

# Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial No.  
(850) 425-2359

August 8, 2005

## BY HAND DELIVERY

Blanca Bayó  
Director, Division of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket 050007-EI

Dear Ms. Bayó:

Enclosed for filing in the above referenced docket on behalf of Progress Energy Florida, Inc., are the original and fifteen copies of the following:

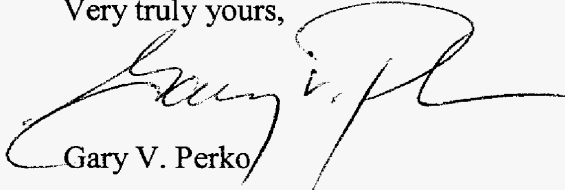
- Pre-filed testimony Javier Portuondo, along with Mr. Portuondo's Exhibit No. \_\_ (JP-2);
- Pre-filed Testimony of Patricia Q. West and supporting exhibits; and
- Pre-filed testimony of Kent D. Hedrick and supporting exhibits.

I also have included a diskette containing the testimony in Microsoft Word format. By copy of this letter, copies of the documents listed above have been provided to all persons on the attached certificate of service.

Please acknowledge receipt and filing of the above by stamping the enclosed extra copies of the testimony and attached exhibit and returning them to me. If you have any questions concerning this filing, please contact me at 425-2359.

Thank you for your assistance in connection with this matter.

Very truly yours,



Gary V. Perko

GVP/jlm  
Enclosures  
cc: Certificate of Service

DOCUMENT NUMBER-DATE

07662 AUG-8 05

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Pre-filed Testimony and Exhibits of Javier Portuondo; Patricia West; and Kent D. Hedrick in Docket No. 050007-EI have been furnished by hand-delivery (\*) or regular U.S. mail to the following this \_\_\_ day of August, 2005.

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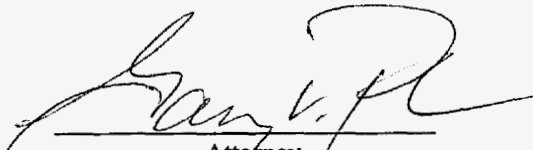
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\_\_\_\_\_  
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1                                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                                   DIRECT TESTIMONY OF

3                                   JAVIER J. PORTUONDO

4                                   ON BEHALF OF

5                                   PROGRESS ENERGY FLORIDA

6                                   DOCKET NO. 050007

7                                   AUGUST 8, 2005

8

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

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

12

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

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

16

17   **Q.    Have your duties and responsibilities remained the same since you last filed**  
18       **testimony in this proceeding?**

19   **A.    Yes.**

20

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

1    **A.**    Yes, I have.

2

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

4    **A.**    The purpose of my testimony is to present, for Commission review and  
5           approval, Progress Energy Florida's Estimated/Actual True-up costs associated  
6           with Environmental Compliance activities for the period January 2005 through  
7           December 2005.

8

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

11   **A.**    Yes. I am sponsoring Exhibit No. \_\_ (JP-2), which consists of PSC Forms 42-  
12           1E through 42-8E. These forms provide a summary and detail of the  
13           Estimated/Actual True-up O&M and Capital Environmental costs for the period  
14           January 2005 through December 2005.

15

16   **Q.**    **What is the Estimated/Actual True-up amount that PEF is requesting  
17           recovery for the period of January 2005 through December 2005?**

18   **A.**    The Estimated/Actual True-up amount for 2005 is an under-recovery, including  
19           interest, of \$11,994,307 as shown in Exhibit No. \_\_ (JP-2), Form 42-1E, Line 4.  
20           This amount will be added to the final true-up over-recovery for \$5,961,886 for  
21           2004 shown on Form 42-2E, Line 7-a., resulting in a net under-recovery of  
22           \$6,032,421 as shown on Form 42-2E, Line 11. The detailed calculations

1 supporting the estimated true-up for 2005 are contained in Forms 42-1E through  
2 42-8E.

3

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

6 **A.** Forms 42-2E and 42-3E show the calculation of the ECRC Estimated/Actual  
7 True-up amount for the period of January 2005 through December 2005.

8

9 **Q. Are any of the costs listed in Forms 42-1E through 42-8E attributable to**  
10 **Environmental Compliance projects that have not previously been**  
11 **approved by the Commission?**

12 **A.** Yes. The costs include projected expenditures associated with four programs  
13 for which PEF is seeking approval in this docket. These new programs are  
14 discussed and supported in the testimony of Kent D. Hedrick and Patricia Q.  
15 West.

16

17 **Q. Are there any other new programs for which PEF is seeking recovery under**  
18 **the Environmental Cost Recovery Clause.**

19 **A.** Yes. As discussed in Ms. West's testimony, on May 6, 2005, PEF filed a  
20 Petition for Approval of Environmental Cost Recovery for activities being  
21 implemented to comply with the U.S. Environmental Protection Agency's new  
22 Clean Air Interstate Rule (CAIR) and the Clear Air Mercury Rule (CAMR).  
23 PEF anticipates incurring approximately \$2,000,000 in capital expenditures for

1 this program in 2005. However, these expenditures are classified as AFUDC  
2 and therefore are not included in the recoverable costs reflected in the schedules  
3 submitted with my testimony. Such costs will be recovered when the associated  
4 pollution controls are placed in service.

5  
6 **Q. How do the Estimated/Actual project expenditures for January 2005  
7 through December 2005 compare with original projections?**

8 **A.** As shown on Form 42-4E, total O&M project cost are projected to be  
9 \$8,968,687 or 29% higher than originally projected. Total recoverable capital  
10 investments itemized on Form 42-6E, are projected to be \$1,933,979 or 188%  
11 higher than originally projected. Below are variance explanations for those  
12 approved O&M projects and Capital Investment Projects with significant  
13 variances. Individual project variances are provided on Forms 42-4E and 42-6E.  
14 Return on Capital Investment, Depreciation and Taxes for each project for the  
15 Estimated/Actual period are provided on Form 42-8E, pages 1 through 11.

16

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

19 Project expenditures are estimated to be \$460,825 or 6% higher than  
20 previously projected. This variance is due to remediation activities rolled  
21 over from the 2004 work plan into 2005 as a result of work delays. This  
22 project is discussed in Kent D. Hedrick's testimony.

