

**PROGRESS ENERGY FLORIDA**

**DOCKET No. 080002-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 3300 Exchange  
3 Place, Lake Mary, Florida 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 of 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 compare Progress Energy's actual costs  
15 of implementing conservation programs with the actual revenues collected  
16 through the Company's Energy Conservation Cost Recovery Clause  
17 (ECCR) during the period January 2007 through December 2007.

DOCUMENT NUMBER-DATE

03549 MAY-18

2008 COMMISSION CLERK

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

2 A. Progress Energy seeks recovery through the ECCR for the following  
3 conservation programs approved by the Commission as part of the  
4 Company's DSM Plan, as well as for Conservation Program Administration  
5 (i.e., those common administration expenses not specifically linked to an  
6 individual program).

- 7 • Home Energy Check
- 8 • Home Energy Improvement
- 9 • Residential New Construction
- 10 • Low-Income Weatherization Assistance Program
- 11 • Energy Management (Residential and Commercial)
- 12 • Business Energy Check
- 13 • Better Business
- 14 • Commercial/Industrial New Construction
- 15 • Innovation Incentive
- 16 • Standby Generation
- 17 • Interruptible Service
- 18 • Curtailable Service
- 19 • Technology Development
- 20 • Qualifying Facility
- 21 • Renewable Energy Saver
- 22 • Neighborhood Energy Saver

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

2 A. Yes, Exhibit No. (JAM-1T) entitled, "Progress Energy Florida Energy  
3 Conservation Adjusted Net True-Up for the Period January 2007 through  
4 December 2007." There are five (5) schedules to this exhibit.

5  
6 **Q. Will you please explain your exhibit?**

7 A. Yes. Exhibit JAM-1T presents Schedules CT-1 through CT-5. These  
8 schedules set out the actual costs incurred for all programs during the period  
9 from January 2007 through December 2007. They also describe the variance  
10 between actual costs and previously projected values for the same time  
11 period. Schedule CT-5 provides a brief summary report for each program that  
12 includes a program description, annual program expenditures and program  
13 accomplishments over the twelve-month period ending December 2007.

14  
15 **Q. Would you please discuss Schedule CT-1?**

16 A. Yes. Schedule CT-1 shows that Progress Energy's actual net ECCR true-up  
17 for the twelve months ending December 31, 2007 was an over-recovery of  
18 \$14,173,827 including principal and interest. This amount is \$1,646,440 more  
19 than the previous estimate in the Company's September 29, 2007 ECCR  
20 Projection Filing.

21  
22 **Q. Does this conclude your direct testimony?**

23 A. Yes.

PROGRESS ENERGY FLORIDA

ENERGY CONSERVATION ADJUSTED NET TRUE-UP  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

LINE  
 NO.

1	ACTUAL END OF PERIOD TRUE-UP (OVER) / UNDER RECOVERY		
2	BEGINNING BALANCE	(\$11,529,794)	
3	PRINCIPAL (CT 3, PAGE 2 of 3)	(13,478,865)	
4	INTEREST (CT 3, PAGE 2 of 3)	(696,483)	
5	PRIOR TRUE-UP REFUND	11,529,794	
6	ADJUSTMENTS	<u>1,521</u>	(\$14,173,827)
7	LESS: ESTIMATED TRUE-UP FROM SEPTEMBER 2007		
8	PROJECTION FILING (OVER) / UNDER RECOVERY		
9	BEGINNING BALANCE	(\$11,529,794)	
10	PRINCIPAL	(11,854,753)	
11	INTEREST	(672,634)	
12	PRIOR TRUE-UP REFUND	11,529,794	
13	ADJUSTMENTS	<u>0</u>	(\$12,527,387)
14	VARIANCE TO PROJECTION		<u><u>(\$1,646,440)</u></u>

DOCUMENT NUMBER - DATE

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PROGRESS ENERGY FLORIDA

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS  
 ACTUAL VS. ESTIMATED  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

LINE NO.	PROGRAM	ACTUAL	ESTIMATED	DIFFERENCE
1	DEPRECIATION AMORT. & RETURN	1,454,691	1,360,748	93,943
2	PAYROLL AND BENEFITS	11,518,999	10,292,050	1,226,949
3	MATERIALS AND SUPPLIES	986,616	1,171,018	(184,402)
4	OUTSIDE SERVICES	4,083,845	4,582,975	(499,131)
5	ADVERTISING	8,003,338	6,915,648	1,087,689
6	INCENTIVES	39,069,978	42,089,511	(3,019,532)
7	VEHICLES	0	0	0
8	OTHER	1,992,408	2,569,559	(577,151)
9	PROGRAM REVENUES	(60)	(30)	(30)
10	TOTAL PROGRAM COSTS	67,109,815	68,981,479	(1,871,664)
11	LESS:			
12	CONSERVATION CLAUSE REVENUES	69,058,886	69,306,438	(247,552)
13	PRIOR TRUE-UP	11,528,273	11,529,794	(1,521)
14	TRUE-UP BEFORE INTEREST	(13,477,344)	(11,854,753)	(1,622,591)
15	AUDIT ADJUSTMENT	0	0	0
16	INTEREST PROVISION	(696,483)	(672,634)	(23,849)
17	END OF PERIOD TRUE-UP	(14,173,827)	(12,527,387)	(1,646,440)

