

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Petition for Approval of Storm  
Cost Recovery Clause for Extraordinary  
Expenditures Related to Hurricanes  
Charley, Frances, Jeanne, and Ivan**

DOCKET NO. 041272-EI

Submitted for filing: September 12, 2005

**DIRECT TESTIMONY  
OF JAVIER PORTUONDO**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

R. ALEXANDER GLENN  
Deputy General Counsel  
PROGRESS ENERGY SERVICE  
COMPANY, LLC  
100 Central Avenue, Suite 1D  
St. Petersburg, FL 33701  
Telephone: (727) 820-5587  
Facsimile: (727) 820-5519

GARY L. SASSO  
Florida Bar No. 622575  
JAMES MICHAEL WALLS  
Florida Bar No. 0706272  
JOHN T. BURNETT  
Florida Bar No. 173304  
DIANNE M. TRIPLETT  
Florida Bar No. 0872431  
CARLTON FIELDS, P.A.  
Post Office Box 3239  
Tampa, FL 33601-3239  
Telephone: (813) 223-7000  
Facsimile: (813) 229-4133

DOCUMENT NUMBER - DATE

08639 SEP 12 '05

FPSC-COMMISSION CLERK

**FPSC DOCKET NO. 041272-EI**

**IN RE: PROGRESS ENERGY FLORIDA, INC.'S PETITION  
FOR APPROVAL OF STORM COST RECOVERY CLAUSE FOR  
EXTRAORDINARY EXPENDITURES RELATED TO HURRICANES  
CHARLEY, FRANCES, JEANNE, AND IVAN.**

**DIRECT TESTIMONY OF JAVIER PORTUONDO**

1 **I. INTRODUCTION, QUALIFICATIONS AND PURPOSE.**

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

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

5

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

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

9

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

12 **A. Yes.**

13

14 **Q. Have you previously filed testimony before this Commission in connection**  
15 **with Progress Energy Florida's Storm Costs Recovery Surcharge (SCRS)?**

16 **A. Yes, I have.**

17

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

2 **A.** The purpose of my testimony is to present, for Commission review and  
3 approval, Progress Energy Florida's calculation of the revenue requirements of  
4 its Storm Costs Recovery Surcharge (SCRS) factors for application on customer  
5 billings during the period January 2006 through December 2006. My testimony  
6 addresses the Operating and Maintenance ("O&M") expenses associated with  
7 PEF's storm activities in 2004 to be collected in 2006.

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 the following exhibits:

12 • Exhibit No. \_\_ (JP-1) – a summary and details of the projected O&M and  
13 storm costs recovery factors for the period January 2006 through December  
14 2006.

15 • Exhibit No. \_\_ (JP-2) – a summary of the 2004 storm costs.

16 These exhibits are true and correct.

17

18 **II. 2004 ACTUAL STORM COSTS AND 2006 FACTORS.**

19 **Q. Are all the costs illustrated in Exhibit No. \_\_\_\_ (JP-1) attributable to the**  
20 **2004 storm season previously approved by the Commission?**

21 **A.** Yes.

22

1 **Q. Has PEF adjusted its total actual storm costs to reflect the total costs that**  
2 **were incurred as a result of the 2004 storm season?**

3 **A.** Yes. The estimated storm costs that were included in the petition were estimated  
4 costs, since not all actuals had been incurred at the time the petition was filed in  
5 November of 2004. As shown in Exhibit No. \_\_\_\_ (JP-2), the total costs incurred  
6 for the 2004 storm season were \$384,224,236 and not \$366,337,926 as originally  
7 estimated. The increase in the O&M storm costs is primarily attributable to  
8 higher staging and logistics costs due to storm path changes and the  
9 inaccessibility of remote areas due to heavy flooding, higher contractor rates as  
10 well as higher vehicle, equipment rental and fuel costs. The increase in the  
11 O&M storm costs is less than five percent of the Company's initial storm cost  
12 estimate.

13  
14 **Q. What is the amount of capital expenditures associated with the 2004 storm**  
15 **season?**

16 **A.** The total capital expenditures associated with the 2004 storm season were  
17 \$53,754,654 as illustrated in Exhibit No. \_\_\_\_ (JP-2).

18  
19 **Q. As mandated per the Commission Order No. PSC-05-0748-FOF-EI, has**  
20 **PEF verified that it has only booked to plant in service the normal cost of**  
21 **new plant additions under normal operating conditions, and booked to the**  
22 **reserve (as extraordinary O&M) only the costs of new plant additions that**  
23 **exceed those normal amounts?**

1 A. Yes. PEF has only booked to plant in service the normal cost of new plant  
2 additions under normal operating conditions. For tax purposes, PEF has  
3 estimated the amount of extraordinary O&M that is being classified as capital to  
4 be \$30,098,372.

