

080009-ET

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Petition to Establish  
Discovery Docket Regarding  
Estimated/Actual Costs for  
Levy Nuclear Project, by Progress  
Energy Florida, Inc.**

DOCKET NO. 080149

Submitted for filing:  
August 28, 2008

COMMISSION  
CLERK

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**REVISED DIRECT TESTIMONY OF LORI CROSS  
IN SUPPORT OF ESTIMATED/ACTUAL COSTS**

**ON BEHALF OF  
PROGRESS ENERGY FLORIDA**

R. ALEXANDER GLENN  
JOHN BURNETT  
PROGRESS ENERGY SERVICE  
COMPANY, LLC  
P.O. Box 14042  
St. Petersburg, Florida 33733  
Telephone: (727) 820-5180  
Facsimile: (727) 820-5519

JAMES MICHAEL WALLS  
Florida Bar No. 706272  
DIANNE M. TRIPLET  
Florida Bar No. 0872431  
CARLTON FIELDS, P.A.  
Post Office Box 3239  
Tampa, FL 33601  
Telephone: (813) 223-7000  
Telecopier: (813) 229-4133

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FPSC-COMMISSION CLERK

**IN RE: PETITION TO ESTABLISH DISCOVERY DOCKET  
REGARDING ESTIMATED ACTUAL COSTS FOR LEVY  
NUCLEAR PROJECT BY PROGRESS ENERGY FLORIDA, INC.**

**BY PROGRESS ENERGY FLORIDA**

**FPSC DOCKET NO. 080149**

**REVISED DIRECT TESTIMONY OF LORI CROSS  
IN SUPPORT OF ESTIMATED/ACTUAL COSTS**

**I. INTRODUCTION AND QUALIFICATIONS**

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

3 **A.** My name is Lori Cross. My business address is 299 First Avenue North, St.  
4 Petersburg, FL 33701.

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

7 **A.** I am employed by Progress Energy Service Company, LLC as Manager of  
8 Regulatory Planning Florida.

9  
10 **Q. What are your responsibilities in that position?**

11 **A.** I am responsible for regulatory planning, cost recovery and pricing functions for  
12 Progress Energy Florida, Inc. ("PEF"). These responsibilities include: cost of  
13 service analysis; regulatory financial reports; rate and tariff development and  
14 administration; analysis of state, federal and local regulations and their impact on  
15 PEF; planning, coordination and execution of general rate case proceedings as  
16 necessary. In this capacity, I am also responsible for the Levy County Nuclear

1 Project Cost Recovery Actual/Estimated filing, made as part of this discovery  
2 docket, in accordance with Rule 25-6.0423, Florida Administrative Code (F.A.C.).  
3

4 **Q. Please describe your educational and occupational history and describe your**  
5 **duties in the various positions you have held as an employee of Progress**  
6 **Energy.**

7 A. I received a Bachelors of Science degree in Accounting from the University of  
8 South Florida. I began my employment with PEF (previously Florida Power  
9 Corporation) in 1983. During my 24 years with Florida Power Corporation and  
10 now Progress Energy Service Co. LLC., I have held a number of financial and  
11 accounting positions. In 2004, I became Manager, Regulatory Services for PEF.  
12

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

14 A. The purpose of my testimony is to present, for Commission review and approval,  
15 Progress Energy Florida's Estimated/Actual costs associated with Levy County  
16 activities for the period January 2008 through December 2008.  
17

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

19 A. Yes. I am sponsoring sections of the following exhibit, which was prepared under  
20 my supervision:

- 21 • Exhibit No. \_\_\_\_ (LC-1), consisting of Schedules AE-1 through AE-10,  
22 which reflect PEF's retail revenue requirements for the Levy Nuclear Filing

1 from January 2008 through December 2008; however, I will only be  
2 sponsoring Schedules AE-1 through AE-6B , AE-9, and AE-10. Daniel  
3 Roderick will be sponsoring Schedules AE-7 through AE-8A. Schedules  
4 AE-9 and AE-10 in Exhibit No. \_\_\_ (LC-1), are shown for informational  
5 purposes only and show no activity as they are not applicable to the Levy  
6 County Filing during the reporting period.

7 This exhibit is true and accurate.

8  
9 **Q. What are Schedules AE-1 through AE-10?**

- 10 **A.**
- 11 • Schedule AE-1 reflects the actual/estimated of total retail revenue  
12 requirements for the period.
  - 13 • Schedule AE-2 reflects the calculation of the actual/estimated of  
14 preconstruction costs for the period.
  - 15 • Schedule AE-3 reflects the calculation of the actual/estimated of carrying  
16 costs on construction expenditures for the period.
  - 17 • Schedule AE-3A reflects a calculation of actual/estimated deferred tax  
18 carrying costs for the period.
  - 19 • Schedule AE-3B reflects the calculation of the actual/estimated construction  
20 period interest for the period.
  - 21 • Schedule AE-4 reflects CCRC recoverable Operations and Maintenance  
22 (O&M) expenditures for the period.
  - Schedule AE-5 reflects other recoverable O&M expenditures for the period.

- 1 • Schedule AE-6 reflects actual/estimated monthly expenditures for
- 2 preconstruction and construction costs for the period.
- 3 • Schedule AE-6A reflects descriptions of the major tasks.
- 4 • Schedule AE-6B reflects annual variance explanations.
- 5 • Schedule AE-7 reflects technology selected for the Levy County Nuclear
- 6 Project.
- 7 • Schedule AE-8 reflects contracts executed in excess of \$1.0 million.
- 8 • Schedule AE-8A reflects details pertaining to the contracts executed in
- 9 excess of \$1.0 million.
- 10 • Schedule AE-9 reflects the calculation of the Estimated True-up Amount for
- 11 the period.
- 12 • Schedule AE-10 reflects the calculation of interest.
- 13

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

16 **A.** The actual data is taken from the books and records of PEF. The books and records  
17 are kept in the regular course of our business in accordance with generally accepted  
18 accounting principles and practices, and provisions of the Uniform System of  
19 Accounts as prescribed by Federal Energy Regulatory Commission (FERC) and any  
20 accounting rules and orders established by this Commission. Estimates are derived  
21 from Nuclear Projects & Construction Group (NPC). NPC uses various rate

1 schedules and contracts to project the cash flows in accordance with our business  
2 practice.

3  
4 **Q. What are the total projected revenue requirements for the Levy project for the**  
5 **calendar year ended December 2008?**

6 **A.** The total projected revenue requirements for the Levy County Nuclear project are  
7 \$207.1 million for the calendar year ended December 2008, as reflected on  
8 Schedule AE-1, page 2 of 2, Line 8. This amount includes \$198.4 million in  
9 Preconstruction costs, \$7.6 million for the carrying costs on the construction  
10 balance, \$1.4 million in recoverable O&M costs, and \$-0.1 million for the carrying  
11 charge on the Deferred Tax Liability. These amounts were calculated in accordance  
12 with the provisions of Rule 25-6.0423.

13  
14 **Q. What is included in the Total Costs to be Recovered on Schedule AE-2, Line**  
15 **7?**

16 The annual total of \$198.4 million reflected on Schedule AE-2, Line 7, page 2 of 2  
17 represents the total Preconstruction Costs for 2008. This amount includes  
18 expenditures totaling \$186.6 million along with the carrying cost on the average  
19 balance of \$11.8 million. These costs began to be classified as Preconstruction  
20 costs in March 2008 after the Levy Need Petition was filed. [REDACTED]

21 [REDACTED]  
22 [REDACTED] Further discussion of these costs is provided in Danny Roderick's

1 testimony. The Total Return Requirements of \$11.8 million presented on Line 6  
2 represents the carrying costs on the average Preconstruction balance.

3  
4 **Q. What is the carrying cost rate used in Schedule AE-2?**

5 **A.** The carrying cost rate used on Schedule AE-2 is based on PEF's approved after tax  
6 AFUDC rate of 8.848%. On a pre-tax basis, the rate is 13.13%. The rate was  
7 approved in Docket 050078-EL Order PSC-05-0945-S-EL. This rate represents the  
8 approved rate as of June 12, 2007, and is the appropriate rate to use consistent with  
9 Rule 25-6.0423(5) (b) 1. The annual rate was adjusted to a monthly rate as required  
10 by the AFUDC rule, FPSC Rule 25-6.0141, Item (3).

