



Florida Power

A Progress Energy Company

ORIGINAL

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL

May 14, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
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Re: Docket No. 020002-EU

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Florida Power Corporation are an original and ten copies of the direct testimony and exhibits of John A. Masiello.

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.

Very truly yours,

James A. McGee

JAM/scc
Enclosure

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FLORIDA POWER CORPORATION

DOCKET NO. 010002-EU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the direct testimony and exhibits of John A. Masiello has been furnished to the following individuals by regular U.S.

Mail this 14th day of May, 2002:

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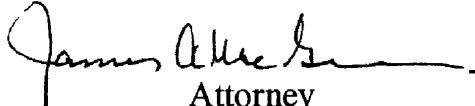
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**FLORIDA POWER CORPORATION
DOCKET No. 020002-EG**

**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 Exchange Place, Lake Mary, Florida 32746.

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

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

8
9 **Q. Have your duties and responsibilities remained the same since you**
10 **last testified in this proceeding?**

11 A. Yes.

12
13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to compare the actual costs of
15 implementing conservation programs with the actual revenues collected
16 through the Energy Conservation Cost Recovery Clause during the period
17 January 2001 through December 2001.

1 **Q. For what programs does Florida Power seek recovery?**

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

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

2 A. Yes, Exhibit No. ___ (JAM-1) entitled, "Florida Power Corporation Energy
3 Conservation Adjusted Net True-Up for the Period January 2001 through
4 December 2001." There are five (5) schedules to this exhibit.

5
6 **Q. Will you please explain your exhibit**

7 A. Yes. Exhibit No. ___ (JAM-1) presents Schedules CT-1 through CT-5. These
8 schedules set out the actual costs incurred for all programs during the period
9 from January 2001 through December 2001. They also describe the variance
10 between actual costs and previously projected values for the same time
11 period. Schedule CT-5 provides a brief summary report for each program that
12 includes a program description, annual program expenditures and program
13 accomplishments over the twelve-month period ending December 2001.

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

16 A. Yes. Schedule CT-1 shows that Florida Power's actual net true-up in its
17 Energy Conservation Cost Recovery Clause for the twelve months ending
18 December 2001 was an over-recovery of \$6,787,137 including principal and
19 interest. This amount is \$3,722,072 more than what was previously estimated
20 in Florida Power's October 4, 2001 ECCR projection 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 2001 THROUGH DECEMBER 2001

LINE
NO.

1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$9,617,291)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(6,461,272)	
4	INTEREST (CT 3, PAGE 2 of 3)	(325,863)	
5	PRIOR TRUE-UP REFUND	9,617,289	
6	ADJUSTMENTS	0	(\$6,787,137)
		<hr/>	
7	LESS ESTIMATED TRUE-UP FROM SEPTEMBER 2001		
8	PROJECTION FILING (OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$9,617,291)	
10	PRINCIPAL	(2,717,574)	
11	INTEREST	(347,491)	
12	PRIOR TRUE-UP REFUND	9,617,291	
13	ADJUSTMENTS	0	(\$3,065,065)
		<hr/>	
14	VARIANCE TO PROJECTION		<u>(\$3,722,072)</u>

FLORIDA POWER CORPORATION

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
 ACTUAL VS. ESTIMATED
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	1,991,329	1,981,778	9,551
2	PAYROLL AND BENEFITS	6,139,968	6,603,764	(463,796)
3	MATERIALS AND SUPPLIES	351,887	458,142	(106,255)
4	OUTSIDE SERVICES	3,557,883	3,814,773	(256,890)
5	ADVERTISING	1,159,110	915,270	243,840
6	INCENTIVES	49,178,659	53,949,923	(4,771,264)
7	VEHICLES	316,711	364,132	(47,421)
8	OTHER	2,136,050	1,968,812	167,238
9	PROGRAM REVENUES	<u>(3,000)</u>	<u>(1,370)</u>	<u>(1,630)</u>
10	TOTAL PROGRAM COSTS	64,828,597	70,055,224	(5,226,627)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	61,672,580	63,155,507	(1,482,927)
13	PRIOR TRUE-UP	<u>9,617,291</u>	<u>9,617,291</u>	<u>0</u>
14	TRUE-UP BEFORE INTEREST	(6,461,274)	(2,717,574)	(3,743,700)
15	AUDIT & REV DECOUPLING ADJUSTMENT	0	0	0
16	INTEREST PROVISION	<u>(325,863)</u>	<u>(347,491)</u>	<u>21,628</u>
17	END OF PERIOD TRUE-UP	<u>(6,787,137)</u>	<u>(3,065,065)</u>	<u>(3,722,072)</u>

