

PROGRESS ENERGY FLORIDA

DOCKET NO. 050002-EG

DIRECT TESTIMONY OF

JOHN A. MASIELLO

1 **Q. State your name and business address.**

2 A. My name is John A. Masiello. My business address is Progress Energy,
3 3300 Exchange Place, Lake Mary, FL 32746.

4

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

6 A. I am employed by Progress Energy Florida, Inc (Progress Energy or the
7 Company) as Manager, DSM & Alternative Energy Strategy.

8

9 **Q. Have your duties and responsibilities remained the same since you**
10 **last testified in this proceeding.**

11 A. Yes.

12

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

14 A. The purpose of my testimony is to describe the components and costs of
15 the Company's Demand-Side Management Plan as approved by the
16 Commission. I will detail the projected costs for implementing each program
17 in that plan, explain how these costs are presented in my attached exhibit,
18 and show the resulting Energy Conservation Cost Recovery (ECCR) factors
19 for customer billings in 2006.

DOCUMENT NUMBER-DATE

09166 SEP 27 '08

FPSC-COMMISSION CLERK

1 **Q. Do you have any Exhibits to your testimony?**

2 A. Yes, Exhibit No. _____ (JAM-1P) consists of Schedules (C-1 through C-5),
3 which support Progress Energy's ECCR calculations for the 2005
4 actual/estimated period and the 2006 projection period.

5
6 **Q. For what programs does Progress Energy seek recovery?**

7 A. Progress Energy is seeking to recover those costs allowed pursuant to Rule
8 25-17.015, F.A.C., for each of the following Commission-approved
9 conservation programs, as well as for Conservation Program Administration
10 (those common administration expenses not specifically linked to an
11 individual program).

- 12 • Home Energy Check
- 13 • Home Energy Improvement
- 14 • Residential New Construction
- 15 • Low-Income Weatherization Assistance
- 16 • Energy Management (Residential and Commercial Load Management)
- 17 • Business Energy Check
- 18 • Better Business
- 19 • Commercial/Industrial New Construction
- 20 • Innovation Incentive
- 21 • Standby Generation
- 22 • Interruptible Service
- 23 • Curtailable Service
- 24 • Technology Development
- 25 • Qualifying Facilities

1 **Q. What is included in your Exhibit?**

2 A. My exhibit consists of Schedules C-1 through C-5. Schedule C-1 provides a
3 summary of cost recovery clause calculations and information by retail rate
4 schedule. Schedule C-2 provides annual and monthly conservation
5 program cost estimates for the 2006 projection period for each conservation
6 program, as well as for common administration expenses. Additionally,
7 Schedule C-2 presents program costs by specific category (i.e. payroll,
8 materials, incentives, etc.) and includes a schedule of estimated capital
9 investments, depreciation and return for the projection period.

10 Schedule C-3 contains a detailed breakdown of conservation program
11 costs by specific category and by month for the actual/estimated period of
12 January through August 2005 (actual) and September through December
13 2005 (estimated). In addition, Schedule C-3 presents a schedule of capital
14 investment, depreciation and return, an energy conservation adjustment
15 calculation of true-up, and a calculation of interest provision for the 2005
16 actual/estimated period.

17 Schedule C-4 projects ECCR revenues during the 2006 projection
18 period. Schedule C-5 presents a brief description of each program, as well
19 as a summary of progress and projected expenditures for each program for
20 which Progress Energy seeks cost recovery through the ECCR clause.

21
22 **Q. Would you please summarize the major results from your Exhibit?**

23 A. Yes. Schedule C-2, Page 1 of 5, Line 20, shows total net program costs of
24 \$70,082,354 for the 2006 projection period. The following table presents the
25 Progress Energy's proposed ECCR billing factors, expressed in dollars per

1 1,000 kilowatt-hours by retail rate class and voltage level for calendar year
2 2006, as contained in Schedule C-1, Page 1 of 4, Lines 16 – 19.

3 2006 ECCR Billing Factors (\$/1,000 kWh)

4		Secondary	Primary	Transmission
5	<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
6	Residential	\$1.69	N/A	N/A
7	General Service Non-Demand	\$1.58	\$1.56	\$1.55
8	General Service 100% Load Factor	\$1.19	N/A	N/A
9	General Service Demand	\$1.45	\$1.44	\$1.42
10	Curtable	\$1.34	\$1.33	\$1.31
11	Interruptible	\$1.22	\$1.21	\$1.20
12	Lighting	\$0.72	N/A	N/A

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

15 **A. Yes.**

PROGRESS ENERGY FLORIDA INC.
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATIONS
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

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PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C - 1
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RETAIL RATE SCHEDULES

LINE NO.	RESIDENTIAL	GENERAL SER. NON-DEMAND	GENERAL SER. 100% L.F.	GENERAL SER. DEMAND	CURTAILABLE	INTERRUPTIBLE	LIGHTING	TOTAL
1 DEMAND ALLOCATION PERCENTAGE	57.483%	3.453%	0.139%	33.985%	0.590%	4.183%	0.167%	100.000%
2 DEMAND RELATED INCREMENTAL COSTS	\$27,592,669	\$1,657,490	\$66,722	\$16,313,290	\$283,209	\$2,007,900	\$80,162	\$48,001,442
3 DEMAND PORTION OF PERIOD END TRUE UP (O)U RECOVERY	(\$3,600,532)	(\$216,284)	(\$8,706)	(\$2,128,700)	(\$36,956)	(\$262,008)	(\$10,460)	(\$6,263,646)
4 TOTAL DEMAND RELATED INCREMENTAL COSTS	\$23,992,137	\$1,441,206	\$58,016	\$14,184,590	\$246,253	\$1,745,892	\$69,702	\$41,737,796
5 ENERGY ALLOCATION PERCENTAGE	51.077%	3.383%	0.214%	37.784%	0.722%	5.987%	0.833%	100.000%
6 ENERGY RELATED INCREMENTAL COSTS	\$11,278,267	\$746,997	\$47,253	\$8,343,052	\$159,424	\$1,321,984	\$183,934	\$22,080,912
7 ENERGY PORTION OF PERIOD END TRUE UP (O)U RECOVERY	(\$818,907)	(\$54,239)	(\$3,431)	(\$605,783)	(\$11,576)	(\$95,988)	(\$13,355)	(\$1,603,279)
8 TOTAL ENERGY RELATED INCREMENTAL COSTS	\$10,459,360	\$692,758	\$43,822	\$7,737,269	\$147,848	\$1,225,996	\$170,579	\$20,477,633
9 TOTAL INCREMENTAL COSTS (LINE 2 + 6)	\$38,870,936	\$2,404,487	\$113,975	\$24,656,342	\$442,633	\$3,329,884	\$264,096	\$70,082,354
10 ECCR TRUE UP (O)U RECOVERY (LINE 3+7)	(\$4,419,439)	(\$270,523)	(\$12,137)	(\$2,734,483)	(\$48,532)	(\$357,996)	(\$23,815)	(\$7,866,925)
11 TOTAL (LINE 9+10)	\$34,451,497	\$2,133,964	\$101,838	\$21,921,859	\$394,101	\$2,971,888	\$240,281	\$62,215,429
12 RETAIL SALES MWH(@ EFFECTIVE VOLTAGE LEVEL SEE P. 4)	20,435,616	1,353,869	85,622	15,157,238	293,501	2,432,343	333,325	40,091,514
13 COST PER 1,000 KWH - ENERGY & DEMAND (LINE 12/13)	\$1.6859	\$1.5762	\$1.1894	\$1.4463	\$1.3428	\$1.2218	\$0.7209	
14 REGULATORY ASSESSMENT TAX EXPANSION FACTOR (IN ACCORDANCE WITH ORDER NO. PSC 95-0398-FOF-EG)	1.000288	1.000288	1.000288	1.000288	1.000288	1.000288	1.000288	
15 ADJUSTMENT FACTOR ADJUSTED FOR TAXES	1.6864	1.5767	1.1897	1.4467	1.3432	1.2222	0.7211	
16 CONSERVATION ADJUSTMENT FACTOR \$/1,000 KWH								
17 @ SECONDARY VOLTAGE	\$1.69	\$1.58	\$1.19	\$1.45	\$1.34	\$1.22	\$0.72	
18 @ PRIMARY VOLTAGE (1% REDUCTION FACTOR)	N/A	\$1.56	N/A	\$1.44	\$1.33	\$1.21	N/A	
19 @ TRANSMISSION VOLTAGE (2% REDUCTION FACTOR)	N/A	\$1.55	N/A	\$1.42	\$1.31	\$1.20	N/A	

