

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by
Progress Energy Florida, Inc.

DOCKET NO. 090079-EI

Submitted for filing: March 20, 2009

**DIRECT TESTIMONY
OF
PETER TOOMEY**

On behalf of Progress Energy Florida

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**In re: Petition for rate increase by Progress Energy Florida, Inc.
Docket No. 090079-EI**

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I. INTRODUCTION AND PURPOSE.

Q. Please state your name and business address.

A. My name is Peter Toomey. My business address is 299 First Avenue North, St. Petersburg, Florida, (33701).

Q. What is your position with Progress Energy Florida?

A. I am the Vice President of Finance of Progress Energy Florida, Inc. ("PEF" or the "Company").

Q. What are the duties and responsibilities of your position with the Company?

A. My duties and responsibilities with the Company include strategic planning, financial planning and forecasting, business planning, budgeting, cost management, management accounting, and key performance management.

Q. Please describe your educational background and professional experience?

A. I received a Bachelor of Science degree in Economics from Florida State University and an MBA from the University of South Florida; I also completed

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1 the Advanced Management Program at the Fuqua School of Business at Duke
2 University. I joined PEF in my current capacity at the end of 2007. Prior to
3 that, I was employed by Allegheny Power, a utility with operations in four Mid-
4 Atlantic States, since September 2003. I was named the Executive Director of
5 Customer Service in January 2007; I was previously the Director of Rates from
6 March 2005; and prior to that I was the Director of Finance for the regulated
7 utilities. My areas of responsibility included Rates, the Customer Service
8 Center, Customer Relations, and Electric Supply. My other utility industry
9 experience was from 1984 to 2000, when I was employed by PEF or one of its
10 affiliates. During that time I held the titles of Vice President of Corporate
11 Development from 1997 to 2000, Director of Strategic Planning and Business
12 Improvement from 1995 to 1997, Director of Strategic Analysis from 1992 to
13 1995, and Assistant Treasurer of an unregulated subsidiary from 1989 to 1991.
14 I have provided testimony to the Public Service Commissions of West Virginia,
15 Ohio, and Maryland.

16
17 **Q. What is the purpose of your testimony?**

18 A. I will describe the base rate increase that the Company is requesting in this
19 proceeding and generally explain why the Company needs this increase at this
20 time. I will further explain the Company's efforts to mitigate this increase by
21 reducing or maintaining our cost levels while at the same time continuing to
22 provide our customers with safe, reliable electric service. Importantly, as I
23 explain too, this requested base rate increase follows a period of almost a

1 decade where PEF reduced its base rates and absorbed the cost of an entire
2 additional generation plant, subject only to upward adjustments to pay for two
3 additional generation plants, despite steadily increasing inflation and the
4 resulting upward pressure on our cost of providing electric service.

5 I will describe PEF's Budget & Financial Forecast Process to explain how
6 the Company determined that this base rate increase was necessary to
7 continue to provide customers safe, reliable electric service. This Process was
8 used to develop the Company's detailed "per books" income statement and
9 balance sheet information for 2009 and the 2010 test year. I will present the
10 key assumptions for, and the key components of, the Company's 2009 and
11 2010 budgets, income statements, and balance sheets.

12 I will also describe the procedures the Company uses to monitor and
13 control its Operation and Maintenance ("O&M") and Construction budgets. I
14 will explain how the Company's 2009 and 2010 budgets and resulting financial
15 data were used to develop the Company's Minimum Filing Requirements
16 ("MFRs"). I will explain why 2010 is the appropriate test year and I will describe
17 the Company's rate-making adjustments to per books net operating income
18 ("NOI") and rate base. In this process, I will explain how the NOI, rate base,
19 and capital structure were developed. I will also discuss taxes other than
20 income and income taxes.

21 I will further introduce and generally explain the reports the Company
22 prepared that are being filing in this rate proceeding. These include the
23 Company's Depreciation Study, Fossil Dismantlement Study, Nuclear

1 Decommissioning Study, and Storm Damage Reserve Study. Mr. Earl
2 Robinson with AUS Consultants prepared the Company's Depreciation Study
3 and is filing testimony in this proceeding to support that Study. Similarly, Mr.
4 Steven P. Harris with ABS Consulting was retained to prepare a Storm
5 Damage Reserve Study and is filing testimony in support of that Study. The
6 2008 Fossil Dismantlement Study and Nuclear Decommissioning Study were
7 prepared by Mr. Jeff Kopp with Burns and McDonnell and Mr. William A.
8 Cloutier, Jr. with TLG Services, Inc., respectively. Mr. David Sorrick is co-
9 sponsoring the Fossil Dismantlement Study, specifically section 7, and Mr. Dale
10 Young is co-sponsoring the Nuclear Decommissioning Study. I am a co-
11 sponsor of these Studies. Specifically, with respect to the Fossil
12 Dismantlement Study, I am sponsoring sections 1 through 6.

13 Finally, I will explain the Florida Public Service Commission's (the
14 "Commission" or the "PSC") benchmarking policy for O&M expenses and the
15 resulting Commission O&M benchmarking test. I will generally explain how the
16 Company fares under the O&M benchmarking test and whether that test is in
17 fact appropriate to use in this proceeding.

18
19 **Q. Do you have any exhibits to your testimony?**

20 A. Yes, I prepared or supervised the preparation of the following exhibits to my
21 direct testimony:

- 22 • Exhibit No. ____ (PT-1), a list of the MFRs I sponsor or co-sponsor in this rate
23 proceeding;

- 1 • Exhibit No. ____ (PT-2), a summary table of the Company's 2010 test year
- 2 results;
- 3 • Exhibit No. ____ (PT-3), a summary of the revenue requirements associated
- 4 with the Bartow Repowering project;
- 5 • Exhibit No. ____ (PT-4), a summary of the revenue requirements associated
- 6 with the Steam Generator replacement project at the Crystal River nuclear
- 7 facility;
- 8 • Exhibit No. ____ (PT-5), the calculation of the revenue requirements for Interim
- 9 Rate Relief;
- 10 • Exhibit No. ____ (PT-6), PEF's key assumptions for its 2009 and 2010 Budget
- 11 & Financial Process;
- 12 • Exhibit No. ____ (PT-7), PEF's O&M and construction budgets by functional
- 13 area;
- 14 • Exhibit No. ____ (PT-8), an analysis of O&M expenses compared to the
- 15 Commission's O&M benchmark test;
- 16 • Exhibit No. ____ (PT-9), a detailed calculation of the impact of the change in
- 17 depreciation rates;
- 18 • Exhibit No. ____ (PT-10), the 2008 Fossil Dismantlement Study; and
- 19 • Exhibit No. ____ (PT-11), a reconciliation of the capital structure to rate base.

20 These exhibits are true and accurate.

21
22 **Q. Do you sponsor any schedules in the Company's MFRs?**

1 A. Yes. I will sponsor or co-sponsor the MFR schedules listed in Exhibit No. ____
2 (PT-1). These schedules are true and accurate, subject to their being adjusted
3 in this proceeding.

4
5 **Q. What are the time periods covered by the MFRs that you will address in**
6 **your testimony?**

7 A. The MFR schedules provide financial data and other information for three
8 annual periods: The "test year" is the forecasted calendar year 2010 and is
9 based on the results of PEF's 2010 budget process; the "prior year" is a
10 calendar year 2009 and is based on the results of PEF's 2009 budget process;
11 and the "historic year" is calendar year 2008 and is based on actual data from
12 the Company's books and records. Certain MFR schedules also encompass
13 additional periods such as, for example, 25 years of historic weather data to
14 support "normal" weather figures used in the test year.

15
16 **II. OVERVIEW OF THE COMPANY'S BASE RATE NEEDS.**

17 **Q. What are the Company's test year revenue requirements?**

18 A. The Company's 2010 test year produces net operating income for the retail
19 jurisdiction of \$268.5 million and a retail rate base of \$6,238.6 million. The
20 return requirement using a weighted average cost of capital of 9.2 percent,
21 which includes a rate of return on common equity of 12.54 percent, is \$574.6
22 million. This produces a net operating income deficiency of \$306 million which
23 results in a revenue deficiency of \$499.9 million as reflected on MFR Schedule

1 A-1. This is the base rate increase PEF requests in this proceeding. A
2 summary of the 2010 test year results is contained in Exhibit No. ____ (PT-2) to
3 my testimony.

4
5 **Q. What are the primary drivers of this revenue deficiency?**

6 A. The primary drivers of the revenue deficiency are \$130 million for the Bartow
7 Repowering Project, \$48 million for the CR3 Steam Generator replacement
8 project, \$170 million for the impact of the economy on sales, \$34 million for
9 increased Pension Expense, and \$41 million for increases in depreciation, in
10 addition to our on-going capital and O&M expenditures to meet federal and
11 state reliability initiatives and continue to provide our customers with the
12 reliable, efficient electric service they demand. Detailed calculations of the
13 revenue requirements for the Bartow Repowering project and the CR3 Steam
14 Generator replacement project are provided in Exhibits Nos. ____ (PT-3) and
15 ____ (PT-4) to my testimony.

16 In sum, our 2010 test year revenue requirements are reasonable and
17 necessary to provide our customers with reliable power to meet their energy
18 needs consistent with federal and state energy policies. The Bartow
19 Repowering project satisfies our obligation to meet customers' needs for power
20 while fulfilling state energy efficiency policies. Similarly, the CR3 Steam
21 Generator replacement project will enable the Company to continue to provide
22 customers energy from the lowest cost fuel source available to the Company
23 while ensuring the Company maintains a diverse fuel mix consistent with state

1 energy goals. Other capital and O&M expenditures will ensure we continue to
2 reliably provide power to our customers by meeting federal regulatory reliability
3 requirements and state legislative and regulatory storm hardening initiatives.
4 These expenditures, the need for them, and their related benefits are explained
5 in more detail by the Company's other witnesses in this proceeding.

6 The necessity of these capital and O&M investments in the Company's
7 system for our customers' benefit is not diminished by the economic
8 circumstances the Company and its customers face. Simply put, we are
9 serving more customers today and they place more demands on our system
10 than they did four years ago, but sales are not keeping up with the cost to meet
11 their demands, and the financial crises that led to volatile, constrained capital
12 markets directly impact our ability to cost-effectively meet their demands for
13 reliable power. The economic circumstances, therefore, enhance the need for
14 this rate increase to ensure that the Company recovers its required investment
15 and remains financially sound to provide the reliable power our customers
16 demand throughout our capital expenditure program to bring new nuclear
17 generation, improved transmission and distribution reliability, and enhanced
18 electric service to our customers. The Company needs the base rate increase
19 it requests to fulfill our obligation to reliably and efficiently serve our customers
20 and achieve the energy policy goals that have been set before us.

21
22 **Q. Is the Company also seeking interim rate relief?**

1 A. Yes. PEF requests interim relief of \$13.1 million as shown on Exhibit No. ____
2 (PT-5) to my testimony, based upon the historic twelve-month period ending
3 December 31, 2008, which upon Commission approval will become effective
4 with the first billing cycle for July 2009 and result in a percent increase of 1.70
5 of the monthly billed base rate revenues. This amount was calculated in
6 accordance with Section 366.071(5), Florida Statutes, and represents the
7 additional revenues required to achieve a 10 percent return on equity for
8 calendar year 2008. The 10 percent return on equity was established as the
9 earnings floor in the Stipulation and Settlement approved by the Commission in
10 Order No. PSC-05-0945-S-EI in Docket No. 050078-EI. I sponsor the
11 Company's MFR schedules supporting its request for interim rate relief
12 contained in the MFR volume entitled Section G – Interim Schedules.