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**2. Pipeline Integrity Management (Project #3a) – O&M**

Project expenditures are estimated to be \$208,000 or 20% higher than previously projected. This variance is primarily due to unanticipated activities undertaken to ensure pipeline protection for areas found to have inadequate cover or other risk reduction measures, in accordance with the PIM regulations and the company’s PIM Plan. This project is discussed further in the testimony of Patricia Q. West.

**3. Pipeline Integrity Management – Bartow/Anclote Pipeline (Project #3b) – Capital**

Project expenditures are estimated to be \$144,921 or 46% higher than previously forecasted. This increase is primarily attributable to a reclass of expenses in 2005 which were erroneously charged to another project in 2004. This project is further discussed in the testimony of Patricia Q. West.

**4. SO2 Emissions Allowances (Project #5) – O&M**

SO2 expenses are estimated to be \$8,364,147 or 39% higher than originally projected. This variance is driven by higher market prices for allowances which is partially offset by lower projected tons. The price remains elevated, due to increased demand associated with the Clean Air Interstate Ruling (CAIR). The actual average purchase price for 2005 allowances is \$676 per ton versus the projected average price of \$351 per ton. As reflected in Exhibit #\_\_\_(JP-3), prices for SO2 allowances ranged from \$459 per ton in

1           September 2004 to a high of \$842 per ton in May 2005. The 2005  
2           reprojection shows a net decrease of 31,582 tons compared to the original  
3           projection filed in September 2004, primarily attributable to burning lower  
4           sulfur oil.

5

6           **5. Phase II Cooling Water Intake (Project #6) – O&M**

7           Project expenditures are estimated to be \$338,775 or 56% lower than  
8           originally forecasted. This variance is primarily due to the FDEP granting an  
9           approval to defer work for one year at Crystal River, resulting in this work  
10          being rolled over into the 2006 work plan. This project is further discussed  
11          in Patricia Q. West's testimony.

12

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

14          **A. Yes, it does.**



Docket No. 050007-EI  
Progress Energy Florida  
Witness: Javier Portuondo  
Exhibit No. \_\_ (JP-2)

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

**JANUARY 2005 - DECEMBER 2005**

Calculation of the Current Period Estimated/Actual Amount

Actuals for the period of January through June 2005

Estimated for the period of July through December 2005

**DOCKET NO. 050007-EI**

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Current Period Estimated/Actual Amount  
**January 2005 through December 2005**  
(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)	\$ (11,788,087)
2 Interest Provision (Form 42-2E, Line 6)	(206,220)
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 2006 to December 2006 (Lines 1 + 2 +3)	<u>\$ (11,994,307)</u>

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

Form 42-2E

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

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	ECRC Revenues (net of Revenue Taxes)	\$3,655,715	\$3,397,380	\$3,274,402	\$3,393,444	\$3,404,541	\$4,062,281	\$4,677,902	\$4,794,225	\$4,701,571	\$4,254,325	\$3,624,490	\$3,541,547	\$46,781,823
2	True-Up Provision (\$18,075,829)	(1,506,320)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(18,075,829)
3	ECRC Revenues Applicable to Period (Lines 1 + 2)	2,149,395	1,891,061	1,768,083	1,887,125	1,898,222	2,555,962	3,171,584	3,287,906	3,195,252	2,748,006	2,118,171	2,035,228	28,705,994
4	Jurisdictional ECRC Costs													
	a. O & M Activities (Form 42-5E, Line 9)	744,876	1,491,612	2,238,587	2,983,092	4,005,052	3,741,815	4,150,197	4,117,881	3,889,221	3,576,079	3,629,752	3,223,617	37,791,581
	b. Capital Investment Projects (Form 42-7E, Line 9)	108,707	121,172	147,342	281,404	381,571	337,852	303,029	267,227	236,434	203,877	171,339	142,546	2,702,500
	c. Total Jurisdictional ECRC Costs	853,583	1,612,784	2,385,929	3,264,496	4,386,623	4,079,667	4,453,226	4,385,108	4,125,655	3,779,956	3,801,091	3,366,163	40,494,081
5	Over/(Under) Recovery (Line 3 - Line 4c)	1,296,013	278,277	(617,846)	(1,377,371)	(2,488,402)	(1,523,705)	(1,281,642)	(1,097,202)	(930,403)	(1,031,950)	(1,682,920)	(1,330,935)	(11,788,087)
6	Interest Provision (Form 42-3E, Line 10)	(21,640)	(18,148)	(16,097)	(15,912)	(17,823)	(20,038)	(19,216)	(17,229)	(16,093)	(14,876)	(14,556)	(14,592)	(206,220)
7	Beginning Balance True-Up & Interest Provision	(18,075,829)	(15,295,136)	(13,528,688)	(12,656,312)	(12,543,276)	(13,543,182)	(13,580,606)	(13,375,146)	(12,983,258)	(12,423,435)	(11,963,942)	(12,155,099)	(18,075,829)
	a. Deferred True-Up from January 2004 to December 2004 (Order No. PSC-04-1187-FOF-E)	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886
8	True-Up Collected/(Refunded) (see Line 2)	1,506,320	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,318	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	18,075,829
9	End of Period Total True-Up (Lines 5+6+7+7a+8)	(9,333,250)	(7,566,802)	(6,694,426)	(6,581,390)	(7,581,296)	(7,618,720)	(7,413,260)	(7,021,372)	(6,461,549)	(6,002,056)	(6,193,213)	(6,032,421)	(6,032,421)
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 Net True-Up (Lines 9 + 10)	(\$9,333,250)	(\$7,566,802)	(\$6,694,426)	(\$6,581,390)	(\$7,581,296)	(\$7,618,720)	(\$7,413,260)	(\$7,021,372)	(\$6,461,549)	(\$6,002,056)	(\$6,193,213)	(\$6,032,421)	(\$6,032,421)

