

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**DOCKET NO. 060007-EI**

**ENVIRONMENTAL COST RECOVERY CLAUSE  
FINAL TRUE-UP**

**JANUARY 2005 through DECEMBER 2005**

**March 31, 2006**

**DIRECT TESTIMONY & EXHIBIT OF:**

**JAVIER PORTUONDO**



**Progress Energy**

DOCUMENT NUMBER-DATE

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**PROGRESS ENERGY FLORIDA**

**DOCKET NO. 060007-EI**

**Environmental Cost Recovery Clause  
Final True-Up for Period  
January through December, 2005**

**DIRECT TESTIMONY OF  
JAVIER PORTUONDO**

March 31, 2006

1 **Q. Please state your name and business address.**

2 A. My name is Javier Portuondo. My business address is Post Office Box 1551,  
3 Raleigh, NC 27601.

4  
5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Progress Energy Service Company, LLC as Director of  
7 Regulatory Planning.

8  
9 **Q. Have your duties and responsibilities remained the same since you last  
10 testified in this proceeding?**

11 A. Yes, with respect to Florida. I have also taken on the same responsibilities with  
12 respect to North Carolina.

13  
14 **Q. Have you previously filed testimony before this Commission in connection  
15 with Progress Energy Florida's Environmental Cost Recovery Clause  
16 (ECRC)?**

1 A. Yes, I have.

2

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

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

8

9 **Q. Are you sponsoring any exhibits in support of your testimony?**

10 A. Yes. I am sponsoring Exhibit No. \_\_\_ JP-1, which consists of eight forms. Form  
11 42-1A reflects the final true-up for the period January 2005 through December  
12 2005. Form 42-2A reflects the final true-up calculation for the period. Form 42-  
13 3A reflects the calculation of the Interest Provision for the period. Form 42-4A  
14 reflects the calculation of variances between actual and estimated/actual costs  
15 for O&M activities. Form 42-5A presents a summary of actual monthly costs for  
16 the period of O&M activities. Form 42-6A reflects the calculation of variances  
17 between actual and estimated/actual costs for Capital Investment Projects.  
18 Form 42-7A presents a summary of actual monthly costs for the period for  
19 Capital Investment Projects. Form 42-8A, pages 1 through 10, consist of the  
20 calculation of depreciation expense and return on capital investment for each  
21 project that is being recovered through the ECRC.

22

23 **Q. What is the source of the data that you will present by way of testimony or**  
24 **exhibits in this proceeding?**

1 A. The actual data is taken from the books and records of PEF. The books and  
2 records are kept in the regular course of our business in accordance with  
3 generally accepted accounting principles and practices, and provisions of the  
4 Uniform System of Accounts as prescribed by this Commission.

5

6 **Q. What is the final true-up amount for which PEF is requesting for the period**  
7 **January 2005 through December 2005?**

8 A. PEF is requesting approval of an under-recovery amount of \$12,159,477 for the  
9 calendar period ending December 31, 2005. This amount is shown on Form  
10 42-1A, Line 1.

11

12 **Q. What is the net true-up amount PEF is requesting for the January 2005**  
13 **through December 2005 period which is to be applied in the calculation of**  
14 **the environmental cost recovery factors to be refunded/recovered in the**  
15 **next projection period?**

16 A. PEF has calculated and is requesting approval of an under-recovery amount of  
17 \$237,170 reflected on Line 3 of Form 42-1A, as the adjusted net true-up amount  
18 for the January 2005 through December 2005 period. This amount is the  
19 difference between the actual under-recovery amount of \$12,159,477 and the  
20 actual/estimated under-recovery of \$11,922,307, as approved in Order PSC-05-  
21 1251-FOF-EI, for the period of January 2005 through December 2005.

22

23 **Q. Are all costs listed in Forms 42-1A through 42-8A attributable to**  
24 **environmental compliance projects approved by the Commission?**

1 A. Yes, they are.

2  
3 **Q. How did actual O&M expenditures for January 2005 through December**  
4 **2005 compare with PEF's estimated/actual projections as presented in**  
5 **previous testimony and exhibits?**

6 A. Form 42-4A shows that total O&M project costs were \$716,447 or 1.8% higher  
7 than projected. Following are variance explanations for those O&M projects  
8 with significant variances. Individual project variances are provided on Form 42-  
9 4A.

10 **O&M Project Variances**

11 **1. Substation Environmental Investigation, Remediation, and Pollution**

12 **Prevention (Project No. 1):** Project expenditures were \$123,604 or 10.2%  
13 less than projected. This variance is primarily attributable to a change in  
14 the 2005 workplan as directed by the Florida Department of Environmental  
15 Protection (FDEP). Instead of remediating 66 substations as originally  
16 forecasted, PEF focused on the 12 remediations that had been identified  
17 as high range sites. PEF completed remediation on six of the 12 active  
18 substation sites during 2005. Initial remediation activities were also started  
19 on the remaining six substation sites; however, completion of the work will  
20 be carried over into the 2006 workplan.

21  
22 **2. Pipeline Integrity Management Program (Project No. 3a):** The Pipeline  
23 Integrity Management (PIM) O&M project expenditures were \$551,210 or

1 43.6% lower than projected. The majority of the variance is being driven by  
2 the following: (1) The budget for the risk assessment was developed using  
3 historical averages for work completion; however, the actual number of  
4 repairs in 2005 were far less than what we had historically completed and  
5 (2) PEF completed a survey to address any inadequate cover areas found  
6 on the pipeline. When developing the budget for this program, PEF  
7 assumed that the work to be completed would be in wet ground condition  
8 areas, which is far more costly. The ground conditions for the work that  
9 PEF actually completed were better than originally anticipated; therefore  
10 costs were reduced.

11  
12 **3. SO2 Emissions Allowances (Project No. 5):** Project expenditures were  
13 \$1,262,331 or 4.2% higher than projected. This variance is primarily  
14 attributable to a true-up adjustment made in the fourth quarter of 2005 to  
15 correct emission allowance expenses. The adjustment was made to  
16 ensure that PEF's inventories of emission allowances agreed to the  
17 balance that the U.S. Environmental Protection Agency (EPA) has on  
18 record.

