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By Hand Delivery and Electronic Mail

August 10, 2006

Jennifer Brubaker, Esq.
Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 041272-EI – Petition for approval of storm related cost recovery clause for recovery of extraordinary expenditures related to Hurricanes Charley, Frances, Jeanne, and Ivan, by Progress Energy Florida, Inc.

Dear Ms. Brubaker,

The information provided within supplements my letter dated July 18, 2006 to further clarify the Agreement and Settlement in Docket No. 041272-EI.

Progress Energy Florida and the signatories to the Agreement and Settlement agree that paragraph 2 of the Agreement and Settlement will be interpreted and or modified as follow:

1. The Company will not automatically implement an interim surcharge,
2. The Company will petition the Commission for implementation of an interim surcharge,
3. The Company will be allowed to request at least 80% but as much as 100% of the claimed deficiency,
4. The intervenors agree and will not oppose the Company's recovery of at least 80% of the claimed deficiency but reserve all their rights to support or challenge the interim surcharge recovery of the remaining 20% of the claimed deficiency,
5. Per discussions with Commission Staff they will make every attempt to present this matter before the Commission within 45 days after filing absent extenuating circumstances and

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6. The Company will notice customers following the Commission's decision at agenda and will implement the interim surcharge 30 day's following such customer notice (with the first billing cycle).

Please do not hesitate to contact me if you have any questions regarding this information.

Sincerely,


R. Alexander Glenn *LMS*

cc: Division of Commission Clerk and Administrative Services
Office of Public Counsel (McLean)
Florida Retail Federation (Wright)
Florida Industrial Power Users Group (McWhirter)
AARP, Buddy L. Hansen, and Sugarmill Woods Civic Association, Inc. (Twomey)
Marshall Willis