() REFLECTS OVERRECOVERY

FLORIDA POWER CORPORATION

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

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	24,610	0	0	0	98,797	190	2,057	125,654	0	125,654
2	RESIDENTIAL NEW CONSTRUCTION	0	386,634	6,556	13,776	34,460	280,326	25,789	50,171	797,712	0	797,712
3	HOME ENERGY IMPROVEMENT	0	450,684	17,352	54,135	991,516	1,935,505	22,614	468,025	3,939,831	(2,570)	3,937,261
4	COMM / IND NEW CONSTRUCTION	0	4,699	0	0	0	57,730	46	0	62,475	0	62,475
5	HOME ENERGY CHECK	862	1,734,695	150,942	238,414	90,010	300	110,453	158,330	2,484,006	(430)	2,483,576
6	LOW INCOME	0	24,551	0	2,000	0	23,085	1,622	6,461	57,719	0	57,719
7	BUSINESS ENERGY CHECK	0	459,476	6,382	5,203	5,714	0	21,081	54,320	552,176	0	552,176
8	QUALIFYING FACILITY	2,298	269,604	4,378	193	0	0	1,807	28,451	306,731	0	306,731
9	INNOVATION INCENTIVE	0	1,674	0	0	0	0	0	0	1,674	0	1,674
10	TECHNOLOGY DEVELOPMENT	0	19,870	220	91,618	0	(625)	1,260	1,920	114,263	0	114,263
11	STANDBY GENERATION	0	13,657	5,145	32,407	0	576,234	557	247	628,247	0	628,247
12	INTERRUPT LOAD MANAGEMENT	0	53,144	2,267	6,311	0	17,672,440	5,504	4,790	17,744,456	0	17,744,456
13	CURTAIL LOAD MANAGEMENT	0	0	0	0	0	693,039	0	1	693,040	0	693,040
14	RESIDENTIAL LOAD MANAGEMENT	1,973,229	1,827,239	77,705	3,024,426	37,410	27,126,438	91,725	289,736	34,447,908	0	34,447,908
15	COMMERCIAL LOAD MANAGEMENT	0	12,637	0	2,403	0	709,240	418	0	724,698	0	724,698
16	CONSERVATION PROGRAM ADMIN	14,940	856,794	80,940	86,997	0	6,150	33,645	1,071,541	2,151,007	0	2,151,007
17	TOTAL ALL PROGRAMS	1,991,329	6,139,968	351,887	3,557,883	1,159,110	49,178,659	316,711	2,136,050	64,831,597	(3,000)	64,828,597

FLORIDA POWER CORPORATION

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

FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

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	6,143	0	0	0	2,086	(218)	1,212	9,223	0	9,223
2	RESIDENTIAL NEW CONSTRUCTION	0	24,713	(4,014)	(8,492)	(124,149)	59,030	(2,869)	(8,415)	(64,196)	0	(64,196)
3	HOME ENERGY IMPROVEMENT	0	(89,606)	11,281	11,885	831,972	(115,425)	(5,555)	225,601	870,153	(1,630)	868,523
4	COMM / IND NEW CONSTRUCTION	0	3,785	0	0	0	55,230	46	0	59,061	0	59,061
5	HOME ENERGY CHECK	0	(228,069)	18,531	61,505	(377,048)	300	(29,205)	65,338	(488,648)	0	(488,648)
6	LOW INCOME	0	(2,645)	0	(1,080)	0	6,000	745	1,551	4,571	0	4,571
7	BUSINESS ENERGY CHECK	0	49,846	5,401	2,581	1,107	0	(2,049)	33,870	90,756	0	90,756
8	QUALIFYING FACILITY	0	(13,720)	842	(1,557)	0	0	(33)	(1,386)	(15,854)	0	(15,854)
9	INNOVATION INCENTIVE	0	(4,856)	0	0	0	(5,000)	(365)	(1,290)	(11,511)	0	(11,511)
10	TECHNOLOGY DEVELOPMENT	0	(8,322)	205	(3,873)	0	0	297	(1,541)	(13,234)	0	(13,234)
11	STANDBY GENERATION	0	(1,941)	744	5,918	0	10,981	(67)	(2,678)	12,957	0	12,957
12	INTERRUPT LOAD MANAGEMENT	0	22,297	268	135	0	(1,591,620)	4,421	4,476	(1,560,023)	0	(1,560,023)
13	CURTAIL LOAD MANAGEMENT	0	0	0	0	0	49,551	0	1	49,552	0	49,552
14	RESIDENTIAL LOAD MANAGEMENT	9,551	(27,498)	(87,749)	(207,784)	(88,042)	(3,247,681)	(9,044)	(223,971)	(3,882,218)	0	(3,882,218)
15	COMMERCIAL LOAD MANAGEMENT	0	1,839	0	640	0	5,834	(222)	(2,925)	5,166	0	5,166
16	CONSERVATION PROGRAM ADMIN	0	(195,762)	(51,764)	(116,768)	0	(550)	(3,303)	77,395	(290,752)	0	(290,752)
17	TOTAL ALL PROGRAMS	9,551	(463,796)	(106,255)	(256,890)	243,840	(4,771,264)	(47,421)	167,238	(5,224,997)	(1,630)	(5,226,827)