5  
6 **Q. As mandated per the Commission Order No. PSC-05-0748-FOF-EI, has**  
7 **PEF verified that it has only charged to the storm reserve only the costs of**  
8 **materials and supplies that PEF actually used during the 2004 post storm**  
9 **repair and restoration activities, thereby excluding any costs associated**  
10 **with replenishing supplies and inventories?**

11 A. Yes. PEF has only booked to the storm reserve the costs of materials and  
12 supplies that PEF actually used during the 2004 post storm repair and restoration  
13 activities.

14  
15 **Q. Will PEF recover the capital expenditures under the Storm Costs Recovery**  
16 **Surcharge?**

17 A. No. Only those capital expenditures above the level of what would have been  
18 incurred under normal operating conditions, whether related to labor or  
19 materials, will be classified as O&M and collected through the SCRS. Those  
20 capital expenditures incurred to date as a result of the four hurricanes that will  
21 not be charged to storm related O&M costs, will be capitalized and recovered  
22 through base rates.

23

1 **Q. Has PEF removed the adjustments ordered by the Commission from its**  
2 **total storm costs it is seeking to recover in 2006?**

3 **A.** Yes. As stated in Order NO. PSC-05-0748-FOF-EI, PEF has adjusted the total  
4 storm costs it is seeking to recover to limit the recovery to only those  
5 incremental costs, reasonably and prudently incurred during PEF's 2004  
6 hurricane restoration efforts, which were incurred over and above PEF's  
7 budgeted O&M expenses. The total adjustments to the recoverable O&M storm  
8 costs total \$27,316,897 as shown on Page 10 of 10 in Exhibit No. \_\_\_\_ (JP-1).

9  
10 **Q. What are the total jurisdictional costs for storm activities associated with**  
11 **the 2004 storm season?**

12 **A.** The total jurisdictional O&M costs to be recovered through the SCRS are  
13 calculated on Page 1 of 10 in Exhibit No. \_\_\_\_ (JP-1). These costs total  
14 \$240,440,617.

15  
16 **Q. What is the projected unrecovered balance at year end 2005, which will be**  
17 **applied to 2006 and 2007?**

18 **A.** The unrecovered balance of the 2004 storm costs to be applied to the 2006 and  
19 2007 time period is \$192,936,000 as shown on Page 1 of 10, line 10, in Exhibit  
20 No. \_\_\_\_ (JP-1).

21  
22 **Q. Have you prepared schedules showing the calculation of the recoverable**  
23 **O&M storm costs for 2006?**

1 A. Yes. Page 3 of 10 in Exhibit No. \_\_\_\_ (JP-1) summarizes the recoverable  
2 O&M costs for these projects in the amount of \$124,624,479.  
3

4 **Q. Please describe how the proposed SCRS factors were developed.**

5 A. The SCRS factors were calculated as shown on page 4 of 10 and page 5 of 10 in  
6 Exhibit No. \_\_\_\_ (JP-1). The demand allocation factors were calculated by  
7 determining the percentage each rate class contributes to the monthly system peaks  
8 and then adjusted for losses for each rate class. The energy allocation factors were  
9 calculated by determining the percentage each rate class contributes to total  
10 kilowatt-hour sales and then adjusted for losses for each rate class. This  
11 information was obtained from Progress Energy Florida's July 2003 load research  
12 study. Exhibit No. \_\_\_\_ (JP-1) page 5 of 10 presents the calculation of the  
13 proposed ECRC billing factors by rate class.  
14

15 **Q. Please summarize your testimony.**

16 A. My testimony supports the approval of an average storm billing factor of 0.361  
17 cents per kWh which includes O&M revenue requirements of \$124,714,209  
18 associated with the 2004 storm season. My testimony also demonstrates that the  
19 projected storm expenditures for 2006 are appropriate for recovery through the  
20 SCRS.  
21