( ) REFLECTS OVERRECOVERY

PROGRESS ENERGY FLORIDA

ACTUAL ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

LINE NO.	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	37,369	1,648	3,452	221,643	670,561	0	1,816	936,489	0	936,488
2	RESIDENTIAL NEW CONSTRUCTION	0	686,623	43,143	66,634	310,111	454,322	0	111,876	1,672,709	0	1,672,709
3	HOME ENERGY IMPROVEMENT	3,479	413,976	20,718	30,830	2,557,175	2,145,543	0	29,568	5,201,289	0	5,201,288
4	COMM / IND NEW CONSTRUCTION	0	22,613	8,226	8,603	7,176	428,762	0	1,494	476,874	0	476,877
5	HOME ENERGY CHECK	1,352	2,255,959	276,353	169,774	2,912,374	21	0	205,137	5,820,970	(60)	5,820,910
6	LOW INCOME	0	80,861	369	0	43,139	23,982	0	19,898	168,249	0	168,249
7	RENEWABLE ENERGY SAVER	0	33,713	3,867	77,561	256,536	100,800	0	3,148	475,625	0	475,625
8	NEIGHBORHOOD ENERGY SAVER	0	391,136	62	403,893	60,099	0	0	1,631	856,820	0	856,820
9	BUSINESS ENERGY CHECK	61	1,028,515	31,180	271,965	52,341	0	0	126,093	1,510,155	0	1,510,155
10	QUALIFYING FACILITY	0	421,660	1,991	6,761	0	0	0	23,755	454,167	0	454,167
11	INNOVATION INCENTIVE	0	18,192	2,160	4,084	0	2,340	0	645	27,421	0	27,421
12	TECHNOLOGY DEVELOPMENT	34	27,728	(26,319)	408,050	5,099	0	0	55,226	469,818	0	469,818
13	STANDBY GENERATION	0	155,844	29,317	94,919	0	842,672	0	54,839	1,177,591	0	1,177,591
14	INTERRUPT LOAD MANAGEMENT	0	147,802	20,416	0	0	17,271,996	0	22,715	17,462,929	0	17,462,929
15	CURTAIN LOAD MANAGEMENT	0	2,268	15	0	0	780,231	0	766	783,279	0	783,279
16	RESIDENTIAL LOAD MANAGEMENT	1,441,915	1,448,462	25,703	1,234,155	840,868	15,751,373	0	96,639	20,839,113	0	20,839,113
17	COMMERCIAL LOAD MANAGEMENT	0	0	0	0	0	597,375	0	0	597,375	0	597,375
18	CONSERVATION PROGRAM ADMIN	7,850	4,346,280	547,768	1,303,165	736,776	0	0	1,237,163	8,179,002	0	8,179,002
19	TOTAL ALL PROGRAMS	1,454,691	11,518,999	986,616	4,083,845	8,003,338	39,069,978	0	1,992,408	67,109,875	(60)	67,109,815