11  
12 **Q. What is included in the Total Return Requirements on Schedule AE-3, line 7?**

13 The Total Return Requirements of \$7.6 million depicted on this schedule represents  
14 carrying costs on the average construction balance. The schedule starts with the  
15 year-end 2007 CWIP balance and adds the monthly construction expenditures and  
16 computes a return on the average monthly balance. The equity component of the  
17 return is grossed up for taxes to cover the income taxes that will need to paid upon  
18 recovery in rates. The adjustment on Line 3 is made to increase the balance for the  
19 carrying costs. This amount represents the prior month carrying charge on the  
20 average net Construction Work In Progress (CWIP) balance. We will continue to  
21 include these carrying charges in the CWIP balance for purposes of calculating the  
22 return requirements until such time as these charges begin to be recovered in rates  
23 through the Capacity Cost Recovery (CCR) clause. Normal determination of

1 AFUDC includes a return on eligible capital additions plus a compounded rate of  
2 return until plant investments are placed in service and recovered in rates. Likewise  
3 under these circumstances a compounded return is appropriate until this return is  
4 recovered in rates.

5  
6 **Q. What is included in Total Return Requirements on Schedule AE-3A, Line 8?**

7 The twelve month total of \$(137,271) on line 8, page 2 of 2 represents the carrying  
8 charge on the Deferred Tax Liability balance. The deferred tax liability arises from  
9 the difference between the book and tax basis for the project. This difference is due  
10 to the capitalization of interest for tax purposes as represented by the Construction  
11 Period Interest amount on Line 1 net of the adjustment on Line 3. The adjustment  
12 on Line 3 represents the capitalized interest for book purposes. This adjustment  
13 will be made until such time as the carrying charges are recovered in rates.

14  
15 **Q. Can you explain the Construction Period Interest (CPI) calculation on**  
16 **schedule AE-3B?**

17 The 2008 CPI is calculated on costs associated with units of property expected to be  
18 separately placed in service. CPI is being calculated on the costs associated with  
19 on-site construction facilities from Schedule AE-6, line 10, such as the electrical  
20 and carpenter shops. Costs associated with the license application are intangible in  
21 nature and not subject to CPI. All other costs are considered soft construction costs  
22 for which the construction period has not yet begun and therefore not subject to  
23 CPI.



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**Q. What is included in the Recoverable O&M Expenditures on Schedule AE-4?**

A. The expenses included on this schedule represent the operation and maintenance costs that the Company expects to incur in 2008 related to the Levy Construction project that were not contemplated in base rates. These costs are primarily comprised of Corporate support functions to the construction project. They include financial and legal costs to support the cost recovery process, costs to support the data repository, corporate communications, and human resources expenses to support additional staffing needs. We have also estimated interest expense on the cumulative O&M costs at the commercial paper rate.

**Q. What is included in the Other Recoverable O&M Monthly Expenditures on Schedule AE-5?**

A. These costs include the Operations and Maintenance costs related to the project that are already included in base rates. These costs also primarily consist of Corporate support functions, but these costs are for positions and functions that previously existed, but are now supporting the Levy Construction project.

**Q. What is Schedule AE-6 and what does it represent?**

A. Schedule AE-6 reflects actual/estimated monthly expenditures for preconstruction and construction costs by major task for 2008. This schedule includes both the Generation and Transmission costs. These costs have been adjusted to a cash basis

1 for purposes of calculation of the carrying costs. We have also applied the  
2 appropriate jurisdictional separation factor to arrive at the total jurisdictional costs.

3  
4 **Q. What was the source of the separation factors used in Schedule AE-6?**

5 **A.** The jurisdictional separation factors are based on the factors that were established  
6 in PEF's last base rate proceeding, Order PSC-05-0945-S-EI.

7  
8 **Q. Was interest calculated on the under-recovered balance?**

9 **A.** Interest has only been included on the average cumulative CCRC recoverable O&M  
10 expenses as reflected on Schedule AE-4, line 27. The interest has been calculated  
11 at the average commercial paper rate. No interest has been calculated on the  
12 construction costs as until such time as we begin to recover the carrying costs on  
13 this project in rates, we will calculate a carrying charge on the cumulative CWIP  
14 balance at PEF's current AFUDC rate and will include those costs in the  
15 cumulative CWIP balance. These costs will remain in CWIP until they are  
16 approved for recovery through the Capacity Cost Recovery (CCR) clause, at which  
17 time they will be reclassified as a regulatory asset and we will begin to accrue  
18 interest on the over or under recovered balance.

19  
20 **Q. Does this conclude your testimony?**

21 **A.** Yes, it does.

**SCHEDULE APPENDIX  
REDACTED**

**EXHIBIT (LC-1)**

**PROGRESS ENERGY FLORIDA, INC.  
Levy County Nuclear Filing  
COMMISSION SCHEDULES (AE-1 Through AE-10)**

**JANUARY 2008 - DECEMBER 2008**

**Actual/Estimated**

**DOCKET NO. 080149-EI**

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1.b.]

Schedule AE-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the actual/estimated true-up of total retail revenue requirements based on actual/estimated expenditures for the current year and the previously filed expenditures for such current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - E1

Witness: Lori Cross

Line No.		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	6 Month Total
Jurisdictional Dollars								
1.	Preconstruction Revenue Requirements (Schedule AE-2, line 7)	\$ -	\$ -	\$ 167,383	\$ 53,520,752	\$ 46,647,962	\$ 14,585,636	\$ 114,921,733
2.	Construction Carrying Cost Revenue Requirements (Schedule AE-3, line 7)	596,728	600,958	605,429	610,033	614,763	619,877	3,647,788
3.	Recoverable O&M Revenue Requirements (Schedule AE-4, line 28)	-	-	44,550	139,372	138,704	88,249	410,875
4.	Deferred Tax Asset Carrying Cost (Schedule AE-3A, line 8)	(1,262)	(1,637)	(2,016)	(2,485)	(3,204)	(4,184)	(14,788)
5.	Other Adjustments	-	-	-	-	-	-	-
6.	Total Period Revenue Requirements (Lines 1 through 5)	<u>595,466</u>	<u>599,321</u>	<u>815,346</u>	<u>54,267,673</u>	<u>47,398,226</u>	<u>15,289,578</u>	<u>118,965,609</u>
7.	Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
8.	Difference (Line 6 - Line 7)	<u>\$ 595,466</u>	<u>\$ 599,321</u>	<u>\$ 815,346</u>	<u>\$ 54,267,673</u>	<u>\$ 47,398,226</u>	<u>\$ 15,289,578</u>	<u>\$ 118,965,609</u>

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1.b.]

Schedule AE-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the actual/estimated true-up of total retail revenue requirements based on actual/estimated expenditures for the current year and the previously filed expenditures for such current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.		(H)	(I)	(J)	(K)	(L)	(M)	(N)
		Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	12 Month Total
Jurisdictional Dollars								
1.	Preconstruction Revenue Requirements (Schedule AE-2, line 7)	\$ 4,925,962	\$ 8,122,965	\$ 40,823,518	\$ 5,651,959	\$ 8,240,539	\$ 15,681,016	\$ 198,367,692
2.	Construction Carrying Cost Revenue Requirements (Schedule AE-3, line 7)	625,459	631,482	638,513	648,813	662,354	697,349	7,551,759
3.	Recoverable O&M Revenue Requirements (Schedule AE-4, line 28)	161,054	149,263	149,679	176,546	153,746	153,984	1,355,147
4.	Deferred Tax Asset Carrying Cost (Schedule AE-3A, line 8)	(17,178)	(18,328)	(19,573)	(20,967)	(22,451)	(23,988)	(137,271)
5.	Other Adjustments	-	-	-	-	-	-	-
6.	Total Period Revenue Requirements (Lines 1 through 5)	<u>5,695,297</u>	<u>8,885,382</u>	<u>41,592,137</u>	<u>6,456,351</u>	<u>9,034,189</u>	<u>16,508,362</u>	<u>207,137,326</u>
7.	Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
8.	Difference (Line 6 - Line 7)	<u>\$ 5,695,297</u>	<u>\$ 8,885,382</u>	<u>\$ 41,592,137</u>	<u>\$ 6,456,351</u>	<u>\$ 9,034,189</u>	<u>\$ 16,508,362</u>	<u>\$ 207,137,326</u>

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Preconstruction Costs**

[Section (5)(c)1.b.]