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

23 A. Yes, it does.  
24  
25

**STORM COST RECOVERY SURCHARGE  
EXHIBIT (JP-1)  
REVISED 08/29/2005**

**CALCULATION OF PROJECTED PERIOD AMOUNT  
JANUARY 2006 - DECEMBER 2006**



**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
Total O&M Storm Costs Incurred and Proposed Recovery

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_ (JP-1)  
PAGE 1 OF 10

Line	Total Storm Costs 2004 & 2005	Percent of Total		
1 Total O&M Storm Costs Incurred by Function				
a Transmission Costs	67,225,009	20.34%		
b Distribution Costs	256,962,048	77.76%		
c Production Demand Related - Base	607,806	0.18%		
d Production Demand Related - Intermediate	-	0.00%		
e Production Demand Related - Peaking	475,719	0.14%		
f Production Energy Related	5,198,999	1.57%		
2 Total Costs Incurred	<u>\$ 330,469,581</u>	<u>100.00%</u>		
3 Insurance Proceeds				
a Amount Claimed	0	0		
b Less Deductible	0	0		
c Net Proceeds	<u>0</u>	<u>0</u>		
4 Storm Damage Reserve Funds (balance @ 12/31/04)	46,915,219			
5 FPSC Adjustments to Incurred Costs	(27,316,897)			
6 Total Recoverable Storm Costs (A)				
	Total Costs Incurred	Application of Storm Reserve	FPSC Adjusts	Total Recoverable
a Transmission Costs	67,225,009	(9,543,620)	(5,556,876)	\$ 52,124,513
b Distribution Costs	256,962,048	(36,479,699)	(21,240,702)	199,241,648
c Production Demand Related - Base	607,806	(86,287)	(50,242)	471,277
d Production Demand Related - Intermediate	0	0	0	-
e Production Demand Related - Peaking	475,719	(67,536)	(39,323)	368,860
f Production Energy Related	5,198,999	(738,078)	(429,754)	4,031,168
Total	<u>330,469,581</u>	<u>(46,915,219)</u>	<u>(27,316,897)</u>	<u>\$ 256,237,465</u>
7 Jurisdictional Storm Costs				% of Total
a Transmission Costs			\$ 37,589,592	15.63%
b Distribution Costs			198,303,220	82.47%
c Production Demand Related - Base			452,223	0.19%
d Production Demand Related - Intermediate			-	0.00%
e Production Demand Related - Peaking			275,030	0.11%
f Production Energy Related			3,820,552	1.59%
Total			<u>\$ 240,440,617</u>	<u>100.00%</u>
8 Recovery of Costs by Period Based on Sales - MWH			MWH	% of Total
a Retail Sales Aug 2005-Dec 2005			17,310,623	21.52%
b Retail Sales Jan 2006-Dec 2006			40,148,242	49.92%
c Retail Sales Jan 2007-Jul 2007			22,972,667	28.56%
d Retail Sales Aug 2005-Jul 2007			<u>80,431,552</u>	<u>100.00%</u>
9 2005 Beginning Deferred Cost			240,440,617	
a Less Amount Recovered in 2005			<u>47,504,617</u>	
b Ending Deferred Costs			192,936,000	
10 2006 Beginning Deferred Cost			192,936,000	
a Less Amount Recovered in 2006			<u>122,723,816</u>	
b Ending Deferred Costs			70,212,183	
11 2007 Beginning Deferred Cost			70,212,183	
a Less Amount Recovered in 2007			<u>70,212,183</u>	
b Ending Deferred Costs			0	
12 Amortization for Jan - Dec 2006				
Amortization prior to interest (Line 7 * Line 8a)			\$122,723,816	
Interest Provision			<u>\$1,900,663</u>	
Total Amortization for 2006			<u>\$124,624,479</u>	
13 Amortization for Jan - Dec 2006 by Function (B)				
a Transmission Costs			19,483,328	
b Distribution Costs			102,783,947	
c Production Demand Related - Base			234,395	
d Production Demand Related - Intermediate			-	
e Production Demand Related - Peaking			142,553	
f Production Energy Related			1,980,258	
			<u>\$ 124,624,479</u>	

Notes: (A) Reserve Funds and FPSC Adjustments allocated to function based on percent of total costs incurred on Line 1  
(B) Annual Amortization allocated to function based on percent of jurisdictional costs incurred on Line 7

**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
Total O&M Storm Costs Incurred and Proposed Recovery

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_\_ (JP-1)  
PAGE 2 OF 10

Line	Original Filing 06-21-05	Reprojections Filing 08-22-05	Variance
1 Aug-Dec 05 Projected Effective Sales at Meter Level (mWh)	17,817,138	17,310,623	(506,515)
2 Storm Costs Recovery Factors (cents/kWh) - composite	<b>0.282</b>	<b>0.282</b>	
3 Total storm costs including Regulatory Assessment Fee	50,278,870	48,849,515	(1,429,355)
4 Regulatory Assessment Fee	1.00072	1.00072	
5 Total storm costs excluding Regulatory Assessment Fee (Including Interest)	50,242,695	48,814,369	(1,428,326)
6 Amortization prior to Interest	48,672,259	47,504,617	
7 Interest Provision	1,570,436	\$1,309,752	
8 Total Amortization for 2005	<u>50,242,695</u>	<u>48,814,369</u>	

