



Florida Power

A Progress Energy Company

ASSOCIATE GENERAL COUNSEL

JAMES A. MCGEE

May 14, 2001

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RECORDS AND
REPORTING

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 010002-EG

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of the direct testimony of John A. Masiello. Clean copies of the faxed exhibits attached to Mr. Masiello's testimony have been sent to you today by express delivery. I apologize for any inconvenience this may cause.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in Word format. Thank you for your assistance in this matter.

- APP _____
- CAF _____
- CMP _____
- COM 5 _____
- CTR _____
- ECR _____
- LEG 1 _____
- OPC _____
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- RGO _____
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JAM/scc
Enclosure

cc: Parties of record

Very truly yours,

James A. McGee

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06004 MAY 14 01

FLORIDA POWER CORPORATION

DOCKET NO. 010002-EG

**DIRECT TESTIMONY OF
JOHN A. MASIELLO**

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

2 A. My name is John A. Masiello. My business address is Florida Power, 3300
3 University Boulevard , Suite 158, Winter Park, Florida , 32792.

4
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Florida Power Corporation as Manager of Program
7 Development & Administration.

8
9 **Q. Describe your responsibilities as Manager of Program Development &
10 Administration.**

11 A. I am responsible for managing the development & administration of Florida
12 Power Corporation's residential and commercial Demand Side Management
13 programs as approved by the Florida Public Service Commission.

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

16 A. The purpose of my testimony is to compare the actual costs of
17 implementing conservation programs with the actual revenues collected
18 through the Energy Conservation Cost Recovery Clause during the period
19 January 2000 through December 2000.

DOCUMENT NUMBER-DATE

06004 MAY 14 0

FPSC-RECORDS/REPORTING

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Q. For what programs does Florida Power Corporation seek recovery?

A. Florida Power Corporation seeks recovery pursuant to the Energy Conservation Cost Recovery Clause for the following conservation programs approved by the Commission as part of Florida Power Corporation's DSM Plan, as well as for Conservation Program Administration (i.e., those common administration expenses not specifically linked to an individual program).

- Home Energy Check
- Home Energy Improvement
- Residential New Construction
- Low-Income Weatherization Assistance Program
- Energy Management (Residential and Commercial)
- Business Energy Check
- Better Business
- Commercial/Industrial New Construction
- Innovation Incentive
- Standby Generation
- Interruptible Service
- Curtailable Service
- Technology Development
- Qualifying Facility

Q. Do you have any Exhibits to your testimony?

1 A. Yes, Exhibit No._ (JAM-1) entitled, "Florida Power Corporation Energy
2 Conservation Adjusted Net True-Up for the Period January 2000 through
3 December 2000." There are five (5) schedules to this exhibit.
4

5 **Q. Will you please explain your Exhibit?**

6 A. Yes. Exhibit No. _ (JAM-1) presents Schedules CT-1 through CT-5. These
7 schedules set out the actual costs incurred for all programs during the period
8 from January 2000 through December 2000. They also describe the variance
9 between actual costs and previously projected values for the same time
10 period. Schedule CT-5 provides a brief summary report for each program that
11 includes a program description, annual program expenditures and program
12 accomplishments over the twelve-month period ending December 2000.
13

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

15 A. Yes. Schedule CT-1 shows that Florida Power's actual net true-up in its
16 Energy Conservation Cost Recovery Clause for the twelve months ending
17 December 2000 was an over-recovery of \$9,617,291 including principal,
18 interest, and revenue decoupling. This amount is \$1,098,128 more than what
19 was previously estimated in FPC'S September 27, 2000 ECCR Projection
20 Filing.
21

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

23 A. Yes.

FLORIDA POWER CORPORATION
 ENERGY CONSERVATION ADJUSTED NET TRUE-UP
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO.			
1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$13,607,831)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(9,049,276)	
4	INTEREST (CT 3, PAGE 2 of 3)	(588,015)	
5	PRIOR TRUE-UP REFUND	9,889,854	
6	ADJUSTMENTS	<u>3,718,277</u>	(\$9,617,291)
7	LESS: ESTIMATED TRUE-UP FROM SEPTEMBER 2000		
8	PROJECTION FILING (OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$13,607,981)	
10	PRINCIPAL	(7,975,448)	
11	INTEREST	(543,715)	
12	PRIOR TRUE-UP REFUND	9,889,854	
13	ADJUSTMENTS	<u>3,718,277</u>	<u>(\$8,519,163)</u>
14	VARIANCE TO PROJECTION		<u>(\$1,098,128)</u>

