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December 1, 2003

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
30-day 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 31, 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

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Attachment
cc:

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

DOCUMENT NUMBER-DATE

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**Progress Energy Florida
Revenue Sharing Refund
Final Report for the 1st 2003 Refund
30-day 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 11/25/03	<u>\$ (5,474)</u>

7(c) Unclaimed Refunds as of 11/25/03:

Cancelled revenue refund checks	\$ 3,927
Stale-dated revenue refund checks (from 1 st refund)	26,791
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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