19  
20 **4. Phase II Cooling Water Intake (Project No. 6):** Project expenditures were  
21 \$171,153 or 65.1% higher than projected. The variance is attributable to  
22 contract labor costs to perform field studies. These costs were higher than  
23 originally projected because the labor required to complete the work was  
24 greater than anticipated. The 2005 estimated projections were calculated

1 just three months after the work was initiated; therefore the labor  
2 requirements had not yet been fully analyzed.

3  
4 **5. Arsenic Groundwater Standard (Project No. 8):** Project expenditures  
5 were expected to be \$50,000; however, work was delayed in 2005 due to  
6 continued negotiations with the FDEP. Work is expected to begin in early  
7 2006, once PEF receives the agencies' final decision on permit renewal.

8  
9 **6. Sea Turtle – Coastal Street Lighting (Project No. 9):** Project  
10 expenditures were expected to be \$80,000; however, work was delayed in  
11 2005 due to negotiations with the Florida Fish & Wildlife Conservation  
12 Commission and the local governments. This work is anticipated to begin  
13 in early 2006, after meetings with officials to establish PEF's guidelines for  
14 performing these activities.

15  
16 **Q. How did actual Capital expenditures for January 2005 through December**  
17 **2005 compare with PEF's estimated/actual projections as presented in**  
18 **previous testimony and exhibits?**

19 **A.** Form 42-6A shows that total Capital Investment project costs were \$6,461 or  
20 0.2% lower than projected. Actual costs and variance by individual project are  
21 provided on Form 42-6A. Following are variance explanations for those Capital  
22 projects with significant variances. Return on Capital Investment, Depreciation  
23 and Taxes for each project for the period are provided on Form 42-8A, pages 1  
24 through 10.

1        **Capital Investment Project Variances:**

2        **1. Above Ground Tank Secondary Containment (Project No. 4):**

3            Recoverable costs were \$41,657 or 18.9% lower than projected. The  
4            variance is primarily attributable to the rescheduling of individual tank  
5            upgrades to ensure system availability during the critical hurricane season.  
6            The original estimate was based on the completion of upgrades to two  
7            large tanks at the Intercession City site. To ensure generation capability  
8            during the 2005 hurricane season, only one tank and the fuel oil pipeline  
9            secondary containment at this site was completed. In addition, a small  
10           aboveground storage tank at PEF's Avon Park site which was originally  
11           scheduled in the 2005 work plan will be completed in early 2006. However,  
12           work at the University of Florida, which was originally scheduled for 2006,  
13           was completed in 2005. This will allow us to focus on the remaining work  
14           at Avon Park to be completed early 2006 and Intercession City to be  
15           completed midyear.

16  
17        **2. Sea Turtle – Coastal Street Lighting (Project No. 9):** Project

18            expenditures were expected to be \$3,081; however, work was delayed in  
19            2005 due to negotiations with the Florida Fish & Wildlife Conservation  
20            Commission and the local governments. This work is anticipated to begin  
21            in early 2006, after meetings with officials to establish PEF's guidelines for  
22            performing these activities.

23



1       **3. CAIR/CAMR – AFUDC (Project 7.3):** These capital expenditures qualify  
2       for AFUDC and therefore will not be included in the recoverable costs until  
3       the associated pollution controls are placed in service. PEF originally  
4       estimated total capital expenditures to be \$2,000,000 in 2005 for  
5       preliminary engineering activity and strategy development work necessary  
6       in determining the company's integrated compliance strategy. However,  
7       actual expenditures in 2005 were \$1,829,277 or 8.5% lower than projected.  
8       The variance is primarily attributable to a staffing plan change which led to  
9       a minor delay in development efforts.

10  
11       **Q. Does this conclude your testimony?**

12       **A. Yes, it does.**  
13

Docket No. 060007-EI  
Progress Energy Florida  
Witness: Javier Portuondo  
Exhibit No. \_\_ (JP-1)

**PROGRESS ENERGY FLORIDA, INC.  
ENVIRONMENTAL COST RECOVERY  
COMMISSION FORMS 42-1A THROUGH 42-8A**

**JANUARY 2005 - DECEMBER 2005  
FINAL TRUE-UP  
DOCKET NO. 060007-EI**

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Final True-up Amount  
January 2005 through December 2005  
(in Dollars)

Form 42-1A

<u>Line</u>	<u>Period Amount</u>
1 Over/(Under) Recovery for the Period January 2005 - December 2005 (Form 42-2A, Line 5 + 6 + 10)	\$ (12,159,477)
2 Estimated/Actual True-Up Amount approved for the period January 2005 - December 2005 (Order No. PSC-05-1251-FOF-EI)	<u>\$ (11,922,307)</u>
3 Final True-Up Amount to be Refunded/(Recovered) in the Projection Period January 2007 to December 2007 (Lines 1 - 2)	<u>\$ (237,170)</u>

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Form 42-2A

End-of-Period True-Up Amount  
 (In Dollars)

