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May 1, 2008

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee 32399

RECEIVED-FPSC
08 MAY - 1 PM 3:02
COMMISSION
CLERK

Re: Docket Number 080009 - ~~ET~~
Nuclear Cost Recovery Clause - May 1 Filing

Dear Ms. Cole:

Enclosed for filing on behalf of Progress Energy Florida are the original and 15 copies of each of the following:

1. Testimony of Lori Cross in support of actual/estimated costs with attached Exhibit LC-2; 03561-08
2. Testimony of Lori Cross in support of projected costs with attached Exhibits LC-1 and LC-3; and 03562-08
3. Testimony of Daniel L. Roderick in support of actual/estimated and projected costs with attached Exhibit DLR-1. 03563-08

CMP 1

COM S Also enclosed is a Notice of Intent to Request Confidential Classification regarding portions of the above testimony and exhibits. Please contact me if you have any questions regarding this filing.

CTR 1

ECR

GCL 2

OPC

RCA 1

SCR

SGA

SEC 13177289.1

OTH

Sincerely,

Dianne M. Triplett

DOCUMENT NO. DATE

03561-08 05/01/08
FPSC - COMMISSION CLERK

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition to Recover Costs
of Crystal River Unit 3 Uprate
pursuant to the Nuclear Cost
Recovery Rule**

DOCKET NO. 080009-ET

**Submitted for filing:
May 1, 2008**

**DIRECT TESTIMONY
OF LORI CROSS IN SUPPORT OF 2008
ACTUAL/ESTIMATED FILING**

**ON BEHALF OF
PROGRESS ENERGY FLORIDA**

**R. ALEXANDER GLENN
JOHN BURNETT
PROGRESS ENERGY SERVICE
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DOCUMENT NUMBER-DATE

03561 MAY-1 08

FPSC-COMMISSION CLERK

**IN RE: PETITION TO RECOVER THE COSTS OF THE CRYSTAL
RIVER UNIT 3 UPRATE PURSUANT TO THE NUCLEAR COST
RECOVERY RULE**

BY PROGRESS ENERGY FLORIDA

FPSC DOCKET NO. 080009

**DIRECT TESTIMONY OF LORI CROSS IN SUPPORT OF 2008
ACTUAL/ESTIMATED FILING**

I. INTRODUCTION AND QUALIFICATIONS

1
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16

Q. Please state your name and business address.

A. My name is Lori Cross. My business address is 299 First Avenue North, St.
Petersburg, FL 33701.

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

A. I am employed by Progress Energy Service Company, LLC as Manager of
Regulatory Planning Florida.

Q. What are your responsibilities in that position?

A. I am responsible for regulatory planning, cost recovery and pricing functions
for Progress Energy Florida, Inc. ("PEF"). These responsibilities include: cost
of service analysis; regulatory financial reports; rate and tariff development and
administration; analysis of state, federal and local regulations and their impact
on PEF; planning, coordination and execution of general rate case proceedings
as necessary. In this capacity, I am also responsible for the Crystal River Unit 3

1 (CR3) Uprate Cost Recovery Actual/Estimated filing, made as part of this
2 discovery docket, in accordance with Rule 25-6.0423, Florida Administrative
3 Code (F.A.C.).
4

5 **Q. Please describe your educational and occupational history and describe your**
6 **duties in the various positions you have held as an employee of Progress**
7 **Energy.**

8 A. I received a Bachelors of Science degree in Accounting from the University of
9 South Florida. I began my employment with PEF (previously Florida Power
10 Corporation) in 1983. During my 24 years with Florida Power Corporation and
11 now Progress Energy Service Co. LLC., I have held a number of financial and
12 accounting positions. In 2004, I became Manager, Regulatory Services for PEF.
13

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

15 A. The purpose of my testimony is to present, for Commission review and approval,
16 Progress Energy Florida's Estimated/Actual and True-up costs associated with
17 Crystal River Unit 3 (CR3) Uprate activities for the period January 2008 through
18 December 2008.
19

20 **Q. Are you sponsoring any exhibits in support of your testimony?**

21 A. Yes. I am sponsoring sections of the following exhibit, which was prepared under
22 my supervision:

- 1 • Exhibit No. ____ (LC-2), consisting of Schedules AE-1 through AE-10,
2 which reflect PEF's retail revenue requirements for the Crystal River Unit 3
3 (CR3) Uprate Filing from January 2008 through December 2008; however, I
4 will only be sponsoring Schedules AE-1 through AE-6B , AE-9, and AE-10.
5 Daniel Roderick will be sponsoring Schedules AE-7 through AE-8A.
6 Schedules AE-2, AE-5, AE-6B and AE-10 in Exhibit No. ____ (LC-2), are
7 shown for informational purposes only and show no activity as they are not
8 applicable to the Crystal River Unit 3 (CR3) Uprate Filing during the reporting
9 period.

10 This exhibit is true and accurate.

11
12 **Q. What are Schedules AE-1 through AE-10?**

- 13 **A.** • Schedule AE-1 reflects the actual/estimated total retail revenue
14 requirements for the period. This includes revenue requirements from prior
15 periods that were never included in rates. These dollars show up in the other
16 adjustment line.
17 • Schedule AE-2 reflects the calculation of the actual/estimated
18 preconstruction costs for the period.
19 • Schedule AE-3 reflects the calculation of the actual/estimated carrying costs
20 on construction expenditures for the period.
21 • Schedule AE-3A reflects a calculation of actual/estimated deferred tax
22 carrying costs for the period.

- 1 • Schedule AE-3B reflects the calculation of the actual/estimated construction
- 2 period interest for the period.
- 3 • Schedule AE-4 reflects CCRC recoverable Operations and Maintenance
- 4 (O&M) expenditures for the period.
- 5 • Schedule AE-5 reflects other recoverable O&M expenditures for the period.
- 6 • Schedule AE-6 reflects actual/estimated monthly expenditures for
- 7 preconstruction and construction costs for the period.
- 8 • Schedule AE-6A reflects descriptions of the major tasks.
- 9 • Schedule AE-6B reflects annual variance explanations.
- 10 • Schedule AE-7 reflects technology selected for the Crystal River Unit 3
- 11 (CR3) Uprate Nuclear Project.
- 12 • Schedule AE-8 reflects contracts executed in excess of \$1.0 million.
- 13 • Schedule AE-8A reflects details pertaining to the contracts executed in
- 14 excess of \$1.0 million.
- 15 • Schedule AE-9 reflects the calculation of the Estimated True-up Amount for
- 16 the period.
- 17 • Schedule AE-10 reflects the calculation of interest.

18

19 **Q. What is the source of the data that you will present by way of testimony or**

20 **exhibits in this proceeding?**

21 **A.** The actual data is taken from the books and records of PEF. The books and records

22 are kept in the regular course of our business in accordance with generally accepted

1 accounting principles and practices, and provisions of the Uniform System of
2 Accounts as prescribed by Federal Energy Regulatory Commission (FERC) and any
3 accounting rules and orders established by this Commission. Estimates are derived
4 from Nuclear Projects & Construction Group (NPC). NPC uses various rate
5 schedules and contracts to project the cash flows in accordance with our business
6 practice.

7
8 **Q. What are the actual/estimated requirements for the CR3 uprate project for the**
9 **2008 calendar year?**

10 **A.** The estimated total return requirements for the CR3 uprate project are \$7.6 million
11 for 2008 as reflected on Schedule AE-1, page 2 of 2, line 8. This amount includes
12 \$5.8 million in carrying costs on the project construction balance, \$0.3 million for
13 recoverable O&M expenses, a return on the deferred asset of \$0.1 million, and \$1.4
14 million in 2008 revenue requirements for the MUR phase of the project. These
15 amounts were calculated in accordance with the provisions of Rule 25-6.0423.
16 This amount will be included in the 2009 projected revenue requirements for this
17 project.