FLORIDA POWER CORPORATION
 ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS ESTIMATED
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT & RETURN	2,608,812	2,605,208	3,404
2	PAYROLL AND BENEFITS	5,077,362	5,224,797	(147,435)
3	MATERIALS AND SUPPLIES	234,003	228,773	5,230
4	OUTSIDE SERVICES	2,361,898	1,932,383	429,515
6	ADVERTISING	1,383,165	1,791,335	(408,170)
8	INCENTIVES	52,189,515	53,858,834	(1,859,319)
7	VEHICLES	272,551	278,792	(6,241)
8	OTHER	1,015,171	1,815,713	89,458
9	PROGRAM REVENUES	(1,488)	(781)	(705)
10	TOTAL PROGRAM COSTS	66,050,791	67,735,054	(1,684,263)
11	LESS			
12	CONSERVATION CLAUSE REVENUES	65,210,413	65,820,848	(810,435)
13	PRIOR TRUE-UP	13,607,831	13,607,931	0
14	TRUE-UP BEFORE INTEREST	(12,767,553)	(11,683,725)	(1,073,828)
15	AUDIT & REV DECOUPLING ADJUSTMENT	3,718,277	3,718,277	0
16	INTEREST PROVISION	(588,015)	(643,715)	(24,300)
17	END OF PERIOD TRUE-UP	(9,617,291)	(8,519,163)	(1,098,128)

() REFLECTS OVERRECOVERY

FLORIDA POWER CORPORATION

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDITS)	TOTAL
1	BETTER BUSINESS	0	18,116	0	0	0	259,995	974	100	279,144	0	279,144
2	RESIDENTIAL NEW CONSTRUCTION	0	348,661	8,067	6,136	115,668	178,669	27,134	50,041	730,366	0	730,366
3	HOME ENERGY IMPROVEMENT	0	372,540	2,878	77,328	274,182	2,342,958	22,314	85,519	3,147,822	(1,300)	3,146,520
4	COMM / IND NEW CONSTRUCTION	0	0	0	0	0	43,279	0	0	43,279	0	43,279
5	HOME ENERGY CHECK	5,870	1,514,563	30,783	410,823	892,889	0	132,428	92,404	3,109,456	(185)	3,109,270
6	LOW INCOME	0	5,128	0	0	0	10,685	167	2,549	19,019	0	19,019
7	BUSINESS ENERGY CHECK	0	147,818	1,634	1,774	0	0	11,234	69,281	231,045	0	231,045
8	QUALIFYING FACILITY	2,992	294,748	8,127	18,076	0	0	643	35,884	377,570	0	377,570
9	INNOVATION INCENTIVE	0	0	0	0	0	0	0	0	0	0	0
10	TECHNOLOGY DEVELOPMENT	0	18,452	203	72,873	0	1,130	2,023	563	95,384	0	95,384
11	STANDBY GENERATION	0	18,928	48,995	18,842	0	420,258	820	42	607,983	0	607,983
12	INTERRUPT LOAD MANAGEMENT	0	18,696	13,188	3,874	0	19,326,820	1,318	45,148	19,422,823	0	19,422,823
13	CURTAIL LOAD MANAGEMENT	0	0	0	0	0	844,740	0	0	844,790	0	844,790
14	RESIDENTIAL LOAD MANAGEMENT	2,883,871	1,304,873	88,182	1,298,208	80,476	28,177,632	78,838	782,754	34,385,212	0	34,385,212
15	COMMERCIAL LOAD MANAGEMENT	0	14,332	25	3,023	0	848,288	811	43	708,214	0	708,214
16	CONSERVATION PROGRAM ADMIN	18,878	1,028,300	85,111	448,784	0	700	21,998	790,421	2,385,990	0	2,385,990
17	TOTAL ALL PROGRAMS	2,802,812	5,077,382	234,803	2,361,685	1,383,185	82,189,518	272,501	1,915,171	88,052,277	(1,458)	88,050,791

