

080009-EI

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Petition to Establish
Discovery Docket Regarding
Actual and Projected 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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REDACTED

**REVISED DIRECT TESTIMONY OF LORI CROSS
IN SUPPORT OF PROJECTED COSTS**

**ON BEHALF OF
PROGRESS ENERGY FLORIDA**

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FPSC-COMMISSION CLERK

**IN RE: PETITION TO ESTABLISH DISCOVERY DOCKET
REGARDING PROJECTED 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 PROJECTED COSTS**

I. INTRODUCTION AND QUALIFICATIONS

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16

Q. Please state your name and business address.

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

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

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

Q. What are your responsibilities in that position?

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

1 Nuclear Project Cost Recovery Projection filing, made as part of this discovery
2 docket, in accordance with Rule 25-6.0423, Florida Administrative Code
3 (F.A.C.).
4

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

8 A. I received a Bachelors of Science degree in Accounting from the University of
9 South Florida. I began my employment with PEF (previously Florida Power
10 Corporation) in 1983. During my 24 years with Florida Power Corporation and
11 now Progress Energy Service Co. LLC., I have held a number of financial and
12 accounting positions. In 2004, I became Manager, Regulatory Services for PEF.
13

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

15 A. The purpose of my testimony is to present, for Commission review and approval,
16 Progress Energy Florida's projected costs associated with Levy County activities for
17 the period January 2009 through December 2009.
18

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

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

- 1 • Exhibit No. ____ (LC-2), consisting of Schedules P-1 through P-10, which
2 reflect PEF's retail revenue requirements for the Levy Nuclear Filing from
3 January 2009 through December 2009; however, I will only be sponsoring
4 Schedules P-1 through P-6A, P-9, and P-10. Daniel Roderick will be
5 sponsoring Schedules P-7 through P-8B.

6 This exhibit is true and accurate.

7
8 **Q. What are Schedules P-1 through P-10?**

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

- 1 • Schedule P-6 reflects projected monthly expenditures for preconstruction
- 2 and construction costs for the period.
- 3 • Schedule P-6A reflects descriptions of the major tasks.
- 4 • Schedule P-7 reflects technology selected for the Levy County Nuclear
- 5 Project.
- 6 • Schedule P-8 reflects contracts executed in excess of \$1.0 million.
- 7 • Schedule P-8A reflects details pertaining to the contracts executed in excess
- 8 of \$1.0 million.
- 9 • Schedule P-9 reflects the feasibility of completing the plant.
- 10 • Schedule P-10 reflects the estimated rate impact.

11

12 **Q. What is the source of the data that you will present by way of testimony or**

13 **exhibits in this proceeding?**

14 **A.** The estimates are derived from Nuclear Projects & Construction Group (NPC).

15 NPC uses various rate schedules and contracts to project the cash flows in

16 accordance with our business practice.

17

18 **Q. What are the projected total revenue requirements that PEF will recover in**

19 **2009?**

20 **A.** PEF will request recovery of \$356.8 million in 2009 as presented on Schedule P-1,

21 Line 9, page 2 of 2. This amount includes projected total revenue requirements of

1 \$147.9 million for calendar year 2009, \$207.1 million in actual/estimated expenses
2 for 2008, and actual expenses of \$1.7 million for 2007.

3
4 **Q. What is included in the projected Revenue Requirements for 2009?**

5 **A.** The revenue requirements of \$147.9 million in 2009 as depicted on Schedule P-1,
6 Line 7 includes Preconstruction Costs of \$109.3, carrying costs on the Construction
7 balance of \$30.2 million, recoverable O&M expenditures of \$1.2 million, and the
8 carrying costs on the deferred tax asset of \$7.2 million.

9
10 **Q. What is included in the Total Costs to be Recovered on Schedule P-2 Line 7?**

11 **A.** The \$109.3 million dollars included on Line 7, page 2 of 2 includes the total
12 projected Preconstruction costs of \$97.1 million for 2009 and a return on the
13 unrecovered preconstruction balance of \$12.2 million. The unrecovered
14 preconstruction balance has been reduced each month by the amortization of the
15 prior period.

16
17 **Q. What is included in the Total Return Requirements on Schedule P-3, line 7?**

18 **A.** The Total Return Requirements of \$30.2 million depicted on this schedule
19 represents carrying costs on the average construction balance. The schedule starts
20 with the projected year-end 2008 CWIP balance and adds the monthly construction
21 expenditures and computes the carrying charge on the average monthly balance.
22 The equity component of the return is grossed up for taxes to cover the income
23 taxes that will need to be paid upon recovery in rates. The CWIP balance eligible for

1 return has been reduced by the adjustment on Line 3 which represents the recovery
2 of the prior period's carrying charges as they are recovered through rates recovered
3 in rates. Likewise under these circumstances a compounded return is appropriate
4 until this return is recovered in rates.

5
6 **Q. What is the carrying cost rate used in Schedule P-3?**

7 **A.** The carrying cost rate used on Schedule P-3 is based on PEF's approved after tax
8 rate of 8.848%. On a pre-tax basis, the rate is 13.13%. The rate was approved in
9 Docket 050078-EL Order PSC-05-0945-S-EL. This rate represents the approved
10 rate as of June 12, 2007, and is the appropriate rate to use consistent with Rule 25-
11 6.0423(5) (b) 1. The annual rate was adjusted to a monthly rate as required by the
12 AFUDC rule, FPSC Rule 25-6.0141, Item (3).