FLORIDA POWER CORPORATION

PROJECTED ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

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 (908.15) (E)	0	18,467	0	0	0	96,711	408	845	116,431	0	116,431
2	RESIDENTIAL NEW CONSTRUCT (908 22) (E)	0	361,921	10,570	22,268	158,609	221,296	28,658	58,586	861,908	0	861,908
3	HOME ENERGY IMPROVEMENT (908 23) (E)	0	540,290	6,071	42,250	159,544	2,050,930	28,169	242,424	3,069,678	(940)	3,068,738
4	C/I NEW CONSTRUCTION (908 24) (E)	0	914	0	0	0	2,500	0	0	3,414	0	3,414
5	HOME ENERGY CHECK (908 25) (E)	862	1,962,764	132,411	176,909	467,058	0	139,658	92,992	2,972,654	(430)	2,972,224
6	LOW INCOME (908.26) (E)	0	27,196	0	3,080	0	17,085	877	4,910	53,148	0	53,148
7	BUSINESS ENERGY CHECK (908 28) (E)	0	409,630	981	2,622	4,607	0	23,130	20,450	461,420	0	461,420
8	CONSERVATION PROGRAM ADMIN (908.35) (E)	14,940	1,052,556	132,704	203,765	0	6,700	36,948	994,146	2,441,759	0	2,441,759
9	CONSERVATION PROGRAM ADMIN (908 35) (D)									0	0	0
10	QUALIFYING FACILITY (908 42) (E)	2,298	283,324	3,536	1,750	0	0	1,840	29,837	322,585	0	322,585
11	INNOVATION INCENTIVE (908 60) (E)	0	6,530	0	0	0	5,000	365	1,290	13,185	0	13,185
12	TECHNOLOGY DEVELOPMENT (908 65) (E)	0	28,192	15	95,491	0	(625)	963	3,461	127,497	0	127,497
13	STANDBY GENERATION (908 69) (D)	0	15,598	4,401	26,489	0	565,253	624	2,925	615,290	0	615,290
14	INTERRUPTIBLE SERVICE (908 70 & 71) (D)	0	30,847	1,999	6,176	0	19,264,060	1,083	314	19,304,479	0	19,304,479
15	CURTAILABLE SERVICE (908 72 & 73) (D)	0	0	0	0	0	643,488	0	0	643,488	0	643,488
16	RES ENERGY MANGMNT-ADMIN (908 75 & 77) (D)	1,963,578	1,854,737	165,454	3,232,210	125,452	30,374,119	100,769	513,707	38,330,126	0	38,330,126
17	RES ENERGY MANGMNT-EQUIP SVC (908 76) (D)									0	0	0
18	LOAD MANAGEMENT SWITCHES (908 80) (D)									0	0	0
19	COM ENERGY MANGMNT-ADMIN (908 85 & 87) (D)	0	10,798	0	1,763	0	703,406	640	2,925	719,532	0	719,532
20	COM ENERGY MANGMNT-EQUIP SVC (908 86) (D)	0	0	0	0	0	0	0	0	0	0	0
21	TOTAL ALL PROGRAMS	<u>1,981,778</u>	<u>6,603,764</u>	<u>458,142</u>	<u>3,814,773</u>	<u>915,270</u>	<u>53,949,923</u>	<u>364,132</u>	<u>1,968,812</u>	<u>70,056,594</u>	<u>(1,370)</u>	<u>70,055,224</u>