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	ECRC Revenues (net of Revenue Taxes)	\$3,655,715	\$3,397,380	\$3,274,402	\$3,393,444	\$3,404,541	\$4,062,281	\$4,740,710	\$4,914,625	\$5,020,882	\$4,294,103	\$3,663,863	\$3,308,705	\$47,130,652
2	True-Up Provision	(18,075,829)	(1,506,320)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(1,506,319)	(18,075,830)
3	ECRC Revenues Applicable to Period (Lines 1 + 2)	2,149,395	1,891,061	1,768,083	1,887,125	1,898,222	2,555,962	3,234,391	3,408,306	3,514,563	2,787,784	2,157,544	1,802,386	29,054,822
4	Jurisdictional ECRC Costs													
	a. O & M Activities (Form 42-5A, Line 9)	744,676	1,491,612	2,238,587	2,983,092	4,005,052	3,741,815	4,428,671	3,183,939	3,686,697	3,292,824	4,898,221	3,599,409	38,294,595
	b. Capital Investment Projects (Form 42-7A, Line 9)	108,442	120,812	146,982	280,966	381,135	337,418	298,894	258,646	230,337	234,494	185,220	113,897	2,697,244
	c. Total Jurisdictional ECRC Costs	853,118	1,612,424	2,385,569	3,264,058	4,386,187	4,079,233	4,727,565	3,442,585	3,917,034	3,527,318	5,083,441	3,713,306	40,991,838
5	Over/(Under) Recovery (Line 3 - Line 4c)	1,296,277	278,637	(617,486)	(1,376,933)	(2,487,965)	(1,523,271)	(1,493,174)	(34,279)	(402,472)	(739,534)	(2,925,897)	(1,910,920)	(11,937,016)
6	Interest Provision (Form 42-3A, Line 10)	(21,640)	(18,147)	(16,095)	(15,909)	(17,818)	(20,032)	(21,231)	(20,321)	(17,425)	(15,332)	(17,303)	(21,208)	(222,461)
7	Beginning Balance True-Up & Interest Provision	(18,075,829)	(15,294,872)	(13,528,063)	(12,655,325)	(12,541,847)	(13,541,312)	(13,578,295)	(13,588,381)	(12,134,662)	(11,048,239)	(10,296,786)	(11,733,667)	(18,075,829)
	a. Deferred True-Up from January 2004 to December 2004 (Order No. PSC-04-1187-FOF-EI)	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886	5,961,886
8	True-Up Collected/(Refunded) (see Line 2)	1,506,320	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	1,506,319	18,075,830
9	End of Period Total True-Up (Lines 5+6+7+8)	(9,332,986)	(7,566,178)	(6,693,439)	(6,579,962)	(7,579,426)	(7,616,410)	(7,624,495)	(6,172,776)	(5,086,354)	(4,334,900)	(5,771,782)	(6,197,591)	(6,197,591)
10	Adjustments to Period Total True-Up Including Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
11	End of Period Total True-Up (Lines 9 + 10)	(\$9,332,986)	(\$7,566,178)	(\$6,693,439)	(\$6,579,962)	(\$7,579,426)	(\$7,616,410)	(\$7,624,495)	(\$6,172,776)	(\$5,086,354)	(\$4,334,900)	(\$5,771,782)	(\$6,197,591)	(\$6,197,591)

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Final True-up Amount  
January 2005 to December 2005

Form 42-3A

Interest Provision  
(in Dollars)

<u>Line</u>	<u>Description</u>	<u>Actual January 05</u>	<u>Actual February 05</u>	<u>Actual March 05</u>	<u>Actual April 05</u>	<u>Actual May 05</u>	<u>Actual June 05</u>	<u>Actual July 05</u>	<u>Actual August 05</u>	<u>Actual September 05</u>	<u>Actual October 05</u>	<u>Actual November 05</u>	<u>Actual December 05</u>	<u>End of Period Total</u>
1	Beginning True-Up Amount (Form 42-2A, Line 7 + 7a + 10)	<b>(\$12,113,943)</b>	<b>(\$9,332,966)</b>	<b>(\$7,566,178)</b>	<b>(\$6,693,439)</b>	<b>(\$6,579,962)</b>	<b>(\$7,579,426)</b>	<b>(\$7,616,410)</b>	<b>(\$7,624,495)</b>	<b>(\$6,172,776)</b>	<b>(\$5,086,354)</b>	<b>(\$4,334,900)</b>	<b>(\$5,771,782)</b>	
2	Ending True-Up Amount Before Interest (Line 1 + Form 42-2A, Lines 5 + 8)	<b>(9,311,346)</b>	<b>(7,548,031)</b>	<b>(6,677,344)</b>	<b>(6,564,053)</b>	<b>(7,561,608)</b>	<b>(7,596,378)</b>	<b>(7,603,264)</b>	<b>(6,152,455)</b>	<b>(5,068,929)</b>	<b>(4,319,568)</b>	<b>(5,754,479)</b>	<b>(6,176,383)</b>	
3	Total of Beginning & Ending True-Up (Lines 1 + 2)	<b>(21,425,290)</b>	<b>(16,881,017)</b>	<b>(14,243,522)</b>	<b>(13,257,492)</b>	<b>(14,141,570)</b>	<b>(15,175,804)</b>	<b>(15,219,674)</b>	<b>(13,776,951)</b>	<b>(11,241,705)</b>	<b>(9,405,922)</b>	<b>(10,089,379)</b>	<b>(11,948,164)</b>	
4	Average True-Up Amount (Line 3 x 1/2)	<b>(10,712,645)</b>	<b>(8,440,509)</b>	<b>(7,121,761)</b>	<b>(6,628,746)</b>	<b>(7,070,785)</b>	<b>(7,587,902)</b>	<b>(7,609,837)</b>	<b>(6,888,476)</b>	<b>(5,620,853)</b>	<b>(4,702,961)</b>	<b>(5,044,690)</b>	<b>(5,974,082)</b>	
5	Interest Rate (First Day of Reporting Business Month)	2.34%	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.79%	4.03%	4.21%	
6	Interest Rate (First Day of Subsequent Business Month)	2.50%	2.65%	2.78%	2.98%	3.06%	3.27%	3.43%	3.64%	3.79%	4.03%	4.21%	4.30%	
7	Total of Beginning & Ending Interest Rates (Lines 5 + 6)	4.84%	5.15%	5.43%	5.76%	6.04%	6.33%	6.70%	7.07%	7.43%	7.82%	8.24%	8.51%	
8	Average Interest Rate (Line 7 x 1/2)	2.420%	2.575%	2.715%	2.880%	3.020%	3.165%	3.350%	3.535%	3.715%	3.910%	4.120%	4.255%	
9	Monthly Average Interest Rate (Line 8 x 1/12)	0.202%	0.215%	0.226%	0.240%	0.252%	0.264%	0.279%	0.295%	0.310%	0.326%	0.343%	0.355%	
10	Interest Provision for the Month (Line 4 x Line 9)	<b>(\$21,640)</b>	<b>(\$18,147)</b>	<b>(\$16,095)</b>	<b>(\$15,909)</b>	<b>(\$17,818)</b>	<b>(\$20,032)</b>	<b>(\$21,231)</b>	<b>(\$20,321)</b>	<b>(\$17,425)</b>	<b>(\$15,332)</b>	<b>(\$17,303)</b>	<b>(\$21,208)</b>	<b>(\$222,461)</b>

