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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

JAVIER PORTUONDO

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 030007-EI

AUGUST 8, 2003

**Q. Please state your name and business address,**

**A.** My name is Javier J. Portuondo. My business address is Post Office Box 14042, St. Petersburg, Florida 33733.

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

**A.** I am employed by Progress Energy Service Company, LLC as Director of Regulatory Services - Florida.

**Q. What is the scope of your duties?**

**A.** Currently, my responsibilities include management of the regulatory accounting, fuel accounting, and pricing functions and activities for Progress Energy Florida (PEF or "Company").

**Q. Please describe your education background and professional experience.**

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1    **A.**    I received a Bachelors of Science degree in Accounting from the University of  
2            South Florida. I was just recently promoted to Director of Regulatory Services -  
3            Florida. My previous position was Manager of PEF's Regulatory Services  
4            department for over 7 years. Before then, I held a number of financial and  
5            accounting positions within the Controller's department of the Company.

6

7    **Q.**    **Have you previously filed testimony before this Commission in connection**  
8            **with Progress Energy Florida's Environmental Cost Recovery Clause**  
9            **(ECRC)?**

10   **A.**    Yes, I have.

11

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

13   **A.**    The purpose of my testimony is to present, for Commission review and  
14            approval, Progress Energy Florida's Estimated/Actual True-up costs associated  
15            with Environmental Compliance activities for the period January 2003 through  
16            December 2003.

17

18   **Q.**    **Have you prepared or caused to be prepared under your direction,**  
19            **supervision or control any exhibits in this proceeding?**

20   **A.**    Yes. I am sponsoring Exhibit No. \_\_\_ (JP-1), which consists of PSC Forms 42-  
21            1E through 42-8E. These forms provide a summary and detail of the  
22            Estimated/Actual True-up O&M and capital environmental costs for the period  
23            January 2003 through December 2003.

1 **Q. What is the Estimated/Actual True-up amount that PEF is requesting**  
2 **recovery for the period of January 2003 through December 2003?**

3 **A.** The Estimated/Actual True-up amount for 2003 is an under-recovery of  
4 \$10,819,500, as shown in Exhibit No. \_\_\_ (JP-1), Form 42-1E, Line 4.

5  
6 **Q. Please explain the calculation of the ECRC Estimated/Actual True-up**  
7 **amount you are requesting this Commission to approve.**

8 **A.** Forms 42-2E and 42-3E show the calculation of the ECRC Estimated/Actual  
9 True-up amount for the period of January 2003 through December 2003

10

11 **Q. Are all the costs listed in Forms 42-1E through 42-8E attributable to**  
12 **Environmental Compliance projects previously approved by the**  
13 **Commission?**

14 **A.** The Substation and Distribution System O&M projects (Nos. 1, 1a, and 2) were  
15 previously approved by the Commission in Order No. PSC-02-1735-FOF-EI.

16

17 On July 28, 2003, PEF filed a Petition for Approval of Environmental Cost  
18 Recovery for two new environmental programs, the Pipeline Integrity  
19 Management Program (No. 3) and the Above Ground Tank Secondary  
20 Containment Program (No. 4). Discussion of these two new programs is  
21 included in the testimony of Patricia Q. West.

22

1 On July 30th, the Commission assigned Docket No. 030711-EI to the Petition.  
2 The Staff Recommendation on this Docket is due September 18th, 2003 and this  
3 issue will be addressed at the Agenda Conference on September 30th, 2003.  
4 Consistent with the Petition, PEF has included projected O&M costs of \$10,000  
5 for the Pipeline Integrity Management Program and capital costs of \$18,111 and  
6 \$9,012 for the Pipeline Integrity Management and the Above Ground Tank  
7 Secondary Containment Programs, respectively, for the period of January 2003  
8 through December 2003. This includes only amounts that will be incurred after  
9 the date the Petition was filed.

