



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

September 25, 2003

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

Re: Docket No. 030002-EG

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 fifteen 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. A 3½ inch diskette containing the above-referenced testimony in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "James A. McGee".

James A. McGee

JAM/scc
Enclosures

cc: Parties of record

DOCUMENT FILED
09234 SEP 26 8
FPSC-COMMISSION CLERK

**PROGRESS ENERGY FLORIDA
DOCKET No. 030002-EG**

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 the 25th day of September, 2003:

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Economic Regulation Section
Florida Public Service Commission
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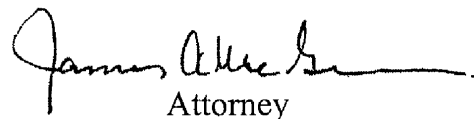
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Attorney

**PROGRESS ENERGY FLORIDA
DOCKET No. 030002-EG**

**DIRECT TESTIMONY OF
JOHN A. MASIELLO**

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

2 A. My name is John A. Masiello. My business address is Progress Energy,
3 3300 Exchange Place, Lake Mary, Florida 32746.

4

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

6 A. I am employed by Progress Energy Florida, Inc. (Progress Energy or the
7 Company) as Manager of Program Development & Administration.

8

9 **Q. Have your duties and responsibilities remained the same since you**
10 **last submitted testimony 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 describe the components and costs of
15 the Company's Demand-Side Management Plan, as approved by the
16 Commission. I will detail the projected costs for implementing each program
17 in that plan, explain how these costs are presented in my attached exhibit,
18 and show the resulting Energy Conservation Cost Recovery (ECCR) factors
19 for customer billings in 2004.

1 **Q. Do you have an exhibit to your testimony?**

2 A. Yes, my Exhibit No. (JAM-1) consists of Schedules C-1 through C-5, which
3 support Progress Energy's ECCR calculations for the 2003 actual/estimated
4 period and the 2004 projection period.

5

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

7 A. Progress Energy seeks to recover those costs allowed pursuant to Rule 25-
8 17.015, F.A.C., for each of the following Commission-approved
9 conservation programs, as well as for Conservation Program Administration
10 (those common administration expenses not specifically linked to an
11 individual program).

- 12 • Home Energy Check
- 13 • Home Energy Improvement
- 14 • Residential New Construction
- 15 • Low-Income Weatherization Assistance
- 16 • Energy Management (Residential and Commercial Load Management)
- 17 • Business Energy Check
- 18 • Better Business
- 19 • Commercial/Industrial New Construction
- 20 • Innovation Incentive
- 21 • Standby Generation
- 22 • Interruptible Service
- 23 • Curtailable Service
- 24 • Technology Development
- 25 • Qualifying Facilities

1 **Q. What is included in your exhibit?**

2 A. My exhibit consists of Schedules C-1 through C-5. Schedule C-1 provides a
3 summary of cost recovery clause calculations and information by retail rate
4 schedule. Schedule C-2 provides annual and monthly cost estimates for the
5 2004 projection period for each conservation program, as well as for
6 common administration expenses. Additionally, Schedule C-2 presents
7 program costs by specific category (i.e. payroll, materials, incentives, etc.)
8 and includes a schedule of estimated capital investments, depreciation and
9 return for the projection period.

10 Schedule C-3 contains a detailed breakdown of conservation program
11 costs by specific category and by month for the actual/estimated period of
12 January through August 2003 (actual) and September through December
13 2003 (estimated). In addition, Schedule C-3 presents a schedule of capital
14 investment, depreciation and return, an energy conservation adjustment
15 calculation of true-up, and a calculation of interest provision for the 2003
16 actual/estimated period.

17 Schedule C-4 projects ECCR revenues during the 2004 projection
18 period. Schedule C-5 presents a brief description of each program, as well
19 as a summary of progress and projected expenditures for each program for
20 which Progress Energy seeks cost recovery through the ECCR clause.

21

22 **Q. Would you please summarize the major results from your exhibit?**

23 A. Yes. Schedule C-2, Page 1 of 5, Line 20, shows total net program costs of
24 \$68,454,341 for the 2004 projection period. The following table presents
25 Progress Energy's proposed ECCR billing factors, expressed in dollars per

1 1,000 kilowatt-hours, by retail rate class and voltage level for calendar year
2 2004, as contained in Schedule C-1, Page 1 of 4, Lines 16 – 19.

3 **2004 ECCR Billing Factors (\$/1,000 kWh)**

4 <u>Retail Rate Class</u>	<u>Secondary</u>	<u>Primary</u>	<u>Transmission</u>
5 Residential	\$1.74	N/A	N/A
6 General Service Non-Demand	\$1.62	\$1.60	\$1.59
7 General Service 100% Load Factor	\$1.17	N/A	N/A
8 General Service Demand	\$1.47	\$1.46	\$1.44
9 Curtailable	\$1.35	\$1.34	\$1.32
10 Interruptible	\$1.20	\$1.19	\$1.18
11 Lighting	\$0.63	N/A	N/A

12
13 **Q. Does this conclude your testimony?**

14 **A. Yes.**

PROGRESS ENERGY FLORIDA
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATIONS
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO 030002-EG
PROGRESS ENERGY FLORIDA
WITNESS MASIELLO
EXHIBIT NO _____ (JAM-1)
SCHEDULE C - 1
PAGE 1 OF 4