18
19 **Q. What is included in the Total Return Requirements on Schedule AE3, Line 7?**

20 The \$5.8 million in Total Return Requirements in Schedule AE3 represents the
21 carrying costs on the average construction project balance. The beginning CWIP
22 balance of \$32.1 million on this schedule on line 1 includes the costs for the MUR
23 phase of the project which was placed in service in January 2008. The \$9.3 million

1 reflected on line 2 reflects the transfer of the MUR project to Plant-in-Service. The
2 \$4.0 million in adjustments on Line 3 represents carrying charges on the CWIP
3 balance. This amount will be added to the CWIP balance until such time as the
4 carrying charges begin to be recovered in rates. Normal determination of AFUDC
5 includes a return on eligible capital additions plus a compounded rate of return until
6 plant investments are placed in service and recovered in rates. Likewise under
7 these circumstances a compounded return is appropriate until this return is
8 recovered in rates.

9
10 **Q. Can you explain how the costs for the MUR phase are being treated for cost**
11 **recovery purposes?**

12 A. As previously stated, the MUR phase of the project went into service in January
13 2008 and an adjustment has been made on Schedule AE-3, line 3 to remove these
14 costs from the balance on which we are accruing a carrying charge. However,
15 according to the provisions of the Nuclear Cost Recovery rules, PEF may request a
16 base rate increase for the revenue requirements related to this project. Due to the
17 relatively small nature of the dollars associated with this phase of the project and
18 for purposes of administrative efficiency, PEF proposes to recover the revenue
19 requirements on these costs through the Capacity Cost Recovery Clause until the
20 remaining phases of the project go in service. The calculation of the revenue
21 requirements for the MUR phase are provided on Appendix A and are included in
22 the Other Adjustments, line 5 on Schedule AE-1.

23

1 **Q. What is the carrying cost rate used in Schedule AE-3?**

2 **A.** The carrying cost rate used on Schedule AE-3 is based on PEF's approved after tax
3 rate of 8.848%. On a pre-tax basis, the rate is 13.13%. The rate was approved in
4 Docket 050078-EL Order PSC-05-0945-S-EL. This rate represents the approved
5 rate as of June 12, 2007, and is the appropriate rate to use consistent with Rule 25-
6 6.0423(5) (b) 1. The annual rate was adjusted to a monthly rate as required by the
7 AFUDC rule, FPSC Rule 25-6.0141, Item (3).

8
9 **Q. What is Schedule AE-6 and what does it represent?**

10 **A.** Schedule AE-6 reflects actual/estimated monthly expenditures for preconstruction
11 and construction costs for 2008. The amount included on line 45 represents
12 actual/estimated generation capital costs gross of joint owner billings and exclusive
13 of AFUDC. The adjustment on Line 47 labeled "Non Cash Accruals" has been
14 made to adjust these costs to a cash basis for purposes of calculation of the carrying
15 costs and the adjustment on line 48 labeled "Other" represents the joint owner
16 portion of these costs. We have applied the appropriate jurisdictional separation
17 factor to the "Net Generation Costs" on line 49 to arrive at the monthly
18 jurisdictional cash expenditures.

19
20 **Q. What are the actual/estimated costs incurred for period January 2008 through**
21 **December 2008?**

22 **A.** Total capital expenditures for 2008 excluding carrying costs are projected to be
23 \$67.6 million, as shown on Schedule AE-6, Line 45. This amount includes

1 expenditures of \$9.4 million for Project Management and \$58.2 million for Power
2 Block Engineering, Procurement as part of generation construction costs. More
3 information about the types of costs included in each of these major tasks is
4 included on Schedule AE-6A.

5
6 **Q. What was the source of the separation factors used in Schedule AE-6?**

7 **A.** The jurisdictional separation factors are based on the factors that were established
8 in PEF's last base rate proceeding, Order PSC-05-0945-S-EI.

9
10 **Q. Was interest calculated on the under-recovered balance?**

11 **A.** Interest has only been included on the average cumulative CCRC recoverable O&M
12 expenses as reflected on Schedule AE-4, line 27. The interest has been calculated
13 at the average commercial paper rate. No interest has been calculated on the
14 construction costs as until such time as we begin to recover the carrying costs on
15 this project in rates, we will calculate a carrying charge on the cumulative CWIP
16 balance at PEF's current AFUDC rate and will include those costs in the
17 cumulative CWIP balance. These costs will remain in CWIP until they are
18 approved for recovery through the Capacity Cost Recovery (CCR) clause, at which
19 time they will be reclassified as a regulatory asset and we will begin to accrue
20 interest on the over or under recovered balance.

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

23 **A.** Yes, it does.

**SCHEDULE APPENDIX
REDACTED**

EXHIBIT (LC-2)

**PROGRESS ENERGY FLORIDA, INC.
Crystal River Unit 3 Uprate
COMMISSION SCHEDULES (AE-1 Through AE-10)**

JANUARY 2008 - DECEMBER 2008

Actual/Estimated

DOCKET NO. 080009-EI

DOCUMENT NUMBER-DATE
03561 MAY-18
FPSC-COMMISSION CLERK

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1.b.]

Schedule AE-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the actual/estimated true-up of total retail revenue requirements based on actual/estimated expenditures for the current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Lori Cross

DOCKET NO.: 080009 - EI

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
	Jurisdictional Dollars						
Preconstruction Revenue Requirements (Schedule AE-2, line 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Carrying Cost Revenue Requirements (Schedule AE-3, line 7)	324,575	327,622	354,827	376,891	406,300	435,092	2,225,306
Recoverable O&M Revenue Requirements (Schedule AE-4, line 28)	9,953	16,777	16,662	22,891	28,899	22,227	117,408
Deferred Tax Asset Carrying Cost (Schedule AE-3A, line 8)	1,264	1,798	2,395	3,025	3,692	4,427	16,602
Other Adjustments [Note 1]	51,620	103,158	103,075	102,993	102,911	102,828	566,585
Total Period Revenue Requirements (Lines 1 through 5)	387,412	449,355	476,960	505,800	541,802	564,574	2,925,901
Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
Difference (Line 6 - Line 7)	\$ 387,412	\$ 449,355	\$ 476,960	\$ 505,800	\$ 541,802	\$ 564,574	\$ 2,925,901

Note 1: The amount in this row represents the revenue requirements associated with the MUR as discussed further in the attached testimony and presented in Appendix A.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1.b.]

Schedule AE-1

LORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the actual/estimated true-up of total retail revenue requirements based on actual/estimated expenditures for the current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Lori Cross

DOCKET NO.: 080009 - EI

Line No.	(H) Projected July	(I) Projected August	(J) Projected September	(K) Projected October	(L) Projected November	(M) Projected December	(N) 12 Month Total
Jurisdictional Dollars							
Preconstruction Revenue Requirements (Schedule AE-2, line 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Carrying Cost Revenue Requirements (Schedule AE-3, line 7)	470,318	534,596	609,459	670,214	717,416	778,851	6,006,160
Recoverable O&M Revenue Requirements (Schedule AE-4, line 28)	21,716	21,990	23,091	29,526	23,521	24,380	261,632
Deferred Tax Asset Carrying Cost (Schedule AE-3A, line 8)	5,267	6,195	7,172	8,197	9,321	10,565	63,318
Other Adjustments [Note 1]	102,746	102,663	102,581	102,498	102,416	102,333	1,181,822
Total Period Revenue Requirements (Lines 1 through 5)	<u>600,046</u>	<u>665,444</u>	<u>742,302</u>	<u>810,435</u>	<u>852,674</u>	<u>916,130</u>	<u>7,512,933</u>
Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
Difference (Line 6 - Line 7)	<u>\$ 600,046</u>	<u>\$ 665,444</u>	<u>\$ 742,302</u>	<u>\$ 810,435</u>	<u>\$ 852,674</u>	<u>\$ 916,130</u>	<u>\$ 7,512,933</u>

Note 1: The amount in this row represents the revenue requirements associated with the MUR as discussed further in the attached testimony and presented in Appendix A.