10

11 **Q. How do the Estimated/Actual project expenditures for January 2003**  
12 **through December 2003 compare with original projections?**

13 **A.** Form 42-4E shows that total O&M project costs were \$11,329,715 or 276%  
14 higher than projected and Form 42-6E shows that we have included capital costs  
15 of \$27,123 for our two new environmental projects. Below are variance  
16 explanations for those O&M projects and Capital Investment projects with  
17 significant variances. Individual project variances are provided on Forms 42-4E  
18 and 42-6E. Return on Capital Investment, Depreciation and Taxes for each  
19 project for the Estimated/Actual period are provided as Form 42-8E, pages 1  
20 through 3.

21 **1. Substation Environmental Investigation, Remediation, and Pollution**  
22 **Prevention (Project #1) - O&M**

1 Project expenditures are estimated to be \$473,260, over 800% higher than  
2 previously projected. The reasons for this variance are discussed in the  
3 testimony of Kent D. Hedrick.

4

5 **2. Distribution System Environmental Investigation, Remediation, and**  
6 **Pollution Prevention (Project #2) - O&M**

7 Project expenditures are estimated to be \$14,970,455 or 267% higher than  
8 previously projected. The reasons for this variance are discussed in Kent D.  
9 Hedrick's testimony.

10

11 **Q. Does this conclude your testimony?**

12 **A. Yes.**

13

EXHIBIT 1 (JP-1)

ENVIRONMENTAL COST RECOVERY  
COMMISSION FORMS 42-1E THROUGH 42-8E

JANUARY 2003 - DECEMBER 2003  
Calculation of the Current Period Estimated/Actual Amount

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Current Period Estimated/Actual Amount  
January 2003 through December 2003  
(in Dollars)

Form 42-1E

<u>Line</u>	<u>Period Amount</u>
1 Over/(Under) Recovery for the Current Period (Form 42-2E, Line 5)	\$ (10,795,230)
2 Interest Provision (Form 42-2E, Line 6)	(24,270)
3 Sum of Current Period Adjustments (Form 42-2E, Line 10)	<u>0</u>
4 Current Period True-Up Amount to be Refunded/(Recovered) in the Projection Period January 2004 to December 2004 (Lines 1 + 2 + 3)	<u>\$ (10,819,500)</u>

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

Form 42  
 Schedule 2E

End-of-Period True-Up Amount  
 (in Dollars)

Line	Description	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	End of Period Total
1	ECRC Revenues (net of Revenue Taxes)	\$378,105	\$356,537	\$302,100	\$325,794	\$373,149	\$428,997	\$436,788	\$371,639	\$371,639	\$371,639	\$371,639	\$371,639	\$4,459,665
2	True-Up Provision	0	0	0	0	0	0	0	0	0	0	0	0	0
3	ECRC Revenues Applicable to Period (Lines 1 + 2)	378,105	356,537	302,100	325,794	373,149	428,997	436,788	371,639	371,639	371,639	371,639	371,639	4,459,665
4	Jurisdictional ECRC Costs													
a	O & M Activities (Form 42-5E, Line 9)	7,100	93,932	89,177	400,755	520,349	1,830,170	1,254,431	2,205,460	2,205,459	2,208,345	2,208,345	2,208,345	15,231,668
b	Capital Investment Projects (Form 42-7E, Line 9)	0	0	0	0	0	0	0	0	0	1,737	5,114	16,176	23,027
c	Total Jurisdictional ECRC Costs	7,100	93,932	89,177	400,755	520,349	1,830,170	1,254,431	2,205,460	2,205,459	2,210,082	2,213,459	2,224,521	15,254,895
5	Over/(Under) Recovery (Line 3 - Line 4c)	371,005	262,605	212,923	(74,961)	(147,200)	(1,401,173)	(817,643)	(1,833,821)	(1,833,820)	(1,838,443)	(1,841,820)	(1,852,882)	(10,795,230)
6	Interest Provision (Form 42-3E, Line 10)	157	487	709	764	661	(103)	(1,039)	(2,166)	(3,639)	(5,166)	(6,698)	(8,237)	(24,270)
7	Beginning Balance True-Up & Interest Provision	0	371,162	634,254	847,886	773,689	627,150	(774,126)	(1,592,808)	(3,428,795)	(5,266,254)	(7,109,863)	(8,958,381)	0
a	Deferred True-Up from October 2002 to December 2002 (Order No. PSC-02-1735-FOF-E1)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)	(38,833)
8	True-Up Collected/(Refunded) (see Line 2)	0	0	0	0	0	0	0	0	0	0	0	0	0
9	End of Period Total True-Up (Lines 5+6+7+7a+8)	332,329	595,421	809,053	734,856	588,317	(812,959)	(1,631,641)	(3,467,628)	(5,305,087)	(7,148,696)	(8,997,214)	(10,858,333)	(10,858,333)
10	Adjustments to Period Total True-Up Including Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
11	End of Period Total True-Up (Lines 9 + 10)	\$332,329	\$595,421	\$809,053	\$734,856	\$588,317	(\$812,959)	(\$1,631,641)	(\$3,467,628)	(\$5,305,087)	(\$7,148,696)	(\$8,997,214)	(\$10,858,333)	(\$10,858,333)