13
14 **Q. What is included in Total Return Requirements on Schedule P-3A, Line 8?**

15 The twelve month total of \$7.2 million on line 8, page 2 of 2 represents the carrying
16 charge on the Deferred Tax Asset balance. The deferred tax asset arises from the
17 difference between the book and tax basis for the project. This difference is due to
18 the capitalization of interest for tax purposes as represented by the Construction
19 Period Interest amount on Line 1, the recovery of the preconstruction costs, net of
20 the adjustment on Line 3. For tax purposes, preconstruction costs are recovered as
21 tax depreciation when the plant goes into service and for book purposes they are
22 recovered pursuant to the provisions of the FPSC rule 25.6-0423 which creates a
23 timing difference and gives rise to a deferred tax asset. For book purposes, the

1 adjustment on Line 3 represents the capitalized interest for book purposes. This
2 adjustment will be made until such time as the carrying charges are recovered in
3 rates.

4
5 **Q. Can you explain the Construction Period Interest (CPI) calculation on**
6 **schedule P-3B?.**

7 For tax purposes, we have projected that we will begin to accrue CPI on the
8 construction of the plant itself in January 2009 with the start of clearing, grading
9 and excavation activities. Construction costs subject to CPI will include all
10 cumulative pre-construction and construction costs excluding the costs associated
11 with the license application. Costs associated with the license application are
12 considered intangible in nature for tax purposes and not subject to CPI.

13
14 **Q. What is included in the Other Recoverable O&M Monthly Expenditures on**
15 **Schedule P-5?**

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

20
21 **Q. What are the total projected Preconstruction and Construction projected for**
22 **2009?**

1 A. The total projected jurisdictional preconstruction for 2009 are \$97.1 million. This
2 consists of \$74.6 million in Generation costs and \$22.5 million for Transmission.
3 The total projected jurisdictional construction costs for 2009 are \$412.1 million.
4 These costs consist of \$ 324.4 million in Generation costs and \$87.7 million in
5 Transmission costs. The costs have been adjusted to a cash basis for purposes of
6 calculating the carrying charge and the appropriate jurisdictional separation has
7 been applied. A breakdown of these costs by major task is provided on Schedule P-
8 6.

9 **Q. What was the source of the separation factors used in Schedule P-6?**

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

13 **Q. What is the estimated rate impact to the residential ratepayer expected to be in
14 2009?**

15 A. As can be seen in Schedule P-10, based on 2008 billing determinants, the expected
16 rate impact to the residential ratepayer is \$10.07 per 1000 kwh beginning in January
17 2009.

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

20 A. Yes, it does.

**SCHEDULE APPENDIX
REDACTED**

EXHIBIT (LC-2)

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

JANUARY 2009 - DECEMBER 2009

Projections

DOCKET NO. 080149-EI

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Retail Revenue Requirements Summary

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

Schedule P-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a summary of the projected total retail revenue requirement for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Projected January	(B) Projected February	(C) Projected March	(D) Projected April	(E) Projected May	(F) Projected June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$ 6,892,358	\$ 9,247,280	\$ 9,659,514	\$ 9,575,619	\$ 9,406,221	\$ 10,006,348	\$ 54,787,342
2.	751,045	804,568	1,023,074	1,408,663	1,797,764	2,218,475	8,003,590
3.	80,973	101,365	102,384	101,868	129,517	97,901	613,807
4.	19,910	114,829	216,905	321,225	426,684	534,707	1,634,259
5.	-	-	-	-	-	-	-
6.	<u>\$ 7,744,286</u>	<u>\$ 10,268,043</u>	<u>\$ 11,001,877</u>	<u>\$ 11,407,175</u>	<u>\$ 11,790,187</u>	<u>\$ 12,857,430</u>	<u>\$ 65,038,997</u>
7.	-	-	-	-	-	-	-
8.	595,466	599,321	815,346	54,267,673	47,398,226	15,289,578	118,965,609
9.	<u>\$ 8,339,752</u>	<u>\$ 10,867,364</u>	<u>\$ 11,817,222</u>	<u>\$ 65,674,846</u>	<u>\$ 59,158,412</u>	<u>\$ 28,147,008</u>	<u>\$ 184,004,606</u>

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Retail Revenue Requirements Summary

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

Schedule P-1

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a summary of the projected total retail revenue requirement for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

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 P-2, line 7)	\$ 9,738,603	\$ 9,589,205	\$ 8,514,685	\$ 8,523,887	\$ 8,354,489	\$ 9,792,486	\$ 109,280,698
2.	Construction Carrying Cost Revenue Requirements (Schedule P-3, line 7)	2,666,754	3,110,992	3,518,898	3,897,715	4,283,896	4,736,088	30,217,903
3.	Recoverable O&M Revenue Requirements (Schedule P-4, line 24)	98,522	98,282	98,535	130,834	102,792	102,542	1,243,114
4.	Deferred Tax Asset Carrying Cost (Schedule P-3A, line 8)	645,051	756,070	866,125	975,654	1,088,610	1,201,970	7,165,740
5.	Other Adjustments	-	-	-	-	-	-	-
6.	Total Period Revenue Requirements (Lines 1 through 5)	\$ 13,146,931	\$ 13,534,550	\$ 12,998,213	\$ 13,527,891	\$ 13,827,788	\$ 15,833,086	\$ 147,907,456
7.	Prior Prior January - December 2007 Revenue Requirements	-	-	224,596	480,273	482,739	543,835	1,711,443
8.	Prior Prior January - December 2008 Revenue Requirements	5,695,297	6,885,382	41,592,137	6,456,351	9,034,189	16,508,362	207,137,326
9.	Total Revenue Requirements as of December 2009	\$ 18,842,228	\$ 22,419,932	\$ 54,814,946	\$ 20,444,515	\$ 23,344,716	\$ 32,885,283	\$ 356,758,225