Schedule AE-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the actual/estimated true-up of preconstruction costs based on actual/estimated preconstruction expenditures for the current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.		(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	6 Month Total
Jurisdictional Dollars								
1.	Current Period Pre-Construction Expenses (Schedule AE-6 Line 34)	\$ -	\$ -	\$ 166,507	\$ 53,238,923	\$ 45,843,886	\$ 13,465,700	\$ 112,715,016
2.	Prior Period Unrecovered Pre-Construction Balance	-	-	166,507	53,406,020	99,439,821	113,447,359	
3.	Pre-Construction Expenses Recovered	-	-	-	-	-	-	
4.	Average Balance Pre-Construction Expenses Eligible for Return	-	-	83,254	26,786,264	76,422,921	106,443,590	
5.	Return on Average Net Unamortized CWIP Eligible for Return (c)							
	a. Equity Component (a)	-	-	455	146,360	417,575	581,608	1,145,998
	b. Equity Comp. grossed up for taxes (b)	-	-	741	238,275	679,813	946,859	1,865,686
	c. Debt Component	-	-	135	43,554	124,264	173,077	341,031
6.	Total Return Requirements (Line 5b + 5c)	-	-	876	281,829	804,076	1,119,936	2,206,717
7.	Total Costs to be Recovered	-	-	167,383	53,520,752	46,647,962	14,585,636	114,921,733
8.	CWIP Additions, Amortization & Return from most recent Projections	-	-	-	-	-	-	-
9.	Over / (Under) Recovery (Line 7 - Line 8)	\$ -	\$ -	\$ 167,383	\$ 53,520,752	\$ 46,647,962	\$ 14,585,636	\$ 114,921,733

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = \{(1 + A/100)^{1/12} - 1\} \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Preconstruction Costs**

[Section (5)(c)1.b.]

Schedule AE-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of preconstruction costs based on actual/estimated preconstruction expenditures for the current year and the previously filed expenditures for such current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.		(I)	(J)	(K)	(L)	(M)	(N)	(O)
		Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	12 Month Total
Jurisdictional Dollars								
1.	Current Period Pre-Construction Expenses (Schedule AE-6 Line 34)	\$ 3,708,855	\$ 6,842,068	\$ 39,291,073	\$ 3,882,418	\$ 6,405,173	\$ 13,726,961	\$ 186,571,563
2.	Prior Period Unrecovered Pre-Construction Balance	117,910,900	125,573,133	165,727,357	170,642,434	178,240,038	193,203,787	
3.	Pre-Construction Expenses Recovered	-	-	-	-	-	-	
4.	Average Balance Pre-Construction Expenses Eligible for Return	115,679,129	121,742,016	145,650,245	168,184,896	174,441,236	185,721,913	
5.	Return on Average Net Unamortized CWIP Eligible for Return (c)							
a.	Equity Component (a)	632,071	665,198	795,833	918,962	953,147	1,014,785	6,125,993
b.	Equity Comp. grossed up for taxes (b)	1,029,012	1,082,944	1,295,618	1,496,072	1,551,725	1,852,071	9,973,130
c.	Debt Component	188,094	197,953	236,827	273,469	283,641	301,984	1,822,999
6.	Total Return Requirements (Line 5b + 5c)	<u>1,217,107</u>	<u>1,280,897</u>	<u>1,532,445</u>	<u>1,769,541</u>	<u>1,835,367</u>	<u>1,954,055</u>	<u>11,796,128</u>
7.	Total Costs to be Recovered	<u>4,925,962</u>	<u>8,122,965</u>	<u>40,823,518</u>	<u>5,651,959</u>	<u>8,240,539</u>	<u>15,681,016</u>	<u>198,367,692</u>
8.	CWIP Additions & Amortization from most recent Projections	-	-	-	-	-	-	-
9.	Difference (Line 7 - Line 8)	<u>\$ 4,925,962</u>	<u>\$ 8,122,965</u>	<u>\$ 40,823,518</u>	<u>\$ 5,651,959</u>	<u>\$ 8,240,539</u>	<u>\$ 15,681,016</u>	<u>\$ 198,367,692</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

**Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Construction Costs**

[Section (5)(c)1.b.]

Schedule AE-3

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: PROGRESS ENERGY - FL  
DOCKET NO.: 080009 - EI

EXPLANATION: Provide the calculation of the actual/estimated true-up of carrying costs on construction expenditures, based on actual/estimated carrying costs on construction expenditures for the current year and the previously filed estimated carrying costs.

For the Year Ended 12/31/2008

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Projected April	(F) Projected May	(G) Projected June	(H) Total to Date
Jurisdictional Dollars								
1.	\$ 55,561,072	\$ -	\$ -	\$ 39,826	\$ 19,434	\$ 57,566	\$ 86,020	\$ 55,763,917
2.	-	-	-	-	-	-	-	-
3.	787,441.17	367,080	402,114	404,965	407,977	411,080	414,267	3,194,923
4.		<u>\$56,715,593</u>	<u>\$57,117,706</u>	<u>\$57,562,497</u>	<u>\$57,989,908</u>	<u>\$58,458,553</u>	<u>\$58,958,840</u>	<u>\$58,958,840</u>
5.		\$56,715,593	\$57,117,706	\$57,542,584	\$57,980,191	\$58,429,770	\$58,915,830	
6.								
a.		309,894	312,091	314,413	316,804	319,260	321,916	1,894,378
b.		504,508	508,085	511,864	515,757	519,758	524,080	3,084,051
c.		92,220	92,873	93,564	94,276	95,007	95,797	563,737
7.		<u>596,728</u>	<u>600,958</u>	<u>605,429</u>	<u>610,033</u>	<u>614,763</u>	<u>619,877</u>	<u>3,647,788</u>
8.		-	-	-	-	-	-	-
9.		<u>\$ 596,728</u>	<u>\$ 600,958</u>	<u>\$ 605,429</u>	<u>\$ 610,033</u>	<u>\$ 614,763</u>	<u>\$ 619,877</u>	<u>\$ 3,647,788</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001826 (Debt), which results in the annual rate of 8.848%.

(d) Amount includes the debt and equity component on a one monthly lag that needs to be included in our monthly CWIP balance to calculate the return requirements.



**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Construction Costs**

[Section (5)(c)1.b.]

Schedule AE-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the actual/estimated true-up of carrying costs on construction expenditures, based on actual/estimated carrying costs on construction expenditures for the current year and the previously filed estimated carrying costs.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) Total to Date
Jurisdictional Dollars								
1.	\$ 55,763,917	\$ 139,548	\$ 162,517	\$ 322,834	\$ 774,608	\$ 924,909	\$ 4,834,667	\$ 62,923,001
2.	-	-	-	-	-	-	-	-
3.	3,194,923	417,713	421,474	425,534	430,271	437,212	446,337	5,773,464
4.		<u>\$59,516,101</u>	<u>\$60,100,093</u>	<u>\$60,848,460</u>	<u>\$62,053,340</u>	<u>\$63,415,461</u>	<u>\$68,696,465</u>	<u>\$68,696,465</u>
5.		\$59,446,327	\$60,018,834	\$60,687,043	\$61,666,035	\$62,953,006	\$66,279,131	
6.								
a.		324,815	327,943	331,594	336,943	343,975	362,149	3,921,797
b.		528,799	533,892	539,836	548,544	559,992	589,580	6,384,694
c.		96,660	97,591	98,677	100,269	102,362	107,770	1,167,065
7.		<u>625,459</u>	<u>631,482</u>	<u>638,513</u>	<u>648,813</u>	<u>662,354</u>	<u>697,349</u>	<u>7,551,759</u>
8.		-	-	-	-	-	-	-
9.		<u>\$ 625,459</u>	<u>\$ 631,482</u>	<u>\$ 638,513</u>	<u>\$ 648,813</u>	<u>\$ 662,354</u>	<u>\$ 697,349</u>	<u>\$ 7,551,759</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Amount includes the debt and equity component on a one monthly lag that needs to be included in our monthly CWIP balance to calculate the return requirements.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Deferred Tax Carrying Costs**

[Section (5)(c)1.b.]

Schedule AE-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual/Estimated deferred tax Carrying Costs for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Beginning of Period	Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	6 Month Total
Jurisdictional Dollars								
1.		\$ -	\$ -	\$ -	\$ 638	\$ 1,863	\$ 3,538	\$ 6,039
2.		-	-	-	-	-	-	-
3.		(\$92,220)	(\$92,873)	(\$93,700)	(\$137,830)	(\$219,270)	(\$268,874)	(\$904,768)
4.		<u>\$ (264,775)</u>	<u>(\$356,995)</u>	<u>(\$449,858)</u>	<u>(\$543,568)</u>	<u>(\$680,760)</u>	<u>(\$898,167)</u>	<u>(\$1,163,504)</u>
5.		<u>(\$102,137)</u>	<u>(\$137,711)</u>	<u>(\$173,537)</u>	<u>(\$262,603)</u>	<u>(\$346,468)</u>	<u>(\$448,822)</u>	n/a
6.		(\$119,824)	(\$155,624)	(\$191,609)	(\$236,142)	(\$304,536)	(\$397,645)	
7.								
a.		(655)	(850)	(1,047)	(1,290)	(1,664)	(2,173)	(7,680)
b.		(1,067)	(1,384)	(1,704)	(2,101)	(2,709)	(3,537)	(12,502)
c.		(195)	(253)	(312)	(384)	(495)	(647)	(2,285)
8.		<u>(1,262)</u>	<u>(1,637)</u>	<u>(2,016)</u>	<u>(2,485)</u>	<u>(3,204)</u>	<u>(4,184)</u>	<u>(14,788)</u>
9.		-	-	-	-	-	-	-
10.		<u>\$ (1,262)</u>	<u>\$ (1,637)</u>	<u>\$ (2,016)</u>	<u>\$ (2,485)</u>	<u>\$ (3,204)</u>	<u>\$ (4,184)</u>	<u>\$ (14,788)</u>

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005484 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Other adjustment represents the monthly debt component carrying costs that is a permanent difference and therefore not included in the DTA calculation.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Deferred Tax Carrying Costs**

[Section (5)(c)1.b.]