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

Interest Provision  
 (in Dollars)

Line	Description	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	End of Period Total
1	Beginning True-Up Amount (Form 42-2E, Line 7 + 7a + 10)	(\$38,833)	\$332,329	\$595,421	\$809,053	\$734,856	\$588,317	(\$812,959)	(\$1,631,641)	(\$3,467,628)	(\$5,305,087)	(\$7,148,696)	(\$8,997,214)	
2	Ending True-Up Amount Before Interest (Line 1 + Form 42-2E, Lines 5 + 8)	332,172	594,934	808,344	734,092	587,656	(812,856)	(1,630,602)	(3,465,462)	(5,301,448)	(7,143,530)	(8,990,516)	(10,850,096)	
3	Total of Beginning & Ending True-Up (Lines 1 + 2)	293,339	927,263	1,403,765	1,543,145	1,322,512	(224,539)	(2,443,561)	(5,097,103)	(8,769,076)	(12,448,617)	(16,139,212)	(19,847,310)	
4	Average True-Up Amount (Line 3 x 1/2)	146,670	463,632	701,883	771,573	661,256	(112,270)	(1,221,781)	(2,548,552)	(4,384,538)	(6,224,309)	(8,069,606)	(9,923,655)	
5	Interest Rate (First Day of Reporting Business Month)	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.00%	1.00%	1.00%	1.00%	
6	Interest Rate (First Day of Subsequent Business Month)	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.00%	1.00%	1.00%	1.00%	1.00%	
7	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.05%	2.00%	2.00%	2.00%	2.00%	
8	Average Interest Rate (Line 7 x 1/2)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.025%	1.000%	1.000%	1.000%	1.000%	
9	Monthly Average Interest Rate (Line 8 x 1/12)	0.107%	0.105%	0.101%	0.099%	0.100%	0.092%	0.085%	0.085%	0.083%	0.083%	0.083%	0.083%	
10	Interest Provision for the Month (Line 4 x Line 9)	\$157	\$487	\$709	\$764	\$661	(\$103)	(\$1,039)	(\$2,166)	(\$3,639)	(\$5,166)	(\$6,698)	(\$8,237)	(\$24,270)

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

Form 42 4E

Variance Report of O&M Activities  
 (In Dollars)

<u>Line</u>	(1) Estimated/Actual	(2) Original Projection	(3) Amount	(4) Variance Percent
<b>1</b> Description of O&M Activities				
1 Substation Environmental Investigation, Remediation, and Pollution Prevention	473,260	50,000	423,260	847%
1a Substation Environmental Investigation, Remediation, and Pollution Prevention - Costs	(25,000)	(25,000)	0	0%
2 Distribution System Environmental Investigation, Remediation, and Pollution Prevention	14,970,455	4,074,000	10,896,455	267%
3a Pipeline Integrity Management	10,000	0	10,000	100%
4 Above Ground Tank Secondary Containment	0	0	0	0%
<b>2</b> Total O&M Activities	15,428,715	4,099,000	11,329,715	276%
<b>3</b> Recoverable Costs Allocated to Energy	0	0	0	0%
<b>4</b> Recoverable Costs Allocated to Demand	15,428,715	4,099,000	11,329,715	276%