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Preconstruction Costs

[Section (5)(c)1.b.]

Schedule AE-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of preconstruction costs based on actual/estimated preconstruction expenditures for the current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	6 Month Total
Jurisdictional Dollars							
Current Period Pre-Construction Expenses (Schedule AE-6 Line 34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Period Unrecovered Pre-Construction Balance	-	-	-	-	-	-	-
Pre-Construction Expenses Recovered	-	-	-	-	-	-	-
Average Balance Pre-Construction Expenses Eligible for Return	-	-	-	-	-	-	-
Return on Average Net Unamortized CWIP Eligible for Return (c)							
a. Equity Component (a)	-	-	-	-	-	-	-
b. Equity Comp. grossed up for taxes (b)	-	-	-	-	-	-	-
c. Debt Component	-	-	-	-	-	-	-
Total Return Requirements (Line 5b + 5c)	-	-	-	-	-	-	-
Total Costs to be Recovered	-	-	-	-	-	-	-
CWIP Additions, Amortization & Return from most recent Projections	-	-	-	-	-	-	-
Over / (Under) Recovery (Line 7 - Line 8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) & 0.001626 (Debt), which results in the annual rate of 8.848%.

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Preconstruction Costs

[Section (5)(c)1.b.]

Schedule AE-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of preconstruction costs based on actual/estimated preconstruction expenditures for the current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Description	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	12 Month Total
Jurisdictional Dollars							
Current Period Pre-Construction Expenses (Schedule AE-6 Line 34)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Period Unrecovered Pre-Construction Balance	-	-	-	-	-	-	-
Pre-Construction Expenses Recovered	-	-	-	-	-	-	-
Average Balance Pre-Construction Expenses Eligible for Return	-	-	-	-	-	-	-
Return on Average Net Unamortized CWIP Eligible for Return (c)	-	-	-	-	-	-	-
a. Equity Component (a)	-	-	-	-	-	-	-
b. Equity Comp. grossed up for taxes (b)	-	-	-	-	-	-	-
c. Debt Component	-	-	-	-	-	-	-
Total Return Requirements (Line 5b + 5c)	-	-	-	-	-	-	-
Total Costs to be Recovered (Line 1+ Line 6)	-	-	-	-	-	-	-
CWIP Additions & Amortization from most recent Projections	-	-	-	-	-	-	-
Difference (Line 7 - Line 8)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) & 0.001626 (Debt), which results in the annual rate of 8.848%.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Construction Costs**

[Section (5)(c)1.b.]

Schedule AE-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of carrying costs on construction expenditures, based on actual/estimated carrying costs on construction expenditures for the current year and the previously filed estimated carrying costs.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Projected April	(F) Projected May	(G) Projected June	(H) Total to Date	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule AE-6 Line 70)	\$ 32,096,703	\$ 4,287,041	\$ 3,885,021	\$ 844,912	\$ 2,870,871	\$ 2,211,627	\$ 2,713,698	\$ 48,909,873
2.	Transfers to Plant in Service	-	8,030,267	-	-	-	-	-	8,030,267
3.	Other Adjustments (d)	445,772	178,121	218,719	220,773	239,106	253,973	273,791	1,830,255
4.	CWIP Base Eligible for Return (Prior Mo Bal. + Line 1 - 2 + 3)	<u>\$ 28,977,370</u>	<u>\$33,081,110</u>	<u>\$34,146,795</u>	<u>\$37,256,772</u>	<u>\$39,722,372</u>	<u>\$42,709,862</u>	<u>\$42,709,862</u>	
5.	Average Net CWIP Additions		30,848,983	31,138,600	33,724,339	35,821,336	38,616,559	41,353,013	
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		168,559	170,141	184,270	195,728	211,001	225,953	1,155,651
b.	Equity Comp. grossed up for taxes (b)		274,414	276,990	299,992	318,645	343,510	367,852	1,881,403
c.	Debt Component		50,160	50,631	54,836	58,245	62,791	67,240	343,904
7.	Total Return Requirements (Line 6b + 6c)		<u>324,575</u>	<u>327,622</u>	<u>354,827</u>	<u>376,891</u>	<u>406,300</u>	<u>435,092</u>	<u>2,225,306</u>
8.	Total Return Requirements from most recent Projections		-	-	-	-	-	-	-
9.	Difference (Line 7 - Line 8)		<u>\$ 324,575</u>	<u>\$ 327,622</u>	<u>\$ 354,827</u>	<u>\$ 376,891</u>	<u>\$ 406,300</u>	<u>\$ 435,092</u>	<u>\$ 2,225,306</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) & 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Amount includes the debt and equity component on a one monthly lag that needs to be included in our monthly CWIP balance to calculate the return requirements.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Construction Costs**

[Section (5)(c)1.b.]

Schedule AE-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of carrying costs on construction expenditures, based on actual/estimated carrying costs on construction expenditures for the current year and the previously filed estimated carrying costs.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) Total To Date	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule AE-6 Line 70)	\$ 48,909,873	\$ 3,396,021	\$ 8,188,745	\$ 5,321,287	\$ 5,406,127	\$ 2,663,123	\$ 8,048,220	\$ 81,933,398
2.	Transfers to Plant in Service	8,030,267	-	-	-	-	-	-	8,030,267
3.	Other Adjustments (d)	1,830,255	293,193	316,931	360,246	410,693	451,633	483,441	4,146,391
4.	CWIP Base Eligible for Return (Prior Mo Bal. + Line 1 - 2 + 3)	<u>\$ 46,399,076</u>	<u>\$ 54,904,751</u>	<u>\$ 60,586,284</u>	<u>\$ 66,403,104</u>	<u>\$ 69,517,861</u>	<u>\$ 78,049,522</u>	<u>\$ 78,049,522</u>	
5.	Average Net CWIP Additions		44,701,065	50,810,379	57,925,640	63,700,040	68,186,299	74,025,412	
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		244,247	277,628	316,506	348,057	372,570	404,475	3,119,134
b.	Equity Comp. grossed up for taxes (b)		397,634	451,979	515,272	566,638	606,545	658,486	5,077,956
c.	Debt Component		72,684	82,618	94,187	103,576	110,871	120,365	928,205
7.	Total Return Requirements (Line 6b + 6c)		<u>470,318</u>	<u>534,596</u>	<u>609,459</u>	<u>670,214</u>	<u>717,416</u>	<u>778,851</u>	<u>6,006,160</u>
8.	Total Return Requirements from most recent Projections		-	-	-	-	-	-	-
9.	Difference (Line 7 - Line 8)		<u>\$ 470,318</u>	<u>\$ 534,596</u>	<u>\$ 609,459</u>	<u>\$ 670,214</u>	<u>\$ 717,416</u>	<u>\$ 778,851</u>	<u>\$ 6,006,160</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) & 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Amount includes the debt and equity component on a one monthly lag that needs to be included in our monthly CWIP balance to calculate the return requirements.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Deferred Tax Carrying Costs**

[Section (5)(c)1.b.]