Schedule AE-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual/Estimated deferred tax Carrying Costs for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) 12 Month Total
1.		\$ 5,668	\$ 7,757	\$ 10,003	\$ 12,267	\$ 16,242	\$ 22,033	\$ 80,008
2.		-	-	-	-	-	-	-
3.		(284,754)	(295,543)	(335,504)	(373,738)	(386,003)	(406,754)	(2,990,064)
4.		<u>(\$4,092,861)</u>	<u>(\$4,371,947)</u>	<u>(\$4,659,734)</u>	<u>(\$4,985,235)</u>	<u>(\$5,346,706)</u>	<u>(\$6,104,188)</u>	n/a
5.		<u>(\$1,578,821)</u>	<u>(\$1,686,479)</u>	<u>(\$1,797,482)</u>	<u>(\$1,823,055)</u>	<u>(\$2,062,482)</u>	<u>(\$2,354,690)</u>	n/a
6.		(\$1,632,650)	(\$1,741,986)	(\$1,860,273)	(\$1,992,773)	(\$2,133,809)	(\$2,279,909)	
7.								
a.		(8,921)	(9,518)	(10,165)	(10,889)	(11,659)	(12,457)	(71,288)
b.		(14,523)	(15,496)	(16,548)	(17,727)	(18,981)	(20,281)	(118,057)
c.		(2,655)	(2,832)	(3,025)	(3,240)	(3,470)	(3,707)	(21,214)
8.		<u>(17,178)</u>	<u>(18,328)</u>	<u>(19,573)</u>	<u>(20,967)</u>	<u>(22,451)</u>	<u>(23,988)</u>	<u>(137,271)</u>
9.		-	-	-	-	-	-	-
10.		\$ (17,178)	\$ (18,328)	\$ (19,573)	\$ (20,967)	\$ (22,451)	\$ (23,988)	\$ (137,271)

(a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.

(d) Other adjustment represents the monthly debt component carrying costs that is a permanent difference and therefore not included in the DTA calculation.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Construction Period Interest**

[Section (5)(c)1.b.]

Schedule AE-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual/Estimated Construction Period Interest for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ 262,508	\$ 504,391	
2.	Additions Preconstruction		-	-	-	262,508	241,883	447,202
3.	Additions Construction		-	-	-	-	-	-
4.	Other Adjustments		-	-	-	-	-	-
5.	Ending Balance Excluding CPI	\$ -	\$ -	\$ -	\$ -	\$ 262,508	\$ 504,391	\$ 951,593
6.	Average Balance Eligible for CPI		-	-	-	131,254	383,450	727,992
7.	Monthly CPI Rate [Note 1]		0.0046008	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596
8.	Construction Period Interest for Tax (CPI)	\$ -	\$ -	\$ -	\$ -	\$ 638	\$ 1,863	\$ 3,538
								\$ 6,039

Note 1: CPI rate is the projected weighted average debt rate for the period.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Construction Period Interest**

[Section (5)(c)1.b.]

Schedule AE-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual/Estimated Construction Period Interest for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Projected July	(K) Projected August	(L) Projected September	(M) Projected October	(N) Projected November	(O) Projected December	(P) 12 Month Total	
1.	Beginning Balance	\$ 951,593	\$ 1,380,982	\$ 1,811,308	\$ 2,305,386	\$ 2,743,213	\$ 3,941,356		
2.	Additions Preconstruction		429,389	430,326	494,078	437,827	417,201	3,590,740	
3.	Additions Construction		-	-	-	767,817	767,817	1,535,634	
4.	Other Adjustments		-	-	-	-	-		
5.	Ending Balance Excluding CPI	<u>\$ 951,593</u>	<u>\$ 1,380,982</u>	<u>\$ 1,811,308</u>	<u>\$ 2,305,386</u>	<u>\$ 2,743,213</u>	<u>\$ 3,941,356</u>	<u>\$ 5,126,374</u>	
6.	Average Balance Eligible for CPI		1,166,287	1,596,145	2,058,347	2,524,300	3,342,285	4,533,865	
7.	Monthly CPI Rate [Note 1]		0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	
8.	Construction Period Interest for Tax (CPI)		<u>\$ 5,668</u>	<u>\$ 7,757</u>	<u>\$ 10,003</u>	<u>\$ 12,267</u>	<u>\$ 16,242</u>	<u>\$ 22,033</u>	<u>\$ 80,008</u>

Note 1: CPI rate is the projected weighted average debt rate for the period.

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Recoverable O&M Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the Actual/Estimated CCRC Recoverable O&M projected monthly expenditures by function for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1	Accounting	\$ -	\$ -	\$ 3,947	\$ 7,970	\$ 10,725	\$ 7,695	\$ 7,695	\$ 7,787	\$ 7,604	\$ 10,725	\$ 8,063	\$ 8,063	\$ 80,273
2	Corporate Communications	\$ -	\$ -	2,434	25,760	56,076	25,271	25,271	25,434	25,108	30,651	25,923	25,923	267,851
3	Corporate Planning	\$ -	\$ -	\$ 9,087	\$ 19,128	\$ 24,064	\$ 17,482	\$ 16,982	\$ 17,197	\$ 17,268	\$ 24,814	\$ 19,341	\$ 18,341	183,699
4	Corporate Services	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	\$ -	\$ -	-	-	-	-	64,000	64,000	64,000	64,000	64,000	64,000	384,000
6	Human Resources	\$ -	\$ -	7,862	9,239	12,390	8,924	8,924	9,029	8,819	12,390	9,344	9,344	96,265
7	IT & Telecom	\$ -	\$ -	-	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	60,000
8	Legal	\$ -	\$ -	-	52,000	-	-	15,000	-	-	-	-	-	67,000
9	Project Assurance	\$ -	\$ -	11,338	9,275	12,374	9,329	8,965	9,068	10,236	12,374	9,378	10,753	103,087
10	Public Affairs	\$ -	\$ -	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	\$ -	\$ -	\$ 34,668	\$ 130,036	\$ 122,295	\$ 75,368	\$ 153,503	\$ 139,181	\$ 139,701	\$ 161,620	\$ 142,714	\$ 143,089	\$ 1,242,175
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	\$ -	\$ -	\$ 18,012	\$ 28,180	\$ 36,814	\$ 25,894	\$ 27,139	\$ 28,507	\$ 27,915	\$ 36,957	\$ 28,649	\$ 27,976	\$ 286,043
15	Total O&M Costs	\$ -	\$ -	\$ 52,680	\$ 158,216	\$ 159,109	\$ 101,262	\$ 180,642	\$ 167,688	\$ 167,616	\$ 198,577	\$ 171,363	\$ 171,065	\$ 1,528,218
16	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
17	Jurisdictional Factor (Distribution)	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
18	Jurisdictional Factor (Nucl - Production - Base)	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
19	Jurisdictional Factor (Transmission)	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
20	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)	\$ -	\$ -	\$ 31,780	\$ 119,204	\$ 112,108	\$ 69,090	\$ 140,716	\$ 127,588	\$ 128,064	\$ 148,157	\$ 130,828	\$ 131,170	\$ 1,138,702
21	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 17)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jurisdictional Recoverable Costs (Nucl - Production - Base) (Line 13 X Line 1)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 19)	\$ -	\$ -	\$ 12,716	\$ 19,894	\$ 25,990	\$ 18,280	\$ 19,159	\$ 20,125	\$ 19,707	\$ 26,091	\$ 20,225	\$ 19,750	\$ 201,938
24	Total Jurisdictional Recoverable O&M Costs	\$ -	\$ -	\$ 44,496	\$ 139,099	\$ 138,097	\$ 87,370	\$ 159,876	\$ 147,713	\$ 147,771	\$ 174,247	\$ 151,051	\$ 150,920	\$ 1,340,640
25	Average Monthly Recoverable O&M Balance	\$ -	\$ -	\$ 22,248	\$ 114,099	\$ 252,971	\$ 366,311	\$ 490,813	\$ 645,785	\$ 795,077	\$ 957,994	\$ 1,122,943	\$ 1,276,624	
26	Monthly Short-term Commercial Paper Rate	0.34%	0.26%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%	
27	Interest Provision	\$ -	\$ -	\$ 53	\$ 274	\$ 607	\$ 879	\$ 1,178	\$ 1,550	\$ 1,908	\$ 2,299	\$ 2,895	\$ 3,064	\$ 14,508
28	Total Monthly Recoverable O&M Costs	\$ -	\$ -	\$ 44,550	\$ 139,372	\$ 138,704	\$ 88,249	\$ 161,054	\$ 149,263	\$ 149,679	\$ 176,546	\$ 153,746	\$ 153,984	\$ 1,355,147
29	Total Jurisdictional O&M Costs From Most Recent Projection	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Difference (Line 28 - 29)	\$ -	\$ -	\$ 44,550	\$ 139,372	\$ 138,704	\$ 88,249	\$ 161,054	\$ 149,263	\$ 149,679	\$ 176,546	\$ 153,746	\$ 153,984	\$ 1,355,147