Notes:

Column (1) is the End of Period Totals on Form 42-5E  
 Column (2) = Estimated actual  
 Column (3) = Column (1) - Column (2)  
 Column (4) = Column (3) / Column (2)

Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

O&M Activities  
 (in Dollars)

End of  
 Period  
 Total

Line	Description	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	End of Period Total
<b>1 Description of O&amp;M Activities</b>														
1	Substation Environmental Investigation, Remediation, and Pollution Prevention	7,007	28,335	62,721	190,840	52,835	(215)	(18,798)	30,107	30,107	30,107	30,107	30,107	473,260
1a	Substation Environmental Investigation, Remediation, and Pollution Prevention - Costs included in Base Rates	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,084)	(2,084)	(2,084)	(2,084)	(25,000)
2	Distribution System Environmental Investigation, Remediation, and Pollution	3,566	75,356	45,663	265,885	486,038	1,840,496	1,275,496	2,195,591	2,195,591	2,195,591	2,195,591	2,195,591	14,970,455
3a	Pipeline Integrity Management, Review/Update Plan and Risk Assessments	0	0	0	0	0	0	0	0	0	3,333	3,333	3,334	10,000
4	Above Ground Tank Secondary Containment	0	0	0	0	0	0	0	0	0	0	0	0	0
2	<b>Total of O&amp;M Activities</b>	<b>8,489</b>	<b>101,608</b>	<b>106,301</b>	<b>454,643</b>	<b>536,790</b>	<b>1,838,198</b>	<b>1,254,616</b>	<b>2,223,615</b>	<b>2,223,614</b>	<b>2,226,947</b>	<b>2,226,947</b>	<b>2,226,948</b>	<b>15,428,715</b>
3	Recoverable Costs Allocated to Energy - Transm	0	0	0	0	0	0	0	0	0	0	0	0	0
	Recoverable Costs Allocated to Energy - Distrib	0	0	0	0	0	0	0	0	0	0	0	0	0
	Recoverable Costs Allocated to Energy - Production	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Recoverable Costs Allocated to Demand - Transm	4,924	26,252	60,638	188,757	50,752	(2,298)	(20,881)	28,024	28,023	28,023	28,023	28,023	448,260
	Recoverable Costs Allocated to Demand - Distrib	3,566	75,356	45,663	265,885	486,038	1,840,496	1,275,496	2,195,591	2,195,591	2,195,591	2,195,591	2,195,591	14,970,455
	Recoverable Costs Allocated to Demand - Production	0	0	0	0	0	0	0	0	0	3,333	3,333	3,334	10,000
5	Retail Transmission Energy Jurisdictional Factor	0.98400	0.97430	0.97540	0.97570	0.98000	0.97680	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770
	Retail Distribution Energy Jurisdictional Factor	0.98400	0.97430	0.97540	0.97570	0.98000	0.97680	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770
	Retail Production Energy Jurisdictional Factor	0.98400	0.97430	0.97540	0.97570	0.98000	0.97680	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770	0.97770
6	Retail Transmission Demand Jurisdictional Factor	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115
	Retail Distribution Demand Jurisdictional Factor	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529
	Retail Production Demand Jurisdictional Factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.86574	0.86574	0.86574	0.86574
7	Jurisdictional Energy Recoverable Costs - Transm (A)	0	0	0	0	0	0	0	0	0	0	0	0	0
	Jurisdictional Energy Recoverable Costs - Distrib (A)	0	0	0	0	0	0	0	0	0	0	0	0	0
	Jurisdictional Energy Recoverable Costs - Production (A)	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Jurisdictional Demand Recoverable Costs - Transm (B)	3,551	18,931	43,729	136,122	36,600	(1,657)	(15,058)	20,210	20,209	20,209	20,209	20,209	323,264
	Jurisdictional Demand Recoverable Costs - Distrib (B)	3,549	75,001	45,448	264,633	483,749	1,831,827	1,269,489	2,185,250	2,185,250	2,185,250	2,185,250	2,185,250	14,899,946
	Jurisdictional Demand Recoverable Costs - Production (B)	0	0	0	0	0	0	0	0	0	2,886	2,886	2,886	8,658
9	<b>Total Jurisdictional Recoverable Costs for O&amp;M Activities (Lines 7 + 8)</b>	<b>\$7,100</b>	<b>\$93,932</b>	<b>\$89,177</b>	<b>\$400,755</b>	<b>\$520,349</b>	<b>\$1,830,170</b>	<b>\$1,254,431</b>	<b>\$2,205,460</b>	<b>\$2,205,459</b>	<b>\$2,208,345</b>	<b>\$2,208,345</b>	<b>\$2,208,345</b>	<b>\$15,231,868</b>