RETAIL RATE SCHEDULES

LINE NO.	RESIDENTIAL	GENERAL SER NON-DEMAND	GENERAL SER 100% L.F.	GENERAL SER DEMAND	CURTAILABLE	INTERRUPTIBLE	LIGHTING	TOTAL
1 DEMAND ALLOCATION PERCENTAGE	56.859%	3.510%	0.138%	34.700%	0.375%	4.259%	0.159%	100.000%
2 DEMAND RELATED INCREMENTAL COSTS	\$29,483,856	\$1,820,087	\$71,559	\$17,993,454	\$194,454	\$2,208,476	\$82,448	\$51,854,334
3 DEMAND PORTION OF PERIOD END TRUE UP (O)/U RECOVERY	(\$3,090,129)	(\$190,759)	(\$7,500)	(\$1,885,849)	(\$20,380)	(\$231,465)	(\$8,641)	(\$5,434,723)
4 TOTAL DEMAND RELATED INCREMENTAL COSTS	\$26,393,727	\$1,629,328	\$64,059	\$16,107,605	\$174,074	\$1,977,011	\$73,807	\$46,419,611
5 ENERGY ALLOCATION PERCENTAGE	50.450%	3.435%	0.212%	38.520%	0.455%	6.141%	0.787%	100.000%
6 ENERGY RELATED INCREMENTAL COSTS	\$8,374,703	\$570,210	\$35,192	\$6,394,322	\$75,530	\$1,019,406	\$130,642	\$16,600,006
7 ENERGY PORTION OF PERIOD END TRUE UP (O)/U RECOVERY	(\$701,812)	(\$47,784)	(\$2,949)	(\$535,853)	(\$6,330)	(\$85,428)	(\$10,948)	(\$1,391,104)
8 TOTAL ENERGY RELATED INCREMENTAL COSTS	\$7,672,891	\$522,426	\$32,243	\$5,858,469	\$69,200	\$933,978	\$119,694	\$15,208,902
9 TOTAL INCREMENTAL COSTS (LINE 2 + 6)	\$37,858,559	\$2,390,297	\$106,751	\$24,387,776	\$269,984	\$3,227,882	\$213,090	\$68,454,340
10 ECCR TRUE UP (O)/U RECOVERY (LINE 3+7)	(\$3,791,941)	(\$238,543)	(\$10,449)	(\$2,421,702)	(\$26,710)	(\$316,893)	(\$19,589)	(\$6,825,827)
11 TOTAL (LINE 9+10)	\$34,066,618	\$2,151,754	\$96,302	\$21,966,074	\$243,274	\$2,910,989	\$193,501	\$61,628,513
12 RETAIL SALES MWH(@ EFFECTIVE VOLTAGE LEVEL SEE P. 4)	19,556,652	1,331,731	82,245	14,988,391	180,252	2,428,626	305,074	38,872,971
13 COST PER 1,000 KWH - ENERGY & DEMAND (LINE 12/13)	\$1.7419	\$1.6158	\$1 1709	\$1 4655	\$1.3496	\$1 1986	\$0.6343	
14 REGULATORY ASSESSMENT TAX EXPANSION FACTOR (IN ACCORDANCE WITH ORDER NO. PSC 95-0398-FOF-EG)	1.000238	1.000238	1.000238	1.000238	1.000238	1 000238	1.000238	
15 ADJUSTMENT FACTOR ADJUSTED FOR TAXES	1.7423	1.6162	1.1712	1 4658	1.3499	1.1989	0.6345	
16 CONSERVATION ADJUSTMENT FACTOR \$/1,000 KWH								
17 @ SECONDARY VOLTAGE	\$1.74	\$1 62	\$1.17	\$1.47	\$1 35	\$1.20	\$0.63	
18 @ PRIMARY VOLTAGE (1% REDUCTION FACTOR)	N/A	\$1.60	N/A	\$1.46	\$1.34	\$1 19	N/A	
19 @ TRANSMISSION VOLTAGE (2% REDUCTION FACTOR)	N/A	\$1.59	N/A	\$1.44	\$1.32	\$1.18	N/A	

CALCULATION OF AVERAGE 12 CP AND ANNUAL AVERAGE DEMAND

FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO. 030002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO. _____ (JAM-1)
 SCHEDULE C - 1
 PAGE 2 OF 4

RATE CLASS	(1) MWH SALES @ METER LEVEL	(2) 12 CP LOAD FACTOR	(3) 12 CP MW @ METER LEVEL (1)/8760hrs/(2)	(4) DELIVERY EFFICIENCY FACTOR	(5) AVERAGE CP MW @ SOURCE LEVEL (3)/(4)	(6) MWH SALES @ METER LEVEL	(7) DELIVERY EFFICIENCY FACTOR	(8) SOURCE LEVEL MWH (6)/(7)	(9) ANNUAL AVERAGE DEMAND (8)/8760hrs
I RESIDENTIAL SERVICE	19,556,652	0.548	4,073.90	0.9358295	4,353.25	19,556,652	0.9358295	20,897,666	2,385.58
II GENERAL SERVICE NON-DEMAND									
TRANSMISSION	2,531	0.609	0.47	0.9754000	0.48	2,531	0.9754000	2,595	0.30
PRIMARY	8,178	0.609	1.53	0.9654000	1.58	8,178	0.9654000	8,471	0.97
SECONDARY	1,321,155	0.609	247.65	0.9358295	264.63	1,321,155	0.9358295	1,411,748	161.16
TOTAL	1,331,864		249.65		266.69	1,331,864		1,422,814	162.43
III GS - 100% L F	82,245	1.000	9.39	0.9358295	10.03	82,245	0.9358295	87,885	10.03
IV. GENERAL SERVICE DEMAND									
GSD-1 - TRANSMISSION	1,650	0.698	0.27						
SS-1 - TRANSMISSION	10,688	3.733	0.33						
SUBTOTAL - TRANSMISSION	12,338		0.60	0.9754000	0.62	12,338	0.9754000	12,649	1.44
GSD - PRIMARY	2,708,093	0.698	442.90						
SS-1 - PRIMARY	1,762	3.733	0.05						
SUBTOTAL - PRIMARY	2,709,855		442.95	0.9654000	458.83	2,709,855	0.9654000	2,806,976	320.43
GSD - SECONDARY	12,293,545	0.698	2,010.56	0.9358295	2,148.43	12,293,545	0.9358295	13,136,522	1,499.60
TOTAL	15,015,738		2,454.11		2,607.88	15,015,738		15,956,147	1,821.47
V. CURTAILABLE SERVICE									
CS - PRIMARY	178,873	0.779	26.21						
SS3 - PRIMARY	2,618	0.480	0.62						
SUBTOTAL - PRIMARY	181,491		26.83	0.9654000	27.79	181,491	0.9654000	187,996	21.46
CS - SECONDARY	576	0.779	0.08	0.9358295	0.09	576	0.9358295	615	0.07
TOTAL	182,067		26.91		27.88	182,067		188,611	21.53
VI. INTERRUPTIBLE SERVICE									
IS - TRANSMISSION	489,311	0.940	59.42			489,311			
SS-2 - TRANSMISSION	3,617	0.748	0.55			3,617			
SUBTOTAL - TRANSMISSION	492,928		59.97	0.9754000	61.48	492,928	0.9754000	505,360	57.69
IS - PRIMARY	1,766,528	0.940	214.53			1,766,528			
SS-2 - PRIMARY	67,490	0.748	10.30			67,490			
SUBTOTAL - PRIMARY	1,834,018		224.83	0.9654000	232.89	1,834,018	0.9654000	1,899,749	216.87
SECONDARY	129,878	0.940	15.77	0.9358295	16.85	129,878	0.9358295	138,784	15.84
TOTAL	2,456,824		300.57		311.22	2,456,824		2,543,893	290.40
VII LIGHTING SERVICE	305,074	4.650	7.49	0.9358295	8.00	305,074	0.9358295	325,993	37.21
TOTAL RETAIL	38,930,464				7,584.95	38,930,464		41,423,009	4,728.65