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

Form 42-3E

**Interest Provision**  
 (in Dollars)

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Beginning True-Up Amount (Form 42-2E, Lines 7 + 7a + 10)	<b>(\$12,113,943)</b>	(\$9,333,250)	(\$7,566,802)	(\$6,694,426)	(\$6,581,390)	(\$7,581,296)	(\$7,618,720)	(\$7,413,260)	(\$7,021,372)	(\$6,461,549)	(\$6,002,056)	(\$6,193,213)	
2	Ending True-Up Amount Before Interest (Line 1 + Form 42-2E, Lines 5 + 8)	(9,311,611)	(7,548,654)	(6,678,329)	(6,565,478)	(7,563,473)	(7,598,682)	(7,394,044)	(7,004,143)	(6,445,456)	(5,987,180)	(6,178,657)	(6,017,829)	
3	Total of Beginning & Ending True-Up (Lines 1 + 2)	<b>(21,425,554)</b>	<b>(16,881,904)</b>	<b>(14,245,131)</b>	<b>(13,259,904)</b>	<b>(14,144,863)</b>	<b>(15,179,978)</b>	<b>(15,012,764)</b>	<b>(14,417,403)</b>	<b>(13,466,828)</b>	<b>(12,448,729)</b>	<b>(12,180,713)</b>	<b>(12,211,042)</b>	
4	Average True-Up Amount (Line 3 x 1/2)	(10,712,777)	(8,440,952)	(7,122,566)	(6,629,952)	(7,072,432)	(7,589,989)	(7,506,382)	(7,208,702)	(6,733,414)	(6,224,365)	(6,090,357)	(6,105,521)	
5	Interest Rate (First Day of Reporting Business Month)	2.34%	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	2.87%	2.87%	2.87%	2.87%	2.87%	
6	Interest Rate (First Day of Subsequent Business Month)	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	
7	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	4.84%	5.15%	5.43%	5.76%	6.04%	6.33%	6.14%	5.74%	5.74%	5.74%	5.74%	5.74%	
8	Average Interest Rate (Line 7 x 1/2)	2.420%	2.575%	2.715%	2.880%	3.020%	3.165%	3.070%	2.870%	2.870%	2.870%	2.870%	2.870%	
9	Monthly Average Interest Rate (Line 8 x 1/12)	0.202%	0.215%	0.226%	0.240%	0.252%	0.264%	0.256%	0.239%	0.239%	0.239%	0.239%	0.239%	
10	Interest Provision for the Month (Line 4 x Line 9)	<b>(\$21,640)</b>	<b>(\$18,148)</b>	<b>(\$16,097)</b>	<b>(\$15,912)</b>	<b>(\$17,823)</b>	<b>(\$20,038)</b>	<b>(\$19,216)</b>	<b>(\$17,229)</b>	<b>(\$16,093)</b>	<b>(\$14,876)</b>	<b>(\$14,556)</b>	<b>(\$14,592)</b>	<b>(\$206,220)</b>

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Current Period Estimated/Actual Amount  
**January 2005 to December 2005**

Form 42 4E

**Variance Report of O&M Activities**  
(In Dollars)

<u>Line</u>	(1) Estimated/ Actual	(2) Original Projection	(3) Variance Amount	(4) Percent
<b>1</b>	<b>Description of O&amp;M Activities</b>			
1	\$ 1,214,522	\$ 1,149,748	\$ 64,775	6%
1a	(25,000)	(25,000)	0	0%
2	7,815,572	7,354,748	460,825	6%
3a	1,264,000	1,056,000	208,000	20%
4	6,716	0	6,716	100%
5	29,799,292	21,435,145	8,364,147	39%
6	262,857	600,632	(337,775)	-56%
6a	(287,500)	(287,500)	0	0%
7	0	0	0	0%
8	50,000	0	50,000	100%
9	72,000	0	72,000	100%
10	80,000	0	80,000	100%
<b>2</b>	<b>\$ 40,252,459</b>	<b>\$ 31,283,773</b>	<b>\$ 8,968,687</b>	<b>29%</b>
<b>3</b>	<b>\$ 29,799,292</b>	<b>\$ 21,435,145</b>	<b>\$ 8,364,147</b>	<b>39%</b>
<b>4</b>	<b>\$ 10,453,168</b>	<b>\$ 9,848,627</b>	<b>\$ 604,540</b>	<b>6%</b>

Notes:

Column (1) is the End of Period Totals on Form 42-5E  
Column (2) is the approved Projected amount in accordance with FPSC Order No. PSC-04-1187-FOF-EI.  
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 2005 to December 2005

