



May 3, 2010

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**VIA HAND DELIVERY**

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

Re: Energy Conservation Cost Recovery Clause; Docket No. 100002-EG

Dear Ms. Cole:

Enclosed for filing on behalf of Progress Energy Florida, Inc. ("PEF") are the original and fifteen (15) copies of the following:

- PEF's Petition for Approval of ECCR True-up Amount; and
- Testimony of Gary R. Freeman with Exhibit No. \_\_\_\_ (GRF-1T), Exhibit No. \_\_\_\_ (GRF-2T), Exhibit No. \_\_\_\_ (GRF-3T), Exhibit No. \_\_\_\_ (GRF-4T), and Exhibit No. \_\_\_\_ (GRF-5T).

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me at (727) 820-5184.

Sincerely,

*John T. Burnett cms*  
John T. Burnett

COM 5  
 APA JTB/lms  
 ECR             
 GCL 2 cc: Parties of Record  
 RAD             
 SSC             
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BEFORE THE PUBLIC SERVICE COMMISSION

In Re: Energy Conservation Cost )  
Recovery Clause )

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Docket No. 100002-EG

Filed: May 3, 2010

**PROGRESS ENERGY FLORIDA, INC.'S  
PETITION FOR APPROVAL OF TRUE-UP AMOUNT**

Pursuant to Order No. PSC-10-0118-PCO-EG, issued February 26, 2010 in the above-referenced docket, Progress Energy Florida, Inc. ("PEF") petitions the Florida Public Service Commission ("Commission") for approval of an overrecovery of \$1,447,026 as PEF's adjusted net true-up amount for the period January 2009 through December 2009.

In support of this petition, PEF states:

1. The name and address of the affected agency are:

Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

2. The name, address and telephone number of the petitioner is:

Progress Energy Florida, Inc.  
299 First Avenue North  
St. Petersburg, Florida 33701

Notices, orders, pleadings and correspondence to be served upon PEF in this proceeding should be directed to:

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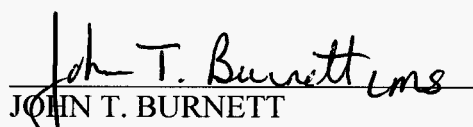
3. PEF is a public utility subject to the Commission's jurisdiction pursuant to Chapter 366, Florida Statutes. Pursuant to Section 366.82, Florida Statutes, and Rule 25-17.015, Florida Administrative Code, PEF recovers its reasonable and prudent unreimbursed costs for conservation audits, conservation programs, and implementation of PEF's conservation plan through the ECCR clause. PEF has substantial interests in the proper calculation and recovery of its ECCR factor and the final true-up which is used in the computation of PEF's ECCR factor.

4. PEF seeks Commission approval of an overrecovery of \$1,447,026 as the adjusted net true-up amount for the period January 2009 through December 2009. PEF's final adjusted net true-up amount for the period January 2009 through December 2009 was calculated consistently with the methodology set forth in Schedule 1 attached to Commission Order No. 10093, dated June 19, 1981. This calculation and the supporting documentation are contained in Exhibit No. 1 (GRF-1T), an exhibit attached to the prefiled testimony of PEF's witness Gary R. Freeman, which is being filed in conjunction with this petition.

5. PEF's current ECCR Factor, approved by the Commission to be applied to customers' bills during the January 2010 through December 2010 period, reflected an estimated/actual net true-up overrecovery of \$505,728 for the period January 2009 through December 2009. However, the actual net true-up overrecovery for the period

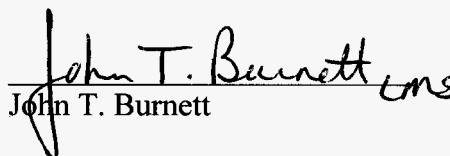
January 2009 through December 2009 totaled \$1,952,754. The adjusted net true-up of \$1,447,026 for the period January 2009 through December 2009 is the difference between the actual net true-up overrecovery for the period January 2009 through December 2009 period of \$1,952,754 and PEF's approved estimated/actual true-up overrecovery of \$505,728. Thus, \$1,447,026 is the amount that should be refunded on jurisdictional sales during PEF's next annual ECCR recovery period.

WHEREFORE, PEF respectfully requests that the Commission approve an overrecovery of \$1,447,026 as the final adjusted net true-up amount for the period January 2009 through December 2009 and that the approved final adjusted true-up amount be carried over and reflected in PEF's next ECCR factors.

  
JOHN T. BURNETT  
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DIANNE M. TRIPLETT  
Associate General Counsel  
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299 First Avenue North  
St. Petersburg, FL 33701  
Telephone: (727) 820-5184  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following by U.S. Mail this 3rd day of May, 2010 to all parties of record as indicated below.

  
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**PROGRESS ENERGY FLORIDA**

**DOCKET No. 100002-EG**

**DIRECT TESTIMONY OF  
GARY R. FREEMAN**

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

2 A. My name is Gary R. Freeman. My business address is 100 East Davie  
3 Street Raleigh, North Carolina 27601.

4

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

6 A. I am employed by Progress Energy Carolinas, Inc. (Progress Energy or the  
7 Company), as Director of Demand Response Programs and Demand Side  
8 Management/Energy Efficiency Operations.

9

10 **Q. Please describe your educational and professional background and  
11 experience.**

12 A. I have a Masters of Business Administration degree from the University of  
13 North Carolina and a Bachelor of Science degree in Mechanical Engineering  
14 from Clemson University. I have over thirty (30) years of experience in the  
15 electric and natural gas utility industry with SCANA (South Carolina Electric  
16 and Gas) and Progress Energy. My experiences have included roles in  
17 customer service, HR, transmission/substation, district operations, and  
18 wholesale power marketing/trading. I have been a director in the DSM/EE

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1 organization since December 2009. Earlier in my career, I was involved with  
2 natural gas sales programs and programs designed to improve customer  
3 appliance efficiencies to burn imported LNG gas. I was also involved with  
4 the implementation of energy efficiency programs for new home construction  
5 in the late 1980s and early 1990s.

6  
7 **Q. What are your current duties and responsibilities at Progress Energy?**

8 A. My responsibilities include the design, implementation and operations of the  
9 Company's Demand-Side Management (DSM) programs, including the  
10 development, implementation, training, budgeting, and accounting functions  
11 related to these programs. By DSM, I mean direct load control (DLC) and  
12 energy efficiency programs or dispatchable (demand response) and non  
13 dispatchable programs.

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

16 A. The purpose of my testimony is to present and compare Progress Energy's  
17 actual costs of implementing conservation programs with the actual  
18 revenues collected through the Company's Energy Conservation Cost  
19 Recovery Clause (ECCR) during the period January 2009 through  
20 December 2009 to substantiate the amount that should be refunded on  
21 jurisdictional sales during PEF's next annual ECCR recovery period.

22



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

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

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

23

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

2 A. Yes, I am sponsoring Exhibit No. (GRF-1T) entitled, "Progress Energy  
3 Florida Energy Conservation Adjusted Net True-Up for the Period January  
4 2009 through December 2009." There are five (5) schedules to this exhibit.

5

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

7 A. Yes. Exhibit No. (GRF-1T) presents Schedules CT-1 through CT-5. Together,  
8 these schedules set out the actual costs incurred for all programs during the  
9 period from January 2009 through December 2009. They also describe the  
10 variance between actual costs and previously projected values for the same  
11 time period.