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Other Recoverable O&M Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the Actual/Estimated Other Recoverable O&M projected monthly expenditures by function for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1	Accounting	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 9,000
2	Corporate Communications	-	-	4,311	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	50,490
3	Corporate Planning	-	1,339	6,230	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	25,569
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IT & Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Legal	2,877	50,850	5,543	(52,000)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	23,270
9	Project Assurance	-	182	-	-	-	-	-	-	-	-	-	-	182
10	Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	2,877	52,371	16,084	(43,869)	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,131	108,511
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	\$ 7,430	\$ (395)	\$ 6,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,547
15	Total O&M Costs	\$ 10,307	\$ 51,976	\$ 22,596	\$ (43,869)	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 122,068
16	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
17	Jurisdictional Factor (Distribution)	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
18	Jurisdictional Factor (Nuclear - Production - Base)	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
19	Jurisdictional Factor (Transmission)	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
20	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)	\$ 2,637	\$ 48,008	\$ 14,744	\$ (40,215)	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 99,472
21	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 17)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jurisdictional Recoverable Costs (Nucl - Production - Base) (Line 13 X Line 18)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 19)	\$ 5,245	\$ (279)	\$ 4,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,564
24	Total Jurisdictional Recoverable O&M Costs	\$ 7,883	\$ 47,730	\$ 19,341	\$ (40,215)	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 109,036
25	Total Jurisdictional O&M Costs From Most Recent Projection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Difference (Line 24 - 25)	\$ 7,883	\$ 47,730	\$ 19,341	\$ (40,215)	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 109,036

**Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the actual/estimated monthly expenditures by major tasks performed within Site Selection, Preconstruction and Construction categories for the current year.  
All Site Selection costs also included in Pre-Construction costs must be identified.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) Projected July	(H) Projected August	(I) Projected September	(J) Projected October	(K) Projected November	(L) Projected December	(M) 12 Month Total
1														
2														
3														
4	<b>Pre-Construction:</b>													
5	<b>Generation:</b>													
6	License Application	\$ -	\$ -	\$ 1,846,845	\$ 5,015,000	\$ 3,316,000	\$ 5,828,000	\$ 1,336,000	\$ 1,058,000	\$ 3,765,000	\$ 1,448,000	\$ 1,393,000	\$ 4,149,000	\$ 29,155,845
7	Engineering, Design & Procurement	-	-	57,659,000	46,469,000	7,521,000	1,000,000	1,500,000	39,331,000	1,500,000	1,500,000	1,500,000	11,059,000	167,539,000
8	Permitting	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Clearing, Grading and Excavation	-	-	-	-	-	-	-	-	-	-	-	-	-
10	On-Site Construction Facilities	-	-	280,000	258,000	477,000	458,000	458,000	527,000	467,000	458,000	445,000	3,830,000	3,830,000
11	Total Generation Costs	\$ -	\$ -	\$ 1,846,845	\$ 62,954,000	\$ 50,043,000	\$ 13,826,000	\$ 2,794,000	\$ 3,017,000	\$ 43,623,000	\$ 3,416,000	\$ 3,352,000	\$ 15,653,000	\$ 200,524,845
12	<b>Less Adjustments:</b>													
13	Non Cash Accruals	-	-	1,718,582	6,208,200	1,554,440	(86,400)	(702,000)	(3,406,500)	2,698,200	359,100	(2,196,000)	2,410,200	8,557,802
14	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Net Generation Costs	\$ -	\$ -	\$ 128,283	\$ 56,745,800	\$ 48,488,561	\$ 13,912,400	\$ 3,496,000	\$ 6,423,500	\$ 40,924,800	\$ 3,056,900	\$ 5,548,000	\$ 13,242,800	\$ 191,967,044
16	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
17	Total Jurisdictional Generation Costs	\$ -	\$ -	\$ 120,289	\$ 53,200,890	\$ 45,459,480	\$ 13,043,292	\$ 3,277,605	\$ 8,022,224	\$ 38,368,228	\$ 2,865,935	\$ 5,201,416	\$ 12,415,522	\$ 178,974,862
18														
19														
20	<b>Transmission:</b>													
21	Line Engineering	\$ -	\$ -	\$ 173,570	\$ 268,272	\$ 266,272	\$ 596,862	\$ 596,862	\$ 663,180	\$ 729,498	\$ 729,498	\$ 862,134	\$ 984,770	\$ 5,879,918
22	Substation Engineering	-	-	18,693	155,636	198,954	464,226	596,862	663,180	862,134	994,770	1,127,406	1,326,360	6,408,221
23	Clearing	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Other	-	-	352,977	114,824	73,687	73,687	73,687	73,687	73,687	73,687	73,687	73,687	1,057,294
25	Total Transmission Costs	\$ -	\$ -	\$ 545,240	\$ 538,732	\$ 537,913	\$ 1,134,775	\$ 1,267,411	\$ 1,400,047	\$ 1,665,319	\$ 1,797,955	\$ 2,063,227	\$ 2,394,817	\$ 13,345,433
26	<b>Less Adjustments:</b>													
27	Non Cash Accruals	-	-	479,744	484,859	(6,506)	536,436	656,546	238,745	358,117	358,117	358,117	537,176	4,001,267
28	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Net Transmission Costs	\$ -	\$ -	\$ 65,496	\$ 53,873	\$ 544,507	\$ 598,336	\$ 610,862	\$ 1,161,302	\$ 1,307,201	\$ 1,439,837	\$ 1,705,109	\$ 1,857,641	\$ 9,344,166
30	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
31	Total Jurisdictional Transmission Costs	\$ -	\$ -	\$ 46,238	\$ 39,033	\$ 384,406	\$ 422,407	\$ 431,251	\$ 819,844	\$ 922,845	\$ 1,016,462	\$ 1,203,756	\$ 1,311,439	\$ 6,599,701
32														
33														
34	Total Jurisdictional Preconstruction Costs	\$ -	\$ -	\$ 166,507	\$ 53,238,623	\$ 45,843,886	\$ 13,465,700	\$ 3,708,855	\$ 6,842,068	\$ 38,291,073	\$ 3,882,418	\$ 6,405,173	\$ 13,726,961	\$ 186,571,563
35														
36	<b>Construction:</b>													
37	<b>Generation:</b>													
38	Real Estate Acquisitions	\$ -	\$ 13,655	\$ 53,284	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 4,476,000	\$ -	\$ -	\$ -	\$ 5,042,939
39	Project Management	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Permanent Staff/Training	-	-	-	11,000	11,000	11,000	91,000	91,000	91,000	91,000	91,000	90,000	578,000
41	Site Preparation	-	-	-	-	-	-	-	-	-	-	-	-	-
42	On-Site Construction Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Power Block Engineering, Procurement, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Non-Power Block Engineering, Procurement, etc.	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Total Generation Costs	\$ -	\$ 13,655	\$ 53,284	\$ 11,000	\$ 11,000	\$ 11,000	\$ 91,000	\$ 91,000	\$ 591,000	\$ 4,567,000	\$ 91,000	\$ 90,000	\$ 5,620,939
46	<b>Less Adjustments:</b>													
47	Non Cash Accruals	-	13,655	10,911	(2,390)	(38,056)	-	72,000	72,000	450,000	4,028,400	(450,000)	(4,029,300)	127,221
48	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Net Generation Costs	\$ -	\$ -	\$ 42,373	\$ 13,390	\$ 49,056	\$ 11,000	\$ 19,000	\$ 19,000	\$ 141,000	\$ 538,600	\$ 541,000	\$ 4,119,300	\$ 5,493,718
50	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
51	Total Jurisdictional Generation Costs	\$ -	\$ -	\$ 39,726	\$ 12,553	\$ 45,991	\$ 10,313	\$ 17,813	\$ 17,813	\$ 132,182	\$ 504,954	\$ 507,204	\$ 3,861,967	\$ 5,150,528
52														
53														
54	<b>Transmission:</b>													
55	Line Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
56	Substation Engineering	-	-	-	69,718	116,197	139,437	185,916	209,155	255,634	302,113	371,831	441,549	2,091,550
57	Real Estate Acquisition	-	-	-	-	-	-	-	-	-	761,324	1,087,806	1,413,888	3,262,818
58	Line Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Substation Construction	-	-	-	-	-	-	-	-	-	-	1,087,806	1,087,806	2,175,212
60	Other	-	-	142	27,745	46,479	55,775	74,366	83,662	102,254	120,845	148,732	176,620	856,620
61	Total Transmission Costs	\$ -	\$ -	\$ 142	\$ 97,464	\$ 162,676	\$ 195,211	\$ 260,282	\$ 292,817	\$ 357,887	\$ 1,184,282	\$ 2,695,776	\$ 3,119,663	\$ 8,366,200
62	<b>Less Adjustments:</b>													
63	Non Cash Accruals	-	-	-	87,717	146,281	67,973	87,845	87,845	87,845	802,318	2,104,099	1,741,843	5,233,767
64	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Net Transmission Costs	\$ -	\$ -	\$ 142	\$ 9,746	\$ 16,395	\$ 107,238	\$ 172,437	\$ 204,972	\$ 270,042	\$ 381,964	\$ 591,676	\$ 1,377,820	\$ 3,132,433
66	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
67	Total Jurisdictional Transmission Costs	\$ -	\$ -	\$ 100	\$ 6,881	\$ 11,576	\$ 75,707	\$ 121,735	\$ 144,704	\$ 190,842	\$ 269,655	\$ 417,706	\$ 972,700	\$ 2,211,404
68														
69														
70	Total Jurisdictional Construction Costs	\$ -	\$ -	\$ 39,826	\$ 19,434	\$ 57,566	\$ 88,020	\$ 139,548	\$ 182,517	\$ 322,834	\$ 774,608	\$ 924,908	\$ 4,834,667	\$ 7,351,929



