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JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE CO., LLC

July 8, 2003

HAND DELIVERY

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

JUL - 8 AM 11:46
COMMISSION CLERK
ENCLOSURE

Re: Docket No. 030001-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., formerly Florida Power Corporation, are an original and ten copies of its Notice of Fuel and Capacity Cost Under-Recovery Exceeding Ten Percent.

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 WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

RECEIVED & FILED

JAM

FPSC-BUREAU OF RECORDS

James A. McGee

JAM/scc
Enclosure

cc: Parties of record

- AUS _____
- CAF _____
- JMP _____
- COM 5
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC 1
- OTH _____

DOCUMENT NUMBER 030001
06011 JUL -8 6
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

Docket No. 030001-EI

Submitted for filing:
July 8, 2003

**NOTICE OF ESTIMATED FUEL AND CAPACITY COST
UNDER-RECOVERY EXCEEDING TEN PERCENT**

Progress Energy Florida, Inc., formerly Florida Power Corporation, (Progress Energy or the Company) pursuant to Order No. 13694 in Docket No. 840001-EI, hereby notifies the Commission that based on actual results to date, Progress Energy believes that year-end fuel and capacity costs will result in an additional true-up under-recovery, above that anticipated by the Company's Mid-Course Correction approved on March 4, 2003, which exceeds ten percent of its projected 2003 fuel and capacity costs.

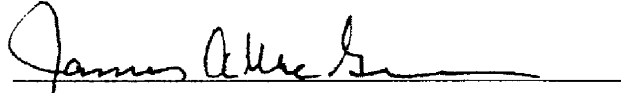
Progress Energy is presently performing a more rigorous reprojection of year-end results to confirm and quantify the magnitude of the under-recovery. The Company is also evaluating several alternatives for addressing the under-recovery if the reprojection determines that the amount will exceed the ten percent threshold established by Order No. 13694. In this event, Progress Energy will file its proposed treatment of the under-recovery, with the appropriate supporting data and calculations, as soon thereafter as the filing can be prepared. In the event the Company's reprojection determines that the year-end under-recovery will not exceed the ten percent threshold, Progress Energy will file a supplemental notice advising of that determination.

DOCUMENT NUMBER DATE

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The purpose of this Notice is to inform the Commission and parties of the under-recovery preliminarily anticipated by Progress Energy at the earliest possible time, rather than delaying this information until the Company's year-end reprojection and its evaluation of alternatives have been completed.

Respectfully submitted,



James A. McGee
Associate General Counsel
Progress Energy Service Company, LLC
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

Attorney for
PROGRESS ENERGY FLORIDA, INC.

PROGRESS ENERGY FLORIDA

DOCKET No. 030001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of Progress Energy Florida's Notice of Fuel and Capacity Cost Under-Recovery Exceeding Ten Percent has been furnished to the following individuals by regular U.S. Mail the 8th day of July, 2003:

Wm. Cochran Keating IV, Esquire
Office of General Counsel
Economic Regulation Section
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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Office of the Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

Lee L. Willis, Esquire
James D. Beasley, Esquire
Ausley & McMullen
P.O. Box 391
Tallahassee, FL 32302

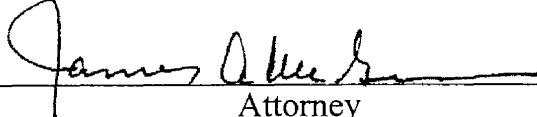
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