13 The Company is projecting its 2009 return on equity to be below 7
14 percent. Accordingly, PEF needs this interim relief, and PEF further needs the
15 limited base rate relief in 2009 requested in its limited proceeding petition, and
16 the accounting and cost adjustments requested in its petition for approval of the
17 deferral of pension expenses and the ability to charge storm hardening initiative
18 expenses to the storm damage reserve, in order to move closer to the 10
19 percent return on equity floor for 2009 set forth in the Stipulation and
20 Settlement approved by the Commission. Also, the interim tariff sheets are the
21 same tariff sheets for PEF's requested limited proceeding base rate relief
22 because, if the limited proceeding petition is granted by the Commission, the
23 adjustments to rates to include the limited proceeding and interim relief revenue

1 requirements can be accomplished at the same time, thus, eliminating the need
2 for separate base rate adjustments to customer bills.

3
4 **Q. Please explain why 2010 is the appropriate test year for this base rate**
5 **proceeding.**

6 A. The 2010 test year represents the financial and business operations of the
7 Company during the period when new rates will be in effect. The Bartow
8 Repowering project will go into service in June 2009 and the CR3 Steam
9 Generator replacement project will go into service in December 2009, thus,
10 2010 represents the first full year both projects will be in-service. The revenue
11 requirements for these projects, as I explained previously, are among the
12 primary reasons for the 2010 revenue deficiency. Additionally, transmission
13 and distribution expansion and/or reliability projects enter service in 2010. With
14 these capital investments, and our on-going O&M requirements to provide
15 customers reliable, efficient electric service, the Company's 2010 test year rate
16 base, net operating income, and capital structure more reasonably reflect than
17 any other year the Company's expected operations during the period the
18 approved rates will be in effect. Further, the Company's use of the projected
19 2010 test year to set rates is consistent with the Commission's long-standing
20 practice to approve projected test years.

21
22 **Q. Was a base rate increase at this time avoidable?**

1 A. No, it was not. First, the Company has not had a general base rate increase
2 since 1993. Instead, PEF lowered its base rates beginning in 2002, and kept
3 them at that level through 2007 when they were adjusted only for the addition
4 of two combined cycle generation plants, as a result of the settlement of the
5 Company's last two base rate proceedings. During that period, PEF absorbed
6 the cost of another combined cycle generation plant that was needed to meet
7 customer demand, as well as the on-going escalations in labor, material,
8 equipment, health care, and insurance costs, among others, over the past two
9 decades since our last general base rate increase.

10 This extended period of relatively flat base rates demonstrates the
11 Company's long history of effectively managing its costs and living within its
12 means while continuing to meet the growing need for power of an increasing
13 level of customers. In fact, we have managed to maintain our base rates at
14 essentially the same levels they were twenty-five years ago but our cost
15 management efforts and customers growth can no longer keep pace with our
16 necessary capital and O&M requirements to deliver reliable electric service to
17 customers consistent with federal and state reliability requirements and energy
18 policy goals.

19 Second, the Company continues to focus on effectively managing its
20 costs. For example, the Company has employed in each functional area
21 sustainable cost management or reductions and/or efficiency gains without
22 sacrificing safety, operational excellence, and customer satisfaction. These
23 cost management and reduction efforts, and the Company's efficiency gains,

1 are explained by the Company's witnesses, Mr. Young, Mr. Sorrick, Mr. Oliver,
2 Mr. Joyner, Ms. Morman, Mr. DesChamps, and Ms. Wyckoff. We also strive to
3 keep staffing levels aligned with the work load as evidenced by the work force
4 reductions that we have announced in our Energy Delivery business unit.
5 However, our continuing need for capital and O&M investment in our system to
6 reliably deliver power to our customers makes it impossible for the Company to
7 continue to earn a reasonable return on its investment without a base rate
8 increase.

9 These capital investments include, among others, the Bartow Repowering
10 project and the CR3 Steam Generator replacement project, both of which must
11 be added to satisfy our obligation to meet our customers' need for power while
12 also providing our customers with fuel efficiency and environmental benefits.
13 The Company understands the tough realities of the current economic situation
14 and the Company is doing what it can to manage costs and remain financially
15 strong through this period and beyond. But the Company is already in the
16 largest capital expansion program in its history to meet customer needs for
17 reliable, cost-effective power produced by cleaner, more efficient resources,
18 and transmitted and distributed across a safe, reliable, and hardened system
19 consistent with federal and state energy policy requirements and goals. It is
20 imperative that the Company remain financially healthy and earn reasonable
21 returns to raise the capital it will need to meet its obligation to serve customers
22 consistent with these energy policy goals.
23

1 **III. PEF's BUDGET & FINANCIAL FORECAST PROCESS.**

2 **Q. Will you please explain the Company's Corporate Planning and**
3 **Budgeting Process?**

4 A. Certainly. Normally, we plan and budget on a two year basis – planning in
5 2008, for example, for the business years 2009 and 2010. We conduct this
6 process throughout the course of the year in several stages. We begin by
7 engaging in a review of strategic and corporate objectives for the coming year.
8 Then we set financial targets for business units, taking into account the
9 resource needs of each of the Company's business units and the corporate
10 objectives we have established for the coming year. Next, the business units
11 develop business plans and budgets calculated to achieve these targets. Once
12 these are complete, we integrate them into an overall corporate plan and
13 budget. Finally, this is reviewed, modified as may be appropriate, and
14 approved by senior management and the Board.

15 The development of the budget and corporate plan is a dynamic process
16 that involves the interplay of strategic planning, ongoing re-examination and
17 adjustment of historical spending levels, energy and sales forecast updating,
18 rigorous review of resource needs and operational constraints, and target
19 setting designed to drive performance and control costs and to ensure that any
20 additional outlays for capital projects and O&M expenditures are necessary and
21 cost-effective.

22
23 **Q. How is the Company's operating budget developed?**

1 A. The corporate operating budget includes necessary revenue and cost
2 components, such as revenues, fuel and non-fuel expenses, O&M, and taxes,
3 among other components. This is distinguished from the business unit O&M
4 budget, which addresses the Company's period costs by functional areas, i.e.
5 power production, operations (transmission, distribution, and customer
6 services), and Administrative and General expenses. The corporate operating
7 budget includes the business unit O&M and construction budgets. The
8 corporate operating budget process begins in July with the conclusion of the
9 financial target setting process. Business unit O&M and construction budgets
10 are developed over a two month process running concurrently with the
11 corporate operating budgeting process.

12
13 **Q. What are the key assumptions for PEF's 2009 and 2010 budgets?**

14 A. The key assumptions underlying the 2009 and 2010 budgets are listed in
15 Exhibit No. ____ (PT-6) to my testimony and in MFR Schedule F-8.

16
17 **Q. What are the significant components of the Company's 2009 and 2010
18 operating budgets?**

19 A. The revenues budget is based on the most recent customer, load, and energy
20 sales forecast and it is integrated into the Company's corporate financial model
21 (the "Model"). The Model is a computer simulation application used to forecast
22 monthly and annual financial data through the use of a number of integrated
23 calculation modules. The Model is updated on a timely basis to include the

1 most current rate data as well as the approved corporate customer, sales, and
2 demand forecast. The Model then calculates base revenues. Other revenue
3 components, such as fuel, energy conservation, environmental cost recovery,
4 capacity, and franchise fees are then computed to develop the total operating
5 revenue projection.

6 The O&M budget development is exclusive of fuel costs recoverable
7 through the fuel adjustment clause. Managers develop a detailed operating
8 plan for the budget year. From this operating plan, a preliminary budget is
9 developed on a project, FERC, and resource basis. This budget represents the
10 base line for which the manager is held accountable during the upcoming year.
11 The budget reflects the manager's goals and objectives to be justified to
12 successive levels of management. The individual budgets are consolidated at
13 various levels within each business unit to create a preliminary corporate
14 budget. At the conclusion of the preliminary review and analysis, each
15 department's detailed budget is input into the corporate budget system. Each
16 department inputs its direct expenditures, and then a series of burdens and
17 allocations are run. These include benefit and tax burdens on payroll, inventory
18 burdens, sales and use tax burdens on materials, and the allocation of Service
19 Company costs to business units. Other adjustments are made to the budget
20 for certain corporate level expenses and accruals, such as the nuclear outage,
21 pension costs, and nuclear joint-owner credits.

1 **Q. How are the Company's planned construction programs developed in the**
2 **Company's operating budgets?**

3 A. The foundation of the construction program and, in turn, the construction
4 budget, is the need for the physical facilities required to provide electrical
5 energy to our customers. Examples of these physical facilities are generating
6 units, transmission lines and substations, and distribution substations and
7 structures. The need for these facilities is driven by a number of factors, either
8 individually or in combination, such as customer growth projections, age of
9 existing facilities, technological obsolescence of existing plant, availability of
10 alternative energy sources such as purchased power and qualified facilities,
11 demand-side management programs, system reliability, and qualitative
12 considerations. Various alternatives are evaluated based on reliability, cost,
13 and fuel type and a specific plan for construction of generating facilities of
14 specific size, at specified points in time, including related transmission and
15 distribution facilities is developed. The essential construction requirements
16 data included in this plan are then transmitted to various construction
17 management groups who develop the detailed Construction Budgets.

18
19 **Q. How does the Company monitor and control the Company's operating**
20 **budgets after they have been put into effect?**

21 A. The primary means to monitor and control the O&M and construction budgets
22 is through the monthly Cost Management Reports ("CMR"). These reports
23 reflect monthly and year-to-date variances by business unit and are distributed

1 to senior management as part of the Company's monthly corporate financial
2 report. Cost management reports also include current year projections of O&M
3 and capital spending compared to annual budgets. These projections are the
4 basis for updated corporate income and cash flow projections, which are
5 presented to senior management monthly and to the Board of Directors
6 quarterly.

7
8 **Q. What are the 2009 and 2010 operating budgets for PEF's Production,**
9 **Transmission, Distribution, Customer Service, and Administrative and**
10 **General (A&G) functional areas?**

11 A. The breakdown of the Company's 2009 and 2010 O&M and construction
12 budgets for the five functional areas is attached as Exhibit No. ____ (PT-7) to my
13 testimony. PEF's witnesses for these functional areas will address and support
14 the specific components of the O&M and construction budgets for their
15 respective areas.

16
17 **IV. DEVELOPMENT OF THE COMPANY'S MFRs.**

18 **Q. Please explain how the Company's MFRs were developed.**

19 A. The starting point in the development of the MFRs was PEF's budget process
20 for 2009 and 2010. The budget data from these periods coupled with the
21 actual data from 2008 provide the foundation for the MFRs. The budget data
22 for 2009 and 2010 was prepared in accordance with the reasonable procedures
23 and processes used by the Company to prepare its budgets for normal

1 business purposes. These budget numbers reasonably represent the actual
2 expected financial results from the operation of the business for 2009 and
3 2010.

4
5 **Q. In developing the MFRs, did the Company make any adjustments to the**
6 **per books financial information derived from the Company's budget**
7 **process?**

8 A. Yes, a number of adjustments were made to the "per books" actual and budget
9 data for retail ratemaking purposes.

10
11 **Q. Did the Company comply with Commission-approved practice and policy**
12 **when it developed its MFRs?**

13 A. Yes. The Company completed the MFRs in accordance with Commission
14 approved practices and policies.

15
16 **Q. Please explain how the Company determined its net operating income for**
17 **the 2010 test year.**

18 A. The test year per books net operating income ("NOI") was derived from the
19 PEF Corporate budget for 2010. The following is a description of the key inputs
20 into this process:

- 21 • System revenues from sales of electric energy were developed within the
22 Corporate Model. Other Operating Revenues were developed by the
23 Strategic and Financial Planning Department and the Financial Planning

1 organizations within the Business Units. These revenues were
2 determined through an analysis of historic trends adjusted for the current
3 economic conditions and associated anticipated future events.