Schedule AE-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual/Estimated deferred tax Carrying Costs for the current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Lori Cross

DOCKET NO.: 080009 - EI

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total
Jurisdictional Dollars								
Construction Period Interest (Schedule AE-3B, Line 5)		\$ 170,477	\$ 193,567	\$ 205,924	\$ 217,591	\$ 232,075	\$ 260,265	\$ 1,279,899
Recovered Costs Excluding AFUDC (Schedule AE-2, Line 1+ Line 3)		-	-	-	-	-	-	-
Other Adjustments (d)		(50,160)	(50,631)	(54,836)	(58,245)	(62,791)	(67,240)	(343,904)
Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	\$ 251,314	\$371,631	\$514,566	\$665,654	\$824,999	\$994,284	\$1,187,310	\$1,187,310
Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	\$96,944	\$143,357	\$198,494	\$256,776	\$318,244	\$383,545	\$458,005	n/a
Average Accumulated DTA		\$120,150	\$170,925	\$227,635	\$287,510	\$350,894	\$420,775	
Carrying Costs on DTA (c)								
a. Equity Component (a)		657	934	1,244	1,571	1,917	2,299	8,622
b. Equity Comp. grossed up for taxes (b)		1,069	1,520	2,025	2,558	3,121	3,743	14,036
c. Debt Component		195	278	370	467	571	684	2,566
Total Return Requirements (Line 7b + 7c)	\$ 1,264	\$ 1,798	\$ 2,395	\$ 3,025	\$ 3,692	\$ 4,427	\$ 16,602	
Total Return Requirements from most recent Projections		-	-	-	-	-	-	-
Difference (Line 8 - Line 9)	\$ 1,264	\$ 1,798	\$ 2,395	\$ 3,025	\$ 3,692	\$ 4,427	\$ 16,602	

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) The amount reflected on this line represents the debt component of the carrying charges. Until such time as the carrying charges are collected in rates the difference between the book and tax basis should be the difference between the CPI carrying charges and the debt cost per the books.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Deferred Tax Carrying Costs**

[Section (5)(c)1.b.]

Schedule AE-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual/Estimated deferred tax Carrying Costs for the current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Lori Cross

DOCKET NO.: 080009 - EI

Line	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) 12 Month Total
Construction Period Interest (Schedule AE-3B, Line 5)		\$ 293,361	\$ 319,431	\$ 338,646	\$ 364,472	\$ 403,876	\$ 440,052	\$ 3,439,738
Recovered Costs Excluding AFUDC (Schedule AE-2, Line 1+ Line 3)		-	-	-	-	-	-	-
Other Adjustments (d)		(72,684)	(82,618)	(94,187)	(103,576)	(110,871)	(120,365)	(928,205)
Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	<u>\$1,187,310</u>	<u>\$1,407,987</u>	<u>\$1,644,801</u>	<u>\$1,889,260</u>	<u>\$2,150,156</u>	<u>\$2,443,161</u>	<u>\$2,762,847</u>	<u>\$2,762,847</u>
Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	<u>\$458,005</u>	<u>\$543,131</u>	<u>\$634,482</u>	<u>\$728,782</u>	<u>\$829,423</u>	<u>\$942,449</u>	<u>\$1,065,768</u>	<u>n/a</u>
Average Accumulated DTA		\$500,568	\$588,806	\$681,632	\$779,102	\$885,936	\$1,004,109	
Carrying Costs on DTA (c)								
a. Equity Component (a)		2,735	3,217	3,724	4,257	4,841	5,486	32,883
b. Equity Comp. grossed up for taxes (b)		4,453	5,238	6,063	6,930	7,881	8,932	53,533
c. Debt Component		814	957	1,108	1,267	1,441	1,633	9,785
Total Return Requirements (Line 7b + 7c)	<u>\$ 5,267</u>	<u>\$ 6,195</u>	<u>\$ 7,172</u>	<u>\$ 8,197</u>	<u>\$ 9,321</u>	<u>\$ 10,565</u>	<u>\$ 63,318</u>	
Total Return Requirements from most recent Projections		-	-	-	-	-	-	-
Difference (Line 8 - Line 9)	<u>\$ 5,267</u>	<u>\$ 6,195</u>	<u>\$ 7,172</u>	<u>\$ 8,197</u>	<u>\$ 9,321</u>	<u>\$ 10,565</u>	<u>\$ 63,318</u>	

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Based on statutory tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Other adjustment represents the monthly debt component of the carrying costs. Until such time as the carrying charges are recovered, the difference between the tax basis and book basis will be the difference between the CPI calculated for tax

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Construction Period Interest**

[Section (5)(c)1.b.]

Schedule AE-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual/Estimated Construction Period Interest for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$ 35,719,834	\$ 38,387,803	\$ 41,275,807	\$ 43,473,386	\$ 46,077,654	\$ 49,434,502	
2.	Additions Preconstruction	-	-	-	-	-	-	-
3.	Additions Construction		2,667,969	2,888,004	2,197,579	2,604,268	3,356,848	8,244,842
4.	Other Adjustments		-	-	-	-	-	-
5.	Ending Balance Excluding CPI	<u>\$ 35,719,834</u>	<u>\$ 38,387,803</u>	<u>\$ 41,275,807</u>	<u>\$ 43,473,386</u>	<u>\$ 46,077,654</u>	<u>\$ 49,434,502</u>	<u>\$ 57,679,343</u>
6.	Average Balance Eligible for CPI	<u>\$ 37,053,819</u>	<u>\$ 39,831,805</u>	<u>\$ 42,374,597</u>	<u>\$ 44,775,520</u>	<u>\$ 47,756,078</u>	<u>\$ 53,556,923</u>	
7.	Monthly CPI Rate [Note 1]		0.0046008	0.0048596	0.0048596	0.0048596	0.0048596	
8.	Construction Period Interest for Tax (CPI)		<u>170,477</u>	<u>193,567</u>	<u>205,924</u>	<u>217,591</u>	<u>232,075</u>	<u>1,279,899</u>

Note 1: CPI rate is the projected weighted average debt rate for the period.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Construction Period Interest**

[Section (5)(c)1.b.]

Schedule AE-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual/Estimated Construction Period Interest for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) 12 Month Total
1.	Beginning Balance	\$ 57,679,343	\$ 63,055,366	\$ 68,408,711	\$ 70,963,419	\$ 79,037,413	\$ 87,180,366	
2.	Additions Preconstruction	-	-	-	-	-	-	-
3.	Additions Construction		5,376,022	5,353,345	2,554,708	8,073,994	8,142,953	6,745,479
4.	Other Adjustments		-	-	-	-	-	-
5.	Ending Balance Excluding CPI	<u>57,679,343</u>	<u>63,055,366</u>	<u>68,408,711</u>	<u>70,963,419</u>	<u>79,037,413</u>	<u>87,180,366</u>	<u>93,925,845</u>
6.	Average Balance Eligible for CPI	<u>60,367,355</u>	<u>65,732,038</u>	<u>69,686,065</u>	<u>75,000,416</u>	<u>83,108,890</u>	<u>90,553,106</u>	
7.	Monthly CPI Rate [Note 1]		0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596
8.	Construction Period Interest for Tax (CPI)		<u>293,361</u>	<u>319,431</u>	<u>338,646</u>	<u>364,472</u>	<u>403,876</u>	<u>440,052</u>
								<u>3,439,738</u>