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Final True-up Amount  
January 2005 to December 2005

Form 42 4A

Variance Report of O&M Activities  
(In Dollars)

<u>Line</u>	(1) Actual	(2) Estimated/ Actual	(3) Variance Amount	(4) Variance Percent
<b>1</b>	<b>Description of O&amp;M Activities</b>			
1	\$ 1,090,918	\$ 1,214,522	\$ (123,604)	-10.2%
1a	(25,000)	(25,000)	0	0.0%
2	7,906,054	7,815,572	90,482	1.2%
3a	712,790	1,264,000	(551,210)	-43.6%
4	4,011	6,716	(2,705)	-40.3%
5	31,061,622	29,799,292	1,262,331	4.2%
6	434,010	262,857	171,153	65.1%
6a	(287,500)	(287,500)	0	0.0%
8	0	50,000	(50,000)	-100.0%
9	0	80,000	(80,000)	-100.0%
<b>2</b>	<b>\$ 40,896,906</b>	<b>\$ 40,180,459</b>	<b>\$ 716,447</b>	<b>1.8%</b>
<b>3</b>	<b>\$ 31,061,622</b>	<b>\$ 29,799,292</b>	<b>\$ 1,262,331</b>	<b>4.2%</b>
<b>4</b>	<b>\$ 9,835,284</b>	<b>\$ 10,381,168</b>	<b>\$ (545,884)</b>	<b>-5.3%</b>

Notes:

Column (1) is the End of Period Totals on Form 42-5A  
Column (2) = Estimated actual  
Column (3) = Column (1) - Column (2)  
Column (4) = Column (3) / Column (2)

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Form 42-5A

O&M Activities  
 (in Dollars)

Line	Description	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total	Method of Classification Demand	Energy
1	Description of O&M Activities															
1	Substation Environmental Investigation, Remediation, and Pollution Prevention	\$ 2,297	\$ 76,693	\$ 12,363	\$ 15,030	\$ 7,439	\$ 4,864	\$ 7,924	\$ 115,921	\$ 62,296	\$ 208,240	\$ 411,251	\$ 166,600	\$ 1,090,918	\$ 1,090,918	
1a	Substation Environmental Investigation, Remediation, and Pollution Prevention - Costs included in Base Rates	(2,087)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(2,083)	(25,000)	(25,000)	
2	Distribution System Environmental Investigation, Remediation, and Pollution Prevention	328,650	591,290	1,311,897	797,929	1,244,329	838,641	403,021	882,776	622,819	98,825	369,267	416,609	7,906,054	7,906,054	
3a	Pipeline Integrity Management, Review/Update Plan and Risk Assessments - Intm	(55,011)	184,155	31,011	23,331	82,937	116,791	188,822	18,190	19,002	42,173	13,957	47,432	712,790	712,790	
4	Above Ground Tank Secondary Containment - Intm	0	0	1,398	0	0	317	0	990	1,305	0	0	0	4,011	4,011	
5	SO2 Emissions Allowances	511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	4,120,673	2,331,198	3,244,827	3,175,702	4,558,361	3,195,848	31,061,622	0	31,061,622
6	Phase II Cooling Water Intake - Base	1,100	2,346	2,573	2,349	0	4,826	0	0	361	0	1,623	0	15,177	15,177	
	Phase II Cooling Water Intake - Intm	1,956	2,364	7,065	14,430	21,237	34,690	10,317	67,559	1,098	106,051	52,296	99,769	418,833	418,833	
6a	Phase II Cooling Water Intake - Base Costs included in Base Rates	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(23,125)	(277,500)	(277,500)	
	Phase II Cooling Water Intake - Intm Costs included in Base Rates	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(833)	(10,000)	(10,000)	
8	Arsenic Groundwater Standard - Base	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Sea Turtle - Coastal Street Lighting - Distrib	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Total of O&M Activities	764,880	1,586,524	2,314,122	3,202,426	4,204,124	3,917,974	4,704,716	3,390,593	3,925,666	3,604,949	5,380,714	3,900,218	\$40,896,906	\$9,835,284	\$31,061,622
3	Recoverable Costs Allocated to Energy	511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	4,120,673	2,331,198	3,244,827	3,175,702	4,558,361	3,195,848	31,061,622		
4	Recoverable Costs Allocated to Demand - Transm	210	74,610	10,280	12,947	5,356	2,781	5,841	113,838	60,213	206,157	409,168	164,517	1,065,918		
	Recoverable Costs Allocated to Demand - Distrib	328,650	591,290	1,311,897	797,929	1,244,329	838,641	403,021	882,776	622,819	98,825	369,267	416,609	7,906,054		
	Recoverable Costs Allocated to Demand - Prod-Base	(22,025)	(20,779)	(20,552)	(20,776)	(23,125)	(18,299)	(23,125)	(23,125)	(22,764)	(23,125)	(21,502)	(23,125)	(262,324)		
	Recoverable Costs Allocated to Demand - Prod-Intm	(53,888)	185,686	38,641	36,927	103,341	150,965	198,306	85,906	20,572	147,390	65,420	146,368	1,125,634		
	Recoverable Costs Allocated to Demand - Prod-Peaking	0	0	0	0	0	0	0	0	0	0	0	0	0		
5	Retail Energy Jurisdictional Factor	0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94010	0.93130	0.93300	0.92590	0.92130	0.92670			
6	Retail Transmission Demand Jurisdictional Factor	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115	0.72115			
	Retail Distribution Demand Jurisdictional Factor	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529			
	Retail Production Demand Jurisdictional Factor - Base	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957			
	Retail Production Demand Jurisdictional Factor - Intm	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574			
	Retail Production Demand Jurisdictional Factor - Peaking	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562			
7	Jurisdictional Energy Recoverable Costs (A)	485,210	708,485	911,724	2,167,551	2,695,446	2,791,982	3,873,844	2,171,045	3,027,423	2,940,382	4,199,618	2,961,593	28,934,303		
8	Jurisdictional Demand Recoverable Costs - Transm (B)	151	53,805	7,413	9,337	3,862	2,005	4,212	82,094	43,423	148,670	295,072	118,642	768,686		
	Jurisdictional Demand Recoverable Costs - Distrib (B)	327,102	588,505	1,305,718	794,171	1,238,468	834,691	401,123	878,618	619,885	98,360	367,528	414,647	7,868,816		
	Jurisdictional Demand Recoverable Costs - Prod-Base (B)	(21,134)	(19,939)	(19,721)	(19,936)	(22,190)	(17,559)	(22,190)	(22,190)	(21,844)	(22,190)	(20,633)	(22,190)	(251,716)		
	Jurisdictional Demand Recoverable Costs - Prod-Intm (B)	(46,653)	160,756	33,453	31,969	89,466	130,696	171,682	74,372	17,810	127,602	56,636	126,717	974,506		
	Jurisdictional Demand Recoverable Costs - Prod-Peaking (B)	0	0	0	0	0	0	0	0	0	0	0	0	0		
9	Total Jurisdictional Recoverable Costs for O&M Activities (Lines 7 + 8)	\$ 744,676	\$ 1,491,612	\$ 2,238,587	\$ 2,983,092	\$ 4,005,052	\$ 3,741,815	\$ 4,428,671	\$ 3,183,939	\$ 3,686,697	\$ 3,292,824	\$ 4,898,221	\$ 3,599,409	\$ 38,294,595		