- 4 • Fuel and purchased power expenses were developed through PROMOD
5 cost simulations and the Corporate Model.
- 6 • Non-fuel O&M expenses were developed through a rigorous top-down,
7 bottom-up budget process.
- 8 • Depreciation Expense was calculated using the rates developed in the
9 most recent Depreciation Study included in the testimony of Mr. Earl
10 Robinson in this proceeding and applied to the projected electric plant in-
11 service balances.
- 12 • Decommissioning Expense was determined based on the projected
13 accrual resulting from the updated Decommissioning Study prepared by
14 Mr. Bill Cloutier and included as an exhibit to the testimony of Mr. Dale
15 Young in this proceeding.
- 16 • Fossil Dismantlement Expense was based on the accrual to the reserve
17 based on the updated Fossil Dismantlement Study prepared by Mr. Jeff
18 Kopp, included in section 7 of my Exhibit No. __ (PT-10), and sponsored
19 by Mr. David Sorrick.
- 20 • Amortization expense was derived from amortizing investment in electric
21 plant dedicated to Commission-approved energy conservation programs
22 and other intangible plant.

- 1 • The details of the development of Taxes Other than Income, including the
- 2 type, amount, and rate of each tax is provided in MFR Schedule C-20.
- 3 • Income taxes were calculated based on application of the federal and
- 4 state statutory tax rates applied to projected taxable income.
- 5 • The Allowance for Funds Used During Construction (“AFUDC”) was
- 6 calculated using the Company’s Commission-approved annual rate of
- 7 8.848 percent in Order No. PSC-05-0945-S-EI in Docket No. 050078.
- 8

9 **Q. Please explain how the Company determined what O&M costs were**
10 **necessary for the 2010 test year in the MFRs.**

11 A. The O&M costs were developed based on a top-down, bottom-up budgeting
12 process. The business units each developed O&M budgets based on their
13 business plans. The business plans are designed to achieve certain levels of
14 performance and provide certain levels of service. The budgets are reviewed
15 by several levels of management to ensure that they provide the dollars
16 necessary to achieve the business unit goals and objectives and to ensure that
17 they are in line with the overall corporate financial and operational objectives.
18 The budgets are entered into the Corporate budgeting system and then rolled
19 up to the FERC account level.

20
21 **V. COMMISSION O&M BENCHMARK TEST.**

22 **Q. What is the Commission’s O&M benchmark test?**

1 A. The O&M benchmark test consists of two distinct but related parts. The first
2 part is a comparison of PEF's test year O&M expenses, broken down into six
3 functional areas, against the O&M benchmark for each functional area. The
4 O&M benchmark for each functional area was developed by escalating the
5 actual O&M expenses for 2006, which was the test year for the Company's last
6 base rate case, by the CPI and, except for power plant O&M, the customer
7 growth rate. This part of the test shows what the level of O&M expenses would
8 be within each functional area assuming that these expenses experienced only
9 increases due to inflation, measured by the CPI, and, except for power plant
10 O&M, the rate of customer growth since the Company's last base rate
11 proceeding. No presumption that the benchmark O&M expenses should be the
12 Company's test year O&M expenses is created under the Commission test.
13 Rather, the Commission recognizes that its benchmark test is merely an
14 analytical tool to help the Commission focus attention on those O&M expense
15 areas that experienced proportionally higher O&M increases than other areas
16 compared to inflation and customer growth.

17 The second part of the Commission test is the justification provided by the
18 Company for increases in O&M expenses that are not explained by inflation
19 and customer growth. These reasons can include the need to perform new
20 activities or increases in the scope of existing activities to provide safe, reliable
21 electric service compared to the last base rate proceeding, additional expenses
22 due to expansion of the generating fleet, or inflation rates for certain costs that
23 are greater than the benchmark escalator (CPI), among others.

1
2 **Q. What are the results of applying the Commission O&M benchmark test to**
3 **PEF's O&M costs in the 2010 test year?**

4 A. The O&M benchmarking test shows that the Company's test year O&M
5 exceeds the O&M benchmark by approximately \$143 million. An analysis of
6 the Company's O&M expenses compared to the Commission's O&M
7 benchmark test is contained in Exhibit No. ____ (PT-8) to my testimony. The
8 Company's justification for this variance is provided on MFR Schedule C-41
9 and explained by the individual Company witnesses for each functional area in
10 which the O&M benchmark test is applied.

11
12 **VI. NOI AND RATE BASE.**

13 **Q. Please describe the ratemaking adjustments you made to PEF's per books**
14 **NOI in the Company's MFRs.**

15 A. These adjustments are reflected on MFR Schedule C-3. Certain of these
16 adjustments are explained further below:

17 Recoverable Clause Expenses. Expenses recoverable by PEF through its
18 adjustment clauses (fuel and capacity cost recovery, energy conservation cost
19 recovery ("ECCR"), environmental cost recovery ("ECRC"), and nuclear cost
20 recovery ("NCR")) have been removed from the test year NOI.

21 Franchise fee & gross receipts tax revenue and expense. The revenues and
22 expenses have been eliminated from the income statement for ratemaking

1 purposes consistent with Commission policies and orders. (See Order No.
2 11307 issued November 10, 1982 in Docket No. 820007-EU).

3 Economic development expenses. An adjustment based on Commission Rule
4 25-6.0426, F.A.C., has been made for these expenses.

5 Industry Association Dues. Consistent with Commission practice, the
6 Company has removed \$22,000 for industry association dues.

7 Rate case expenses. Based on long-standing Commission practice, the
8 Company has amortized rate case expenses over a two-year period. MFR
9 Schedule C-10 itemizes and details these expenses.

10 Corporate aircraft expenses. Consistent with Company and Commission
11 practice, the Company has removed the impact of these costs from NOI.

12 Interest on income tax deficiency. An adjustment has been made consistent
13 with Commission authorization in Order No. PSC-92-1197-FOF-EI in Docket
14 No. 910890-EI.

15 Interest synchronization. Consistent with Commission practice the Company
16 has made an adjustment to NOI to reflect the income tax impact of interest
17 expense inherent in the Company's capital structure.

18
19 **Q. How did the Company determine the appropriate accrual to the Storm
20 Damage Reserve?**

21 A. Based on the results of an updated Storm Loss and Reserve Solvency Study,
22 PEF has increased the annual accrual to its Storm Damage Reserve to \$16
23 million on a system basis, or \$10 million more than the \$6 million accrual

1 approved by the Commission in Order No. PSC-94-0852-FOF-EI, in Docket No.
2 94621-EI. The updated Study was commissioned by PEF to analyze the
3 Company's risk of various storm events and the resulting damage from those
4 events. The proposed \$16 million accrual is equivalent to the expected,
5 average recoverable annual storm loss based on the study. This accrual level
6 produces an expected reserve balance in five years of \$152.5 million with a 10
7 percent probability of a negative balance during that period. PEF believes that
8 an annual accrual to the Storm Damage Reserve set at the expected average
9 annual storm loss is reasonable and appropriate. The updated Storm Loss and
10 Reserve Solvency Study is included as an exhibit to the testimony of Mr. Harris.

11
12 **Q. Does the Company plan to continue to accrue interest on the storm**
13 **damage reserve?**

14 A. No, the Company proposes to include the storm damage reserve in rate base
15 and to discontinue the practice of accruing interest on the reserve balance. In
16 accordance with the provisions of the Settlement Agreement in Docket No.
17 041272-EI, the Company is accruing interest on the storm reserve. The terms
18 of that agreement provide that this interest treatment is only in effect until such
19 time as new permanent base rates are set and the parties to that agreement
20 are free to advocate any position regarding interest on the storm reserve in any
21 future proceeding. PEF advocates discontinuing the accrual of interest on the
22 storm reserve balance and including the storm reserve in the calculation of
23 PEF's rate base, which results in a reduction of rate base and, therefore,

lowers the revenue requirements on rate base.

Q. How was the Company's test year rate base in the MFRs developed?

A. The rate base MFRs begin with the per books data derived from the 2009 and 2010 budget process, in combination with the actual rate base investment through 2008. Since the per books data represents information developed by the Company for its business purposes, certain adjustments to this data are required to develop test year data suitable for ratemaking purposes.

Q. What adjustments were made to PEF's per books rate base?

A. These adjustments are listed and explained in MFR Schedule B-2. Certain of the Company's per books rate base adjustments that I generally describe below are simply the corresponding entries to account for the rate base effect of adjustments to per books NOI that I previously described.

Recoverable adjustment clause costs. These adjustments correspond to the NOI adjustments made to remove from the test year all costs that are recoverable through the adjustment clauses for fuel and capacity cost recovery, ECCR, Storm Cost Recovery Surcharge ("SCRS"), ECRC, and the NCR.

AFUDC bearing Construction Work in Progress ("CWIP"). Consistent with Commission policy any construction project that qualifies under Commission Rule 25-6.0141, F.A.C. to receive AFUDC has been removed from rate base.

1 **Q. How did the Company determine the appropriate depreciation rates and**
2 **expense for the test year?**

3 A. The Company commissioned a depreciation study to determine the appropriate
4 level of depreciation expense. That depreciation study was prepared by Earl
5 Robinson with AUS Consultants and is included as an exhibit to Mr. Robinson's
6 testimony in this proceeding. The depreciation rates produced in this study
7 result in an increase in depreciation expense for the test year of \$46
8 million (system) and \$41 million (retail). A detailed calculation of this
9 adjustment is included in Exhibit No. ___ (PT-9) to my testimony.

10
11 **Q. Did the Company prepare a Fossil Dismantlement Study?**

12 A. Yes. The Company's Fossil Dismantlement Study was prepared by Mr. Jeff
13 Kopp with Burns and McDonnell. This Study provided the Company a review
14 of the Company's fossil fuel, power generation facilities and a recommendation
15 regarding the total cost to dismantle the facilities at the end of their useful lives.
16 Based on that study, the fossil dismantlement accrual for the 2010 test year is
17 \$3.8 million (system). A detailed calculation of the accrual included in the test
18 year, along with the other information required by the Commission's fossil
19 dismantlement rule, is provided in Exhibit No. ___(PT-10) to my testimony.

20
21 **Q. Did the Company prepare a Nuclear Decommissioning Report?**

22 A. Yes. The Company's Nuclear Decommissioning Report was prepared by Mr.
23 William A. Cloutier, Jr. with TLG Services, Inc. The Report presents estimates

1 future cost of decommissioning including life extension and, therefore, there is
2 no need for a going-forward annual accrual to the reserve.

3
4 **Q. How did the Company develop its capital structure for the 2010 test year**
5 **in its MFRs?**

6 A. Similar to the NOI and rate base adjustments, several adjustments to PEF's per
7 books capital structure for the test year are necessary to comply with the
8 Commission's ratemaking policies. These adjustments are identified and
9 explained in MFR Schedule D-1b.

10
11 **Q. Was an adjustment made to the Company's capital structure to recognize**
12 **the rating agencies' treatment of PEF's obligations under its long-term**
13 **PPAs?**

14 A. Yes. PEF made an adjustment to the equity component of its capital structure
15 to recognize the practice of rating agencies to impute debt to a utility's capital
16 structure to account for the utility's off-balance sheet obligations under long-
17 term purchased power agreements ("PPAs"). Mr. Sullivan explains in his
18 testimony this rating agency practice, in particular the practice by Standard &
19 Poors, of treating payments under long-term PPAs as debt-like obligations that
20 result in additional, imputed debt to the utility's capital structure for credit
21 analysis. As Mr. Sullivan explains, PEF must account for this imputed debt with
22 sufficient additional equity in its capital structure to maintain its target credit
23 rating and, ultimately, preserve its access to the capital markets for capital at a

1 result in additional, imputed debt to the utility's capital structure for credit
2 analysis. As Mr. Sullivan explains, PEF must account for this imputed debt with
3 sufficient additional equity in its capital structure to maintain its target credit
4 rating and, ultimately, preserve its access to the capital markets for capital at a
5 reasonable cost. The consequences for failing to make this adjustment can
6 include a lower rating or credit outlook and a higher cost of debt for the utility
7 and its customers.