12

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

14 A. Yes. Schedule CT-1 shows that Progress Energy's actual net ECCR true-up  
15 for the twelve months ending December 31, 2009 was an over-recovery of  
16 \$1,952,754 including principal and interest. This amount is \$1,447,026 more  
17 than the previous estimate in the Company's September 14, 2009 ECCR  
18 Projection Filing.

19

20 **Q. How about Schedule CT-2?**

21 A. The four pages of Schedule CT-2 provide an annual summary of conservation  
22 program costs as well as itemized conservation program costs for the period  
23 January 2009 through December 2009 detailing actual, estimated, and

1 variance calculations. These costs are directly attributable to PEF's  
2 Commission approved programs.

3  
4 **Q. What is the purpose of Schedule CT-3?**

5 A. Page one of Schedule CT-3 provides the actual conservation program costs  
6 for each of PEF's approved conservation programs during the 2009 calendar  
7 year. Page two of Schedule CT-3 illustrates the program revenues by month;  
8 applies monthly adjustments and calculates the next true-up per month while  
9 page three calculates the monthly interest provision.

10  
11 **Q. Does Schedule CT-4 also provide PEF's approved program cost  
12 information relevant to this proceeding?**

13 A. Yes. The three pages of Schedule CT-4 report the monthly capital investment,  
14 depreciation, and return for PEF's program classifications.

15  
16 **Q. Please explain Schedule CT-5 of Exhibit GRF-1.**

17 A. Schedule CT-5 provides a brief summary report for each program that includes  
18 a program description, annual program expenditures and program  
19 accomplishments over the twelve-month period ending December 2009.

20  
21 **Q. Please explain the source of data used in calculating the actual true-up  
22 amount.**

1 A. The data used in calculating the actual true-up amount was taken from PEF  
2 records unless otherwise indicated. These records are kept in the regular  
3 course of business in accordance with general accounting principles and  
4 practices and provisions of the Uniform System of Accounts as prescribed by  
5 the Commission. Pursuant to Rule 25-17.015(3), Florida Administrative Code,  
6 Schedules CT-3, page 4 of 4, PEF provides a list of all account numbers used  
7 for conservation cost recovery during the period January 2009 through  
8 December 2009.

9

10 **Q. Is PEF seeking recovery of any advertising costs which make a specific**  
11 **claim of potential energy savings for the January 2009 through**  
12 **December 2009 period?**

13 A. No, PEF is not seeking recovery of advertising costs that made a specific  
14 claim of potential energy savings during the period January 2009 through  
15 December 2009.

16

17 **Q. Does this conclude your direct testimony?**

18 A. Yes.

PROGRESS ENERGY FLORIDA

ENERGY CONSERVATION ADJUSTED NET TRUE-UP  
FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE  
NO.

1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$6,511,304)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(1,932,673)	
4	INTEREST (CT 3, PAGE 2 of 3)	(20,081)	
5	PRIOR TRUE-UP REFUND	6,511,304	
6	ADJUSTMENTS	<u>0</u>	(\$1,952,754)
7	LESS: ESTIMATED TRUE-UP FROM SEPTEMBER 2009		
8	PROJECTION FILING (OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$6,510,464)	
10	PRINCIPAL	(486,937)	
11	INTEREST	(18,792)	
12	PRIOR TRUE-UP REFUND	0	
13	ADJUSTMENTS	<u>6,510,464</u>	<u>(\$505,728)</u>
14	VARIANCE TO PROJECTION		<u><u>(\$1,447,026)</u></u>

PROGRESS ENERGY FLORIDA

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
 ACTUAL VS. ESTIMATED  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	4,682,601	4,679,473	3,128
2	PAYROLL AND BENEFITS	14,445,790	14,678,732	(232,943)
3	MATERIALS AND SUPPLIES	634,449	951,012	(316,563)
4	OUTSIDE SERVICES	4,369,697	4,958,081	(588,384)
5	ADVERTISING	5,696,056	6,588,159	(892,103)
6	INCENTIVES	49,091,188	46,625,714	2,465,474
7	VEHICLES			
8	OTHER	2,034,291	3,051,896	(1,017,605)
9	PROGRAM REVENUES			
10	TOTAL PROGRAM COSTS	80,954,071	81,533,067	(578,996)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	76,375,440	75,509,539	865,901
13	PRIOR TRUE-UP	6,511,304	6,510,464	840
14	TRUE-UP BEFORE INTEREST	(1,932,673)	(486,936)	(1,445,737)
15	AUDIT ADJUSTMENT			
16	INTEREST PROVISION	(20,081)	(18,792)	(1,289)
17	END OF PERIOD TRUE-UP	(1,952,754)	(505,728)	(1,447,026)

( ) REFLECTS OVERRECOVERY

PROGRESS ENERGY FLORIDA

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	TOTAL
1	BETTER BUSINESS	0	127,097	12	817	229,633	1,836,293	0	9,585	2,203,437
2	RESIDENTIAL NEW CONSTRUCTION	0	756,940	3,716	69,297	214,890	769,375	0	82,020	1,896,238
3	HOME ENERGY IMPROVEMENT	15,009	812,156	2,107	10,009	1,635,818	4,809,694	0	80,954	7,365,747
4	COMM / IND NEW CONSTRUCTION	0	68,617	252	0	12,126	532,777	0	1,673	615,445
5	HOME ENERGY CHECK	746	3,109,272	236,162	615,300	2,401,942	0	0	247,908	6,611,330
6	LOW INCOME WEATHERIZATION ASST	0	48,840	0	617	16,500	32,092	0	4,651	102,701
7	RENEWABLE ENERGY	0	82,887	(8,952)	(8,000)	46,479	719,467	0	(24,082)	807,798
8	NEIGHBORHOOD ENERGY SAVER	0	144,659	663	101,320	24,902	683,536	0	35,044	990,124
9	BUSINESS ENERGY CHECK	0	1,264,984	50,850	752,148	272,404	0	0	137,075	2,477,462
10	QUALIFYING FACILITY	0	643,756	1,035	0	0	0	0	17,571	662,362
11	INNOVATION INCENTIVE	0	19,450	0	709	0	0	0	1,780	21,939
12	TECHNOLOGY DEVELOPMENT	1,823	343,223	(32,134)	286,891	1,758	0	0	20,610	622,171
13	STANDBY GENERATION	117,622	172,321	9,764	118,143	0	2,127,485	0	19,655	2,564,990
14	INTERRUPTIBLE SERVICE	16,185	80,049	6,263	1,850	0	17,542,477	0	15,054	17,661,877
15	CURTAILABLE SERVICE	0	0	0	0	0	746,656	0	97	746,753
16	ENERGY MANAGEMENT - RESIDENTIAL	4,512,037	1,266,571	43,768	1,156,751	357,504	18,666,283	0	54,076	26,056,989
17	ENERGY MANAGEMENT - COMMERCIAL	0	1,506	0	0	0	625,053	0	0	626,559
18	CONSERVATION PROGRAM ADMIN	19,179	5,503,461	320,942	1,263,845	482,101	0	0	1,330,619	8,920,148
19	TOTAL ALL PROGRAMS	4,682,601	14,445,790	634,449	4,369,697	5,696,056	49,091,188	0	2,034,291	80,954,071