Form 42-5E

**O&M Activities**  
(in Dollars)

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total	Method of Classification Demand	Energy
<b>1 Description of O&amp;M Activities</b>																
1	Substation Environmental Investigation, Remediation, and Pollution Prevention	\$2,297	\$76,693	\$12,363	\$15,030	\$7,439	\$4,864	183,663	182,127	182,127	182,127	182,127	183,667	\$ 1,214,522	\$ 1,214,522	\$ -
1a	Substation Environmental Investigation, Remediation, and Pollution Prevention - Costs Included in Base Rates	(2,087)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(25,000)	(25,000)	0
2	Distribution System Environmental Investigation, Remediation, and Pollution Prevention	328,650	591,290	1,311,897	797,929	1,244,329	838,641	451,496	449,960	449,960	449,960	449,960	451,500	7,815,572	7,815,572	0
3a		(55,011)	184,155	31,011	23,331	82,937	116,791	146,798	146,798	146,798	146,798	146,798	146,798	1,264,000	1,264,000	0
4	Above Ground Tank Secondary Containment - Intm	0	0	1,398	0	0	317	833	833	833	833	833	833	6,716	6,716	0
5	SO2 Emissions Allowances Energy	511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	3,617,964	3,589,880	3,355,774	3,030,472	3,110,095	2,660,093	29,799,292	0	29,799,292
6		1,100	2,346	2,573	2,349	0	4,826	6,135	6,138	6,138	6,138	6,138	6,138	50,019	50,019	0
6a		1,956	2,364	7,065	14,430	21,237	34,690	21,851	21,849	21,849	21,849	21,849	21,849	212,838	212,838	0
		(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(277,500)	(277,500)	0
		(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(10,000)	(10,000)	0
7		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8		0	0	0	0	0	0	8,333	8,333	8,333	8,333	8,333	8,333	50,000	50,000	0
9		0	0	0	0	0	0	12,000	12,000	12,000	12,000	12,000	12,000	72,000	72,000	0
10		0	0	0	0	0	0	13,332	13,332	13,332	13,332	13,332	13,339	80,000	80,000	0
2	<b>Total of O&amp;M Activities</b>	<b>764,880</b>	<b>1,586,524</b>	<b>2,314,122</b>	<b>3,202,426</b>	<b>4,204,124</b>	<b>3,917,974</b>	<b>\$ 4,436,364</b>	<b>\$ 4,405,209</b>	<b>\$ 4,171,103</b>	<b>\$ 3,845,801</b>	<b>\$ 3,925,424</b>	<b>\$ 3,478,509</b>	<b>\$ 40,252,459</b>	<b>\$ 10,453,168</b>	<b>\$ 29,799,292</b>
3	<b>Recoverable Costs Allocated to Energy</b>	<b>511,933</b>	<b>755,717</b>	<b>973,856</b>	<b>2,375,398</b>	<b>2,874,223</b>	<b>2,943,887</b>	<b>3,617,964</b>	<b>3,589,880</b>	<b>3,355,774</b>	<b>3,030,472</b>	<b>3,110,095</b>	<b>2,660,093</b>	<b>29,799,292</b>		
4	Recoverable Costs Allocated to Demand - Transm	210	74,610	10,280	12,947	5,356	2,781	181,580	180,044	180,044	180,044	180,044	181,584	1,189,522		
	Recoverable Costs Allocated to Demand - Distrib	328,650	591,290	1,311,897	797,929	1,244,329	838,641	464,828	463,292	463,292	463,292	463,292	464,839	7,895,572		
	Recoverable Costs Allocated to Demand - Prod-Base	(22,025)	(20,779)	(20,552)	(20,776)	(23,125)	(18,299)	3,343	3,346	3,346	3,346	3,346	3,346	(105,481)		
	Recoverable Costs Allocated to Demand - Prod-Intm	(53,888)	185,686	38,641	36,927	103,341	150,965	168,649	168,647	168,647	168,647	168,647	168,647	1,473,554		
	Recoverable Costs Allocated to Demand - Prod-Peaking	0	0	0	0	0	0	0	0	0	0	0	0	0		
5	Retail Energy Jurisdictional Factor	0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94180	0.94090	0.93840	0.93580	0.92910	0.93260			
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			
	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			
	Retail Production Demand Jurisdictional Factor - Base	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957			
	Retail Production Demand Jurisdictional Factor - Intm	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574			
	Retail Production Demand Jurisdictional Factor - Peaking	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562			
7	Jurisdictional Energy Recoverable Costs (A)	485,210	708,485	911,724	2,167,551	2,695,446	2,791,982	3,407,398	3,377,718	3,149,058	2,835,916	2,889,589	2,480,803	27,900,880		
8	Jurisdictional Demand Recoverable Costs - Transm (B)	151	53,805	7,413	9,337	3,862	2,005	130,946	129,838	129,838	129,838	129,838	130,949	857,820		
	Jurisdictional Demand Recoverable Costs - Distrib (B)	327,102	588,505	1,305,718	794,171	1,238,468	834,691	462,639	461,110	461,110	461,110	461,110	462,650	7,858,384		
	Jurisdictional Demand Recoverable Costs - Prod-Base (B)	(21,134)	(19,939)	(19,721)	(19,936)	(22,190)	(17,559)	3,208	3,211	3,211	3,211	3,211	3,211	(101,216)		
	Jurisdictional Demand Recoverable Costs - Prod-Intm (B)	(46,653)	160,756	33,453	31,969	89,466	130,696	146,006	146,004	146,004	146,004	146,004	146,004	1,275,713		
	Jurisdictional Demand Recoverable Costs - Prod-Peaking (B)	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	<b>Total Jurisdictional Recoverable Costs for O&amp;M Activities (Lines 7 + 8)</b>	<b>\$744,676</b>	<b>\$1,491,612</b>	<b>\$2,238,587</b>	<b>\$2,983,092</b>	<b>\$4,005,052</b>	<b>\$3,741,815</b>	<b>\$4,150,197</b>	<b>\$4,117,881</b>	<b>\$3,889,221</b>	<b>\$3,576,079</b>	<b>\$3,629,752</b>	<b>\$3,223,617</b>	<b>\$37,791,581</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 2005 to December 2005

Form 42 6E

**Variance Report of Capital Investment Activities**  
 (In Dollars)

<u>Line</u>	<b>(1)</b> Estimated/ Actual	<b>(2)</b> Original Projection	<b>(3)</b> Variance Amount	<b>(4)</b> Percent
<b>1</b> Description of Capital Investment Activities				
3) Pipeline Integrity Management - Bartow/Anclote Pipeline	\$ 460,874	\$ 315,953	\$ 144,921	46%
4 Above Ground Tank Secondary Containment	220,050	237,295	(17,245)	-7%
5 SO2 Emissions Allowances	2,279,456	476,234	1,803,222	379%
10 Sea Turtle - Coastal Street Lighting	3,081	0	3,081	100%
<b>2</b> Total Capital Investment Activities - Recoverable Costs	\$ 2,963,461	\$ 1,029,482	\$ 1,933,979	188%
<b>3</b> Recoverable Costs Allocated to Energy	\$ 2,279,456	\$ 476,234	\$ 1,803,222	379%
<b>4</b> Recoverable Costs Allocated to Demand	\$ 684,005	\$ 553,248	\$ 130,757	24%

Notes:

Column (1) is the End of Period Totals on Form 42-7E

Column (2) is the approved Projected amount in accordance with FPSC Order No. PSC-04-1187-FOF-EI.