8
9 **Q. Please describe the capital structure adjustment regarding the source of**
10 **funds supporting PEF's unrecovered fuel cost balance.**

11 **A.** PEF accounts for these costs through a direct assignment of commercial paper
12 as the source of capital for these costs, rather than through a pro rata
13 assignment of all sources of capital. This adjustment is prudent because
14 commercial paper is uniquely used to finance unrecovered fuel costs.

15
16 **Q. Why didn't you make a similar adjustment for the unrecovered balance**
17 **resulting from PEF's other clauses?**

18 **A.** The nature of the expenses recovered through the ECCR and ECRC, which
19 includes such recoverable costs as depreciation, return on investment, taxes,
20 and O&M, just to name a few, is different from the recoverable fuel costs and,
21 therefore, it is not appropriate to direct assign the unrecovered balances from
22 these other cost recovery clauses to commercial paper. The expenses

1 recovered in these other clauses are the types of costs that are more typically
2 funded from all sources of capital.

3
4 **Q. Please describe the other clause related source of funds adjustment**
5 **made to the capital structure.**

6 A. Given the unique nature of the Nuclear Cost Recovery mechanism, it is prudent
7 to recognize the impact that recovery of these costs has on deferred taxes
8 through a specific adjustment to the accumulated deferred income tax balance
9 included in the capital structure, thus allowing the remaining rate base
10 (excluding nuclear cost recovery) to be synchronized to the capital structure
11 through a pro rata assignment of all sources of capital. This adjustment is
12 prudent because of the unique creation of accumulated deferred income taxes
13 which result from this clause related cost.

14
15 **Q. Please describe the capital structure adjustment for non-utility**
16 **investment.**

17 A. Consistent with past Commission practice, PEF's non-utility investment was
18 removed entirely from the equity component of PEF's capital structure, rather
19 than pro rata from all sources of capital.

20
21 **Q. Are there any other Commission ratemaking policies that the Company**
22 **must apply to its test year capital structure?**

1 A. Yes. Commission ratemaking practice requires the reconciliation of the test
2 year capital structure with the utility's rate base. This reconciliation is
3 summarized in Exhibit No. ____ (PT-11) to my testimony.
4

5 **Q. Please explain the Taxes Other than Income in the 2010 test year in the**
6 **Company's MFRs.**

7 A. The total Taxes Other than Income included in the 2010 test year are \$390.4
8 million. Of this amount, \$239.6 million are revenue related taxes which are
9 basically passed through to customers on their bills. The remaining Taxes
10 Other than Income represent property taxes and payroll taxes. Property taxes
11 are projected to be \$125.1 million and they are calculated by applying the
12 projected tax rates to the projected plant balances. Payroll taxes are projected
13 to be \$25.7 million, and they are calculated by applying projected payroll tax
14 rates to the 2010 budgeted payroll expense.
15

16 **Q. How were income taxes accounted for in the Company's MFRs?**

17 A. Income taxes were calculated by first adjusting the pre-tax net operating
18 income for any tax exempt items and then by multiplying the adjusted pre-tax
19 net operating income by both the state and federal statutory tax rates. The
20 income taxes were split into current and deferred taxes by adjusting book
21 taxable income by any timing differences for revenues and expenses.
22

23 **VIII. CONCLUSION.**

1 **Q. What are the test year revenue requirements that the Company needs?**

2 A. Based on the fully adjusted NOI, rate base, and capital structure set forth in the
3 Company's MFRs, PEF requires retail revenues of \$2,017.8 million in order to
4 cover operating expenses and produce a return of \$574.6 million on retail rate
5 base of \$6,238.6 million at a weighted average cost of capital of 9.21 percent,
6 including a rate of return on common equity of 12.54 percent. Mr. Slusser's
7 testimony presents proposed rates and charges that will produce these
8 revenue requirements from PEF's rate classes in proportion to the Company's
9 costs to serve each of the revenue classes.

10
11 **Q. How do these revenue requirements compare with the test year revenues
12 that would be produced under the Company's current rates?**

13 A. Using the test year billing determinants provided in Mr. Slusser's testimony,
14 PEF's current base rates would produce revenues of \$1,517.9 million. When
15 compared to the Company's test year revenue requirements, current rates
16 would result in a revenue deficiency of \$499.9 million. This is the base rate
17 increase that PEF reasonably requests in its petition for rate relief and the rate
18 increase that is supported by the Company's MFRs and witnesses.

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

21 A. Yes.
22

MINIMUM FILING REQUIREMENTS SCHEDULES
Sponsored, All or In Part, by Peter E. Toomey

<u>Schedule #</u>	<u>Schedule Title</u>
A-1	Full Revenue Requirements Increase Requested
A-3	Summary Of Tariffs
A-4	Interim Revenue Requirements Increase Requested
B-1	Adjusted Rate Base
B-2	Rate Base Adjustments
B-3	13 Month Average Balance Sheet – System Basis
B-4	Two Year Historical Balance Sheet
B-5	Detail of Changes in Rate Base
B-6	Jurisdictional Separation Factors – Rate Base
B-7	Plant Balances by Account and Sub-Account
B-8	Monthly Balances Test Year – 13 Months
B-9	Depreciation Reserve Balances by Account and Sub-Account
B-10	Monthly Reserve Balances Test Year – 13 Months
B-11	Capital Additions and Retirements
B-12	Production Plant Additions
B-13	Construction Work in Progress
B-14	Earnings Test
B-15	Property Held for Future Use – 13 Month Average
B-17	Working Capital – 13 Month Average
B-19	Miscellaneous Deferred Debits
B-20	Other Deferred Credits
B-21	Accumulated Provision Accounts – 228.2, 228.3, 228.4
B-22	Total Accumulated Deferred Income Taxes
B-23	Investment Tax Credits – Annual Analysis
B-24	Leasing Arrangements
B-25	Accounting Policy Changes Affecting Rate Base

<u>Schedule #</u>	<u>Schedule Title</u>
C-1	Adjusted Jurisdictional Net Operating Income Calculation
C-2	Net Operating Income Adjustments
C-3	Jurisdictional Net Operating Income Adjustments
C-4	Jurisdictional Separation Factors – Net Operating Income
C-5	Operating Revenues Detail
C-6	Budgeted versus Actual Operating Income and Expenses
C-8	Detail of Changes in Expenses
C-9	Five Year Analysis – Change in Cost
C-10	Detail of Rate Case Expenses for Outside Consultants
C-11	Uncollectible Accounts
C-13	Miscellaneous General Expenses
C-14	Advertising Expenses
C-15	Industry Association Dues
C-16	Outside Professional Services
C-17	Pension Cost
C-18	Lobbying, Other Political Expenses and Civic / Charitable Contributions
C-19	Amortization / Recovery Schedule – 12 Months
C-20	Taxes Other Than Income Taxes
C-21	Revenue Taxes
C-22	State and Federal Income Tax Calculation
C-23	Interest in Tax Expense
C-25	Deferred Tax Adjustment
C-26	Income Tax Returns
C-27	Consolidated Tax Information
C-28	Miscellaneous Tax Information
C-29	Gains and Losses on Disposition of Plant or Property
C-30	Transactions with Affiliated Companies
C-31	Affiliated Company Relationships
C-32	Non-Utility Operations Utilizing Utility Assets
C-33	Performance Indices

<u>Schedule #</u>	<u>Schedule Title</u>
C-34	Statistical Information
C-35	Payroll & Fringe Benefit Increases Compared to CPI
C-36	Non-Fuel Operation and Maintenance Expense Compare to CPI
C-37	O&M Benchmark Comparison by Function
C-38	O&M Adjustments by Function
C-39	Benchmark Year Recoverable O&M Expenses by Function
C-40	O&M Compound Multiplier Calculation
C-41	O&M Benchmark Comparison by Function
C-42	Hedging Costs
C-43	Security Costs
C-44	Revenue Expansion Factor
D-1a	Cost Of Capital – 13 Month Average
D-1b	Cost Of Capital – Adjustments
D-6	Customer Deposits
D-9	Financial Indicators – Summary
F-1	Annual and Quarterly Report to Shareholders
F-2	SEC Reports
F-3	Business Contracts with Officers or Directors
F-5	Forecasting Models
F-6	Forecasting Models – Sensitivity of Output to Changes in Input Data
F-7	Forecasting Models – Historical Data
F-8	Assumptions
G-1	Interim Revenue Requirements
G-2	Interim Adjusted Rate Base
G-3	Interim Rate Base Adjustments
G-4	Interim Jurisdictional Separation Factors – Rate Base
G-5	Interim Working Capital – 13 Month Average
G-7	Interim Adjusted Jurisdictional Net Operating Income
G-8	Interim Net Operating Income Adjustments
G-9	Interim Jurisdictional Net Operating Income Adjustments

<u>Schedule #</u>	<u>Schedule Title</u>
G-10	Interim Jurisdictional Separation Factors – Net Operating Income
G-11	Interim Operating Revenues Detail
G-12	Interim State and Federal Income Tax Calculation
G-13	Interim Interest in Tax Expense Calculation
G-15	Interim Gains and Losses on Disposition of Plant or Property
G-16	Interim Pension Cost
G-17	Interim Accounting Policy Changes
G-18	Interim Revenue Expansion Factor
G-19a	Interim Cost of Capital – 13 Month Average
G-19b	Interim Cost of Capital – Adjustments
G-20	Interim Revenue from Sale of Electricity by Rate Schedule

SCHEDULE A-1

FULL REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION	Explanation: Provide the calculation of the requested full revenue requirements increase.	Type of Data Shown:
Company: PROGRESS ENERGY FLORIDA INC.		<input checked="" type="checkbox"/> Projected Test Year Ended 12/31/2010
Docket No. 090079-EI		<input type="checkbox"/> Prior Year Ended 12/31/2009
		<input type="checkbox"/> Historical Test Year Ended 12/31/2008
		Witness: Toomey

Line No.	(A) Description	(B) Source	(C) Amount (\$000)
1	Jurisdictional Adjusted Rate Base	Schedule B-1	\$ 6,238,617
2	Rate of Return on Rate Base Requested	Schedule D-1a	x 9.21%
3	Jurisdictional Net Operating Income Requested	Line 1 x Line 2	\$ 574,577
4	Jurisdictional Adjusted Net Operating Income	Schedule C-1	268,546
5	Net Operating Income Deficiency (Excess)	Line 3 - Line 4	\$ 306,031
6	Earned Rate of Return	Line 4/ Line 1	<u>4.30%</u>
7	Net Operating Income Multiplier	Schedule C-44	x 1.6338
8	Revenue Increase (Decrease) Requested	Line 5 x Line 7	<u>\$ 499,997</u>
9			
10			
11			
12			
13			
14	Note: Totals may not add due to rounding.		
15			

(\$000)