Notes:  
 (A) Line 3 x Line 5  
 (B) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Form 42 6A

Variance Report of Capital Investment Activities  
 (In Dollars)

<u>Line</u>	(1) YTD Actual	(2) Estimated/ Actual	(3) Variance Amount	(4) Percent
<b>1</b> Description of Capital Investment Activities				
3b Pipeline Integrity Management - Bartow/Anclote Pipeline	\$455,566	\$460,874	(\$5,308)	-1.2%
4i Above Ground Tank Secondary Containment - University of Florida CT's	509	\$0	509	100.0%
4 Above Ground Tank Secondary Containment - CT's	178,393	220,050	(41,657)	-18.9%
5 SO2 Emissions Allowances	2,323,041	2,279,456	43,585	1.9%
9 Sea Turtle - Coastal Street Lighting	0	3,081	(3,081)	-100.0%
<b>2</b> Total Capital Investment Activities - Recoverable Costs	\$2,957,000	\$2,963,461	(\$6,461)	-0.2%
<b>3</b> Recoverable Costs Allocated to Energy	\$2,323,041	\$2,279,456	\$43,585	1.9%
<b>4</b> Recoverable Costs Allocated to Demand	\$633,959	\$684,005	(\$50,046)	-7.3%

Notes:

Column (1) is the End of Period Totals on Form 42-7A  
 Column (2) = Estimated actual  
 Column (3) = Column (1) - Column (2)  
 Column (4) = Column (3) / Column (2)



**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Form 42-7A

Capital Investment Projects-Recoverable Costs  
 (in Dollars)

Line	Description	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	End of	Method of Classification		
		January 05	February 05	March 05	April 05	May 05	June 05	July 05	August 05	September 05	October 05	November 05	December 05	Period Total	Demand	Energy
1	Description of Investment Projects (A)															
3b	Pipeline Integrity Management - Bartow/Anclote Pipeline-Intm	\$24,114	\$30,268	\$33,689	\$38,743	\$41,449	\$41,348	\$41,246	\$41,145	\$41,043	\$40,942	\$40,840	\$40,739	\$455,566	\$455,566	\$0
4a	Above Ground Tank Secondary Containment - Turner CTs-Pkg	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	83,088	83,088	0
4b	Above Ground Tank Secondary Containment - Bartow CTs-Pkg	2,583	2,574	2,564	2,555	2,546	2,537	2,528	2,518	2,509	2,500	2,491	2,481	30,386	30,386	0
4c	Above Ground Tank Secondary Containment - Crystal River 1&2-Base	545	543	541	539	537	535	533	532	530	528	526	524	6,413	6,413	0
4d	Above Ground Tank Secondary Containment - Intercession City CTs-Pkg	0	0	391	1,233	2,830	4,651	5,959	6,929	7,302	8,447	9,804	10,052	57,598	57,598	0
4e	Above Ground Tank Secondary Containment - Avon Park CTs-Pkg	0	0	21	42	42	42	42	42	42	42	42	42	399	399	0
4f	Above Ground Tank Secondary Containment - Univ of FL-Pkg	0	0	0	0	0	0	0	0	0	0	0	509	509	0	
5	SO2 Emissions Allowances	84,358	92,806	117,406	261,796	357,787	306,363	267,155	225,788	194,841	200,006	146,529	68,206	2,323,041	0	2,323,041
9	Sea Turtle - Coastal Street Lighting - Distrib	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Total Investment Projects - Recoverable Costs	118,524	133,115	161,536	311,832	412,115	362,400	324,387	283,878	253,191	259,389	207,156	129,477	2,957,000	\$633,959	\$2,323,041
3	Recoverable Costs Allocated to Energy	84,358	92,806	117,406	261,796	357,787	306,363	267,155	225,788	194,841	200,006	146,529	68,206	2,323,041		
4	Recoverable Costs Allocated to Demand - Production - Base	545	543	541	539	537	535	533	532	530	528	526	524	6,413		
	Recoverable Costs Allocated to Demand - Production - Intermediate	24,114	30,268	33,689	38,743	41,449	41,348	41,246	41,145	41,043	40,942	40,840	40,739	455,566		
	Recoverable Costs Allocated to Demand - Production - Peaking	9,507	9,498	9,900	10,754	12,342	14,154	15,453	16,413	16,777	17,913	19,261	20,008	171,980		
5	Retail Energy Jurisdictional Factor	0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94010	0.93130	0.93300	0.92590	0.92130	0.92670			
6	Retail Demand Jurisdictional Factor - Production - Base	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957		
	Retail Demand Jurisdictional Factor - Production - Intermediate	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574		
	Retail Demand Jurisdictional Factor - Production - Peaking	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562		
7	Jurisdictional Energy Recoverable Costs (B)	79,954	87,005	109,915	238,889	335,533	290,555	251,152	210,277	181,787	185,186	134,998	63,206	2,168,456		
8	Jurisdictional Demand Recoverable Costs - Production - Base (C)	523	521	519	517	515	513	511	510	509	507	505	503	6,154		
	Jurisdictional Demand Recoverable Costs - Production - Intermediate (C)	20,876	26,204	29,166	33,541	35,884	35,797	35,708	35,621	35,533	35,445	35,357	35,269	394,402		
	Jurisdictional Demand Recoverable Costs - Production - Peaking (C)	7,089	7,082	7,382	8,018	9,202	10,554	11,522	12,238	12,509	13,356	14,361	14,918	128,232		
9	Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	\$108,442	\$120,812	\$146,982	\$280,966	\$381,135	\$337,418	\$298,894	\$258,646	\$230,337	\$234,494	\$185,220	\$113,897	\$2,697,244		