**PROGRESS ENERGY FLORIDA**  
**Storm Cost Recovery Surcharge (SCRS)**  
**Total Jurisdictional Amount to Be Recovered**

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_\_ (JP-1)  
PAGE 3 OF 10

For the Projected Period  
**JANUARY 2006 - DECEMBER 2006**

Line	Production Demand (\$)	Production Energy (\$)	Transmission Demand (\$)	Distribution Demand (\$)	Total (\$)
1 Total Jurisdictional Rev. Req. for the projected period					
a Projected O&M Costs (05 Proj P2, Line 7 * Line 8b)	\$371,198	\$1,950,056	\$19,186,185	\$101,216,376	\$122,723,816
b Interest for 2006	\$5,749	\$30,201	\$297,143	\$1,567,570	1,900,663
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	<u>\$376,947</u>	<u>\$1,980,258</u>	<u>\$19,483,328</u>	<u>\$102,783,947</u>	<u>\$124,624,479</u>
2 Total Jurisdictional Amount to Be Recovered/(Refunded) in the Projection period January 2006 - December 2006 (Line 1 - Line 2 - Line 3)	<u>\$376,947</u>	<u>\$1,980,258</u>	<u>\$19,483,328</u>	<u>\$102,783,947</u>	<u>\$124,624,479</u>
3 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier of 1.00072)	<u>\$377,219</u>	<u>\$1,981,683</u>	<u>\$19,497,356</u>	<u>\$102,857,951</u>	<u>\$124,714,209</u>

**PROGRESS ENERGY FLORIDA**  
 Storm Cost Recovery Surcharge (SCRS)  
 Calculation of the Energy & Demand Allocation % by Rate Class  
 JANUARY 2006 - DECEMBER 2006

PROGRESS ENERGY FLORIDA  
 DOCKET NO. 041272  
 EXHIBIT NO. \_\_\_\_ (JP-1)  
 PAGE 40F 10

Rate Class	(1) Average 12CP Load Factor at Meter (%)	(2) Sales at Meter (mWh)	(3) Avg 12 CP at Meter (MW) (2)(8760hrs(1))	(4) NCP Class Max Load Factor	(5) Delivery Efficiency Factor	(6) Sales at Source (Generation) (mWh) (2)(5)	(7) Avg 12 CP at Source (MW) (3)(5)	7(a) Sales at Source (Distrib Svc Only) (mWh)	(8) Class Max MW at Source Level (Distrib Svc) (7a)(8760hrs(4))	(9) mWh Sales at Source Energy Allocator (%)	(10) 12CP Demand Transmission Allocator (%)	(11) 12CP & 1/13 AD Demand Allocator (%)	(12) NCP Distribution Allocator (%)
<b>Residential</b>													
RS-1, RST-1, RSL-1, RSL-2, RSS-1 Secondary	0.548	20,435,616	4,256.99	0.40979	0.9411752	21,712,871	4,523.06	21,712,871	6,048.5	51.077%	58.017%	57.483%	59.532%
<b>General Service Non-Demand</b>													
GS-1, GST-1													
Secondary	0.609	1,345,051	252.13	0.43381	0.9411752	1,429,119	267.88	1,429,119	376.1	3.362%	3.436%	3.430%	3.701%
Primary	0.609	6,106	1.14	0.43381	0.9663000	6,319	1.18	6,319	1.7	0.015%	0.015%	0.015%	0.016%
Transmission	0.609	2,830	0.53	0.43381	0.9763000	2,899	0.54	0	0.0	0.007%	0.007%	0.007%	0.000%