PROGRESS ENERGY FLORIDA

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

FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	TOTAL
1	BETTER BUSINESS	0	(21,911)	(208)	(19,132)	(149,828)	695,770	0	(1,549)	503,142
2	RESIDENTIAL NEW CONSTRUCTION	0	(52,775)	(2,387)	(43,262)	(44,993)	(54,576)	0	(44,614)	(242,607)
3	HOME ENERGY IMPROVEMENT	0	57,511	1,002	10,009	53,624	1,199,382	0	(4,775)	1,316,754
4	COMM / IND NEW CONSTRUCTION	0	(22,406)	252	0	(11,316)	(115,555)	0	563	(148,462)
5	HOME ENERGY CHECK	0	172,123	(173,731)	(128,559)	(115,686)	0	0	(136,448)	(382,301)
6	LOW INCOME WEATHERIZATION ASST	0	(3,806)	0	(162)	(7,500)	(2,908)	0	(1,916)	(16,291)
7	RENEWABLE ENERGY	0	18,759	(10,990)	0	(13,867)	179,467	0	2,144	175,512
8	NEIGHBORHOOD ENERGY SAVER	0	17,030	(1,121)	1,688	(721)	(116,464)	0	10,607	(88,981)
9	BUSINESS ENERGY CHECK	(3,897)	(288,012)	(1,021)	(149,911)	38,500	0	0	26,163	(378,177)
10	QUALIFYING FACILITY	0	17,662	(3,033)	(50,000)	0	0	0	(15,163)	(50,534)
11	INNOVATION INCENTIVE	0	2,767	0	709	0	(34,500)	0	(1,424)	(32,448)
12	TECHNOLOGY DEVELOPMENT	0	87,711	(38,815)	99,969	(868)	0	0	(9,703)	138,294
13	STANDBY GENERATION	117,622	73	(8,346)	(81,133)	(2,000)	27,485	0	562	54,263
14	INTERRUPTIBLE SERVICE	1,207	14,563	(5,433)	(1,641)	0	(857,523)	0	(1,137)	(849,965)
15	CURTAILABLE SERVICE	0	(550)	0	0	0	(3,344)	0	97	(3,797)
16	ENERGY MANAGEMENT-RESIDENTIAL	(110,593)	356,149	20,830	5,900	(306,246)	1,553,187	0	(586,406)	932,821
17	ENERGY MANAGEMENT-COMMERCIAL	0	1,506	0	0	0	(4,947)	0	0	(3,441)
18	CONSERVATION PROGRAM ADMIN	(1,211)	(589,337)	(93,563)	(232,859)	(331,201)	0	0	(254,609)	(1,502,779)
19	TOTAL ALL PROGRAMS	3,128	(232,942)	(316,563)	(588,384)	(892,103)	2,465,474	0	(1,017,605)	(578,996)



PROGRESS ENERGY FLORIDA

ESTIMATED CONSERVATION PROGRAM COSTS  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	TOTAL
1	BETTER BUSINESS	0	149,008	220	19,949	379,461	1,140,523	0	11,134	1,700,295
2	RESIDENTIAL NEW CONSTRUCTION	0	809,715	6,103	112,559	259,883	823,951	0	126,634	2,138,845
3	HOME ENERGY IMPROVEMENT	15,009	754,645	1,105	0	1,582,194	3,610,312	0	85,728	6,048,993
4	COMM / IND NEW CONSTRUCTION	0	91,023	0	0	23,442	648,332	0	1,110	763,907
5	HOME ENERGY CHECK	746	2,937,149	409,893	743,859	2,517,628	0	0	384,356	6,993,631
6	LOW INCOME WEATHERIZATION ASST	0	52,646	0	779	24,000	35,000	0	6,567	118,992
7	RENEWABLE ENERGY	0	64,128	2,038	(8,000)	60,346	540,000	0	(26,226)	632,286
8	NEIGHBORHOOD ENERGY SAVER	0	127,629	1,784	99,632	25,623	800,000	0	24,437	1,079,105
9	BUSINESS ENERGY CHECK	3,897	1,552,996	51,871	902,059	233,904	0	0	110,912	2,855,639
10	QUALIFYING FACILITY	0	626,094	4,068	50,000	0	0	0	32,734	712,896
11	INNOVATION INCENTIVE	0	16,683	0	0	0	34,500	0	3,204	54,387
12	TECHNOLOGY DEVELOPMENT	1,823	255,512	6,681	186,922	2,626	0	0	30,313	483,877
13	STANDBY GENERATION	0	172,248	18,110	199,276	2,000	2,100,000	0	19,093	2,510,727
14	INTERRUPTIBLE SERVICE	14,978	65,486	11,696	3,491	0	18,400,000	0	16,191	18,511,842
15	CURTAILABLE SERVICE	0	550	0	0	0	750,000	0	0	750,550
16	ENERGY MANAGEMENT-RESIDENTIAL	4,622,630	910,422	22,938	1,150,851	663,750	17,113,096	0	640,481	25,124,168
17	ENERGY MANAGEMENT-COMMERCIAL	0	0	0	0	0	630,000	0	0	630,000
18	CONSERVATION PROGRAM ADMIN	20,390	6,092,798	414,505	1,496,704	813,302	0	0	1,585,228	10,422,927
19	TOTAL ALL PROGRAMS	4,679,473	14,678,732	951,012	4,958,081	6,588,159	46,625,714	0	3,051,896	81,533,067