Note 1: CPI rate is the projected weighted average debt rate for the period.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Recoverable O&M Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the Actual/Estimated CCRC Recoverable O&M projected monthly expenditures by function for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1	Accounting	\$ 300	\$ 1,835	\$ 2,040	\$ 2,657	\$ 3,575	\$ 2,565	\$ 2,565	\$ 2,596	\$ 2,535	\$ 3,575	\$ 2,688	\$ 2,688	\$ 29,616
2	Corporate Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporate Planning	3,262	6,105	7,042	9,563	12,032	8,741	8,491	8,598	8,634	12,407	9,670	9,170	103,715
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IT & Telecom	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
8	Legal	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Project Assurance	3,943	6,978	5,669	9,275	12,374	9,329	8,965	9,068	10,236	12,374	9,378	10,753	108,339
10	Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	10,839	18,250	18,084	24,828	31,314	23,968	23,354	23,595	24,738	31,689	25,069	25,944	281,670
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Total O&M Costs	\$ 10,839	\$ 18,250	\$ 18,084	\$ 24,828	\$ 31,314	\$ 23,968	\$ 23,354	\$ 23,595	\$ 24,738	\$ 31,689	\$ 25,069	\$ 25,944	\$ 281,670
16	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
17	Jurisdictional Factor (Distribution)	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
18	Jurisdictional Factor (Nuclear - Production - Base)	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
19	Jurisdictional Factor (Transmission)	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
20	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)	\$ 9,936	\$ 16,730	\$ 16,578	\$ 22,759	\$ 28,705	\$ 21,972	\$ 21,408	\$ 21,630	\$ 22,677	\$ 29,049	\$ 22,980	\$ 23,782	\$ 258,207
21	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 17)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jurisdictional Recoverable Costs (Nucl - Production - Base) (Line 13 X Line 18)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 19)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Jurisdictional Recoverable O&M Costs	\$ 9,936	\$ 16,730	\$ 16,578	\$ 22,759	\$ 28,705	\$ 21,972	\$ 21,408	\$ 21,630	\$ 22,677	\$ 29,049	\$ 22,980	\$ 23,782	\$ 258,207
25	Average Monthly Recoverable O&M Balance	4,968	\$ 18,318	\$ 35,019	\$ 54,772	\$ 80,635	\$ 106,167	\$ 128,112	\$ 149,939	\$ 172,452	\$ 198,729	\$ 225,220	\$ 249,142	
26	Monthly Short-term Commerical Paper Rate	0.34%	0.26%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	
27	Interest Provision	\$ 17	\$ 48	\$ 84	\$ 131	\$ 194	\$ 255	\$ 307	\$ 360	\$ 414	\$ 477	\$ 541	\$ 598	\$ 3,425
28	Total Monthly Recoverable O&M Costs	\$ 9,953	\$ 16,777	\$ 16,662	\$ 22,891	\$ 28,899	\$ 22,227	\$ 21,716	\$ 21,990	\$ 23,091	\$ 29,526	\$ 23,521	\$ 24,380	\$ 261,632
29	Total Jurisdictional O&M Costs From Most Recent Projection	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Difference (Line 28 - 29)	\$ 9,953	\$ 16,777	\$ 16,662	\$ 22,891	\$ 28,899	\$ 22,227	\$ 21,716	\$ 21,990	\$ 23,091	\$ 29,526	\$ 23,521	\$ 24,380	\$ 261,632

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Other Recoverable O&M Monthly Expenditures

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the Actual/Estimated Other Recoverable O&M projected monthly expenditures by function for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1	Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Corporate Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporate Planning	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IT & Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Legal	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Project Assurance	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
15	Total O&M Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
17	Jurisdictional Factor (Distribution)	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
18	Jurisdictional Factor (Nuclear - Production - Base)	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
19	Jurisdictional Factor (Transmission)	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
20	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 16)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jurisdictional Recoverable Costs (Nucl - Production - Base) (Line 13 X Line 16)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Jurisdictional Recoverable O&M Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total Jurisdictional O&M Costs From Most Recent Projection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Difference (Line 24 - 26)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: PEF does not have an estimate of these costs currently.

**Crystal River Unit 3 Upgrade
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Monthly Expenditures**

[Section (5)(c)1.b.]

Schedule AE-6

[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the actual/estimated monthly expenditures by major tasks performed within Site Selection, Preconstruction and Construction categories for the current year.
All Site Selection costs also included in Pre-Construction costs must be identified.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - E1

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1	Site Selection:													
2														
3														
4	Pre-Construction:													
5	Generation:													
6	License Application	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Engineering & Design	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Permitting	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Clearing, Grading and Excavation	-	-	-	-	-	-	-	-	-	-	-	-	-
10	On-Site Construction Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Total Generation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	Less Adjustments:													
13	Non Cash Accruals	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Net Generation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
17	Total Jurisdictional Generation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18														
19														
20	Transmission:													
21	Line Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Substation Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Clearing	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Total Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Less Adjustments:													
27	Non Cash Accruals	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Net Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
31	Total Jurisdictional Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32														
33														
34	Total Jurisdictional Preconstruction Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35														
36	Construction:													
37	Generation:													
38	Real Estate Acquisitions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Project Management	320,642	366,135	361,146	580,196	1,076,989	753,070	958,017	779,364	746,016	1,574,569	759,255	1,155,316	9,430,715
40	Permanent Staff/Training	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Site Preparation	-	-	-	-	-	-	-	-	-	-	-	-	-
42	On-Site Construction Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Power Block Engineering, Procurement, etc.	2,775,120	2,976,391	2,182,775	2,446,366	2,824,187	8,828,711	5,289,753	5,442,051	2,222,950	7,808,661	8,704,116	6,683,974	58,185,056
44	Non-Power Block Engineering, Procurement, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Total Generation Costs [Note 1]	\$ 3,095,762	\$ 3,342,526	\$ 2,543,921	\$ 3,026,562	\$ 3,901,177	\$ 9,581,781	\$ 6,247,770	\$ 6,221,415	\$ 2,968,966	\$ 9,383,230	\$ 9,463,371	\$ 7,839,290	\$ 67,615,770
46	Less Adjustments:													
47	Non Cash Accruals	(1,726,954)	(1,063,451)	1,442,798	(284,368)	1,221,530	5,899,697	2,111,934	(3,024,330)	(2,950,924)	2,845,634	5,844,965	(1,389,546)	8,926,986
48	Other	250,019	262,087	199,812	248,765	320,653	787,565	513,529	511,363	244,031	771,245	777,832	644,343	5,531,345
49	Net Generation Costs [Note 2]	\$ 4,572,697	\$ 4,143,890	\$ 901,211	\$ 3,062,164	\$ 2,358,993	\$ 2,894,519	\$ 3,622,307	\$ 8,734,382	\$ 5,675,858	\$ 5,766,351	\$ 2,840,574	\$ 8,584,494	\$ 53,157,440
50	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
51	Total Jurisdictional Generation Costs	\$ 4,287,041	\$ 3,885,021	\$ 844,912	\$ 2,870,871	\$ 2,211,627	\$ 2,713,698	\$ 3,396,021	\$ 8,188,745	\$ 5,321,287	\$ 5,406,127	\$ 2,663,123	\$ 8,048,220	\$ 49,836,695
52														
53														
54	Transmission:													
55	Line Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	Substation Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Real Estate Acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Line Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Substation Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	Total Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	Less Adjustments:													
63	Non Cash Accruals	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Net Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
67	Total Jurisdictional Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68														
69														
70	Total Jurisdictional Construction Costs	\$ 4,287,041	\$ 3,885,021	\$ 844,912	\$ 2,870,871	\$ 2,211,627	\$ 2,713,698	\$ 3,396,021	\$ 8,188,745	\$ 5,321,287	\$ 5,406,127	\$ 2,663,123	\$ 8,048,220	\$ 49,836,695