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

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

Schedule P-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a summary of the projected preconstruction costs for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Projected January	(C) Projected February	(D) Projected March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total
Jurisdictional Dollars								
1.		\$ 4,944,282	\$ 7,468,602	\$ 8,050,234	\$ 8,135,737	\$ 8,135,737	\$ 8,905,262	\$ 45,639,856
2.	193,203,787	177,103,472	161,003,156	144,902,840	128,802,525	112,702,209	96,601,894	
3.		16,100,316	16,100,316	16,100,316	16,100,316	16,100,316	16,100,316	96,601,894
4.		185,153,629	169,053,314	152,952,998	136,852,683	120,752,367	104,652,051	
5.								
a.		1,011,679	923,707	835,735	747,763	659,791	571,819	4,750,495
b.		1,647,016	1,503,797	1,360,579	1,217,360	1,074,141	930,922	7,733,815
c.		301,060	274,881	248,702	222,522	196,343	170,164	1,413,672
6.		<u>1,948,076</u>	<u>1,778,678</u>	<u>1,609,260</u>	<u>1,439,882</u>	<u>1,270,484</u>	<u>1,101,086</u>	<u>8,147,487</u>
7.		<u>\$ 6,892,358</u>	<u>\$ 9,247,280</u>	<u>\$ 9,659,514</u>	<u>\$ 9,575,619</u>	<u>\$ 9,406,221</u>	<u>\$ 10,006,348</u>	<u>\$ 54,787,342</u>

Notes:

(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
Projection Filing: Preconstruction Costs

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

Schedule P-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a summary of the projected preconstruction costs for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

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)	\$ 8,806,915	\$ 8,806,915	\$ 7,921,793	\$ 8,100,392	\$ 8,100,392	\$ 9,707,787	\$ 97,084,049
2.	Prior Period Unrecovered Pre-Construction Balance	80,501,578	64,401,282	48,300,947	32,200,631	16,100,316	-	-
3.	Pre-Construction Expenses Recovered	16,100,316	16,100,316	16,100,316	16,100,316	16,100,316	16,100,316	193,203,787
4.	Average Balance Pre-Construction Expenses Eligible for Return	88,551,736	72,451,420	56,351,105	40,250,789	24,150,473	8,050,158	-
5.	Return on Average Net Unamortized CWIP Eligible for Return (c)							
a.	Equity Component (a)	483,847	395,875	307,802	219,930	131,958	43,986	6,333,993
b.	Equity Comp. grossed up for taxes (b)	787,703	644,485	501,266	358,047	214,828	71,609	10,311,753
c.	Debt Component	143,985	117,806	91,627	65,448	39,269	13,090	1,884,896
6.	Total Return Requirements (Line 5b + 5c)	931,688	762,291	592,893	423,495	254,097	84,689	12,196,649
7.	Total Costs to be Recovered (Line 1 + Line 6)	\$ 9,738,603	\$ 9,569,205	\$ 8,514,685	\$ 8,523,887	\$ 8,354,489	\$ 9,792,486	\$ 109,280,698

Notes:

(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
Projection Filing: Construction Costs

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

Schedule P-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the projected carrying costs on projected construction balances for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Projected January	(C) Projected February	(D) Projected March	(E) Projected April	(F) Projected May	(G) Projected June	(H) Total to Date	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule P-6, line 70)	\$ 62,923,001	\$ 5,473,061	\$ 5,741,544	\$ 36,834,542	\$ 37,502,157	\$ 37,502,157	\$ 43,510,893	\$ 229,487,156
2.	Transfers to Plant in Service	-	-	-	-	-	-	-	-
3.	Other Adjustments (d)	5,773,464	(50,363)	(520,282)	(520,282)	(520,282)	(520,282)	(520,282)	3,121,892
4.	CWIP Base Eligible for Return (Line 1 - 2 + 3)		74,119,163	79,340,425	115,654,685	152,636,560	189,618,436	232,608,847	232,608,847
5.	Average Net CWIP Additions		\$71,382,633	\$76,469,653	\$97,237,414	\$133,885,482	\$170,867,357	\$210,853,500	
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		390,035	417,830	631,305	731,550	933,619	1,152,104	4,156,443
b.	Equity Comp. grossed up for taxes (b)		634,977	680,228	864,966	1,190,965	1,519,834	1,875,627	6,766,698
c.	Debt Component		116,068	124,340	158,108	217,698	277,830	342,848	1,236,892
7.	Total Return Requirements (Line 6b + 6c)		\$ 751,045	\$ 804,568	\$ 1,023,074	\$ 1,408,663	\$ 1,797,764	\$ 2,218,475	\$ 8,003,590

(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 8.648%.

(d) This adjustment is the amortization of the prior period carrying charges that will be collected through rates in 2009.