CALCULATION OF AVERAGE 12 CP AND ANNUAL AVERAGE DEMAND
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

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EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C - 1
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RATE CLASS	(1) MWH SALES @ METER LEVEL	(2) 12 CP LOAD FACTOR	(3) 12 CP MW @ METER LEVEL (1)/8760hrs/(2)	(4) DELIVERY EFFICIENCY FACTOR	(5) AVERAGE CP MW @ SOURCE LEVEL (3)/(4)	(6) MWH SALES @ METER LEVEL	(7) DELIVERY EFFICIENCY FACTOR	(8) SOURCE LEVEL MWH (6)/(7)	(9) ANNUAL AVERAGE DEMAND (8)/8760hrs
I. RESIDENTIAL SERVICE	20,435,616	0.548	4,256.99	0.9411752	4,523.06	20,435,616	0.9411752	21,712,871	2,478.64
II. GENERAL SERVICE NON-DEMAND									
TRANSMISSION	2,830	0.609	0.53	0.9763000	0.54	2,830	0.9763000	2,899	0.33
PRIMARY	6,106	0.609	1.14	0.9663000	1.18	6,106	0.9663000	6,319	0.72
SECONDARY	1,345,051	0.609	252.13	0.9411752	267.89	1,345,051	0.9411752	1,429,119	163.14
TOTAL	<u>1,353,987</u>		<u>253.80</u>		<u>269.61</u>	<u>1,353,987</u>		<u>1,438,337</u>	<u>164.19</u>
III. GS - 100% L.F.	85,622	1.000	9.77	0.9411752	10.38	85,622	0.9411752	90,973	10.39
IV. GENERAL SERVICE DEMAND									
SS-1 - TRANSMISSION	9,179	3.733	0.28			9,179			
GSD-1 - TRANSMISSION		0.698							
SUBTOTAL - TRANSMISSION	<u>9,179</u>		<u>0.28</u>	0.9763000	0.29	<u>9,179</u>	0.9763000	<u>9,402</u>	<u>1.07</u>
SS-1 - PRIMARY	5,482	3.733	0.17			5,482			
GSD - PRIMARY	2,505,125	0.698	409.70			2,505,125			
SUBTOTAL - PRIMARY	<u>2,510,607</u>		<u>409.87</u>	0.9663000	424.18	<u>2,510,607</u>	0.9663000	<u>2,598,166</u>	<u>296.60</u>
GSD - SECONDARY	12,662,743	0.698	2,070.94	0.9411752	2,200.38	12,662,743	0.9411752	13,454,183	1,535.87
TOTAL	<u>15,182,529</u>		<u>2,481.09</u>		<u>2,624.85</u>	<u>15,182,529</u>		<u>16,061,751</u>	<u>1,833.54</u>
V. CURTAILABLE SERVICE									
CS - PRIMARY	294,624	0.779	43.17			294,624			
SS3 - PRIMARY	1,842	0.480	0.44			1,842			
SUBTOTAL - PRIMARY	<u>296,466</u>		<u>43.61</u>	0.9663000	45.13	<u>296,466</u>	0.9663000	<u>306,805</u>	<u>35.02</u>
CS - SECONDARY	0	0.779	0.00	0.9411752	0.00	0	0.9411752	0	0.00
TOTAL	<u>296,466</u>		<u>43.61</u>		<u>45.13</u>	<u>296,466</u>		<u>306,805</u>	<u>35.02</u>
VI. INTERRUPTIBLE SERVICE									
IS - TRANSMISSION	408,644	0.940	49.63			408,644			
SS-2 - TRANSMISSION	102,983	0.748	15.72			102,983			
SUBTOTAL - TRANSMISSION	<u>511,627</u>		<u>65.35</u>	0.9763000	66.94	<u>511,627</u>	0.9763000	<u>524,047</u>	<u>59.82</u>
IS - PRIMARY	1,748,265	0.940	212.31			1,748,265			
SS-2 - PRIMARY	63,764	0.748	9.73			63,764			
SUBTOTAL - PRIMARY	<u>1,812,029</u>		<u>222.04</u>	0.9663000	229.78	<u>1,812,029</u>	0.9663000	<u>1,875,224</u>	<u>214.07</u>
SECONDARY	137,041	0.940	16.64	0.9411752	17.68	137,041	0.9411752	145,606	16.62
TOTAL	<u>2,460,697</u>		<u>304.03</u>		<u>314.40</u>	<u>2,460,697</u>		<u>2,544,877</u>	<u>290.51</u>
VII. LIGHTING SERVICE	333,325	4.650	8.18	0.9411752	8.69	333,325	0.9411752	354,158	40.43
TOTAL RETAIL	<u>40,148,242</u>				<u>7,796.12</u>	<u>40,148,242</u>		<u>42,509,772</u>	<u>4,852.72</u>

CALCULATION OF DEMAND AND ENERGY ALLOCATORS
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

RATE CLASS	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	AVERAGE 12 CP DEMAND MW	%	ANNUAL AVERAGE DEMAND MW	%	12/13 OF 12 CP 12/13*(2)	1/13 OF AVG. DEMAND 1/13 * (4)	DEMAND ALLOCATOR (5)+(6)
I. RESIDENTIAL SERVICE	4,523.06	58.017%	2,478.64	51.077%	53.554%	3.929%	57.483%
II. GENERAL SERVICE NON-DEMAND							
TRANSMISSION	0.54	0.007%	0.33	0.007%	0.006%	0.001%	0.007%
PRIMARY	1.18	0.015%	0.72	0.015%	0.014%	0.001%	0.015%
SECONDARY	267.89	3.436%	163.14	3.362%	3.172%	0.259%	3.431%
TOTAL	269.61	3.458%	164.19	3.383%	3.192%	0.260%	3.453%
III. GS - 100% L.F.	10.38	0.133%	10.39	0.214%	0.123%	0.016%	0.139%
IV. GENERAL SERVICE DEMAND							
TRANSMISSION	0.29	0.004%	1.07	0.022%	0.004%	0.002%	0.006%
PRIMARY	424.18	5.441%	296.60	6.112%	5.022%	0.470%	5.492%
SECONDARY	2,200.38	28.224%	1,535.87	31.650%	26.053%	2.435%	28.488%
TOTAL	2,624.85	33.669%	1,833.54	37.784%	31.079%	2.906%	33.985%
V. CURTAILABLE SERVICE							
PRIMARY	45.13	0.580%	35.02	0.722%	0.535%	0.056%	0.590%
SECONDARY	0.00	0.000%	0.00	0.000%	0.000%	0.000%	0.000%
TOTAL	45.13	0.580%	35.02	0.722%	0.535%	0.056%	0.590%
VI. INTERRUPTIBLE SERVICE							
TRANSMISSION	66.94	0.859%	59.82	1.233%	0.793%	0.095%	0.888%
PRIMARY	229.78	2.947%	214.07	4.411%	2.720%	0.339%	3.059%
SECONDARY	17.68	0.227%	16.62	0.342%	0.210%	0.026%	0.236%
TOTAL	314.40	4.033%	290.51	5.987%	3.723%	0.461%	4.183%
VII. LIGHTING SERVICE	8.69	0.110%	40.43	0.833%	0.102%	0.064%	0.167%
TOTAL RETAIL	7,796.12	100.000%	4,852.72	100.000%	92.308%	7.692%	100.000%