Note 1: Line 45 represents generation construction costs on an accrual basis, gross of joint owner billings and excludes AFUDC.
Note 2: Line 49 represents net generation costs on a cash basis, net of joint owner billings.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-6A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a description of the major tasks performed within Preconstruction and Construction categories for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Major Task	Description - Includes, but is not limited to:
1	<u>Pre-Construction:</u>	
2	<u>Generation:</u>	
3	License Application	Detailed on-site characterization for geological and environmental analysis, NRC Review fees, transmission deliverability analysis, etc.
4	Engineering & Design	Engineering & Design associated with the Site Layout, Power Block and Non-Power Block facilities.
5	Permitting	Obtain required permits for new plant (i.e. site certification permits, environmental permits, etc.)
6	Clearing, Grading and Excavation	Clearing, grading, excavation, backfill, onsite disposal, drainage and erosion control. Construction park lots, laydown areas and access roads.
7	On-Site Construction Facilities	includes the installation of warehouses necessary during construction (electrical shop, carpenter shops, etc.), construction power and lighting.
8		
9	<u>Transmission:</u>	
10	Line Engineering	Internal engineering labor, contracted engineering labor, survey and all other costs associated with engineering transmission lines.
11	Substation Engineering	Internal engineering labor, contracted engineering labor and all other costs associated with substation and protection and control (relay) engineering.
12	Clearing	Contracted costs associated with clearing acquired ROW for the construction of transmission lines, costs associated with building access roads to the ROW to ensure access for construction, operating and maintenance of transmission lines.
13		
14	Other	Project Management, overhead costs and other miscellaneous costs associated with transmission pre-construction.
15		
16	<u>Construction:</u>	
17	<u>Generation:</u>	
18	Real Estate Acquisition	Land, Survey, Legal fees and commissions.
19	Project Management	Management oversight of construction, including, but not limited to engineering, quality assurance, field support and contract services.
20	Permanent Staff/Training	Obtain and train qualified staff by Fuel Load date.
21	Site Preparation	Design and construction of plant site preparations to support fabrication and construction. Remedial work for plant foundation and foundation substrata.
22	On-Site Construction Facilities	includes the installation of warehouses necessary during construction (electrical shop, carpenter shops, etc.), construction power and lighting.
23	Power Block Engineering, Procurement, etc.	The cost of constructing and procuring the nuclear power block (reactor vessel, containment vessel, cooling towers, etc.)
24	Non-Power Block Engineering, Procurement, etc.	Site permanent structures and facilities outside the Power Block, including structural, electrical, mechanical, civil and security items. (Admin building, Training center, Security towers, Switchyard, Roads, Railroad, Barge facility, etc.)
25		
26		
27	<u>Transmission:</u>	
28	Line Engineering	See description on Line 10.
29	Substation Engineering	See description on Line 11.
30	Real Estate Acquisition	Land, route siting, survey, appraisal, title commitments, acquisition, permitting, eminent domain support and ordinance review costs.
31	Line Construction	Contracted construction labor, structures and materials, equipment and all other costs associated with construction of transmission lines.
32	Substation Construction	Contracted construction labor, structures and materials, equipment and all other costs associated with substation and protection and control (relay) construction.
33	Other	See description on Line 14.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Variance Explanations**

[Section (8)(d)]

Schedule AE-6B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide annual variance explanations comparing the actual/estimated expenditures to the most recent projections for the current period filed with the Commission.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Total Actual/Estimated	(B) Total Projected	(C) Total Variance	(D) Explanation
1				Site Selection:
2				
3				
4				Pre-Construction:
5				Generation:
6	\$ -	\$ -	\$ -	N/A
7	-	-	-	N/A
8	-	-	-	N/A
9	-	-	-	N/A
10	-	-	-	N/A
11	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
12				
13				Transmission:
14	\$ -	\$ -	\$ -	N/A
15	-	-	-	N/A
16	-	-	-	N/A
17	-	-	-	N/A
18	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
19				
20				Construction:
21				Generation:
22	\$ -	\$ -	\$ -	N/A
23	9,430,715	-	9,430,715	Note 1
24	-	-	-	N/A
25	-	-	-	N/A
26	-	-	-	N/A
27	58,185,056	-	58,185,056	Note 1
28	-	-	-	N/A
29	<u>\$ 67,615,770</u>	<u>\$ -</u>	<u>\$ 67,615,770</u>	
30				
31				Transmission:
32	\$ -	\$ -	\$ -	N/A
33	-	-	-	N/A
34	-	-	-	N/A
35	-	-	-	N/A
36	-	-	-	N/A
37	-	-	-	N/A
38	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

Note 1: No costs were projected due to the fact that Progress Energy (PEF) has never filed a projection to date.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Technology Selected**

[Section (8)(b)]

Schedule AE-7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a description of the nuclear technology selected that includes, but is not limited to, a review of the technology and the factors leading to its selection.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

Project Title: Phase I - Measurement Uncertainty Recapture (MUR)

The Extended Power Uprate (EPU) Project includes multiple project phases proceeding in parallel. The phases are most simply associated with the outages (2007, 2009, and 2011) in which they will be installed. In the 2006 and 2007 period, expenses were realized on all three phases.

The 2007 phase included installation of improved instruments to allow more accurate measurement of inputs to the secondary heat balance. By far, the largest portion was that associated with main feed-water flow. The vendor chosen to supply this new instrumentation (Fundamentally new technology) was available from two vendors (Westinghouse and Caldon d.b.a. Cameron). However, Progress Energy already had a fleet contract with Caldon for all such applications. Further, the Nuclear Regulatory Commission (NRC) was reviewing both suppliers. Caldon had been re-approved. Westinghouse's approval was not proceeding well and was ultimately withdrawn. Thus, both financial and regulatory reasons led to the selection of this particular technology.

The analytical and licensing support for the required NRC approval was provided by the original Nuclear Steam Supply System (NSSS) and current fuel supplier (AREVA). They were selected (sole source) because they had unique access to and experience with all the requisite safety analysis for CR3. Efforts to use other vendors for such work has been consistently less timely, more costly and of lower quality. The contract for this service was established as a fixed price contract with incentives and penalties (roughly 10%) to provide cost-certainty and appropriate risk-sharing.

The installation contractor (Atlantic) is a standard supplier of such services to Progress Energy. The fleet contract was established after a competitive bidding process.

Project Title: Phase II - Balance of Plant (BOP) and Phase III - Extended Power Uprate (EPU)

Siemens was selected as the vendor for our turbine/generator retrofits. They were selected after fully, open, competitive bidding process with due consideration of both cost and performance. The fixed price contract has appropriate incentives, penalties, and performance guarantees to assure price certainty and expected results.

A number of long-lead components (thus far mostly heat exchangers) were contracted for in late 2007 after evaluation of competitive bids based on cost and performance.

AREVA was contracted to supply the necessary analytical and licensing support to seek NRC approval for the 2011 uprate. This was a sole-source contract for the same reasons noted above. This contract was thoroughly negotiated as a fixed price contract with incentives and penalties to provide cost certainty and appropriate risk sharing. Progress was made on schedule and milestone payments made and/or accrued as appropriate.

A detailed technical evaluation of the EPU was performed by AREVA. They were selected to assure close coordination with the NSSS scope and other on-going activities. The results were reviewed by an expert panel comprised of AREVA, Progress Energy, and external participants.

The results of the evaluation formed the basis for competitively bidding the engineering support for the balance of EPU. A limited partnership between Worley Parsons (the original CR3 Architect and Engineering firm) and AREVA was awarded the contract based on both technical and cost considerations and to assure continued close coordination with the balance of the project.