Notes

- (A) Line 3 x Line 5
- (B) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

Form 42 6E

Variance Report of Capital Investment Activities  
 (In Dollars)

<u>Line</u>	(1) Estimated/Actual	(2) Original Projection	(3) Variance Amount	(4) Percent
<b>1</b> Description of Capital Investment Activities				
3b Pipeline Integrity Management - Bartow/Anclote Pipeline	18,111	0	18,111	100%
4a Above Ground Tank Secondary Containment - Turner CT's	5,153	0	5,153	100%
4b Above Ground Tank Secondary Containment - Bartow CT's	923	0	923	100%
4c Above Ground Tank Secondary Containment - Crystal River 1 & 2	2,936	0	2,936	100%
<b>2</b> Total Capital Investment Activities	27,123	0	27,123	100%
<b>3</b> Recoverable Costs Allocated to Energy	0	0	0	0%
<b>4</b> Recoverable Costs Allocated to Demand	27,123	0	27,123	100%

Notes:

Column (1) is the End of Period Totals on Form 42-7E  
 Column (2) = Estimated actual  
 Column (3) = Column (1) - Column (2)  
 Column (4) = Column (3) / Column (2)

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
**January 2003 to December 2003**

Form 42-7E

Capital Investment Projects-Recoverable Costs  
 (in Dollars)

Line	Description	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	End of Period Total
1	Description of Investment Projects (A)													
3b	Pipeline Integrity Management - Bartow/Anclote Pipeline	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,514	\$4,658	\$11,939	\$18,111
4a	Above Ground Tank Secondary Containment - Turner CTs	0	0	0	0	0	0	0	0	0	0	0	5,153	5,153
4b	Above Ground Tank Secondary Containment - Bartow CTs	0	0	0	0	0	0	0	0	0	0	0	923	923
4c	Above Ground Tank Secondary Containment - Crystal River 1&2	0	0	0	0	0	0	0	0	0	444	1,127	1,365	2,936
2	Total Investment Projects - Recoverable Costs	0	0	0	0	0	0	0	0	0	1,958	5,785	19,380	27,123
3	Recoverable Costs Allocated to Energy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Recoverable Costs Allocated to Demand - Production - Base	0	0	0	0	0	0	0	0	0	444	1,127	1,365	2,936
	Recoverable Costs Allocated to Demand - Production - Intermediate	0	0	0	0	0	0	0	0	0	1,514	4,658	11,939	18,111
	Recoverable Costs Allocated to Demand - Production - Peaking	0	0	0	0	0	0	0	0	0	0	0	6,076	6,076
5	Retail Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Retail Demand Jurisdictional Factor - Production - Base	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.9595700	0.9595700	0.9595700	0.9595700
	Retail Demand Jurisdictional Factor - Production - Intermediate	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.8657400	0.8657400	0.8657400	0.8657400
	Retail Demand Jurisdictional Factor - Production - Peaking	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.7456200	0.7456200	0.7456200	0.7456200
7	Jurisdictional Energy Recoverable Costs (B)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	Jurisdictional Demand Recoverable Costs - Production - Base (C)	0	0	0	0	0	0	0	0	0	426	1,081	1,310	2,817
	Jurisdictional Demand Recoverable Costs - Production - Intermediate (C)	0	0	0	0	0	0	0	0	0	1,311	4,033	10,336	15,679
	Jurisdictional Demand Recoverable Costs - Production - Peaking (C)	0	0	0	0	0	0	0	0	0	0	0	4,530	4,530
9	Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,737	\$5,114	\$16,176	\$23,027