CALCULATION OF DEMAND AND ENERGY ALLOCATORS
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

RATE CLASS	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	AVERAGE 12 CP DEMAND MW	%	ANNUAL AVERAGE DEMAND MW	%	12/13 OF 12 CP 12/13*(2)	1/13 OF AVG DEMAND 1/13 * (4)	DEMAND ALLOCATOR (5)+(6)
I. RESIDENTIAL SERVICE	4,353.25	57.393%	2,385.58	50.450%	52.978%	3.881%	56.859%
II. GENERAL SERVICE NON-DEMAND							
TRANSMISSION	0.48	0.006%	0.30	0.006%	0.006%	0.000%	0.006%
PRIMARY	1.58	0.021%	0.97	0.021%	0.019%	0.002%	0.021%
SECONDARY	264.63	3.489%	161.16	3.408%	3.221%	0.252%	3.483%
TOTAL	266.69	3.516%	162.43	3.435%	3.246%	0.264%	3.510%
III. GS - 100% L.F	10.03	0.132%	10.03	0.212%	0.122%	0.016%	0.138%
IV. GENERAL SERVICE DEMAND							
TRANSMISSION	0.62	0.008%	1.44	0.030%	0.007%	0.002%	0.009%
PRIMARY	458.83	6.049%	320.43	6.776%	5.584%	0.521%	6.105%
SECONDARY	2,148.43	28.325%	1,499.60	31.713%	26.146%	2.439%	28.585%
TOTAL	2,607.88	34.382%	1,821.47	38.520%	31.737%	2.963%	34.700%
V. CURTAILABLE SERVICE							
PRIMARY	27.79	0.366%	21.46	0.454%	0.338%	0.035%	0.373%
SECONDARY	0.09	0.001%	0.07	0.001%	0.001%	0.000%	0.001%
TOTAL	27.88	0.368%	21.53	0.455%	0.340%	0.035%	0.375%
VI. INTERRUPTIBLE SERVICE							
TRANSMISSION	61.48	0.811%	57.69	1.220%	0.749%	0.094%	0.843%
PRIMARY	232.89	3.070%	216.87	4.586%	2.834%	0.353%	3.187%
SECONDARY	16.85	0.222%	15.84	0.335%	0.205%	0.026%	0.231%
TOTAL	311.22	4.103%	290.40	6.141%	3.787%	0.472%	4.259%
VII. LIGHTING SERVICE	8.00	0.106%	37.21	0.787%	0.098%	0.061%	0.159%
TOTAL RETAIL	7,584.95	100.000%	4,728.65	100.000%	92.308%	7.692%	100.000%

PROJECTED MWH SALES
 AT EFFECTIVE VOLTAGE LEVEL
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

RATE CLASS	(1) MWH SALES @ METER LEVEL	(2) VOLTAGE ADJUSTMENT	(3) MWH SALES @ EFFECTIVE LEVEL
	-----	-----	-----
I. RESIDENTIAL SERVICE	19,556,652	100%	19,556,652
II. GENERAL SERVICE NON-DEMAND			
TRANSMISSION	2,531	98%	2,480
PRIMARY	8,178	99%	8,096
SECONDARY	<u>1,321,155</u>	100%	<u>1,321,155</u>
TOTAL	1,331,864		1,331,731
III. GS - 100% L.F.	82,245	100%	82,245
IV. GENERAL SERVICE DEMAND			
SS-1/GSD - TRANSMISSION	12,338	98%	12,091
GSD - PRIMARY	2,708,093	99%	2,681,011
SS-1 - PRIMARY	1,762	99%	1,744
SUBTOTAL - PRIMARY	2,709,855		2,682,755
GSD - SECONDARY	<u>12,293,545</u>	100%	<u>12,293,545</u>
TOTAL	15,015,738		14,988,391
V. CURTAILABLE SERVICE			
PRIMARY	181,491	99%	179,676
SECONDARY	<u>576</u>	100%	<u>576</u>
TOTAL	182,067		180,252
VI. INTERRUPTIBLE SERVICE			
IS - TRANSMISSION	489,311	98%	479,525
SS-2 - TRANSMISSION	3,617	98%	3,545
SUBTOTAL - TRANSMISSION	492,928		483,070
IS - PRIMARY	1,766,528	99%	1,748,863
SS-2 - PRIMARY	67,490	99%	66,815
SUBTOTAL - PRIMARY	1,834,018		1,815,678
IS-1 - SECONDARY	<u>129,878</u>	100%	<u>129,878</u>
TOTAL	2,456,824		2,428,626
VII. LIGHTING SERVICE	305,074	100%	305,074
TOTAL RETAIL	38,930,464		38,872,971

PROGRESS ENERGY FLORIDA

ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO. 030002-EG
PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM -1)
SCHEDULE C - 2
PAGE 1 OF 5

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL		
1	BETTER BUSINESS (20015937) (E)	\$ 256,675		
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	1,921,031		
3	HOME ENERGY IMPROVEMENT (20015934) (E)	4,701,987		
4	C/I NEW CONSTRUCTION (20015938) (E)	99,735		
5	HOME ENERGY CHECK (20015932) (E)	3,890,376		
6	LOW INCOME (20021329) (E)	104,896		
7	BUSINESS ENERGY CHECK (20015936) (E)	921,458		
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	3,880,789		
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	431,192		
10	QUALIFYING FACILITY (20025062) (E)	541,448		
11	INNOVATION INCENTIVE (20015940) (E)	58,025		
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	223,587		
13	STANDBY GENERATION (20021332) (D)	971,369		
14	INTERRUPTIBLE SERVICE (20015941) (D)	19,847,220		
15	CURTAILABLE SERVICE (20015942) (D)	1,262,014		
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	27,778,034		
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	926,313		
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	638,193		
19				
20	NET PROGRAM COSTS	<u>\$ 68,454,341</u>		
21				
22	<u>SUMMARY OF DEMAND & ENERGY</u>			
23		12 Months	Prior Period	Total Costs
24		Total	True - up	with True - up
25				
26	ENERGY	\$ 16,600,006	\$ (1,391,104)	\$ 15,208,902
27				
28	DEMAND	51,854,334	(5,434,723)	46,419,611
29				
30	TOTAL	<u>\$ 68,454,341</u>	<u>\$ (6,825,827)</u>	<u>\$ 61,628,514</u>

PROGRESS ENERGY FLORIDA
 ESTIMATED CONSERVATION PROGRAM COSTS
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO. 030002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS MASIELLO
 EXHIBIT NO (JAM -1)
 SCHEDULE C - 2
 PAGE 2 OF 5