FLORIDA POWER CORPORATION
 VARIANCE IN ENERGY CONSERVATION PROGRAM COSTS
 12 MONTHS ACTUAL VERSUS 12 MONTHS ESTIMATED
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (DREDF)	TOTAL
1	BETTER BUSINESS	0	4,848	0	0	0	18,876	0	(795)	19,648	0	18,658
2	RESIDENTIAL NEW CONSTRUCTION	0	7,635	(993)	(23,739)	(78,619)	(103,220)	639	(5,154)	(201,869)	(705)	(201,869)
3	HOME ENERGY IMPROVEMENT	0	(12,075)	(2,276)	(1,062)	(145,152)	(77,159)	(1,085)	4,407	(164,399)	0	(163,071)
4	COMM/IND/NEW CONSTRUCTION	0	0	0	0	0	(2,428)	0	(833)	(3,261)	0	(3,261)
5	HOME ENERGY CHECK	0	9,968	8,081	23,108	50,794	0	(4,800)	(11,244)	87,218	0	87,218
6	LOW INCOME	0	(1,236)	0	0	0	5,715	0	(651)	(1,172)	0	(1,172)
7	BUSINESS ENERGY CHECK	0	(2,677)	(1,318)	(789)	0	0	0	(106)	(6,191)	0	(6,191)
8	QUALIFYING FACILITY	0	(3,837)	67	(3,901)	0	0	0	(4,416)	(11,264)	0	(11,264)
9	INFORMATION INCENTIVE	0	0	0	0	0	(34,564)	0	1456	(33,108)	0	(33,108)
10	TECHNOLOGY DEVELOPMENT	0	(6,223)	1,008	39,500	0	0	0	(1,694)	33,337	0	33,337
11	STANDBY GENERATION	0	4,491	33,334	3,363	0	7,345	823	(733)	48,528	0	48,528
12	INTERRUPT LOAD MANAGEMENT	0	7,040	4,564	400	0	(818,765)	548	26,346	(560,689)	0	(560,689)
13	CENTRAL LOAD MANAGEMENT	0	0	(7,903)	0	0	(7,157)	0	(1,565)	(11,335)	0	(11,335)
14	RESIDENTIAL LOAD MANAGEMENT	3,404	(154,470)	(45,823)	368,368	(237,025)	(473,280)	(3,063)	(80,137)	(991,750)	0	(991,750)
15	COMMERCIAL LOAD MANAGEMENT	0	2,824	0	(22,431)	0	8,785	(349)	(2,290)	(16,659)	0	(16,659)
16	CONSERVATION PROGRAM ADMIN	0	(179)	8,288	36,713	0	(6,492)	1,749	83,907	124,788	0	124,788
17	TOTAL ALL PROGRAMS	3,404	(147,435)	5,230	428,615	(408,170)	(1,658,219)	(8,241)	89,438	(1,633,508)	(705)	(1,634,263)

FLORIDA POWER CORPORATION

BUDGET ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO	PROGRAM	DEPRECIATION & AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	13,668	0	0	0	243,081	874	633	258,436	0	258,436
2	RESIDENTIAL NEW CONSTRUCTION	0	341,263	7,660	28,816	182,484	278,849	26,495	56,175	932,231	0	932,231
3	HOME ENERGY IMPROVEMENT	0	384,615	5,244	78,451	389,271	2,418,123	23,329	61,112	3,332,185	(595)	3,331,590
4	COMM / IND NEW CONSTRUCTION	0	0	0	0	0	43,707	0	53	43,740	0	43,740
5	HOME ENERGY CHECK	6,870	1,504,002	21,702	377,415	802,073	0	128,928	103,818	3,022,208	(158)	3,022,050
6	LOW INCOME	0	13,364	0	0	0	8,150	1,018	4,663	21,135	0	21,135
7	BUSINESS ENERGY CHECK	0	150,606	2,752	2,073	0	0	11,247	3,183	169,867	0	169,867
9	PRIOR TRUE UP	2,992	268,633	4,660	21,937	0	0	303	40,490	338,015	0	338,015
10	INNOVATION INCENTIVE	0	0	0	0	0	64,564	0	436	65,000	0	65,000
11	TECHNOLOGY DEVELOPMENT	0	23,073	(606)	33,473	0	1,130	2,106	2,479	62,057	0	62,057
12	STANDBY GENERATION	0	14,431	13,461	15,574	0	412,813	257	775	439,451	0	439,451
13	INTERRUPT LOAD MANAGEMENT	0	11,665	6,804	5,174	0	20,018,645	772	18,502	20,063,692	0	20,063,692
14	CURTAIL LOAD MANAGEMENT	0	0	2,303	0	0	654,957	0	1,666	656,125	0	656,125
15	RESIDENTIAL LOAD MANAGEMENT	2,579,657	1,437,345	116,645	829,836	327,306	23,050,542	82,049	812,581	34,256,922	0	34,256,922
16	COMMERCIAL LOAD MANAGEMENT	0	13,649	25	25,492	0	680,503	680	2,335	722,673	0	722,673
20	CONSERVATION PROGRAM ADMIN	16,678	1,028,479	47,023	418,071	0	7,180	22,245	736,614	2,241,272	0	2,241,272
21	TOTAL ALL PROGRAMS	2,805,208	6,224,787	228,772	1,932,343	1,781,339	63,654,834	278,182	1,816,713	87,794,835	(741)	87,794,094