PROJECTED MWH SALES
 AT EFFECTIVE VOLTAGE LEVEL
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

RATE CLASS	(1) MWH SALES @ METER LEVEL	(2) VOLTAGE ADJUSTMENT	(3) MWH SALES @ EFFECTIVE LEVEL
I. RESIDENTIAL SERVICE	20,435,616	100%	20,435,616
II. GENERAL SERVICE NON-DEMAND			
TRANSMISSION	2,830	98%	2,773
PRIMARY	6,106	99%	6,045
SECONDARY	1,345,051	100%	1,345,051
TOTAL	<u>1,353,987</u>		<u>1,353,869</u>
III. GS - 100% L.F.	85,622	100%	85,622
IV. GENERAL SERVICE DEMAND			
SS-1/GSD - TRANSMISSION	9,179	98%	8,995
SS-1 - PRIMARY	5,482	99%	5,426
GSD - PRIMARY	2,505,125	99%	2,480,074
SUBTOTAL - PRIMARY	2,510,607		2,485,500
GSD - SECONDARY	12,662,743	100%	12,662,743
TOTAL	<u>15,182,529</u>		<u>15,157,238</u>
V. CURTAILABLE SERVICE			
PRIMARY	296,466	99%	293,501
SECONDARY	0	100%	0
TOTAL	<u>296,466</u>		<u>293,501</u>
VI. INTERRUPTIBLE SERVICE			
IS - TRANSMISSION	408,644	98%	400,471
SS-2 - TRANSMISSION	102,983	98%	100,923
SUBTOTAL - TRANSMISSION	511,627		501,394
IS - PRIMARY	1,748,265	99%	1,730,782
SS-2 - PRIMARY	63,764	99%	63,126
SUBTOTAL - PRIMARY	1,812,029		1,793,908
IS-1 - SECONDARY	137,041	100%	137,041
TOTAL	<u>2,460,697</u>		<u>2,432,343</u>
VII. LIGHTING SERVICE	333,325	100%	333,325
TOTAL RETAIL	<u>40,148,242</u>		<u>40,091,514</u>

**PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006**

**PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM -1P)
SCHEDULE C - 2
PAGE 1 OF 5**

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL		
1	BETTER BUSINESS (20015937) (E)	\$ 805,579		
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	2,252,575		
3	HOME ENERGY IMPROVEMENT (20015934) (E)	4,915,650		
4	C/I NEW CONSTRUCTION (20015938) (E)	240,306		
5	HOME ENERGY CHECK (20015932) (E)	3,621,050		
6	LOW INCOME (20021329) (E)	143,788		
7	BUSINESS ENERGY CHECK (20015936) (E)	1,474,165		
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	6,452,715		
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	716,967		
10	QUALIFYING FACILITY (20025062) (E)	576,707		
11	INNOVATION INCENTIVE (20015940) (E)	149,375		
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	1,449,002		
13	STANDBY GENERATION (20021332) (D)	959,015		
14	INTERRUPTIBLE SERVICE (20015941) (D)	20,846,173		
15	CURTAILABLE SERVICE (20015942) (D)	1,266,153		
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	22,803,026		
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	740,392		
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	669,716		
19				
20	NET PROGRAM COSTS	<u>\$ 70,082,354</u>		
21				
22	<u>SUMMARY OF DEMAND & ENERGY</u>			
23				
24		12 Months Total	Prior Period True - up	Total Costs with True - up
25				
26	ENERGY	\$ 22,080,912	\$ (1,603,279)	\$ 20,477,633
27				
28	DEMAND	48,001,442	(6,263,646)	41,737,796
29				
30	TOTAL	<u>\$ 70,082,354</u>	<u>\$ (7,866,925)</u>	<u>\$ 62,215,429</u>

PROGRESS ENERGY FLORIDA
 ESTIMATED CONSERVATION PROGRAM COSTS
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASELLO
 EXHIBIT NO: (JAM -1P)
 SCHEDULE C - 2
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LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	ESTIMATED												TOTAL
		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	
1	BETTER BUSINESS (20015937) (E)	\$ 54,325	\$ 68,476	\$ 59,042	\$ 60,470	\$ 135,470	\$ 66,427	\$ 65,187	\$ 60,470	\$ 60,470	\$ 60,470	\$ 58,448	\$ 56,325	\$ 805,579
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	159,087	159,753	196,117	135,330	192,258	249,827	220,788	220,204	197,299	195,505	164,229	162,169	2,252,575
3	HOME ENERGY IMPROVEMENT (20015934) (E)	391,004	358,746	395,195	330,051	462,406	549,499	495,898	429,242	429,033	363,355	361,863	349,760	4,915,650
4	C/I NEW CONSTRUCTION (20015936) (E)	17,976	22,435	19,473	19,905	19,916	21,631	21,474	19,904	19,908	19,914	19,280	18,492	240,306
5	HOME ENERGY CHECK (20015932) (E)	269,954	270,714	328,745	340,532	276,779	343,456	287,106	266,414	287,390	283,679	260,771	385,509	3,821,050
6	LOW INCOME (20021329) (E)	11,530	11,540	11,548	11,677	11,677	13,711	11,682	11,682	11,682	11,677	11,676	13,707	143,788
7	BUSINESS ENERGY CHECK (20015936) (E)	86,089	89,775	116,575	134,275	147,222	188,958	145,851	114,502	104,424	107,103	103,594	136,019	1,474,165
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	474,595	483,514	537,939	516,801	486,898	614,931	555,177	515,179	601,063	613,233	526,059	623,526	6,452,715
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	52,733	53,724	59,772	57,644	54,299	68,326	61,686	57,242	66,784	57,025	58,450	69,281	716,967
10	QUALIFYING FACILITY (20025062) (E)	36,324	51,338	40,024	40,170	40,694	105,500	38,816	42,228	41,353	42,095	42,737	55,426	576,707
11	INNOVATION INCENTIVE (20015940) (E)	11,188	13,986	12,121	12,392	12,392	13,399	13,325	12,392	12,392	12,392	11,993	11,400	149,375
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	32,617	52,617	87,617	6,145	8,095	9,164	271,095	231,145	243,095	265,145	233,095	9,172	1,449,002
13	STANDBY GENERATION (20021332) (D)	68,588	74,068	80,393	78,218	79,006	80,295	81,261	77,300	81,672	75,864	91,729	90,623	959,015
14	INTERRUPTIBLE SERVICE (20015941) (D)	1,858,557	1,828,988	1,784,754	1,795,996	1,668,833	1,691,991	1,695,840	1,616,629	1,699,433	1,658,554	1,811,799	1,734,801	20,846,173
15	CURTAILABLE SERVICE (20015942) (D)	112,523	110,848	107,886	108,666	101,388	104,077	103,029	98,291	102,942	100,522	109,601	108,381	1,266,153
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	2,649,676	2,515,745	1,712,226	1,412,074	1,622,690	1,867,628	1,819,570	1,777,478	1,812,529	1,610,676	1,907,540	2,095,193	22,803,026
17	LOAD MANAGEMENT SWITCHES (9089120) (D)	58,795	59,767	60,627	61,521	62,763	63,829	64,012	63,647	63,055	61,695	60,496	60,195	740,392
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	51,373	53,894	46,033	57,853	62,810	54,469	57,558	65,105	89,853	53,226	59,478	48,066	689,716
19														
20	NET PROGRAM COSTS	\$ 6,396,925	\$ 6,279,929	\$ 5,656,086	\$ 5,181,718	\$ 5,447,398	\$ 6,107,117	\$ 6,008,953	\$ 5,699,054	\$ 5,894,375	\$ 5,492,129	\$ 5,912,627	\$ 6,006,044	\$ 70,082,354
21														
22														
23	SUMMARY OF DEMAND & ENERGY													
24														
25	ENERGY	\$ 1,544,680	\$ 1,562,896	\$ 1,804,395	\$ 1,609,748	\$ 1,795,609	\$ 2,176,501	\$ 2,125,999	\$ 1,943,362	\$ 2,008,107	\$ 1,874,568	\$ 1,813,544	\$ 1,801,503	\$ 22,080,912
26														
27	DEMAND	4,852,245	4,697,034	3,851,691	3,571,970	3,651,789	3,930,616	3,882,954	3,755,691	3,886,268	3,617,561	4,099,083	4,204,540	48,001,442
28														
29	TOTAL	\$ 6,396,925	\$ 6,279,929	\$ 5,656,086	\$ 5,181,718	\$ 5,447,398	\$ 6,107,117	\$ 6,008,953	\$ 5,699,054	\$ 5,894,375	\$ 5,492,129	\$ 5,912,627	\$ 6,006,044	\$ 70,082,354

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EG
PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM -1P)
SCHEDULE C - 2
PAGE 3 OF 5

