



ORIGINAL

February 7, 2005

VIA 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

RECEIVED FPSC
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COMMISSION
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Re: Docket No. 040817-EI

Dear Ms. Bayó:

Pursuant to Order PSC-04-1168-FOF-EI issued November 23, 2004, the PSC required Progress Energy Florida, Inc. (PEF) to file annual reports comparing budgeted and actual costs to the estimated total in-service cost of Hines 4. Attached is PEF's annual report for year ending December 31, 2004.

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 report in PDF format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

Paul Lewis, Jr.
Paul A. Lewis, Jr. *lms*

- CMP _____
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- OPC _____
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Progress Energy Florida, Inc.
106 E. College Avenue
Suite 800
Tallahassee, FL 32301

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**Hines Power Block 4
Summary By Year
Project Cost Detail for Year Ending 12/31/04**

February 7, 2005

CATEGORY	YTD Actual	YTD Budget	YTD Variance	Project to Date Actual	Project to Date Budget	Project to Date Variance	Total Project Budget
Major Equipment / EPC	4,232,149		(4,232,149)	4,232,149		(4,232,149)	193,645,455
Permitting	365,656		(365,656)	365,656		(365,656)	1,188,924
Transmission Integration & Interconnection Hines-West Lake Wales 230kV Line	539,321	1,325,015	785,694	1,353,985	1,325,015	(28,970)	6,900,000
Natural Gas Infrastructure Upgrades	-		-	-		-	2,067,694
Operations and Start-Up	-		-	-		-	6,097,629
Project Management	290,548	500,000	209,452	290,548	500,000	209,452	8,180,830
Owners Cost	114,758		(114,758)	114,758		(114,758)	10,338,469
AFUDC	10,843		(10,843)	10,843		(10,843)	31,243,000
Total:	5,553,275	1,825,015	(3,728,260)	6,367,939	1,825,015	(4,542,924)	286,162,000

Notes: 1 - Progress Energy was able to spend capital dollars on Hines PB4 earlier than anticipated.
2 - Direct Testimony and the Need Determination Study reported costs were recategorized in an attempt to match the FPSC stipulated categories noted above; total project budget costs did not change.