FLORIDA POWER CORPORATION
 ACTUAL CONSERVATION PROGRAM COSTS BY MONTH
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO	PROGRAM TITLE	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	TOTAL
1	BETTER BUSINESS	3,178	12,964	15,963	15,315	6,887	107,825	113,738	5,581	2,018	85,381	12,324	759	275,148
2	RESIDENTIAL NEW CONSTRUCTION	49,618	91,372	77,095	49,864	33,874	82,321	49,745	58,783	75,787	102,111	97,094	54,233	751,566
3	HOME ENERGY IMPROVEMENT	254,893	229,113	385,793	293,787	318,525	299,818	323,525	259,129	293,125	210,158	121,944	178,103	1,781,003
4	COMM /IND /MFRY CONSTRUCTION	0	0	0	0	18,540	0	0	0	220	0	14,854	8,840	43,274
5	HOME ENERGY CHECK	117,791	184,282	257,930	188,228	202,825	211,744	251,870	401,444	151,758	871,343	218,249	315,014	3,108,156
6	LOW INCOME	0	0	0	0	0	0	721	487	1,562	0	4,066	2,815	19,019
7	BUSINESS ENERGY CHECK	7,180	14,470	13,481	17,218	12,679	12,190	14,329	20,333	18,428	14,213	13,521	41,426	231,045
8	QUALIFYING FACILITY	34,054	24,531	33,814	21,851	25,910	20,836	22,851	27,841	36,450	23,367	34,314	22,848	327,570
9	INNOVATION INCENTIVE	0	0	0	0	0	0	0	0	0	0	0	0	0
10	TECHNOLOGY DEVELOPMENT	259	1,845	6,252	2,823	3,180	4,857	7,637	8,424	3,670	879	1,535	54,822	95,564
11	STANDBY GENERATION	14,563	53,143	34,328	28,177	30,052	38,478	35,432	38,018	49,484	49,822	54,878	46,470	577,863
12	INTERRUPT LOAD MANAGEMENT	2,121,114	1,534,231	1,668,123	1,887,247	1,472,829	1,407,495	1,566,725	1,223,874	1,570,877	1,228,758	1,543,183	1,241,175	18,112,823
13	CURTAIL LOAD MANAGEMENT	44,260	43,812	58,412	54,536	46,843	89,358	55,827	48,249	52,771	30,757	55,207	55,150	644,789
14	RESIDENTIAL LOAD MANAGEMENT	2,833,897	3,825,812	2,461,714	2,079,815	2,484,418	3,064,820	3,202,342	3,218,012	3,181,890	2,831,812	2,598,178	2,879,443	34,380,212
15	COMMERCIAL LOAD MANAGEMENT	45,883	41,718	41,245	70,725	33,198	52,311	81,758	79,240	78,444	54,513	85,560	49,808	792,214
16	CONSERVATION PROGRAM ADMIN	110,814	161,152	271,227	173,688	200,058	172,419	171,263	211,035	191,898	273,478	213,526	268,250	2,321,990
17	TOTAL ALL PROGRAMS	5,147,638	5,639,312	5,326,654	4,847,220	4,874,454	5,860,172	5,787,888	5,909,861	5,751,432	5,756,358	4,819,123	5,791,156	68,022,777
18														
19	LESS: BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
20														
21	NET RECOVERABLE (CT-3, PAGE 2)	5,147,638	5,639,312	5,326,654	4,847,220	4,874,454	5,860,172	5,787,888	5,909,861	5,751,432	5,756,358	4,819,123	5,791,156	68,022,777