Notes:  
 (A) Each project's Total System Recoverable Expenses on Form 42-8A, Line 9  
 (B) Line 3 x Line 5  
 (C) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$616,966	\$7,903	\$505,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,130,629
	b. Clearings to Plant		1,510,007	616,966	7,903	505,760	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$33,952	1,543,959	2,160,925	2,168,828	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	
3	Less: Accumulated Depreciation (C)	(102)	(4,735)	(11,218)	(17,724)	(25,748)	(33,772)	(41,795)	(49,819)	(57,843)	(65,867)	(73,890)	(81,914)	(89,938)	
4	CWIP - Non-Interest Bearing	1,510,007	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	\$1,543,855	1,539,224	2,149,707	2,151,104	2,648,840	2,640,816	2,632,792	2,624,769	2,616,745	2,608,721	2,600,697	2,592,674	2,584,650	
6	Average Net Investment		1,541,541	1,844,466	2,150,405	2,399,972	2,644,828	2,636,804	2,628,781	2,620,757	2,612,733	2,604,709	2,596,685	2,588,662	1,292,325
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)	10.75%	13,810	16,523	19,264	21,500	23,693	23,621	23,549	23,478	23,406	23,334	23,262	23,190	258,630
	b. Debt Component (Line 6 x 2.57% x 1/12)	2.57%	3,301	3,950	4,605	5,140	5,664	5,647	5,630	5,613	5,596	5,578	5,561	5,544	61,831
8	Investment Expenses														
	a. Depreciation (E)	3.60%	4,632	6,483	6,506	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	89,835
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		2,371	3,311	3,313	4,080	4,068	4,055	4,043	4,031	4,018	4,006	3,993	3,981	45,270
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		24,114	30,268	33,689	38,743	41,449	41,348	41,246	41,145	41,043	40,942	40,840	40,739	455,566
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		24,114	30,268	33,689	38,743	41,449	41,348	41,246	41,145	41,043	40,942	40,840	40,739	455,566
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	0.86574	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		20,876	26,204	29,166	33,541	35,884	35,797	35,708	35,621	35,533	35,445	35,357	35,269	394,402
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$20,876	\$26,204	\$29,166	\$33,541	\$35,884	\$35,797	\$35,708	\$35,621	\$35,533	\$35,445	\$35,357	\$35,269	\$394,402

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Bartow/Anclole Pipeline project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Bartow/Anclole Pipeline.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Bartow/Anclole Pipeline.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.60% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Bartow/Anclole Pipeline project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x 89% @ .0183381 x 1/12 + 11% @ .0196598 x 1/12. Ratio from Property Tax Administration Department, based on plant allocation reported and 2002 Actual Property Tax Millage Rate.

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	623,791	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792
5	Net Investment (Lines 2 - 3 + 4)	<u>623,791</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>	<u>623,792</u>
6	Average Net Investment		623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792	623,792
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D) 10.75%		5,588	5,588	5,588	5,588	5,588	5,588	5,588	5,588	5,588	5,588	5,588	5,588	\$67,058
	b. Debt Component (Line 6 x 2.57% x 1/12) 2.57%		1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	16,031
8	Investment Expenses														
	a. Depreciation (E) 4.80%		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	83,088
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	6,924	83,088
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Peaking)	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		5,163	5,163	5,163	5,163	5,163	5,163	5,163	5,163	5,163	5,163	5,163	5,163	61,952
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$5,163</u>	<u>\$61,952</u>

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Turner CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Turner CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Turner CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 4.80% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Turner CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .020912 x 1/12. Based on 2002 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698	153,698
3	Less: Accumulated Depreciation (C)	(6,571)	(7,302)	(8,032)	(8,762)	(9,492)	(10,222)	(10,952)	(11,682)	(12,413)	(13,143)	(13,873)	(14,603)	(15,333)	(15,333)
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	\$147,128	146,396	145,666	144,936	144,206	143,476	142,746	142,016	141,285	140,555	139,825	139,095	138,365	
6	Average Net Investment		146,762	146,031	145,301	144,571	143,841	143,111	142,381	141,651	140,920	140,190	139,460	138,730	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (D)	10.75%	1,315	1,308	1,302	1,295	1,289	1,282	1,275	1,269	1,262	1,256	1,249	1,243	15,345
b.	Debt Component (Line 6 x 2.57% x 1/12)	2.57%	314	313	311	310	308	306	305	303	302	300	299	297	3,669
8	Investment Expenses														
a.	Depreciation (E)	5.70%	730	730	730	730	730	730	730	730	730	730	730	730	8,761
b.	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d.	Property Taxes (I)		224	223	221	220	219	218	217	216	215	214	213	211	2,611
e.	Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,583	2,574	2,564	2,555	2,546	2,537	2,528	2,518	2,509	2,500	2,491	2,481	30,386
a.	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Recoverable Costs Allocated to Demand		2,583	2,574	2,564	2,555	2,546	2,537	2,528	2,518	2,509	2,500	2,491	2,481	30,386
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Peaking)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		1,926	1,919	1,912	1,905	1,898	1,892	1,885	1,877	1,871	1,864	1,857	1,850	22,656
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$1,926	\$1,919	\$1,912	\$1,905	\$1,898	\$1,892	\$1,885	\$1,877	\$1,871	\$1,864	\$1,857	\$1,850	\$22,656