FLORIDA POWER CORPORATION
 ACTUAL CONSERVATION PROGRAM COSTS BY MONTH
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

LINE NO	PROGRAM TITLE	JAN 01	FEB 01	MAR 01	APR 01	MAY 01	JUN 01	JUL 01	AUG 01	SEP 01	OCT 01	NOV 01	DEC 01	TOTAL
1	BETTER BUSINESS	1,073	2,937	85,467	1,646	373	1,307	1,899	25,913	32,180	10,824	(53,423)	15,458	125,654
2	RESIDENTIAL NEW CONSTRUCTION	42,316	63,491	53,618	28,970	70,673	54,423	67,206	61,943	54,244	92,398	78,692	129,738	797,712
3	HOME ENERGY IMPROVEMENT	169,819	165,729	209,039	207,344	231,034	269,520	267,382	317,099	389,053	291,020	260,988	1,161,804	3,939,831
4	COMM / IND NEW CONSTRUCTION	0	0	34	0	0	0	0	0	0	325	58,087	4,029	62,475
5	HOME ENERGY CHECK	220,376	210,384	233,855	206,110	255,460	185,999	151,124	241,316	177,884	183,913	168,201	249,384	2,484,006
6	LOW INCOME	2,870	3,550	1,998	(879)	1,961	4,832	8,207	11,325	4,529	11,891	3,738	3,697	57,719
7	BUSINESS ENERGY CHECK	45,005	30,440	37,135	29,018	43,162	35,544	38,462	59,607	42,875	47,956	73,155	69,817	552,176
8	QUALIFYING FACILITY	21,829	26,449	32,445	28,173	25,195	33,484	18,631	24,869	21,047	24,912	26,273	23,424	306,731
9	INNOVATION INCENTIVE	0	0	0	0	0	0	0	0	0	0	0	1,674	1,674
10	TECHNOLOGY DEVELOPMENT	(18)	487	1,586	1,075	1,810	25,066	10,725	13,907	3,043	6,107	2,582	47,893	114,263
11	STANDBY GENERATION	50,143	37,911	67,154	60,923	53,527	53,765	57,772	48,892	47,741	34,120	58,912	57,387	628,247
12	INTERRUPT LOAD MANAGEMENT	1,891,942	1,619,686	1,609,072	1,571,074	1,478,800	1,485,175	1,301,201	1,198,650	1,451,258	1,361,604	1,492,042	1,483,952	17,744,456
13	CURTAIL LOAD MANAGEMENT	48,679	47,275	49,231	66,898	58,526	83,905	13,974	110,172	13,580	101,650	49,544	49,606	893,040
14	RESIDENTIAL LOAD MANAGEMENT	4,085,356	3,223,164	2,306,889	2,216,987	2,379,719	3,000,802	3,124,745	3,177,164	2,991,900	2,537,884	2,648,776	2,754,522	34,447,908
15	COMMERCIAL LOAD MANAGEMENT	55,599	68,428	40,158	79,900	47,761	70,484	58,105	66,392	67,706	62,064	55,300	52,801	724,698
16	CONSERVATION PROGRAM ADMIN	183,129	131,828	214,642	108,079	89,873	138,961	93,299	92,012	83,117	222,654	655,383	138,030	2,151,007
17	TOTAL ALL PROGRAMS	6,618,118	5,631,759	4,942,323	4,605,318	4,737,874	5,443,267	5,212,732	5,449,261	5,380,157	4,989,322	5,578,250	6,243,216	64,831,597
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)	6,618,118	5,631,759	4,942,323	4,605,318	4,737,874	5,443,267	5,212,732	5,449,261	5,380,157	4,989,322	5,578,250	6,243,216	64,831,597