PROGRESS ENERGY FLORIDA

VARIANCE IN ENERGY CONSERVATION PROGRAM COSTS  
12 MONTHS ACTUAL VERSUS 12 MONTHS ESTIMATED

FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

LINE NO	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	(2,997)	(9,595)	(28,765)	57,093	21,425	0	(2,069)	35,092	0	35,09
2	RESIDENTIAL NEW CONSTRUCTION	0	65,382	17,618	(9,569)	4,397	(294,646)	0	26,676	(190,132)	0	(190,13
3	HOME ENERGY IMPROVEMENT	205	(98,999)	(14,150)	(35,630)	435,647	(275,994)	0	(31,356)	(20,277)	0	(20,27
4	COMM / IND NEW CONSTRUCTION	0	(1,171)	(9,595)	(28,765)	(2,800)	31,235	0	(1,869)	(12,965)	0	(12,96
5	HOME ENERGY CHECK	13	346,613	(51,295)	(226,802)	(232,678)	21	0	(70,515)	(234,643)	(30)	(234,67
6	LOW INCOME	0	46,340	(4,492)	(14,380)	(4,000)	(3,392)	0	9,074	29,150	0	29,15
7	RENEWABLE ENERGY SAVER	0	30,952	1,890	70,009	193,334	27,000	0	2,645	325,831	0	325,83
8	NEIGHBORHOOD ENERGY SAVER	0	383,457	0	403,893	9,718	(600,000)	0	22	197,089	0	197,08
9	BUSINESS ENERGY CHECK	0	19,199	(7,691)	140,592	28,115	0	0	(52,289)	127,926	0	127,92
10	QUALIFYING FACILITY	0	(25,339)	604	(4,555)	0	0	0	(1,489)	(30,779)	0	(30,77
11	INNOVATION INCENTIVE	0	5,600	1,030	(81)	(5,050)	(80,000)	0	605	(77,896)	0	(77,89
12	TECHNOLOGY DEVELOPMENT	34	(87,166)	(161,144)	(850,111)	5,099	0	0	(141,569)	(1,234,857)	0	(1,234,85
13	STANDBY GENERATION	0	23,653	323	48,292	0	(552,224)	0	19,097	(460,859)	0	(460,85
14	INTERRUPT LOAD MANAGEMENT	0	15,574	(8,280)	(18,945)	0	(844,101)	0	(37,861)	(893,613)	0	(893,61
15	CURTAIL LOAD MANAGEMENT	0	1,268	(1,568)	(290)	0	(221,554)	0	(1,034)	(223,178)	0	(223,17
16	RESIDENTIAL LOAD MANAGEMENT	93,086	11,726	(76,694)	(665,911)	506,948	(140,760)	0	(3,638)	(275,244)	0	(275,24
17	COMMERCIAL LOAD MANAGEMENT	0	(14,000)	0	(75,000)	(915)	(86,542)	0	0	(176,457)	0	(176,45
18	CONSERVATION PROGRAM ADMIN	605	506,848	138,638	796,888	92,781	0	0	(291,581)	1,244,179	0	1,244,17
19	TOTAL ALL PROGRAMS	93,943	1,226,949	(184,402)	(499,131)	1,087,689	(3,019,532)	0	(577,151)	(1,871,634)	(30)	(1,871,66

PROGRESS ENERGY FLORIDA

PROJECTED ENERGY CONSERVATION PROGRAM COSTS PER PROGRAM  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

LINE NO	PROGRAM	DEPRECIATION AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	SUB-TOTAL	PROGRAM REVENUES (CREDIT)	TOTAL
1	BETTER BUSINESS	0	40,366	11,243	32,217	164,550	649,136	0	3,885	901,397	0	901,3
2	RESIDENTIAL NEW CONSTRUCTION	0	621,231	25,525	76,203	305,714	748,968	0	85,200	1,862,841	0	1,862,8
3	HOME ENERGY IMPROVEMENT	3,274	512,975	34,868	66,460	2,121,528	2,421,537	0	60,924	5,221,566	0	5,221,5
4	C/I NEW CONSTRUCTION	0	23,784	17,821	37,368	9,976	397,527	0	3,363	489,839	0	489,8
5	HOME ENERGY CHECK	1,339	1,909,346	327,648	396,576	3,145,052	0	0	275,652	6,055,613	(30)	6,055,5
6	LOW INCOME	0	34,521	4,861	14,380	47,139	27,374	0	10,824	139,099	0	139,0
7	RENEWABLE ENERGY SAVER	0	2,761	1,977	7,552	63,202	73,800	0	503	149,794	0	149,7
8	NEIGHBORHOOD ENERGY SAVER	0	7,679	62	0	50,382	600,000	0	1,609	659,731	0	659,7
9	BUSINESS ENERGY CHECK	61	1,009,316	38,871	131,373	24,226	0	0	178,382	1,382,229	0	1,382,2
10	QUALIFYING FACILITY	0	446,999	1,387	11,316	0	0	0	25,244	484,946	0	484,9
11	INNOVATION INCENTIVE	0	12,592	1,130	4,165	5,050	82,340	0	40	105,317	0	105,3
12	TECHNOLOGY DEVELOPMENT	0	114,894	134,825	1,258,161	0	0	0	196,795	1,704,675	0	1,704,6
13	STANDBY GENERATION	0	132,190	28,994	46,627	0	1,394,896	0	35,742	1,638,450	0	1,638,4
14	INTERRUPTIBLE SERVICE	0	132,228	28,696	18,945	0	18,116,097	0	60,576	18,356,542	0	18,356,5
15	CURTAILABLE SERVICE	0	1,000	1,583	290	0	1,001,784	0	1,799	1,006,457	0	1,006,4
16	RES ENERGY MANGMNT-ADMIN	1,348,829	1,436,736	102,397	1,900,065	333,920	15,892,133	0	100,277	21,114,357	0	21,114,3
17	COM ENERGY MANGMNT-ADMIN	0	14,000	0	75,000	915	683,918	0	0	773,833	0	773,8
18	CONSERVATION PROGRAM ADMIN	7,245	3,839,432	409,130	506,277	643,995	0	0	1,528,744	6,934,823	0	6,934,8
19	TOTAL ALL PROGRAMS	1,360,748	10,292,050	1,171,018	4,582,975	6,915,648	42,089,511	0	2,569,559	68,981,509	(30)	68,981,4



PROGRESS ENERGY FLORIDA  
 ACTUAL CONSERVATION PROGRAM COSTS BY MONTH  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