PROGRESS ENERGY FLORIDA

ACTUAL CONSERVATION PROGRAM COSTS BY MONTH  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	PROGRAM TITLE	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
1	BETTER BUSINESS	106,661	104,649	84,288	120,344	176,686	129,005	215,722	223,262	222,145	219,613	198,193	402,869	2,203,437
2	RESIDENTIAL NEW CONSTRUCTION	134,492	100,314	118,502	191,094	192,630	278,899	115,720	188,591	115,249	205,664	111,260	143,823	1,896,238
3	HOME ENERGY IMPROVEMENT	302,959	583,673	570,604	371,621	540,807	724,815	591,264	473,019	865,503	754,950	600,611	985,921	7,365,747
4	COMM / IND NEW CONSTRUCTION	58,137	108,813	93	46,766	29,762	150,156	71,580	(26,157)	40,021	25,742	26,915	83,617	615,445
5	HOME ENERGY CHECK	239,195	563,800	607,966	385,474	537,954	532,834	454,701	353,142	627,419	946,466	449,321	913,058	6,611,330
6	LOW INCOME WEATHERIZATION ASST	3,951	7,803	10,088	5,633	9,408	24,306	5,592	10,874	10,520	6,416	3,316	4,794	102,701
7	RENEWABLE ENERGY	42,130	36,556	33,119	56,995	60,499	43,542	68,335	69,708	70,992	122,420	116,766	86,717	807,798
8	NEIGHBORHOOD ENERGY SAVER	38,744	17,725	65,510	9,713	174,401	80,695	65,578	109,058	20,698	23,752	153,833	230,416	990,124
9	BUSINESS ENERGY CHECK	127,596	177,464	205,580	182,815	269,247	182,164	225,997	184,031	241,080	255,049	207,601	218,838	2,477,462
10	QUALIFYING FACILITY	35,755	58,395	40,212	50,108	77,804	55,438	47,043	58,667	48,373	86,791	53,353	50,423	662,362
11	INNOVATION INCENTIVE	1,574	909	1,374	3,869	948	664	845	4,052	2,021	1,592	2,653	1,438	21,939
12	TECHNOLOGY DEVELOPMENT	(70,305)	26,092	75,542	51,836	73,952	(30,707)	122,921	145,249	29,689	76,208	40,707	80,987	622,171
13	STANDBY GENERATION	181,377	192,961	190,879	229,924	44,368	402,321	210,898	196,093	249,575	237,080	219,305	210,209	2,564,990
14	INTERRUPTIBLE SERVICE	1,592,155	1,397,519	1,464,299	1,488,956	1,492,782	1,486,206	1,520,597	1,409,082	1,541,373	880,512	1,908,467	1,479,930	17,661,877
15	CURTAILABLE SERVICE	58,071	56,883	58,472	62,290	64,394	62,128	67,456	67,152	57,715	51,266	73,517	67,407	746,753
16	ENERGY MANAGEMENT-RESIDENTIAL	2,220,815	2,798,773	2,124,368	1,448,052	1,706,502	2,041,380	2,183,803	2,070,522	2,214,175	2,233,345	2,773,520	2,241,735	26,056,989
17	ENERGY MANAGEMENT-COMMERCIAL	46,823	56,990	52,988	45,709	223,440	(118,168)	60,472	77,876	31,344	52,568	49,764	46,753	626,559
18	CONSERVATION PROGRAM ADMIN	534,548	658,011	752,147	627,477	829,128	629,250	796,183	868,516	696,141	898,592	878,141	752,014	8,920,148
19	TOTAL ALL PROGRAMS	5,654,680	6,947,329	6,456,032	5,378,676	6,504,713	6,674,927	6,824,706	6,482,739	7,084,034	7,078,025	7,867,264	8,000,948	80,954,071
20														
21	LESS: BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
22														
23	NET RECOVERABLE (CT-3,PAGE 2)	5,654,680	6,947,329	6,456,032	5,378,676	6,504,713	6,674,927	6,824,706	6,482,739	7,084,034	7,078,025	7,867,264	8,000,948	80,954,071

\* GROSS EXPENDITURES ONLY. AUDIT PROGRAM REVENUES (IF APPLICABLE) ARE ACCOUNTED FOR IN CALCULATION OF TRUE-UP SCHEDULE CT-3, PAGE 2 OF 3.

PROGRESS ENERGY FLORIDA  
 ENERGY CONSERVATION ADJUSTMENT  
 CALCULATION OF TRUE-UP  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
1C HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D SUBTOTAL - FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2 CONSERVATION CLAUSE REVENUES	5,577,390	5,978,517	5,291,044	5,333,656	5,959,573	6,974,115	7,686,163	7,204,736	7,510,049	6,978,530	6,533,964	5,347,703	76,375,440
2A CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	5,577,390	5,978,517	5,291,044	5,333,656	5,959,573	6,974,115	7,686,163	7,204,736	7,510,049	6,978,530	6,533,964	5,347,703	76,375,440
4 PRIOR PERIOD TRUE-UP OVER/(UND (6,511,304)	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,605	6,511,304
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	6,119,999	6,521,126	5,833,653	5,876,265	6,502,182	7,516,724	8,228,772	7,747,345	8,052,658	7,521,139	7,076,573	5,890,308	82,886,744
6 CONSERVATION EXPENSES (CT-3,PAGE 1, LINE 23)	5,654,680	6,947,329	6,456,032	5,378,676	6,504,713	6,674,927	6,824,706	6,482,739	7,084,034	7,078,025	7,867,264	8,000,948	80,954,071
7 TRUE-UP THIS PERIOD (O)/U	(465,319)	426,203	622,379	(497,589)	2,531	(841,797)	(1,404,066)	(1,264,806)	(968,624)	(443,114)	790,691	2,110,640	(1,932,673)
8 CURRENT PERIOD INTEREST	(3,587)	(3,820)	(2,649)	(1,697)	(1,165)	(1,049)	(1,206)	(1,202)	(1,140)	(1,098)	(922)	(546)	(20,081)
9 ADJUSTMENTS PER AUDIT \ RDC Order		0	0	0	0	0	0	0	0	0	0	0	0
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(6,511,304)	(6,437,601)	(5,472,609)	(4,310,269)	(4,266,947)	(3,722,972)	(4,023,210)	(4,885,873)	(5,609,072)	(6,036,228)	(5,937,831)	(4,605,453)	(6,511,304)
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ (COLLECTED)	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,609	542,605	6,511,304
12 END OF PERIOD NET TRUE-UP	(6,437,601)	(5,472,609)	(4,310,269)	(4,266,947)	(3,722,972)	(4,023,210)	(4,885,873)	(5,609,072)	(6,036,228)	(5,937,831)	(4,605,453)	(1,952,754)	(1,952,754)

PROGRESS ENERGY FLORIDA  
 CALCULATION OF INTEREST PROVISION  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10)	(6,511,304)	(6,437,601)	(5,472,609)	(4,310,269)	(4,266,947)	(3,722,972)	(4,023,210)	(4,885,873)	(5,609,072)	(6,036,228)	(5,937,831)	(4,605,453)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL BEGINNING & ENDING TRUE-UP	(6,434,014)	(5,468,789)	(4,307,620)	(4,265,250)	(3,721,807)	(4,022,161)	(4,884,667)	(5,607,870)	(6,035,088)	(5,936,733)	(4,604,531)	(1,952,208)	
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(12,945,318)	(11,906,389)	(9,780,229)	(8,575,519)	(7,988,754)	(7,745,133)	(8,907,877)	(10,493,743)	(11,644,160)	(11,972,961)	(10,542,361)	(6,557,660)	
5 INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH	(6,472,659)	(5,953,195)	(4,890,114)	(4,287,760)	(3,994,377)	(3,872,566)	(4,453,938)	(5,246,872)	(5,822,080)	(5,986,480)	(5,271,181)	(3,278,830)	
6 INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH	0.54%	0.79%	0.75%	0.55%	0.40%	0.30%	0.35%	0.30%	0.25%	0.22%	0.22%	0.20%	
7 TOTAL (LINE 5 AND LINE 6)	0.79%	0.75%	0.55%	0.40%	0.30%	0.35%	0.30%	0.25%	0.22%	0.22%	0.20%	0.20%	
8 AVERAGE INTEREST RATE (50% OF LINE 7)	1.33%	1.54%	1.30%	0.95%	0.70%	0.65%	0.65%	0.55%	0.47%	0.44%	0.42%	0.40%	
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	0.665%	0.770%	0.650%	0.475%	0.350%	0.325%	0.325%	0.275%	0.235%	0.220%	0.210%	0.200%	
	(3,587)	(3,820)	(2,649)	(1,697)	(1,165)	(1,049)	(1,206)	(1,202)	(1,140)	(1,098)	(922)	(546)	(20,081)