* GROSS EXPENDITURES ONLY AUDIT 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 2001 THROUGH DECEMBER 2001

LINE NO	JAN 01	FEB 01	MAR 01	APR 01	MAY 01	JUN 01	JUL 01	AUG 01	SEP 01	OCT 01	NOV 01	DEC 01	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	360	170	60	0	30	320	0	650	840	0	140	2,570
1C HOME ENERGY CHECK	430	0	0	0	0	0	0	0	0	0	0	0	430
1D SUBTOTAL - FEES	430	360	170	60	0	30	320	0	650	840	0	140	3,000
2 CONSERVATION CLAUSE REVENUES	6,082,888	4,653,595	4,118,204	4,471,605	4,523,774	5,779,916	5,810,280	5,907,625	6,362,652	4,941,653	4,596,867	4,423,521	61,672,580
2A CURRENT PERIOD GRT REFUND	0 00	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	6,083,318	4,653,955	4,118,374	4,471,665	4,523,774	5,779,946	5,810,600	5,907,625	6,363,302	4,942,493	4,596,867	4,423,661	61,675,580
4 PRIOR PERIOD TRUE-UP OVER/(UNDER)	9,617,291	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,438	9,617,289
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	6,884,759	5,455,396	4,919,815	5,273,106	5,325,215	6,581,387	6,612,041	6,709,086	7,164,743	5,743,934	5,398,308	5,225,099	71,292,869
6 CONSERVATION EXPENSES (CT-3,PAGE 1, LINE 73)	6,618,118	5,631,759	4,942,323	4,605,318	4,737,874	5,443,267	5,212,732	5,449,261	5,380,157	4,989,322	5,578,250	6,243,216	64,831,597
7 TRUE-UP THIS PERIOD (O)/U	(266,641)	176,363	22,508	(667,788)	(587,341)	(1,138,120)	(1,399,309)	(1,259,805)	(1,784,586)	(754,612)	179,942	1,018,117	(6,461,272)
8 CURRENT PERIOD INTEREST	(46,944)	(37,190)	(30,492)	(28,765)	(27,896)	(27,212)	(28,835)	(27,504)	(23,210)	(19,486)	(16,098)	(12,231)	(325,863)
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	(9,617,291)	(9,129,435)	(8,188,821)	(7,395,364)	(7,290,476)	(7,104,272)	(7,468,163)	(8,094,866)	(8,580,734)	(9,587,089)	(9,559,746)	(8,594,461)	(9,617,291)
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)	801,441*	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,441	801,438	9,617,289
12 END OF PERIOD NET TRUE-UP	(9,129,435)	(8,188,821)	(7,395,364)	(7,290,476)	(7,104,272)	(7,468,163)	(8,094,866)	(8,580,734)	(9,587,089)	(9,559,746)	(8,594,461)	(6,787,137)	(6,787,137)

FLORIDA POWER CORPORATION
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

LINE NO	JAN 01	FEB 01	MAR 01	APR 01	MAY 01	JUN 01	JUL 01	AUG 01	SEP 01	OCT 01	NOV 01	DEC 01	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (CT-3, PAGE 2, LINE 9 & 10)	(9,617,291)	(9,129,435)	(8,188,821)	(7,395,364)	(7,290,476)	(7,104,272)	(7,468,163)	(8,094,866)	(8,580,734)	(9,587,089)	(9,559,746)	(8,594,461)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(9,082,491)	(8,151,631)	(7,364,872)	(7,261,711)	(7,076,376)	(7,440,951)	(8,066,031)	(8,553,230)	(9,563,879)	(9,540,260)	(8,578,363)	(6,774,906)	
3 TOTAL BEGINNING & ENDING TRUE-UP	<u>(18,699,782)</u>	<u>(17,281,066)</u>	<u>(15,553,693)</u>	<u>(14,657,075)</u>	<u>(14,366,852)</u>	<u>(14,545,223)</u>	<u>(15,534,194)</u>	<u>(16,648,096)</u>	<u>(18,144,613)</u>	<u>(19,127,349)</u>	<u>(18,138,109)</u>	<u>(15,369,367)</u>	
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	<u>(9,349,891)</u>	<u>(8,640,533)</u>	<u>(7,776,847)</u>	<u>(7,328,538)</u>	<u>(7,183,426)</u>	<u>(7,272,612)</u>	<u>(7,767,097)</u>	<u>(8,324,048)</u>	<u>(9,072,307)</u>	<u>(9,563,675)</u>	<u>(9,069,055)</u>	<u>(7,684,684)</u>	
5 INTEREST RATE FIRST DAY REPORTING BUSINESS MONTH	8.50%	5.55%	4.78%	4.63%	4.79%	4.53%	4.45%	4.46%	3.47%	2.67%	2.22%	2.04%	
6 INTEREST RATE, FIRST DAY SUBSEQUENT BUSINESS MONTH	5.55%	4.78%	4.63%	4.79%	4.53%	4.45%	4.46%	3.47%	2.67%	2.22%	2.04%	1.78%	
7 TOTAL (LINE 5 AND LINE 6)	<u>12.05%</u>	<u>10.33%</u>	<u>9.41%</u>	<u>9.42%</u>	<u>9.32%</u>	<u>8.98%</u>	<u>8.91%</u>	<u>7.93%</u>	<u>6.14%</u>	<u>4.89%</u>	<u>4.26%</u>	<u>3.82%</u>	
8 AVERAGE INTEREST RATE (50% OF LINE 7)	<u>6.025%</u>	<u>5.165%</u>	<u>4.705%</u>	<u>4.710%</u>	<u>4.660%</u>	<u>4.490%</u>	<u>4.455%</u>	<u>3.965%</u>	<u>3.070%</u>	<u>2.445%</u>	<u>2.130%</u>	<u>1.910%</u>	
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	<u>(46,944)</u>	<u>(37,190)</u>	<u>(30,492)</u>	<u>(28,765)</u>	<u>(27,896)</u>	<u>(27,212)</u>	<u>(28,835)</u>	<u>(27,504)</u>	<u>(23,210)</u>	<u>(19,486)</u>	<u>(16,098)</u>	<u>(12,231)</u>	<u>(325,863)</u>