**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Monthly Expenditures**

[Section (5)(c)1.b.]

[Section (8)(d)]

Schedule AE-6A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a description of the major tasks performed within Site Selection, Preconstruction and Construction categories for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Major Task	Description - Includes, but is not limited to:
1	<b><u>Pre-Construction:</u></b>	
2	<b><u>Generation:</u></b>	
3	License Application	Detailed on-site characterization for geological and environmental analysis, NRC Review fees, transmission deliverability analysis, etc.
4	Engineering & Design	Engineering & Design associated with the Site Layout, Power Block and Non-Power Block facilities.
5	Permitting	Obtain required permits for new plant (i.e. site certification permits, environmental permits, etc.)
6	Clearing, Grading and Excavation	Clearing, grading, excavation, backfill, onsite disposal, drainage and erosion control. Construction park lots, laydown areas and access roads.
7	On-Site Construction Facilities	includes the installation of warehouses necessary during construction (electrical shop, carpenter shops, etc.), construction power and lighting.
8		
9	<b><u>Transmission:</u></b>	
10	Line Engineering	Internal engineering labor, contracted engineering labor, survey and all other costs associated with engineering transmission lines.
11	Substation Engineering	Internal engineering labor, contracted engineering labor and all other costs associated with substation and protection and control (relay) engineering.
12	Clearing	Contracted costs associated with clearing acquired ROW for the construction of transmission lines, costs associated with building access roads to the ROW to ensure access for construction, operating and maintenance of transmission lines.
13		
14	Other	Project Management, overhead costs and other miscellaneous costs associated with transmission pre-construction.
15		
16	<b><u>Construction:</u></b>	
17	<b><u>Generation:</u></b>	
18	Real Estate Acquisition	Land, Survey, Legal fees and commissions.
19	Project Management	Management oversight of construction, including, but not limited to engineering, quality assurance, field support and contract services.
20	Permanent Staff/Training	Obtain and train qualified staff by Fuel Load date.
21	Site Preparation	Design and construction of plant site preparations to support fabrication and construction. Remedial work for plant foundation and foundation substrata.
22	On-Site Construction Facilities	includes the installation of warehouses necessary during construction (electrical shop, carpenter shops, etc.), construction power and lighting.
23	Power Block Engineering, Procurement, etc.	The cost of constructing and procuring the nuclear power block (reactor vessel, containment vessel, cooling towers, etc.)
24	Non-Power Block Engineering, Procurement, etc.	Site permanent structures and facilities outside the Power Block, including structural, electrical, mechanical, civil and security items. (Admin building, Training center, Security towers, Switchyard, Roads, Railroad, Barge facility, etc.)
25		
26		
27	<b><u>Transmission:</u></b>	
28	Line Engineering	See description on Line 10.
29	Substation Engineering	See description on Line 11.
30	Real Estate Acquisition	Land, route siting, survey, appraisal, title commitments, acquisition, permitting, eminent domain support and ordinance review costs.
31	Line Construction	Contracted construction labor, structures and materials, equipment and all other costs associated with construction of transmission lines.
32	Substation Construction	Contracted construction labor, structures and materials, equipment and all other costs associated with substation and protection and control (relay) construction.
33	Other	See description on Line 14.

**Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Variance Explanations**

[Section (B)(d)]

Schedule AE-6B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide annual variance explanations comparing the actual/estimated expenditures to the most recent projections for the current period filed with the Commission.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Total Actual/Estimated	(B) Total Projected	(C) Total Variance	(D) Explanation
1	<b>Site Selection:</b>			
2				
3				
4	<b>Pre-Construction:</b>			
5	<b>Generation:</b>			
6	\$ 29,155,845	\$ -	\$ 29,155,845	Note 1
7	167,539,000	-	167,539,000	Note 1
8	-	-	-	N/A
9	-	-	-	N/A
10	3,830,000	-	3,830,000	Note 1
11	<u>\$ 200,524,845</u>	<u>\$ -</u>	<u>\$ 200,524,845</u>	
12				
13	<b>Transmission:</b>			
14	\$ 5,879,918	\$ -	\$ 5,879,918	Note 1
15	6,408,221	-	6,408,221	Note 1
16	-	-	-	N/A
17	1,057,294	-	1,057,294	Note 1
18	<u>\$ 13,345,433</u>	<u>\$ -</u>	<u>\$ 13,345,433</u>	
19				
20	<b>Construction:</b>			
21	<b>Generation:</b>			
22	\$ 5,042,939	\$ -	\$ 5,042,939	Note 1
23	-	-	-	N/A
24	578,000	-	578,000	Note 1
25	-	-	-	N/A
26	-	-	-	N/A
27	-	-	-	Note 1
28	-	-	-	N/A
29	<u>\$ 5,620,939</u>	<u>\$ -</u>	<u>\$ 5,620,939</u>	
30				
31	<b>Transmission:</b>			
32	\$ -	\$ -	\$ -	N/A
33	2,091,550	-	2,091,550	Note 1
34	3,262,818	-	3,262,818	Note 1
35	-	-	-	N/A
36	2,175,212	-	2,175,212	Note 1
37	836,620	-	836,620	Note 1
38	<u>\$ 8,366,200</u>	<u>\$ -</u>	<u>\$ 8,366,200</u>	

Note 1: No costs were projected due to the fact that Progress Energy (PEF) has never filed a projection to date.

**Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Technology Selected**

[Section (8)(b)]

Schedule AE-7

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a description of the nuclear technology selected that includes, but is not limited to, a review of the technology and the factors leading to its selection.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick

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Progress Energy Inc. Florida ("PEF") performed a methodical, detailed quantitative and qualitative evaluation of commercially available advanced reactor technologies. PEF issued RFPs to the three vendors that had advanced reactor designs: General Electric ("GE"); Westinghouse; and Areva, for the GE Economic Simplified Boiling Water Reactor ("ESBWR"), the Westinghouse AP-1000 advanced passive pressurized water reactor, and the Areva European Pressurized Reactor ("EPR"), respectively. PEF completed a thorough and extensive evaluation of the vendor proposal responses associated with technical and operational requirements for licensing, design, construction, and capability input by the vendors. Following nearly a year of detailed evaluation, PEF initially selected the Westinghouse AP-1000 design as the best advanced technology for PEF. Since the preliminary selection of the Westinghouse AP-1000 design in January 2006, PEF continued to monitor industry changes, advanced reactor technology developments, and other information that might affect PEF's technology selection, or the assumptions PEF used in its initial analysis. The Westinghouse AP-1000 design is a standardized, advanced passive pressurized water nuclear reactor. It is an advanced generation nuclear technology that employs "passive" rather than traditional "active" safety systems. In other words, the design uses gravity and natural recirculation of air and water in emergency situations that do not require engines or pumps to power key safety systems. The result is an extremely safe and much simpler design that requires significantly less cable, pumps, valves, and other equipment than existing nuclear power reactors. In addition, PEF is still in negotiations with the Consortium on the terms and conditions of an acceptable EPC contract, including price structure. PEF expects to finalize and execute the EPC contract by the end of 2008.

