

PROGRESS ENERGY FLORIDA

DOCKET NO. 070002-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 Director, 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 2008.

DOCUMENT NUMBER-DATE

08382 SEP 14 5

FPSC-COMMISSION CLERK

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Q. Do you have any Exhibits to your testimony?

A. Yes, Exhibit No. _____ (JAM-1P) consists of Schedules (C-1 through C-5), which support Progress Energy's ECCR calculations for the 2007 actual/estimated period and the 2008 projection period.

Q. For what programs does Progress Energy seek recovery?

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

- Home Energy Check
- Home Energy Improvement
- Residential New Construction
- Low-Income Weatherization Assistance
- Neighborhood Energy Saver
- Energy Management (Residential and Commercial Load Management)
- Renewable Energy Program
- Business Energy Check
- Better Business
- Commercial/Industrial New Construction
- Innovation Incentive
- Standby Generation
- Interruptible Service
- Curtailable Service

- Technology Development
- Qualifying Facilities

Q. What is included in your Exhibit?

A. My exhibit consists of Schedules C-1 through C-5. Schedule C-1 provides a summary of cost recovery clause calculations and information by retail rate schedule. Schedule C-2 provides annual and monthly conservation program cost estimates for the 2008 projection period for each conservation program, as well as for common administration expenses. Additionally, Schedule C-2 presents program costs by specific category (i.e. payroll, materials, incentives, etc.) and includes a schedule of estimated capital investments, depreciation and return for the projection period.

Schedule C-3 contains a detailed breakdown of conservation program costs by specific category and by month for the actual/estimated period of January through July 2007 (actual) and August through December 2007 (estimated). In addition, Schedule C-3 presents a schedule of capital investment, depreciation and return, an energy conservation adjustment calculation of true-up, and a calculation of interest provision for the 2007 actual/estimated period.

Schedule C-4 projects ECCR revenues during the 2008 projection period. Schedule C-5 presents a brief description of each program, as well as a summary of progress and projected expenditures for each program for which Progress Energy seeks cost recovery through the ECCR clause.

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

2 A. Yes. Schedule C-2, Page 1 of 6, Line 22, shows total net program costs of
3 \$87,940,230 for the 2008 projection period. The following table presents
4 Progress Energy's proposed ECCR billing factors, expressed in dollars per
5 1,000 kilowatt-hours by retail rate class and voltage level for calendar year
6 2008, as contained in Schedule C-1, Page 2 of 2.

7 **2008 ECCR Billing Factors (\$/1,000 kWh)**

| 8 | | Secondary | Primary | Transmission |
|----|------------------------------------|-----------------------|-----------------------|-----------------------|
| 9 | <u>Retail Rate Schedule</u> | <u>Voltage</u> | <u>Voltage</u> | <u>Voltage</u> |
| 10 | Residential | \$2.01 | N/A | N/A |
| 11 | General Service Non-Demand | \$1.81 | \$1.79 | \$1.77 |
| 12 | General Service 100% Load Factor | \$1.45 | N/A | N/A |
| 13 | General Service Demand | \$1.63 | \$1.61 | \$1.60 |
| 14 | Curtable | \$1.36 | \$1.35 | \$1.33 |
| 15 | Interruptible | \$1.48 | \$1.47 | \$1.45 |
| 16 | Lighting | \$0.87 | N/A | N/A |

17
18 **Q. Does this conclude your testimony?**

19 A. Yes.

PROGRESS ENERGY FLORIDA
 Energy Conservation Cost Recovery Clause (ECCR)
 Calculation of the Energy & Demand Allocation % by Rate Class
JANUARY 2008 - DECEMBER 2008

DOCKET NO. 060002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C - 1
 PAGE 1 OF 2

| Rate Class | (1) Average 12CP Load Factor at Meter (%) | (2) Sales at Meter (mWh) | (3) Avg 12 CP at Meter (MW) (2)/(8760hrs*(1)) | (4) Delivery Efficiency Factor | (5) Sales at Source (Generation) (mWh) (2)/(4) | (6) Avg 12 CP at Source (MW) (3)/(4) | (7) Class Max MW at Source Level (5)/(8760hrs) | (8) mWh Sales at Source Energy Allocator (%) | (9) 12CP Demand Transmission Allocator (%) | (10) 12CP & 1/13 AD Demand Allocator (%) |
|-----------------------------------|---|-----------------------------------|---|---|--|--|--|--|--|--|
| Residential | | | | | | | | | | |
| RS-1, RST-1, RSL-1, RSL-2, RSS-1 | | | | | | | | | | |
| Secondary | 0.550 | 21,431,535 | 4,448.22 | 0.9384179 | 22,837,944 | 4,740.13 | 2,607.1 | 51.727% | 61.181% | 60.454% |
| General Service Non-Demand | | | | | | | | | | |
| GS-1, GST-1 | | | | | | | | | | |
| Secondary | 0.658 | 1,391,472 | 241.40 | 0.9384179 | 1,482,785 | 257.25 | 169.3 | 3.358% | 3.320% | 3.323% |
| Primary | 0.658 | 8,958 | 1.55 | 0.9668000 | 9,266 | 1.61 | 1.1 | 0.021% | 0.021% | 0.021% |
| Transmission | 0.658 | 3,707 | 0.64 | 0.9768000 | 3,795 | 0.66 | 0.4 | 0.009% | 0.008% | 0.009% |
| | | | | | | | | 3.388% | 3.350% | 3.352% |
| GS-2 | 1.000 | 89,286 | 10.19 | 0.9384179 | 95,145 | 10.86 | 10.9 | 0.216% | 0.140% | 0.146% |
| General Service Demand | | | | | | | | | | |
| GSD-1, GSDT-1 | | | | | | | | | | |
| Secondary | 0.789 | 12,946,646 | 1,873.17 | 0.9384179 | 13,796,248 | 1,996.09 | 1,574.9 | 31.248% | 25.764% | 26.185% |
| Primary | 0.789 | 2,465,111 | 356.66 | 0.9668000 | 2,549,763 | 368.91 | 291.1 | 5.775% | 4.762% | 4.839% |
| Transmission | 0.789 | 0 | 0.00 | 0.9768000 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| SS-1 | 1.264 | 0 | 0.00 | 0.9668000 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| Primary | 1.264 | 0 | 0.00 | 0.9668000 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| Transm Del/ Transm Mtr | 1.264 | 10,208 | 0.92 | 0.9768000 | 10,450 | 0.94 | 1.2 | 0.024% | 0.012% | 0.013% |
| Transm Del/ Primary Mtr | 1.264 | 3,388 | 0.31 | 0.9668000 | 3,504 | 0.32 | 0.4 | 0.008% | 0.004% | 0.004% |
| | | | | | | | | 37.055% | 30.541% | 31.042% |
| Curtable | | | | | | | | | | |
| CS-1, CST-1, CS-2, CST-2, SS-3 | | | | | | | | | | |
| Secondary | 1.093 | 0 | 0.00 | 0.9384179 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| Primary | 1.093 | 193,300 | 20.19 | 0.9668000 | 199,938 | 20.88 | 22.8 | 0.453% | 0.270% | 0.284% |
| SS-3 | ∞ | 2,146 | 0.00 | 0.9668000 | 2,220 | 0.00 | 0.3 | 0.005% | 0.000% | 0.000% |
| | | | | | | | | 0.458% | 0.270% | 0.284% |
| Interruptible | | | | | | | | | | |
| IS-1, IST-1, IS-2, IST-2 | | | | | | | | | | |
| Secondary | 0.927 | 120,638 | 14.86 | 0.9384179 | 128,555 | 15.83 | 14.7 | 0.291% | 0.204% | 0.211% |
| Primary Del / Primary Mtr | 0.927 | 1,653,559 | 203.63 | 0.9668000 | 1,710,342 | 210.62 | 195.2 | 3.874% | 2.718% | 2.807% |
| Primary Del / Transm Mtr | 0.927 | 2,884 | 0.36 | 0.9768000 | 2,952 | 0.36 | 0.3 | 0.007% | 0.005% | 0.005% |
| Transm Del/ Transm Mtr | 0.927 | 457,736 | 56.37 | 0.9768000 | 468,608 | 57.71 | 53.5 | 1.061% | 0.745% | 0.769% |
| Transm Del/ Primary Mtr | 0.927 | 410,751 | 50.58 | 0.9668000 | 424,856 | 52.32 | 48.5 | 0.962% | 0.675% | 0.697% |
| SS-2 | 0.749 | 0 | 0.00 | 0.9668000 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| Primary | 0.749 | 0 | 0.00 | 0.9668000 | 0 | 0.00 | 0.0 | 0.000% | 0.000% | 0.000% |
| Transm Del/ Transm Mtr | 0.749 | 10,516 | 1.60 | 0.9768000 | 10,766 | 1.64 | 1.2 | 0.024% | 0.021% | 0.021% |
| Transm Del/ Primary Mtr | 0.749 | 32,837 | 5.00 | 0.9668000 | 33,965 | 5.18 | 3.9 | 0.077% | 0.067% | 0.068% |
| | | | | | | | | 6.297% | 4.436% | 4.579% |
| Lighting | | | | | | | | | | |
| LS-1 (Secondary) | 6.746 | 356,390 | 6.03 | 0.9384179 | 379,777 | 6.43 | 43.4 | 0.860% | 0.083% | 0.143% |
| | | 41,591,068 | 7,291.69 | | 44,150,879 | 7,747.73 | 5,040.1 | 100.000% | 100.000% | 100.000% |

Notes: (1) Average 12CP load factor based on load research study filed July 31, 2007
 (2) Projected kWh sales for the period January 2008 to December 2008
 (3) Calculated: Column 2 / (8,760 hours x Column 1)
 (4) Based on system average line loss analysis for 2006
 (5) Column 2 / Column 4
 (6) Column 3 / Column 4
 (7) Calculated: Column 5 / 8,760 hours
 (8) Column 5 / Total Column 5
 (9) Column 6 / Total Column 6
 (10) Column 8 x 1/13 + Column 9 x 12/13

PROGRESS ENERGY FLORIDA
 Energy Conservation Cost Recovery Clause (ECCR)
 Calculation of Energy Conservation Cost Recovery Clause Rate Factors by Rate Class
JANUARY 2008 - DECEMBER 2008