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 2005 to December 2005

**Capital Investment Projects-Recoverable Costs**  
 (in Dollars)

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1 Description of Investment Project (A)														
3b	Pipeline Integrity Management - Bartow/Anclote Pipeline-Intrm	\$24,392	\$30,656	\$34,078	\$39,222	\$41,926	\$41,823	\$41,720	\$41,617	\$41,514	\$41,411	\$41,309	\$41,206	\$460,874
4a	Above Ground Tank Secondary Containment - Turner CTs-Pkg	6,924	6,924	6,924	6,924	6,924	6,924	7,091	7,424	8,276	8,438	8,433	8,428	89,634
4b	Above Ground Tank Secondary Containment - Bartow CTs-Pkg	2,616	2,607	2,597	2,588	2,579	2,569	2,560	2,550	2,541	2,532	2,522	2,513	30,774
4c	Above Ground Tank Secondary Containment - Crystal River 1&2-Base	544	542	540	538	536	534	533	531	529	527	525	523	6,402
4d	Above Ground Tank Secondary Containment - Intercession City CTs-Pkg	0	0	391	1,233	2,830	4,651	6,419	8,602	15,463	16,514	16,473	16,432	89,008
4e	Above Ground Tank Secondary Containment - Avon Park CTs-Pkg	0	0	21	42	42	42	120	275	430	585	740	1,475	3,772
4f	Above Ground Tank Secondary Containment - Bayboro CTs-Pkg	0	0	0	0	0	0	4	11	19	26	33	58	151
4g	Above Ground Tank Secondary Containment - Suwannee CTs-Pkg	0	0	0	0	0	0	7	22	37	52	67	124	309
4h	Above Ground Tank Secondary Containment - DeBary CTs-Pkg	0	0	0	0	0	0	0	0	0	0	0	0	0
5	SO2 Emissions Allowances Energy	84,358	92,806	117,406	261,796	357,787	306,363	269,945	229,941	191,393	155,949	121,869	89,844	2,279,456
10	Sea Turtle - Coastal Street Lighting	0	0	0	0	0	0	86	257	428	599	770	941	3,081
2	Total Investment Projects - Recoverable Costs	118,834	133,535	161,957	312,343	412,624	362,906	328,485	291,230	260,630	226,633	192,741	161,544	\$2,963,461
3	Recoverable Costs Allocated to Energy	84,358	92,806	117,406	261,796	357,787	306,363	269,945	229,941	191,393	155,949	121,869	89,844	2,279,456
	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	86	257	428	599	770	941	3,081
4	Recoverable Costs Allocated to Demand - Production - Base	544	542	540	538	536	534	533	531	529	527	525	523	6,402
	Recoverable Costs Allocated to Demand - Production - Intermediate	24,392	30,656	34,078	39,222	41,926	41,823	41,720	41,617	41,514	41,411	41,309	41,206	460,874
	Recoverable Costs Allocated to Demand - Production - Peaking	9,540	9,531	9,933	10,787	12,375	14,186	16,201	18,884	26,766	28,147	28,268	29,030	213,648
5	Retail Energy Jurisdictional Factor	0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94180	0.94090	0.93840	0.93580	0.92910	0.93260	
	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	
6	Retail Demand Jurisdictional Factor - Production - Base	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	
	Retail Demand Jurisdictional Factor - Production - Intermediate	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	
	Retail Demand Jurisdictional Factor - Production - Peaking	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
7	Jurisdictional Energy Recoverable Costs (B)	79,954	87,005	109,915	238,889	335,533	290,555	254,234	216,352	179,603	145,937	113,228	83,789	2,134,994
	Jurisdictional Demand Recoverable Costs - Distrib (B)	0	0	0	0	0	0	86	256	426	596	766	937	3,066
8	Jurisdictional Demand Recoverable Costs - Production - Base (C)	522	520	518	516	514	512	511	510	508	506	504	502	6,143
	Jurisdictional Demand Recoverable Costs - Production - Intermediate (C)	21,117	26,540	29,503	33,956	36,297	36,208	36,119	36,030	35,940	35,851	35,763	35,674	398,997
	Jurisdictional Demand Recoverable Costs - Production - Peaking (C)	7,113	7,107	7,406	8,043	9,227	10,577	12,080	14,080	19,957	20,987	21,077	21,645	159,300
9	Total Jurisdictional Recoverable costs for Investment Projects (Lines 7 + 8)	\$108,707	\$121,172	\$147,342	\$281,404	\$381,571	\$337,852	\$303,029	\$267,227	\$236,434	\$203,877	\$171,339	\$142,546	\$2,702,500

Notes:  
 (A) Each project's Total System recoverable Expenses on Form 42-8E, Pages 1 - 13, Line 9 and Total Return Component on Page 14, Line 5.  
 (B) Line 3 x Line 5  
 (C) Line 4 x Line 6



**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$616,966	\$7,903	\$505,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,130,629
b.	Clearings to Plant		1,510,007	616,966	7,903	505,760	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 (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$33,952	1,543,959	2,160,925	2,168,828	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	
3	Less: Accumulated Depreciation (C)	(102)	(4,735)	(11,218)	(17,724)	(25,748)	(33,772)	(41,795)	(49,819)	(57,843)	(65,867)	(73,890)	(81,914)	(89,938)	
4	CWIP - Non-Interest Bearing	1,510,007	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$1,543,858	1,539,224	2,149,707	2,151,104	2,648,840	2,640,816	2,632,792	2,624,769	2,616,745	2,608,721	2,600,697	2,592,674	2,584,650	
6	Average Net Investment		1,541,541	1,844,466	2,150,405	2,399,972	2,644,828	2,636,804	2,628,781	2,620,757	2,612,733	2,604,709	2,596,685	2,588,662	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D) 10.75%		13,810	16,523	19,264	21,500	23,693	23,621	23,549	23,478	23,406	23,334	23,262	23,190	\$258,630
b.	Debt Component (Line 6 x 2.5% x 1/12) 2.57%		3,301	3,950	4,605	5,140	5,664	5,647	5,630	5,613	5,596	5,578	5,561	5,544	61,831
8	Investment Expenses														
a.	Depreciation (E) 3.6%		4,632	6,483	6,506	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	89,835
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 (I)		2,649	3,699	3,702	4,558	4,544	4,531	4,517	4,503	4,489	4,475	4,462	4,448	50,577
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		24,392	30,656	34,078	39,222	41,926	41,823	41,720	41,617	41,514	41,411	41,309	41,206	460,874
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		24,392	30,656	34,078	39,222	41,926	41,823	41,720	41,617	41,514	41,411	41,309	41,206	460,874
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)		0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		21,117	26,540	29,503	33,956	36,297	36,208	36,119	36,030	35,940	35,851	35,763	35,674	398,997
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$21,117	\$26,540	\$29,503	\$33,956	\$36,297	\$36,208	\$36,119	\$36,030	\$35,940	\$35,851	\$35,763	\$35,674	\$398,997