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section 6](c)  
REDACTED

Schedule AE-8

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - E1

Witness: Daniel Roderick/Dale Oliver

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
Line No.	Contract No.	Status of Contract	Original Term of Contract	Current Term of Contract	Original Amount	Actual Expended as of Prior Year End	Estimate of amount to be Expended in Current Year (2008)	Estimate of Final Contract Amount	Name of Contractor (and Affiliation if any)	Method of Selection	Work Description
1	00003382-00128	Issued							Westinghouse Electric Co. LLC.	Sole Source. Award based on selected vendor from the technology selected	Levy Price Finalization support
2	00300968-00004	Issued							Stone & Webster Inc.	Sole Source. Award based on selected vendor from the technology selected	Levy Price Finalization support
3	00300968-00002	Issued							Stone & Webster Inc.	Sole Source. Award based on selected vendor from the technology selected	Levy Phase 1A - Conceptual Design and site characterization
4	00259934-00002	Issued							John Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons) - 00259934-00003	RFP. Competitive Bid & Evaluation process. Low Cost bidder accepted.	Combined Operating License Application (COLA) preparer
5	00080678-00111	Issued							Goldier Associates Inc.	Sole Sourced	LNP Transmission Corridor Study
6	00282141-00003	Issued							Power Engineers Inc.	Sole Sourced	Line and Substation Design Study Support
7	00300968-06	Issued							Stone & Webster Inc.	Sole Source. Award based on selected vendor from the technology selected	LNP Phase 1 Work Activities to Support SCALWA Submittals
8	00300968-07	Issued							Stone & Webster Inc.	Sole Source. Award based on selected vendor from the technology selected	
9	00003382-14	Issued							Westinghouse Electric Co. LLC.	Sole Source. Award based on selected vendor from the technology selected	
10	00259934-00003	Issued							John Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons) - 00259934-00003	RFP. Competitive Bid & Evaluation process. Low Cost bidder accepted.	Levy Site Certification Application

(a) \$12.7M of Lybess land purchase was allocated to Levy project, the remainder of \$27.7M was allocated to Land held for future use.  
Note: Original amount for contract nbr. 00259934-00002 reflects cost of COLA prior to final site selection work being completed.

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (B)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2006

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00003382-00128

Major Task or Tasks Associated With: Activities necessary to determine and document detailed costs associated with the Levy Nuclear Plant (LNP) standard plant. These are all planning activities and do not include actual design or construction activities.

Vendor Identity: Westinghouse Electric Company LLC.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected.

Number of Bids Received: A proposal was submitted by Westinghouse LLC.

Brief Description of Selection Process: Upon receipt of proposal, New Plant Development (NPD) reviewed the proposal's technical scope, schedule, and cost. Comments were provided to the vendor and upon successful completion of comment resolution, a contract requisition was developed by NPD Project Controls. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition is approved by the appropriate level of Progress Energy Management. Once the contract requisition is approved, a formal contract can be issued.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work:

[REDACTED]

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (b)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel Roderick/Dale Oliver

DOCKET NO.: 080009 - EI

Contract No.: 00300968-00004

Major Task or Tasks Associated With: Activities necessary to determine and document detailed costs

Vendor Identity: Stone and Webster Inc.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected. Stone & Webster is Westinghouse contracted engineering and construction partner.

Number of Bids Received: A proposal was submitted by Stone and Webster Inc.

Brief Description of Selection Process: Upon receipt of proposal, New Plant Development (NPD) reviewed the proposal's technical scope, schedule, and cost. Comments were provided to the vendor and upon successful completion of comment resolution, a contract requisition was developed by NPD Project Controls. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition is approved by the appropriate level of Progress Energy Management. Once the contract requisition is approved, a formal contract can be issued.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work:

[REDACTED]

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00300988-00002

Major Task or Tasks Associated With: The project management and conceptual engineering activities to require further characterization of the Levy site by performing geotechnical evaluations, regional infrastructure studies, early procurement requirements, preliminary construction plan development, COLA development interfacete, and development of the site specific schedule.

Vendor Identity: Stone and Webster Inc.

Vendor Affiliation (specify 'direct' or 'indirect'); Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected. Stone & Webster is Westinghouse contracted engineering and construction partner.

Number of Bids Received: A proposal was submitted by Stone and Webster Inc.

Brief Description of Selection Process: Upon receipt of proposal, New Plant Development (NPD) reviewed the proposal's technical scope, schedule, and cost. Comments were provided to the vendor and upon successful completion of comment resolution, a contract requisition was developed by NPD Project Controls. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition is approved by the appropriate level of Progress Energy Management. Once the contract requisition is approved, a formal contract can be issued.

Dollar Value: [REDACTED]

Contract Status:

Issued

Term Begin:

Term End: [REDACTED]

Nature and Scope of Work:

Activities related to completing detailed estimates for site specific buildings, systems and components, and studies and evaluations in support of determining the overall site specific plant cost.

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00255834-00002

Major Task or Tasks Associated With: activities associated with providing engineering, environmental, and licensing services to support of Combined Operating License Application (COLA) development for a new greenfield site in Florida.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: Six

Number of Bids Received: Six

Brief Description of Selection Process: An RFP was completed for COLA Application preparation and sent to vendors. The next step required New Plant Development to

Dollar Value:

██████████

Contract Status:

Issued

Term Begin:

██████████

Term End:

Nature and Scope of Work:

Provide engineering, environmental, and licensing services in support of COLA development. Major tasks include:

Task 1 - Prepare License Application and associated General & Admin. Information

Task 2 - Perform site investigation, including necessary soil borings and constructing a meteorological tower to gather weather information.

Task 3 - Prepare Chapter 2 of FASR in accordance with applicable regulatory requirements including meteorological, geological, geotechnical, and seismological sections.

Task 4 - Prepare Environmental Report in accordance with applicable regulatory requirements, including site ecological investigations. Prepare Emergency Plan in accordance with applicable regulatory requirements.

Task 5 - Prepare FSAR Chapters 4, 5, 6, 7, and 12 in accordance with applicable regulatory requirements.

Task 6 - Prepare FSAR Chapters 13, 14, and 18 in accordance with applicable regulatory requirements.

Task 7 - Prepare FSAR Chapters 1, 3, 8, 17, 18, & 19 in accordance with applicable regulatory requirements.

Task 8 - Prepare FSAR Chapters 9, 10, 11, & 15 in accordance with applicable regulatory requirements.

Task 9 - Prepare fire protection program, inspection programs, other programs, the security plan and quality assurance plan in accordance with applicable regulatory requirements.

Task 10 - Prepare conceptual designs for various plant systems.

Task 11 - Project Management support for all COLA preparation activities.



Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00080679-00111

Major Task or Tasks Associated With: activities associated with providing environmental, line corridor selection studies, and licensing services in support of Site Certification Application (SCA) and Combined Operating License Application (COLA) development for transmission facilities to support a new greenfield site in Florida.

These are all planning activities and do not include actual design or construction activities.

Vendor Identity: Golder Associates Inc.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One

Number of Bids Received: A proposal was submitted by Golder Associates Inc.

Brief Description of Selection Process: Upon receipt of proposal, Supply Chain and company management representatives reviewed the proposal's technical scope, schedule, and cost. A single source justification memo was prepared and approved based on the vendor's involvement since inception of the project and their ability to meet the required schedule requirements, a contract requisition was developed by Transmission Ops and Planning Project Support. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition was approved by the appropriate level of Progress Energy Management. Once the contract requisition was approved, a formal Work Authorization was issued.