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Construction Costs

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

Schedule P-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the projected carrying costs on projected construction balances for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.		(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
		Beginning of Period	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	Total to Date
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule P-6, line 70)	\$ 229,487,155	\$ 42,742,669	\$ 42,742,669	\$ 35,830,447	\$ 37,224,648	\$ 37,224,648	\$ 49,772,456	\$ 475,024,693
2.	Transfers to Plant in Service	-	-	-	-	-	-	-	-
3.	Other Adjustments (d)	3,121,692	(520,282)	(520,282)	(520,282)	(520,282)	(520,282)	(520,282)	-
4.	CWIP Base Eligible for Return (Line 1 - 2 + 3)		<u>274,831,234</u>	<u>317,053,620</u>	<u>352,363,786</u>	<u>389,068,152</u>	<u>425,772,519</u>	<u>475,024,693</u>	<u>475,024,693</u>
5.	Average Net CWIP Additions		\$253,459,899	\$295,682,286	\$334,448,562	\$370,465,828	\$407,160,195	\$450,138,465	
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		1,384,905	1,615,608	1,827,427	2,024,171	2,224,723	2,459,557	15,692,834
b.	Equity Comp. grossed up for taxes (b)		2,264,628	2,630,213	2,975,056	3,296,354	3,621,854	4,004,163	25,547,964
c.	Debt Component		412,126	480,779	543,813	602,361	662,042	731,925	4,669,939
7.	Total Return Requirements (Line 6b + 6c)		<u>\$ 2,666,754</u>	<u>\$ 3,110,992</u>	<u>\$ 3,518,868</u>	<u>\$ 3,897,715</u>	<u>\$ 4,283,896</u>	<u>\$ 4,736,088</u>	<u>\$ 30,217,903</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) This adjustment is the amortization of the prior period carrying charges that will be collected through rates in 2009.

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Deferred Tax Carrying Costs

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

Schedule P-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the projected deferred tax Carrying Costs for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Projected January	(C) Projected February	(D) Projected March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total
Jurisdictional Dollars								
1.		\$1,256,429	\$1,466,788	\$1,677,147	\$1,905,804	\$2,152,761	\$2,399,719	\$10,858,648
2.		20,491,913	23,016,233	23,597,865	23,683,367	23,683,367	24,452,892	138,925,636
3.		271,237	271,237	271,237	271,237	271,237	271,237	1,627,419
4.		<u>\$ (6,104,188)</u>	<u>\$15,915,391</u>	<u>\$40,669,648</u>	<u>\$68,215,896</u>	<u>\$92,076,304</u>	<u>\$118,183,669</u>	<u>\$145,307,516</u>
5.		<u>\$ (2,354,690)</u>	<u>\$ 6,139,362</u>	<u>\$ 15,688,317</u>	<u>\$ 25,542,782</u>	<u>\$ 35,518,434</u>	<u>\$ 45,589,350</u>	<u>\$ 56,052,374</u>
6.		\$1,892,336	\$10,913,838	\$20,615,549	\$30,530,608	\$40,553,892	\$50,820,862	
7.								
a.		10,340	59,633	112,643	166,819	221,586	277,685	848,707
b.		16,833	97,083	183,384	271,582	360,743	452,072	1,381,697
c.		3,077	17,746	33,521	49,643	65,941	82,835	252,562
8.		<u>\$ 19,910</u>	<u>\$ 114,829</u>	<u>\$ 216,905</u>	<u>\$ 321,225</u>	<u>\$ 426,684</u>	<u>\$ 534,707</u>	<u>\$ 1,634,259</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) Balance represents the prior period debt component that was recorded as a liability that is now included in rates and being amortized over twelve months.

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Deferred Tax Carrying Costs

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

Schedule P-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the projected deferred tax Carrying Costs for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

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	
Jurisdictional Dollars									
1.		\$2,625,625	\$2,830,480	\$3,035,334	\$3,278,405	\$3,559,692	\$3,840,979	\$30,029,163	
2.		24,354,545	24,354,545	23,469,423	23,648,022	23,648,022	25,255,418	283,655,612	
3.		271,237	271,237	271,237	271,237	271,237	271,237	3,254,838	
4.		<u>\$145,307,516</u>	<u>\$172,558,922</u>	<u>\$200,015,183</u>	<u>\$226,791,177</u>	<u>\$253,988,842</u>	<u>\$281,467,793</u>	<u>\$310,835,426</u>	n/a
5.		<u>\$68,052,374</u>	<u>\$66,584,604</u>	<u>\$77,155,857</u>	<u>\$87,484,697</u>	<u>\$97,976,196</u>	<u>\$108,576,201</u>	<u>\$119,904,785</u>	n/a
6.		\$61,308,489	\$71,860,231	\$82,320,277	\$92,730,446	\$103,276,198	\$114,240,463		
7.									
a.		334,990	392,644	449,798	506,679	564,301	624,210	3,721,329	
b.		545,364	639,226	732,272	824,875	918,683	1,016,215	6,058,332	
c.		99,688	116,845	133,853	150,780	167,927	185,755	1,107,409	
8.		<u>\$ 645,051</u>	<u>\$ 756,070</u>	<u>\$ 866,125</u>	<u>\$ 975,654</u>	<u>\$ 1,086,610</u>	<u>\$ 1,201,970</u>	<u>\$ 7,165,740</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) Balance represents the prior period debt component that was recorded as a liability that is now included in rates and being amortized over twelve months.