										3.384%	3.458%	3.453%	3.718%
GS-2 Secondary	1.000	85,622	9.77	1.00000	0.9411752	90,973	10.39	90,973	10.4	0.214%	0.133%	0.139%	0.102%
<b>General Service Demand</b>													
GSD-1, GSDT-1													
Secondary	0.698	12,662,743	2,070.94	0.56422	0.9411752	13,454,183	2,200.38	13,454,183	2,722.1	31.650%	28.224%	28.488%	26.792%
Primary	0.698	2,505,125	409.70	0.56422	0.9663000	2,592,492	423.99	2,592,492	524.5	6.099%	5.439%	5.489%	5.163%
Transmission	0.698	0	0.00	0.56422	0.9763000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
SS-1 Primary	3.733	0	0.00	0.18621	0.9663000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Transm Del/ Transm Mtr	3.733	9,179	0.28	0.18621	0.9763000	9,402	0.29	0	0.0	0.022%	0.004%	0.005%	0.000%
Transm Del/ Primary Mtr	3.733	5,482	0.17	0.18621	0.9663000	5,673	0.17	0	0.0	0.013%	0.002%	0.003%	0.000%
										37.784%	33.668%	33.985%	31.955%
<b>Curtailable</b>													
CS-1, CST-1, CS-2, CST-2, SS-3													
Secondary	0.779	-	0.00	0.56424	0.9411752	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Primary	0.779	294,624	43.17	0.56424	0.9663000	304,899	44.68	304,899	61.7	0.717%	0.573%	0.584%	0.607%
SS-3 Primary	0.480	1,842	0.44	0.02458	0.9663000	1,906	0.45	1,906	8.9	0.004%	0.006%	0.006%	0.087%
										0.722%	0.579%	0.590%	0.694%
<b>Interruptible</b>													
IS-1, IST-1, IS-2, IST-2													
Secondary	0.940	137,041	16.64	0.67161	0.9411752	145,606	17.68	145,606	24.7	0.343%	0.227%	0.236%	0.244%
Primary Del / Primary Mtr	0.940	1,687,544	204.94	0.67161	0.9663000	1,746,398	212.09	1,746,398	296.8	4.108%	2.720%	2.827%	2.922%
Primary Del / Transm Mtr	0.940	2,133	0.26	0.67161	0.9763000	2,185	0.27	2,185	0.4	0.005%	0.003%	0.004%	0.004%
Transm Del/ Transm Mtr	0.940	406,511	49.37	0.67161	0.9763000	416,379	50.57	0	0.0	0.979%	0.649%	0.674%	0.000%
Transm Del/ Primary Mtr	0.940	60,721	7.37	0.67161	0.9663000	62,839	7.63	0	0.0	0.148%	0.098%	0.102%	0.000%
SS-2 Primary	0.748	-	0.00	0.17340	0.9663000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Transm Del/ Transm Mtr	0.748	102,983	15.72	0.17340	0.9763000	105,483	16.10	0	0.0	0.248%	0.206%	0.210%	0.000%
Transm Del/ Primary Mtr	0.748	63,764	9.73	0.17340	0.9663000	65,988	10.07	0	0.0	0.155%	0.129%	0.131%	0.000%
										5.987%	4.033%	4.183%	3.169%
<b>Lighting</b>													
LS-1 (Secondary)	4.650	333,325	8.18	0.47900	0.9411752	354,158	8.69	354,158	84.4	0.833%	0.112%	0.167%	0.831%
		40,148,242	7,357.49			42,509,772	7,796.12	41,841,109	10,160.2	100.000%	100.000%	100.000%	100.000%