Dollar Value:

[REDACTED]

Contract Issued:

issued

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work: Provide environmental, line corridor selection studies, and licensing services in support of SCA and COLA development including:

Task 1 - Corridor Routing Study

Task 1a - Public Involvement

Task 2 - Preparation of applicable sections of the SCA

Task 3 - Certification Support and Hearings/Expert Testimony/Hearing Support/Agency Meetings/Outreach

Task 4 - Preparation of applicable sections of the NRC COLA

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (B)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

For the Year Ended 12/31/2008

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00262141-00003

Major Task or Tasks Associated With: Activities associated with providing conceptual substation engineering and routing study services in support of transmission facilities to support a new greenfield site in Florida.

There are all planning activities and do not include actual design or construction activities.

Vendor Identity: Power Engineers Inc

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One

Number of Bids Received: A proposal was submitted by Power Engineers Inc.

Brief Description of Selection Process: A contract requisition was developed by Transmission Ops and Planning (TOPS) Project Support. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition was approved by the appropriate level of Progress Energy Management. Once the contract requisition was approved, a formal Work Authorization was issued.

Dollar Value: [REDACTED]

Contract Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: Provide conceptual substation engineering and line route study services in support of transmission facilities including:  
- Preparation of preliminary substation design criteria and layout work  
- Preparation of preliminary transmission line corridor layout work  
- For each of the substations, prepare conceptual drawings/site plans

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (b)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00003382-00148

Major Task or Tasks Associated With:

Vendor Identity: Westinghouse Electric Company LLC.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected.

Number of Bids Received: N/A

Brief Description of Selection Process: Per approved Letter of Intent.

Dollar Value:

Contract Status: Issued

Term Begin:

Term End:

Nature and Scope of Work:

Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00300968-00007

Major Task or Tasks Associated With:



Vendor Identity: Stone and Webster Inc.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected. Stone & Webster is Westinghouse contracted engineering and construction partner.

Number of Bids Received: N/A

Brief Description of Selection Process: Per approved Letter of Intent.

Dollar Value:



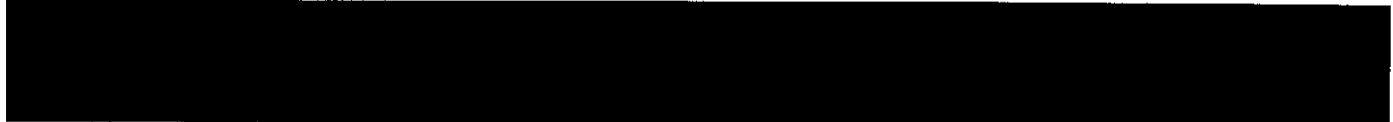
Contract Status: Issued

Term Begin:



Term End:

Nature and Scope of Work:



Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Contracts Executed

[Section (8)(c)]

Schedule AE-BA

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00300958-00006

Major Task or Tasks Associated With:



Vendor Identity: Stone and Webster Inc.

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: One, due to Westinghouse being the sole vendor for the reactor technology selected. Stone & Webster is Westinghouse contracted engineering and construction partner.

Number of Bids Received: A proposal was submitted by Stone and Webster Inc.

Brief Description of Selection Process: Upon receipt of proposal, New Plant Development (NPD) reviewed the proposal's technical scope, schedule, and cost. Comments were provided to the vendor and upon successful completion of comment resolution, a contract requisition was developed by NPD Project Controls. The requisition documents final agreed upon scope, schedule, cost, and established project controls. The requisition is approved by the appropriate level of Progress Energy Management. Once the contract requisition is approved, a formal contract can be issued.

Dollar Value:



Contract Status:

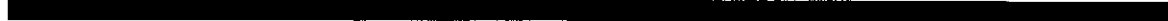
Issued

Term Begin:

Term End:



Nature and Scope of Work:



**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Contracts Executed**

[Section (b)(3)(c)]

Schedule AE-8A

REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide additional details of contracts executed in excess of \$1 million including, the nature and scope of the work, the nature of any affiliation with selected vendor, the method of vendor selection, brief description of vendor selection process, and current status of the contract.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080008 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00255934-00003

Major Task or Tasks Associated With: activities associated with developing the Site Certification Application for the Levy Plant. The application will be submitted to the Florida Department of Environmental Protection.

Vendor Identity: Joint Venture Team - Sargent & Lundy, CH2M Hill, & Worley Parsons

Vendor Affiliation (specify 'direct' or 'indirect'): Direct

Number of Vendors Solicited: 1

Number of Bids Received: 1

Brief Description of Selection Process: This authorization is closely tied to the Levy COLA Environmental Report. An Impact Evaluation was submitted to document project scope, schedule, cost, and risk. The impact evaluation is challenged with technical, QA, and financial reviews prior to approval. The approved impact evaluation is incorporated into a new work authorization.

Dollar Value:

[REDACTED]

Contract Status:

Issued

Term Begin:

[REDACTED]

Term End:

Nature and Scope of Work:

Provide engineering, environmental, and licensing services in support of Site Certification Application development. Major tasks include:

- Task 1 - Site Characterization
- Task 2 - Plant & Associated Facilities
- Task 3 - Construction Impacts
- Task 4 - Operational Impacts
- Task 5 - Economic and Social Effects
- Task 6 - Electrical Transmission Lines
- Task 7 - Need for Power
- Task 8 - Site & Design Alternatives

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Calculation of the Estimated True-up Amount for the Period**

Schedule AE-9

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION:      Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	True-Up Provision	-	-	-	-	-	-	-
3	NFR Revenues Applicable to Period (Lines 1 + 2)	-	-	-	-	-	-	-
4	Jurisdictional NFR Costs	595,466	599,321	815,346	54,267,673	47,398,226	15,289,578	118,965,609
5	Over/Under Recovery true-up provision (Line 3 - Line 4c)	(595,466)	(599,321)	(815,346)	(54,267,673)	(47,398,226)	(15,289,578)	(118,965,609)
6	Interest Provision	-	-	-	-	-	-	-
7	Beginning Balance True-up & Interest Provision	-	-	-	-	-	-	-
a	Deferred True-up	-	-	-	-	-	-	-
8	True-Up Collected (Refunded) (See Line 2)	-	-	-	-	-	-	-
9	End of Period True-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Calculation of the Estimated True-up Amount for the Period**

Schedule AE-9

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(H) Projected July	(I) Projected August	(J) Projected September	(K) Projected October	(L) Projected November	(M) Projected December	(N) 12 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	True-Up Provision	-	-	-	-	-	-	-
3	NFR Revenues Applicable to Period (Lines 1 + 2)	-	-	-	-	-	-	-
4	Jurisdictional NFR Costs	5,695,297	8,885,382	41,592,137	6,456,351	9,034,189	16,508,362	207,137,326
5	Over/Under Recovery true-up provision (Line 3 - Line 4c)	(5,695,297)	(8,885,382)	(41,592,137)	(6,456,351)	(9,034,189)	(16,508,362)	(207,137,326)
6	Interest Provision	-	-	-	-	-	-	-
7	Beginning Balance True-up & Interest Provision	-	-	-	-	-	-	-
a	Deferred True-up	-	-	-	-	-	-	-
8	True-Up Collected (Refunded) (See Line 2)	-	-	-	-	-	-	-
9	End of Period True-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**Levy County Nuclear Filing**  
**Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**Actual & Estimated Filing: Calculation of the Net Interest True-up Amount for the Period**

Schedule AE-10

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION:      Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
1	Beginning Monthly Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Ending Monthly Balance	-	-	-	-	-	-	-
3	Average Monthly Balance	-	-	-	-	-	-	-
4	Beginning of Month interest	-	-	-	-	-	-	-
5	Ending of Month Interest	-	-	-	-	-	-	-
6	Average Interest	-	-	-	-	-	-	-
7	Average Monthly Interest	-	-	-	-	-	-	-
8	Monthly Interest Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.

**Levy County Nuclear Filing  
Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
Actual & Estimated Filing: Calculation of the Net Interest True-up Amount for the Period**

Schedule AE-10

[section (5)(c)4.]

FLORIDA PUBLIC SERVICE COMMISSION      EXPLANATION:      Calculate the estimated net true-up balance, including revenue and interest.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080009 - E1

Witness: Lori Cross

Line No.	Description	(H) Projected July	(I) Projected August	(J) Projected September	(K) Projected October	(L) Projected November	(M) Projected December	(N) 12 Month Total
1	Beginning Monthly Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Ending Monthly Balance	-	-	-	-	-	-	-
3	Average Monthly Balance	-	-	-	-	-	-	-
4	Beginning of Month interest	-	-	-	-	-	-	-
5	Ending of Month Interest	-	-	-	-	-	-	-
6	Average Interest	-	-	-	-	-	-	-
7	Average Monthly Interest	-	-	-	-	-	-	-
8	Monthly Interest Amount	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Rates have not been put in place for Levy and costs are still accounted for in CWIP and thus accrue a carrying charge equal to PEF's AFUDC rate.