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	DEPRECIATION, AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	PROGRAM REVENUES (CREDITS)	TOTAL
1	BETTER BUSINESS (20015937) (E)	\$ -	\$ 32,052	\$ -	\$ -	\$ 24,660	\$ 748,868	\$ -	\$ -	\$ -	\$ 805,579
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	1,451	563,130	15,147	18,250	162,356	1,432,542	-	59,699	-	2,252,575
3	HOME ENERGY IMPROVEMENT (20015934) (E)	3,552	519,816	19,470	1,500	1,031,555	3,290,984	-	48,773	-	4,915,650
4	C/I NEW CONSTRUCTION (20015938) (E)	-	6,410	-	-	22,333	211,563	-	-	-	240,306
5	HOME ENERGY CHECK (20015932) (E)	1,600	1,482,966	177,100	23,500	1,733,604	-	-	202,279	-	3,621,050
6	LOW INCOME (20021329) (E)	-	52,413	1,100	-	44,500	39,178	-	6,598	-	143,788
7	BUSINESS ENERGY CHECK (20015936) (E)	779	896,881	16,940	199,000	130,886	-	-	229,679	-	1,474,165
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	-	2,827,753	520,908	365,825	589,805	-	-	2,148,424	-	6,452,715
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	-	314,191	57,880	40,648	65,534	-	-	238,713	-	716,967
10	QUALIFYING FACILITY (20025062) (E)	-	448,816	13,526	50,000	-	-	-	64,365	-	576,707
11	INNOVATION INCENTIVE (20015940) (E)	-	1,908	-	-	14,260	133,207	-	-	-	149,375
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	-	78,002	-	190,000	-	-	-	1,181,000	-	1,449,002
13	STANDBY GENERATION (20021332) (D)	-	56,144	98,032	18,200	-	742,750	-	43,889	-	959,015
14	INTERRUPTIBLE SERVICE (20015941) (D)	2,108	80,562	98,423	6,850	-	20,581,025	-	77,206	-	20,848,173
15	CURTAINABLE SERVICE (20015942) (D)	-	38,404	1,980	-	-	1,219,000	-	6,770	-	1,266,153
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	4,991	1,621,661	236,108	1,351,250	536,438	18,900,000	-	152,578	-	22,803,026
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	740,392	-	-	-	-	-	-	-	-	740,392
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	-	8,966	-	-	-	660,750	-	-	-	669,716
19											
20	NET PROGRAM COSTS	\$ 754,873	\$ 9,030,077	\$ 1,256,614	\$ 2,265,023	\$ 4,355,931	\$ 47,959,867	\$ -	\$ 4,459,971	\$ -	\$ 70,082,354
21											
22											
23	SUMMARY OF DEMAND & ENERGY										
24											
25	ENERGY	\$ 7,382	\$ 6,910,147	\$ 764,191	\$ 848,075	\$ 3,753,959	\$ 5,856,342	\$ -	\$ 3,940,816	\$ -	\$ 22,080,912
26											
27	DEMAND	747,491	2,119,929	492,422	1,416,948	601,972	42,103,525	-	519,155	-	48,001,442
28											
29	TOTAL	\$ 754,873	\$ 9,030,077	\$ 1,256,614	\$ 2,265,023	\$ 4,355,931	\$ 47,959,867	\$ -	\$ 4,459,971	\$ -	\$ 70,082,354

PROGRESS ENERGY FLORIDA
 SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM-1P)
 SCHEDULE C - 2
 PAGE 4 OF 6

LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL
			Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	
1	HOME ENERGY CHECK														
2	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4	DEPRECIATION BASE		6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
5															
6	DEPRECIATION EXPENSE		112	112	112	112	112	112	112	112	112	112	112	112	1,344
7															
8	CUMULATIVE INVESTMENT	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
9	LESS: ACC. DEPRECIATION	4,132	4,244	4,356	4,468	4,580	4,692	4,804	4,916	5,028	5,140	5,252	5,364	5,476	5,476
10	NET INVESTMENT	2,605	2,493	2,381	2,269	2,157	2,045	1,933	1,821	1,709	1,597	1,485	1,373	1,261	1,261
11	AVERAGE INVESTMENT		2,549	2,437	2,325	2,213	2,101	1,989	1,877	1,765	1,653	1,541	1,429	1,317	
12	RETURN ON AVERAGE INVESTMENT		19	18	17	17	16	14	14	13	12	12	10	10	172
13															
14	RETURN REQUIREMENTS		28	27	25	25	24	21	21	19	18	18	15	15	256
15															
16	PROGRAM TOTAL		\$ 140	\$ 139	\$ 137	\$ 137	\$ 136	\$ 133	\$ 133	\$ 131	\$ 130	\$ 130	\$ 127	\$ 127	\$1,600
17															
18	BUSINESS ENERGY CHECK														
19	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
21	DEPRECIATION BASE		3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601
22															
23	DEPRECIATION EXPENSE		60	60	60	60	60	60	60	60	60	60	60	60	720
24															
25	CUMULATIVE INVESTMENT	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601
26	LESS: ACC. DEPRECIATION	2,820	2,860	2,940	3,000	3,060	3,120	3,180	3,240	3,300	3,360	3,420	3,480	3,540	3,540
27	NET INVESTMENT	781	721	661	601	541	481	421	361	301	241	181	121	61	61
28	AVERAGE INVESTMENT		751	691	631	571	511	451	391	331	271	211	151	91	
29	RETURN ON AVERAGE INVESTMENT		5	5	5	4	4	4	3	3	2	2	1	1	38
30															
31	RETURN REQUIREMENTS		8	8	8	5	6	6	4	4	3	2	2	2	69
32															
33	PROGRAM TOTAL		\$ 68	\$ 68	\$ 68	\$ 66	\$ 66	\$ 64	\$ 64	\$ 63	\$ 62	\$ 62	\$ 62	\$ 62	\$779
34															
35	RESIDENTIAL NEW CONSTRUCTION														
36	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 0	\$10,000
37	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE		-	-	-	-	2,500	5,000	5,000	5,000	5,000	10,000	10,000	10,000	10,000
39															
40	DEPRECIATION EXPENSE		0	0	0	0	0	83	83	83	125	167	167	167	875
41															
42	CUMULATIVE INVESTMENT	0	-	-	-	-	5,000	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000
43	LESS: ACC. DEPRECIATION	0	-	-	-	-	-	83	168	249	374	541	708	875	875
44	NET INVESTMENT	0	-	-	-	-	5,000	4,917	4,834	4,751	9,626	9,459	9,292	9,125	9,125
45	AVERAGE INVESTMENT		-	-	-	-	2,500	4,959	4,876	4,793	7,189	9,543	8,376	9,209	
46	RETURN ON AVERAGE INVESTMENT		-	-	-	-	18	36	36	35	53	70	70	69	387
47															
48	RETURN REQUIREMENTS		-	-	-	-	27	54	54	52	79	104	104	102	578
49															
50	PROGRAM TOTAL		\$ 0	\$ 0	\$ 0	\$ 0	\$ 27	\$ 137	\$ 137	\$ 135	\$ 204	\$ 271	\$ 271	\$ 269	\$1,451

NOTES:
 - DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0.166667 OR 20% ANNUALLY
 - RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0555-AS-ET
 - RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 39.573%

**PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006**

DOCKET NO. 040001-EG
PROGRESS ENERGY FLORIDA
WITNESS: MARIELLO
EXHIBIT NO: (JAM -1P)
SCHEDULE C - 2
PAGE 6 OF 8

LINE NO.	PROGRAM TITLE	DECRIMNO BALANCE	ESTIMATED												TOTAL	
			Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06		
1	RESIDENTIAL ENERGY MANAGEMENT															
2	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,000	\$ 0	\$ 12,000	\$ 0	\$ 59,000		
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0		
4	DEPRECIATION BASE		-	-	-	-	-	-	-	23,500	47,000	53,000	59,000			
5	DEPRECIATION EXPENSE		0	0	0	0	0	0	0	392	783	883	983	3,041		
6	CUMULATIVE INVESTMENT	0	-	-	-	-	-	-	-	47,000	47,000	59,000	59,000	59,000		
7	LESS: ACC. DEPRECIATION	0	-	-	-	-	-	-	-	392	1,175	2,058	3,041	3,041		
8	NET INVESTMENT	0	-	-	-	-	-	-	-	46,608	45,825	56,942	55,959	55,959		
9	AVERAGE INVESTMENT		-	-	-	-	-	-	-	23,304	48,217	51,384	56,451	56,451		
10	RETURN ON AVERAGE INVESTMENT		-	-	-	-	-	-	-	173	343	380	418	1,314		
11	RETURN REQUIREMENTS		-	-	-	-	-	-	-	257	509	584	620	1,850		
12	PROGRAM TOTAL		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 649	\$ 1,292	\$ 1,447	\$ 1,603	\$4,991		
13	INTERRUPTIBLE SERVICE															
14	INVESTMENT		\$ 7,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$7,000		
15	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0		
16	DEPRECIATION BASE		3,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000		
17	DEPRECIATION EXPENSE		58	117	117	117	117	117	117	117	117	117	117	1,345		
18	CUMULATIVE INVESTMENT	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000		
19	LESS: ACC. DEPRECIATION	0	58	175	292	409	526	643	760	877	994	1,111	1,228	1,345		
20	NET INVESTMENT	0	6,942	6,825	6,708	6,591	6,474	6,357	6,240	6,123	6,006	5,889	5,772	5,655		
21	AVERAGE INVESTMENT		3,471	6,884	6,767	6,650	6,533	6,416	6,299	6,182	6,065	5,948	5,831	5,714		
22	RETURN ON AVERAGE INVESTMENT		26	51	51	49	48	48	48	47	45	44	43	541		
23	RETURN REQUIREMENTS		0	75	75	73	71	71	70	68	67	65	64	783		
24	PROGRAM TOTAL		\$ 58	\$ 192	\$ 192	\$ 190	\$ 188	\$ 188	\$ 187	\$ 185	\$ 184	\$ 182	\$ 181	\$2,108		
25	HOME ENERGY IMPROVEMENT															
26	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$0		
27	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0		
28	DEPRECIATION BASE		12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490		
29	DEPRECIATION EXPENSE		208	208	208	208	208	208	208	208	208	208	208	2,496		
30	CUMULATIVE INVESTMENT	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490		
31	LESS: ACC. DEPRECIATION	9,647	3,051	3,259	3,467	3,675	3,883	4,091	4,299	4,507	4,715	4,923	5,131	5,339		
32	NET INVESTMENT		9,439	9,231	9,023	8,815	8,607	8,399	8,191	7,983	7,775	7,567	7,359	7,151		
33	AVERAGE INVESTMENT		4,719	9,335	9,127	8,919	8,711	8,503	8,295	8,087	7,879	7,671	7,463	7,255		
34	RETURN ON AVERAGE INVESTMENT		35	69	68	66	65	63	61	60	58	57	56	711		
35	RETURN REQUIREMENTS		52	102	101	98	96	94	91	89	86	85	83	1,056		
36	PROGRAM TOTAL		\$ 260	\$ 310	\$ 309	\$ 306	\$ 304	\$ 302	\$ 299	\$ 297	\$ 294	\$ 293	\$ 291	\$3,562		
37	LOAD MANAGEMENT SWITCHES (9080120) (D)															
38	LOAD CONTROL RECEIVERS, SWITCHES,															
39	AND HARDWARE - INVESTMENT		\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$ 63,466	\$701,594		
40	RETIREMENTS		14,513	18,806	27,367	13,570	(15,402)	33,482	89,525	89,064	117,426	193,779	101,189	84,686	778,810	
41	AMORTIZATION BASE		2,726,448	2,773,253	2,813,633	2,858,831	2,921,013	2,975,439	2,977,402	2,946,174	2,900,995	2,808,659	2,724,638	2,695,363		
42	AMORTIZATION EXPENSE		45,441	46,221	46,694	47,611	48,684	49,591	49,623	49,103	48,350	46,814	45,414	44,923	585,889	
43	CUMULATIVE INVESTMENT	2,701,969	2,750,822	2,795,583	2,831,883	2,861,578	2,900,447	2,900,431	2,864,372	2,827,875	2,874,015	2,743,703	2,705,873	2,684,753	2,684,753	
44	LESS: ACC. AMORTIZATION	1,468,337	1,527,265	1,554,681	1,574,208	1,608,248	1,672,335	1,688,444	1,648,542	1,597,781	1,526,705	1,381,740	1,325,959	1,288,195	1,288,195	
45	NET INVESTMENT	1,205,632	1,223,858	1,240,903	1,257,475	1,273,330	1,268,112	1,301,988	1,315,831	1,330,194	1,345,310	1,361,962	1,380,014	1,396,558	1,396,558	
46	AVERAGE INVESTMENT		1,214,645	1,232,280	1,249,189	1,265,403	1,280,721	1,295,050	1,306,909	1,323,012	1,337,752	1,353,636	1,370,968	1,388,288	1,388,288	
47	RETURN ON AVERAGE INVESTMENT		8,999	9,129	9,255	9,374	9,488	9,595	9,697	9,601	9,610	10,028	10,157	10,292	115,725	
48	RETURN REQUIREMENTS		13,354	13,546	13,733	13,910	14,079	14,238	14,389	14,544	14,705	14,881	15,072	15,272	171,723	
49	TOTAL AMORTIZATION AND RETURN		\$ 58,795	\$ 59,787	\$ 60,627	\$ 61,521	\$ 62,783	\$ 63,829	\$ 64,012	\$ 63,647	\$ 63,055	\$ 61,695	\$ 60,488	\$ 60,185	\$740,392	
50	SUMMARY OF DEMAND & ENERGY:															
51	ENERGY		\$ 526	\$ 709	\$ 706	\$ 699	\$ 721	\$ 826	\$ 820	\$ 812	\$ 875	\$ 938	\$ 932	\$ 926	\$ 9,490	
52	DEMAND		58,795	59,787	60,627	61,521	62,783	63,829	64,012	63,647	63,704	62,867	61,823	61,798	745,383	
53	TOTAL DEPRECIATION AND RETURN		\$ 59,321	\$ 60,476	\$ 61,333	\$ 62,220	\$ 63,484	\$ 64,655	\$ 64,832	\$ 64,459	\$ 64,579	\$ 63,925	\$ 62,865	\$ 62,724	\$ 754,873	

NOTES:
- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166887 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDERMPSC-02-0953-AS-ET
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.517%

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2005 ACTUAL
 SEPTEMBER through DECEMBER, 2005 ESTIMATED

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM - 1P)
 SCHEDULE C - 3
 PAGE 1 OF 7

LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	VEHICLES	OPERATING AND MAINTENANCE COSTS					PROGRAM REVENUES (CREDITS)	TOTAL
					OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	BETTER BUSINESS										
2	A. ACTUAL	\$ -	\$ 6,781	\$ -	\$ -	\$ -	\$ 196	\$ 264,187	\$ -	\$ -	\$ 271,164
3	B. ESTIMATED	-	4,800	-	-	-	4,816	91,634	-	-	101,250
4											
5	C. TOTAL	-	11,581	-	-	-	5,012	355,821	-	-	372,414
6											
7	RESIDENTIAL NEW CONSTRUCTION										
8	A. ACTUAL	-	341,015	-	23,386	430	85,830	201,830	30,982	-	683,473
9	B. ESTIMATED	-	220,531	-	12,180	8,000	98,894	216,857	16,544	-	573,006
10											
11	C. TOTAL	-	561,546	-	35,566	8,430	184,724	418,687	47,526	-	1,256,479
12											
13	HOME ENERGY IMPROVEMENT										
14	A. ACTUAL	2,563	254,436	-	23,887	174	42,479	1,460,598	12,003	(780)	1,795,360
15	B. ESTIMATED	1,280	174,842	-	-	3,190	58,120	768,500	16,000	-	1,021,932
16											
17	C. TOTAL	3,843	429,278	-	23,887	3,364	100,599	2,229,098	28,003	(780)	2,817,292
18											
19	COMM / IND NEW CONSTRUCTION										
20	A. ACTUAL	-	-	-	-	-	-	-	-	-	-
21	B. ESTIMATED	-	1,600	-	-	-	-	32,952	2,360	-	36,912
22											
23	C. TOTAL	-	1,600	-	-	-	-	32,952	2,360	-	36,912
24											
25	HOME ENERGY CHECK										
26	A. ACTUAL	1,207	1,236,574	-	18,833	107,480	879,203	100	106,815	-	2,350,212
27	B. ESTIMATED	574	614,710	-	14,491	4,352	1,374,489	-	15,000	-	2,023,616
28											
29	C. TOTAL	1,781	1,851,284	-	33,324	111,832	2,253,692	100	121,815	-	4,373,828
30											
31	LOW INCOME										
32	A. ACTUAL	-	21,567	-	-	-	38,965	4,360	4,862	-	69,754
33	B. ESTIMATED	-	14,439	-	-	-	42,500	7,673	3,260	-	67,872
34											
35	C. TOTAL	-	36,006	-	-	-	81,465	12,033	8,122	-	137,626