PROGRAM TITLE	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
BETTER BUSINESS	330	83,257	19,392	14,731	116,849	34,641	104,676	2,483	124,604	127,494	211,718	96,314	936,489
RESIDENTIAL NEW CONSTRUCTION	75,507	123,936	109,149	105,859	198,475	233,281	63,636	107,989	106,928	155,525	192,516	199,908	1,672,709
HOME ENERGY IMPROVEMENT	207,507	532,033	198,873	643,743	493,399	382,011	868,068	332,862	211,685	756,149	326,534	248,425	5,201,289
COMM / IND NEW CONSTRUCTION	77,793	1,430	21,492	18,582	16,801	17,180	22,900	62,545	131,708	5,358	33,847	67,238	476,874
HOME ENERGY CHECK	180,737	565,595	204,083	626,875	573,435	420,301	818,999	347,887	272,558	722,882	567,123	520,495	5,820,970
LOW INCOME	3,827	12,990	15,282	9,516	13,697	6,075	9,054	14,126	8,791	19,489	37,999	17,403	168,249
RENEWABLE ENERGY SAVER	0	1,750	50,874	8,849	7,261	17,759	18,302	16,978	53,369	80,332	152,670	67,482	475,625
NEIGHBORHOOD ENERGY SAVER	0	0	659	604	2,235	11,419	6,614	10,933	131,091	7,263	544,787	141,216	856,820
BUSINESS ENERGY CHECK	58,014	91,733	103,103	100,716	149,601	168,333	111,904	154,078	129,326	129,303	190,180	123,864	1,510,155
QUALIFYING FACILITY	24,361	32,701	30,958	39,182	32,383	57,675	43,324	30,236	30,388	41,986	52,534	38,439	454,167
INNOVATION INCENTIVE	0	0	2,340	0	0	0	0	4,347	4,383	6,243	5,528	4,580	27,421
TECHNOLOGY DEVELOPMENT	5,706	12,337	(26,482)	1,670	14,839	111,523	73,596	2,126	67,799	4,227	35,468	167,009	469,818
STANDBY GENERATION	8,040	15,507	171,451	15,212	11,845	221,634	113,719	119,601	120,411	133,902	128,706	117,563	1,177,591
INTERRUPT LOAD MANAGEMENT	1,350,184	1,619,707	1,360,528	1,558,622	1,383,071	1,299,334	1,410,683	1,390,375	1,369,282	1,318,840	1,625,153	1,777,149	17,462,929
CURTAIL LOAD MANAGEMENT	57,493	69,668	66,409	62,187	65,973	61,496	67,250	70,384	69,467	64,252	73,406	55,294	783,279
RESIDENTIAL LOAD MANAGEMENT	1,800,265	2,189,680	2,071,664	1,138,284	1,221,391	1,420,623	1,511,507	1,806,979	1,703,971	1,844,712	2,227,215	1,902,823	20,839,113
COMMERCIAL LOAD MANAGEMENT	100,922	95,807	(57,805)	97,673	109,311	(70,277)	57,528	53,957	57,768	54,249	54,341	43,902	597,375
CONSERVATION PROGRAM ADMIN	365,149	442,280	538,591	615,414	678,255	520,431	667,252	740,499	716,749	904,133	675,523	1,314,726	8,179,002
TOTAL ALL PROGRAMS	4,315,836	5,890,410	4,880,560	5,057,719	5,088,822	4,913,440	5,969,011	5,268,385	5,310,277	6,376,339	7,135,247	6,903,829	67,109,875
LESS: BASE RATE RECOVERY	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RECOVERABLE (CT-3,PAGE 2)	4,315,836	5,890,410	4,880,560	5,057,719	5,088,822	4,913,440	5,969,011	5,268,385	5,310,277	6,376,339	7,135,247	6,903,829	67,109,875

\* GROSS EXPENDITURES ONLY. AUDIT PROGRAM REVENUES ARE ACCOUNTED FOR IN CALCULATION OF TRUE-UP SCHEDULE CT-3, PAGE 2 OF 3.

PROGRESS ENERGY FLORIDA  
 ENERGY CONSERVATION ADJUSTMENT  
 CALCULATION OF TRUE-UP  
 FOR THE PERIOD JANUARY 2007 THROUGH DECEMBER 2007