Line No.		Generation			Transmission			Total
		System	Separation Factor	Retail Jurisdictional	System	Separation Factor	Retail Jurisdictional	Retail Jurisdictional
1	Estimated In-Service Date							6/1/09
2								
3	Annualized Rate Base							
4	Electric Plant in Service	\$645,981	88.462%	\$571,448	\$154,202	67.629%	\$104,285	\$675,733
5	Accumulated Reserve for Depreciation	(14,567)	88.462%	(12,886)	(902)	67.629%	(610)	(13,496)
6	Fuel Inventory	2,900	82.848%	2,403	0		0	2,403
7	Working Capital - Income Taxes Payable	(12,494)		(11,046)	(1,465)		(1,046)	(12,092)
8	Total Annualized Rate Base	\$621,820		\$549,918	\$151,835		\$102,629	\$652,547
9								
10	Annualized NOI							
11	O&M	\$9,880	88.462%	\$8,740	\$0	67.629%	\$0	\$8,740
12	Depreciation Expense	29,134	88.462%	25,772	1,804	67.629%	1,220	26,992
13	Property Taxes	5,900	88.160%	5,201	1,400	88.160%	1,234	6,436
14	Payroll Taxes & Benefits	1,694	87.692%	1,486	0		0	1,486
15	Income Taxes -							
16	Direct Current & Deferred	(17,979)		(15,893)	(1,236)		(947)	(16,839)
17	Imputed Interest	(7,010)		(6,200)	(1,694)		(1,146)	(7,346)
19	Total Annualized NOI	(\$21,619)		(\$19,107)	(\$274)		(\$362)	(\$19,468)
20								
21								
22	Calculation of Revenue Requirement							
23	Cost of Capital (1)	9.21%		9.21%	9.21%		9.21%	9.21%
24	NOI Requirement (Line 8 * Line 23)	\$57,270		\$50,647	\$13,984		\$9,452	\$60,100
25	NOI Deficiency (Line 24 less Line 19)	\$78,888		\$69,754	\$14,258		\$9,814	\$79,568
26	Net Operating Income Multiplier (MFR C-44)	1.6338		1.6338	1.6338		1.6338	1.6338
27								
28	Revenue Requirement (Line 25 * Line 26)	\$128,889	88.42%	\$113,965	\$23,295	68.83%	\$16,034	\$129,999
29								
30								
31								
32	Calculation of Taxes on Imputed Interest							
33	Weighted Cost of Debt Capital (MFR D-1):							
34	Long Term Debt Fixed Rate	2.72%		2.72%	2.72%		2.72%	
35	Long Term Debt Variable Rate	0.00%		0.00%	0.00%		0.00%	
36	Short Term Debt	0.01%		0.01%	0.01%		0.01%	
37	Customer Deposits	0.12%		0.12%	0.12%		0.12%	
38	JDIC	0.01%		0.01%	0.01%		0.01%	
39		2.87%		2.87%	2.87%		2.87%	
40								
41	Imputed Interest (Line 8 * Line 39)	\$18,173		\$16,072	\$4,392		\$2,970	
42	Income Taxes on Imputed Interest at 38.575%	(\$7,010)		(\$6,200)	(\$1,694)		(\$1,146)	

(1) - Based on weighted cost of capital presented on MFR D-1 in this docket.

Progress Energy Florida
Crystal River Nuclear Unit -3
Steam Generator Replacement - Annual Revenue Requirements

Progress Energy Florida
Docket No. 090079-E1
Exhibit No. ____ (PT-4)
Page 1 of 1

		(\$000)		
Line No.		System	Separation Factor	Retail Jurisdictional
1	Estimated In-Service Date			12/31/09
2				
3	<u>Annualized Rate Base</u>			
4	Electric Plant in Service	\$298,931	88.462%	\$264,440
5	Accumulated Reserve for Depreciation	(6,128)	88.462%	(5,421)
6	Fuel Inventory	0		0
7	Working Capital - Income Taxes Payable	(4,657)		(4,118)
8	Total Annualized Rate Base	\$288,146		\$254,901
9				
10	<u>Annualized NOI</u>			
11	O&M	\$0	88.462%	\$0
12	Depreciation Expense	12,256	88.462%	10,842
13	Property Taxes	3,500	88.160%	3,086
14	Payroll Taxes & Benefits	0		0
15	Income Taxes -			
16	Direct Current & Deferred	(6,078)		(5,373)
17	Imputed Interest	(3,236)		(2,863)
18	Total Annualized NOI	(\$6,442)		(\$5,692)
19				
20				
21	<u>Calculation of Revenue Requirement</u>			
22	Cost of Capital (1)	9.21%		9.21%
23	NOI Requirement (Line 8 * Line 22)	\$26,538		\$23,476
24	NOI Deficiency (Line 23 less Line 18)	\$32,980		\$29,168
25	Net Operating Income Multiplier (MFR C-44)	1.6338		1.6338
26				
27	Revenue Requirement (Line 24 * Line 25)	\$53,884	88.44%	\$47,656
28				
29				
30	Footnote: (1) Based on weighted cost of capital presented on MFR D-1 in this Docket.			
31				
32	<u>Calculation of Taxes on Imputed Interest</u>			
33	Weighted Cost of Debt Capital (MFR D-1):			
34	Long Term Debt Fixed Rate	2.72%		2.72%
35	Long Term Debt Variable Rate	0.00%		0.00%
36	Short Term Debt	0.01%		0.01%
37	Customer Deposits	0.12%		0.12%
38	JDIC	0.01%		0.01%
39		2.87%		2.87%
40				
41	Imputed Interest (Line 8 * Line 39)	\$8,389		\$7,421
42	Income Taxes on Imputed Interest at 38.575%	(\$3,236)		(\$2,863)

SCHEDULE A-4

INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide the calculation of the requested interim revenue requirements increase.

Type of Data Shown:

Company: PROGRESS ENERGY FLORIDA INC.

Projected Test Year Ended 12/31/2010

Prior Year Ended 12/31/2009

Docket No. 090079-EI

Historical Test Year Ended 12/31/2008

Witness: Toomey

Line No.	(A) Description	(B) Source	(C) Amount (\$000)
1	Jurisdictional Adjusted Rate Base	Schedule B-1	\$ 5,098,765
2	Rate of Return on Rate Base Requested	Schedule D-1a	x 7.84%
3	Jurisdictional Net Operating Income Requested	Line 1 x Line 2	\$ 399,488
4	Jurisdictional Adjusted Net Operating Income	Schedule C-1	<u>391,486</u>
5	Net Operating Income Deficiency (Excess)	Line 3 - Line 4	\$ 8,002
6	Earned Rate of Return	Line 4/ Line 1 = <u>7.68%</u>	
7	Net Operating Income Multiplier	Schedule C-44	x <u>1.6343</u>
8	Revenue Increase (Decrease) Requested	Line 5 x Line 7	<u>\$ 13,078</u>
9			
10			
11			
12			
13			
14	Note: Totals may not add due to rounding.		
15			

2010 Key Budget Assumptions

- Weather normalized retail base revenue growth of 0%
- Bartow Repowering Project placed in service June 2009
- Crystal River Unit 3 Nuclear Steam Generator project placed in service December 2009
- Crystal River 4 Electrostatic Precipitators placed in service June 2010
- Includes the impact of:
 - Updated depreciation study
 - Updated fossil dismantlement study
 - Increased pension expense
 - Updated nuclear decommissioning report
 - Increase in storm damage accrual
 - Incremental O&M and capital expenditures for storm hardening
- Targeted 50% common equity ratio
- March 2010 issuance of \$750M 10 yr note at 6.98%
- June 2010 retirement of \$300M note due at 4.5% (issued in 2005)

PEF'S O&M AND CONSTRUCTION BUDGETS BY FUNCTIONAL AREA

Production	<u>O&M (\$000)</u>	<u>Construction (\$000)</u>
2009	\$ 238,114	\$334,332
2010	\$281,145	\$184,762
Transmission	<u>O&M</u>	<u>Construction</u>
2009	\$35,085	\$198,919
2010	\$45,336	\$185,172
Distribution	<u>O&M</u>	<u>Construction</u>
2009	\$125,842	\$186,774
2010	\$144,926	\$236,240
Customer Services	<u>O&M</u>	<u>Construction</u>
2009	\$55,466	\$ -0-
2010	\$58,285	\$ -0-
A&G	<u>O&M</u>	<u>Construction</u>
2009	\$271,108	\$52,421
2010	\$286,789	\$50,712
Total	O&M	Construction
2009	\$725,614	\$772,446
2010	\$816,482	\$656,886

**PROGRESS ENERGY FLORIDA
BASE OPERATION & MAINTENANCE EXPENSES
2010 BENCHMARK COMPARISON**
(000's)

Line No.	(A)	(B)	(C)	(D)	(E)*	(F)	(G)	(H)	
		2006 Allowed Benchmark	Compound Multiplier	2006 Benchmark (B) x (C)	2010 Budget O&M	Adjustments to 2010 Budget O&M	2010 Fully Adjusted Test Year System O&M	2010 Benchmark Variance Over / Under	
1	Production - Fossil & Other	\$109,466	1.1174	\$122,318	\$175,435		\$175,435	\$53,117	
2	Production - Nuclear	81,570	1.1174	91,146	103,559		103,559	12,413	
3	Other Power Supply	3,906	1.1174	4,366	2,152		2,152	(2,212)	
4									
5	Total Production	194,942		217,830	281,145	0	281,145	63,317	
6									
7									
8									
9	Transmission	33,676	1.1415	38,441	45,336		45,336	6,894	
10	Distribution	114,428	1.1415	130,619	144,926		144,926	14,306	
11	Customer Accounts	50,356	1.1415	57,481	54,185		54,185	(3,296)	
12	Customer Service	3,547	1.1415	4,049	2,448		2,448	(1,601)	
13	Sales	2,338	1.1415	2,668	1,688	(36)	1,652	(1,016)	
14	Administrative & General	195,169	1.1415	222,786	290,183	(3,394)	286,789	64,003	
15	Other		1.0000	0			0	0	
16									
17	Total Base Operation & Maintenance	\$594,458		\$673,874	\$819,912	(\$3,430)	\$816,482	\$142,608	
18									
19									
20	Detail of Major Adjustments								
21									
22	Economic Development						(\$36)		
23	Retail Rate Case Expenses						1,394		
24	Corporate Aircraft						(3,565)		
25	Image Building Advertising						(3,863)		
26	Interest Expense on Tax Deficiency						2,667		
27	Industry Association Dues						(25)		
28	TOTAL						(\$3,430)		

* Budget for 2010 excluding ECRC, ECCR, recoverable nuclear, recoverable fuel and capacity