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2005 ACTUAL
 SEPTEMBER through DECEMBER, 2005 ESTIMATED

DOCKET NO: 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM - 1P)
 SCHEDULE C - 3
 PAGE 2 OF 7

LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS							PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	BUSINESS ENERGY CHECK										
2	A. ACTUAL	\$ 591	\$ 462,983	\$ -	\$ 78	\$ 2,618	\$ 14,261	\$ -	\$ 36,628	\$ -	\$ 517,159
3	B. ESTIMATED	279	251,497	-	10,000	5,276	100,807	-	27,106	-	394,965
4											
5	C. TOTAL	870	714,480	-	10,078	7,894	115,068	-	63,734	-	912,124
6											
7	QUALIFYING FACILITY										
8	A. ACTUAL	-	305,593	-	-	1,195	-	-	30,794	-	337,582
9	B. ESTIMATED	-	165,770	-	-	1,036	-	-	20,212	-	187,018
10											
11	C. TOTAL	-	471,363	-	-	2,231	-	-	51,006	-	524,600
12											
13	INNOVATION INCENTIVE										
14	A. ACTUAL	-	-	-	2,255	-	-	440	-	-	2,695
15	B. ESTIMATED	-	2,400	-	-	-	-	18,866	-	-	21,266
16											
17	C. TOTAL	-	2,400	-	2,255	-	-	19,306	-	-	23,961
18											
19	TECHNOLOGY DEVELOPMENT										
20	A. ACTUAL	-	54,845	-	231,224	(32,780)	20,999	96	4,998	-	279,382
21	B. ESTIMATED	-	30,830	-	-	2,932	400	-	36,078	-	70,238
22											
23	C. TOTAL	-	85,675	-	231,224	(29,848)	21,399	96	41,074	-	349,620
24											
25	STANDBY GENERATION										
26	A. ACTUAL	-	21,484	-	8,506	11,574	-	306,311	18,336	-	366,211
27	B. ESTIMATED	-	19,794	-	6,016	4,956	-	369,554	1,592	-	401,912
28											
29	C. TOTAL	-	41,278	-	14,522	16,530	-	675,865	19,928	-	768,123
30											
31	INTERRUPT LOAD MANAGEMENT										
32	A. ACTUAL	-	76,510	-	3,833	20,262	-	12,992,857	42,821	-	13,136,283
33	B. ESTIMATED	-	32,915	-	1,954	32,440	-	6,640,378	15,981	-	6,723,668
34											
35	C. TOTAL	-	109,425	-	5,787	52,702	-	19,633,235	58,802	-	19,859,951

PROGRESS ENERGY FLORIDA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

LINE NO.	BEGINNING BALANCE	JAN 05	FEB 05	MAR 05	APR 05	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	OCT 05	NOV 05	DEC 05	TOTAL
1 ENERGY CONSERVATION ADMIN														
2 INVESTMENTS		0	0	26,590	0	0	0	0	0	0	0	0	0	26,590
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		0	0	13,295	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	
5														
6 DEPRECIATION EXPENSE		0	0	0	443	443	443	443	443	443	443	443	443	3,987
7														
8 CUMM. NET INVEST	0	0	0	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590
9 LESS: ACC. NET DEPR	0	0	0	0	443	886	1,329	1,772	2,215	2,658	3,101	3,544	3,987	3,987
10 NET INVESTMENT	0	0	0	26,590	26,147	25,704	25,261	24,818	24,375	23,932	23,489	23,046	22,603	22,603
11 AVERAGE INVESTMENT		0	0	13,295	26,369	25,926	25,483	25,040	24,597	24,154	23,711	23,268	22,825	
12 RETURN ON AVG INVEST		0	0	101	201	199	195	192	188	185	182	178	175	1,796
13														
14 RETURN REQUIREMENTS		0	0	147	292	289	283	279	273	269	264	258	254	2,608
15														
16 PROGRAM TOTAL		0	0	147	735	732	726	722	716	712	707	701	697	6,595
17														
1 BUSINESS ENERGY CHECK														
2 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	
5														
6 DEPRECIATION EXPENSE		60	60	60	60	60	60	60	60	60	60	60	60	720
7														
8 CUMM. NET INVEST	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601	3,601
9 LESS: ACC. NET DEPR	2,100	2,160	2,220	2,280	2,340	2,400	2,460	2,520	2,580	2,640	2,700	2,760	2,820	2,820
10 NET INVESTMENT	1,501	1,441	1,381	1,321	1,261	1,201	1,141	1,081	1,021	961	901	841	781	781
11 AVERAGE INVESTMENT		1,471	1,411	1,351	1,291	1,231	1,171	1,111	1,051	991	931	871	811	
12 RETURN ON AVG INVEST		11	11	10	10	10	9	8	8	7	7	7	6	104
13														
14 RETURN REQUIREMENTS		16	16	14	14	14	13	12	12	10	10	10	9	150
15														
16 PROGRAM TOTAL		76	76	74	74	74	73	72	72	70	70	70	69	670
17														

NOTES:

- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0655-AS-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2005

LINE NO.	BEGINNING BALANCE	JAN 05	FEB 05	MAR 05	APR 05	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	OCT 05	NOV 05	DEC 05	TOTAL
1 HOME ENERGY CHECK														
2 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
5														
6 DEPRECIATION EXPENSE		112	112	112	112	112	112	112	112	112	112	112	112	1,344
7														
8 CUMM. NET INVEST	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
9 LESS: ACC. NET DEPR	2,788	2,900	3,012	3,124	3,236	3,348	3,460	3,572	3,684	3,796	3,908	4,020	4,132	4,132
10 NET INVESTMENT	3,949	3,837	3,725	3,613	3,501	3,389	3,277	3,165	3,053	2,941	2,829	2,717	2,605	2,605
11 AVERAGE INVESTMENT		3,893	3,781	3,669	3,557	3,445	3,333	3,221	3,109	2,997	2,885	2,773	2,661	2,661
12 RETURN ON AVG INVEST		29	29	28	28	26	25	25	24	23	22	21	21	301
13														
14 RETURN REQUIREMENTS		42	42	41	41	38	36	36	35	34	32	30	30	437
15														
16 PROGRAM TOTAL		154	154	153	153	150	148	148	147	146	144	142	142	1,781
17														
18 HOME ENERGY IMPROVEMENT														
19 INVESTMENTS		7,578	0	0	0	0	0	0	0	0	0	0	0	7,578
20 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
21 DEPRECIATION BASE		8,701	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490
22														
23 DEPRECIATION EXPENSE		145	208	208	208	208	208	208	208	208	208	208	208	2,433
24														
25 CUMM. NET INVEST	4,912	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490
26 LESS: ACC. NET DEPR	410	555	763	971	1,179	1,387	1,595	1,803	2,011	2,219	2,427	2,635	2,843	2,843
27 NET INVESTMENT	4,502	11,935	11,727	11,519	11,311	11,103	10,895	10,687	10,479	10,271	10,063	9,855	9,647	9,647
28 AVERAGE INVESTMENT		8,218	11,831	11,623	11,415	11,207	10,999	10,791	10,583	10,375	10,167	9,959	9,751	9,751
29 RETURN ON AVG INVEST		63	90	89	87	86	85	82	81	79	78	76	75	971
30														
31 RETURN REQUIREMENTS		91	131	129	127	125	123	119	117	115	113	111	109	1,410
32														
33 PROGRAM TOTAL		236	339	337	335	333	331	327	325	323	321	319	317	3,843
34														
35														
36 LOAD MANAGEMENT														
37 LOAD CONTROL RECEIVERS, SWITCHES & HARDWARE - INVESTMENTS		(143,055)	41,908	56,128	44,078	28,807	21,841	21,033	14,617	0	0	0	0	82,557
38														
39 RETIREMENTS		28,937	16,356	32,280	10,941	36,109	29,575	35,237	30,836	22,148	23,428	40,885	423,609	730,339
40 AMORTIZATION BASE		3,263,456	3,189,936	3,214,636	3,243,129	3,254,946	3,246,328	3,235,360	3,220,149	3,200,965	3,178,177	3,146,021	2,913,774	
41														
42 AMORTIZATION EXPENSE		54,391	53,166	53,577	54,052	54,249	54,105	53,923	53,669	53,350	52,970	52,434	48,563	638,450
43														
44 CUMULATIVE INVEST.	3,349,752	3,177,180	3,202,712	3,228,560	3,259,897	3,250,195	3,242,462	3,228,258	3,212,039	3,189,891	3,166,463	3,125,578	2,701,969	2,701,969
45 LESS: ACC. AMORT.	1,588,226	1,613,680	1,650,491	1,671,768	1,714,899	1,733,039	1,757,571	1,776,257	1,799,090	1,830,292	1,859,834	1,871,383	1,498,337	1,498,337
46 NET INVESTMENT	1,761,526	1,563,479	1,552,221	1,554,772	1,544,798	1,517,156	1,484,891	1,452,001	1,412,949	1,359,599	1,306,629	1,254,195	1,205,632	1,205,632
47 AVERAGE INVESTMENT		1,062,503	1,557,850	1,553,496	1,549,785	1,530,977	1,501,023	1,468,446	1,432,475	1,388,274	1,333,114	1,280,412	1,229,914	1,229,914
48 RETURN ON AVG. INVEST.		12,719	11,917	11,884	11,856	11,712	11,483	11,234	10,959	10,605	10,198	9,785	9,409	133,771
49														
50 RETURN REQUIREMENTS		18,470	17,308	17,258	17,217	17,008	16,875	16,314	15,915	15,400	14,808	14,224	13,864	194,260
51														
52 PROGRAM TOTAL		72,861	70,472	70,835	71,269	71,257	70,781	70,237	69,584	68,750	67,779	66,658	62,227	832,710