**Notes:**

- (A) Description and reason for Other adjustments to net investment for Bartow/Anclote Pipeline project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Bartow/Anclote Pipeline.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Bartow/Anclote Pipeline.
- (D) Line 6 x 10.7500% x 1/12. Base on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.60% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for Other adjustments to investment expenses for Bartow/Anclote Pipeline project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x 89% @ .021064 x 1/12 + 11% @ .017303 x 1/12. Ratio from Property Tax Administration Department, based on plant allocation reported and 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

Form 42-8E  
 Page 2 of 11

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000	\$30,000	\$0	\$0	\$0	\$90,000
b.	Clearings to Plant		0	0	0	0	0	0	0	0	90,000	0	0	0	0
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	90,000	90,000	90,000	90,000	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	(360)	(720)	(1,080)	(1,440)	
4	CWIP - Non-Interest Bearing	623,791	623,792	623,792	623,792	623,792	623,792	623,792	653,792	683,792	623,792	623,792	623,792	623,792	
5	Net Investment (Lines 2 + 3 + 4)	\$623,791	623,792	623,792	623,792	623,792	623,792	623,792	653,792	683,792	713,432	713,072	712,712	712,352	
6	Average Net Investment		623,792	623,792	623,792	623,792	623,792	623,792	638,792	668,792	698,612	713,252	712,892	712,532	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D)	10.75%	5,588	5,588	5,588	5,588	5,588	5,588	5,723	5,991	6,258	6,390	6,386	6,383	\$70,660
b.	Debt Component (Line 6 x 2.5% x 1/12)	2.57%	1,336	1,336	1,336	1,336	1,336	1,336	1,368	1,432	1,496	1,528	1,527	1,526	16,893
8	Investment Expenses														
a.	Depreciation (E) 4.80%		0	0	0	0	0	0	0	0	360	360	360	360	1,440
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 (I)		0	0	0	0	0	0	0	0	161	161	160	159	641
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		6,924	6,924	6,924	6,924	6,924	6,924	7,091	7,424	8,276	8,438	8,433	8,428	89,634
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		6,924	6,924	6,924	6,924	6,924	6,924	7,091	7,424	8,276	8,438	8,433	8,428	89,634
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)	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		5,163	5,163	5,163	5,163	5,163	5,163	5,287	5,535	6,171	6,292	6,288	6,284	66,833
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)	\$5,163	\$5,163	\$5,163	\$5,163	\$5,163	\$5,163	\$5,163	\$5,287	\$5,535	\$6,171	\$6,292	\$6,288	\$6,284	\$66,833

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Turner CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Turner CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Turner CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 4.80% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Turner CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line less multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .021580 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Return on Capital Investments, Depreciation and Taxes**  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - BARTOW CTs (Project 4b)  
 (in Dollars)

Line	Description	Beginning of Period	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b.	Clearings 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 (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698
3	Less: Accumulated Depreciation (C)	(6,571)	(7,302)	(8,032)	(8,762)	(9,492)	(10,222)	(10,952)	(11,682)	(12,413)	(13,143)	(13,873)	(14,603)	(15,333)	(15,333)
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)	\$147,128	146,396	145,666	144,936	144,206	143,476	142,746	142,016	141,285	140,555	139,825	139,095	138,365	
6	Average Net Investment		146,782	146,031	145,301	144,571	143,841	143,111	142,381	141,651	140,920	140,190	139,460	138,730	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D)	10.75%	1,315	1,308	1,302	1,295	1,289	1,282	1,275	1,269	1,262	1,256	1,249	1,243	\$15,345
b.	Debt Component (Line 6 x 2.5% x 1/12)	2.57%	314	313	311	310	308	306	305	303	302	300	299	297	3,669
8	Investment Expenses														
a.	Depreciation (E)	5.70%	730	730	730	730	730	730	730	730	730	730	730	730	8,761
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 (I)		257	256	254	253	252	251	249	248	247	245	244	243	2,999
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,616	2,607	2,597	2,588	2,579	2,569	2,560	2,550	2,541	2,532	2,522	2,513	30,774
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		2,616	2,607	2,597	2,588	2,579	2,569	2,560	2,550	2,541	2,532	2,522	2,513	30,774
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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		1,951	1,944	1,936	1,930	1,923	1,915	1,909	1,901	1,895	1,888	1,880	1,874	22,946
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$1,951	\$1,944	\$1,936	\$1,930	\$1,923	\$1,915	\$1,909	\$1,901	\$1,895	\$1,888	\$1,880	\$1,874	\$22,946

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Bartow CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Bartow CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.70% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line 10s multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .021064 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**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 Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b.	Clearings 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 (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	
3	Less: Accumulated Depreciation (I)	(1,462)	(1,608)	(1,754)	(1,900)	(2,047)	(2,193)	(2,339)	(2,485)	(2,631)	(2,777)	(2,924)	(3,070)	(3,216)	
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)	\$31,631	31,484	31,338	31,192	31,045	30,899	30,753	30,607	30,461	30,315	30,168	30,022	29,876	
6	Average Net Investment		31,557	31,411	31,265	31,118	30,972	30,826	30,680	30,534	30,388	30,242	30,095	29,949	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up or Taxes (D)	10.75%	283	281	280	279	277	276	275	274	272	271	270	268	\$3,306
b.	Debt Component (Line 6 x 2.57% x 1/12)	2.57%	68	67	67	67	66	66	66	65	65	65	64	64	790
8	Investment Expenses														
a.	Depreciation (E) 5.30%		146	146	146	146	146	146	146	146	146	146	146	146	1,754
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 (I)		47	47	47	47	46	46	46	46	45	45	45	45	552
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		544	542	540	538	536	534	533	531	529	527	525	523	6,402
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		544	542	540	538	536	534	533	531	529	527	525	523	6,402
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 (Base)		0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		522	520	518	516	514	512	511	510	508	506	504	502	6,143
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$522	\$520	\$518	\$516	\$514	\$512	\$511	\$510	\$508	\$506	\$504	\$502	\$6,143