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Construction Period Interest

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

Schedule P-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the projected
 Construction Period Interest for
 the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	(A) Beginning of Period	(B) Projected January	(C) Projected February	(D) Projected March	(E) Projected April	(F) Projected May	(G) Projected June	(H) 6 Month Total	
Jurisdictional Dollars									
1.	Beginning Balance	\$ 236,902,219	\$ 280,189,444	\$ 323,476,669	\$ 366,763,895	\$ 417,582,299	\$ 468,400,702		
2.	Additions Preconstruction		6,452,683	6,452,683	6,452,683	7,307,711	7,307,711	41,281,181	
3.	Additions Construction		36,834,542	36,834,542	36,834,542	43,510,693	43,510,693	241,035,706	
4.	Other Adjustments		-	-	-	-	-		
5.	Ending Balance Excluding CPI	<u>\$ 236,902,219</u>	<u>\$ 280,189,444</u>	<u>\$ 323,476,669</u>	<u>\$ 366,763,895</u>	<u>\$ 417,582,299</u>	<u>\$ 468,400,702</u>	<u>\$ 519,219,106</u>	
6.	Average Balance Eligible for CPI		258,545,832	301,833,057	345,120,282	392,173,097	442,891,500	493,809,904	
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>\$ 1,256,429</u>	<u>\$ 1,466,788</u>	<u>\$ 1,677,147</u>	<u>\$ 1,905,804</u>	<u>\$ 2,152,761</u>	<u>\$ 2,399,719</u>	<u>\$ 10,858,648</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
Projection Filing: Construction Period Interest

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

Schedule P-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the projected
 Construction Period Interest for
 the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

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
Jurisdictional Dollars								
1.	Beginning Balance	\$ 519,219,106	\$ 561,373,795	\$ 603,528,484	\$ 645,683,173	\$ 703,565,866	\$ 761,448,558	
2.	Additions Preconstruction		6,324,242	6,324,242	6,324,242	8,110,236	8,110,236	84,584,614
3.	Additions Construction		35,830,447	35,830,447	35,830,447	49,772,456	49,772,456	497,844,417
4.	Other Adjustments		-	-	-	-	-	
5.	Ending Balance Excluding CPI	<u>\$ 519,219,106</u>	<u>\$ 561,373,795</u>	<u>\$ 603,528,484</u>	<u>\$ 645,683,173</u>	<u>\$ 703,565,866</u>	<u>\$ 761,448,558</u>	<u>\$ 819,331,250</u>
6.	Average Balance Eligible for CPI		540,296,451	582,451,140	624,605,829	674,624,519	732,507,212	790,389,904
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>\$ 2,625,625</u>	<u>\$ 2,830,480</u>	<u>\$ 3,035,334</u>	<u>\$ 3,278,405</u>	<u>\$ 3,559,692</u>	<u>\$ 3,840,979</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
Projection Filing: Recoverable O&M Monthly Expenditures

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

[Section (8)(e)]

Schedule P-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the Recoverable O&M projected monthly expenditures by function for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Projected January	(B) Projected February	(C) Projected 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	\$ 9,040	\$ 10,877	\$ 10,755	\$ 10,632	\$ 14,306	\$ 10,265	\$ 10,265	\$ 10,388	\$ 10,143	\$ 14,306	\$ 10,755	\$ 10,755	\$ 132,485
2	Corporate Communications	23,136	25,980	25,790	25,601	31,287	25,032	25,032	25,222	24,843	31,287	25,790	25,790	314,792
3	Corporate Planning	14,615	26,679	27,101	28,262	35,558	25,832	25,094	25,411	25,515	36,666	28,579	27,101	326,412
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	7,971	9,565	9,459	9,352	12,542	9,033	9,033	9,140	8,927	12,542	9,459	9,459	116,481
7	IT & Telecom	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
8	Legal	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Project Assurance	8,674	10,616	12,210	10,358	14,242	11,692	9,969	10,099	11,563	14,242	10,487	12,210	136,363
10	Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	68,436	88,717	90,315	89,204	112,935	86,855	84,393	85,259	85,991	114,043	90,069	90,315	1,086,532
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	\$ 25,833	\$ 28,384	\$ 27,752	\$ 28,180	\$ 36,814	\$ 25,894	\$ 27,139	\$ 28,507	\$ 27,915	\$ 36,957	\$ 28,649	\$ 27,976	\$ 350,000
15	Total O&M Costs	\$ 94,269	\$ 117,101	\$ 118,067	\$ 117,384	\$ 149,749	\$ 112,749	\$ 111,532	\$ 113,766	\$ 113,906	\$ 151,000	\$ 118,718	\$ 118,291	\$ 1,436,532
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)	\$ 62,735	\$ 81,327	\$ 82,792	\$ 81,774	\$ 103,528	\$ 79,620	\$ 77,363	\$ 78,157	\$ 78,828	\$ 104,544	\$ 82,566	\$ 82,792	\$ 996,024
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)	\$ 18,237	\$ 20,038	\$ 19,592	\$ 19,894	\$ 25,990	\$ 18,280	\$ 19,159	\$ 20,125	\$ 19,707	\$ 26,091	\$ 20,225	\$ 19,750	\$ 247,090
24	Total Jurisdictional Recoverable O&M Costs	\$ 80,973	\$ 101,365	\$ 102,384	\$ 101,668	\$ 129,517	\$ 97,901	\$ 96,522	\$ 98,282	\$ 98,535	\$ 130,634	\$ 102,792	\$ 102,542	\$ 1,243,114
25	Total Jurisdictional O&M Costs From Most Recent Projection	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Difference (Line 24 - 26)	\$ 80,973	\$ 101,365	\$ 102,384	\$ 101,668	\$ 129,517	\$ 97,901	\$ 96,522	\$ 98,282	\$ 98,535	\$ 130,634	\$ 102,792	\$ 102,542	\$ 1,243,114