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

LINE NO	BEGINNING BALANCE	JAN 01	FEB 01	MAR 01	APR 01	MAY 01	JUN 01	JUL 01	AUG 01	SEP 01	OCT 01	NOV 01	DEC 01	TOTAL
1 QUALIFYING 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	6,960	0	0	0	6,960
4 DEPRECIATION BASE		12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	9,177	5,697	5,697	5,697	
5														
6 DEPRECIATION EXPENSE		211	211	211	211	211	211	211	211	153	95	95	95	2,126
7														
8 CUMM NET INVEST	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	12,657	5,697	5,697	5,697	5,697	5,697
9 LESS ACC NET DEPR	9,972	10,183	10,394	10,605	10,816	11,027	11,238	11,449	11,660	4,853	4,948	5,043	5,138	5,138
10 NET INVESTMENT	2,685	2,474	2,263	2,052	1,841	1,630	1,419	1,208	997	844	749	654	559	559
11 AVERAGE INVESTMENT		2,580	2,369	2,158	1,947	1,735	1,525	1,314	1,103	921	797	702	607	
12 RETURN ON AVG INVEST		18	16	15	13	12	11	10	8	6	5	5	5	124
13														
14 RETURN REQUIREMENTS		25	22	21	18	16	15	14	11	9	7	7	7	172
15														
16 PROGRAM TOTAL		236	233	232	229	227	226	225	222	162	102	102	102	2,298
17														
18 UNUSED														
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		0	0	0	0	0	0	0	0	0	0	0	0	0
22														
23 DEPRECIATION EXPENSE		0	0	0	0	0	0	0	0	0	0	0	0	0
24														
25 CUMM NET INVEST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 LESS ACC NET DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27 NET INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 AVERAGE INVESTMENT		0	0	0	0	0	0	0	0	0	0	0	0	0
29 RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	0	0	0	0	0
30														
31 RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
32														
33 PROGRAM TOTAL		0	0	0	0	0	0	0	0	0	0	0	0	0
34														
35 LOAD MANAGEMENT ASSETS														
36 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
37 RETIREMENTS		0	0	0	0	1,588	0	0	0	0	0	0	0	1,588
38 DEPRECIATION BASE		509,624	509,624	509,624	509,624	508,830	508,036	508,036	508,036	508,036	508,036	508,036	508,036	
39														
40 DEPRECIATION EXPENSE		8,494	8,494	8,494	8,494	8,481	8,467	8,467	8,467	8,467	8,467	8,467	8,467	101,726
41														
42 CUMM NET INVEST	509,624	509,624	509,624	509,624	509,624	508,036	508,036	508,036	508,036	508,036	508,036	508,036	508,036	508,036
43 LESS ACC NET DEPR	142,112	150,606	159,100	167,594	176,088	182,981	191,448	199,915	208,382	216,849	225,316	233,783	242,250	242,250
44 NET INVESTMENT	367,512	359,018	350,524	342,030	333,536	325,055	316,588	308,121	299,654	291,187	282,720	274,253	265,786	265,786
45 AVERAGE INVESTMENT		363,265	354,771	346,277	337,783	329,296	320,822	312,355	303,888	295,421	286,954	278,487	270,020	
46 RETURN ON AVG INVEST		2,534	2,475	2,415	2,356	2,297	2,238	2,179	2,120	2,060	2,001	1,942	1,883	26,500
47														
48 RETURN REQUIREMENTS		3,507	3,426	3,343	3,261	3,179	3,098	3,016	2,935	2,851	2,770	2,688	2,608	36,680
49														
50 PROGRAM TOTAL		12,001	11,920	11,837	11,755	11,660	11,565	11,483	11,402	11,318	11,237	11,155	11,073	138,406