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C - 1
 PAGE 2 OF 2

| Rate Class | (1) mWh Sales at Source Energy Allocator (%) | (2) 12CP & 1/13 AD Demand Allocator (%) | (3) Energy- Related Costs (\$) | (4) Production Demand Costs (\$) | (5) Total Energy Conservation Costs (\$) | (6) Projected Effective Sales at Meter Level (mWh) | (7) Energy Conservation Cost Recovery (cents/kWh) | (8) Regulatory Assessment Tax Expansion Factor (cents/kWh) | (9) Energy Conservation Cost Recovery Factors (cents/kWh) |
|--|--|---|--|--|--|--|---|--|---|
| Residential | | | | | | | | | |
| RS-1, RST-1, RSL-1, RSL-2, RSS-1 | | | | | | | | | |
| Secondary | 51.727% | 60.454% | \$ 14,556,746 | \$28,578,266 | \$43,135,012 | 21,431,535 | 0.201 | 1.000376 | 0.201 |
| General Service Non-Demand | | | | | | | | | |
| GS-1, GST-1 | | | | | | | | | |
| Secondary | | | | | | 1,391,472 | 0.181 | 1.000376 | 0.181 |
| Primary | | | | | | 8,868 | | | 0.179 |
| Transmission | | | | | | 3,633 | | | 0.177 |
| TOTAL GS | 3.388% | 3.352% | \$ 953,442 | \$1,584,818 | \$2,538,260 | 1,403,973 | | | |
| GS-2 | | | | | | | | | |
| Secondary | 0.216% | 0.146% | \$ 60,645 | \$69,009 | \$129,654 | 89,286 | 0.145 | 1.000376 | 0.145 |
| General Service Demand | | | | | | | | | |
| GSD-1, GSDT-1, SS-1 | | | | | | | | | |
| Secondary | | | | | | 12,946,646 | 0.163 | 1.000376 | 0.163 |
| Primary | | | | | | 2,443,814 | | | 0.161 |
| Transmission | | | | | | 10,004 | | | 0.160 |
| TOTAL GSD | 37.055% | 31.042% | \$ 10,427,728 | \$14,674,645 | \$25,102,373 | 15,400,464 | | | |
| Curtable | | | | | | | | | |
| CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3 | | | | | | | | | |
| Secondary | | | | | | - | 0.136 | 1.000376 | 0.136 |
| Primary | | | | | | 193,492 | | | 0.135 |
| Transmission | | | | | | - | | | 0.133 |
| TOTAL CS | 0.458% | 0.284% | \$ 128,854 | \$134,261 | \$263,115 | 193,492 | | | |
| Interruptible | | | | | | | | | |
| IS-1, IST-1, IS-2, IST-2, SS-2 | | | | | | | | | |
| Secondary | | | | | | 120,638 | 0.148 | 1.000376 | 0.148 |
| Primary | | | | | | 2,076,176 | | | 0.147 |
| Transmission | | | | | | 461,713 | | | 0.145 |
| TOTAL IS | 6.297% | 4.579% | \$ 1,771,981 | \$2,164,511 | \$3,936,491 | 2,658,527 | | | |
| Lighting | | | | | | | | | |
| LS-1 | | | | | | | | | |
| Secondary | 0.860% | 0.143% | \$ 242,068 | \$67,475 | \$309,543 | 356,390 | 0.087 | 1.000376 | 0.087 |
| | 100.000% | 100.000% | \$28,141,462 | \$47,272,986 | \$75,414,448 | 41,533,666 | 0.182 | 1.000376 | 0.182 |

- Notes:
- (1) From Schedule C-1 1P, Column 8
 - (2) From Schedule C-1 1P, Column 10
 - (3) Column 1 x Total Energy Jurisdictional Dollars from Schedule C-2 Page 1, line 161
 - (4) Column 2 x Total Production Demand Jurisdictional Dollars from Schedule C-2 Page 1, line 163
 - (5) Column 3 + Column 4
 - (6) Projected kWh sales at effective voltage level for the period January 2007 to December 2007
 - (7) Column 5/ Column 6 x 100
 - (8) Regulatory Assessment Tax Expansion Factor (in accordance with Order No. PSC 05-0945-S-EI)
 - (9) Column 7 x Column 8

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

DOCKET NO. 070002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C-2
PAGE 1 OF 6

| LINE NO. | PROGRAM TITLE Demand (D) or Energy (E) | 12 MONTH TOTAL | | |
|----------|---|---------------------|------------------------|----------------------|
| 1 | BETTER BUSINESS (20015937) (E) | \$ 1,591,405 | | |
| 2 | RESIDENTIAL NEW CONSTRUCT (20015933) (E) | 2,976,238 | | |
| 3 | HOME ENERGY IMPROVEMENT (20015934) (E) | 5,577,764 | | |
| 4 | C/I NEW CONSTRUCTION (20015938) (E) | 1,075,147 | | |
| 5 | HOME ENERGY CHECK (20015932) (E) | 3,903,944 | | |
| 6 | LOW INCOME (20021329) (E) | 244,284 | | |
| 7 | RENEWABLE ENERGY SAVER (20060745)(E) | 209,908 | | |
| 8 | NEIGHBORHOOD ENERGY SAVER (20060744)(E) | 1,166,913 | | |
| 9 | BUSINESS ENERGY CHECK (20015936) (E) | 2,675,858 | | |
| 10 | CONSERVATION PROGRAM ADMIN (20015935) (E) | 9,519,352 | | |
| 11 | CONSERVATION PROGRAM ADMIN (20015935) (D) | 1,056,567 | | |
| 12 | QUALIFYING FACILITY (20025062) (E) | 735,937 | | |
| 13 | INNOVATION INCENTIVE (20015940) (E) | 610,048 | | |
| 14 | TECHNOLOGY DEVELOPMENT (20015939) (E) | 1,801,174 | | |
| 15 | STANDBY GENERATION (20021332) (D) | 4,433,892 | | |
| 16 | INTERRUPTIBLE SERVICE (20015941) (D) | 19,939,420 | | |
| 17 | CURTAILABLE SERVICE (20015942) (D) | 1,502,340 | | |
| 18 | RES ENERGY MANGMNT-ADMIN (20015943) (D) | 23,512,479 | | |
| 19 | LOAD MANAGEMENT SWITCHES (9080120) (D) | 2,455,777 | | |
| 20 | COM ENERGY MANGMNT-ADMIN (20015944) (D) | <u>2,951,783</u> | | |
| 21 | | | | |
| 22 | NET PROGRAM COSTS | <u>\$87,940,230</u> | | |
| 23 | | | | |
| 24 | <u>SUMMARY OF DEMAND & ENERGY</u> | | | |
| 25 | | 12 Months | Prior Period | Total Costs |
| 26 | | Total | True - up | with True - up |
| 27 | | | | |
| 28 | ENERGY | \$32,087,972 | \$ (3,946,510) | \$ 28,141,462 |
| 29 | | | | |
| 30 | DEMAND | <u>55,852,258</u> | <u>(8,579,272)</u> | <u>47,272,986</u> |
| 31 | | | | |
| 32 | TOTAL | <u>\$87,940,230</u> | <u>\$ (12,525,782)</u> | <u>\$ 75,414,448</u> |

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

DOCKET NO. 070002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C-2
PAGE 2 OF 6