- Notes
- (A) Each project's Total System Recoverable Expenses on Form 42-8E, Line 9
  - (B) Line 3 x Line 5
  - (C) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
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 January 2003 to December 2003

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Return on Capital Investments, Depreciation and Taxes  
 For Project PIPELINE INTEGRITY MANAGEMENT - Bartow/Anclote Pipeline (Project 3b)  
 (In Dollars)

Line	Description	Beginning of												End of Period Total
		Period Amount	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	
1	Investments													
a	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$338,152
b	Cleanings to Plant		0	0	0	0	0	0	0	0	0	0	0	651,842
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0
d	Other		0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	989,994
3	Less - Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	(2,508)
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	313,690	651,842	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	0	0	313,690	651,842	0	987,486
6	Average Net Investment		0	0	0	0	0	0	0	0	156,845	482,766	0	819,664
7	Return on Average Net Investment													
a	Equity Component Grossed Up For Taxes (A)		0	0	0	0	0	0	0	0	1,089	3,351	5,690	\$10,130
b	Debt Component (Line 6 x 3.25% x 1/12)		0	0	0	0	0	0	0	0	425	1,307	2,220	3,952
8	Investment Expenses													
a	Depreciation (Line 2 x 3.04% x 1/12)		0	0	0	0	0	0	0	0	0	0	2,508	2,508
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d	Property Taxes (D)		0	0	0	0	0	0	0	0	0	0	1,521	1,521
e	Other		0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	1,514	4,658	11,939	18,111
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	1,514	4,658	11,939	18,111
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Intermediate)	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.8657400	0.8657400	0.8657400	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	1,311	4,033	10,336	15,679
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,311	\$4,033	\$10,336	\$15,679

Notes.

- (A) Lines 6 x 8.3300% x 1/12 Based on ROE of 12.00%, equity component of capital structure of 5.12%, and statutory income tax rate of 38.575% (expansion factor of 1.628002) Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)
- (B) Line 9a x Line 10
- (C) Line 9b x Line 11
- (D) Lines 2 + 3 x 89% @ 0.183381 x 1/12 + 11% @ 0.196598 x 1/12 Ratio from Property Tax Administration Department, based on plant allocation reported

Source.

- lines 7a,7b Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)
- lines 8a,8b Based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI)
- line 8c Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI)
- line 8d Based on 2002 Actual Property Tax Millage Rate

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

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Return on Capital Investments, Depreciation and Taxes  
 For Project ABOVE GROUND TANK SECONDARY CONTAINMENT - TURNER CTs (Project 4a)  
 (in Dollars)

Line	Description	Beginning of													End of	
		Period Amount	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	Period Total	
1	Investments															
a	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$502,700	
b	Cleanings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0	
d	Other		0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	0	502,700	
3	Less Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,864)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	500,836	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	250,418	
7	Return on Average Net Investment															
a	Equity Component Crossed Up For Taxes (A)		0	0	0	0	0	0	0	0	0	0	0	0	1,738	\$1,738
b	Debt Component (Line 6 x 3 25% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	678	678
8	Investment Expenses															
a	Depreciation (Line 2 x 4 45% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	1,864	1,864
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d	Property Taxes (Lines 2 + 3 x 0.20912 x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	873	873
e	Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	5,153	5,153
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	5,153	5,153
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
11	Demand Jurisdictional Factor - Production (Peaking)		0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.7456200	0.7456200	0.7456200		
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	3,842	3,842
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,842	\$3,842

**Notes.**

- (A) Lines 6 x 8 3300% x 1/12 Based on ROE of 12.00%, equity component of capital structure of 5.12%, and statutory income tax rate of 38.575% (expansion factor of 1.628002) Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)
- (B) Line 9a x Line 10
- (C) Line 9b x Line 11

**Sources.**

- nes 7a,7b Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)
- nes 8a,8b Based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI)
- ne 8c Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI)
- ne 8d Based on 2002 Actual Property Tax Millage Rate