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 .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO 910890-EI) RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%

FLORIDA POWER CORPORATION

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2001 THROUGH DECEMBER 2001

LINE NO	BEGINNING BALANCE	JAN 01	FEB 01	MAR 01	APR 01	MAY 01	JUN 01	JUL 01	AUG 01	SEP 01	OCT 01	NOV 01	DEC 01	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	1,075	0	0	0	0	0	0	0	0	1,075
4 DEPRECIATION BASE		3,510	3,510	3,510	2,973	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	
5														
6 DEPRECIATION EXPENSE		59	59	59	50	41	41	41	41	41	41	41	41	555
7														
8 CUMM NET INVEST	3,510	3,510	3,510	3,510	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435
9 LESS ACC NET DEPR	572	631	690	749	(276)	(235)	(194)	(153)	(112)	(71)	(30)	11	52	52
10 NET INVESTMENT	2,938	2,879	2,820	2,761	2,711	2,670	2,629	2,588	2,547	2,506	2,465	2,424	2,383	2,383
11 AVERAGE INVESTMENT		2,909	2,850	2,791	2,736	2,691	2,650	2,609	2,568	2,527	2,486	2,445	2,404	
12 RETURN ON AVG INVEST		20	20	20	19	18	18	18	18	18	18	17	17	221
13														
14 RETURN REQUIREMENTS		28	28	28	27	25	25	25	25	25	25	23	23	307
15														
16 PROGRAM TOTAL		87	87	87	77	66	66	66	66	66	66	64	64	862
17														
18 CONSERV. PROGRAM ADMIN														
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		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		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,800
24														
25 CUMM NET INVEST	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	63,007
26 LESS ACC NET DEPR	36,600	37,650	38,700	39,750	40,800	41,850	42,900	43,950	45,000	46,050	47,100	48,150	49,200	49,200
27 NET INVESTMENT	26,407	25,357	24,307	23,257	22,207	21,157	20,107	19,057	18,007	16,957	15,907	14,857	13,807	13,807
28 AVERAGE INVESTMENT		25,882	24,832	23,782	22,732	21,682	20,632	19,582	18,532	17,482	16,432	15,382	14,332	
29 RETURN ON AVG INVEST		180	173	165	159	152	144	137	129	122	115	108	100	1,684
30														
31 RETURN REQUIREMENTS		249	240	228	220	210	199	190	179	169	159	149	138	2,330
32														
33 PROGRAM TOTAL		1,299	1,290	1,278	1,270	1,260	1,249	1,240	1,229	1,219	1,209	1,199	1,188	14,930
34														
35 LOAD MANAGEMENT														
36														
37 LOAD CONTROL RECEIVERS, SWITCHES														
38 & HARDWARE - INVESTMENTS		14,513	18,805	27,367	13,570	(15,402)	33,482	89,525	99,864	117,426	193,779	101,196	84,686	778,810
39 RETIREMENTS		167,913	276,491	178,138	145,335	165,673	146,283	102,100	117,052	228,734	387,778	379,735	369,615	2,864,847
40 AMORTIZATION BASE		8,566,413	8,360,870	8,156,641	8,015,373	7,858,953	7,712,015	7,649,327	7,634,446	7,570,197	7,417,544	7,181,274	6,899,540	
41														
42 AMORTIZATION EXPENSE		142,774	139,348	135,944	133,590	130,983	128,534	127,489	127,241	126,170	123,626	119,688	114,993	1,550,380
43														
44 CUMULATIVE INVEST	8,643,113	8,489,713	8,232,026	8,081,255	7,949,490	7,768,415	7,655,614	7,643,040	7,625,852	7,514,543	7,320,544	7,042,005	6,757,076	6,757,076
45 LESS ACC AMORT	5,626,419	5,601,280	5,464,137	5,421,943	5,410,198	5,375,508	5,357,759	5,383,148	5,393,337	5,290,773	5,026,621	4,766,574	4,511,952	4,511,952
46 NET INVESTMENT	3,016,694	2,888,433	2,767,889	2,659,312	2,539,292	2,392,907	2,297,865	2,259,892	2,232,515	2,223,770	2,293,923	2,275,431	2,245,124	2,245,124
47 AVERAGE INVESTMENT		2,952,563	2,828,161	2,713,601	2,599,302	2,466,100	2,345,381	2,278,874	2,246,203	2,228,142	2,258,847	2,284,677	2,260,277	
48 RETURN ON AVG INVEST		20,594	19,727	18,927	18,130	17,201	16,359	15,895	15,667	15,541	15,756	15,936	15,766	205,499
49														
50 RETURN REQUIREMENTS		28,506	27,305	26,198	25,095	23,809	22,643	22,001	21,686	21,511	21,809	22,058	21,822	284,443
PROGRAM TOTAL		171,280	166,653	162,142	158,685	154,792	151,177	149,490	148,927	147,681	145,435	141,746	136,815	1,834,823