| LINE NO. | PROGRAM TITLE Demand (D) or Energy (E) | ESTIMATED | | | | | | | | | | | | TOTAL |
|----------|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | |
| 1 | BETTER BUSINESS | \$ 121,646 | \$ 143,314 | \$ 128,869 | \$ 131,336 | \$ 137,562 | \$ 138,558 | \$ 138,558 | \$ 131,336 | \$ 131,336 | \$ 137,581 | \$ 128,240 | \$ 123,072 | \$ 1,591,405 |
| 2 | RESIDENTIAL NEW CONSTRUCTION | 181,808 | 196,784 | 197,114 | 194,104 | 329,556 | 333,336 | 265,940 | 245,494 | 228,405 | 384,496 | 207,833 | 211,368 | 2,976,238 |
| 3 | HOME ENERGY IMPROVEMENT | 448,203 | 422,772 | 448,362 | 399,902 | 537,485 | 552,753 | 527,389 | 476,437 | 476,569 | 461,660 | 425,788 | 400,446 | 5,577,764 |
| 4 | C/I NEW CONSTRUCTION | 81,227 | 95,897 | 86,117 | 88,068 | 96,658 | 92,958 | 92,958 | 88,068 | 88,068 | 96,682 | 85,972 | 82,472 | 1,075,147 |
| 5 | HOME ENERGY CHECK | 312,466 | 314,119 | 314,009 | 317,542 | 371,483 | 316,862 | 316,862 | 317,322 | 316,752 | 371,614 | 317,603 | 317,310 | 3,903,944 |
| 6 | LOW INCOME | 19,412 | 19,412 | 19,412 | 19,697 | 24,087 | 19,697 | 19,697 | 19,697 | 19,697 | 24,096 | 19,697 | 19,697 | 244,284 |
| 7 | RENEWABLE ENERGY SAVER | 16,716 | 16,716 | 16,716 | 16,949 | 20,559 | 16,949 | 16,949 | 16,949 | 16,949 | 20,567 | 16,949 | 16,939 | 209,908 |
| 8 | NEIGHBORHOOD ENERGY SAVER | 84,060 | 84,060 | 84,060 | 101,259 | 102,954 | 101,259 | 101,259 | 101,259 | 101,259 | 102,958 | 101,259 | 101,264 | 1,166,913 |
| 9 | BUSINESS ENERGY CHECK | 211,592 | 211,592 | 211,592 | 215,014 | 266,899 | 216,049 | 215,014 | 215,014 | 215,014 | 267,034 | 216,052 | 214,990 | 2,675,858 |
| 10 | CONSERVATION PROGRAM ADMIN | 764,401 | 764,397 | 764,391 | 773,063 | 898,375 | 782,037 | 773,380 | 773,704 | 773,693 | 899,296 | 782,665 | 769,930 | 9,519,352 |
| 11 | CONSERVATION PROGRAM ADMIN | 84,868 | 84,868 | 84,868 | 85,833 | 99,757 | 86,831 | 85,833 | 85,833 | 85,833 | 99,790 | 86,834 | 85,419 | 1,056,567 |
| 12 | QUALIFYING FACILITY | 51,451 | 51,451 | 51,451 | 53,090 | 78,576 | 104,090 | 53,890 | 53,590 | 53,090 | 78,576 | 53,090 | 53,590 | 735,937 |
| 13 | INNOVATION INCENTIVE | 47,206 | 54,031 | 49,481 | 50,311 | 53,083 | 52,586 | 52,586 | 50,311 | 50,311 | 53,089 | 49,336 | 47,718 | 610,048 |
| 14 | TECHNOLOGY DEVELOPMENT | 144,493 | 144,493 | 144,650 | 146,398 | 158,219 | 147,965 | 148,739 | 149,510 | 150,275 | 162,100 | 151,788 | 152,544 | 1,801,174 |
| 15 | STANDBY GENERATION | 320,022 | 338,096 | 362,167 | 358,172 | 404,982 | 357,387 | 367,547 | 354,614 | 370,918 | 395,423 | 408,829 | 395,737 | 4,433,892 |
| 16 | INTERRUPTIBLE LOAD MANAGEMENT | 1,769,525 | 1,750,060 | 1,711,128 | 1,711,848 | 1,603,478 | 1,617,233 | 1,614,519 | 1,536,656 | 1,633,985 | 1,603,498 | 1,734,034 | 1,653,455 | 19,939,420 |
| 17 | CURTAINABLE LOAD MANAGEMENT | 131,654 | 130,304 | 127,604 | 127,962 | 125,199 | 121,410 | 121,212 | 115,812 | 122,562 | 125,212 | 129,510 | 123,900 | 1,502,340 |
| 18 | RESIDENTIAL LOAD MANAGEMENT | 2,669,524 | 2,544,748 | 1,774,377 | 1,492,715 | 1,760,677 | 1,870,784 | 1,889,448 | 1,836,374 | 1,872,960 | 1,746,552 | 1,964,053 | 2,090,269 | 23,512,479 |
| 19 | LOAD MANAGEMENT SWITCHES | 133,756 | 147,708 | 160,928 | 172,892 | 185,407 | 199,062 | 212,034 | 223,295 | 235,153 | 248,553 | 261,863 | 275,126 | 2,455,777 |
| 20 | COMMERCIAL LOAD MANAGEMENT | 241,318 | 244,263 | 235,428 | 248,680 | 253,834 | 244,263 | 247,944 | 256,042 | 250,889 | 243,526 | 248,680 | 236,916 | 2,951,783 |
| 21 | | | | | | | | | | | | | | |
| 22 | NET PROGRAM COSTS | <u>\$7,835,347</u> | <u>\$7,759,084</u> | <u>\$6,972,723</u> | <u>\$6,704,835</u> | <u>\$7,508,829</u> | <u>\$7,372,069</u> | <u>\$7,261,757</u> | <u>\$7,047,317</u> | <u>\$7,193,717</u> | <u>\$7,522,306</u> | <u>\$7,390,095</u> | <u>\$7,372,149</u> | <u>\$87,940,226</u> |
| 23 | | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | |
| 25 | <u>SUMMARY OF DEMAND & ENERGY</u> | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | |
| 27 | ENERGY | \$2,484,680 | \$2,519,038 | \$2,516,224 | \$2,506,734 | \$3,075,495 | \$2,875,099 | \$2,723,221 | \$2,638,691 | \$2,621,418 | \$3,059,752 | \$2,556,292 | \$2,511,327 | \$32,087,971 |
| 28 | | | | | | | | | | | | | | |
| 29 | DEMAND | <u>5,350,667</u> | <u>5,240,047</u> | <u>4,456,500</u> | <u>4,198,102</u> | <u>4,433,334</u> | <u>4,496,970</u> | <u>4,538,537</u> | <u>4,408,626</u> | <u>4,572,300</u> | <u>4,462,554</u> | <u>4,833,803</u> | <u>4,860,822</u> | <u>55,852,257</u> |
| 30 | | | | | | | | | | | | | | |
| 31 | TOTAL | <u>\$7,835,347</u> | <u>\$7,759,084</u> | <u>\$6,972,723</u> | <u>\$6,704,835</u> | <u>\$7,508,829</u> | <u>\$7,372,069</u> | <u>\$7,261,757</u> | <u>\$7,047,317</u> | <u>\$7,193,717</u> | <u>\$7,522,306</u> | <u>\$7,390,095</u> | <u>\$7,372,149</u> | <u>\$87,940,226</u> |

PROGRESS ENERGY FLORIDA
 ESTIMATED CONSERVATION PROGRAM COSTS
 FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C-2
 PAGE 3 OF 6

| 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 | \$ - | \$ 160,945 | \$ - | \$ 3,000 | \$ 381,397 | \$ 1,031,803 | \$ - | \$ 14,260 | \$ - | \$ 1,591,405 |
| 2 | RESIDENTIAL NEW CONSTRUCTION | - | 895,263 | 44,560 | 23,700 | 1,068,179 | 833,672 | - | 110,864 | - | 2,976,238 |
| 3 | HOME ENERGY IMPROVEMENT | 7,888 | 933,124 | 44,497 | 36,984 | 1,934,985 | 2,545,347 | - | 74,938 | - | 5,577,764 |
| 4 | C/I NEW CONSTRUCTION | - | 222,045 | - | 3,000 | 146,437 | 698,543 | - | 5,122 | - | 1,075,147 |
| 5 | HOME ENERGY CHECK | - | 1,336,322 | 5,235 | 62,411 | 2,373,021 | - | - | 126,954 | - | 3,903,944 |
| 6 | LOW INCOME | - | 113,411 | 2,094 | - | 54,631 | 47,808 | - | 26,340 | - | 244,284 |
| 7 | RENEWABLE ENERGY SAVER | - | 93,302 | 52,350 | - | - | 56,256 | - | 8,000 | - | 209,908 |
| 8 | NEIGHBORHOOD ENERGY SAVER | - | 43,774 | - | 28,841 | 364,470 | 717,810 | - | 12,017 | - | 1,166,913 |
| 9 | BUSINESS ENERGY CHECK | - | 1,382,160 | 31,929 | 469,000 | 232,277 | - | - | 560,492 | - | 2,675,858 |
| 10 | CONSERVATION PROGRAM ADMIN | 10,128 | 4,126,930 | 712,436 | 1,030,365 | 511,807 | - | - | 3,127,686 | - | 9,519,352 |
| 11 | CONSERVATION PROGRAM ADMIN | - | 458,545 | 79,158 | 114,479 | 56,863 | - | - | 347,522 | - | 1,056,567 |
| 12 | QUALIFYING FACILITY | - | 660,069 | 4,068 | 50,000 | - | - | - | 21,800 | - | 735,937 |
| 13 | INNOVATION INCENTIVE | - | 71,595 | 33,190 | 120,000 | 53,153 | 325,000 | - | 7,110 | - | 610,048 |
| 14 | TECHNOLOGY DEVELOPMENT | 38,733 | 285,211 | 418,800 | 968,750 | 43,480 | - | - | 46,200 | - | 1,801,174 |
| 15 | STANDBY GENERATION | 32,660 | 1,168,677 | 410,537 | 70,008 | - | 2,581,976 | - | 170,033 | - | 4,433,892 |
| 16 | INTERRUPTIBLE LOAD MANAGEMENT | - | 287,766 | 53,397 | 37,536 | - | 19,465,745 | - | 94,976 | - | 19,939,420 |
| 17 | CURTAILABLE LOAD MANAGEMENT | - | 142,998 | 3,738 | - | - | 1,350,000 | - | 5,605 | - | 1,502,340 |
| 18 | RESIDENTIAL LOAD MANAGEMENT | 53,312 | 1,897,813 | 172,483 | 2,379,000 | 980,670 | 17,933,046 | - | 96,155 | - | 23,512,479 |
| 19 | LOAD MANAGEMENT SWITCHES | 2,455,777 | - | - | - | - | - | - | - | - | 2,455,777 |
| 20 | COMMERCIAL LOAD MANAGEMENT | - | 5,552 | - | 2,210,000 | - | 736,231 | - | - | - | 2,951,783 |
| 21 | | | | | | | | | | | |
| 22 | | | | | | | | | | | |
| 23 | NET PROGRAM COSTS | \$ 2,598,498 | \$ 14,285,503 | \$ 2,068,473 | \$ 7,607,074 | \$ 8,201,369 | \$ 48,323,237 | \$ - | \$ 4,856,075 | \$ - | \$ 87,940,226 |
| 24 | | | | | | | | | | | |
| 25 | | | | | | | | | | | |
| 26 | SUMMARY OF DEMAND & ENERGY | | | | | | | | | | |
| 27 | | | | | | | | | | | |
| 28 | ENERGY | \$ 56,749 | \$ 10,324,152 | \$ 1,349,160 | \$ 2,796,051 | \$ 7,163,836 | \$ 6,256,239 | \$ - | \$ 4,141,783 | \$ - | \$ 32,087,971 |
| 29 | | | | | | | | | | | |
| 30 | DEMAND | 2,541,749 | 3,961,351 | 719,313 | 4,811,023 | 1,037,533 | 42,066,998 | - | 714,291 | - | 55,852,257 |
| 31 | | | | | | | | | | | |
| 32 | TOTAL | \$ 2,598,498 | \$ 14,285,503 | \$ 2,068,473 | \$ 7,607,074 | \$ 8,201,369 | \$ 48,323,237 | \$ - | \$ 4,856,075 | \$ - | \$ 87,940,226 |

PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

DOCKET NO. 070002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C-2
PAGE 4 OF 6

| LINE NO. | PROGRAM TITLE | BEGINNING BALANCE | ESTIMATED | | | | | | | | | | | | TOTAL |
|----------|------------------------------|-------------------|-----------|--------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|-----------|
| | | | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | |
| 1 | HOME ENERGY CHECK | | | | | | | | | | | | | | |
| 2 | INVESTMENT | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 3 | RETIREMENTS | | 6,737 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,737 |
| 4 | DEPRECIATION BASE | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | | | | | | | | | | | | | | | |
| 6 | DEPRECIATION EXPENSE | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 7 | | | | | | | | | | | | | | | |
| 8 | CUMULATIVE INVESTMENT | 6,737 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 9 | LESS: ACC. DEPRECIATION | 6,737 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 10 | NET INVESTMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 11 | AVERAGE INVESTMENT | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | RETURN ON AVERAGE INVESTMENT | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 13 | | | | | | | | | | | | | | | |
| 14 | RETURN REQUIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| 15 | | | | | | | | | | | | | | | |
| 16 | PROGRAM TOTAL | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 17 | | | | | | | | | | | | | | | |
| 18 | STANDBY GENERATION | | | | | | | | | | | | | | |
| 19 | INVESTMENT | | \$ 0 | \$ 0 | \$ 60,500 | \$ 0 | \$ 0 | \$ 60,500 | \$ 0 | \$ 0 | \$ 60,500 | \$ 0 | \$ 0 | \$ 60,500 | \$242,000 |
| 20 | RETIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | DEPRECIATION BASE | | 0 | 0 | 30,250 | 60,500 | 60,500 | 90,750 | 121,000 | 121,000 | 151,250 | 181,500 | 181,500 | 211,750 | |
| 22 | | | | | | | | | | | | | | | |
| 23 | DEPRECIATION EXPENSE | | 0 | 0 | 504 | 1,008 | 1,008 | 1,513 | 2,017 | 2,017 | 2,521 | 3,025 | 3,025 | 3,529 | 20,167 |
| 24 | | | | | | | | | | | | | | | |
| 25 | CUMULATIVE INVESTMENT | 0 | 0 | 0 | 60,500 | 60,500 | 60,500 | 121,000 | 121,000 | 121,000 | 181,500 | 181,500 | 181,500 | 242,000 | 242,000 |
| 26 | LESS: ACC. DEPRECIATION | 0 | 0 | 0 | 504 | 1,512 | 2,520 | 4,033 | 6,050 | 8,067 | 10,588 | 13,613 | 16,638 | 20,167 | 20,167 |
| 27 | NET INVESTMENT | 0 | 0 | 0 | 59,996 | 58,988 | 57,980 | 116,967 | 114,950 | 112,933 | 170,912 | 167,887 | 164,862 | 221,833 | 221,833 |
| 28 | AVERAGE INVESTMENT | | 0 | 0 | 29,998 | 59,492 | 58,484 | 87,474 | 115,959 | 113,942 | 141,923 | 169,400 | 166,375 | 193,348 | |
| 29 | RETURN ON AVERAGE INVESTMENT | | 0 | 0 | 222 | 441 | 433 | 648 | 859 | 844 | 1,051 | 1,255 | 1,233 | 1,433 | 8,419 |
| 30 | | | | | | | | | | | | | | | |
| 31 | RETURN REQUIREMENTS | | 0 | 0 | 329 | 655 | 643 | 961 | 1,275 | 1,252 | 1,560 | 1,862 | 1,830 | 2,126 | 12,493 |
| 32 | | | | | | | | | | | | | | | |
| 33 | PROGRAM TOTAL | | \$ 0 | \$ 0 | \$ 833 | \$ 1,663 | \$ 1,651 | \$ 2,474 | \$ 3,292 | \$ 3,269 | \$ 4,081 | \$ 4,887 | \$ 4,855 | \$ 5,655 | \$32,660 |
| 34 | | | | | | | | | | | | | | | |

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 8.89% PER THE 2005 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-05-1251-FOF-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C-2
 PAGE 5 OF 6

| LINE NO. | PROGRAM TITLE | BEGINNING BALANCE | ESTIMATED | | | | | | | | | | | | TOTAL |
|----------|--------------------------------------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | |
| 1 | RESIDENTIAL ENERGY MANAGEMENT | | | | | | | | | | | | | | |
| 2 | INVESTMENT | | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$ 27,500 | \$330,000 |
| 3 | RETIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | DEPRECIATION BASE | | 13,750 | 41,250 | 68,750 | 96,250 | 123,750 | 151,250 | 178,750 | 206,250 | 233,750 | 261,250 | 288,750 | 316,250 | |
| 5 | | | | | | | | | | | | | | | |
| 6 | DEPRECIATION EXPENSE | | 229 | 688 | 1,146 | 1,604 | 2,063 | 2,521 | 2,979 | 3,438 | 3,896 | 4,354 | 4,813 | 5,271 | 33,002 |
| 7 | | | | | | | | | | | | | | | |
| 8 | CUMULATIVE INVESTMENT | 0 | 27,500 | 55,000 | 82,500 | 110,000 | 137,500 | 165,000 | 192,500 | 220,000 | 247,500 | 275,000 | 302,500 | 330,000 | 330,000 |
| 9 | LESS: ACC. DEPRECIATION | 0 | 229 | 917 | 2,063 | 3,667 | 5,730 | 8,251 | 11,230 | 14,668 | 18,564 | 22,918 | 27,731 | 33,002 | 33,002 |
| 10 | NET INVESTMENT | 0 | 27,271 | 54,083 | 80,437 | 106,333 | 131,770 | 156,749 | 181,270 | 205,332 | 228,936 | 252,082 | 274,769 | 296,998 | 296,998 |
| 11 | AVERAGE INVESTMENT | | 13,636 | 40,677 | 67,260 | 93,385 | 119,052 | 144,260 | 169,010 | 193,301 | 217,134 | 240,509 | 263,426 | 285,884 | |
| 12 | RETURN ON AVERAGE INVESTMENT | | 101 | 301 | 498 | 692 | 882 | 1,068 | 1,252 | 1,432 | 1,608 | 1,782 | 1,952 | 2,118 | 13,686 |
| 13 | | | | | | | | | | | | | | | |
| 14 | RETURN REQUIREMENTS | | 150 | 447 | 739 | 1,027 | 1,309 | 1,585 | 1,858 | 2,125 | 2,386 | 2,644 | 2,897 | 3,143 | 20,310 |
| 15 | | | | | | | | | | | | | | | |
| 16 | PROGRAM TOTAL | | \$ 379 | \$ 1,135 | \$ 1,885 | \$ 2,631 | \$ 3,372 | \$ 4,106 | \$ 4,837 | \$ 5,563 | \$ 6,282 | \$ 6,998 | \$ 7,710 | \$ 8,414 | \$53,312 |
| 17 | | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | |
| 19 | HOME ENERGY IMPROVEMENT | | | | | | | | | | | | | | |
| 20 | INVESTMENT | | \$ 0 | \$ 0 | \$ 10,000 | \$ 0 | \$ 0 | \$ 10,000 | \$ 0 | \$ 0 | \$ 10,000 | \$ 0 | \$ 0 | \$ 10,000 | \$40,000 |
| 21 | RETIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 4,912 | 0 | 0 | 0 | 0 | 0 | 4,912 |
| 22 | DEPRECIATION BASE | | 12,490 | 12,490 | 17,490 | 22,490 | 22,490 | 27,490 | 30,034 | 27,578 | 32,578 | 37,578 | 37,578 | 42,578 | |
| 23 | | | | | | | | | | | | | | | |
| 24 | DEPRECIATION EXPENSE | | 208 | 208 | 292 | 375 | 375 | 458 | 501 | 460 | 543 | 626 | 626 | 710 | 5,382 |
| 25 | | | | | | | | | | | | | | | |
| 26 | CUMULATIVE INVESTMENT | 12,490 | 12,490 | 12,490 | 22,490 | 22,490 | 22,490 | 32,490 | 27,578 | 27,578 | 37,578 | 37,578 | 37,578 | 47,578 | 47,578 |
| 27 | LESS: ACC. DEPRECIATION | 7,335 | 8,043 | 8,251 | 8,543 | 8,918 | 9,293 | 9,751 | 5,341 | 5,801 | 6,344 | 6,970 | 7,596 | 8,306 | 8,306 |
| 28 | NET INVESTMENT | 4,655 | 4,447 | 4,239 | 13,947 | 13,572 | 13,197 | 22,739 | 22,238 | 21,778 | 31,235 | 30,609 | 29,983 | 39,273 | 39,273 |
| 29 | AVERAGE INVESTMENT | | 2,223 | 4,343 | 9,093 | 13,759 | 13,384 | 17,968 | 22,488 | 22,008 | 26,506 | 30,922 | 30,296 | 34,628 | |
| 30 | RETURN ON AVERAGE INVESTMENT | | 17 | 32 | 67 | 102 | 99 | 134 | 166 | 163 | 196 | 230 | 225 | 257 | 1,688 |
| 31 | | | | | | | | | | | | | | | |
| 32 | RETURN REQUIREMENTS | | 25 | 48 | 100 | 152 | 147 | 199 | 246 | 242 | 291 | 341 | 334 | 381 | 2,506 |
| 33 | | | | | | | | | | | | | | | |
| 34 | PROGRAM TOTAL | | \$ 233 | \$ 256 | \$ 392 | \$ 527 | \$ 522 | \$ 657 | \$ 747 | \$ 702 | \$ 834 | \$ 967 | \$ 960 | \$ 1,091 | \$7,888 |

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 8.89% PER THE 2005 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-05-1251-FOF-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

**PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
FOR THE PERIOD JANUARY 2008 THROUGH DECEMBER 2008**

DOCKET NO. 070002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C-2
PAGE 6 OF 6

| LINE NO. | PROGRAM TITLE | BEGINNING BALANCE | ESTIMATED | | | | | | | | | | | | TOTAL |
|----------|--|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| | | | Jan-08 | Feb-08 | Mar-08 | Apr-08 | May-08 | Jun-08 | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 | |
| 1 | CONSERVATION PROGRAM | | | | | | | | | | | | | | |
| 2 | INVESTMENT | | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 24,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 24,000 |
| 3 | RETIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | DEPRECIATION BASE | | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 38,590 | 50,590 | 50,590 | 50,590 | 50,590 | 50,590 | |
| 5 | | | | | | | | | | | | | | | |
| 6 | DEPRECIATION EXPENSE | | 443 | 443 | 443 | 443 | 443 | 443 | 643 | 843 | 843 | 843 | 843 | 843 | 7,516 |
| 7 | | | | | | | | | | | | | | | |
| 8 | CUMULATIVE INVESTMENT | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 50,590 | 50,590 | 50,590 | 50,590 | 50,590 | 50,590 | 50,590 |
| 9 | LESS: ACC. DEPRECIATION | 14,619 | 15,062 | 15,505 | 15,948 | 16,391 | 16,834 | 17,277 | 17,920 | 18,763 | 19,606 | 20,449 | 21,292 | 22,135 | 22,135 |
| 10 | NET INVESTMENT | 11,971 | 11,528 | 11,085 | 10,642 | 10,199 | 9,756 | 9,313 | 32,670 | 31,827 | 30,984 | 30,141 | 29,298 | 28,455 | 28,455 |
| 11 | AVERAGE INVESTMENT | | 11,750 | 11,307 | 10,864 | 10,421 | 9,978 | 9,535 | 20,992 | 32,249 | 31,406 | 30,563 | 29,720 | 28,877 | |
| 12 | RETURN ON AVERAGE INVESTMENT | | 87 | 84 | 80 | 77 | 74 | 70 | 156 | 239 | 232 | 226 | 221 | 214 | 1,760 |
| 13 | | | | | | | | | | | | | | | |
| 14 | RETURN REQUIREMENTS | | 129 | 125 | 119 | 114 | 110 | 104 | 231 | 355 | 344 | 335 | 328 | 318 | 2,612 |
| 15 | | | | | | | | | | | | | | | |
| 16 | PROGRAM TOTAL | | \$ 572 | \$ 568 | \$ 562 | \$ 557 | \$ 553 | \$ 547 | \$ 874 | \$ 1,198 | \$ 1,187 | \$ 1,178 | \$ 1,171 | \$ 1,161 | \$10,128 |
| 17 | | | | | | | | | | | | | | | |
| 18 | TECH DEVELOPMENT | | | | | | | | | | | | | | |
| 19 | INVESTMENT | | \$ 0 | \$ 0 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$ 28,800 | \$288,000 |
| 20 | RETIREMENTS | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 | DEPRECIATION BASE | | 0 | 0 | 14,400 | 43,200 | 72,000 | 100,800 | 129,600 | 158,400 | 187,200 | 216,000 | 244,800 | 273,600 | |
| 22 | | | | | | | | | | | | | | | |
| 23 | DEPRECIATION EXPENSE | | 0 | 0 | 0 | 720 | 1,200 | 1,680 | 2,160 | 2,640 | 3,120 | 3,600 | 4,080 | 4,560 | 23,760 |
| 24 | | | | | | | | | | | | | | | |
| 25 | CUMULATIVE INVESTMENT | 0 | 0 | 0 | 28,800 | 57,600 | 86,400 | 115,200 | 144,000 | 172,800 | 201,600 | 230,400 | 259,200 | 288,000 | 288,000 |
| 26 | LESS: ACC. DEPRECIATION | 0 | 0 | 0 | 0 | 720 | 1,920 | 3,600 | 5,760 | 8,400 | 11,520 | 15,120 | 19,200 | 23,760 | 23,760 |
| 27 | NET INVESTMENT | 0 | 0 | 0 | 28,800 | 56,880 | 84,480 | 111,600 | 138,240 | 164,400 | 190,080 | 215,280 | 240,000 | 264,240 | 264,240 |
| 28 | AVERAGE INVESTMENT | | 0 | 0 | 14,400 | 42,840 | 70,680 | 98,040 | 124,920 | 151,320 | 177,240 | 202,680 | 227,640 | 252,120 | |
| 29 | RETURN ON AVERAGE INVESTMENT | | 0 | 0 | 106 | 318 | 523 | 727 | 925 | 1,121 | 1,313 | 1,502 | 1,686 | 1,868 | 10,089 |
| 30 | | | | | | | | | | | | | | | |
| 31 | RETURN REQUIREMENTS | | 0 | 0 | 157 | 472 | 776 | 1,079 | 1,373 | 1,664 | 1,949 | 2,229 | 2,502 | 2,772 | 14,973 |
| 32 | | | | | | | | | | | | | | | |
| 33 | PROGRAM TOTAL | | \$ 0 | \$ 0 | \$ 157 | \$ 1,192 | \$ 1,976 | \$ 2,759 | \$ 3,533 | \$ 4,304 | \$ 5,069 | \$ 5,829 | \$ 6,582 | \$ 7,332 | \$38,733 |
| 34 | | | | | | | | | | | | | | | |
| 35 | LOAD MANAGEMENT SWITCHES (9080120) (D) | | | | | | | | | | | | | | |
| 36 | LOAD CONTROL RECEIVERS, SWITCHES, AND HARDWARE - INVESTMENT | | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$ 558,413 | \$6,700,958 |
| 37 | RETIREMENTS | | 24,650 | 24,412 | 101,073 | 165,023 | 25,247 | 17,386 | 95,453 | 212,941 | 14,208 | 17,461 | 12,892 | 11,170 | 721,916 |
| 38 | AMORTIZATION BASE | | 5,655,844 | 6,189,726 | 6,685,396 | 7,110,761 | 7,574,039 | 8,111,136 | 8,613,129 | 9,017,346 | 9,462,185 | 10,004,764 | 10,548,000 | 11,094,383 | |
| 39 | AMORTIZATION EXPENSE | | 94,264 | 103,162 | 111,423 | 118,513 | 126,234 | 135,186 | 143,552 | 150,289 | 157,703 | 166,746 | 175,800 | 184,907 | 1,667,779 |
| 40 | | | | | | | | | | | | | | | |
| 41 | CUMULATIVE INVESTMENT | 5,368,963 | 5,922,725 | 6,456,727 | 6,914,066 | 7,307,456 | 7,840,622 | 8,381,649 | 8,844,609 | 9,190,082 | 9,734,287 | 10,275,240 | 10,820,761 | 11,368,004 | 11,368,004 |
| 42 | LESS: ACC. AMORTIZATION | 2,028,590 | 2,098,203 | 2,176,953 | 2,187,303 | 2,140,792 | 2,241,779 | 2,359,579 | 2,407,678 | 2,345,027 | 2,488,522 | 2,637,807 | 2,800,715 | 2,974,452 | 2,974,452 |
| 43 | NET INVESTMENT | 3,360,373 | 3,824,522 | 4,279,773 | 4,726,763 | 5,166,664 | 5,598,843 | 6,022,070 | 6,436,931 | 6,845,055 | 7,245,765 | 7,637,433 | 8,020,046 | 8,393,552 | 8,393,552 |
| 44 | AVERAGE INVESTMENT | | 3,592,447 | 4,052,148 | 4,503,268 | 4,946,713 | 5,382,753 | 5,810,456 | 6,229,500 | 6,640,993 | 7,045,410 | 7,441,599 | 7,828,739 | 8,206,799 | |
| 45 | RETURN ON AVERAGE INVESTMENT | | 26,614 | 30,020 | 33,362 | 36,646 | 39,877 | 43,046 | 46,150 | 49,199 | 52,194 | 55,130 | 57,998 | 60,799 | 531,035 |
| 46 | | | | | | | | | | | | | | | |
| 47 | RETURN REQUIREMENTS | | 39,492 | 44,546 | 49,505 | 54,379 | 59,173 | 63,876 | 68,482 | 73,006 | 77,450 | 81,807 | 86,063 | 90,219 | 787,998 |
| 48 | | | | | | | | | | | | | | | |
| 49 | TOTAL AMORTIZATION AND RETURN | | \$ 133,756 | \$ 147,708 | \$ 160,928 | \$ 172,892 | \$ 185,407 | \$ 199,062 | \$ 212,034 | \$ 223,295 | \$ 235,153 | \$ 248,553 | \$ 261,863 | \$ 275,126 | \$2,455,777 |
| 50 | | | | | | | | | | | | | | | |
| 51 | SUMMARY OF DEMAND & ENERGY: | | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | | | |
| 53 | ENERGY | | \$ 805 | \$ 824 | \$ 1,111 | \$ 2,276 | \$ 3,051 | \$ 3,963 | \$ 5,154 | \$ 6,204 | \$ 7,090 | \$ 7,974 | \$ 8,713 | \$ 9,584 | \$ 56,749 |
| 54 | DEMAND | | 134,135 | 148,843 | 163,646 | 177,186 | 190,430 | 205,642 | 220,163 | 232,127 | 245,516 | 260,438 | 274,428 | 289,195 | 2,541,749 |
| 55 | TOTAL DEPRECIATION AND RETURN | | \$ 134,940 | \$ 149,667 | \$ 164,757 | \$ 179,462 | \$ 193,481 | \$ 209,605 | \$ 225,317 | \$ 238,331 | \$ 252,606 | \$ 268,412 | \$ 283,141 | \$ 298,779 | \$ 2,598,498 |

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 8.89% PER THE 2005 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-05-1251-FOF-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through JULY, 2007 ACTUAL
 AUGUST through DECEMBER, 2007 ESTIMATED

