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COMMISSION
CLERK

November 10th, 2003

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(000824-EZ)

Ms. Blanca S. Bayo
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
Betty Easley Conference Center, Rm 110
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Order PSC-02-0655-AS-EI and Order PSC-03-0876-FOF-EI
Final revenue sharing refund report for March 2003 refund
Initial revenue sharing refund report for September/October 2003 refund

Dear Ms. Bayo:

Enclosed is Progress Energy Florida's Revenue Sharing Refund Report for both 2002 revenue sharing refunds per the orders referenced above. This report was prepared in accordance with Commission Rule 25-6.109, F.A.C. The refunds were completed October 31st, 2003.

If you have any questions, please feel free to contact Javier Portuondo at (727) 820-5835.

Sincerely,

Javier J. Portuondo
Director
Regulatory Services - Florida

AUS _____
CAF _____
CMP _____
COM _____
CTR _____
ECR _____
GCL _____
OPC _____
MMS _____
SEC /
OTH _____

JJP/hb
Attachment
cc:

Tim Devlin – Director, Division of Economic Regulation
Connie Kummer - Chief, Economies, Rates & Forecasting
John W. McWhirter, Jr., Esq. – Florida Industrial Power Users Group
Charlie Beck – Office of Public Counsel
Bob Trapp - Assistant Director, Division of Policy Analysis & Intergovernmental Liaison

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**Progress Energy Florida
Revenue Sharing Refund
Final Report for the 1st 2003 Refund
Initial Report for the 2nd 2003 Refund**

This report is being filed in accordance with Commission Rule 25-6.109, F.A.C.

7(a) Progress Energy Florida was required to refund certain retail base rate revenues above \$1.296 million, in accordance with the terms approved by the Commission in Order No. PSC-02-0655-AS-EI.

Specifically, Progress Energy Florida's retail base rate revenues between the sharing threshold amount of \$1.296 million and the cap of \$1.356 million were to be divided into two shares on a 1/3, 2/3 basis. Progress Energy Florida's shareholders receiving the 1/3 share. The 2/3 share was to be refunded to retail customers. For 2002 only, the refund to customers is limited to 67.1% because of the implementation date of the Rate Case Settlement Agreement of May 1, 2002.

Total Retail Base Revenues	\$1,347,662,903
Less: 2002 Refund Threshold	<u>1,296,000,000</u>
Variance from threshold	51,662,903
Amount subject to sharing (67.1%)	34,665,808
Amount to be refunded (2/3 to customers)	23,122,094
Plus interest through 8/31/03	<u>358,962</u>
Amount of Refund	<u>\$ 23,481,056</u>

7(b) The amounts actually refunded are as follows:

Amount refunded through 3/28/03	\$ 4,995,649
Amount refunded through 10/31/03	18,479,933
Refund amount per 7(a)	<u>(23,481,056)</u>
Over/(Under) refund at 11/10/03	<u>\$ (5,474)</u>

7(c) Unclaimed Refunds as of 11/10/03:

Cancelled revenue refund checks	\$ 1,960
Stale-dated revenue refund checks (from 1 st refund)	26,893
Revenue refund checks not issued for excess credits less than \$1.00 per FAC 25-6.109(5)	\$ 27,273

7(d) The following amount for the total 2002 revenue sharing refund will be credited to the Fuel Adjustment Clause per Order PSC-03-0876-FOF-EI. Stale-dated checks for the second refund are not known at this time.

Revenue refund checks not issued for excess credits less than \$1.00 per FAC 25-6.109(5)	<u>\$ 27,273</u>
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