LINE NO	PROGRAM TITLE Demand (D) or Energy (E)	ESTIMATED												TOTAL
		Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	
1	BETTER BUSINESS (20015937) (E)	\$ 28,966	\$ 25,866	\$ 17,466	\$ 17,503	\$ 22,303	\$ 27,406	\$ 26,450	\$ 24,366	\$ 17,466	\$ 17,466	\$ 17,466	\$ 13,952	\$ 256,675
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	149,587	138,230	147,793	124,026	188,614	172,032	199,449	178,591	181,718	153,618	141,106	146,265	1,921,031
3	HOME ENERGY IMPROVEMENT (20015934) (E)	593,094	299,340	391,010	242,771	349,371	452,521	790,136	436,971	335,049	275,109	274,735	261,879	4,701,987
4	C/I NEW CONSTRUCTION (20015938) (E)	8,269	8,269	8,269	8,281	8,281	8,281	8,464	8,281	8,281	8,281	8,281	8,281	99,735
5	HOME ENERGY CHECK (20015932) (E)	493,412	397,750	326,338	210,964	232,819	232,888	685,261	383,317	271,710	191,040	209,360	255,515	3,890,376
6	LOW INCOME (20021329) (E)	6,084	6,084	6,084	6,178	6,178	12,778	7,635	11,178	20,178	6,178	8,678	7,663	104,896
7	BUSINESS ENERGY CHECK (20015936) (E)	67,987	72,165	76,890	76,404	73,209	77,871	105,973	70,984	73,824	67,484	65,819	93,149	921,458
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	240,780	279,804	633,464	264,664	266,251	350,402	312,231	302,262	307,199	259,971	278,326	385,435	3,880,789
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	26,752	31,089	70,384	29,406	29,583	38,934	34,691	33,585	34,134	28,885	30,925	42,826	431,192
10	QUALIFYING FACILITY (20025062) (E)	41,184	41,477	41,238	42,355	42,402	42,452	59,905	42,355	42,902	42,703	42,202	60,273	541,448
11	INNOVATION INCENTIVE (20015940) (E)	4,770	4,770	4,770	4,789	4,789	4,789	5,085	4,789	4,789	4,789	4,789	5,106	58,025
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	16,458	16,909	17,246	17,772	17,995	18,220	21,984	18,662	18,766	18,753	18,740	22,078	223,587
13	STANDBY GENERATION (20021332) (D)	77,468	77,618	77,568	77,822	77,729	86,465	88,812	86,272	86,122	77,679	77,679	80,132	971,369
14	INTERRUPTIBLE SERVICE (20015941) (D)	1,587,490	1,784,085	1,784,450	1,587,645	1,587,795	1,588,181	1,592,336	1,588,181	1,587,596	1,587,396	1,783,796	1,788,269	19,847,220
15	CURTAINABLE SERVICE (20015942) (D)	100,806	100,806	88,460	138,210	150,450	150,496	126,599	88,515	88,515	76,119	76,069	76,968	1,262,014
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	3,169,802	2,926,007	2,132,985	2,046,029	1,965,289	2,195,750	2,271,341	2,199,944	1,964,125	1,960,785	2,433,264	2,512,713	27,778,034
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	68,554	73,372	73,680	73,840	74,092	74,393	74,488	79,066	83,736	83,791	83,720	83,581	926,313
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	44,714	44,714	44,714	51,055	57,390	57,390	57,497	57,390	57,390	57,390	57,390	51,158	638,193
19														
20	NET PROGRAM COSTS	\$ 6,726,078	\$ 6,328,357	\$ 5,942,610	\$ 5,019,715	\$ 5,154,541	\$ 5,591,249	\$ 6,468,337	\$ 5,614,710	\$ 5,183,500	\$ 4,917,437	\$ 5,612,346	\$ 5,895,459	\$ 68,454,341
21														
22														
23	SUMMARY OF DEMAND & ENERGY													
24														
25	ENERGY	\$ 1,650,491	\$ 1,290,655	\$ 1,670,368	\$ 1,015,709	\$ 1,212,213	\$ 1,399,642	\$ 2,222,573	\$ 1,481,757	\$ 1,281,882	\$ 1,045,392	\$ 1,069,503	\$ 1,259,812	\$ 16,600,006
26														
27	DEMAND	5,075,587	5,037,692	4,272,242	4,004,007	3,942,328	4,191,608	4,245,764	4,132,953	3,901,618	3,872,045	4,542,843	4,635,647	51,854,334
28														
29	TOTAL	\$ 6,726,078	\$ 6,328,357	\$ 5,942,610	\$ 5,019,715	\$ 5,154,541	\$ 5,591,249	\$ 6,468,337	\$ 5,614,710	\$ 5,183,500	\$ 4,917,437	\$ 5,612,346	\$ 5,895,459	\$ 68,454,341

PROGRESS ENERGY FLORIDA
 ESTIMATED CONSERVATION PROGRAM COSTS
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO. 030002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO (JAM -1)
 SCHEDULE C - 2
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LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	DEPRECIATION, AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	PROGRAM REVENUES (CREDITS)	TOTAL
1	BETTER BUSINESS (20015937) (E)	\$ -	\$ 14,958	\$ 550	\$ -	\$ 10,269	\$ 230,000	\$ -	\$ 898	\$ -	\$ 256,675
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	-	743,524	3,080	27,650	304,951	787,300	-	54,527	-	1,921,031
3	HOME ENERGY IMPROVEMENT (20015934) (E)	-	710,715	12,320	-	1,106,109	2,800,000	-	72,844	-	4,701,987
4	C/I NEW CONSTRUCTION (20015938) (E)	-	4,735	-	-	-	95,000	-	-	-	99,735
5	HOME ENERGY CHECK (20015932) (E)	2,140	1,954,734	171,457	39,000	1,455,223	-	-	267,821	-	3,890,376
6	LOW INCOME (20021329) (E)	-	37,640	-	-	28,100	31,500	-	7,656	-	104,896
7	BUSINESS ENERGY CHECK (20015936) (E)	-	755,795	6,490	10,000	72,423	-	-	76,750	-	921,458
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	-	2,414,723	258,916	217,133	32,104	-	-	957,913	-	3,880,789
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	-	268,302	28,767	24,123	3,566	-	-	106,434	-	431,192
10	QUALIFYING FACILITY (20025062) (E)	-	445,357	4,486	-	-	-	504	91,101	-	541,448
11	INNOVATION INCENTIVE (20015940) (E)	-	7,647	-	-	-	50,000	-	378	-	58,025
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	14,509	91,491	4,290	4,000	2,000	70,000	-	37,297	-	223,587
13	STANDBY GENERATION (20021332) (D)	-	64,344	15,138	18,048	-	849,256	-	24,583	-	971,369
14	INTERRUPTIBLE SERVICE (20015941) (D)	-	112,145	12,186	3,600	-	19,650,000	-	69,289	-	19,847,220
15	CURTAILABLE SERVICE (20015942) (D)	-	21,832	110	-	-	1,239,618	-	454	-	1,262,014
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	121,457	2,096,127	160,371	1,356,834	358,670	23,434,990	-	249,586	-	27,778,034
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	926,313	-	-	-	-	-	-	-	-	926,313
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	-	2,762	-	2,000	-	633,431	-	-	-	638,193
19											
20	NET PROGRAM COSTS	\$ 1,064,419	\$ 9,746,829	\$ 678,161	\$ 1,702,388	\$ 3,373,414	\$ 49,871,095	\$ 504	\$ 2,017,531	\$ -	\$ 68,454,341
21											
22											
23	SUMMARY OF DEMAND & ENERGY										
24											
25	ENERGY	\$ 16,649	\$ 7,181,318	\$ 461,589	\$ 297,783	\$ 3,011,178	\$ 4,063,800	\$ 504	\$ 1,567,185	\$ -	\$ 16,600,006
26											
27	DEMAND	1,047,770	2,565,511	216,572	1,404,605	362,236	45,807,295	-	450,346	-	51,854,334
28											
29	TOTAL	\$ 1,064,419	\$ 9,746,829	\$ 678,161	\$ 1,702,388	\$ 3,373,414	\$ 49,871,095	\$ 504	\$ 2,017,531	\$ -	\$ 68,454,341

PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED INVESTMENT, AMORTIZATION & RETURN
ON LOAD CONTROL EQUIPMENT
FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

DOCKET NO 030002-EG
PROGRESS ENERGY FLORIDA
WITNESS MASIELLO
EXHIBIT NO: (JAM -1)
SCHEDULE C - 2
PAGE 5 of 5

LINE NO	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL	
			Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04		
1	LOAD MANAGEMENT SWITCHES (9080120) (D)															
2	LOAD CONTROL RECEIVERS, SWITCHES,															
3	AND HARDWARE - INVESTMENT		\$ 362,488	\$ 41,357	\$ 41,357	\$ 41,357	\$ 41,357	\$ 41,357	\$ 41,357	\$ 41,357	\$ 362,489	\$ 41,357	\$ 41,357	\$ 41,357	\$ 41,366	\$1,138,556
4	RETIREMENTS		15,560	10,954	19,012	28,618	7,350	22,098	31,805	16,917	17,131	32,945	32,044	41,225		275,659
5	AMORTIZATION BASE		2,980,081	3,168,747	3,195,121	3,212,663	3,236,036	3,262,669	3,277,074	3,454,636	3,639,536	3,655,855	3,664,717	3,669,444		
6																
7	AMORTIZATION EXPENSE		49,668	52,813	53,252	53,544	53,934	54,378	54,618	57,577	60,659	60,931	61,079	61,156		673,811
8																
9	CUMULATIVE INVESTMENT	2,806,617	3,153,545	3,183,948	3,206,293	3,219,032	3,253,039	3,272,298	3,281,850	3,627,423	3,651,649	3,660,061	3,669,374	3,669,515	3,669,515	3,669,515
10	LESS ACC AMORTIZATION	1,263,133	1,297,241	1,339,100	1,373,340	1,398,266	1,444,850	1,477,130	1,499,943	1,540,803	1,584,131	1,612,117	1,641,152	1,661,085	1,661,085	1,661,085
11	NET INVESTMENT	1,543,484	1,856,304	1,844,848	1,832,953	1,820,766	1,808,189	1,795,168	1,781,907	2,086,620	2,067,518	2,047,944	2,028,222	2,008,430	2,008,430	2,008,430
12	AVERAGE INVESTMENT		1,699,894	1,850,576	1,838,901	1,826,860	1,814,478	1,801,679	1,788,538	1,934,363	2,077,169	2,057,731	2,038,083	2,018,326	2,018,326	
13	RETURN ON AVERAGE INVESTMENT		13,005	14,157	14,067	13,976	13,881	13,783	13,683	14,798	15,891	15,742	15,591	15,441	15,441	174,015
14																
15	RETURN REQUIREMENTS		18,888	20,559	20,428	20,296	20,156	20,015	19,870	21,489	23,077	22,860	22,641	22,423	22,423	252,702
16																
17	TOTAL AMORTIZATION AND RETURN		\$ 68,554	\$ 73,372	\$ 73,680	\$ 73,840	\$ 74,092	\$ 74,393	\$ 74,488	\$ 79,066	\$ 83,736	\$ 83,791	\$ 83,720	\$ 83,581	\$826,313	
18																
19																
20	SUMMARY OF DEMAND & ENERGY															
21																
22	ENERGY		\$ 107	\$ 304	\$ 583	\$ 894	\$ 1,185	\$ 1,479	\$ 1,701	\$ 1,918	\$ 2,090	\$ 2,144	\$ 2,129	\$ 2,115	\$ 16,649	
23																
24	DEMAND		78,691	83,424	83,848	83,724	84,259	84,839	84,846	89,334	93,914	93,880	93,720	93,491	1,047,770	
25																
26	TOTAL DEPRECIATION AND RETURN		\$ 78,798	\$ 83,728	\$ 84,231	\$ 84,618	\$ 85,444	\$ 86,318	\$ 86,547	\$ 91,252	\$ 96,004	\$ 96,024	\$ 95,949	\$ 95,606	\$ 1,064,419	

NOTES
- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0166667 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0655-AS-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2003 ACTUAL
 SEPTEMBER through DECEMBER, 2003 ESTIMATED

DOCKET NO 030002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS MASIELLO
 EXHIBIT NO (JAM - 1)
 SCHEDULE C - 3
 PAGE 1 OF 6

LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS						PROGRAM REVENUES (CREDITS)	TOTAL	
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES			OTHER
1	BETTER BUSINESS										
2	A. ACTUAL	\$ -	\$ 18,224	\$ -	\$ -	\$ -	\$ 3,832	\$ 134,676	\$ -	\$ -	\$ 156,732
3	B. ESTIMATED	-	5,719	456	-	138	37,724	55,324	1,056	-	100,417
4											
5	C. TOTAL	-	23,943	456	-	138	41,556	190,000	1,056	-	257,149
6											
7	RESIDENTIAL NEW CONSTRUCTION										
8	A. ACTUAL	-	294,915	-	1,369	561	133,444	487,976	50,469	-	968,734
9	B. ESTIMATED	-	189,517	11,708	24,000	3,330	285,820	745,944	55,572	-	1,315,891
10											
11	C. TOTAL	-	484,432	11,708	25,369	3,891	419,264	1,233,920	106,041	-	2,284,625
12											
13	HOME ENERGY IMPROVEMENT										
14	A. ACTUAL	-	316,652	-	4,450	223	66,152	1,638,562	28,488	-	2,054,527
15	B. ESTIMATED	-	237,998	11,393	-	1,528	275,000	830,115	12,472	-	1,368,506
16											
17	C. TOTAL	-	554,650	11,393	4,450	1,751	341,152	2,468,677	40,960	-	3,423,033
18											
19	COMM / IND NEW CONSTRUCTION										
20	A. ACTUAL	-	-	-	-	-	2,535	30,800	4	-	33,339
21	B. ESTIMATED	-	3,248	328	-	-	-	29,200	-	-	32,776
22											
23	C. TOTAL	-	3,248	328	-	-	2,535	60,000	4	-	66,115
24											
25	HOME ENERGY CHECK										
26	A. ACTUAL	328	1,312,105	-	31,170	114,949	611,937	-	197,870	-	2,268,359
27	B. ESTIMATED	164	672,765	48,674	47,800	36,692	870,421	-	96,293	-	1,772,809
28											
29	C. TOTAL	492	1,984,870	48,674	78,970	151,641	1,482,358	-	294,163	-	4,041,168
30											
31	LOW INCOME										
32	A. ACTUAL	-	23,249	-	-	-	38	10,430	23,942	-	57,659
33	B. ESTIMATED	-	16,542	1,700	-	-	10,703	31,850	3,000	-	63,795
34											
35	C. TOTAL	-	39,791	1,700	-	-	10,741	42,280	26,942	-	121,454

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2003 ACTUAL
 SEPTEMBER through DECEMBER, 2003 ESTIMATED

DOCKET NO. 030002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS. MASIELLO
 EXHIBIT NO. (JAM - 1)
 SCHEDULE C - 3
 PAGE 2 OF 6

LINE NO	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS						PROGRAM REVENUES (CREDITS)	TOTAL	
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES			OTHER
1	BUSINESS ENERGY CHECK										
2	A ACTUAL	-	319,732	-	42	2,022	16,423	-	26,740	-	364,959
3	B. ESTIMATED	-	163,899	12,324	-	914	25,134	-	15,527	-	217,798
4											
5	C. TOTAL	-	483,631	12,324	42	2,936	41,557	-	42,267	-	582,757
6											
7	QUALIFYING FACILITY										
8	A ACTUAL	-	194,939	-	-	756	-	-	16,763	-	212,458
9	B. ESTIMATED	-	134,712	8,132	-	2,328	-	-	3,624	-	148,796
10											
11	C. TOTAL	-	329,651	8,132	-	3,084	-	-	20,387	-	361,254
12											
13	INNOVATION INCENTIVE										
14	A. ACTUAL	-	-	-	-	-	-	-	-	-	-
15	B. ESTIMATED	-	5,787	584	-	-	-	40,500	-	-	46,871
16											
17	C. TOTAL	-	5,787	584	-	-	-	40,500	-	-	46,871
18											
19	TECHNOLOGY DEVELOPMENT										
20	A. ACTUAL	-	27,322	-	2,185	2,612	-	400	4,439	-	36,958
21	B. ESTIMATED	-	20,120	2,800	40,000	982	1,000	4,000	650	-	69,552
22											
23	C. TOTAL	-	47,442	2,800	42,185	3,594	1,000	4,400	5,089	-	106,510
24											
25	STANDBY GENERATION										
26	A ACTUAL	-	26,138	-	3,344	4,292	-	486,003	8,115	-	527,892
27	B. ESTIMATED	-	5,714	660	9,332	4,586	-	280,172	3,591	-	304,055
28											
29	C. TOTAL	-	31,852	660	12,676	8,878	-	766,175	11,706	-	831,947
30											
31	INTERRUPT LOAD MANAGEMENT										
32	A. ACTUAL	-	58,089	-	-	5,019	-	11,351,605	6,215	-	11,420,928
33	B. ESTIMATED	-	55,498	1,064	3,280	1,748	-	5,593,399	9,752	-	5,664,741
34											
35	C. TOTAL	-	113,587	1,064	3,280	6,767	-	16,945,004	15,967	-	17,085,669