		New	Old	New Rates	Old Rates	Variance
		Book Depreciation Rate	Book Depreciation Rate	Total Depreciation Accrued	Total Depreciation Accrued	Total Depreciation Accrued
1	Steam Production					
2	Anclote Plant					
3	311 Structures & Improvements	3.2900%	3.2400%	1,035,766	1,020,596	15,170
4	312 Boiler Plant Equipment	4.2800%	3.3400%	4,825,660	3,609,744	1,015,916
5	314 Turbogenerator Units	4.0900%	2.3100%	4,719,094	2,665,307	2,053,787
6	315 Accessory Electric Equipment	2.3100%	1.9900%	620,035	534,142	85,892
7	316.1 Miscellaneous Equipment	2.6500%	2.2100%	176,971	147,587	29,384
8	316.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
9	316.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	7,965	7,965	(0)
10	Total Anclote Plant			<u>11,185,491</u>	<u>7,985,342</u>	<u>3,200,149</u>
11						
12	Bartow Plant					
13	311 Structures & Improvements	0.0000%	2.4600%	-	-	-
14	312 Boiler Plant Equipment	0.0000%	2.9100%	-	-	-
15	314 Turbogenerator Units	0.0000%	0.9600%	-	266	(266)
16	315 Accessory Electric Equipment	0.0000%	1.2200%	-	0	(0)
17	316.1 Miscellaneous Equipment	0.0000%	3.1900%	-	0	(0)
18	316.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
19	316.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	0	0	0
20	Total Bartow Plant			<u>0</u>	<u>266</u>	<u>(266)</u>
21						
22	Crystal River 1 & 2 Plant					
23	311 Structures & Improvements	2.9300%	2.5700%	-	-	-
24	312 Boiler Plant Equipment	5.7700%	4.0300%	11,671,872	8,152,105	3,519,767
25	314 Turbogenerator Units	2.6900%	3.0800%	3,393,532	3,860,300	(466,768)
26	315 Accessory Electric Equipment	2.5400%	2.8800%	916,768	1,039,485	(122,717)
27	316.1 Miscellaneous Equipment	2.4900%	3.1900%	170,306	218,183	(47,877)
28	316.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
29	316.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	16,152,478	13,270,073	2,882,405
30	Total Crystal River 1 & 2 Plant			<u>16,152,478</u>	<u>13,270,073</u>	<u>2,882,405</u>
31						
32	Crystal River 4 & 5 Plant					
33	311 Structures & Improvements	2.3100%	3.3900%	4,290,386	6,296,280	(2,005,895)
34	312 Boiler Plant Equipment	2.6000%	2.8300%	15,699,407	17,088,200	(1,388,794)
35	314 Turbogenerator Units	1.4600%	2.1400%	3,206,304	4,699,651	(1,493,347)
36	315 Accessory Electric Equipment	1.2800%	2.7800%	1,033,372	2,244,355	(1,210,983)
37	316.1 Miscellaneous Equipment	3.0600%	3.2700%	360,105	384,818	(24,713)
38	316.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
39	316.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	24,589,573	30,713,305	(6,123,731)
40	Total Crystal River 4 & 5 Plant			<u>24,589,573</u>	<u>30,713,305</u>	<u>(6,123,731)</u>
41						
42	Suwannee River Plant					
43	311 Structures & Improvements	4.5700%	1.4600%	-	-	-
44	312 Boiler Plant Equipment	8.4500%	2.9600%	1,295,644	453,859	841,785
45	314 Turbogenerator Units	7.9000%	1.1300%	1,124,255	160,811	963,444
46	315 Accessory Electric Equipment	8.1100%	0.9800%	220,040	26,589	193,450
47	316.1 Miscellaneous Equipment	3.6400%	1.7100%	22,758	10,691	12,067
48	316.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
49	316.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	4,235	4,235	0
50	Total Suwannee River Plant			<u>2,666,932</u>	<u>656,185</u>	<u>2,010,746</u>
51						
52	Bartow - Anclote Pipeline					
53	311 Structures & Improvements	3.1300%	3.0700%	-	-	-
54	312 Pipeline Equipment	5.1600%	4.1000%	888,434	705,926	182,508
55	315 Miscellaneous Equipment - 5 Year Amort	1.7400%	2.7800%	37,393	59,744	(22,350)
56	316.3 Miscellaneous Equipment - 7 Year Amort	5.1100%	5.2000%	925,828	765,670	160,158
57	Total Bartow - Anclote Pipeline			<u>925,828</u>	<u>765,670</u>	<u>160,158</u>
58						
59	Crystal River 1&2 Coalpile	0.2200%	0.5400%	2,252	5,527	(3,275)
60	Crystal River 4&4 Coalpile	0.3700%	0.5500%	6,392	9,501	(3,109)
61						
62	Fossil Steam System Blanket	3.3500%	2.9089%	246,043	213,649	32,393
63						
64	316.2 System Assets 316.2 (5 year)	20.0000%	20.0000%	-	-	-
65	316.3 System Assets 316.3 (7 year)	14.3000%	14.3000%	-	-	-
66						

		New	Old	New Rates	Old Rates	Variance
		Book	Book	Total	Total	Total
		Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
		Rate	Rate	Accrued	Accrued	Accrued
67	Dismantlement - Fossil Steam					
68	FPC Anclote Struct & Improv 311			232,936	232,936	-
69	FPC Bartow-Anclote Pipeline Equip 311-315			574,928	574,928	-
70	FPC Inglis Struct & Improv 311			-	-	-
71	FPC CR1&2 Struct & Improv 311			1,032,859	1,032,859	-
72	FPC CR4&5 Struct & Improv 311			937,431	937,431	-
73	FPC Suwannee Struct & Improv 311			216,593	216,593	-
74	FPC Avon Struct & Improv 311			-	-	-
75	FPC Higgins Struct & Improv 311			-	-	-
76	FPC Turner Struct & Improv 311			-	-	-
77	Total Dismantlement			<u>2,994,747</u>	<u>2,994,747</u>	-
78						
79	Total Steam Plant			<u>58,769,733</u>	<u>56,614,264</u>	<u>2,155,469</u>
80						

		New	Old	New Rates	Old Rates	Variance
		Book Depreciation Rate	Book Depreciation Rate	Total Depreciation Accrued	Total Depreciation Accrued	Total Depreciation Accrued
1						
2	Nuclear Production					
3	Crystal River 3					
4	321 Structures & Improvements	1.6600%	1.7800%	3,810,774	4,086,252	(275,478)
5	322 Reactor Plant Equipment	4.1000%	2.2400%	21,776,222	11,897,253	9,878,969
6	323 Turbogenerator Units	2.2400%	2.9700%	2,167,786	2,874,252	(706,466)
7	324 Accessory Electric Equipment	1.6400%	1.2800%	2,942,060	2,296,242	645,818
8	FPC CR3 Misc 325.0	0.3100%	5.5400%	117,942	2,107,733	(1,989,791)
9	FPC CR3 Misc 325.1	5.5400%	0.0000%	-	-	-
10	325 Miscellaneous Equipment			-	-	-
11	325.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
12	325.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
13	Total Crystal River 3			<u>30,814,784</u>	<u>23,261,732</u>	<u>7,553,052</u>
14						
15	Tallahassee - Crystal River 3					
16	321 Structures & Improvements	1.2100%	2.8100%	55,545	128,993	(73,448)
17	322 Reactor Plant Equipment	0.1800%	3.3600%	3,611	67,412	(63,800)
18	323 Turbogenerator Units	0.9300%	4.3100%	14,373	66,612	(52,239)
19	324 Accessory Electric Equipment	0.0100%	2.6800%	65	17,299	(17,235)
20	325.1 Miscellaneous Equipment	-0.7500%	7.0800%	(1,784)	16,837	(18,620)
21	Total Tallahassee - Crystal River 3			<u>71,811</u>	<u>297,153</u>	<u>(225,342)</u>
22						
23	Nuclear Decommissioning - Retail			-	-	-
24	Nuclear Decommissioning - Whole Unfunded			-	-	-
25	Nuclear Decommissioning - Whole			-	-	-
26	NUCLEAR DECOMMISSIONING			-	-	-
27						
28	Total Nuclear Production			<u>30,886,595</u>	<u>23,558,885</u>	<u>7,327,710</u>
29						
30	Other Production					
31	Bayboro Peaking					
32	341 Structures & Improvements	1.1900%	2.9000%	-	-	-
33	342 Fuel Holders, Production and Accessories	20.0000%	20.0000%	-	-	-
34	342 Prime Movers	14.3000%	14.3000%	-	-	-
35	344 Generators	3.7900%	2.6600%	68,729	48,237	20,492
36	345 Accessory Electric Equipment	4.1800%	2.6300%	652,675	410,654	242,021
37	346 Misc. Power Plant Equipment	1.4900%	3.5300%	53,328	126,341	(73,013)
38	346.2 Miscellaneous Equipment - 5 Year Amort	2.3400%	0.8700%	28,006	10,412	17,593
39	346.3 Miscellaneous Equipment - 7 Year Amort	1.5600%	3.0400%	6,624	12,909	(6,285)
40	Total Bayboro Peaking			<u>809,362</u>	<u>608,554</u>	<u>200,809</u>
41						
42	Avon Park Peaking					
43	341 Structures & Improvements	0.6800%	0.6900%	-	-	-
44	342 Fuel Holders, Production and Accessories	6.2700%	3.4800%	45,108	25,108	20,000
45	343 Prime Movers	4.4300%	1.3200%	265,295	79,050	186,246
46	344 Generators	-0.1700%	2.6800%	(3,078)	48,521	(51,599)
47	345 Accessory Electric Equipment	0.9000%	1.4600%	10,371	16,824	(6,453)
48	346 Misc. Power Plant Equipment	-6.3100%	1.8000%	-	-	-
49	346.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
50	346.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
51	Total Avon Park Peaking			<u>317,697</u>	<u>169,503</u>	<u>148,194</u>
52						
53	DeBary Peaking (New)					
54	341 Structures & Improvements	3.9200%	3.5700%	183,819	167,407	16,412
55	342 Fuel Holders, Production and Accessories	5.7100%	4.4800%	421,046	330,348	90,698
56	343 Prime Movers	5.1000%	4.4300%	3,266,719	2,837,561	429,157
57	344 Generators	3.9000%	3.7100%	718,134	683,148	34,986
58	345 Accessory Electric Equipment	4.2400%	3.8000%	216,568	194,094	22,474
59	346 Misc. Power Plant Equipment	3.8100%	4.9400%	31,813	41,248	(9,435)
60	346.2 FPC Debary Misc 346.2 (new)	20.0000%	20.0000%	-	-	-
61	346.3 FPC Debary Misc 346.3 (new)	14.3000%	14.3000%	-	-	-
62	Total DeBary Peaking (New)			<u>4,838,099</u>	<u>4,253,806</u>	<u>584,293</u>
63						
64	DeBary Peaking (Old)					
65	341 Structures & Improvements	2.7400%	2.7100%	-	-	-
66	342 Fuel Holders, Production and Accessories	4.5100%	2.3300%	306,792	158,498	148,294
67	343 Prime Movers	3.8600%	3.3900%	1,027,762	902,620	125,142
68	344 Generators	3.4200%	1.4500%	323,457	137,138	186,319
69	345 Accessory Electric Equipment	4.2900%	1.6300%	250,065	95,013	155,052
70	346 Misc. Power Plant Equipment	4.5900%	2.9800%	31,071	20,172	10,898
71	346.2 FPC Debary Misc (old) 346.2	20.0000%	20.0000%	-	-	-
72	346.3 FPC Debary Misc (old) 346.3	14.3000%	14.3000%	-	-	-
73				<u>1,939,147</u>	<u>1,313,441</u>	<u>625,705</u>
74						
75	Higgins Peaking					

			New Rates	Old Rates	Variance		
		New	Old				
		Book	Book	Total	Total		
		Depreciation	Depreciation	Depreciation	Depreciation		
		Rate	Rate	Accrued	Accrued		
76	341	Structures & Improvements	1.3700%	0.2000%	-	-	-
77	342	Fuel Holders, Production and Accessories	2.0300%	5.5700%	-	-	-
78	343	Prime Movers	-0.5500%	1.0000%	(60,858)	110,651	(171,508)
79	344	Generators	0.0300%	0.2000%	792	5,280	(4,488)
80	345	Accessory Electric Equipment	0.0000%	0.0000%	-	-	-
81	346	Misc. Power Plant Equipment	-4.6600%	3.9000%	(13,275)	11,110	(24,386)
82	346.2	Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
83	346.3	Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
84		Total Higgins Peaking			<u>(73,341)</u>	<u>127,041</u>	<u>(200,382)</u>

		New	Old	New Rates	Old Rates	Variance
		Book Depreciation Rate	Book Depreciation Rate	Total Depreciation Accrued	Total Depreciation Accrued	Total Depreciation Accrued
1						
2						
3	341					
4	342					
5	343					
6	344					
7	345					
8	346					
9	346.2					
10	346.3					
11						
12						
13						
14	341					
15	342					
16	343					
17	344					
18	345					
19	346					
20	346.2					
21	346.3					
22						
23						
24						
25	341					
26	342					
27	343					
28	344					
29	345					
30	346					
31	346.2					
32	346.3					
33						
34						
35						
36	341					
37	342					
38	343					
39	344					
40	345					
41	346					
42	346.2					
43	346.3					
44						
45						
46						
47	341					
48	342					
49	343					
50	344					
51	345					
52	346					
53	346.2					
54	346.3					
55						
56						
57						
58	341					
59	342					
60	343					
61	344					
62	345					
63	346					
64	346.2					
65	346.3					
66						
67						
68						
69	341					
70	341					
71	341					
72	342					
73	343					
74	344					
75	345					

