.973	5.986	6.014	6.025	6.025	6.043	6.218	6.388	6.513
8/27/2004	5.082	5.189	5.916	6.498	6.831	6.831	6.693	6.093	5.981	6.001	6.033	6.050	6.042	6.068	6.298	6.516	6.666	6.621
9/28/2004	5.723	6.351	7.021	7.401	7.391	7.181	6.421	6.271	6.296	6.321	6.345	6.325	6.349	6.584	6.804	6.939	6.899	6.724

Exhibit 1

Progress Energy Florida

Differences between information provided by Commission are highlighted in yellow

Date	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18
10/27/2004	7.626	8.775	9.435	9.470	9.000	7.550	7.200	7.222	7.250	7.270	7.230	7.260	7.585	7.885	8.120	8.100	7.840	6.680
11/23/2004	6.793	7.621	7.731	7.536	6.741	6.601	6.636	6.671	6.691	6.671	6.694	6.975	7.256	7.466	7.460	7.245	6.330	6.200
12/28/2004	6.213	6.341	6.359	6.149	6.159	6.202	6.250	6.275	6.255	6.285	6.630	6.970	7.195	7.185	6.970	6.035	5.895	5.915
1/27/2005	6.288	6.352	6.322	6.345	6.385	6.427	6.455	6.435	6.455	6.775	7.090	7.320	7.295	7.095	6.125	6.000	6.020	6.050
2/25/2005	6.304	6.715	6.810	6.865	6.920	6.947	6.950	6.975	7.340	7.695	7.925	7.895	7.705	6.605	6.465	6.490	6.520	6.550
3/29/2005	7.323	7.402	7.510	7.598	7.653	7.668	7.698	8.023	8.343	8.561	8.546	8.401	7.131	6.971	6.996	7.026	7.056	7.032
4/27/2005	6.748	6.800	6.888	6.948	6.982	7.024	7.499	7.914	8.149	8.157	8.052	6.977	6.842	6.884	6.924	6.944	6.929	6.962
5/26/2005	6.123	6.212	6.287	6.329	6.394	6.994	7.539	7.879	7.899	7.757	6.832	6.715	6.761	6.809	6.846	6.839	6.879	7.229
6/28/2005	6.976	7.073	7.113	7.175	7.745	8.275	8.625	8.647	8.523	7.553	7.415	7.457	7.507	7.551	7.542	7.578	7.918	8.238
7/27/2005	7.647	7.592	7.644	8.194	8.689	9.037	9.037	8.877	7.762	7.622	7.663	7.713	7.758	7.745	7.780	8.130	8.460	8.700
8/29/2005	10.847	11.139	11.409	11.699	11.949	11.904	11.654	9.579	9.269	9.299	9.342	9.382	9.362	9.392	9.767	10.122	10.377	10.347
9/29/2005	13.907	14.196	14.686	14.991	14.761	14.286	11.366	10.836	10.848	10.883	10.918	10.892	10.919	11.334	11.729	12.029	11.934	11.639
10/27/2005	13.832	13.684	14.004	13.884	13.504	10.854	10.559	10.577	10.619	10.664	10.639	10.674	11.124	11.559	11.884	11.794	11.484	9.204
11/28/2005	11.180	11.634	11.739	11.554	10.004	9.889	9.924	9.969	10.009	10.009	10.057	10.537	11.017	11.402	11.352	11.052	8.942	8.762
12/27/2005	11.022	11.216	11.260	10.060	9.950	9.985	10.030	10.075	10.085	10.140	10.630	11.110	11.500	11.480	11.240	9.310	9.095	9.140
1/27/2006	8.400	8.507	8.652	8.752	8.855	8.950	9.035	9.085	9.170	10.090	10.900	11.455	11.465	11.300	9.340	9.155	9.220	9.285
2/24/2006	7.112	7.313	7.475	7.625	7.760	7.845	7.920	8.015	9.045	10.035	10.695	10.700	10.500	8.670	8.471	8.531	8.606	8.671
3/29/2006	7.233	7.456	7.641	7.816	7.951	8.056	8.201	9.381	10.366	11.031	11.021	10.831	9.221	9.034	9.084	9.149	9.196	9.221