	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
BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
HOME ENERGY IMPROVEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0
HOME ENERGY CHECK	0	0	0	0	0	30	0	0	0	0	0	30	60
SUBTOTAL - FEES	0	0	0	0	0	30	0	0	0	0	0	30	60
CONSERVATION CLAUSE REVENUES	4,807,919	5,068,096	4,856,656	4,910,110	5,277,687	5,905,437	6,619,634	7,625,758	6,996,241	6,413,483	5,590,495	4,987,370	69,058,886
CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	4,807,919	5,068,096	4,856,656	4,910,110	5,277,687	5,905,467	6,619,634	7,625,758	6,996,241	6,413,483	5,590,495	4,987,400	69,058,946
PRIOR PERIOD TRUE-UP OVER/(UNDER)	11,528,273	960,689	960,689	960,689	960,689	960,689	960,689	960,689	962,210	960,689	960,689	960,694	11,529,794
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	8,586,447	7,958,451	7,374,172	6,551,184	5,948,094	80,588,740
CONSERVATION EXPENSES (CT-3, PAGE 1, LINE 23)	4,315,836	5,890,410	4,880,560	5,057,719	5,088,822	4,913,440	5,969,011	5,268,385	5,310,277	6,376,339	7,135,247	6,903,829	67,109,875
TRUE-UP THIS PERIOD (O)/U	(1,452,772)	(138,375)	(936,785)	(813,080)	(1,149,554)	(1,952,716)	(1,611,312)	(3,318,062)	(2,648,174)	(997,833)	584,063	955,735	(13,478,865)
CURRENT PERIOD INTEREST	(51,660)	(51,113)	(49,483)	(49,324)	(49,630)	(52,536)	(56,267)	(65,145)	(73,283)	(70,907)	(66,035)	(61,100)	(696,483)
ADJUSTMENTS PER AUDIT \ RDC Order		0	0	0	0	0	0	0	0	0	0	0	0
TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(11,528,273)	(12,072,016)	(11,300,815)	(11,326,394)	(11,228,109)	(11,466,604)	(12,511,168)	(13,218,057)	(15,640,575)	(17,399,822)	(17,507,873)	(16,029,156)	(11,528,273)
CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR TRUE-UP REFUNDED/ (COLLECTED)	960,689	960,689	960,689	960,689	960,689	960,689	960,689	960,689	962,210	960,689	960,689	960,694	11,529,794
END OF PERIOD NET TRUE-UP	(12,072,016)	(11,300,815)	(11,326,394)	(11,228,109)	(11,466,604)	(12,511,168)	(13,218,057)	(15,640,575)	(17,399,822)	(17,507,873)	(16,029,156)	(14,173,827)	(14,173,827)

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

	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
BEGINNING TRUE-UP AMOUNT (CT-3, PAGE 2, LINE 9 & 10)	(11,528,273)	(12,072,016)	(11,300,815)	(11,326,394)	(11,228,109)	(11,466,604)	(12,511,168)	(13,218,057)	(15,640,575)	(17,399,822)	(17,507,873)	(16,029,156)	
ENDING TRUE-UP AMOUNT BEFORE INTEREST	(12,020,356)	(11,249,702)	(11,276,911)	(11,178,785)	(11,416,974)	(12,458,632)	(13,161,790)	(15,575,430)	(17,326,539)	(17,436,966)	(15,963,121)	(14,112,727)	
TOTAL BEGINNING & ENDING TRUE-UP	(23,548,629)	(23,321,718)	(22,577,726)	(22,505,179)	(22,645,083)	(23,925,236)	(25,672,958)	(28,793,487)	(32,967,114)	(34,836,788)	(33,470,994)	(30,141,882)	
AVERAGE TRUE-UP AMOUNT (50% OF LINE 3)	(11,774,315)	(11,660,859)	(11,288,863)	(11,252,589)	(11,322,541)	(11,962,618)	(12,836,479)	(14,396,744)	(16,483,557)	(17,418,394)	(16,735,497)	(15,070,941)	
INTEREST RATE: FIRST DAY REPORTING BUSINESS MONTH	5.27%	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	
INTEREST RATE: FIRST DAY SUBSEQUENT BUSINESS MONTH	5.26%	5.26%	5.26%	5.26%	5.26%	5.28%	5.24%	5.62%	5.05%	4.72%	4.75%	4.98%	
TOTAL (LINE 5 AND LINE 6)	10.53%	10.52%	10.52%	10.52%	10.52%	10.54%	10.52%	10.86%	10.67%	9.77%	9.47%	9.73%	
AVERAGE INTEREST RATE (50% OF LINE 7)	5.265%	5.260%	5.260%	5.260%	5.260%	5.270%	5.260%	5.430%	5.335%	4.885%	4.735%	4.865%	
INTEREST PROVISION (LINE 4 * LINE 8) / 12	(51,660)	(51,113)	(49,483)	(49,324)	(49,630)	(52,536)	(56,267)	(65,145)	(73,283)	(70,907)	(66,035)	(61,100)	(696,483)