- Notes:
- |     |   |      |   |
|-----|---|------|---|
| (1) | Average 12CP load factor based on load research study filed July 31, 2003 | (7)  | Column 3 / Column 5                             |
| (2) | Projected kWh sales for the period January 2006 to December 2006          | (7a) | Column 6 excluding transmission service         |
| (3) | Calculated: Column 2 / (8,760 hours x Column 1)                           | (8)  | Calculated: Column 7a / (8,760 hours/ Column 4) |
| (4) | NCP load factor based on load research study filed July 31, 2003          | (9)  | Column 6/ Total Column 6                        |
| (5) | Based on system average line loss analysis for 2005                       | (10) | Column 7/ Total Column 7                        |
| (6) | Column 2 / Column 5   | (11) | Column 9 x 1/13 + Column 10 x 12/13             |
|     |   | (12) | Column 8/ Total Column 8                        |

**PROGRESS ENERGY FLORIDA**  
 Storm Cost Recovery Surcharge (SCRS)  
 Calculation of Storm Cost Recovery Clause Factors by Rate Class  
 JANUARY 2006 - DECEMBER 2006

PROGRESS ENERGY FLORIDA  
 DOCKET NO. 041272  
 EXHIBIT NO. — (JP-1)  
 PAGE 5 OF 10

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP Demand Transmission Allocator (%)	(3) 12CP & 1/13 AD Demand Allocator (%)	(4) NCP Distribution Allocator (%)	(5) Energy- Related Costs (\$)	(6) Transmission Demand Costs (\$)	(7) Distribution Demand Costs (\$)	(8) Production Demand Costs (\$)	(9) Total Storm Costs (\$)	(10) Projected Effective Sales at Meter Level (mWh)	(11) Storm Cost Recovery Factors (cents/kWh)
<b>Residential</b>											
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>											
Secondary	51.077%	58.017%	57.483%	59.532%	\$1,012,192	\$11,311,749	\$61,232,991	\$216,837	\$73,773,768	20,435,616	0.361
<b>General Service Non-Demand</b>											
<b>GS-1, GST-1</b>											
Secondary										1,345,051	0.338
Primary										6,045	0.335
Transmission										2,773	0.331
<b>TOTAL GS</b>	<b>3.384%</b>	<b>3.458%</b>	<b>3.453%</b>	<b>3.718%</b>	<b>\$67,051</b>	<b>\$674,274</b>	<b>\$3,823,981</b>	<b>\$13,024</b>	<b>\$4,578,329</b>	<b>1,353,869</b>	
<b>General Service</b>											
<b>GS-2 Secondary</b>											
	0.214%	0.133%	0.139%	0.102%	\$4,241	\$25,972	\$105,135	\$526	\$135,874	85,622	0.159
<b>General Service Demand</b>											
<b>GSD-1, GSDT-1, SS-1</b>											
Secondary										12,662,743	0.266
Primary										2,485,501	0.263
Transmission										8,995	0.261
<b>TOTAL GSD</b>	<b>37.784%</b>	<b>33.668%</b>	<b>33.985%</b>	<b>31.955%</b>	<b>\$748,753</b>	<b>\$6,564,459</b>	<b>\$32,867,829</b>	<b>\$128,198</b>	<b>\$40,309,239</b>	<b>15,157,238</b>	
<b>Curtable</b>											
<b>CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3</b>											
Secondary										-	0.287
Primary										293,501	0.284
Transmission										-	0.281
<b>TOTAL CS</b>	<b>0.722%</b>	<b>0.579%</b>	<b>0.590%</b>	<b>0.694%</b>	<b>\$14,302</b>	<b>\$112,875</b>	<b>\$714,114</b>	<b>\$2,225</b>	<b>\$843,516</b>	<b>293,501</b>	
<b>Interruptible</b>											
<b>IS-1, IST-1, IS-2, IST-2, SS-2</b>											
Secondary										137,041	0.172
Primary										1,793,909	0.170
Transmission										501,394	0.169
<b>TOTAL IS</b>	<b>5.987%</b>	<b>4.033%</b>	<b>4.183%</b>	<b>3.169%</b>	<b>\$118,635</b>	<b>\$786,283</b>	<b>\$3,259,435</b>	<b>\$15,779</b>	<b>\$4,180,132</b>	<b>2,432,344</b>	
<b>Lighting</b>											
<b>LS-1 Secondary</b>											
	0.833%	0.112%	0.167%	0.831%	\$16,510	\$21,744	\$854,466	\$630	\$893,350	333,325	0.268
	100.000%	100.000%	100.000%	100.000%	\$1,981,683	\$19,497,356	\$102,857,951	\$377,219	\$124,714,209	40,091,516	0.311

0

- Notes:
- (1) From Form 06 Proj p5, Column 9
  - (2) From Form 06 Proj p5, Column 10
  - (3) From Form 06 Proj p5, Column 11
  - (4) From Form 06 Proj p5, Column 12
  - (5) Column 1 x Total Energy Jurisdictional Dollars from Form 06 Proj p4, line 1
  - (6) Column 2 x Total Transmission Demand Jurisdictional Dollars from Form 06 Proj p4, line 1
  - (7) Column 4 x Total Distribution Demand Jurisdictional Dollars from Form 06 Proj p4, line 1
  - (8) Column 3 x Total Production Demand Jurisdictional Dollars from Form 06 Proj p4, line 1
  - (9) Column 5 + Column 6 + Column 7 + Column 8
  - (10) Projected kWh sales at effective voltage level for the period January 2006 to December 2006
  - (11) Column 7/ Column 8 x 100

**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
**AUGUST 2005 - DECEMBER 2005**

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_\_ (JP-1)  
PAGE 6 OF 10

**Summary Deferred Costs**  
(in Dollars)

Line	Description	Estimated January 05	Estimated February 05	Estimated March 05	Estimated April 05	Estimated May 05	Estimated 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 Deferred Cost								\$240,440,617	\$230,939,693	\$221,438,770	\$211,937,847	\$202,436,923	
2	Less Amount Recovered in Current Month								\$9,500,923	\$9,500,923	\$9,500,923	\$9,500,923	\$9,500,923	47,504,617
3	Ending Deferred Costs Line 1 - Line 2								230,939,693	221,438,770	211,937,847	202,436,923	192,936,000	
4	Total of Beginning & Ending Deferred Costs (Lines 1 + 3)	0	0	0	0	0	0	0	471,380,310	452,378,463	433,376,617	414,374,770	395,372,923	
5	Average Deferred Costs (Line 4 x 1/2)	0	0	0	0	0	0	0	235,690,155	226,189,232	216,688,309	207,187,385	197,686,462	