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 006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-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 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, 2001 through December, 2001: There were 26,674 customers that participated in this program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$2,483,576

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, 2001 through December, 2001: There were 18,905 customers that participated in this program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$3,937,261.

Program Progress Summary: Completions met projections in 2001.

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, 2001 through December, 2001: There were 10,333 measures implemented in the program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$797,712.

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 assists local weatherization agencies by providing energy education materials and financial incentives to weatherize the homes of low-income families.

Program Accomplishments January, 2001 through December, 2001: There were 142 families that participated in the program in 2001.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$57,719.

Program Progress Summary. Projections were met in the Weatherization Program in 2001.

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, 2001 through December, 2001: During this period we added 4,895 customers to the program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Program expenditures during this period were \$35,172,606.

Program Progress Summary: As of December 31, 2001 there were 467,608 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, 2001 through December, 2001: There were 1652 customers that participated in this program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$552,176.

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, 2001 through December, 2001: There were 90 customers that participated in the program.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$125,654.

Program Progress Summary: There were 90 Better Business program completions in 2001.

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, 2001 through December, 2001: There were 12 participants during this period.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$62,475.

Program Progress Summary: There were 12 Commercial/Industrial New Construction program completions in 2001.

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, 2001 through December, 2001: There were no participants during this period.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$1,674.

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: Florida Power Corporation provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Accomplishments January, 2001 through December, 2001: There were 11 new customers added to the program during this period.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$628,247.

Program Progress Summary: The program met projections in 2001.

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, 2001 through December, 2001: There were 3 new participants added to the program under the IS-2 tariff during this period.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$17,744,456.

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 3 new participants in 2001 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, 2001 through December, 2001: No new participants were added during the period.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$693,040.

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, 2001 through December, 2001: Monitoring and field evaluation of the residential HVAC proper airflow and refrigerant charge was completed. Also completed in 2001 was the field evaluation of the R&D project on dual compressor heat pumps. Six photovoltaic systems on manufactured homes were installed in 2001. The radiant barrier pilot project on nine residential homes was completed.

Program Fiscal Expenditures for January, 2001 through December, 2001: Expenses for this program were \$114,263.

Program Progress Summary: Currently we are reviewing and summarizing the results from the proper refrigerant charging and airflow and the dual compressor heat pumps projects. Summary reports for these projects will be completed by the 4th quarter of 2002. The installation portion of the photovoltaic R&D project on manufactured housing has been completed, and the energy/demand impacts from this project will be analyzed in 2002. The radiant barrier pilot project on nine residential homes was completed in 2001 and a summary report was created to disseminate results.

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, 2001 through December, 2001:
Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2001 through December, 2001:
Expenses for this program were \$306,731.

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.