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C - 3
 PAGE 1 OF 7

| LINE NO. | PROGRAM TITLE | DEPRECIATION | OPERATING AND MAINTENANCE COSTS | | | | | | PROGRAM | TOTAL | |
|----------|------------------------------|-----------------------|---------------------------------|----------|------------------|----------------------|-------------|------------|---------|-------|--------------------|
| | | AMORTIZATION & RETURN | PAYROLL & BENEFITS | VEHICLES | OUTSIDE SERVICES | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OTHER | | REVENUES (CREDITS) |
| 1 | BETTER BUSINESS | | | | | | | | | | |
| 2 | A. ACTUAL | \$ - | \$ 6,520 | \$ - | \$ 3,452 | \$ 1,648 | \$ 92,550 | \$ 269,136 | \$ 570 | \$ - | \$ 373,876 |
| 3 | B. ESTIMATED | - | 33,846 | - | 28,765 | 9,595 | 72,000 | 380,000 | 3,315 | - | 527,521 |
| 4 | | | | | | | | | | | |
| 5 | C. TOTAL | - | 40,366 | - | 32,217 | 11,243 | 164,550 | 649,136 | 3,885 | - | 901,397 |
| 6 | | | | | | | | | | | |
| 7 | RESIDENTIAL NEW CONSTRUCTION | | | | | | | | | | |
| 8 | A. ACTUAL | - | 362,255 | - | 38,998 | 4,930 | 180,714 | 269,971 | 52,975 | - | 909,843 |
| 9 | B. ESTIMATED | - | 258,976 | - | 37,205 | 20,595 | 125,000 | 478,997 | 32,225 | - | 952,998 |
| 10 | | | | | | | | | | | |
| 11 | C. TOTAL | - | 621,231 | - | 76,203 | 25,525 | 305,714 | 748,968 | 85,200 | - | 1,862,841 |
| 12 | | | | | | | | | | | |
| 13 | HOME ENERGY IMPROVEMENT | | | | | | | | | | |
| 14 | A. ACTUAL | 1,949 | 223,874 | - | 19,010 | 13,523 | 2,021,528 | 1,031,537 | 14,213 | - | 3,325,634 |
| 15 | B. ESTIMATED | 1,325 | 289,101 | - | 47,450 | 21,345 | 100,000 | 1,390,000 | 46,711 | - | 1,895,932 |
| 16 | | | | | | | | | | | |
| 17 | C. TOTAL | 3,274 | 512,975 | - | 66,460 | 34,868 | 2,121,528 | 2,421,537 | 60,924 | - | 5,221,566 |
| 18 | | | | | | | | | | | |
| 19 | C/I NEW CONSTRUCTION | | | | | | | | | | |
| 20 | A. ACTUAL | - | - | - | 8,603 | 8,226 | 7,176 | 152,125 | 48 | - | 176,178 |
| 21 | B. ESTIMATED | - | 23,784 | - | 28,765 | 9,595 | 2,800 | 245,402 | 3,315 | - | 313,661 |
| 22 | | | | | | | | | | | |
| 23 | C. TOTAL | - | 23,784 | - | 37,368 | 17,821 | 9,976 | 397,527 | 3,363 | - | 489,839 |
| 24 | | | | | | | | | | | |
| 25 | HOME ENERGY CHECK | | | | | | | | | | |
| 26 | A. ACTUAL | 852 | 1,225,179 | - | 51,761 | 179,233 | 1,825,052 | - | 107,947 | (30) | 3,389,994 |
| 27 | B. ESTIMATED | 487 | 684,167 | - | 344,815 | 148,415 | 1,320,000 | - | 167,705 | - | 2,665,589 |
| 28 | | | | | | | | | | | |
| 29 | C. TOTAL | 1,339 | 1,909,346 | - | 396,576 | 327,648 | 3,145,052 | - | 275,652 | (30) | 6,055,583 |
| 30 | | | | | | | | | | | |
| 31 | LOW INCOME | | | | | | | | | | |
| 32 | A. ACTUAL | - | 22,178 | - | - | 61 | 30,639 | 8,399 | 9,164 | - | 70,441 |
| 33 | B. ESTIMATED | - | 12,343 | - | 14,380 | 4,800 | 16,500 | 18,975 | 1,660 | - | 68,658 |
| 34 | | | | | | | | | | | |
| 35 | C. TOTAL | - | 34,521 | - | 14,380 | 4,861 | 47,139 | 27,374 | 10,824 | - | 139,099 |

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through JULY, 2007 ACTUAL
 AUGUST through DECEMBER, 2007 ESTIMATED

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C - 3
 PAGE 2 OF 7

| LINE NO. | PROGRAM TITLE | DEPRECIATION | OPERATING AND MAINTENANCE COSTS | | | | | | | PROGRAM | TOTAL |
|----------|---------------------------|-----------------------|---------------------------------|----------|------------------|----------------------|-------------|------------|---------|--------------------|-----------|
| | | AMORTIZATION & RETURN | PAYROLL & BENEFITS | VEHICLES | OUTSIDE SERVICES | MATERIALS & SUPPLIES | ADVERTISING | INCENTIVES | OTHER | REVENUES (CREDITS) | |
| 1 | RENEWABLE ENERGY SAVER | | | | | | | | | | |
| 2 | A. ACTUAL | - | 2,761 | - | 7,552 | 1,977 | 63,202 | 28,800 | 503 | - \$ | 104,794 |
| 3 | B. ESTIMATED | - | - | - | - | - | - | 45,000 | - | - | 45,000 |
| 4 | | | | | | | | | | | |
| 5 | C. TOTAL | - | 2,761 | - | 7,552 | 1,977 | 63,202 | 73,800 | 503 | - | 149,794 |
| 6 | | | | | | | | | | | |
| 7 | NEIGHBORHOOD ENERGY SAVER | | | | | | | | | | |
| 8 | A. ACTUAL | - | 4,479 | - | - | 62 | 15,382 | - | 1,609 | - | 21,531 |
| 9 | B. ESTIMATED | - | 3,200 | - | - | - | 35,000 | 600,000 | - | - | 638,200 |
| 10 | | | | | | | | | | | |
| 11 | C. TOTAL | - | 7,679 | - | - | 62 | 50,382 | 600,000 | 1,609 | - | 659,731 |
| 12 | | | | | | | | | | | |
| 13 | BUSINESS ENERGY CHECK | | | | | | | | | | |
| 14 | A. ACTUAL | 61 | 624,425 | - | 73,253 | 5,156 | 9,226 | - | 71,283 | - | 783,404 |
| 15 | B. ESTIMATED | - | 384,891 | - | 58,120 | 33,715 | 15,000 | - | 107,099 | - | 598,825 |
| 16 | | | | | | | | | | | |
| 17 | C. TOTAL | 61 | 1,009,316 | - | 131,373 | 38,871 | 24,226 | - | 178,382 | - | 1,382,229 |
| 18 | | | | | | | | | | | |
| 19 | QUALIFYING FACILITY | | | | | | | | | | |
| 20 | A. ACTUAL | - | 233,982 | - | 11,316 | 72 | - | - | 15,214 | - | 260,584 |
| 21 | B. ESTIMATED | - | 213,017 | - | - | 1,315 | - | - | 10,030 | - | 224,362 |
| 22 | | | | | | | | | | | |
| 23 | C. TOTAL | - | 446,999 | - | 11,316 | 1,387 | - | - | 25,244 | - | 484,946 |
| 24 | | | | | | | | | | | |
| 25 | INNOVATION INCENTIVE | | | | | | | | | | |
| 26 | A. ACTUAL | - | - | - | - | - | - | 2,340 | - | - | 2,340 |
| 27 | B. ESTIMATED | - | 12,592 | - | 4,165 | 1,130 | 5,050 | 80,000 | 40 | - | 102,977 |
| 28 | | | | | | | | | | | |
| 29 | C. TOTAL | - | 12,592 | - | 4,165 | 1,130 | 5,050 | 82,340 | 40 | - | 105,317 |
| 30 | | | | | | | | | | | |
| 31 | TECHNOLOGY DEVELOPMENT | | | | | | | | | | |
| 32 | A. ACTUAL | - | 15,668 | - | 146,706 | (21,755) | - | - | 52,570 | - | 193,189 |
| 33 | B. ESTIMATED | - | 99,226 | - | 1,111,455 | 156,580 | - | - | 144,225 | - | 1,511,486 |
| 34 | | | | | | | | | | | |
| 35 | C. TOTAL | - | 114,894 | - | 1,258,161 | 134,825 | - | - | 196,795 | - | 1,704,675 |

PROGRESS ENERGY FLORIDA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C-3
 PAGE 4 of 7

| LINE NO. | BEGINNING BALANCE | JAN 07 | FEB 07 | MAR 07 | APR 07 | MAY 07 | JUN 07 | JUL 07 | AUG 07 | SEP 07 | OCT 07 | NOV 07 | DEC 07 | TOTAL |
|----------|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | ENERGY CONSERVATION ADMIN | | | | | | | | | | | | | |
| 2 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 |
| 5 | | | | | | | | | | | | | | |
| 6 | | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 443 | 5,316 |
| 7 | | | | | | | | | | | | | | |
| 8 | | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 | 26,590 |
| 9 | | 9,303 | 9,746 | 10,189 | 10,632 | 11,075 | 11,518 | 11,961 | 12,404 | 12,847 | 13,290 | 13,733 | 14,176 | 14,619 |
| 10 | | 17,287 | 16,844 | 16,401 | 15,958 | 15,515 | 15,072 | 14,629 | 14,186 | 13,743 | 13,300 | 12,857 | 12,414 | 11,971 |
| 11 | | | 17,066 | 16,623 | 16,180 | 15,737 | 15,294 | 14,851 | 14,408 | 13,965 | 13,522 | 13,079 | 12,636 | 12,193 |
| 12 | | | 126 | 123 | 120 | 117 | 113 | 110 | 106 | 104 | 100 | 97 | 93 | 91 |
| 13 | | | | | | | | | | | | | | 1,300 |
| 14 | | | 187 | 183 | 178 | 174 | 168 | 163 | 157 | 154 | 148 | 144 | 138 | 135 |
| 15 | | | | | | | | | | | | | | 1,929 |
| 16 | | | 630 | 626 | 621 | 617 | 611 | 606 | 600 | 597 | 591 | 587 | 581 | 578 |
| 17 | | | | | | | | | | | | | | 7,245 |
| 18 | BUSINESS ENERGY CHECK | | | | | | | | | | | | | |
| 19 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20 | | 0 | 3,601 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,601 |
| 21 | | 3,601 | 1,801 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 | | | | | | | | | | | | | | |
| 23 | | 60 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 61 |
| 24 | | | | | | | | | | | | | | |
| 25 | | 3,601 | 3,601 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26 | | 3,540 | 3,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27 | | 61 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 28 | | | 31 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 | | | | | | | | | | | | | | |
| 31 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 | | | | | | | | | | | | | | |
| 33 | | | 60 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 61 |

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 8.89% PER THE 2005 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-05-1251-FOF-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 2007 THROUGH DECEMBER 2007