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

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

[Section (8)(e)]

Schedule P-5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the Other Recoverable O&M projected monthly expenditures by function for the subsequent year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Description	(A) Projected January	(B) Projected February	(C) Projected 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	\$ 1,000	\$ 10,000
2	Corporate Communications	-	-	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	51,310
3	Corporate Planning	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IT & Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Legal	-	-	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
9	Project Assurance	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Subtotal A&G	-	-	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,131	101,310
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Total O&M Costs	\$ -	\$ -	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 10,131	\$ 101,310
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)	\$ -	\$ -	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 92,871
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Total Jurisdictional Recoverable O&M Costs	\$ -	\$ -	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 92,871
25	Total Jurisdictional O&M Costs From Most Recent Projection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Difference (Line 24 - 25)	\$ -	\$ -	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 9,287	\$ 92,871

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Monthly Expenditures

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

[Section (8)(e)]

Schedule P-6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the projected monthly expenditures by major tasks performed within Site Selection, Preconstruction and Construction categories for the current year.

For the Year Ended 12/31/2009

COMPANY: PROGRESS ENERGY - FL

All Site Selection costs also included in Pre-Construction costs must be identified.

Witness: Lori Cross

DOCKET NO.: 080009 - E1

Line No.	Description	(A) Projected January	(B) Projected February	(C) Projected 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	Pre-Construction:													
5	Generation:													
6	License Application	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 1,704,000	\$ 20,448,000
7	Engineering & Design	1,207,000	1,207,000	1,207,000	1,435,000	1,435,000	1,435,000	1,173,000	1,173,000	1,173,000	1,649,000	1,649,000	1,649,000	16,392,000
8	Permitting	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Clearing, Grading and Excavation	3,477,000	3,477,000	3,477,000	4,134,000	4,134,000	4,134,000	3,378,000	3,378,000	3,378,000	4,750,000	4,750,000	4,750,000	47,217,000
10	On-Site Construction Facilities	\$ 145,000	\$ 145,000	\$ 145,000	\$ 172,000	\$ 172,000	\$ 172,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 198,000	\$ 198,000	\$ 198,000	\$ 1,968,000
11	Total Generation Costs	\$ 6,533,000	\$ 6,533,000	\$ 6,533,000	\$ 7,445,000	\$ 7,445,000	\$ 7,445,000	\$ 6,396,000	\$ 6,396,000	\$ 6,396,000	\$ 8,301,000	\$ 8,301,000	\$ 8,301,000	\$ 86,025,000
12	Less Adjustments:													
13	Non Cash Accruals	2,862,900	395,100	-	820,800	820,800	-	(944,100)	(944,100)	-	1,714,500	1,714,500	-	6,440,400
14	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Net Generation Costs	\$ 3,670,100	\$ 6,137,900	\$ 6,533,000	\$ 6,624,200	\$ 6,624,200	\$ 7,445,000	\$ 7,340,100	\$ 7,340,100	\$ 6,396,000	\$ 6,586,500	\$ 6,586,500	\$ 8,301,000	\$ 79,584,800
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														
18	Total Jurisdictional Generation Costs	\$ 3,440,829	\$ 5,754,465	\$ 6,124,883	\$ 6,210,386	\$ 6,210,386	\$ 6,979,911	\$ 6,881,564	\$ 6,881,564	\$ 5,906,442	\$ 6,175,041	\$ 6,175,041	\$ 7,782,437	\$ 74,612,850
19														
20	Transmission:													
21	Line Engineering	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 1,090,897	\$ 13,090,760
22	Substation Engineering	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	1,090,897	13,090,760
23	Clearing	272,724	272,724	272,724	272,724	272,724	272,724	272,724	272,724	272,724	272,724	272,724	272,724	3,272,690
24	Other	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 272,724	\$ 3,272,690
25	Total Transmission Costs	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 32,726,900
26	Less Adjustments:													
27	Non Cash Accruals	597,614	299,183	-	-	-	-	-	-	-	-	-	-	896,796
28	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Net Transmission Costs	\$ 2,129,628	\$ 2,428,059	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 2,727,242	\$ 31,830,104
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														
32	Total Jurisdictional Transmission Costs	\$ 1,503,454	\$ 1,714,137	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 1,925,351	\$ 22,471,099
33														
34	Total Jurisdictional Preconstruction Costs	\$ 4,944,282	\$ 7,468,602	\$ 8,050,234	\$ 8,135,737	\$ 8,135,737	\$ 8,905,262	\$ 8,806,915	\$ 8,806,915	\$ 7,921,793	\$ 8,100,392	\$ 8,100,392	\$ 9,707,787	\$ 87,084,049
35														
36	Construction:													
37	Generation:													
38	Real Estate Acquisitions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Project Management	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Permanent Staff/Training	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
41	Site Preparation	1,046,000	1,046,000	1,046,000	1,244,000	1,244,000	1,244,000	1,017,000	1,017,000	1,017,000	1,426,000	1,426,000	1,426,000	14,208,000
42	On-Site Construction Facilities	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	1,008,000
43	Power Block Engineering, Procurement, etc.	25,036,250	25,036,250	25,036,250	31,168,250	31,168,250	31,168,250	24,113,250	24,113,250	24,113,250	36,920,250	36,920,250	36,920,250	351,714,000
44	Non-Power Block Engineering, Procurement, etc.	\$ 4,185,000	\$ 4,185,000	\$ 4,185,000	\$ 4,976,000	\$ 4,976,000	\$ 4,976,000	\$ 4,066,000	\$ 4,066,000	\$ 4,066,000	\$ 5,718,000	\$ 5,718,000	\$ 5,718,000	\$ 56,835,000
45	Total Generation Costs	\$ 30,501,250	\$ 30,501,250	\$ 30,501,250	\$ 37,622,250	\$ 37,622,250	\$ 37,622,250	\$ 29,430,250	\$ 29,430,250	\$ 29,430,250	\$ 44,301,250	\$ 44,301,250	\$ 44,301,250	\$ 425,565,000
46	Less Adjustments:													
47	Non Cash Accruals	27,369,225	27,370,125	-	6,408,900	6,408,900	-	(7,372,800)	(7,372,800)	-	13,383,900	13,383,900	-	79,579,350
48	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Net Generation Costs	\$ 3,132,025	\$ 3,131,125	\$ 30,501,250	\$ 31,213,350	\$ 31,213,350	\$ 37,622,250	\$ 36,803,050	\$ 36,803,050	\$ 29,430,250	\$ 30,917,350	\$ 30,917,350	\$ 44,301,250	\$ 345,985,650
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														
52	Total Jurisdictional Generation Costs	\$ 2,936,367	\$ 2,935,524	\$ 28,595,837	\$ 29,263,452	\$ 29,263,452	\$ 35,274,968	\$ 34,503,963	\$ 34,503,963	\$ 27,591,742	\$ 28,985,943	\$ 28,985,943	\$ 41,533,751	\$ 324,371,926
53														
54	Transmission:													
55	Line Engineering	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 350,102	\$ 4,201,218
56	Substation Engineering	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	2,450,711	29,408,526
57	Real Estate Acquisition	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	4,477,798	53,733,578
58	Line Construction	583,503	583,503	583,503	583,503	583,503	583,503	583,503	583,503	583,503	583,503	583,503	583,503	7,002,030
59	Substation Construction	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	2,684,112	32,209,338
60	Other	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 1,123,826	\$ 13,485,910
61	Total Transmission Costs	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 140,040,800
62	Less Adjustments:													
63	Non Cash Accruals	8,076,847	7,695,348	-	-	-	-	-	-	-	-	-	-	15,772,195
64	Other	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Net Transmission Costs	\$ 3,593,203	\$ 3,974,702	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 11,670,050	\$ 124,268,605
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														
68	Total Jurisdictional Transmission Costs	\$ 2,536,694	\$ 2,806,020	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 8,238,705	\$ 87,729,786
69														
70	Total Jurisdictional Construction Costs	\$ 5,473,061	\$ 5,741,544	\$ 36,834,542	\$ 37,502,157	\$ 37,502,157	\$ 43,510,693	\$ 42,742,669	\$ 42,742,669	\$ 35,830,447	\$ 37,224,648	\$ 37,224,648	\$ 49,772,456	\$ 412,101,692