			New Rates	Old Rates	Variance		
	New	Old					
	Book	Book	Total	Total	Total		
	Depreciation	Depreciation	Depreciation	Depreciation	Depreciation		
	Rate	Rate	Accrued	Accrued	Accrued		
76	346	Misc. Power Plant Equipment	1.8800%	5.9600%	18,718	59,339	(40,621)
77	346.2	Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
78	346.3	Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
79		Total University of Florida			<u>1,287,000</u>	<u>2,784,951</u>	<u>(1,497,952)</u>
80							
81		Gas Conversion Sites					
82	341-346.1	Structures & Improvements	20.0000%	20.0000%	-	-	-
83	346.2	Miscellaneous Equipment - 5 Year Amort	0.0000%	0.0000%	-	-	-
84	346.3	Miscellaneous Equipment - 7 Year Amort	0.0000%	0.0000%	-	-	-
85		Total Gas Conversion Sites			<u>-</u>	<u>-</u>	<u>-</u>

		New	Old	New Rates	Old Rates	
		Book	Book	Total	Total	Total
		Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
		Rate	Rate	Accrued	Accrued	Accrued
1						
2	Intercession City - Siemens					
3	341 Structures & Improvements	4.3400%	4.1300%	54,003	51,390	2,613
4	342 Fuel Holders, Production and Accessories	5.2300%	5.1200%	78,717	77,061	1,656
5	343 Prime Movers	5.3500%	4.6800%	752,871	658,586	94,285
6	344 Generators	4.3600%	4.1500%	116,154	110,559	5,595
7	345 Accessory Electric Equipment	4.7500%	4.3200%	172,419	156,810	15,608
8	346 Misc. Power Plant Equipment	4.3000%	5.6700%	8,093	10,671	(2,578)
9	346.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
10	346.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
11	Total Intercession City - Siemens			<u>1,182,257</u>	<u>1,065,079</u>	<u>117,178</u>
12						
13	Tiger Bay					
14	341 Structures & Improvements	1.8700%	2.8200%	194,971	294,021	(99,050)
15	342 Fuel Holders, Production and Accessories	2.5200%	4.7300%	82,461	154,777	(72,317)
16	343 Prime Movers	2.2100%	2.5400%	1,135,100	1,304,594	(169,495)
17	344 Generators	1.8700%	4.2000%	206,380	463,526	(257,147)
18	345 Accessory Electric Equipment	2.3800%	2.1900%	128,578	118,313	10,265
19	346 Misc. Power Plant Equipment	1.7700%	4.3300%	28,591	69,942	(41,351)
20	346.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	10,458	10,458	-
21	346.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
22	Total Tiger Bay			<u>1,786,538</u>	<u>2,415,632</u>	<u>(629,094)</u>
23						
24	Hines #1					
25	341 Structures & Improvements	3.5500%	2.1500%	1,550,345	938,941	611,404
26	342 Fuel Holders, Production and Accessories	4.2600%	4.7300%	870,456	966,492	(96,036)
27	343 Prime Movers	4.3200%	3.1800%	6,993,077	5,147,682	1,845,395
28	344 Generators	2.7500%	3.3500%	1,232,215	1,501,061	(268,847)
29	345 Accessory Electric Equipment	3.8500%	2.5900%	845,770	568,972	276,797
30	346 Misc. Power Plant Equipment	3.0700%	4.0300%	117,260	153,927	(36,668)
31	346.2 Miscellaneous Equipment - 5 Year Amort	0.0000%	0.0000%	12,037	13,537	(1,500)
32	346.3 Miscellaneous Equipment - 7 Year Amort	0.0000%	0.0000%	-	-	-
33	Total Hines #1			<u>11,621,159</u>	<u>9,290,613</u>	<u>2,330,546</u>
34						
35	Hines #2					
36	341 Structures & Improvements	3.8500%	3.5700%	1,772,119	1,643,238	128,881
37	342 Fuel Holders, Production and Accessories	5.1000%	0.0000%	1,012,463	-	1,012,463
38	343 Prime Movers	5.0000%	4.1200%	6,180,400	5,092,650	1,087,750
39	344 Generators	2.7000%	3.6200%	1,061,790	1,423,585	(361,795)
40	345 Accessory Electric Equipment	2.8600%	3.7900%	508,882	674,358	(165,476)
41	346 Misc. Power Plant Equipment	3.5700%	4.1800%	95,350	111,642	(16,292)
42	346.2 Miscellaneous Equipment - 5 Year Amort	0.0000%	0.0000%	-	-	-
43	346.3 Miscellaneous Equipment - 7 Year Amort	0.0000%	0.0000%	-	-	-
44	Total Hines #2			<u>10,631,004</u>	<u>8,945,472</u>	<u>1,685,532</u>
45						
46	Hines #3					
47	341 Structures & Improvements	3.4600%	3.5700%	351,395	362,567	(11,172)
48	342 Fuel Holders, Production and Accessories	4.8000%	3.8600%	1,001,732	805,560	196,173
49	343 Prime Movers	4.7700%	4.1600%	7,414,958	6,466,714	948,244
50	344 Generators	3.5500%	3.6600%	1,785,997	1,841,338	(55,341)
51	345 Accessory Electric Equipment	3.7200%	3.8700%	795,868	827,959	(32,091)
52	346 Misc. Power Plant Equipment	3.5200%	4.1500%	55,607	65,559	(9,952)
53	346.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	48,390	48,390	-
54	346.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
55	Total Hines #3			<u>11,453,948</u>	<u>10,418,087</u>	<u>1,035,861</u>
56						
57	Hines #4					
58	341 Structures & Improvements	4.9500%	3.4550%	74,442	51,959	22,483
59	343 Prime Movers	4.9500%	3.4600%	13,363,841	9,341,190	4,022,651
60	Total Hines #4			<u>13,438,283</u>	<u>9,393,149</u>	<u>4,045,134</u>
61						
62	Intercession City - P12-P14					
63	341 Structures & Improvements	1.3300%	10.6900%	18,971	152,478	(133,508)
64	342 Fuel Holders, Production and Accessories	2.7700%	5.3400%	126,964	244,761	(117,797)
65	343 Prime Movers	3.1200%	4.9000%	1,865,534	2,929,845	(1,064,311)
66	344 Generators	2.1500%	4.0000%	358,650	667,255	(308,605)
67	345 Accessory Electric Equipment	2.2400%	4.7300%	154,257	325,729	(171,473)
68	346 Misc. Power Plant Equipment	0.0000%	0.0000%	-	-	-
69	346.2 Miscellaneous Equipment - 5 Year Amort	20.0000%	20.0000%	-	-	-
70	346.3 Miscellaneous Equipment - 7 Year Amort	14.3000%	14.3000%	-	-	-
71	Total Intercession City - P12-P14			<u>2,524,375</u>	<u>4,320,069</u>	<u>(1,795,694)</u>
72						
73	346.2 System Assets 346.2 (5 year)	20.0000%	20.0000%	237	237	-
74	346.3 System Assets 346.3 (7 year)	14.3000%	14.3000%	-	-	-
75						

		New Rates	Old Rates	Variance
	New	Old		
	Book	Book	Total	Total
	Depreciation	Depreciation	Depreciation	Depreciation
	Rate	Rate	Accrued	Accrued
			<u></u>	<u></u>
76	Dismantlement - Other Production			
77	FPC Avon Park Strc & Improv 341-346.1		3,485	3,485
78	FPC Bartow Struct & Improv 341		7,222	7,222
79	FPC Bartow Struct & Improv 343		(7,753)	(7,753)
80	FPC Bayboro Struct & Improv 341-346.1		21,329	21,329
81	FPC Debary Struct & Improv 341-346.1 (new)		396,844	396,844
82	FPC Debary Struct & Improv (old) 341-346.1		13,601	13,601
83	FPC Higgins Struct & Improv 341-346.1		7,077	7,077
84	FPC Hines 341-346.1		21,228	21,228
85	FPC Hines #2		17,650	17,650
86	FPC Hines #3		16,643	16,643
87	FPC Hines #4		19,989	19,989
88	FPC Inter. City 341-346.1 (P12-14)		207,479	207,479
89	FPC Inter. City Struct & Improv 341-346.1 (new)		59,188	59,188
90	FPC Inter. City Struct & Improv 341-346.1 (old)		10,363	10,363
91	FPC Inter City 341-346.1		12,516	12,516
92	FPC Rio Pinar Struct & Improv 341-346.1		6,930	6,930
93	FPC Turner Struct & Improv 341-346.1		9,751	9,751
94	FPC Univ. of Fla. Struct & Improv 341-346.1		9,028	9,028
95	FPC Port St Joe Struct & Improv 341		-	-
96	FPC Suwannee Struct & Improv 341-346.1		6,992	6,992
97	FPC Tiger Bay Struct & Improv 341-346.1		10,912	10,912
98	Total Dismantlement		<u>850,474</u>	<u>850,474</u>
99	Other Production Total		<u>104,712,152</u>	<u>84,535,606</u>