4/26/2006	7.198	7.271	7.521	7.771	7.994	8.234	9.684	11.064	11.864	11.859	11.669	9.709	9.509	9.594	9.689	9.754	9.814	9.899
5/26/2006	5.925	6.154	6.419	6.699	7.064	8.394	9.684	10.334	10.364	10.194	8.354	8.189	8.299	8.429	8.544	8.654	8.839	9.639
6/27/2006	6.107	6.312	6.562	6.962	8.267	9.687	10.427	10.462	10.272	8.382	8.197	8.292	8.402	8.497	8.612	8.787	9.567	10.352
7/27/2006	7.042	7.123	7.363	8.858	10.253	10.868	10.878	10.638	8.668	8.468	8.550	8.652	8.732	8.828	8.993	9.758	10.548	11.038
8/29/2006	6.816	6.876	8.800	10.470	11.085	11.115	10.925	8.675	8.515	8.605	8.705	8.785	8.875	9.030	10.005	10.895	11.425	11.430
9/27/2006	4.201	5.669	7.209	7.644	7.714	7.579	7.089	7.069	7.163	7.261	7.331	7.401	7.506	8.054	8.589	8.951	8.951	8.721
10/27/2006	7.153	7.827	8.277	8.327	8.172	7.582	7.539	7.618	7.706	7.763	7.808	7.893	8.318	8.763	9.008	9.013	8.803	7.673
11/28/2006	8.318	8.559	8.606	8.476	8.116	8.102	8.167	8.250	8.315	8.360	8.455	8.925	9.355	9.580	9.575	9.355	8.060	7.930
12/27/2006	5.838	6.142	6.257	6.357	6.457	6.577	6.702	6.815	6.885	7.025	7.700	8.315	8.635	8.650	8.445	7.375	7.280	7.335
1/29/2007	6.917	6.937	7.012	7.084	7.179	7.274	7.369	7.429	7.569	8.124	8.669	8.959	8.954	8.749	7.484	7.374	7.424	7.509
2/26/2007	7.547	7.703	7.784	7.868	7.960	8.042	8.094	8.189	8.744	9.269	9.559	9.554	9.329	7.809	7.684	7.734	7.799	7.859
3/28/2007	7.558	7.672	7.813	7.957	8.057	8.109	8.220	8.850	9.485	9.795	9.780	9.555	8.045	7.925	7.990	8.065	8.130	8.185
4/26/2007	7.508	7.602	7.764	7.892	7.944	8.057	8.762	9.457	9.802	9.792	9.552	8.237	8.107	8.179	8.264	8.334	8.377	8.472
5/29/2007	7.591	7.731	7.861	7.924	8.059	8.764	9.464	9.804	9.799	9.574	8.294	8.194	8.279	8.379	8.454	8.499	8.604	9.069
6/27/2007	6.929	7.083	7.174	7.326	8.076	8.786	9.146	9.146	8.936	8.046	7.961	8.046	8.146	8.221	8.271	8.386	8.864	9.341
7/27/2007	6.110	6.208	6.436	7.411	8.356	8.776	8.798	8.646	7.976	7.951	8.043	8.143	8.216	8.276	8.401	8.876	9.361	9.646
8/29/2007	5.430	5.581	6.561	7.486	7.886	7.913	7.741	7.306	7.321	7.401	7.491	7.561	7.606	7.731	8.186	8.641	8.926	8.926
9/26/2007	6.423	7.046	7.746	8.096	8.126	7.951	7.571	7.593	7.663	7.743	7.803	7.826	7.906	8.319	8.726	8.981	8.981	8.734
10/29/2007	7.269	7.970	8.300	8.335	8.150	7.810	7.900	7.845	7.940	8.105	8.031	8.250	8.590	9.000	9.280	9.365	9.060	8.140
11/28/2007	7.203	7.486	7.551	7.466	7.336	7.401	7.491	7.586	7.659	7.686	7.751	8.146	8.576	8.841	8.850	8.611	7.806	7.771
12/27/2007	7.172	7.200	7.237	7.272	7.340	7.436	7.536	7.621	7.654	7.729	8.111	8.546	8.809	8.824	8.601	7.963	7.958	8.020
1/29/2008	7.996	7.943	7.933	7.985	8.070	8.153	8.223	8.235	8.308	8.553	8.828	9.033	9.038	8.828	8.096	8.085	8.149	8.213