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Description of Monthly Expenditures

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

[Section (8)(e)]

Schedule P-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.

For the Year Ended 12/31/2009

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Lori Cross

Line No.	Major Task	Description - Includes, but is not limited to:
1	<u>Pre-Construction:</u>	
2	<u>Generation:</u>	
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	<u>Transmission:</u>	
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	<u>Construction:</u>	
17	<u>Generation:</u>	
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	<u>Transmission:</u>	
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
Projection Filing: Technology Selected**

[Section (8)(b)]

Schedule P-7

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 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick

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
 Projection Filing: Contracts Executed

Section 8(k)(3)

Schedule P-3

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

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.

For the Year Ended 12/31/2009

Witness: Daniel Roderick/Date Officer

(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							Washington Electric Co. LLC.	Sole Source Award based on selected vendor from the technology selected	Levy Price Finalization support
2	00300988-00004	Issued							Stone & Webster Inc.	Sole Source Award based on selected vendor from the technology selected	Levy Price Finalization support
3	00300988-00002	Issued							Stone & Webster Inc.	Sole Source Award based on selected vendor from the technology selected	Levy Phase 1A - Conceptual Design and site characterization
4	00255634-00002	Issued							Joint Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons) - 00255634-00003	RFP Competitive Bid & Evaluation process. Low Cost bidder accepted.	Combined Operating License Application (COLA) prepare
5	00080678-00111	Issued							Galder Associates Inc.	Sole Sourced	LNP Transmission Corridor Study
6	00262141-00003	Issued							Power Engineers Inc.	Sole Sourced	Line and Substation Design Study Support
7										Sole Source Award based on selected vendor from the technology selected	LNP Phase 1 Work Activities to Support SCALWA Submittals
8									Stone & Webster Inc.	Sole Source Award based on selected vendor from the technology selected	
9	00300988-07	Issued							Washington Electric Co. LLC.	Sole Source Award based on selected vendor from the technology selected	
10	00003382-14-00003	Issued							Joint Venture Team (Sargent & Lundy, CH2M Hill, & Worley Parsons) - 00255634-00003	RFP Competitive Bid & Evaluation process. Low Cost bidder accepted.	Levy Site Certification Application

Note: Original amount for contract nbr. 00255634-00002 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
Projection Filing: Contracts Executed

[Section (8)(c)]

Schedule P-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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel Roderick/Dale Oliver

DOCKET NO.: 080009 - EI

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
Projection Filing: Contracts Executed

[Section (B)(c)]

Schedule P-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 12/31/2009

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 associated with the Levy Nuclear Plant (LNP) site specific systems and buildings. These are all planning activities and do not include actual design or construction activities.