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

FLORIDA POWER CORPORATION
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	25	0	0	0	0	443	100	25	25	0	0	0	180
1C HOME ENERGY CHECK	21	4779	51	(151)	(120)	(127)	1,174	78	0	0	0	0	1,415
1D SUBTOTAL - FEES	114	(170)	51	(151)	(420)	213	954	104	25	0	0	0	1,415
2 CONSERVATION CLAUSE REVENUE	4,819,977	5,452,014	4,223,167	4,819,981	4,928,713	8,391,432	8,737,473	4,423,561	8,440,774	5,562,348	4,834,281	4,624,730	15,210,413
2A CURRENT PERIOD GRT REFUND	0	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	4,819,041	5,452,544	4,223,222	4,819,810	4,928,293	8,341,733	8,708,053	4,423,665	8,440,799	5,562,348	4,834,281	4,624,730	15,211,828
4 PRIOR PERIOD TRUE-UP OVER/UNDER	11,877,851	78,500	78,500	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	9,889,154
5 CONSERVATION REVENUE & APPLICABLE TO PERIOD	4,567,541	5,531,044	4,101,722	5,883,194	6,002,071	7,494,418	7,781,737	7,416,519	7,313,433	5,859,032	5,706,999	5,881,092	15,911,583
6 CONSERVATION EXPENSES (CT'S PAGE 1 LINE 73)	5,418,834	5,879,212	5,329,854	4,847,220	4,879,454	5,650,472	5,787,868	5,808,801	5,711,433	5,758,356	4,810,125	5,711,835	88,052,277
7 TRUE-UP THIS PERIOD (DVA)	1,073,957	448,268	874,872	(1,635,970)	(1,151,547)	(1,763,843)	(1,982,742)	(1,588,891)	(2,181,941)	(3,086,676)	(794,844)	(1,066,237)	(1,949,278)
8 CURRENT PERIOD INTEREST	(443,411)	(41,175)	(38,533)	(37,329)	(24,119)	(42,881)	(47,119)	(50,844)	(59,500)	(54,370)	(54,087)	(54,041)	(569,815)
9 ADJUSTMENTS PER ALERT 1 RDO Order	3,711,777	0	0	0	0	0	0	0	0	0	0	0	3,711,777
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (DVA)	(11,647,931)	(6,762,293)	(8,298,700)	(7,531,628)	(7,332,441)	(7,630,130)	(8,141,262)	(9,151,641)	(9,711,244)	(10,862,141)	(10,748,653)	(10,528,895)	(11,557,851)
10A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ COLLECTED	78,500	78,500	78,500	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	1,072,884	9,889,154
12 END OF PERIOD NET TRUE-UP	(8,712,293)	(8,298,700)	(7,331,829)	(7,532,145)	(7,450,436)	(8,184,262)	(9,152,411)	(1,147,349)	(10,862,141)	(10,748,653)	(10,928,895)	(9,817,291)	(9,477,291)

FLORIDA POWER CORPORATION
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (CT-3, PAGE 2, LINE 9 & 11)	(1,829,854)	(4,762,290)	(8,298,705)	(7,311,829)	(7,332,445)	(7,430,434)	(8,164,282)	(7,152,441)	(7,777,344)	(12,892,141)	(14,746,723)	(10,528,890)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(8,718,057)	(8,255,533)	(7,257,273)	(7,299,116)	(7,311,268)	(8,411,601)	(2,125,927)	(2,668,413)	(1,806,411)	(10,644,433)	(15,471,617)	(9,252,251)	(9,252,251)
3 TOTAL BEGINNING & ENDING TRUE-UP	(10,547,911)	(13,017,823)	(15,555,978)	(14,610,945)	(14,643,713)	(15,842,035)	(10,278,354)	(9,820,856)	(3,612,822)	(21,288,866)	(29,918,334)	(19,781,141)	(18,504,502)
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(5,273,955)	(6,508,911)	(7,777,989)	(7,305,472)	(7,321,856)	(7,921,017)	(5,139,177)	(4,910,428)	(1,806,411)	(10,644,433)	(14,959,167)	(9,890,570)	(9,252,251)
5 INTEREST RATE FIRST DAY REPORTING BUSINESS MONTH	6.62%	5.82%	5.82%	8.07%	8.52%	8.57%	8.58%	8.50%	8.46%	6.54%	6.42%	6.52%	6.52%
6 INTEREST RATE FIRST DAY SUBSEQUENT BUSINESS MONTH	5.80%	5.80%	8.07%	8.31%	8.52%	8.58%	8.50%	8.42%	8.50%	8.49%	8.82%	13.14%	13.15%
7 TOTAL (LINE 5 AND LINE 6)	11.42%	11.62%	13.89%	12.38%	12.79%	13.15%	13.08%	12.91%	12.91%	11.99%	11.89%	13.14%	13.15%
8 AVERAGE INTEREST RATE (50% OF LINE 7)	5.71%	5.81%	6.94%	6.19%	6.39%	6.57%	6.54%	6.45%	6.49%	5.99%	5.94%	6.57%	6.57%
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	(44,241)	(41,175)	(54,253)	(37,329)	(34,510)	(42,847)	(47,117)	(26,845)	(25,500)	(14,329)	(15,627)	(15,641)	(528,013)