NOTES:

- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0168667 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 9.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0655-AS-E1
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

LINE NO.	JAN 05	FEB 05	MAR 05	APR 05	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	OCT 05	NOV 05	DEC 05	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	0	90	0	0	0	0	0	0	0	0	0	90
1C HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D SUBTOTAL - FEES	0	0	90	0	0	0	0	0	0	0	0	0	90
2 CONSERVATION CLAUSE REVENUES	4,683,791	4,333,609	4,171,573	4,310,099	4,329,855	5,187,468	6,078,304	6,304,917	6,182,801	5,583,255	4,736,277	4,630,247	60,532,196
2A CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	4,683,791	4,333,609	4,171,663	4,310,099	4,329,855	5,187,468	6,078,304	6,304,917	6,182,801	5,583,255	4,736,277	4,630,247	60,532,286
4 PRIOR PERIOD TRUE-UP OVER/(UNDER)	8,154,738	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,561	8,154,743
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	5,363,353	5,013,171	4,851,225	4,989,661	5,009,417	5,867,030	6,757,865	6,984,479	6,862,363	6,262,817	5,415,839	5,309,808	68,667,029
6 CONSERVATION EXPENSES (CT-3, PAGE 1, LINE 73)	5,422,428	4,710,444	4,828,084	4,641,069	4,622,029	4,450,709	4,953,762	4,964,586	5,581,218	5,242,041	5,577,012	6,079,885	61,051,067
7 TRUE-UP THIS PERIOD (O)/U	59,075	(302,727)	(25,141)	(348,592)	(387,388)	(1,418,321)	(1,804,104)	(2,019,893)	(1,301,145)	(1,020,778)	161,173	789,877	(7,835,962)
8 CURRENT PERIOD INTEREST	(11,548)	(15,534)	(15,247)	(15,028)	(15,012)	(16,359)	(16,959)	(24,760)	(28,177)	(25,110)	(24,541)	(21,703)	(230,968)
9 ADJUSTMENTS PER AUDIT \ RDC Order	0	0	0	0	0	0	0	0	0	0	0	0	0
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(8,154,738)	(7,427,649)	(7,086,348)	(6,427,174)	(6,111,232)	(5,834,070)	(6,587,188)	(7,731,689)	(9,098,770)	(9,744,530)	(10,110,854)	(9,294,680)	(8,154,738)
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ (COLLECTED)	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,562	679,561	8,154,743
12 END OF PERIOD NET TRUE-UP	(7,427,649)	(7,086,348)	(6,427,174)	(6,111,232)	(5,834,070)	(6,587,188)	(7,731,689)	(9,098,770)	(9,744,530)	(10,110,854)	(9,294,680)	(7,866,925)	(7,866,925)

PROGRESS ENERGY FLORIDA
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

LINE NO.	JAN 05	FEB 05	MAR 05	APR 05	MAY 05	JUN 05	JUL 05	AUG 05	SEP 05	OCT 05	NOV 05	DEC 05	TOTAL FOR THE PERIOD
1 BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10)	(8,154,738)	(7,427,649)	(7,066,348)	(6,427,174)	(6,111,232)	(5,834,070)	(6,587,188)	(7,731,689)	(9,096,770)	(9,744,530)	(10,110,854)	(9,294,660)	
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST	(7,416,101)	(7,050,814)	(6,411,927)	(6,096,204)	(5,819,058)	(6,570,829)	(7,711,730)	(9,072,020)	(9,718,353)	(10,065,744)	(9,270,119)	(7,845,222)	
3 TOTAL BEGINNING & ENDING TRUE-UP	(15,570,839)	(14,478,463)	(13,478,275)	(12,523,378)	(11,930,290)	(12,404,899)	(14,298,918)	(16,803,709)	(18,815,123)	(19,830,274)	(19,380,973)	(17,139,882)	
4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(7,785,420)	(7,239,232)	(6,739,138)	(6,261,689)	(5,965,145)	(6,202,449)	(7,149,459)	(8,401,854)	(9,407,561)	(9,915,137)	(9,690,486)	(8,569,941)	
5 INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH	1.06%	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.04%	3.04%	3.04%	3.04%
6 INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.04%	3.04%	3.04%	3.04%	3.04%
7 TOTAL (LINE 5 AND LINE 6)	3.56%	5.15%	5.43%	5.76%	6.04%	6.33%	6.70%	7.07%	6.68%	6.08%	6.08%	6.08%	6.08%
8 AVERAGE INTEREST RATE (50% OF LINE 7)	1.780%	2.575%	2.715%	2.880%	3.020%	3.165%	3.350%	3.535%	3.339%	3.039%	3.039%	3.039%	3.039%
9 INTEREST PROVISION (LINE 4 * LINE 8) / 12	(11,548)	(15,534)	(15,247)	(15,028)	(15,012)	(16,359)	(19,959)	(24,750)	(26,177)	(25,110)	(24,541)	(21,703)	(230,968)

CALCULATION OF ENERGY CONSERVATION COST RECOVERY (ECCR) REVENUES
 FOR THE PERIOD: JANUARY 2006 THROUGH DECEMBER 2006

<u>MONTH</u>	<u>JURISDICTIONAL MWH SALES</u>	<u>BASE REVENUES</u>	<u>CLAUSE REVENUE NET OF REVENUE TAXES</u>
JANUARY	3,067,613	\$0	\$4,775,273
FEBRUARY	2,956,793	\$0	\$4,602,070
MARCH	2,833,681	\$0	\$4,385,544
APRIL	2,859,201	\$0	\$4,407,869
MAY	3,063,807	\$0	\$4,729,533
JUNE	3,638,603	\$0	\$5,660,615
JULY	3,951,867	\$0	\$6,174,053
AUGUST	4,052,987	\$0	\$6,337,186
SEPTEMBER	4,010,031	\$0	\$6,262,489
OCTOBER	3,617,090	\$0	\$5,626,895
NOVEMBER	3,095,165	\$0	\$4,775,449
DECEMBER	3,001,363	\$0	\$4,637,425
TOTAL	40,148,201	\$0	\$62,374,398

Program Description and Progress

Program Title: Home Energy Check

Program Description: The Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides Progress Energy Florida, Inc.'s (PEF) residential customers with an analysis of energy consumption and recommendations on energy efficiency improvements. It acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures. It serves as the foundation of the residential Home Energy Improvement program and is a program requirement for participation. There are six types of the energy audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (Energy Gauge), the mail-in audit, an internet option and a phone assisted audit.