DOCKET NO. 070002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C-3
PAGE 5 OF 7

| LINE NO. | BEGINNING BALANCE | JAN 07 | FEB 07 | MAR 07 | APR 07 | MAY 07 | JUN 07 | JUL 07 | AUG 07 | SEP 07 | OCT 07 | NOV 07 | DEC 07 | TOTAL |
|----------|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | HOME ENERGY CHECK | | | | | | | | | | | | | |
| 2 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 6,737 | 0 |
| 5 | | | | | | | | | | | | | | |
| 6 | | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 29 | 1,261 |
| 7 | | | | | | | | | | | | | | |
| 8 | | 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 | | 5,476 | 5,588 | 5,700 | 5,812 | 5,924 | 6,036 | 6,148 | 6,260 | 6,372 | 6,484 | 6,596 | 6,708 | 6,737 |
| 10 | | 1,261 | 1,149 | 1,037 | 925 | 813 | 701 | 589 | 477 | 365 | 253 | 141 | 29 | 0 |
| 11 | | | 1,205 | 1,093 | 981 | 869 | 757 | 645 | 533 | 421 | 309 | 197 | 85 | 15 |
| 12 | | | 9 | 8 | 8 | 6 | 5 | 5 | 4 | 3 | 3 | 1 | 0 | 52 |
| 13 | | | | | | | | | | | | | | |
| 14 | | | 13 | 12 | 12 | 9 | 8 | 8 | 6 | 4 | 4 | 2 | 0 | 78 |
| 15 | | | | | | | | | | | | | | |
| 16 | | | 125 | 124 | 124 | 121 | 120 | 120 | 118 | 116 | 116 | 114 | 112 | 29 |
| 17 | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | |
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| 24 | | | | | | | | | | | | | | |
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| 29 | | | | | | | | | | | | | | |
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| 31 | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | | |
| 35 | | | | | | | | | | | | | | |
| 36 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 | | | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 12,490 | 0 |
| 39 | | | | | | | | | | | | | | |
| 40 | | | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 208 | 2,496 |
| 41 | | | | | | | | | | | | | | |
| 42 | | 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 |
| 43 | | 5,339 | 5,547 | 5,755 | 5,963 | 6,171 | 6,379 | 6,587 | 6,795 | 7,003 | 7,211 | 7,419 | 7,627 | 7,835 |
| 44 | | 7,151 | 6,943 | 6,735 | 6,527 | 6,319 | 6,111 | 5,903 | 5,695 | 5,487 | 5,279 | 5,071 | 4,863 | 4,655 |
| 45 | | | 7,047 | 6,839 | 6,631 | 6,423 | 6,215 | 6,007 | 5,799 | 5,591 | 5,383 | 5,175 | 4,967 | 4,759 |
| 46 | | | 52 | 51 | 49 | 48 | 46 | 44 | 43 | 42 | 40 | 39 | 36 | 525 |
| 47 | | | | | | | | | | | | | | |
| 48 | | | 77 | 75 | 73 | 71 | 68 | 65 | 64 | 62 | 59 | 58 | 54 | 778 |
| 49 | | | | | | | | | | | | | | |
| 50 | | | 285 | 283 | 281 | 279 | 276 | 273 | 272 | 270 | 267 | 266 | 262 | 3,274 |
| 51 | | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | |
| 54 | | | 138,501 | (6,785) | 363,985 | 290,021 | 397,733 | 425,220 | 128,040 | 63,466 | 63,466 | 63,466 | 63,466 | 2,054,044 |
| 55 | | | 41,549 | 18,296 | 17,149 | 13,764 | 16,900 | 12,908 | 23,799 | 22,713 | 19,118 | 44,781 | 54,021 | 355,620 |
| 56 | | | 3,739,014 | 3,774,949 | 3,935,827 | 4,247,373 | 4,575,918 | 4,972,491 | 5,230,767 | 5,303,264 | 5,345,814 | 5,377,331 | 5,391,395 | 5,392,540 |
| 57 | | | | | | | | | | | | | | |
| 58 | | | 62,317 | 62,916 | 65,597 | 70,790 | 76,265 | 82,875 | 87,180 | 88,388 | 89,097 | 89,622 | 89,857 | 954,780 |
| 59 | | | | | | | | | | | | | | |
| 60 | | 3,690,538 | 3,787,490 | 3,762,409 | 4,109,244 | 4,385,501 | 4,766,335 | 5,178,647 | 5,282,887 | 5,323,640 | 5,367,988 | 5,386,673 | 5,396,118 | 5,388,963 |
| 61 | | 1,429,429 | 1,450,197 | 1,494,817 | 1,543,265 | 1,600,291 | 1,659,656 | 1,729,623 | 1,793,004 | 1,858,679 | 1,928,658 | 1,973,499 | 2,009,335 | 2,028,590 |
| 62 | | 2,261,108 | 2,337,293 | 2,267,591 | 2,565,979 | 2,785,210 | 3,106,679 | 3,449,023 | 3,489,883 | 3,464,961 | 3,439,330 | 3,413,174 | 3,386,783 | 3,360,373 |
| 63 | | | 2,299,201 | 2,302,442 | 2,416,785 | 2,675,595 | 2,945,944 | 3,277,851 | 3,469,453 | 3,477,422 | 3,452,145 | 3,426,252 | 3,399,978 | 3,373,578 |
| 64 | | | 13,125 | 13,143 | 13,796 | 15,273 | 16,816 | 18,711 | 19,442 | 19,131 | 18,999 | 18,864 | 18,726 | 204,613 |
| 65 | | | | | | | | | | | | | | |
| 66 | | | 25,277 | 25,311 | 26,569 | 29,413 | 32,384 | 36,034 | 37,442 | 36,843 | 36,588 | 36,329 | 36,063 | 394,049 |
| 67 | | | | | | | | | | | | | | |
| 68 | | | 87,594 | 88,227 | 92,166 | 100,203 | 108,649 | 118,909 | 124,622 | 125,231 | 125,685 | 125,951 | 125,920 | 1,348,829 |

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 8.89% PER THE 2005 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-05-1251-FOF-EI
- 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 2007 THROUGH DECEMBER 2007

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C-3
 PAGE 6 OF 7

| LINE NO. | JAN 07 | FEB 07 | MAR 07 | APR 07 | MAY 07 | JUN 07 | JUL 07 | AUG 07 | SEP 07 | OCT 07 | NOV 07 | DEC 07 | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1C HOME ENERGY CHECK | 0 | 0 | 0 | 0 | 0 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 30 |
| 1D SUBTOTAL - FEES | 0 | 0 | 0 | 0 | 0 | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 30 |
| 2 CONSERVATION CLAUSE REVENUES | 4,807,919 | 5,068,096 | 4,856,656 | 4,910,110 | 5,277,687 | 5,905,437 | 6,619,634 | 7,625,644 | 7,156,457 | 6,239,111 | 5,407,538 | 5,432,119 | 69,306,408 |
| 2A CURRENT PERIOD GRT REFUND | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 TOTAL REVENUES | 4,807,919 | 5,068,096 | 4,856,656 | 4,910,110 | 5,277,687 | 5,905,467 | 6,619,634 | 7,625,644 | 7,156,457 | 6,239,111 | 5,407,538 | 5,432,119 | 69,306,438 |
| 4 PRIOR PERIOD TRUE-UP OVER/(UNDER) | (11,528,273) | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 11,528,273 |
| 5 CONSERVATION REVENUES APPLICABLE TO PERIOD | 5,768,608 | 6,028,785 | 5,817,345 | 5,870,799 | 6,238,376 | 6,866,156 | 7,580,323 | 8,586,333 | 8,117,146 | 7,199,800 | 6,368,227 | 6,392,813 | 80,834,711 |
| 6 CONSERVATION EXPENSES (C-3,PAGE 3, LINE 42) | 4,315,836 | 5,890,410 | 4,880,560 | 5,057,719 | 5,088,822 | 4,913,410 | 5,968,312 | 6,436,119 | 6,500,276 | 6,260,407 | 6,987,792 | 6,661,817 | 68,981,479 |
| 7 TRUE-UP THIS PERIOD (O)/U | (1,452,772) | (138,375) | (936,785) | (813,080) | (1,149,554) | (1,952,746) | (1,612,011) | (2,150,214) | (1,616,870) | (939,393) | 619,565 | 289,004 | (11,853,232) |
| 8 CURRENT PERIOD INTEREST | (51,660) | (51,113) | (49,483) | (49,324) | (49,630) | (52,536) | (56,268) | (60,434) | (64,859) | (66,535) | (63,317) | (57,392) | (672,551) |
| 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 | (11,528,273) | (12,072,016) | (11,300,815) | (11,326,393) | (11,228,108) | (11,466,604) | (12,511,197) | (13,218,787) | (14,468,746) | (15,189,786) | (15,235,025) | (13,718,088) | (11,528,273) |
| 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) | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 960,689 | 11,528,273 |
| 12 END OF PERIOD NET TRUE-UP | (12,072,016) | (11,300,815) | (11,326,393) | (11,228,108) | (11,466,604) | (12,511,197) | (13,218,787) | (14,468,746) | (15,189,786) | (15,235,025) | (13,718,088) | (12,525,782) | (12,525,782) |

PROGRESS ENERGY FLORIDA
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

DOCKET NO. 070002-EG
 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C-3
 PAGE 7 OF 7

| LINE NO. | JAN 07 | FEB 07 | MAR 07 | APR 07 | MAY 07 | JUN 07 | JUL 07 | AUG 07 | SEP 07 | OCT 07 | NOV 07 | DEC 07 | TOTAL FOR THE PERIOD |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| 1 BEGINNING TRUE-UP AMOUNT (CT-3,PAGE 2, LINE 9 & 10) | (11,528,273) | (12,072,016) | (11,300,815) | (11,326,393) | (11,228,108) | (11,466,604) | (12,511,197) | (13,218,787) | (14,468,746) | (15,189,786) | (15,235,025) | (13,718,088) | |
| 2 ENDING TRUE-UP AMOUNT BEFORE INTEREST | (12,020,356) | (11,249,702) | (11,276,910) | (11,178,784) | (11,416,974) | (12,458,661) | (13,162,519) | (14,408,312) | (15,124,927) | (15,168,490) | (13,654,771) | (12,468,390) | |
| 3 TOTAL BEGINNING & ENDING TRUE-UP | (23,548,628) | (23,321,717) | (22,577,725) | (22,505,178) | (22,645,082) | (23,925,265) | (25,673,716) | (27,627,099) | (29,593,673) | (30,358,276) | (28,889,796) | (26,186,478) | |
| 4 AVERAGE TRUE-UP AMOUNT (50% OF LINE 3) | (11,774,314) | (11,660,859) | (11,288,863) | (11,252,589) | (11,322,541) | (11,962,632) | (12,836,858) | (13,813,550) | (14,796,837) | (15,179,138) | (14,444,898) | (13,093,239) | |
| 5 INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH | 5.27% | 5.26% | 5.26% | 5.26% | 5.26% | 5.26% | 5.28% | 5.24% | 5.26% | 5.26% | 5.26% | 5.26% | 5.26% |
| 6 INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH | 5.26% | 5.26% | 5.26% | 5.26% | 5.26% | 5.28% | 5.24% | 5.26% | 5.26% | 5.26% | 5.26% | 5.26% | 5.26% |
| 7 TOTAL (LINE 5 AND LINE 6) | 10.53% | 10.52% | 10.52% | 10.52% | 10.52% | 10.54% | 10.52% | 10.50% | 10.52% | 10.52% | 10.52% | 10.52% | 10.52% |
| 8 AVERAGE INTEREST RATE (50% OF LINE 7) | 5.265% | 5.260% | 5.260% | 5.260% | 5.260% | 5.270% | 5.260% | 5.250% | 5.260% | 5.260% | 5.260% | 5.260% | 5.260% |
| 9 INTEREST PROVISION (LINE 4 * LINE 8) / 12 | (51,660) | (51,113) | (49,483) | (49,324) | (49,630) | (52,536) | (56,268) | (60,434) | (64,859) | (66,535) | (63,317) | (57,392) | (672,551) |