FLORIDA POWER CORPORATION
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO.	DESCRIPTION	BEGINNING BALANCE	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	TOTAL
1	QUALIFIED FACILITY														
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		12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657
5															
6	DEPRECIATION EXPENSE		211	211	211	211	211	211	211	211	211	211	211	211	2,532
7															
8	CUMUL. NET INVEST	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657
9	LESS: ACC. NET DEPR	7,411	7,631	7,862	8,073	8,284	8,495	8,706	8,917	9,128	9,339	9,550	9,761	9,972	9,972
10	NET INVESTMENT	5,246	5,026	4,795	4,584	4,373	4,162	3,951	3,740	3,529	3,318	3,107	2,896	2,685	2,685
11	AVERAGE INVESTMENT		5,112	4,921	4,690	4,479	4,268	4,057	3,846	3,635	3,424	3,213	3,002	2,791	2,791
12	RETURN ON AVG INVEST		36	34	31	31	33	21	28	26	24	23	21	20	152
13															
14	RETURN REQUIREMENTS		50	47	46	43	41	39	38	36	33	32	29	21	400
15															
16	PROGRAM TOTAL		261	254	257	254	253	250	247	247	244	243	241	223	2,972
17															
18	LOAD MANAGEMENT ASSETS														
19	INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
20	RETIREMENTS		202,504	1,428,708	3,114,413	0	0	0	0	0	0	0	0	0	1,211,078
21	DEPRECIATION BASE		4,648,423	4,036,297	2,017,031	509,824	509,824	509,824	509,824	509,824	509,824	509,824	509,824	509,824	509,824
22															
23	DEPRECIATION EXPENSE		77,421	67,272	33,817	4,484	8,454	8,454	8,454	8,454	8,454	8,234	8,154	4,484	254,126
24															
25	CUMUL. NET INVEST	4,750,720	4,548,116	3,374,437	509,824	508,074	509,824	509,824	509,824	509,824	508,074	509,824	509,824	508,074	509,824
26	LESS: ACC. NET DEPR	2,987,056	3,441,993	2,815,558	(16,840)	(67,148)	(7,832)	(7,832)	(7,832)	(7,832)	(7,832)	(7,832)	(7,832)	(7,832)	(7,832)
27	NET INVESTMENT	743,664	706,123	658,879	626,664	599,770	588,078	578,782	571,234	562,794	554,209	545,808	537,312	528,418	521,992
28															
29	AVERAGE INVESTMENT		744,699	672,517	622,073	601,017	582,572	564,028	545,583	527,039	508,494	489,949	471,404	452,859	434,314
30	RETURN ON AVG INVEST		5,125	4,820	4,373	4,182	4,133	4,074	4,015	3,955	3,896	3,837	3,778	3,719	19,173
31															
32	RETURN REQUIREMENTS		2,191	8,482	8,006	5,802	5,721	5,650	5,579	5,474	5,369	5,211	5,229	5,111	64,951
33															
34	PROGRAM TOTAL		64,897	73,784	33,823	11,294	14,213	14,133	14,053	13,973	13,892	13,801	13,721	13,640	323,267

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .015687 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006973 (8.37% ANNUALLY) AND POINT AUTHORIZED BY THE FISCAL DOCKET NO. 910430-01. RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 31.515%.