PROGRSSS ENERGY FLORIDA  
 CONSERVATION ACCOUNT NUMBERS  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	ACCOUNT NO.	SUB ACCOUNT PROJECT NO.	PROGRAM TITLE
1	9080100	20015937	BETTER BUSINESS
2	9080100	20015933	RESIDENTIAL NEW CONSTRUCTION
2	9090100	20015933	RESIDENTIAL NEW CONSTRUCTION advertising
3	9080100	20015934	HOME ENERGY IMPROVEMENT
3	9090100	20015934	HOME ENERGY IMPROVEMENT advertising
3	4044000	20015934	HOME ENERGY IMPROVEMENT equipment depreciation
4	9080100	20015938	COMM / IND NEW CONSTRUCTION
5	9080100	20015932	HOME ENERGY CHECK
5	9090100	20015932	HOME ENERGY CHECK advertising
5	4044000	20015932	HOME ENERGY CHECK equipment depreciation
6	9080100	20021329	LOW INCOME WEATHERIZATION ASST
7	9080100	20060744	RENEWABLE ENERGY
7	9090100	20060744	RENEWABLE ENERGY advertising
8	9080100	20060745	NEIGHBORHOOD ENERGY SAVER
8	9090100	20060745	NEIGHBORHOOD ENERGY SAVER advertising
9	9080100	20015936	BUSINESS ENERGY CHECK
9	9090100	20015936	BUSINESS ENERGY CHECK advertising
10	9080100	20025062	QUALIFYING FACILITY
11	9080100	20015940	INNOVATION INCENTIVE
12	9080100	20015939	TECHNOLOGY DEVELOPMENT
12	4044000	20015939	TECHNOLOGY DEVELOPMENT equipment depreciation
13	9080100	20021332	STANDBY GENERATION
13	4044000	20021332	STANDBY GENERATION equipment depreciation
14	9080100	20015941	INTERRUPTIBLE SERVICE
14	4044000	20015941	INTERRUPTIBLE SERVICE equipment depreciation
15	9080100	20015942	CURTAILABLE SERVICE
16	9080100	20015943	ENERGY MANAGEMENT-RESIDENTIAL
16	9080120	20015943	ENERGY MANAGEMENT-RESIDENTIAL amortization of load mgmt switches
16	9090100	20015943	ENERGY MANAGEMENT-RESIDENTIAL advertising
16	4044000	20015943	ENERGY MANAGEMENT-RESIDENTIAL equipment depreciation
17	9080100	20015944	ENERGY MANAGEMENT-COMMERCIAL
17	9090100	20015944	ENERGY MANAGEMENT-COMMERCIAL advertising
18	9080100	20015935	CONSERVATION PROGRAM ADMIN
18	9090100	20015935	CONSERVATION PROGRAM ADMIN advertising
18	4044000	20015935	CONSERVATION PROGRAM ADMIN equipment depreciation
18	9080100	20078152	Other accounts included with Conservation Program Admin
18	9080100	20078851	Other accounts included with Conservation Program Admin
18	9080100	20078837	Other accounts included with Conservation Program Admin
18	9080100	20078993	Other accounts included with Conservation Program Admin
18	9080100	20078552	Other accounts included with Conservation Program Admin
18	9080100	20078995	Other accounts included with Conservation Program Admin
18	9080100	20079002	Other accounts included with Conservation Program Admin
18	9080100	20078285	Other accounts included with Conservation Program Admin
18	9080100	20076653	Other accounts included with Conservation Program Admin
18	9080100	20075745	Other accounts included with Conservation Program Admin
18	9080100	20074455	Other accounts included with Conservation Program Admin
18	9080100	20074611	Other accounts included with Conservation Program Admin
18	9080100	20076822	Other accounts included with Conservation Program Admin
18	9080100	20076847	Other accounts included with Conservation Program Admin
18	9080100	20074711	Other accounts included with Conservation Program Admin

PROGRESS ENERGY FLORIDA

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	BEGINNING BALANCE	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
<b>1 ENERGY CONSERVATION ADMIN</b>														
2 INVESTMENTS		0	0	0	2,394	0	0	0	0	0	0	0	0	2,394
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		70,490	70,490	70,490	71,687	72,884	72,884	72,884	72,884	72,884	72,884	72,884	72,884	
5														
6 DEPRECIATION EXPENSE		1,175	1,175	1,175	1,195	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,440
7														
8 CUMM. NET INVEST	70,490	70,490	70,490	70,490	72,884	72,884	72,884	72,884	72,884	72,884	72,884	72,884	72,884	72,884
9 LESS: ACC. NET DEPR	29,085	30,260	31,435	32,610	33,805	35,020	36,235	37,450	38,665	39,880	41,095	42,310	43,525	43,525
10 NET INVESTMENT	41,405	40,230	39,055	37,880	39,079	37,864	36,649	35,434	34,219	33,004	31,789	30,574	29,359	29,359
11 AVERAGE INVESTMENT		40,817	39,642	38,467	38,479	38,471	37,256	36,041	34,826	33,611	32,396	31,181	29,966	
12 RETURN ON AVG INVEST		302	293	285	285	285	276	267	258	249	240	231	222	3,193
13														
14 RETURN REQUIREMENTS		448	435	423	423	423	410	396	383	370	356	343	329	4,739
15														
16 PROGRAM TOTAL		1,623	1,610	1,598	1,618	1,638	1,625	1,611	1,598	1,585	1,571	1,558	1,544	19,179
17														
<b>18 TECHNOLOGY DEVELOPMENT</b>														
19 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
20 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
21 DEPRECIATION BASE		6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	
22														
23 DEPRECIATION EXPENSE		104	104	104	104	104	104	104	104	104	104	104	104	1,248
24														
25 CUMM. NET INVEST	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224	6,224
26 LESS: ACC. NET DEPR	1,248	1,352	1,456	1,560	1,664	1,768	1,872	1,976	2,080	2,184	2,288	2,392	2,496	2,496
27 NET INVESTMENT	4,976	4,872	4,768	4,664	4,560	4,456	4,352	4,248	4,144	4,040	3,936	3,832	3,728	3,728
28 AVERAGE INVESTMENT		4,924	4,820	4,716	4,612	4,508	4,404	4,300	4,196	4,092	3,988	3,884	3,780	
29 RETURN ON AVG INVEST		36	36	35	34	34	32	32	31	30	30	29	28	387
30														
31 RETURN REQUIREMENTS		54	54	52	50	50	48	48	46	44	44	43	42	575
32														
33 PROGRAM TOTAL		158	158	156	154	154	152	152	150	148	148	147	146	1,823
34														
<b>35 ENERGY MANAGEMENT ASSETS</b>														
36 INVESTMENTS		0	0	0	257,943	14,513	48,356	9,292	0	497	0	0	0	330,600
37 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
38 DEPRECIATION BASE		330,598	330,598	330,598	459,570	595,797	627,232	656,055	660,701	660,950	661,198	661,198	661,198	
39														
40 DEPRECIATION EXPENSE		5,510	5,510	5,510	7,680	9,930	10,454	10,934	11,012	11,016	11,020	11,020	11,020	110,596
41														
42 CUMM. NET INVEST	330,598	330,598	330,598	330,598	588,541	603,054	651,410	660,701	660,701	661,198	661,198	661,198	661,198	661,198
43 LESS: ACC. NET DEPR	63,924	69,434	74,944	80,454	88,114	98,044	108,498	119,432	130,444	141,460	152,480	163,500	174,520	174,520
44 NET INVESTMENT	266,674	261,164	255,654	250,144	500,427	505,010	542,912	541,269	530,257	519,738	508,718	497,698	486,678	486,678
45 AVERAGE INVESTMENT		263,919	258,409	252,899	375,286	502,718	523,961	542,090	535,763	524,998	514,228	503,208	492,188	
46 RETURN ON AVG INVEST		3,104	1,914	1,874	2,780	3,725	3,882	4,016	3,969	3,889	3,809	3,727	3,647	40,336
47														
48 RETURN REQUIREMENTS		4,606	2,840	2,781	4,125	5,527	5,760	5,959	5,889	5,771	5,652	5,531	5,412	59,853
49														
50 PROGRAM TOTAL		10,116	8,350	8,291	11,785	15,457	16,214	16,893	16,901	16,787	16,672	16,551	16,432	170,449