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: [REDACTED]

Nature and Scope of Work:
[REDACTED]

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

[Section (b)(c)]

Schedule P-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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

Witness: Daniel Roderick/Dale Oliver

DOCKET NO.: 080009 - EI

Contract No.: 00300968-00002

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: [REDACTED]

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
Projection Filing: Contracts Executed

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

Schedule P-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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00255934-00002

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 assemble a review team and complete a detailed evaluation of the proposals. Vendors were evaluated and scored on the following criteria: Corporate Experience, Team Experience, Technical Plan, and Financial. This evaluation has been formally documented. Once the vendor was selected, a contract was prepared and approved and a pre-award meeting was held prior to starting work on the project.

Dollar Value: [REDACTED]

Contract Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

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 16 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
Projection Filing: Contracts Executed

[Section (b)(c)]

Schedule P-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 12/31/2009

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00080678-00111

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.

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 Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

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
Projection Filing: Contracts Executed

[Section (b)(c)]
REDACTED

Schedule P-8A

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 12/31/2009

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
Projection Filing: Contracts Executed

[Section (8)(c)]

Schedule P-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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00003382-00148

Major Task or Tasks Associated With: The contractor will provide supply chain, Quality Assurance, project management, and engineering services as necessary to negotiate and establish manufacturing agreements for a limited amount of equipment associated with the AP-1000 reactor technology for the potential new Levy Plant.

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: [REDACTED]

Contract Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work:

[REDACTED]

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

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

Schedule P-8A

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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00300968-00007

Major Task or Tasks Associated With: Execute the Limited Authorization described in the Letter of Intent (LOI) issued to Westinghouse Company (WEC) and Shaw Stone and Webster

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: [REDACTED]

Contract Status: Issued

Term Begin: [REDACTED]

Term End: [REDACTED]

Nature and Scope of Work: [REDACTED]

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

[Section (8)(c)]

Schedule P-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 12/31/2009

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - E1

Witness: Daniel Roderick/Dale Oliver

Contract No.: 00300968-00006

Major Task or Tasks Associated With: 1) The scope of work includes those activities necessary to support the Site Certification Application (SCA) and Limited Work Authorization (LWA) submittals.

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

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

Dollar Value:

[REDACTED]

Contract Status: Issued

Term Begin:

Term End:

[REDACTED]

Nature and Scope of Work:

All work activities required to support the Levy Limited Work Authorization and Site Certification Application.

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

Schedule P-8A

[Section (8)(c)]
REDACTED

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

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 12/31/2009

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: [REDACTED]

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
Projection Filing: Feasibility of Completing the Plant**

[Section (5)(c)5.]

Schedule P-9

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a detail analysis of the long-term feasibility
of completing the plant.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2009

DOCKET NO.: 080009 - EI

Witness:

Please see testimony of Daniel L. Roderick and Dale Oliver.

Levy County Nuclear Filings
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Projection Filing: Estimate Rate Impact

Schedule P-10

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080009 - EI

EXPLANATION: Using the billing determinants and allocation factors used in the previous year's cost recovery filings, provide an estimate of the rate impact by class of the costs requested for recovery. Current billing determinants and allocation factors may be used, if available.

For the Year Ended 12/31/2009

Witness: Lori Cross

Line No.	(A) Rate Class	(B) 12CP & 1/13 AD Demand Allocator (%)	(C) Production Demand Costs \$	(D) Effective Mwh's at Meter Year 2008	(E) Estimated Capacity Cost Recovery Factor (c/Kwh)
Residential					
	RS-1, RST-1, RSL-1, RSL-2, RSS-1				
	Secondary	60.454%	\$215,827,598	21,431,535	1.007
General Service Non-Demand					
	GS-1, GST-1				
	Secondary			1,391,472	0.852
	Primary			8,868	0.000
	Transmission			3,633	0.000
	TOTAL GS	3.352%	\$11,968,801	1,403,973	
General Service					
	GS-2				
	Secondary	0.146%	\$521,170	89,286	0.564
General Service Demand					
	GSD-1, GSDT-1, SS-1				
	Secondary			12,946,646	0.720
	Primary			2,443,814	0.000
	Transmission			10,004	0.000
	TOTAL GSD	31.042%	\$110,825,246	15,400,464	
Curtailable					
	CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3				
	Secondary			0	0.524
	Primary			193,492	0.000
	Transmission			0	0.000
	TOTAL CS	0.284%	\$1,013,962	193,492	
Interruptible					
	IS-1, IST-1, IS-2, IST-2, SS-2				
	Secondary			120,638	0.815
	Primary			2,076,176	0.000
	Transmission			461,713	0.000
	TOTAL IS	4.579%	\$16,346,730	2,658,527	
Lighting					
	LS-1				
	Secondary	0.143%	\$509,582	356,390	0.143
		100.000%	\$357,013,089	41,533,666	0.860

NOTE: Revenues have been grossed up by 1.00072% for revenue related taxes.