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed

[Section (b)(3)]
REDACTED

Schedule AE-8

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Actual Expended as of Prior Year End (2006/2007)	Estimate of amount to be Expended in Current Year (2008)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection	Work Description
1	44867 A07	Issued							NuFlo Technologies Sales Co.	Fleet Contract in Place - Sole Source	Purchase & Installation of Leading Edge Flow Meter (LEFM) to Recapture Measurement Uncertainty
2	101659 WA 61	Issued							AREVA - NP	Sole Source - Original Equipment Manufacture	Engineering Design & Licensing for Measurement Uncertainty Recapture
3	101659 WA 84	Issued							AREVA - NP	Sole Source - Original Equipment Manufacture	EPU NSSS Engineering, Fuel Eng, and LAR Support
4	342253	Issued							Thermal Engineering	RFP	Purchase of 4 moisture separator reheaters (MSRs)
5	101659 WA 93	Issued							Areva NP	RFP KS12007	EPU BOP
6	3714, Amdt 53, Amd 57 to add funds	Issued							Atlantic Group	Fleet Contract in Place - Sole Source	LEFM Install
7	145569 WA 50	Issued							Siemens	RFP	CR3 turbine retrofit for EPU including supply of all equipment and installation.
8	355217	Issued							Yuba Heat Transfer Div.	RFP	CR3 Feedwater Heater and SC cooler replacement

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

Contract No.:

44867 Amendment 07

Major Task or Tasks Associated With:

Purchase & Installation of Leading Edge Flow Meter to Recapture Measurement - Uncertainty - Power Level Update

Vendor Identity:

NuFlo Technologies Sales Co.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

A Fleet Contract had been approved for entire fleet to Purchase the LEFM from Caldon (recognized as industry leader). Further NRC Issue Summary 2007-24 suspended further approvals of the Westinghouse AMAG Crossflow Ultrasonic Flow Meter (UFM) until problems are addressed.

Dollar Value:

Contract Status:

Issued

Term Begin:

Term End:

Nature and Scope of Work:

Progress Energy proposes to perform a thermal power uprate of the Crystal River Unit 3 nuclear plant to achieve an increase in the reactor core thermal power output and subsequent increases in electrical generation output. Current 10 CFR50 regulations allow the plant to recover the difference between 2% and the demonstrated uncertainty of thermal power measurement made possible with the installation of more accurate ultrasonic feedwater flow instrumentation. Caldon shall provide a complete Leading Edge Flow Meter (LEFM) CheckPlus ultrasonic feedwater flow measurement (UFM) system for Crystal River Unit 3. This system shall use ultrasonic "transit time" technology to determine feedwater volumetric flow rate, mass flow rate and fluid temperature. This specification establishes the supply, inspection testing and documentation requirements for the flow measurement system which will be used in conjunction with the Crystal River Unit 3 "Appendix K" thermal power uprate proposals.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

Contract No.:

101659 WA 61

Major Task or Tasks Associated With:

Engineering Design & Licensing for Measurement Uncertainty Recapture

Vendor Identity:

AREVA NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

OEM

Dollar Value:

Contract Status:

Issued

Term Begin:

Term End:

Nature and Scope of Work:

Contractor shall provide engineering, design and licensing for the Measurement Uncertainty Recapture (MUR) project. The awarded Work shall be performed at Owner's, Crystal River Nuclear Plant, located near Crystal River, Florida and shall consist of the following unique work scopes/deliverables. 1.0 December Submittals – These will be completed under AREVA's QA Program and are Non-Safety. 1) 12/07/06 Transmit NSSS I&C System Reviews to CR3 2) 12/08/06 Transmit HVAC System Reviews to CR3 3) 12/19/06 Transmit BOP Elect System Reviews to CR3 4) 12/22/06 Transmit NSSS Fluid System Reviews to CR3 5) 12/29/06 Transmit BOP Fluid System Reviews to CR3 2.0 License Amendment Request - Draft Submittal to CR3 for the MUR The draft license amendment request (LAR) is a AREVA NP 51-document summarizing the license evaluations performed by AREVA NP and CR3 to meet the NRC regulatory information summary (RIS) 2002-003, Guidance on the Content of Measurement Uncertainty Recapture Power Uprate Applications. The draft license amendment request will be completed under AREVA's QA Program and is Safety-Related.

The deliverables to CR3 that are input to this summary document include: AREVA NP 32-document, New Operating Conditions for the CR3 MUR AREVA's QA Program/Safety-Related AREVA NP 32-document, Heat Balance Uncertainty Calculation for the CR3 MUR AREVA's QA Program/Safety-Related AREVA NP 12-document, Revised PEPSE model for CR3 MUR AREVA's QA Program/Non-Safety AREVA NP 51-document, NSSS Fuel Evaluation AREVA's QA Program/Non-Safety.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

REDACTED

Schedule AE-8A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel L. Roderick

DOCKET NO.: 080009 - E1

Contract No.:

101659 WA 84

Major Task or Tasks Associated With:

EPU NSSS Engineering, Fuel Eng, and LAR Support for CR3

Vendor Identity:

Areva NP, Inc.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

N/A - OEM

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Contractor agrees to perform the following work more fully described in AREVA Proposal No. NSSSE06-1023.0 Revision 000 dated July 18, 2007 to furnish all engineering personnel and tools, engineering supervision and management, deliverable documents and required transportation necessary to perform the following functions in support of the Extended Power Uprate (EPU) Project Nuclear Steam Supply (NSSS) Portion for Crystal River Three (CR-3) Nuclear Power Station: Nuclear Steam Supply System (NSSS) Engineering, Fuel Engineering, Support of the Licensing Amendment Request (LAR).

This work is Nuclear Safety Related.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]
REDACTED

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide additional details of contracts executed in excess of \$1 million
 COMPANY: PROGRESS ENERGY - FL affiliation with selected vendor, the method of vendor selection,
 DOCKET NO.: 080009 - EI brief description of vendor selection process, and current status
 of the contract. Witness: Daniel L. Roderick

Contract No.: 342253

Major Task or Tasks Associated With: Purchase of 4 MSRS

Vendor Identity: Thermal Engineering International (TEI)

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: 2

Number of Bids Received: 2

Brief Description of Selection Process: Bid was lower than the competing bidder

Dollar Value: [REDACTED]

Contract Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: [REDACTED]

Thermal Engineering International (TEI) is to provide four (4) moisture separator reheaters (MSRs) for Crystal River Unit #3 (CR3) that when combined with other power uprate modifications serve to maximize the uprated turbine steam cycle conditions. The replacement MSRs shall be designed and fabricated with full consideration for maintaining the existing plant piping configuration including the turbine cross under and cross over piping. MSRs are to contribute to the rated generator MVA capability that will have a minimum performance capability of 1080 MWe real power output while concurrently providing 430 MVA/R reactive power.

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

Contract No.:

101659-93

Major Task or Tasks Associated With:

EPU_BOP

Vendor Identity:

Areva NP

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

5

Number of Bids Received:

3

Brief Description of Selection Process:

Areva has proven performance on MUR and NSSS with a stronger interface with vendors; teamed with original AE for BOP at CR3; Areva is the best vendor from a technical perspective and on average equal cost with opportunity to earn higher royalties.