PROGRESS ENERGY FLORIDA

SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003

LINE NO	BEGINNING BALANCE	JAN 03	FEB 03	MAR 03	APR 03	MAY 03	JUN 03	JUL 03	AUG 03	SEP 03	OCT 03	NOV 03	DEC 03	TOTAL
1														
2	RESIDENTIAL ENERGY MGMT													
3	INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
4	RETIREMENTS	0	0	0	0	0	0	19,952	0	0	0	0	4,899	24,851
5	DEPRECIATION BASE	480,741	480,741	480,741	480,741	480,741	480,741	470,785	480,789	460,789	460,789	460,789	458,340	
6														
7	DEPRECIATION EXPENSE	8,012	8,012	8,012	8,012	8,012	8,012	7,846	7,680	7,680	7,680	7,680	7,839	94,277
8														
9	CUMM. NET INVEST	480,741	480,741	480,741	480,741	480,741	480,741	460,789	450,789	460,789	460,789	480,789	455,890	455,890
10	LESS ACC NET DEPR	154,116	162,128	170,140	178,152	186,164	194,176	202,188	190,082	197,762	205,442	213,122	220,802	223,542
11	NET INVESTMENT	326,625	318,613	310,601	302,589	294,577	286,565	278,553	270,707	263,027	255,347	247,667	239,987	232,348
12	AVERAGE INVESTMENT		322,619	314,607	306,595	298,583	290,571	282,559	274,630	266,667	259,187	251,507	243,827	236,168
13	RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	0	0	0	0
14														
15	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
16														
17	PROGRAM TOTAL		8,012	8,012	8,012	8,012	8,012	8,012	7,846	7,680	7,680	7,680	7,689	94,277
18														
19	HOME ENERGY CHECK													
20	INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0
21	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
22	DEPRECIATION BASE		2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	
23														
24	DEPRECIATION EXPENSE		41	41	41	41	41	41	41	41	41	41	41	492
25														
26	CUMM. NET INVEST	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435
27	LESS ACC NET DEPR	544	585	626	667	708	749	790	831	872	913	954	995	1,036
28	NET INVESTMENT	1,891	1,850	1,809	1,768	1,727	1,686	1,645	1,604	1,563	1,522	1,481	1,440	1,399
29	AVERAGE INVESTMENT		1,871	1,830	1,789	1,748	1,707	1,666	1,625	1,584	1,543	1,502	1,461	1,420
30	RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	0	0	0	0
31														
32	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
33														
34	PROGRAM TOTAL		41	41	41	41	41	41	41	41	41	41	41	492
35														
36	CONSERV. PROGRAM ADMIN													
37	INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0
38	RETIREMENTS		0	0	0	8,922	24	0	781	54	0	0	0	9,781
39	DEPRECIATION BASE		62,336	62,336	62,336	57,875	53,402	53,390	53,000	52,582	52,555	52,555	52,555	
40														
41	DEPRECIATION EXPENSE		1,039	195	0	0	0	0	0	0	0	0	0	1,234
42														
43	CUMM. NET INVEST	62,336	62,336	62,336	62,336	53,414	53,390	53,390	52,609	52,555	52,555	52,555	52,555	52,555
44	LESS ACC NET DEPR	61,102	62,141	62,336	62,336	53,414	53,390	53,390	52,609	52,555	52,555	52,555	52,555	52,555
45	NET INVESTMENT	1,234	195	0	0	0	0	0	0	0	0	0	0	0
46	AVERAGE INVESTMENT		715	98	0	0	0	0	0	0	0	0	0	0
47	RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	0	0	0	0
48														
49	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
50														
51	PROGRAM TOTAL		1,039	195	0	0	0	0	0	0	0	0	0	1,234
52														
53	LOAD MANAGEMENT													
54	LOAD CONTROL RECEIVERS, SWITCHES													
55	& HARDWARE - INVESTMENTS		24,650	24,412	101,073	165,023	25,247	17,386	95,453	212,941	0	0	0	665,186
56	RETIREMENTS		150,008	174,617	345,522	226,031	194,568	124,316	254,370	135,402	28,612	69,582	27,444	55,976
57	AMORTIZATION BASE		3,864,200	3,726,419	3,529,092	3,376,954	3,261,200	3,123,074	2,990,151	2,949,462	2,973,925	2,924,828	2,875,315	2,834,605
58														
59	AMORTIZATION EXPENSE		64,403	62,107	58,818	56,273	54,353	52,051	49,836	49,158	49,586	48,747	47,939	472,244
60														
61	CUMULATIVE INVEST	3,926,879	3,801,522	3,651,316	3,406,868	3,345,860	3,176,539	3,069,609	2,910,692	2,988,231	2,959,619	2,890,037	2,862,593	2,806,617
62	LESS ACC AMORT	2,409,086	2,323,481	2,210,971	1,924,267	1,754,509	1,614,294	1,542,029	1,337,495	1,251,251	1,272,205	1,251,370	1,271,865	1,283,133
63	NET INVESTMENT	1,517,793	1,478,041	1,440,345	1,482,601	1,591,351	1,562,245	1,527,580	1,573,197	1,736,980	1,687,414	1,638,667	1,590,728	1,543,484
64	AVERAGE INVESTMENT		1,497,917	1,459,193	1,461,473	1,536,976	1,576,798	1,544,913	1,550,389	1,655,089	1,712,197	1,663,041	1,614,698	1,567,106
65	RETURN ON AVG INVEST		0	0	0	0	0	0	0	0	0	0	0	0
66														
67	RETURN REQUIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
68														
	PROGRAM TOTAL		64,403	62,107	58,818	56,273	54,353	52,051	49,836	49,158	49,586	48,747	47,939	472,244

NOTES

- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0655-AS-E
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003

LINE NO.	JAN 03	FEB 03	MAR 03	APR 03	MAY 03	JUN 03	JUL 03	AUG 03	SEP 03	OCT 03	NOV 03	DEC 03	TOTAL FOR THE PERIOD
1A													
1B BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1C HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D													
SUBTOTAL - FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2													
CONSERVATION CLAUSE REVENUES	5,097,901	4,748,004	3,999,123	4,320,462	4,950,651	5,697,120	5,796,974	5,677,995	6,269,390	5,368,350	4,345,017	4,584,481	60,855,468
2A													
CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
3													
TOTAL REVENUES	5,097,901	4,748,004	3,999,123	4,320,462	4,950,651	5,697,120	5,796,974	5,677,995	6,269,390	5,368,350	4,345,017	4,584,481	60,855,468
4													
PRIOR PERIOD TRUE-UP OVER/(UNDER)	8,743,330	713,883	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,610	8,728,603
5													
CONSERVATION REVENUES APPLICABLE TO PERIOD	5,811,784	5,476,615	4,727,734	5,049,073	5,679,262	6,425,731	6,525,585	6,406,606	6,998,001	6,096,961	5,073,628	5,313,091	69,584,071
6													
CONSERVATION EXPENSES (CT-3,PAGE 1, LINE 73)	5,475,582	5,676,073	4,671,745	4,071,929	4,535,469	5,185,575	5,178,526	5,111,705	6,169,248	5,477,545	5,620,970	5,689,729	62,864,096
7													
TRUE-UP THIS PERIOD (O)/U	(336,202)	199,458	(55,989)	(977,144)	(1,143,793)	(1,240,156)	(1,347,059)	(1,294,901)	(828,753)	(619,416)	547,342	376,638	(6,719,975)
8													
CURRENT PERIOD INTEREST	(9,125)	(8,306)	(7,208)	(6,827)	(7,253)	(7,112)	(7,086)	(7,820)	(8,158)	(8,161)	(7,557)	(6,512)	(91,125)
9													
ADJUSTMENTS PER AUDIT \ RDC Order	0	0	0	0	0	0	0	0	0	0	0	0	0
10													
TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(8,743,330)	(8,374,774)	(7,455,011)	(6,789,597)	(7,044,957)	(7,467,392)	(7,986,049)	(8,611,583)	(9,185,693)	(9,293,993)	(9,192,959)	(7,924,563)	(8,743,330)
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)	713,883	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,611	728,610	8,728,603
12													
END OF PERIOD NET TRUE-UP	(8,374,774)	(7,455,011)	(6,789,597)	(7,044,957)	(7,467,392)	(7,986,049)	(8,611,583)	(9,185,693)	(9,293,993)	(9,192,959)	(7,924,563)	(6,825,827)	(6,825,827)