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .0074083 (8.89% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 050078-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

PROGRESS ENERGY FLORIDA

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	BEGINNING BALANCE	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
1 HOME ENERGY CHECK														
2 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	
5														
6 DEPRECIATION EXPENSE		43	43	43	43	43	43	43	43	43	43	43	43	516
7														
8 CUMM. NET INVEST	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560	2,560
9 LESS: ACC. NET DEPR	572	615	658	701	744	787	830	873	916	959	1,002	1,045	1,088	1,088
10 NET INVESTMENT	1,988	1,945	1,902	1,859	1,816	1,773	1,730	1,687	1,644	1,601	1,558	1,515	1,472	1,472
11 AVERAGE INVESTMENT		1,967	1,924	1,881	1,838	1,795	1,752	1,709	1,666	1,623	1,580	1,537	1,494	
12 RETURN ON AVG INVEST		14	14	14	13	13	13	13	13	12	12	12	12	155
13														
14 RETURN REQUIREMENTS		21	21	21	19	19	19	19	19	18	18	18	18	230
15														
16 PROGRAM TOTAL		64	64	64	62	62	62	62	62	61	61	61	61	746
17														
18 HOME ENERGY IMPROVEMENT														
19 INVESTMENTS		0	0	0	12,614	12,227	0	0	0	0	0	0	0	24,841
20 RETIREMENTS		0	0	0	0	0	0	4,912	0	0	0	0	0	0
21 DEPRECIATION BASE		37,740	37,740	37,740	44,047	56,467	62,581	60,125	57,669	57,669	57,669	57,669	57,669	
22														
23 DEPRECIATION EXPENSE		629	629	629	734	941	1,043	1,002	961	961	961	961	961	10,412
24														
25 CUMM. NET INVEST	37,740	37,740	37,740	37,740	50,354	62,581	62,581	57,669	57,669	57,669	57,669	57,669	57,669	57,669
26 LESS: ACC. NET DEPR	14,699	15,328	15,957	16,586	17,320	18,261	19,304	15,395	16,356	17,317	18,278	19,239	20,200	20,200
27 NET INVESTMENT	23,041	22,412	21,783	21,154	33,034	44,320	43,277	42,275	41,314	40,353	39,392	38,431	37,470	37,470
28 AVERAGE INVESTMENT		22,726	22,097	21,468	27,094	38,877	43,798	42,776	41,794	40,833	39,872	38,911	37,950	
29 RETURN ON AVG INVEST		169	164	159	201	287	324	317	310	302	296	288	282	3,099
30														
31 RETURN REQUIREMENTS		251	243	236	298	426	481	470	460	448	439	427	418	4,597
32														
33 PROGRAM TOTAL		880	872	865	1,032	1,367	1,524	1,472	1,421	1,409	1,400	1,388	1,379	15,009
34														
35 ENERGY MANAGEMENT SWITCHES														
36 INVESTMENTS		585,774	451,377	839,558	314,397	813,877	547,467	517,896	432,254	317,015	276,226	101,901	117,345	5,315,090
37 RETIREMENTS		7,053	18,510	77,911	103,529	27,702	40,662	25,131	21,748	27,856	18,025	13,421	381,515	763,064
38 DEPRECIATION BASE		12,131,700	12,637,494	13,234,751	13,721,009	14,219,530	14,866,020	15,365,805	15,817,441	16,167,273	16,440,954	16,614,295	16,526,450	
39														
40 AMORTIZATION EXPENSE		202,195	210,625	220,580	228,684	236,993	247,767	256,097	263,625	269,455	274,016	276,905	275,441	2,962,383
41														
42 CUMM. NET INVEST	11,842,339	12,421,061	12,853,928	13,615,574	13,826,443	14,612,618	15,119,422	15,612,187	16,022,694	16,311,853	16,570,054	16,658,535	16,394,365	16,394,365
43 LESS: ACC. NET DEPR	3,208,272	3,403,414	3,595,528	3,738,197	3,863,352	4,072,643	4,279,748	4,510,714	4,752,591	4,994,190	5,250,181	5,513,665	5,407,590	5,407,590
44 NET INVESTMENT	8,634,068	9,017,647	9,258,399	9,877,377	9,963,091	10,539,975	10,839,675	11,101,474	11,270,103	11,317,663	11,319,874	11,144,870	10,986,774	10,986,774
45 AVERAGE INVESTMENT		8,825,857	9,138,023	9,567,888	9,920,234	10,251,533	10,689,825	10,970,574	11,185,789	11,293,883	11,318,769	11,232,372	11,065,822	11,065,822
46 RETURN ON AVG INVEST		65,385	67,698	70,881	73,492	75,947	79,194	81,273	82,868	83,669	83,853	83,213	81,979	929,452
47														
48 RETURN REQUIREMENTS		97,024	100,456	105,180	109,054	112,697	117,515	120,600	122,967	124,156	124,429	123,479	121,648	1,379,205
49														
50 PROGRAM TOTAL		299,219	311,081	325,760	337,738	349,690	365,282	376,697	386,592	393,611	398,445	400,384	397,089	4,341,588

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .0074083 (8.89% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 050078-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

PROGRESS ENERGY FLORIDA  
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN  
 FOR THE PERIOD JANUARY 2009 THROUGH DECEMBER 2009