**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
**JANUARY 2006 - DECEMBER 2006**

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_\_ (JP-1)  
PAGE 7 OF 10

**Summary Deferred Costs**  
(in Dollars)

Line	Description	Estimated January 06	Estimated February 06	Estimated March 06	Estimated April 06	Estimated May 06	Estimated June 06	Estimated July 06	Estimated August 06	Estimated September 06	Estimated October 06	Estimated November 06	Estimated December 06	End of Period Total
1	Beginning Deferred Cost	\$192,936,000	\$182,709,015	\$172,482,030	\$162,255,046	\$152,028,061	\$141,801,076	\$131,574,092	\$121,347,107	\$111,120,122	\$100,893,138	\$90,666,153	\$80,439,168	
2	Less Amount Recovered in Current Month	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	\$10,226,985	122,723,816
3	Ending Deferred Costs Line 1 - Line 2	<u>182,709,015</u>	<u>172,482,030</u>	<u>162,255,046</u>	<u>152,028,061</u>	<u>141,801,076</u>	<u>131,574,092</u>	<u>121,347,107</u>	<u>111,120,122</u>	<u>100,893,138</u>	<u>90,666,153</u>	<u>80,439,168</u>	<u>70,212,183</u>	
4	Total of Beginning & Ending Deferred Costs (Lines 1 + 3)	<u>375,645,015</u>	<u>355,191,045</u>	<u>334,737,076</u>	<u>314,283,107</u>	<u>293,829,137</u>	<u>273,375,168</u>	<u>252,921,199</u>	<u>232,467,229</u>	<u>212,013,260</u>	<u>191,559,290</u>	<u>171,105,321</u>	<u>150,651,352</u>	
5	Average Deferred Costs (Line 4 x 1/2)	187,822,508	177,595,523	167,368,538	157,141,554	146,914,569	136,687,584	126,460,600	116,233,615	106,006,630	95,779,645	85,552,661	75,325,676	

**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
Calculation of the Interest Associated with Unrecovered Cost due to 2 Year Amortization  
**AUGUST 2005 - DECEMBER 2005**

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_\_ (JP-1)  
PAGE 8 OF 10

Interest Provision  
(in Dollars)

Line	Description	Storm Costs	Estimated January 05	Estimated February 05	Estimated March 05	Estimated April 05	Estimated May 05	Estimated June 05	Estimated July 05	Estimated August 05	Estimated September 05	Estimated October 05	Estimated November 05	Estimated December 05	End of Period Total
		240,440,617													
		Deferred Tax	124,405,000												
			116,035,617												
1	Beginning Deferred Cost									\$116,035,617	\$111,200,799	\$106,365,982	\$101,531,165	\$96,696,347	
2	Less Amount Recovered in Current Month									\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	
3	Ending Deferred Costs Line 1 - Line 2									111,200,799	106,365,982	101,531,165	96,696,347	91,861,530	
4	Total of Beginning & Ending Deferred Costs (Lines 1 + 3)		0	0	0	0	0	0	0	227,236,416	217,566,781	207,897,147	198,227,512	188,557,877	
5	Average Deferred Costs (Line 4 x 1/2)		0	0	0	0	0	0	0	113,618,208	108,783,391	103,948,574	99,113,756	94,278,939	
6	Interest Rate (First Day of Reporting Business Month)		3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
7	Interest Rate (First Day of Subsequent Business Month)		3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
8	Total of Beginning & Ending Interest Rates (Lines 6 + 7)		6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	
9	Average Interest Rate (Line 8 x 1/2)		3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
10	Monthly Average Interest Rate (Line 9 x 1/12)		0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	
11	Interest Provision on Deferred Costs (Line 4 x Line 10)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$286,318	\$274,134	\$261,950	\$249,767	\$237,583	\$1,309,752



**PROGRESS ENERGY FLORIDA**  
 Storm Cost Recovery Surcharge (SCRS)  
 Calculation of the Interest Associated with Unrecovered Cost due to 2 Year Amortization  
**JANUARY 2006 - DECEMBER 2006**

Line	Description	Estimated January 06	Estimated February 06	Estimated March 06	Estimated April 06	Estimated May 06	Estimated June 06	Estimated July 06	Estimated August 06	Estimated September 06	Estimated October 06	Estimated November 06	Estimated December 06	End of Period Total
1	Beginning Deferred Cost	\$91,861,530	\$82,191,895	\$77,357,078	\$72,522,260	\$67,687,443	\$62,852,626	\$58,017,808	\$53,182,991	\$48,348,174	\$43,513,356	\$38,678,539	\$33,843,722	\$1,900,663
2	Less Amount Recovered in Current Year	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817	\$4,834,817
3	Ending Deferred Costs Line 1 - Line 2	87,026,713	82,191,895	77,357,078	72,522,260	67,687,443	62,852,626	58,017,808	53,182,991	48,348,174	43,513,356	38,678,539	33,843,722	
4	Total of Beginning & Ending Deferred Costs (Lines 1 + 3)	178,888,243	169,218,608	159,548,973	149,879,338	140,209,704	130,540,069	120,870,434	111,200,799	101,531,165	91,861,530	82,191,895	72,522,260	
5	Average Deferred Costs (Line 4 x 1/2)	89,444,122	84,609,304	79,774,487	74,939,669	70,104,852	65,270,035	60,435,217	55,600,400	50,765,583	45,930,765	41,095,948	36,261,130	
6	Interest Rate (First Day of Reporting Business Month)	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
7	Interest Rate (First Day of Subsequent Business Month)	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
8	Total of Beginning & Ending Interest Rates (Lines 6 + 7)	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%	
9	Average Interest Rate (Line 8 x 1/2)	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	3.020%	
10	Monthly Average Interest Rate (Line 9 x 1/12)	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	0.252%	
11	Interest Provision on Deferred Costs (Line 4 x Line 10)	\$225,399	\$213,215	\$201,032	\$188,848	\$176,664	\$164,480	\$152,297	\$140,113	\$127,929	\$115,746	\$103,562	\$91,378	\$1,900,663