Program Projections for January 2006 through December 2006: It is estimated that 30,000 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$3,621,050.

Program Progress Summary: The Home Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements which result in implementation of energy efficiency measures.

Program Description and Progress

Program Title: Home Energy Improvement

Program Description: This umbrella efficiency program provides incentives to existing residential customers for energy efficient heating, air conditioning, ceiling insulation upgrade and duct leakage repair.

Program Projections for January 2006 through December 2006: It is estimated that 12,000 completions will be performed in this program during the projected period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$4,915,650.

Program Progress Summary: This program will continue to be offered to residential customers through the Home Energy Check to provide opportunities for improving the energy efficiency of existing homes.

Program Description and Progress

Program Title: Residential New Construction

Program Description: This program is designed to encourage single, multi, and manufactured home builders to construct more energy efficient homes by choosing from a menu of energy saving measures such as duct sealing, duct layout, attic insulation, and high efficiency heat pumps. This is also an educational program that strives to teach builders, realtors, HVAC dealers, and homebuyers the importance of energy efficiency. Incentives are awarded to the builder based on the level of efficiency they choose.

Program Projections for January 2006 through December 2006: It is estimated that 13,000 homes representing 300 builders will participate in this program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$2,252,575.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of homes built during this period. Participation has increased each year since its inception.

Program Description and Progress

Program Title: Low-Income Weatherization Assistance Program

Program Description: The program goal is to integrate PEF's DSM program measures with the Department of Community Affairs (DCA) and local weatherization providers to deliver energy efficiency measures to low-income families. Through this partnership Progress Energy Progress Energy will assist local weatherization agencies by providing energy education materials and financial incentives to weatherize the homes of low-income families.

Program Projections for January 2006 through December 2006: It is estimated that 100 participants representing 12 agencies will receive services during 2006.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$143,788.

Program Progress Summary: To promote the delivery of efficiency programs to low-income families, a statewide agency meeting will be held in 2006 to all participating agencies. Individual meetings with weatherization providers are conducted throughout PEF territory to encourage participation.

Program Description and Progress

Program Title: Energy Management (Residential & Commercial)

Program Description: The Load Management Program incorporates direct radio control of selected customer equipment to reduce system demand during winter peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage.

Program Projections for January 2006 through December 2006: During this period we anticipate adding 4,500 new participants to the program.

Program Fiscal Expenditures for January 2006 through December 2006: Program expenditures during this period are projected to be \$23,472,742.

Program Progress Summary: As of August 31, 2005 there are 403,368 customers participating in the Load Management program.

Program Description and Progress

Program Title: Business Energy Check

Program Description: The Business Energy Check is an audit for non-residential customers, and has two parts. The free audit provides a no-cost energy audit for non-residential facilities and can be completed at the facility by an auditor or online by the business customer. The paid audit provides a more thorough energy analysis for non-residential facilities. This program acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures for their facility. It serves as the foundation of the Better Business Program and is a requirement for participation.

Program Projections for January 2006 through December 2006: It is estimated that 1,600 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$1,474,165.

Program Progress Summary:

The Business Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements which result in implementation of energy efficiency measures. The program is required for participation in most of the company's other DSM Business incentive programs.

Program Description and Progress

Program Title: Better Business

Program Description: This umbrella efficiency program provides incentives to existing commercial and industrial customers for heating, air conditioning, cool roof coating, roof insulation upgrade, duct leakage and repair, and high efficiency energy recovery ventilation units.

Program Projections for January 2006 through December 2006: It is estimated that 200 customers will participate during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$805,579.

Program Progress Summary: This program will continue to be offered to commercial customers through the Business Energy Check to provide opportunities for improving the energy efficiency of existing facilities.

Program Description and Progress

Program Title: Commercial/Industrial New Construction

Program Description: This umbrella efficiency program provides incentives for the design and construction of energy efficient commercial and industrial facilities. Incentives are provided for energy efficient heating, air conditioning, cool roof coating, high efficiency energy recovery ventilation units and leak free ducts.

Program Projections for January 2006 through December 2006: It is estimated that 50 customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$240,306.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of commercial facilities built during this period.

Program Description and Progress

Program Title: Innovation Incentive

Program Description: Significant conservation efforts that are not supported by other Progress Energy programs can be encouraged through Innovation Incentive. Major equipment replacement or other actions that substantially reduce PEF peak demand requirements are evaluated to determine their impact on Progress Energy's system. If cost effective, these actions may qualify for an economic incentive in order to shorten the "payback" time of the project.

Program Projections for January 2006 through December 2006: It is estimated that 1 customer will participate in the program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$149,375.

Program Progress Summary: This program continues to recognize specialized, customer specific energy efficiency measures not covered through the company's other DSM programs.

Program Description and Progress

Program Title: Standby Generation

Program Description: Progress Energy Florida, Inc. provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Projections for January 2006 through December 2006: It is estimated that 4 new customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$959,015.

Program Progress Summary: A total of 33 customers are currently on this program.

Program Description and Progress

Program Title: Interruptible Service Program

Program Description: The Interruptible Service program is a rate tariff which allows Progress Energy to switch off electrical service to customers during times of capacity shortages. In return for interruption, the customers receive a monthly rebate on their kW demand charge.

Program Projections for January 2006 through December 2006: No new participants are expected during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$20,846,173.

Program Progress Summary: The program currently has 152 active accounts with 82 participants. The original program filed, as the IS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the IS-2 tariff.

Program Description and Progress

Program Title: Curtailable Service Program

Program Description: The Curtailable Service is a dispatchable DSM program in which customers contract to curtail or shut down a portion of their load during times of capacity shortages. The curtailment is done voluntarily by the customer when notified by PEF. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

Program Projections for January 2006 through December 2006: One new participant is expected during the projection period.

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$1,266,153.

Program Progress Summary: This program has 5 participants. The original program filed, as the CS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the newer CS-2 or CS-3 tariffs.

Program Description and Progress

Program Title: Technology Development

Program Description: This program allows Progress Energy Florida, Inc. to undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs.

Program Projections for January 2006 through December 2006: Several research and development projects will continue and/or launch in 2006. Progress Energy will continue to monitor the energy and demand impacts from the hydrogen fuel cell equipment & photovoltaics at Homosassa Springs State Wildlife Park as well as the monitoring of photovoltaic systems at five schools with a related curriculum. New research projects include:

- Evaluation of fuel cell performance at an assisted living facility
- Solar thermal study of residential solar water heating systems
- Hydrogen curriculum for students
- Evaluation of a cost-effective energy measurement and monitoring technology
- Evaluation of the demand and energy savings of foam wall insulation
- Alternative energy sources such as biomass, waste heat and other renewable sources will be evaluated

Program Fiscal Expenditures for January 2006 through December 2006: Expenses for this program are projected to be \$1,449,002.

Program Progress Summary: The demand response pilot has been completed and a final report will be provided. The evaluation of an energy recovery system for a residential application is being conducted. In addition to the projects noted, we will continue to pursue other promising new technology projects. A Grid Optimization project will begin to evaluate the production of hydrogen during off-peak times and will include the use of photovoltaic arrays to supply a portion of the energy to produce the hydrogen. Several air handler retro-commissioning studies will be conducted at Florida universities to evaluate demand and energy savings. These studies will help validate the demand reduction potential for air handler retro-commissioning to become an Innovation Incentive measure.

Program Description and Progress

Program Title: Qualifying Facility

Program Description: Power is purchased from qualifying cogeneration and small power production facilities.

Program Projections for January, 2006 through December, 2006: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2006 through December, 2006: Expenses for this program are projected to be \$576,707.

Program Progress Summary: The total MW of qualifying facility capacity is approximately 820 MW.