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

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	
<b>ENERGY CONSERVATION ADMIN</b>														
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	43,899	43,899
RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION BASE	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	48,540	0
DEPRECIATION EXPENSE	443	443	443	443	443	443	443	443	443	443	443	443	809	5,682
CUMM. NET INVEST	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	26,590	70,490	70,490
LESS: ACC. NET DEPR	9,303	9,746	10,189	10,632	11,075	11,518	11,961	12,404	12,847	13,290	13,733	14,176	14,985	14,985
NET INVESTMENT	17,287	16,844	16,401	15,958	15,515	15,072	14,629	14,186	13,743	13,300	12,857	12,414	55,505	55,505
AVERAGE INVESTMENT	17,066	16,623	16,180	15,737	15,294	14,851	14,408	13,965	13,522	13,079	12,636	12,193	33,959	33,959
RETURN ON AVG INVEST	126	123	120	117	113	110	106	104	100	97	93	252	1,461	1,461
RETURN REQUIREMENTS	187	183	178	174	168	163	157	154	148	144	138	374	2,168	2,168
PROGRAM TOTAL	630	626	621	617	611	606	600	597	591	587	581	1,183	7,850	7,850
<b>BUSINESS ENERGY CHECK</b>														
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RETIREMENTS	0	3,601	0	0	0	0	0	0	0	0	0	0	0	3,601
DEPRECIATION BASE	3,601	1,801	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION EXPENSE	60	1	0	0	0	0	0	0	0	0	0	0	0	61
CUMM. NET INVEST	3,601	3,601	0	0	0	0	0	0	0	0	0	0	0	0
LESS: ACC. NET DEPR	3,540	3,600	0	0	0	0	0	0	0	0	0	0	0	0
NET INVESTMENT	61	1	0	0	0	0	0	0	0	0	0	0	0	0
AVERAGE INVESTMENT	31	1	0	0	0	0	0	0	0	0	0	0	0	0
RETURN ON AVG INVEST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RETURN REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM TOTAL	60	1	0	0	0	0	0	0	0	0	0	0	0	61
<b>LOAD MANAGEMENT ASSETS</b>														
INVESTMENTS	0	0	0	0	0	0	0	0	0	8,513	0	142,694	151,207	151,207
RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION BASE	0	0	0	0	0	0	0	0	0	4,257	8,513	79,860	79,860	0
DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0	0	0	142	1,331	1,473	1,473
CUMM. NET INVEST	0	0	0	0	0	0	0	0	0	8,513	8,513	151,207	151,207	151,207
LESS: ACC. NET DEPR	0	0	0	0	0	0	0	0	0	0	142	1,473	1,473	1,473
NET INVESTMENT	0	0	0	0	0	0	0	0	0	8,513	8,371	149,734	149,734	149,734
AVERAGE INVESTMENT	0	0	0	0	0	0	0	0	0	4,257	8,442	79,053	79,053	79,053
RETURN ON AVG INVEST	0	0	0	0	0	0	0	0	0	31	62	585	678	678
RETURN REQUIREMENTS	0	0	0	0	0	0	0	0	0	46	92	868	1,006	1,006
PROGRAM TOTAL	0	0	0	0	0	0	0	0	0	46	234	2,199	2,479	2,479

DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .016667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

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

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
<b>HOME ENERGY CHECK</b>													
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0	2,560	2,560
RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION BASE	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	8,017	
DEPRECIATION EXPENSE	112	112	112	112	112	112	112	112	112	112	112	29	1,261
CUMM. NET INVEST	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	9,297	9,297
LESS. ACC. NET DEPR	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
NET INVESTMENT	1,261	1,149	1,037	925	813	701	589	477	365	253	141	29	2,560
AVERAGE INVESTMENT		1,205	1,093	981	869	757	645	533	421	309	197	85	1,295
RETURN ON AVG INVEST		9	8	8	6	5	5	4	3	3	1	0	61
RETURN REQUIREMENTS		13	12	12	9	8	8	6	4	4	2	0	91
PROGRAM TOTAL		125	124	124	121	120	120	118	116	116	114	112	1,352
<b>HOME ENERGY IMPROVEMENT</b>													
INVESTMENTS			0	0	0	0	0	0	0	0	0	14,822	14,822
RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION BASE		12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	19,901	
DEPRECIATION EXPENSE		208	208	208	208	208	208	208	208	208	208	332	2,620
CUMM. NET INVEST	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	12,490	27,312	27,312
LESS. ACC. NET DEPR	5,339	5,547	5,755	5,963	6,171	6,379	6,587	6,795	7,003	7,211	7,419	7,627	7,959
NET INVESTMENT	7,151	6,943	6,735	6,527	6,319	6,111	5,903	5,695	5,487	5,279	5,071	4,863	19,353
AVERAGE INVESTMENT		7,047	6,839	6,631	6,423	6,215	6,007	5,799	5,591	5,383	5,175	4,967	12,108
RETURN ON AVG INVEST		52	51	49	48	46	44	43	42	40	39	36	580
RETURN REQUIREMENTS		77	75	73	71	68	65	64	62	59	58	54	859
PROGRAM TOTAL		285	283	281	279	276	273	272	270	267	266	262	3,479
<b>LOAD MANAGEMENT SWITCHES</b>													
INVESTMENTS		138,501	(6,785)	363,985	290,021	397,733	425,220	128,040	335,798	154,084	446,860	363,574	245,089
RETIREMENTS		41,549	18,296	17,149	13,764	16,900	12,908	23,799	22,713	19,118	44,781	54,021	70,621
DEPRECIATION BASE		3,739,014	3,774,949	3,935,827	4,247,373	4,575,918	4,972,491	5,230,767	5,439,430	5,663,455	5,931,978	6,287,794	6,529,804
AMORTIZATION EXPENSE		62,317	62,916	65,597	70,790	76,265	82,875	87,180	90,657	94,391	98,866	104,797	108,830
CUMM. NET INVEST	3,690,538	3,787,490	3,762,409	4,109,244	4,385,501	4,766,335	5,178,647	5,282,887	5,595,972	5,730,939	6,133,018	6,442,570	6,617,037
LESS. ACC. NET DEPR	1,429,429	1,450,197	1,494,817	1,543,265	1,600,291	1,659,656	1,729,623	1,793,004	1,860,948	1,936,221	1,990,306	2,041,082	2,079,291
NET INVESTMENT	2,261,108	2,337,293	2,267,591	2,565,979	2,785,210	3,106,679	3,449,023	3,489,883	3,735,024	3,794,717	4,142,711	4,401,488	4,537,747
AVERAGE INVESTMENT		2,299,201	2,302,442	2,416,785	2,675,595	2,945,944	3,277,851	3,469,453	3,612,453	3,764,871	3,968,714	4,272,099	4,469,617
RETURN ON AVG INVEST		17,034	17,057	17,905	19,822	21,824	24,283	25,703	26,762	27,891	29,402	31,649	33,112
RETURN REQUIREMENTS		25,277	25,311	26,569	29,413	32,384	36,034	38,141	39,712	41,387	43,629	46,963	49,135
PROGRAM TOTAL		87,594	88,227	92,166	100,203	108,649	118,909	125,321	130,369	135,778	142,495	151,760	1,439,436

DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

PROGRESS ENERGY FLORIDA

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

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	
<b>TECHNOLOGY DEVELOPMENT</b>														
INVESTMENTS	0	0	0	0	0	0	0	0	0	0	0	6,224	6,224	
RETIREMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	
DEPRECIATION BASE	0	0	0	0	0	0	0	0	0	0	0	3,112	0	
DEPRECIATION EXPENSE	0	0	0	0	0	0	0	0	0	0	0	0	0	
CUMM. NET INVEST	0	0	0	0	0	0	0	0	0	0	0	6,224	6,224	
LESS: ACC. NET DEPR	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	
AVERAGE INVESTMENT	0	0	0	0	0	0	0	0	0	0	0	6,224	6,224	
RETURN ON AVG INVEST	0	0	0	0	0	0	0	0	0	0	0	3,112	23	
RETURN REQUIREMENTS	0	0	0	0	0	0	0	0	0	0	0	34	34	
PROGRAM TOTAL	0	0	0	0	0	0	0	0	0	0	0	34	34	
TOTAL DEPRECIATION AND RETURN		1,100	1,034	1,026	1,017	1,007	999	990	983	974	1,013	1,189	3,923	15,255

DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0166667 OR 20% ANNUALLY. RETURN ON AVERAGE INVESTMENT IS CALCULATED USING A MONTHLY RATE OF .006975 (8.37% ANNUALLY-MIDPOINT AUTHORIZED BY THE FPSC IN DOCKET NO. 910890-EI). RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY TAX RATE OF 38.575%.

## 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 seven types of the energy audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (Energy Gauge), the mail-in audit, an internet option, a phone assisted audit, and a student audit.

**Program Accomplishments for January 2007 through December 2007:**  
41,663 customers participated in Home Energy Checks.

**Program Fiscal Expenditures for January 2007 through December 2007:**  
Expenses for this program were \$5,820,970.

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

## Program Description and Progress

**Program Title:** Home Energy Improvement

**Program Description:** This umbrella efficiency program provides existing residential customers incentives for energy efficient heating, air conditioning, insulation upgrades, duct leakage repair, reflective roofing products, high performance windows, window film and solar screens.

**Program Accomplishments for January 2007 through December 2007:** There were 21,183 implementations under this program.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$5,201,289.

**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:** 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 Accomplishments for January 2007 through December 2007:** There were 507 measure implementations in the program in 2007.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$168,249.

**Program Progress Summary:** To promote the delivery of efficiency programs to low-income families, statewide agency meetings were held in 2007 for all participating agencies. Individual meetings with weatherization providers and partners are conducted throughout PEF territory to encourage participation.

## Program Description and Progress

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

**Program Description:** The Load Management Program incorporates direct radio control of selected customer equipment to reduce system demand during 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 Accomplishments for January 2007 through December 2007:** During this period 10,218 customers were added to the program.

**Program Fiscal Expenditures for January 2007 through December 2007:** Program expenditures during this period were \$21,436,489.

**Program Progress Summary:** As of December 31, 2007 there were 390,337 customers participating in the Load Management program.

## Program Description and Progress

**Program Title:** Business Energy Check

**Program Description:** The Business Energy Check is an audit for non-residential customers, and 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 Accomplishments for January 2007 through December 2007:** There were 2,048 customers who participated in this program.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$1,510,155.

**Program Progress Summary:** The program is required for participation in most of the company's other DSM Business incentive programs. The Business Energy Check will continue to inform consumers on cost effective energy efficiency improvements for their facilities.