(in Dollars)  
 Interest Provision

**PROGRESS ENERGY FLORIDA**  
Storm Cost Recovery Surcharge (SCRS)  
Total O&M Storm Costs Incurred and Proposed Recovery

PROGRESS ENERGY FLORIDA  
DOCKET NO. 041272  
EXHIBIT NO. \_\_\_\_ (JP-1)  
PAGE 10 OF 10

Line	Total per Order	Total as of 6/30/05	Variance	Percent of Total
1				
a	(5,140,639)	(6,094,639)	(954,000)	22.31%
b	(6,197,565)	(6,470,611)	(273,046)	23.69%
c	(1,400,000)	(1,400,000)	0	5.13%
d	(3,043,014)	(3,188,352)	(145,338)	11.67%
e	(625,852)	(307,225)	318,627	1.12%
f	(1,496,270)	(1,456,070)	40,200	5.33%
Issue 12. Cost of Removal Transfer	(8,400,000)	(8,400,000)	0	30.75%
2	<u>(26,303,340)</u>	<u>(27,316,897)</u>	<u>(1,013,557)</u>	100.00%



	Based on Filing			Based on June YTD 2005 Actuals			O&M VARIANCE
	Capital	O&M	Total	Capital	O&M (1)	Total	
PEF Estimated 2004 Storm Damage Expense	\$ 54,926,450	\$ 311,411,476	\$ 366,337,926	\$ 53,754,654	\$ 330,469,582	\$ 384,224,236	\$ 19,058,106
<b>Staff Adjustments</b>							
Issue 2. Non-Mgmt Payroll Expense		(5,140,639)			(6,094,639)		(954,000)
Issue 3. Managerial Payroll Expense		(6,197,565)			(6,470,611)		(273,046)
Issue 6. Tree Trimming Expense		(1,400,000)			(1,400,000)		-
Issue 7. Vehicle Expense		(3,043,014)			(3,188,352)		(145,338)
Issue 8. Call Center Costs		(625,852)			(307,225)		318,627
Issue 9. Advertising & Public Relations Exp		(1,496,270)			(1,456,070)		40,200
Issue 12. Cost of Removal Transfer	8,400,000	(8,400,000)		8,400,000	(8,400,000)		-
<b>Total Staff Adjustments</b>	<b>8,400,000</b>	<b>(26,303,340)</b>	<b>(17,903,340)</b>	<b>8,400,000</b>	<b>(27,316,898)</b>	<b>(18,916,898)</b>	<b>(1,013,558)</b>
<b>Adjusted Total</b>	<b>63,326,450</b>	<b>285,108,136</b>	<b>348,434,586</b>	<b>62,154,654</b>	<b>303,152,684</b>	<b>365,307,338</b>	<b>18,044,548</b>
Less: Reserve Balance as of 12/31/2004		(46,915,219)	(46,915,219)		(46,915,219)	(46,915,219)	(0)
Less: Wholesale Portion of Storm Costs per staff 0.952189225		(11,388,188)	(11,388,188)		(15,796,849)	(15,796,849)	(4,408,661)
							revised rate 0.938350746
Staff Recommended Recovery base on org est.	63,326,450	226,804,729	290,131,179	62,154,654	240,440,616	302,595,270	13,635,887
PEF Request based on original estimate	54,926,450	251,850,486	306,776,936	53,754,654	266,073,447	319,828,101	14,222,961
	<b>\$ 8,400,000</b>	<b>\$ (25,045,757)</b>	<b>\$ (16,645,757)</b>	<b>\$ 8,400,000</b>	<b>\$ (25,632,831)</b>	<b>\$ (17,232,831)</b>	<b>\$ (587,074)</b>
<b>Impact to 2005 Net Income</b>			<b>\$ (10,224,656)</b>			<b>\$ (10,585,267)</b>	<b>\$ (360,610)</b>

(1) June YTD 2005 Actuals O&M includes an accrual of \$3.5 million.