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Bartow CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Bartow CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.70% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Bartow CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .018338 x 1/12. Based on 2002 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Return on Capital Investments, Depreciation and Taxes  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - CRYSTAL RIVER 1 & 2 (Project 4c)  
 (In Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092
3	Less: Accumulated Depreciation (C)	(1,462)	(1,608)	(1,754)	(1,900)	(2,047)	(2,193)	(2,339)	(2,485)	(2,631)	(2,777)	(2,924)	(3,070)	(3,216)	(3,216)
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	\$31,631	31,484	31,338	31,192	31,045	30,899	30,753	30,607	30,461	30,315	30,168	30,022	29,876	
6	Average Net Investment		31,557	31,411	31,265	31,118	30,972	30,826	30,680	30,534	30,388	30,242	30,095	29,949	
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)	10.75%	283	281	280	279	277	276	275	274	272	271	270	268	\$3,306
	b. Debt Component (Line 6 x 2.57% x 1/12)	2.57%	68	67	67	67	66	66	66	65	65	65	64	64	790
8	Investment Expenses														
	a. Depreciation (E)	5.30%	146	146	146	146	146	146	146	146	146	146	146	146	1,754
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		48	48	48	47	47	47	47	47	46	46	46	46	563
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		545	543	541	539	537	535	533	532	530	528	526	524	6,413
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		545	543	541	539	537	535	533	532	530	528	526	524	6,413
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Base)		0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		523	521	519	517	515	513	511	510	509	507	505	503	6,154
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$523	\$521	\$519	\$517	\$515	\$513	\$511	\$510	\$509	\$507	\$505	\$503	\$6,154

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Crystal River 1&2 project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Crystal River 1&2.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Crystal River 1&2.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.30% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Crystal River 1&2 project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .018338 x 1/12. Based on 2002 Actual Property Tax Milage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$70,366	\$81,456	\$206,200	\$121,883	\$113,919	\$60,781	\$6,485	\$199,825	\$44,585	\$210	\$905,709
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	70,366	151,822	358,022	479,905	593,824	654,604	661,090	860,914	905,499	905,709	905,709
5	Net Investment (Lines 2 - 3 + 4)	\$0	0	0	70,366	151,822	358,022	479,905	593,824	654,604	661,090	860,914	905,499	905,709	905,709
6	Average Net Investment		0	0	35,183	111,094	254,922	418,964	536,865	624,214	657,847	761,002	883,207	905,604	905,604
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)	10.75%	0	0	315	995	2,284	3,753	4,809	5,592	5,893	6,817	7,912	8,113	46,484
	b. Debt Component (Line 6 x 2.57% x 1/12)	2.57%	0	0	75	236	546	897	1,150	1,337	1,409	1,630	1,892	1,940	11,113
8	Investment Expenses														
	a. Depreciation (E) 3.70%		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	391	1,233	2,830	4,651	5,959	6,929	7,302	8,447	9,804	10,052	57,598
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		0	0	391	1,233	2,830	4,651	5,959	6,929	7,302	8,447	9,804	10,052	57,598
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Peaking)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	292	919	2,110	3,468	4,443	5,166	5,445	6,298	7,310	7,495	42,946
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$292	\$919	\$2,110	\$3,468	\$4,443	\$5,166	\$5,445	\$6,298	\$7,310	\$7,495	\$42,946

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Intercession City CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Intercession City CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Intercession City CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 3.70% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Intercession City CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .015989 x 1/12. Based on 2003 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

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

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$3,812	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,812
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
5	Net Investment (Lines 2 - 3 + 4)	\$0	0	0	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
6	Average Net Investment		0	0	1,906	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812	3,812
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)	10.75%	0	0	17	34	34	34	34	34	34	34	34	34	324
	b. Debt Component (Line 6 x 2.57% x 1/12)	2.57%	0	0	4	8	8	8	8	8	8	8	8	8	78
8	Investment Expenses														
	a. Depreciation (E) 5.50%		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	21	42	42	42	42	42	42	42	42	42	403
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		0	0	21	42	42	42	42	42	42	42	42	42	399
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Peaking)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	16	31	31	31	31	31	31	31	31	31	298
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$16	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$31	\$298

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - Avon Park CTs.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - Avon Park CTs.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.50% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - Avon Park CTs project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .007750 x 1/12. Based on 2003 Actual Property Tax Millage Rate.

**Source:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Return on Capital Investments, Depreciation and Taxes  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - UNIVERSITY OF FLORIDA (Project 4i)  
 (In Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,679
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	91,679
5	Net Investment (Lines 2 - 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	91,679
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	45,839
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D) 10.75%		0	0	0	0	0	0	0	0	0	0	0	0	411
	b. Debt Component (Line 6 x 2.57% x 1/12) 2.57%		0	0	0	0	0	0	0	0	0	0	0	0	98
8	Investment Expenses														
	a. Depreciation (E) 5.80%		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	509
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	509
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Peaking)		0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562	0.74562
12	Retail Energy-Related Recoverable Costs (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	380
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$380

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for Above Ground Tank Secondary Containment - University of FL project. None for this period.
- (B) Applicable beginning of period and end of period depreciable base by Above Ground Tank Secondary Containment - University of FL.
- (C) Adjustments to Reserve for Gross Salvage (none for this period) and Other Recoveries (none for this period) and Cost of Removal based on Depreciation Rate for Above Ground Tank Secondary Containment - University of FL.
- (D) Line 6 x 10.7500% x 1/12. Based on ROE of 12.00%, equity component of capital structure of 6.61%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2002 Rate Case Settlement (Order No. PSC-02-0655-AS-EI).
- (E) Line 2 x 5.80% x 1/12. Depreciation rate based on 1997 Depreciation Study (Order No. PSC-98-1723-FOF-EI).
- (F) Description and reason for 'Other' adjustments to investment expenses for Above Ground Tank Secondary Containment - University of FL project. None for this period.
- (G) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.
- (H) Line 9b x Line 11
- (I) Lines 2 + 3 x .025092 x 1/12. Based on 2003 Actual Property Tax Millage Rate.