Dollar Value:

Contract Status:

Issued

Term Begin:

Term End:

Nature and Scope of Work:

Contractor shall provide Engineering Services for CR3 Secondary Systems Uprate to support the Extended Power Uprate Project. Engineering Services shall be in accordance with Request for Proposal No. KS12007 and "Extended Power Uprate Bid Specification", dated June 25, 2007.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel L. Roderick

Contract No.:

Master 3714, Amdt 53, and Amd 57 to add funds

Major Task or Tasks Associated With:

LEFM Install

Vendor Identity:

Atlantic Group

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

Sole Source

Number of Bids Received:

N/A

Brief Description of Selection Process:

Work awarded under fleet contract that was competitively bid.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

LEFM Installation at CR3

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel L. Roderick

DOCKET NO.: 080009 - EI

Contract No.:

145569 WA 50

Major Task or Tasks Associated With:

CR3 turbine retrofit for EPU including supply of all equipment and installation

Vendor Identity:

Siemens

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

4

Number of Bids Received:

2

Brief Description of Selection Process:

Total cost lower than competing bidder. Siemens adds value by bundling all components and services.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Contractor to provide all materials, equipment, and tools to supply and install High pressure Turbine Rotors, Low Pressure Turbine Rotors, Generator, and Exciter at Crystal River Unit #3 as more fully described in Attachment A - Scope of Work (attached hereto) and as set forth in the Contractor's offer (Proposal Number TA02-280) dated April 16, 2007, the Proposal Revision e-mail TA02-280-1 dated May 18, 2007, Mr Puneet Bahl's Installation Clarification e-mail and its Attachment dated June 4, 2007 and the terms and conditions of the Master Contract # 145569.

This work is non-safety related.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Contracts Executed**

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel L. Roderick

DOCKET NO.: 080009 - EI

Contract No.:

355217

Major Task or Tasks Associated With:

Purchase of Feedwater Heater and SC Cooler Replacement at CR3.

Vendor Identity:

Yuba Heat Transfer Div.

Vendor Affiliation (specify 'direct' or 'indirect'):

Direct

Number of Vendors Solicited:

2

Number of Bids Received:

2

Brief Description of Selection Process:

Bid was lower than the competing bidder and Yuba is technically and commercially the best supplier of the equipment.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

[REDACTED]

Nature and Scope of Work:

Supplier of Feedwater Heater and SC Cooler Replacement at CR3.

Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Calculation of the Estimated True-up Amount for the Period

Schedule AE-9

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	True-Up Provision	-	-	-	-	-	-	-
3	NFR Revenues Applicable to Period (Lines 1 + 2)	-	-	-	-	-	-	-
4	Jurisdictional NFR Costs	387,412	449,355	476,960	505,800	541,802	564,574	2,925,901
5	Over/Under Recovery true-up provision (Line 3 - Line 4)	(387,412)	(449,355)	(476,960)	(505,800)	(541,802)	(564,574)	(2,925,901)
6	Interest Provision	-	-	-	-	-	-	-
7	Beginning Balance True-up & Interest Provision	-	-	-	-	-	-	-
a	Deferred True-up	-	-	-	-	-	-	-
8	True-Up Collected (Refunded) (See Line 2)	-	-	-	-	-	-	-
9	End of Period True-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: No costs were estimated due to the fact that Progress Energy's (PEF) has never filed a projection to date.

Note 2: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Calculation of the Estimated True-up Amount for the Period**

Schedule AE-9

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(H) Projected July	(I) Projected August	(J) Projected September	(K) Projected October	(L) Projected November	(M) Projected December	(N) 12 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	True-Up Provision	-	-	-	-	-	-	-
3	NFR Revenues Applicable to Period (Lines 1 + 2)	-	-	-	-	-	-	-
4	Jurisdictional NFR Costs	600,046	665,444	742,302	810,435	852,674	916,130	7,512,933
5	Over/Under Recovery true-up provision (Line 3 - Line 4)	(600,046)	(665,444)	(742,302)	(810,435)	(852,674)	(916,130)	(7,512,933)
6	Interest Provision	-	-	-	-	-	-	-
7	Beginning Balance True-up & Interest Provision	-	-	-	-	-	-	-
a	Deferred True-up	-	-	-	-	-	-	-
8	True-Up Collected (Refunded) (See Line 2)	-	-	-	-	-	-	-
9	End of Period True-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 1: No costs were estimated due to the fact that Progress Energy's (PEF) has never filed a projection to date.

Note 2: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Calculation of the Net Interest True-up Amount for the Period**

Schedule AE-10

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
1	Beginning Monthly Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Ending Monthly Balance	-	-	-	-	-	-	-
3	Average Monthly Balance	-	-	-	-	-	-	-
4	Beginning of Month interest	-	-	-	-	-	-	-
5	Ending of Month Interest	-	-	-	-	-	-	-
6	Average Interest	-	-	-	-	-	-	-
7	Average Monthly Interest	-	-	-	-	-	-	-
8	Monthly Interest Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.

**Crystal River Unit 3 Uprate
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Actual & Estimated Filing: Calculation of the Net Interest True-up Amount for the Period**

Schedule AE-10

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(H) Projected July	(I) Projected August	(J) Projected September	(K) Projected October	(L) Projected November	(M) Projected December	(N) 12 Month Total
1	Beginning Monthly Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Ending Monthly Balance	-	-	-	-	-	-	-
3	Average Monthly Balance	-	-	-	-	-	-	-
4	Beginning of Month interest	-	-	-	-	-	-	-
5	Ending of Month Interest	-	-	-	-	-	-	-
6	Average Interest	-	-	-	-	-	-	-
7	Average Monthly Interest	-	-	-	-	-	-	-
8	Monthly Interest Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.

Crystal River 3 Uprate
MUR 12 Month Revenue Requirements

Docket No. 080009
APPENDIX A

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
1. Gross Plant In Service Before Jurisdictionalizing and Jt Owner's	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	9,332,412	
2. Remove Jt Owner Portion	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	767,068	
3. PEF Portion Of MUR Cost	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	8,565,344	
4. Jurisdictional Factor	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	93.753%	
5. Jurisdictional MUR Gross Plant In Service	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	8,030,267	
6. Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	
7. Depreciation Rate	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	2.24%	
8. Depreciation	14,990	14,990	14,990	14,990	14,990	14,990	14,990	14,990	14,990	14,990	14,990	14,990	179,878	
9. Accumulated Depreciation	14,990	29,980	44,969	59,959	74,949	89,939	104,929	119,919	134,908	149,898	164,888	179,878		
10. Ending Jurisdictional Net Plant In Service	8,015,277	8,000,287	7,985,297	7,970,307	7,955,318	7,940,328	7,925,338	7,910,348	7,895,358	7,880,368	7,865,379	7,850,389	7,850,389	
11. Average Balance	8,022,772	8,015,277	8,007,782	8,000,287	7,992,792	7,985,297	7,977,802	7,970,307	7,962,812	7,955,318	7,947,823	7,940,328		
12. Return														
a. Equity Component Grossed Up For Taxes (B)	11.16%	74,612	74,542	74,472	74,403	74,333	74,263	74,194	74,124	74,054	73,984	73,915	73,845	890,741
b. Debt Component (Line 6 x 2.04% x 1/12)	2.04%	13,639	13,626	13,613	13,600	13,588	13,575	13,562	13,550	13,537	13,524	13,511	13,499	162,824
13. Total Return and Depreciation		<u>103,240</u>	<u>103,158</u>	<u>103,075</u>	<u>102,993</u>	<u>102,911</u>	<u>102,828</u>	<u>102,746</u>	<u>102,663</u>	<u>102,581</u>	<u>102,498</u>	<u>102,416</u>	<u>102,333</u>	<u>1,233,443</u>

2008 RR's (Note 1) 1,181,822
2009 RR's 1,233,443

Note 1: The MUR was placed in service in January 2008. For this reason, 2008 revenue requirements exclude half a month of the above calculated January revenue requirements.