PROGRESS ENERGY FLORIDA
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003

LINE NO	JAN 03	FEB 03	MAR 03	APR 03	MAY 03	JUN 03	JUL 03	AUG 03	SEP 03	OCT 03	NOV 03	DEC 03	TOTAL FOR THE PERIOD
1													
BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10)	(8,743,330)	(8,374,774)	(7,455,011)	(6,789,597)	(7,044,957)	(7,467,392)	(7,986,049)	(8,611,583)	(9,185,693)	(9,293,993)	(9,192,959)	(7,924,563)	
2													
ENDING TRUE-UP AMOUNT BEFORE INTEREST	(8,365,649)	(7,446,705)	(6,782,389)	(7,038,130)	(7,460,139)	(7,978,937)	(8,604,497)	(9,177,873)	(9,285,835)	(9,184,798)	(7,917,006)	(6,819,315)	
3													
TOTAL BEGINNING & ENDING TRUE-UP	(17,108,979)	(15,821,479)	(14,237,400)	(13,827,727)	(14,505,096)	(15,446,329)	(16,590,546)	(17,789,456)	(18,471,528)	(18,478,791)	(17,109,965)	(14,743,878)	
4													
AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(8,554,490)	(7,910,740)	(7,118,700)	(6,913,864)	(7,252,548)	(7,723,165)	(8,295,273)	(8,894,728)	(9,235,764)	(9,239,396)	(8,554,983)	(7,371,939)	
5													
INTEREST RATE FIRST DAY REPORTING BUSINESS MONTH	1.29%	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	
6													
INTEREST RATE FIRST DAY SUBSEQUENT BUSINESS MONTH	1.27%	1.25%	1.18%	1.19%	1.21%	1.00%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%	
7													
TOTAL (LINE 5 AND LINE 6)	2.56%	2.52%	2.43%	2.37%	2.40%	2.21%	2.05%	2.11%	2.12%	2.12%	2.12%	2.12%	
8													
AVERAGE INTEREST RATE (50% OF LINE 7)	1.280%	1.260%	1.215%	1.185%	1.200%	1.105%	1.025%	1.055%	1.060%	1.060%	1.060%	1.060%	
9													
INTEREST PROVISION (LINE 4 * LINE 8) / 12	(9,125)	(8,306)	(7,208)	(6,827)	(7,253)	(7,112)	(7,086)	(7,820)	(8,158)	(8,161)	(7,557)	(6,512)	(91,125)

CALCULATION OF ENERGY CONSERVATION COST RECOVERY (ECCR) REVENUES
 FOR THE PERIOD: JANUARY 2004 THROUGH DECEMBER 2004

MONTH	JURISDICTIONAL MWH SALES	BASE REVENUES	CLAUSE REVENUE NET OF REVENUE TAXES
JANUARY	2,997,203	\$0	\$4,757,859
FEBRUARY	2,887,620	\$0	\$4,582,688
MARCH	2,773,082	\$0	\$4,377,709
APRIL	2,856,572	\$0	\$4,494,442
MAY	2,977,092	\$0	\$4,680,801
JUNE	3,508,898	\$0	\$5,565,586
JULY	3,825,394	\$0	\$6,097,175
AUGUST	3,805,787	\$0	\$6,073,198
SEPTEMBER	3,862,436	\$0	\$6,158,658
OCTOBER	3,507,260	\$0	\$5,567,332
NOVEMBER	2,948,135	\$0	\$4,634,363
DECEMBER	<u>2,980,985</u>	<u>\$0</u>	<u>\$4,694,181</u>
TOTAL	<u><u>38,930,464</u></u>	<u><u>\$0</u></u>	<u><u>\$61,683,992</u></u>

Program Description and Progress

Program Title: Home Energy Check

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

Program Projections for January 2004 through December 2004: It is estimated that 30,000 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$3,890,376.

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

Program Description and Progress

Program Title: Home Energy Improvement

Program Description: 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 Projections for January 2004 through December 2004: It is estimated that 15,000 completions will be performed in this program during the projected period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$4,701,987.

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

Program Description and Progress

Program Title: Residential New Construction

Program Description: This program is designed to encourage single, multi, and manufactured home 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 Projections for January 2004 through December 2004: It is estimated that 10,500 homes representing 300 builders will participate in this program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$1,921,031.

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

Program Description and Progress

Program Title: Low-Income Weatherization Assistance Program

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

Program Projections for January 2004 through December 2004: It is estimated that 90 participants representing 12 agencies will receive services during 2004.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$104,896.

Program Progress Summary: To promote the delivery of efficiency programs to low-income families, a statewide agency meeting will be held in 2004 to all participating agencies. Individual meetings with weatherization providers are conducted throughout PEF territory to encourage participation.

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 Projections for January 2004 through December 2004: During this period we anticipate installing 5,500 new participants to the program.

Program Fiscal Expenditures for January 2004 through December 2004: Program expenditures during this period are projected to be \$28,416,227.

Program Progress Summary: As of August 1, 2003 there are 390,029 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 and can be completed at the facility by an auditor or online by the business customer. The paid audit provides a more thorough energy analysis for non-residential facilities. This program acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures for their facility. It serves as the foundation of the Better Business Program and is a requirement for participation.

Program Projections for January 2004 through December 2004: It is estimated that 2,000 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$921,458.

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

Program Description and Progress

Program Title: Better Business

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

Program Projections for January 2004 through December 2004: It is estimated that 100 customers will participate during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$256,675.

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

Program Description and Progress

Program Title: Commercial/Industrial New Construction

Program Description: This 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 Projections for January 2004 through December 2004: It is estimated that 5 customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$99,735.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of commercial facilities built during this period.

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 PEF peak demand requirements are evaluated to determine their impact on Progress Energy's system. If cost effective, these actions may qualify for an economic incentive in order to shorten the "payback" time of the project.

Program Projections for January 2004 through December 2004: It is estimated that 1 customer will participate in the program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$58,025.

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: Progress Energy Florida, Inc. provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Projections for January 2004 through December 2004: It is estimated that 5 new customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$971,369.

Program Progress Summary: A total of 33 customers are currently on this program.

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 Projections for January 2004 through December 2004: No new participants are expected during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$19,847,220.

Program Progress Summary: The program currently has 156 active accounts with 143 IS-1 participants and 13 IS-2 participants. 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. New participants are placed on the 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 PEF. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

Program Projections for January 2004 through December 2004: One new participant is expected during the projection period.

Program Fiscal Expenditures for January 2004 through December 2004: Expenses for this program are projected to be \$1,262,014.

Program Progress Summary: This program has 7 CS-1 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 Progress Energy Florida, Inc. to undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs.

Program Projections for January 2004 through December 2004:

Several research and development projects will continue in 2004. Photovoltaic projects include the monitoring of photovoltaic systems at five schools with a related curriculum, continued monitoring of six photovoltaic systems on manufactured homes and a study of selected British Petroleum sites. Evaluation of new cost-effective energy measurement and monitoring technologies will be conducted. Research and analysis of a demand response pilot will continue in 2004 along with a potential research project on fuel cell technologies.

Program Fiscal Expenditures for January 2004 through December 2004:

Expenses for this program are projected to be \$223,587.

Program Progress Summary:

Determination of eligible customers for the Demand Response Pilot has been completed; currently six customers have agreed to participate in the pilot. During the pilot, these customers will have an opportunity to receive monetary compensation for reducing electrical demand during specific times of day. We are actively pursuing five schools in our service territory to participate in a demonstration project consisting of the installation and monitoring of 4 kW photovoltaic systems. Monitoring and evaluation of the photovoltaic system on manufactured homes has continued.

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, 2004 through December, 2004: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2004 through December, 2004: Expenses for this program are projected to be \$541,448.

Program Progress Summary: The total MW of qualifying facility capacity is approximately 839 MW.