LINE NO.	BEGINNING BALANCE	JAN 09	FEB 09	MAR 09	APR 09	MAY 09	JUN 09	JUL 09	AUG 09	SEP 09	OCT 09	NOV 09	DEC 09	TOTAL
1	<b>INTERRUPTIBLE SERVICE</b>													
2		0	0	0	67,559	0	496	0	0	6,008	0	0	6,629	80,692
3		0	0	0	0	0	0	0	0	0	0	0	0	0
4		0	0	0	33,780	67,559	67,807	68,055	68,055	71,059	74,063	74,063	77,378	0
5		0	0	0	0	0	0	0	0	0	0	0	0	0
6		0	0	0	563	1,126	1,130	1,134	1,134	1,184	1,234	1,234	1,290	10,029
7		0	0	0	0	0	0	0	0	0	0	0	0	0
8		0	0	0	67,559	67,559	68,055	68,055	68,055	74,063	74,063	74,063	80,692	80,692
9		0	0	0	563	1,689	2,819	3,953	5,087	6,271	7,505	8,739	10,029	10,029
10		0	0	0	66,996	65,870	65,236	64,102	62,968	67,792	66,558	65,324	70,663	70,663
11		0	0	0	33,498	66,433	65,553	64,669	63,535	65,380	67,175	65,941	67,994	0
12		0	0	0	248	492	485	479	471	484	497	488	504	4,148
13		0	0	0	0	0	0	0	0	0	0	0	0	0
14		0	0	0	368	730	720	711	699	718	738	724	748	6,156
15		0	0	0	0	0	0	0	0	0	0	0	0	0
16		0	0	0	931	1,856	1,850	1,845	1,833	1,902	1,972	1,958	2,038	16,185
17														
18	<b>STANDBY GENERATION</b>													
19		0	0	0	0	0	0	0	0	88,691	28,123	910	0	117,723
20		0	0	0	0	0	0	0	0	0	0	0	0	0
21		354,715	354,715	354,715	354,715	354,715	354,715	354,715	354,715	399,061	457,467	471,983	472,438	0
22		0	0	0	0	0	0	0	0	0	0	0	0	0
23		5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	6,651	7,624	7,866	7,874	77,311
24		0	0	0	0	0	0	0	0	0	0	0	0	0
25		354,715	354,715	354,715	354,715	354,715	354,715	354,715	354,715	443,406	471,529	472,438	472,438	472,438
26		44,607	50,519	56,431	62,343	68,255	74,167	80,079	85,991	91,903	98,554	106,178	114,044	121,918
27		310,109	304,197	298,285	292,373	286,461	280,549	274,637	268,725	262,813	344,852	365,351	358,395	350,521
28		307,153	301,241	295,329	289,417	283,505	277,593	271,681	265,769	303,832	355,102	361,873	354,458	0
29		2,275	2,232	2,188	2,144	2,100	2,057	2,013	1,969	2,251	2,631	2,681	2,626	27,167
30		0	0	0	0	0	0	0	0	0	0	0	0	0
31		3,376	3,312	3,247	3,181	3,116	3,052	2,987	2,922	3,340	3,904	3,978	3,896	40,311
32		0	0	0	0	0	0	0	0	0	0	0	0	0
33		9,288	9,224	9,159	9,093	9,028	8,964	8,899	8,834	9,991	11,528	11,844	11,770	117,622

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .0074083 (8.89% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 050078-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.



## Program Description and Progress

**Program Title:** Home Energy Check

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

**Program Accomplishments for January 2009 through December 2009:**  
56,987 customers participated in Home Energy Checks.

**Program Fiscal Expenditures for January 2009 through December 2009:**  
Expenses for this program were \$6,611,330.

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

### Program Description and Progress

**Program Title:** Home Energy Improvement

**Program Description:** Home Energy Improvement is an umbrella program for residential customers with existing homes. This program combines thermal envelope efficiency improvements with upgraded equipment and appliances. The Home Energy Improvement program includes incentives for measures such as duct testing, duct leakage repair, attic insulation, injected wall insulation, replacement windows, window film, reflective roofing, high efficiency heat pump replacing resistance heat, high efficiency heat pump replacing a heat pump, high efficiency A/C replacing A/C with non-electric heat, HVAC commissioning, plenum sealing, proper sizing and supplemental bonuses.

**Program Accomplishments for January 2009 through December 2009:** There were 44,491 implementations under this program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$7,365,747.

**Program Progress Summary:** This program will continue to be offered to residential customers through the Home Energy Check to provide opportunities for improving the energy efficiency of existing homes.

### Program Description and Progress

**Program Title:** Residential New Construction

**Program Description:** The Home Advantage Program promotes energy-efficient construction which exceeds residential building codes. Information, education, and consultation are provided to homebuilders, contractors, realtors and home buyers on energy-related issues and efficiency measures. This program is designed to encourage single, multi, and manufactured home builders to build energy efficient homes by encouraging a whole house performance view including the installation of climate effective windows, reflective roof materials, upgraded insulation, conditioned space air handler placement, energy recovery ventilation, and highly efficient HVAC equipment. Incentives are awarded to the builder based on the level of efficiency they choose.

**Program Accomplishments for January 2009 through December 2009:** There were 9,502 measures implemented through this program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$1,896,238.

**Program Progress Summary:** This program is tied to the building industry. Economic forces will influence the number of homes built during this period. Participation in new construction efficiency measures has declined due to the weakening of the economy and building industry.

### Program Description and Progress

**Program Title:** Low-Income Weatherization Assistance Program

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

**Program Accomplishments for January 2009 through December 2009:** There were 983 measure implementations in the 2009 program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$102,701.

**Program Progress Summary:** To promote the delivery of this efficiency program, PEF participated in state-wide agency meetings held for all participating weatherization assistance program agencies. PEF also conducts individual meetings with weatherization providers and other low income providers throughout PEF's territory to encourage participation in LIWAP and energy efficiency.

### Program Description and Progress

**Program Title:** Energy Management (Residential & Commercial)

**Program Description:** The Load Management (Energy Wise) Program is a voluntary program that incorporates direct radio control of selected customer equipment to reduce system demand during winter and summer peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of interruptible appliance options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage.

**Program Accomplishments for January 2009 through December 2009:** During this period 8,009 customers were added to the program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Program expenditures during this period were \$26,683,548.

**Program Progress Summary:** As of December 31, 2009 there were 367,615 customers participating in the Load Management (Energy Wise) program.

### Program Description and Progress

**Program Title:** Business Energy Check

**Program Description:** The Business Energy Check is an audit for non-residential customers. Several audit options are available. The free audit provides a no-cost energy audit for non-residential facilities and can be completed at the facility by an auditor or online by the business customer. The paid audit provides a more thorough energy analysis for non-residential facilities. This program acts as a motivational tool to identify, evaluate, and inform consumers on cost-effective energy saving measures for their facility. It serves as the foundation of, and is a requirement for participation in the Better Business Program.

**Program Accomplishments for January 2009 through December 2009:** There were 3,109 customers who participated in this program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$2,477,462.

**Program Progress Summary:** The Business Energy Check continues to inform and motivate business customers on cost-effective energy efficiency improvements which result in implementation of energy efficiency measures. The program is required for participation in most of the company's other DSM Business incentive programs.

### Program Description and Progress

**Program Title:** Better Business

**Program Description:** This umbrella efficiency program provides incentives to existing commercial and industrial customers for energy-efficient products and applications such as heating, air conditioning, motors, roof insulation upgrade, duct leakage and repair, window film, demand-control ventilation, lighting, occupancy sensors, green roof, cool roof, high efficiency energy recovery ventilation, compressed air, and HVAC optimization.

**Program Accomplishments for January 2009 through December 2009:** There were 1,800 implementations under this program.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$2,203,437.

**Program Progress Summary:** This program will continue to be offered to commercial customers through the Business Energy Check to provide opportunities for improving the energy efficiency of existing facilities.

### Program Description and Progress

**Program Title:** Commercial/Industrial New Construction

**Program Description:** This is an umbrella efficiency program for new commercial and industrial facilities. This program provides information, education, and advice on energy-related issues and efficiency measures by involvement early in the building's design process. With the exception of ceiling insulation upgrade, duct test and leakage repair, HVAC steam cleaning and roof top HVAC unit recommissioning, the Commercial and Industrial New Construction program provides incentives for the same efficiency measures listed in the Better Business program for existing buildings.

**Program Accomplishments for January 2009 through December 2009:** There were 191 program completions in 2009.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$615,445.

**Program Progress Summary:** This program is tied to the building industry. Economic forces will affect the number of new commercial facilities built during this period and the resulting success of this program.