CALCULATION OF ENERGY CONSERVATION COST RECOVERY (ECCR) REVENUES
FOR THE PERIOD: JANUARY 2008 THROUGH DECEMBER 2008

| <u>MONTH</u> | <u>JURISDICTIONAL MWH SALES</u> | <u>CLAUSE REVENUE NET OF REVENUE TAXES</u> |
|--------------|-------------------------------------|--|
| JANUARY | 3,287,927 | \$5,989,148 |
| FEBRUARY | 3,118,594 | \$5,664,774 |
| MARCH | 2,920,867 | \$5,260,949 |
| APRIL | 2,989,598 | \$5,366,150 |
| MAY | 3,197,696 | \$5,754,189 |
| JUNE | 3,750,084 | \$6,808,637 |
| JULY | 4,024,824 | \$7,344,410 |
| AUGUST | 4,154,278 | \$7,572,564 |
| SEPTEMBER | 4,136,532 | \$7,531,763 |
| OCTOBER | 3,642,503 | \$6,609,102 |
| NOVEMBER | 3,202,716 | \$5,751,320 |
| DECEMBER | 3,165,449 | \$5,705,508 |
| TOTAL | <u>41,591,068</u> | <u>\$75,358,515</u> |

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 more comprehensive paid walk-thru (\$15 charge), the energy rating (Energy Gauge), the mail-in audit, a web-based audit and a phone assisted audit.

Program Projections for January 2008 through December 2008: It is estimated that 40,000 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$3,903,944.

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: Home Energy Improvement is an umbrella program for residential customers with existing homes. This program combines thermal envelope efficiency improvements with upgraded equipment and appliances. The Home Energy Improvement program includes incentives for measures such as: duct testing, duct leakage repair, attic insulation, injected wall insulation, replacement windows, window film, reflective roofing, high efficiency heat pump replacing resistance heat, high efficiency heat pump replacing a heat pump, HVAC commissioning, plenum sealing, proper sizing and supplemental bonuses.

Program Projections for January 2008 through December 2008: It is estimated that 20,000 completions will be performed in this program during the projected period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$5,577,764.

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 (Home Advantage)

Program Description: The Home Advantage Program promotes energy-efficient construction, which exceeds the building code. Information, education, and consultation are provided to homebuilders, contractors, realtors and home buyers on energy-related issues and efficiency measures. This program is designed to encourage single, multi, and manufactured home builders to build more energy efficiently by encouraging the installation of high performance windows, reflective roof materials, high efficiency insulation, conditioned space air handler placement and energy recovery ventilation. Incentives are awarded to the builder based on the level of efficiency they choose.

Program Projections for January 2008 through December 2008: It is estimated that 18,000 homes representing 300 builders will participate in this program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$2,976,238.

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

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 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 2008 through December 2008: It is estimated that 150 participants representing 12 agencies will receive services during 2008.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$244,284.

Program Progress Summary: To promote the delivery of efficiency programs statewide agency meetings are held for all participating agencies. Individual meetings with weatherization providers are conducted throughout PEF territory to encourage participation.

Program Description and Progress

Program Title: Neighborhood Energy Saver Program

Program Description: The weatherization program, Neighborhood Energy Saver Program, was designed to assist low-income families with escalating energy costs. The goal of this program is to implement a comprehensive package of electric conservation measures at no cost to the customer. In addition to the installation of the conservation measures, an important component of this program is educating families on energy efficiency techniques and the promotion of behavioral changes to help customers control their energy usage.

Program Projections January 2008 through December 2008: It is estimated that 1,500 Households will participate in the Neighborhood Energy Saver Program.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are expected to be \$1,166,913.

Program Progress Summary: The Neighborhood Energy Saver Program will continue to educate and motivate consumers to institute measures and behaviors to increase energy efficiency.

Program Description and Progress

Program Title: Energy Management (EnergyWise) (Residential & Commercial)

Program Description: The Load Management (EnergyWise) program is a voluntary program that incorporates direct radio control of selected customer equipment to reduce system demand during winter and summer 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 2008 through December 2008: During this period we anticipate adding 10,000 new participants to the program.

Program Fiscal Expenditures for January 2008 through December 2008: Program expenditures during this period are projected to be \$26,464,262.

Program Progress Summary: As of July 31, 2007 there are 388,156 customers participating in the Load Management (EnergyWise) program.

Program Description and Progress

Program Title: Renewable Energy Saver

Program Description: This program consists of two areas that are designed to encourage the installation of renewable energy systems.

Solar Water Heater with EnergyWise: This measure encourages residential customers to install a solar thermal water heating system. The customer must have whole house electric cooling, electric water heating, and electric heating to be eligible for this program. Pool heaters and photovoltaic systems do not qualify. In order to qualify for this incentive, the heating, air conditioning, and water heating systems must be on the EnergyWise program and the solar thermal system must provide a minimum of 50% of the water heating load.

Solar Photovoltaics with EnergyWise: This measure promotes environmental stewardship and renewable energy education through the installation of solar energy systems at schools within Progress Energy Florida's service territory. Customers participating in the Winter-Only EnergyWise or Year-Round EnergyWise Program can elect to donate their monthly credit toward the Solar Photovoltaics with EnergyWise Fund. The fund will accumulate associated participant credits for a period of 2 years, at which time the customer may elect to renew for an additional 2 years.

All proceeds collected from participating customers, and their associated monthly credits, will be used to promote photovoltaics and renewable energy educational opportunities.

Program Projections January 2008 through December 2008: It is estimated that 1,503 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$209,908.

Program Progress Summary: This program is tied to the solar industry. Economic forces will dictate the number of solar systems installed during this period.

Program Description and Progress

Program Title: Business Energy Check

Program Description: The Business Energy Check is an audit for non-residential customers and several options are available. 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 2008 through December 2008: It is estimated that 1,900 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$2,675,858.

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, motors, roof insulation upgrade, duct leakage and repair, window film, demand-control ventilation, lighting, occupancy sensors, green roof, cool roof coating, high efficiency energy recovery ventilation, compressed air and HVAC optimization.

Program Projections for January 2008 through December 2008: It is estimated that 2,000 measures will be implemented during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$1,591,405.

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: The umbrella efficiency program for new Commercial and Industrial facilities. This program provides information, education, and advice on energy-related issues and efficiency measures by involvement early in the building's design process. With the exception of; ceiling insulation upgrade, duct test and leakage repair, HVAC steam cleaning and roof top HVAC unit recommissioning, the Commercial and Industrial New Construction program provides incentives for the same efficiency measures listed in the Better Business program for existing buildings.

Program Projections for January 2008 through December 2008: It is estimated that 900 measures will implemented during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$1,075,147.

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. Incentives are provided for customer-specific demand and energy conservation projects, on a case-by-case basis, where cost-effective to all PEF customers. To be eligible, projects must reduce or shift a minimum of 10 kW of peak demand. Examples include refrigeration equipment replacement, microwave drying systems, and inductive heating (to replace resistance heat).

Program Projections for January 2008 through December 2008: It is estimated that 4 customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$610,048.

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 2008 through December 2008: It is estimated that 4 new customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$4,433,892.

Program Progress Summary: As of July 31, 2007 there are 95 active accounts with 42 customers participating in 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 2008 through December 2008: One new participant is expected during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$19,939,420.

Program Progress Summary: As of July 31, 2007 this program has 155 active accounts with 81 customers participating. 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 2008 through December 2008: No new participants are expected during the projection period.

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$1,502,340.

Program Progress Summary: As of July 31, 2007 this program has 8 active accounts with 5 customers participating. 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 2008 through December 2008: Several research and development projects will continue and/or launch in 2008. 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 eleven schools with a related curriculum. In 2006, Progress Energy Florida continued to emphasize the collaboration of energy efficiency and renewable energy education with a Hydrogen curriculum and summit. In 2007, this curriculum was enhanced to include additional schools and be more encompassing of all renewables; becoming the Youth Energy Solution (YES) program. This program will continue to be advanced in 2008. In addition several projects that began in 2007 will continue to be reviewed and developed in 2008, including:

- Solar thermal study of residential solar water heating systems
- Solar Hybrid Lighting evaluation of the day-lighting benefits
- Photovoltaic technology evaluation with battery storage
- Evaluation of a cost-effective energy measurement and monitoring technology

New research projects include:

- Grid Optimization
- Geothermal water heating for commercial applications
- Efficient turbine with off-peak refrigeration operated by biofuels
- Alternative energy sources such as biomass, waste heat and other renewable sources will be evaluated

Program Fiscal Expenditures for January 2008 through December 2008: Expenses for this program are projected to be \$1,801,174.

Program Description and Progress

Program Progress Summary: A grant will be requested to perform a Grid Optimization project. The 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. In 2007, Progress Energy and the University of Florida, received a Florida state grant to demonstrate a micro-grid power module run off biofuels. This project has been enhanced with refrigeration for thermal storage during off- peak system hours. In addition to the projects noted, we will continue to pursue other promising new technology projects. A methanol fuel cell project, fueled from citrus peels and including an educational display powered by photovoltaics, will continue our evaluation and demonstration of the benefits from an onsite renewable generator. Research on the potential for renewables in the state of Florida, including biomass and wind will be pursued with the support of university and grant programs. The SunSmart School program will continue to be advanced with the addition of 1 school with a 10 kW photovoltaic array and battery storage system; providing energy potential for the associated emergency shelter.

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, 2008 through December, 2008: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2008 through December, 2008: Expenses for this program are projected to be \$735,937.

Program Progress Summary: The total MW of qualifying facility capacity is approximately 812 MW with approximately another 202 MW of qualifying facility capacity that has not yet begun operation.