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Crystal River 1&2 project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Crystal River 1&2.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Crystal River 1&2.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.30% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Crystal River 1&2 project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .018008 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Return on Capital Investments, Depreciation and Taxes**  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - INTERCESSION CITY CTs (Project 4d)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$70,366	\$81,456	\$206,200	\$121,883	\$196,698	\$196,698	\$196,698	\$0	\$0	\$0	\$1,070,000
b.	Clearings to Plant		0	0	0	0	0	0	0	0	1,070,000	0	0	0	0
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	1,070,000	1,070,000	1,070,000	1,070,000	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	(3,299)	(6,598)	(9,898)	(13,197)	
4	CWIP - Non-Interest Bearing	0	0	0	70,366	151,822	358,022	479,905	676,604	873,302	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	70,366	151,822	358,022	479,905	676,604	873,302	1,066,701	1,063,402	1,060,103	1,056,804	
6	Average Net Investment		0	0	35,183	111,094	254,922	418,964	578,254	774,953	970,001	1,065,051	1,061,752	1,058,453	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D)	10.75%	0	0	315	995	2,284	3,753	5,180	6,942	8,690	9,541	9,512	9,482	\$56,694
b.	Debt Component (Line 6 x 2.7% x 1/12)	2.57%	0	0	75	238	546	897	1,238	1,660	2,077	2,281	2,274	2,267	13,554
8	Investment Expenses														
a.	Depreciation (E)	3.7%	0	0	0	0	0	0	0	0	3,299	3,299	3,299	3,299	13,197
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 (I)		0	0	0	0	0	0	0	0	1,397	1,393	1,388	1,384	5,563
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	391	1,233	2,830	4,651	6,419	8,602	15,463	16,514	16,473	16,432	89,008
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	391	1,233	2,830	4,651	6,419	8,602	15,463	16,514	16,473	16,432	89,008
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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	292	919	2,110	3,468	4,786	6,414	11,530	12,313	12,283	12,252	66,366
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$292	\$919	\$2,110	\$3,468	\$4,786	\$6,414	\$11,530	\$12,313	\$12,283	\$12,252	\$66,366

**Notes:**

- (A) Description and reason for Other adjustments to net investment for Above Ground Tank Secondary Containment - Intercession City CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Intercession City CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Intercession City CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.70% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FCF-EI).
- (F) Description and reason for Other adjustments to investment expenses for Above Ground Tank Secondary Containment - Intercession City CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line item multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .015717 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Return on Capital Investments, Depreciation and Taxes**  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - AVON PARK CTs (Project 4e)  
(in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$3,812	\$0	\$0	\$0	\$13,967	\$13,967	\$13,967	\$13,967	\$13,967	\$13,967	\$87,615
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	87,615
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	87,615
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	(402)
4	CWIP - Non-Interest Bearing	0	0	0	3,812	3,812	3,812	3,812	17,779	31,746	45,714	59,681	73,648	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	3,812	3,812	3,812	3,812	17,779	31,746	45,714	59,681	73,648	0	87,213
6	Average Net Investment		0	0	1,906	3,812	3,812	3,812	10,796	24,763	38,730	52,697	66,664	80,431	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D)	10.75%	0	0	17	34	34	34	97	222	347	472	597	721	\$2,575
b.	Debt Component (Line 6 x 2.5% x 1/12)	2.57%	0	0	4	8	8	8	23	53	83	113	143	172	616
8	Investment Expenses														
a.	Depreciation (E) 5.5%		0	0	0	0	0	0	0	0	0	0	0	0	402
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 (I)		0	0	0	0	0	0	0	0	0	0	0	0	180
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	21	42	42	42	120	275	430	585	740	1,475	3,772
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	21	42	42	42	120	275	430	585	740	1,475	3,772
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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	16	31	31	31	89	205	321	436	552	1,100	2,812
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$16	\$31	\$31	\$31	\$89	\$205	\$321	\$436	\$552	\$1,100	\$2,812

**Notes:**

- (A) Description and reason for Other adjustments to net investment for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Avon Park CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Avon Park CTs.
- (D) Line 6 x 10.7500% x 1/12. Base on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.50% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for Other adjustments to investment expenses for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line lbs multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .024808 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

Form 42-8E  
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**Return on Capital Investments, Depreciation and Taxes**  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - BAYBORO CTs (Project 4)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$667	\$667	\$667	\$667	\$667	\$667	\$4,000
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	4,000	
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	4,000	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	(10)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	667	1,333	2,000	2,667	3,333	0	
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	667	1,333	2,000	2,667	3,333	3,990	
6	Average Net Investment		0	0	0	0	0	0	333	1,000	1,667	2,333	3,000	3,662	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up for Taxes (D)	10.75%	0	0	0	0	0	0	3	9	15	21	27	33	\$107
b.	Debt Component (Line 6 x 2.57% x 1/12)	2.57%	0	0	0	0	0	0	1	2	4	5	6	8	26
8	Investment Expenses														
a.	Depreciation (E)	3.00%	0	0	0	0	0	0	0	0	0	0	0	10	10
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 (I)		0	0	0	0	0	0	0	0	0	0	0	7	7
e.	Other (F)		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	4	11	19	26	33	58	151
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	4	11	19	26	33	58	151
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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	0	0	0	0	3	8	14	19	25	43	113
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$3	\$8	\$14	\$19	\$25	\$43	\$113

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Avon Park CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Avon Park CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.00% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .022088 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Return on Capital Investments, Depreciation and Taxes**  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - SUWANNEE CTs (Project 4g)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$1,333	\$8,000
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	8,000	
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	8,000	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	(31)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	1,333	2,667	4,000	5,333	6,667	0	
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	1,333	2,667	4,000	5,333	6,667	7,969	
6	Average Net Investment		0	0	0	0	0	0	667	2,000	3,333	4,667	6,000	7,318	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D) 10.75%		0	0	0	0	0	0	6	18	30	42	54	66	\$215
b.	Debt Component (Line 6 x 2.5% x 1/12) 2.57%		0	0	0	0	0	0	1	4	7	10	13	16	51
8	Investment Expenses														
a.	Depreciation (E) 4.60%		0	0	0	0	0	0	0	0	0	0	0	31	31
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 (I)		0	0	0	0	0	0	0	0	0	0	0	12	12
e.	Other (F)		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	7	22	37	52	67	124	309
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	7	22	37	52	67	124	309
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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	0	0	0	0	5	16	28	39	50	92	230
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$5	\$16	\$28	\$39	\$50	\$92	\$230