**Source:**

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



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

Schedule of Amortization and Return  
 Deferred Gain on Sales of Emissions Allowances  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Working Capital Dr (Cr)														
	a. 1581001 SO2 Emission Allowance Inventory	\$ 10,253,426	\$9,741,793	\$11,775,577	\$14,174,221	\$37,791,823	\$33,192,600	\$30,248,713	\$26,128,041	\$22,795,328	\$20,552,016	\$23,725,968	10,916,515	9,613,604	\$9,613,604
	b. 25401FL Auctioned SO2 Allowance	(2,397,821)	(2,397,821)	(2,397,821)	(2,397,821)	(2,397,821)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)
2	Total Working Capital	\$ 7,855,605	\$7,343,972	\$9,377,756	\$11,776,400	\$35,394,002	\$29,072,206	\$26,128,320	\$22,007,647	\$18,674,934	\$16,431,622	\$19,605,574	\$6,796,121	\$5,493,211	\$5,493,211
3	Average Net Investment		7,599,789	8,360,864	10,577,078	23,585,201	32,233,104	27,600,263	24,067,983	20,341,291	17,553,278	18,018,598	13,200,848	6,144,666	
4	Return on Average Net Working Capital Balance														
	a. Equity Component Grossed Up For Taxes (A)	10.75%	68,081	74,899	94,753	211,284	288,755	247,252	215,609	182,224	157,248	161,417	118,258	55,046	1,874,827
	b. Debt Component (Line 3 x 2.57% x 1/12)	2.57%	16,276	17,906	22,653	50,512	69,033	59,111	51,546	43,564	37,593	38,590	28,272	13,160	448,214
5	Total Return Component (D)		84,358	92,806	117,406	261,796	357,787	306,363	267,155	225,788	194,841	200,006	146,529	68,206	2,323,041
6	Expense Dr (Cr)														
	a. 5090001 SO2 allowance expense		511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	4,120,673	2,331,198	3,244,827	3,175,702	4,558,361	3,195,848	31,061,622
7	Net Expense (E)		511,933	755,717	973,856	2,375,398	2,874,223	2,943,887	4,120,673	2,331,198	3,244,827	3,175,702	4,558,361	3,195,848	31,061,622
8	Total System Recoverable Expenses (Lines 5 + 7)		596,291	848,523	1,091,262	2,637,194	3,232,011	3,250,250	4,387,827	2,556,987	3,439,668	3,375,708	4,704,891	3,264,054	33,384,663
	a. Recoverable costs allocated to Energy		596,291	848,523	1,091,262	2,637,194	3,232,011	3,250,250	4,387,827	2,556,987	3,439,668	3,375,708	4,704,891	3,264,054	33,384,663
	b. Recoverable costs allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Energy Jurisdictional Factor		0.94780	0.93750	0.93620	0.91250	0.93780	0.94840	0.94010	0.93130	0.93300	0.92590	0.92130	0.92670	
10	Demand Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Retail Energy-Related Recoverable Costs (B)		565,164	795,490	1,021,639	2,406,439	3,030,980	3,082,537	4,124,996	2,381,322	3,209,210	3,125,568	4,334,616	3,024,799	31,102,760
12	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	1	1	0	0	2
13	Total Jurisdictional Recoverable Costs (Lines 11 + 12)		\$ 565,164	\$ 795,490	\$ 1,021,639	\$ 2,406,439	\$ 3,030,980	\$ 3,082,537	\$ 4,124,996	\$ 2,381,322	\$ 3,209,211	\$ 3,125,569	\$ 4,334,616	\$ 3,024,799	\$ 31,102,762

**Notes:**

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

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Return on Capital Investments, Depreciation and Taxes  
 For Project: CAIR/CAMR - Base- AFUDC (Project 7.3)  
 (In Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$1,855	\$13,689	\$384,983	\$259,614	\$419,605	\$749,532	\$1,829,277
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (B) 7.810%		0	0	0	0	0	0	6	45	1,253	845	1,365	2,439	5,953
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - AFUDC-Interest Bearing Accrued	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2+ 3 + 4)	\$0	0	0	0	0	0	0	1,861	15,594	401,830	662,289	1,083,259	1,835,230	
6	Average Net Investment		0	0	0	0	0	0	930	8,727	208,712	532,059	872,774	1,459,245	
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Debt Component (Line 6 x 2.57% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Base)		0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957	0.95957
12	Retail Energy-Related Recoverable Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:  
 (A) This schedule shown for informational purposes.  
 (B) AFUDC calculation based on 1993 Rate Case Settlement in Dkt. 930853-EI

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Final True-up Amount  
 January 2005 to December 2005

Return on Capital Investments, Depreciation and Taxes  
 For Project: SEA TURTLE - COASTAL STREET LIGHTING ( Project 9)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Actual January 05	Actual February 05	Actual March 05	Actual April 05	Actual May 05	Actual June 05	Actual July 05	Actual August 05	Actual September 05	Actual October 05	Actual November 05	Actual December 05	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment														
	a. Equity Component Grossed Up For Taxes (D)	10.75%	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Debt Component (Line 6 x 2.57% x 1/12)	2.57%	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (E)	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	a. Recoverable Costs Allocated to Energy	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Distrb)	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529	0.99529
12	Retail Energy-Related Recoverable Costs (G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (H)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Notes:**

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

**Source:**

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