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
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Return on Capital Investments, Depreciation and Taxes  
 For Project ABOVE GROUND TANK SECONDARY CONTAINMENT - BARTOW CTs (Project 4b)  
 (in Dollars)

Line	Description	Beginning of												End of Period Total	
		Period Amount	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03		December 03
1	Investments														
a	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,900	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	91,900	
3	Less Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	(341)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	0	0	91,559	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	45,780	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (A)		0	0	0	0	0	0	0	0	0	0	0	318	\$318
b	Debt Component (Line 6 x 3.25% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	124	124
8	Investment Expenses														
a	Depreciation (Line 2 x 4.45% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	341	341
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d	Property Taxes (Lines 2 + 3 x 0.18338 x 1/12)		0	0	0	0	0	0	0	0	0	0	0	140	140
e	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	923	923
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	923	923
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Peaking)		0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.7456200	0.7456200	0.7456200		
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	688	688
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$688	\$688

**Notes.**

(A) Lines 6 x 8.3300% x 1/12 Based on ROE of 12.00%, equity component of capital structure of 5.12%, and statutory income tax rate of 38.575% (expansion factor of 1.628002) Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)

(B) Line 9a x Line 10

(C) Line 9b x Line 11

**Source.**

ies 7a,7b Based on 1992 Rate Case (Order No. PSC-92-1197-FOF-EI)

ies 8a,8b Based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI)

ie 8c Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI)

ie 8d Based on 2002 Actual Property Tax Millage Rate

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2003 to December 2003

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Return on Capital Investments, Depreciation and Taxes  
 For Project ABOVE GROUND TANK SECONDARY CONTAINMENT - CRYSTAL RIVER 1 & 2 (Project 4c)  
 (in Dollars)

Line	Description	Beginning of													End of	
		Period Amount	January 03	February 03	March 03	April 03	May 03	June 03	July 03	August 03	September 03	October 03	November 03	December 03	Period Total	
1	Investments															
a	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000	\$0		
b	Cleanings to Plant		0	0	0	0	0	0	0	0	0	0	0	0		
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0		
d	Other		0	0	0	0	0	0	0	0	0	0	0	0		
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	50,000	100,000	100,000		
3	Less Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	(127)	(380)	(633)		
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0		
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	49,873	99,620	99,367		
6	Average Net Investment		0	0	0	0	0	0	0	0	0	24,937	74,747	99,493		
7	Return on Average Net Investment															
a	Equity Component Grossed Up For Taxes (A)		0	0	0	0	0	0	0	0	0	173	519	691	\$1,383	
b	Debt Component (Line 6 x 3 25% x 1/12)		0	0	0	0	0	0	0	0	0	68	202	269	539	
8	Investment Expenses															
a	Depreciation (Line 2 x 3.04% x 1/12)		0	0	0	0	0	0	0	0	0	127	253	253	633	
b	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
d	Property Taxes (Lines 2 + 3 x 0.18338 x 1/12)		0	0	0	0	0	0	0	0	0	76	152	152	380	
e	Other		0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	444	1,127	1,365	2,936	
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0	
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	444	1,127	1,365	2,936	
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Base)		0 0000000	0 0000000	0 0000000	0 0000000	0 0000000	0 0000000	0 0000000	0 0000000	0 0000000	0 9595700	0 9595700	0 9595700		
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	426	1,081	1,310	2,817	
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$426	\$1,081	\$1,310	\$2,817	

**Notes.**

- (A) Lines 6 x 8 3300% x 1/12 Based on ROE of 12 00%, equity component of capital structure of 5 12%, and statutory income tax rate of 38 575% (expansion factor of 1 628002) Based on 1992 Rate Case (Order No PSC-92-1197-FOF-EI)
- (B) Line 9a x Line 10
- (C) Line 9b x Line 11

**Source.**

- Lines 7a,7b Based on 1992 Rate Case (Order No PSC-92-1197-FOF-EI)
- Lines 8a,8b Based on 1997 Depreciation Study (Order No PSC-98-1723-FOF-EI)
- Line 8c Based on 2002 Rate Case Settlement (Order No PSC-02-0655-AS-EI)
- Line 8d Based on 2002 Actual Property Tax Millage Rate