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Avon Park CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Avon Park CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 4.60% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line 10 multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .018166 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

Line Bc Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI)



**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECHR)  
Calculation of the Current Period Estimated/Actual Amount  
January 2005 to December 2005

Return on Capital Investments, Depreciation and Taxes  
For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - DeBARY CTs (Project 41)  
(in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings 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 (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
	3 Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Debt Component (Line 6 x 2.57% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	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 (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		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	0
	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	0	0
10	Energy Jurisdictional Factor - Production (Peaking)		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)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:  
(A) Description and reason for Other Adjustments to net investment for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.  
(B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Avon Park CTs.  
(C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Avon Park CTs.  
(D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).  
(E) Line 2 x 4.30% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).  
(F) Description and reason for Other Adjustments to investment expenses for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.  
(G) Line 9a x Line 10 x 1.00000 line lbs multiplier. None for this period.  
(H) Line 9b x Line 11.  
(I) Line 2 + 3 x 0.18518 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Schedule of Amortization and Return**  
 Deferred Gain on Sales of Emissions Allowances - (Project 5)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Working Capital Dr (Cr)														
a.	1581001 SO2 Emission Allowance Inventory	\$ 10,253,426	\$9,741,793	\$11,775,577	\$14,174,221	\$37,791,823	\$33,192,600	\$30,248,713	\$26,630,748	\$23,040,868	\$19,685,094	\$16,654,622	\$13,544,527	\$10,884,434	10,884,434
b.	25401FL Auctioned SO2 Allowance	(2,397,821)	(2,397,821)	(2,397,821)	(2,397,821)	(2,397,821)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)
2	Total Working Capital	\$ 7,855,605	\$7,343,972	\$9,377,756	\$11,776,400	\$35,394,002	\$29,072,206	\$26,128,320	\$22,510,354	\$18,920,474	\$15,564,700	\$12,534,228	\$9,424,133	\$6,764,040	\$6,764,040
3	Average Net Investment		7,599,789	8,360,864	10,577,078	23,585,201	32,233,104	27,600,263	24,319,337	20,715,414	17,242,587	14,049,464	10,979,181	8,094,087	
4	Return on Average Net Working Capital Balance														
a.	Equity Component Grossed Up For Taxes (A)	10.75%	68,081	74,899	94,753	211,284	288,755	247,252	217,861	185,576	154,465	125,860	98,355	72,510	\$1,839,651
b.	Debt Component (Line 3 x 257% x 1/12)	2.57%	16,276	17,906	22,653	50,512	69,033	59,111	52,084	44,366	36,928	30,089	23,514	17,335	439,805
5	Total Return Component (D)		84,358	92,806	117,406	261,796	357,787	306,363	269,945	229,941	191,393	155,949	121,869	89,844	2,279,456
6	Expense Dr (Cr)														
a.	5090001 SO2 allowance expense		511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	3,617,964	3,589,880	3,355,774	3,030,472	3,110,095	2,660,093	29,799,292
7	Net Expense (E)		511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	3,617,964	3,589,880	3,355,774	3,030,472	3,110,095	2,660,093	29,799,292
8	Total System Recoverable Expenses (Lines 5 + 7)		596,291	848,523	1,091,262	2,637,194	3,232,011	3,250,250	3,887,909	3,819,821	3,547,167	3,186,421	3,231,964	2,749,937	32,078,747
a.	Recoverable costs allocated to Energy		596,291	848,523	1,091,262	2,637,194	3,232,011	3,250,250	3,887,909	3,819,821	3,547,167	3,186,421	3,231,964	2,749,937	32,078,747
b.	Recoverable costs allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Energy Jurisdictional Factor		0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94180	0.94090	0.93640	0.93580	0.92910	0.93260	
10	Demand 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	Retail Energy-Related Recoverable Costs (B)		565,164	795,490	1,021,639	2,406,439	3,030,980	3,082,537	3,661,632	3,594,070	3,328,661	2,981,853	3,002,818	2,564,592	30,035,874
12	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total Jurisdictional Recoverable Costs (Lines 11 + 12)		\$ 565,164	\$ 795,490	\$ 1,021,639	\$ 2,406,439	\$ 3,030,980	\$ 3,082,537	\$ 3,661,632	\$ 3,594,070	\$ 3,328,661	\$ 2,981,853	\$ 3,002,818	\$ 2,564,592	\$ 30,035,874

**Notes:**

- (A) Line 3 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (B) Line 8a times Line 9
- (C) Line 8b times Line 10
- (D) Line 5 is reported on Capital Schedule
- (E) Line 7 is reported on O&M Schedule

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Current Period Estimated/Actual Amount  
 January 2005 to December 2005

**Return on Capital Investments, Depreciation and Taxes**  
 For Project: SEA TURTLE - COASTAL STREET LIGHTING - (Project 10)  
(in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$15,417	\$15,417	\$15,417	\$15,417	\$15,417	\$15,417	\$92,500
b.	Clearings 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 (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	15,417	30,833	46,250	61,667	77,083	92,500	
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	15,417	30,833	46,250	61,667	77,083	92,500	
6	Average Net Investment		0	0	0	0	0	0	7,708	23,125	38,542	53,958	69,375	84,792	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up for Taxes (D)	10.75%	0	0	0	0	0	0	69	207	345	483	621	760	\$2,486
b.	Debt Component (Line 6 x 2.57% x 1/12)	2.57%	0	0	0	0	0	0	17	50	83	116	149	182	594
8	Investment Expenses														
a.	Depreciation (E)	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
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 (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
e.	Other (F)		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	86	257	428	599	770	941	3,081
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	86	257	428	599	770	941	3,081
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 - Distribution		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
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	0	0	0	0	86	256	426	596	766	937	3,066
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$86	\$256	\$426	\$596	\$766	\$937	\$3,066

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Bartow CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Bartow CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.00% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .0187747 x 1/12. Based on 2004 Actual Property Tax Millage Rate.

**Source:**

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