### 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, water heating, roof insulation upgrade, duct leakage and repair, window film, cool roof, and lighting.

**Program Accomplishments for January 2007 through December 2007:** There were 349 implementations under this program.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$936,489.

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

### Program Description and Progress

**Program Title:** Commercial/Industrial New Construction

**Program Description:** This umbrella efficiency program provides incentives for the design and construction of energy efficient commercial and industrial facilities. Incentives are provided for energy efficient heating, air conditioning, motors, water heating, window film, insulation, leak free ducts, cool roof, and lighting.

**Program Accomplishments for January 2007 through December 2007:** There were 115 program completions in 2007.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$476,874.

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

## Program Description and Progress

**Program Title:** Innovation Incentive

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

**Program Accomplishments for January 2007 through December 2007:** There were 2 participants during this period.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$27,421.

**Program Progress Summary:** This program continues to target 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 Accomplishments for January 2007 through December 2007:** There were 27 new participants added to the program during this period.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$1,177,591.

**Program Progress Summary:** A total of 110 sites are currently 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. The signal to operate the automatic switch on the customer's service is activated by the Energy Control Center. In return for this, the customers receive a monthly rebate on their kW demand charge.

**Program Accomplishments for January 2007 through December 2007:** There were 2 participants added to the program under the IS-2 tariff during this period.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$17,462,929.

**Program Progress Summary:** The program currently has 81 active customers with 71 IS-1 customers, 9 IS-2 customers, and 1 SECI- IS customer. 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 Accomplishments for January 2007 through December 2007:** There were zero new participants added to this program in 2007.

**Program Fiscal Expenditures for January 2007 through December 2007:** Expenses for this program were \$783,279.

**Program Progress Summary:** The program currently has 5 customers with 4 CS-1 customers and 1 CS-2 customer. 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 CS-2 tariff.

## 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 Accomplishments for January 2007 through December 2007:**

Several research and development projects continued and/or launched in 2007.

- Launched a renewable energy with advance battery storage research project.
- Evaluated broadband transmission over power lines for next generation Load Management efficiency.
- Designed small-scale wind study; filed for DEP grant.
- Developed Plug-in Hybrid Electric Vehicle smart charging, V2L and V2G research.

**Program Fiscal Expenditures for January 2007 through December 2007:**

Expenses for this program were \$469,818.

**Program Progress Summary:**

In 2007, a renewable energy project with advanced energy storage was launched. The project uses solar photovoltaics to generate energy which is stored in a vanadium redox battery system. The stored energy will be used for specific load during times of no solar production and for capacity support during system peak. Analysis of technology to support a next generation Load Management system continued. The initial research to determine the efficiency and effectiveness of broadband transmission over power lines has been advanced to include alternative two-way communication options, in-home displays, and data management. Additional alternative energy research has been developed in the hopes of creating future offerings within the Renewable Energy Program. One such study was designed in 2007 and will be launched in 2008 for the evaluation of small-scale wind generators. This project received a grant from the DEP in March 2008. Development of an initiative to evaluate the impact of Plug-in Hybrid Electric Vehicles, design smart charging options, and study the ability to provide battery discharging to support a specific load or the grid was also begun in 2007.

### Program Description and Progress

**Program Title:** Qualifying Facility

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

**Program Accomplishments for January, 2007 through December, 2007:** Progress Energy executed a contract with the Florida Biomass Group to purchase 150 MW of renewable capacity in 2007. Progress Energy Florida will continue to negotiate with potential Qualifying Facilities and restructure existing contracts when opportunities arise.

**Program Fiscal Expenditures for January, 2007 through December, 2007:** Expenses for this program were \$454,167.

**Program Progress Summary:** The total MW of qualifying facility capacity is approximately 786 MW with another 267MW of future qualifying facility capacity under contract.

## Program Description and Progress

**Program Title:** Renewable Energy Program

**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.

**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.

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

**Program Accomplishments for January, 2007 through December, 2007:** There were 252 customers who participated in the Solar Water Heater with Energy Wise and two schools receiving installations of a solar energy system.

**Program Fiscal Expenditures for January, 2007 through December, 2007:** Expenses for this program were \$475,625.

**Program Progress Summary:** This program will continue to be offered to residential customers to encourage the use of solar water heating systems and to promote environmental stewardship and renewable energy education.

## Program Description and Progress

**Program Title:** Neighborhood Energy Saver

**Program Description:** The 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 eligible customers. In addition to installing these measures we endeavor to achieve three important goals: educate participating families on proper energy efficiency techniques and best practices, change behavior and manage their energy usage.

**Program Accomplishments for January, 2007 through December, 2007:** There were 1,651 customers who participated in the Neighborhood Energy Saver program.

**Program Fiscal Expenditures for January, 2007 through December, 2007:** Expenses for this program were \$856,820.

**Program Progress Summary:** This program will continue to be offered to low-income neighborhoods in Progress Energy's service territories through 2014.