### Program Description and Progress

**Program Title:** Innovation Incentive

**Program Description:** Significant conservation efforts that are not supported by other Progress Energy programs can be encouraged through the Innovation Incentive program. Major equipment replacement or other actions that substantially reduce PEF peak demand requirements are evaluated to determine their impact on Progress Energy's system. Incentives are provided for customer-specific demand and energy conservation projects on a case-by-case basis, where cost-effective to all PEF customers. To be eligible for incentives, projects must reduce or shift a minimum of 10 kW of peak demand.

**Program Accomplishments for January 2009 through December 2009:** There were a total of three projects initiated in 2009. Each of these projects are currently being evaluated to determine incentive eligibility.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$21,939.

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

### Program Description and Progress

**Program Title:** Standby Generation

**Program Description:** Progress Energy Florida provides an opportunity for commercial customers to voluntarily operate their on-site generators during times of system peak. Participants receive an incentive per kW available, as well as a kWh supplement for runtime during times of system peak.

**Program Accomplishments for January 2009 through December 2009:** There were 32 new accounts added to the program during this period.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$2,564,990.

**Program Progress Summary:** A total of 215 accounts are currently participating in this incentive program.

### Program Description and Progress

**Program Title:** Interruptible Service Program

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

**Program Accomplishments for January 2009 through December 2009:** There were 3 new participants added to the program under the IS-2 tariff during this period.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$17,661,877.

**Program Progress Summary:** The program currently has 149 active participants including 126 IS-1 participants, 21 IS-2 accounts, and 2 SECI- IS participants. The original program (filed as the IS-1 tariff) is no longer cost-effective under the Commission approved test and was closed to new participants on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the IS-2 tariff.

### Program Description and Progress

**Program Title:** Curtailable Service Program

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

**Program Accomplishments for January 2009 through December 2009:** There were no new participants added to this program in 2009.

**Program Fiscal Expenditures for January 2009 through December 2009:** Expenses for this program were \$746,753.

**Program Progress Summary:** The program currently has 6 participants including 4 CS-1 customers and 2 CS-2 customers. The original program (filed as the CS-1 tariff) is no longer cost-effective under the Commission approved test and was closed to new participants on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the CS-2 tariff.

### Program Description and Progress

**Program Title:** Technology Development

**Program Description:** This program allows PEF to undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs.

**Program Accomplishments for January 2009 through December 2009:**

Several research and development projects continued and/or launched in 2009.

- Installed the first small-scale wind turbine associated with a FECC grant
- Advanced DSM-Smart Grid vision through research on customer behavior modification and awareness
- Installed DSM controlled charging infrastructure to support the Plug-in Hybrid Electric Vehicle (PHEV) smart charging research initiative
- Continued battery storage technology analysis by installing two Li-Ion batteries associated with the Renewable SEEDS project
- Partnered with the University of South Florida to design an automated controls and web management pilot to evaluate energy saving potential associated with a facility on campus
- Partnered with Stetson University to begin initial monitoring of a geothermal HVAC system
- Enhanced commercial solar water heating research to include restaurants, firehouse, and vocational school
- Partnered with EPRI and other research organizations to evaluate energy efficiency, energy storage, and alternative energy / innovative technologies

**Program Fiscal Expenditures for January 2009 through December 2009:**

Expenses for this program were \$ 622,171.

**Program Progress Summary:**

In 2009 PEF continued the mission of helping our customers use energy responsibly, expand the use of renewable resources, and aggressively pursue energy technologies. Research managed under the Technology Development program provided significant input in the development of programs associated with the 2009 DSM goals filing. Examples include demand response enhancements, solar PV and water heating

**Program Title:** Technology Development (continued)

### Program Description and Progress

initiatives, and customer behavior modification and awareness. Additional studies on geothermal, facility control automation, and battery storage will continue to be developed in the hopes of creating future program opportunities. Associated with a FECC grant, the first small-scale wind turbine was installed, which will provide an opportunity to develop a demand and energy profile of the renewable energy production. Initial results continue to reveal challenges for wind energy production in Florida. These challenges may result in necessary revisions to the project scope for the remaining two years of the grant. Electric transportation continues to maintain rapid development. Progress Energy has installed two DSM controlled charging stations and has partnered with Gridpoint to evaluate the use of three vehicles. This research will support the development of both control infrastructure and other behavior modifications to encourage off-peak charging. Another transformational technology in Smart Grid promises to provide many new demand and energy saving opportunities. Smart Grid research includes evaluation of advanced meters, communication and control technology, as well as customer acceptance.

### Program Description and Progress

**Program Title:** Qualifying Facility

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

**Program Accomplishments for January, 2009 through December, 2009:** PEF executed a contract with FB Energy (60 MW) to purchase renewable capacity in 2009. Progress Energy Florida also executed amendments to the Biomass Gas & Electric (45 MW) contract and Vision Power (40 MW) contract in 2009. Progress Energy Florida will continue to negotiate with potential Qualifying Facilities and restructure existing contracts when opportunities arise.

**Program Fiscal Expenditures for January, 2009 through December, 2009:** Expenses for this program were \$662,362.

**Program Progress Summary:**

The total MW of qualifying facility capacity is approximately 682 MW with another 280 MW of future qualifying facility capacity under contract.

### Program Description and Progress

**Program Title:** Renewable Energy Program

**Program Description:** This program consists of two measures that are designed to encourage the installation of renewable energy systems.

**Solar Water Heater with EnergyWise:** This measure encourages residential customers to install a solar thermal water heating system. The customer must have whole house electric cooling, electric water heating, and electric heating to be eligible for this program.

**Solar Photovoltaics with EnergyWise (SolarWise for Schools):** This measure promotes environmental stewardship and renewable energy education through the installation of solar energy systems at schools within Progress Energy Florida's service territory. Customers participating in the Winter-Only EnergyWise or Year-Round EnergyWise Program can elect to donate their monthly credit toward the Solar Photovoltaics with EnergyWise Fund.

All proceeds collected from participating customers, and their associated monthly credits, will be used to promote photovoltaics and renewable energy educational opportunities.

**Program Accomplishments for January, 2009 through December, 2009:** There were 2658 customers that participated in the Solar Water Heater with Energy Wise and 1324 customers participating in our SolarWise for Schools program in 2009.

**Program Fiscal Expenditures for January, 2009 through December, 2009:** Expenses for this program were \$807,798.

**Program Progress Summary:** This program will continue to be offered to residential customers to encourage the use of solar water heating systems and to promote environmental stewardship and renewable energy education. Total enrollment is 3,038 for Solar Water Heaters and 1,306 for SolarWise for Schools.

**Program Title:** Neighborhood Energy Saver



### Program Description and Progress

**Program Description:** The Neighborhood Energy Saver Program is designed to assist low-income families with escalating energy costs. The goal of this program is to implement a comprehensive package of electric conservation measures at no cost to eligible customers. Additionally, we will endeavor to educate the participating families to better manage their energy usage through efficiency techniques and practices.

**Program Accomplishments for January, 2009 through December, 2009:** There were 2,236 customers who participated in the Neighborhood Energy Saver program.

**Program Fiscal Expenditures for January, 2009 through December, 2009:** Expenses for this program were \$990,124.

**Program Progress Summary:** This program will continue to be offered to low-income neighborhoods in PEF's service territories through 2014.