FLORIDA POWER CORPORATION
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2000

LINE NO.	BEGINNING BALANCE	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	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	23,690	23,690
4 DEPRECIATION BASE		27,200	27,200	27,200	27,200	27,200	27,200	27,200	27,200	27,270	27,298	27,200	27,233	27,233
5														
6 DEPRECIATION EXPENSE		453	453	453	453	453	453	453	453	453	453	413	756	5,271
7														
8 CUMUL. NET INVEST	27,200	27,200	27,200	27,200	27,200	27,290	27,200	27,200	27,200	27,200	27,200	27,200	27,200	3,510
9 LESS ACC. NET DEPR	19,023	19,476	19,929	20,382	20,835	21,288	21,741	22,194	22,647	23,100	23,553	24,006	24,459	572
10 NET INVESTMENT	8,177	7,724	7,271	6,818	6,365	5,912	5,459	5,006	4,553	4,100	3,647	3,194	2,741	2,938
11 AVERAGE INVESTMENT		7,851	7,418	6,985	6,552	6,119	5,686	5,253	4,820	4,387	3,954	3,521	3,088	5,054
12 RETURN ON AVG INVEST		36	52	68	84	100	116	132	148	164	180	196	212	156
13														
14 RETURN REQUIREMENTS		77	77	83	84	89	94	99	104	109	114	119	124	831
15														
16 PROGRAM TOTAL		533	525	521	517	512	507	503	499	494	489	484	479	5,870
17														
18 CONSERV. PROGRAM ACORN														
19 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
20 RETIREMENTS		34,544	0	0	0	0	0	0	0	0	0	0	0	34,544
21 DEPRECIATION BASE		63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007
22														
23 DEPRECIATION EXPENSE		1,053	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,053	1,050	1,050	12,658
24														
25 CUMUL. NET INVEST	67,591	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	63,007	83,007
26 LESS ACC. NET DEPR	53,299	29,950	28,190	27,190	26,290	25,290	24,290	23,290	22,290	21,290	20,290	19,290	18,290	76,800
27 NET INVESTMENT	33,292	33,057	34,817	35,817	36,817	37,817	38,817	39,817	40,817	41,817	42,817	43,817	44,817	6,207
28 AVERAGE INVESTMENT		34,028	37,432	39,302	40,832	42,362	43,892	45,422	46,952	48,482	49,012	50,542	51,072	44,832
29 RETURN ON AVG INVEST		270	261	254	247	239	232	224	217	210	202	195	188	7,731
30														
31 RETURN REQUIREMENTS		374	361	351	340	331	321	310	301	289	281	272	260	3,211
32														
33 PROGRAM TOTAL		1,712	1,411	1,404	1,357	1,311	1,271	1,230	1,211	1,200	1,211	1,220	1,210	14,878
34														
35 TOTAL DEPRECIATION AND RETURN		87,185	73,958	61,837	48,458	35,360	22,261	10,151	10,045	11,964	11,873	12,767	13,474	318,318
	DEPR ONLY	79,497	64,915	50,331	37,296	24,208	11,259	10,208	14,201	10,264	10,264	10,264	14,014	279,445
	RETURN ONLY	7,688	9,043	11,506	11,162	11,152	11,002	9,943	5,844	11,700	11,609	12,503	9,460	38,873

NOTE: DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .016697 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .002715 (3.26% ANNUALLY) - METHOD AUTHORIZED BY THE FPSC IN DOCKET NO. 100699-01. RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 34.275%.

FLORIDA POWER CORPORATION
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2000 THROUGH DECEMBER 2000

LINE NO.	BEGINNING BALANCE	JAN 00	FEB 00	MAR 00	APR 00	MAY 00	JUN 00	JUL 00	AUG 00	SEP 00	OCT 00	NOV 00	DEC 00	TOTAL
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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 .006973 (8.37% ANNUALLY-ADJPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 010020-E). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 34.573%.

Program Description and Progress

Program Title: Home Energy Check

Program Description: The new Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides Florida Power Corporation's (FPC) 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 serves as the foundation of the residential Home Energy Improvement program and is a program requirement for participation. There are four versions of this audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (Energy Gauge) and the mail-in audit.

Program Accomplishments for January, 2000 through December, 2000: There were 31,612 customers that participated in this program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$3,109,270.

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

Program Description and Progress

Program Title: Home Energy Improvement

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

Program Accomplishments January, 2000 through December, 2000: There were 20,005 customers that participated in this program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$3,146,520.

Program Progress Summary: Completions met projections in 2000.

Program Description and Progress

Program Title: Residential New Construction

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

Program Accomplishments January, 2000 through December, 2000: There were 7,942 participants in the program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$730,566.

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

Program Description and Progress

Program Title: Low-Income Weatherization Assistance Program

Program Description: The program goal is to integrate FPC'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 Florida Power will assist local weatherization agencies by providing energy education materials and financial incentives to weatherize the homes of low-income families.

Program Accomplishments January, 2000 through December, 2000: There were 65 families that participated in the program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$19,019.

Program Progress Summary: The program was launched during the month of July 2000. Projections were met in the Weatherization Program.

Program Description and Progress

Program Title: Energy Management (Residential & Commercial)

Program Description: The Load Management Program incorporates direct radio control of selected customer equipment to reduce system demand during peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage.

Program Accomplishments for January, 2000 through December, 2000: During this period we added 5,504 customers to the program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Program expenditures during this period were \$35,071,426.

Program Progress Summary: As of December 31, 2000 there were 466,874 customers participating in the Load Management program.

Program Description and Progress

Program Title: Business Energy Check

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

Program Accomplishments January, 2000 through December, 2000: There were 444 customers that participated in this program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$231,045.

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

Program Description and Progress

Program Title: Better Business

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

Program Accomplishments January, 2000 through December, 2000: There were 97 customers that participated in the program.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$275,146.

Program Progress Summary: There were 97 Better Business program completions in 2000.

Program Description and Progress

Program Title: Commercial/Industrial New Construction

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

Program Accomplishments January, 2000 through December, 2000: There were 19 participants during this period.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$43,279.

Program Progress Summary: There were 19 Commercial/Industrial New Construction program completions in 2000.

Program Description and Progress

Program Title: Innovation Incentive

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

Program Accomplishments January, 2000 through December, 2000: There were no participants during this period.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$0.

Program Progress Summary: This program continues to attract 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: Florida Power Corporation provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Accomplishments January, 2000 through December, 2000: There were 11 new customers added to the program during this period.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$507,983.

Program Progress Summary: The program met projections in 2000.

Program Description and Progress

Program Title: Interruptible Service Program

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

Program Accomplishments January, 2000 through December, 2000: There were 6 new participants added to the program under the IS-2 tariff during this period.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$19,482,823.

Program Progress Summary: The original program filed as the IS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. The 6 new participants in 2000 were placed on the newer IS-2 tariff.

Program Description and Progress

Program Title: Curtailable Service Program

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

Program Accomplishments January, 2000 through December, 2000: No new participants were added during the period.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$644,790.

Program Progress Summary: To date the program has 8 participants. The original program filed as the CS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the newer CS-2 tariff.

Program Description and Progress

Program Title: Technology Development

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

Program Accomplishments January, 2000 through December, 2000: Monitoring and evaluation of the residential HVAC airflow and proper refrigerant is expected to be completed by 4th quarter of 2001. The photovoltaic R&D project on manufactured housing will continue through 2001. R&D projects for dual compressor heat pumps and radiant barriers will be evaluated by 3rd quarter 2001.

Program Fiscal Expenditures for January, 2000 through December, 2000: Expenses for this program were \$95,364.

Program Progress Summary: The residential HVAC airflow and proper refrigerant charge R&D project field-tested 24 homes in 2000. The photovoltaic R&D project on manufactured housing was delayed due to unforeseen contract problems and will continue through 2001.

Program Description and Progress

Program Title: Qualifying Facility

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

Program Projections for January 2000 through December 2000: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January 2000 through December 2000: Expenses for this program were \$327,570.

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

FLORIDA POWER CORPORATION

DOCKET NO. 010002-EU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the Direct Testimony of John A. Masiello has been furnished to the following individuals by regular U.S. Mail this 14th day of May, 2001:

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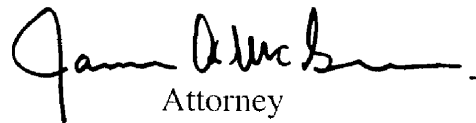
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