		New	Old	New Rates	Old Rates	Variance
		Book	Book	Total	Total	Total
		Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
		Rate	Rate	Accrued	Accrued	Accrued
1						
2	Transmission Plant					
3	350.1 Transmission Easements	1.2200%	1.2100%	579,098	574,351	4,747
4	352 Transmission Struct & Improv 352.0	1.4600%	1.8700%	391,315	501,205	(109,890)
5	FPC Transmission Struct & Improv 352.0					
6	FPC Transmission System					
7	353.1 Structures & Improvements	1.8000%	1.7800%	10,804,149	10,684,103	120,046
8	353.2 FPC Transmission Station Equipment 353.0	1.7800%	0.9000%	634,493	320,811	313,682
9	354 FPC Transmission Energy Control Center 353.1	1.5000%	1.7200%	993,683	1,139,424	(145,740)
10	355 Station Equipment (Excl ECC)	4.1400%	2.7200%	22,908,999	15,051,323	7,857,676
11	356 Energy Control Center	2.0900%	2.2600%	7,898,045	8,540,470	(642,425)
12	357 Towers & Fixtures	1.1700%	1.2800%	82,010	89,720	(7,710)
13	358 Poles & Fixtures	2.0100%	1.1300%	2,584,717	1,453,099	1,131,617
14	359 Overhead Conductors & Devices	1.1800%	0.7600%	36,975	23,814	13,161
15	303 Underground Conduit	14.2857%	14.2857%	200,764	200,764	-
16	Total Transmission Plant			<u>46,143,835</u>	<u>37,503,529</u>	<u>8,640,307</u>
17						
18	Distribution Plant					
19	360.1 Transmission Easements	1.3700%	1.1900%	16,520	14,350	2,171
20	361 Structures & Improvements	1.4200%	1.8600%	426,751	558,983	(132,233)
21	362 Station Equipment	1.8300%	2.5700%	9,766,298	13,715,511	(3,949,213)
22	364 Poles, Towers & Fixtures	5.9100%	3.8600%	31,420,069	20,521,399	10,898,670
23	365 Overhead Conductors & Devices	3.5900%	2.6600%	20,596,438	15,260,870	5,335,567
24	366 Underground Conduit	1.5600%	1.7800%	3,483,716	3,975,009	(491,293)
25	367 Underground Conductor & Devices	3.1200%	3.1900%	17,588,666	17,983,284	(394,618)
26	368 Line Transformers	3.9600%	3.3800%	21,902,454	18,694,518	3,207,935
27	369.1 Overhead Services	4.7000%	2.8600%	3,728,562	2,268,870	1,459,692
28	369.2 Underground Services	2.5000%	2.7600%	10,548,006	11,644,998	(1,096,993)
29	FPC Distribution Meters 370.0					
30	Reserve Adjustment					
31	370 Meter Equipment	8.8500%	3.5700%	11,018,818	4,444,879	6,573,939
32	371 Installation on Customer Premises	3.6300%	3.9300%	102,275	110,728	(8,453)
33	372 Leased Equipment on Customer Premises	0.0000%	0.0000%	-	-	-
34	373 Street Light & Signal Systems	4.2900%	4.5900%	12,464,248	13,335,873	(871,626)
35	Distribution System	0.0000%	0.0000%	-	-	-
36	391.3 Office Furniture & Equipment	20.0000%	20.0000%	400,101	400,101	-
37	Total Distribution Plant			<u>23,985,442</u>	<u>18,291,582</u>	<u>5,693,861</u>
38						
39	General Plant					
40	390 FPC Solutions - Struct & Improv 390.0	4.5500%	3.4800%	5,215,904	3,989,306	1,226,597
41	391 Reserve Adjustment	0.0000%	0.0000%	-	-	-
42	Structures & Improvements	0.0000%	0.0000%	-	-	-
43	Office Furniture & Equipment	0.0000%	0.0000%	-	-	-
44	FPC Solutions - Office Furniture 391.1					
45	FPC Corporate - Office Furn & Equip 391.1					
46	391.1 Office Furniture	14.3000%	14.3000%	1,466,070	1,466,070	(0)
47	391.2 Office Equipment	14.3000%	14.3000%	28,074	28,074	(0)
48	FPC Solutions - Computers 391.3					
49	391.3 FPC Distribution General Plant Computer Equip 391.3					
50	FPC Corporate - Office Furn & Equip 391.3					
51	Computer Equipment	0.0000%	0.0000%	-	-	-
52	391.5 FPC Corporate - Office Furn & Equip 391.5	14.3000%	14.3000%	196,862	196,862	(0)
53	393 FPC Transmission Gen Plant Duplicating Equip 391.3	14.3000%	14.3000%	-	-	-
54	393.1 Duplicating & Mailing Equipment	14.3000%	14.3000%	-	-	-
55	393.2 Stores Equipment (Embedded)	14.3000%	14.3000%	34,238	34,238	-
56	393.3 Motorized Handling Equipment	14.3000%	14.3000%	5,014	5,014	-
57	394 Storage Equipment	14.3000%	14.3000%	371,503	371,503	(0)
58	394.1 Portable Handling Equipment	14.3000%	14.3000%	-	-	-
59	394.2 Tools, Shop & Garage Equipment	14.3000%	14.3000%	596,120	596,120	-
60	395 Stationary Tools & Work Equipment	14.3000%	14.3000%	23,624	23,624	(0)
61	Portable Tools					
62	Laboratory Equipment					
63	395.2 FPC Distribution Gen. Plant Laboratory Eq. 395.20	14.3000%	14.3000%	115,326	115,326	(0)
64	Reserve Adjustment					
65	Portable Laboratory Equipment					
66	396 Power Operated Equipment	5.8100%	5.8050%	1,314,619	1,313,488	1,131
67	397.1 Communication Equipment	14.3000%	14.3000%	607,519	607,519	-
68	FPC Corporate - Commun Equip - New 397.0					
69	FPC Transmission Gen Plant Commun Equip. (new)					
70	Reserve Adjustment					
71	397 Communication Equipment	14.3000%	14.3000%	5,883,326	5,883,326	-
72	397 Communication Equipment - Old	14.3000%	3.4800%	-	-	-
73	FPC Solutions Commun Equip (Old) 397.1					
74	397.1 Communication Equipment - Embedded 14 yr					
75	397.1 Communication Equipment - Embedded - 47 yr					

		New	Old	New Rates	Old Rates	Variance
		Book	Book	Total	Total	Total
		Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
		Rate	Rate	Accrued	Accrued	Accrued
76	FPC Solutions - Misc Equip 398.2					
77	FPC Solutions - Premier Power					
78	FPC Corporate - Misc Equip 398.2					
79	398 Miscellaneous Equipment - Distribution	14.3000%	3.4800%	1,183,624	288,043	895,581
80	398.2 Miscellaneous Equipment	14.3000%	14.3000%	818,365	818,365	-
81	Total General Plant			<u>17,860,189</u>	<u>15,736,880</u>	<u>2,123,309</u>
82						
83						
84	Transportation Equipment					
85	392.1 Passenger Cars	8.7000%	8.7000%	36,855	36,855	-
86	392.2 Light Trucks	8.7000%	8.7000%	2,083,974	2,083,974	-
87	392.3 Heavy Trucks	4.8000%	4.8000%	796,099	796,099	0
88	392.4 Special Trucks	5.0000%	5.0000%	4,024,296	4,024,328	(32)
89	392.5 Trailers	1.7000%	1.7000%	135,841	135,844	(3)
90	392.7 Flight Equipment	0.0000%	0.0000%	-	-	-
91	Total Transportation Equipment			<u>7,077,064</u>	<u>7,077,100</u>	<u>(35)</u>
92						
93	Intangible Plant					
94	302 FPC Franchise costs Apopka 302.0	3.3333%	3.3333%	201,143	201,143	-
95	302 FPC Franchise costs Casselberry 302.0	3.3333%	3.3333%	79,095	79,095	-
96	302 FPC Franchise costs Longwood 302.0	3.3333%	3.3333%	1,427	1,427	-
97	Franchise Cost			-	-	-
98	303 FPC Steam-Intangible Plant/System 303.0	14.2857%	14.2857%	-	-	-
99	303 FPC Corporate - Misc Intangible 303.0	20.0000%	20.0000%	911,723	911,723	-
100	303 FPC Distribution Intangible Plant 303.0			-	-	-
101	303.1 Intangible Plant	10.0000%	10.0000%	-	-	-
102	Intangible Plant			-	-	-
103	Total Intangible Plant			<u>1,193,388</u>	<u>1,193,388</u>	<u>-</u>
104						

		New	Old	New Rates	Old Rates	Variance
		Book Depreciation Rate	Book Depreciation Rate	Total Depreciation Accrued	Total Depreciation Accrued	Total Depreciation Accrued
1	Energy Conservation Equipment					
2	186.2 Switches	20.0000%	20.0000%	3,573,791	3,573,791	-
3	370.1 Distribution Equipment	0.0000%	0.0000%	-	-	-
4	398.1 General Equipment	20.0000%	20.0000%	503,849	503,849	-
5	Total Energy Conservation Equipment			<u>4,077,639</u>	<u>4,077,639</u>	<u>0</u>
6						
7						
8	Non-Depreciable Plant					
9	Steam Production Land	0.0000%	0.0000%	-	-	-
10	Nuclear Production Land	0.0000%	0.0000%	-	-	-
11	Other Production Land	0.0000%	0.0000%	-	-	-
12	Transmission Plant Land	0.0000%	0.0000%	-	-	-
13	Distribution Plant Land	0.0000%	0.0000%	-	-	-
14	General Plant Land	0.0000%	0.0000%	-	-	-
15	Total Non-Depreciable Plant			<u>-</u>	<u>-</u>	<u>-</u>
16						
17	TOTAL DEPRECIABLE RESERVE BALANCE			<u>294,706,038</u>	<u>248,588,872</u>	<u>46,117,166</u>
18						

Note:

* If data shown represents a historical calendar year, the related annual status report may be substituted for this schedule.

**PROGRESS ENERGY FLORIDA
2008 FOSSIL PLANT DISMANTLEMENT COST STUDY**

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SECTION 1

DISMANTLEMENT STUDY SUMMARY

**PROGRESS ENERGY FLORIDA
2008 FOSSIL DISMANTLEMENT COST STUDY
SUMMARY**

A site specific fossil plant dismantlement cost study has been prepared by Burns & McDonnell Engineering Company, Inc. in 2008 which estimates the cost of dismantlement to be \$150,023,000 in 2008 dollars. PEF calculated the dismantlement cost of \$161,330,653 in 2010 dollars. The costs can be categorized as follows:

	(In 000's) 2010 \$	% of Total
Labor	\$ 195,187	121%
Mat & Equip	74,285	46%
Disposal	43,584	27%
Salvage	(151,725)	-94%
	<hr/> \$ 161,331	<hr/> 100%

The cost estimate includes updated dismantlement assumptions from the cost study that was approved by the Florida Public Service Commission (FPSC) in Order No. PSC-05-0945-S-EI (Docket 050078). When the 2008 cost study is compared to the 2005 study a 15% decrease results. The most significant changes are related to the completed dismantlement of two plants, changes in inflation rates and changes in salvage values. Comparative analyses of significant cost changes by plant since the last study are contained in Section 6.

ESCALATION RATE

The future cost of dismantlement is forecast by analyzing the individual cost categories from B&M's cost study as described above. The 2008 cost of each category is divided into components of labor, material and equipment, disposal and salvage. These components are escalated by the estimated inflationary rates for compensation per hour, material, Gross Domestic Product (Implicit Price Deflator) and Metals and Metal Products. Section 5 contains a schedule of the applicable escalation rates for each category. PEF used the same data vendor (Economy.com) to obtain the inflation forecast as was used in the previous study. Moody's Economy.com, a division of Moody's Analytics, is a leading independent provider of economic, financial, country, and industry research designed to meet the diverse planning and information needs of businesses, governments, and professional investors worldwide. The firm has over 500 clients worldwide, including the largest commercial and investment banks; insurance companies; financial services firms; mutual funds; governments at all levels; manufacturers; utilities; and industrial and technology clients.

The cost estimate obtained by applying these rates yields the future cost of dismantlement using currently available technology and procedures, as shown in Section 3.

The methodology used to determine the escalation rate for converting the current estimated dismantlement cost to future estimated dismantlement cost is consistent with the guidance set out in FPSC Rule 25-6.04364 and that used in the preparation of all past studies.

CONTINGENCY ALLOWANCE

The overall contingency allowance of 15% approved in Order No. PSC-05-0945-S-EI (Docket 050078) was increased to 20% in the 2008 study.

CONCLUSION

The annual accrual amount requested for PEF's retail share of total dismantlement costs is **\$3,113,889** (\$3,845,221 system). This is based on the assumptions of a total retail cost in 2010 dollars of **\$124,137,547** (\$161,330,653 system). PEF requests that the annual accrual be adjusted effective January 1, 2010. Section 2 of this report provides the related determination of the annual accrual.

SECTION 2

DETERMINATION OF ANNUAL ACCRUAL FOR DISMANTLEMENT

Progress Energy Florida
Calculation of Jurisdictional Impact

	Annual Accrual			2010 \$ Dismantlement Estimate			Future \$ Dismantlement Estimate		
	System	Separation Factor	Retail	System	Separation Factor	Retail	System	Separation Factor	Retail
ALL PLANTS	3,845,221		3,113,889	161,330,653		124,137,547	219,652,307		171,786,330
Ancote	232,936	58.105%	135,348	10,135,582	58.105%	5,889,280	14,057,899	58.105%	8,168,342
Avon Park Gas Turbine	3,485	91.520%	3,190	171,048	91.520%	156,543	206,896	91.520%	189,351
Barlow - Steam	-	58.105%	-	28,097,998	58.105%	16,326,342	30,260,118	58.105%	17,582,642
Barlow - CT	7,222	91.520%	6,610	346,322	91.520%	316,954	473,431	91.520%	433,284
Barlow-Ancote Pipeline	574,928	58.105%	334,062	10,707,360	58.105%	8,221,512	15,424,962	58.105%	8,962,674
Barlow - CC	(7,753)	88.462%	(6,859)	449,770	88.462%	387,876	(2,373,980)	88.462%	(2,100,070)
Bayboro	21,329	91.520%	19,520	978,450	91.520%	895,477	1,601,395	91.520%	1,465,587
Crystal River South Units 1 & 2	691,265	88.462%	611,507	32,097,229	88.462%	28,393,851	43,332,297	88.462%	38,332,617
Crystal River North Units 4 & 5	627,398	88.462%	555,009	26,630,663	88.462%	23,558,017	37,445,363	88.462%	33,124,917
Crystal River Common	411,978	88.462%	364,444	12,514,898	88.462%	11,070,929	25,410,396	88.462%	22,478,545
Crystal River Helper	176,932	88.462%	156,517	4,153,459	88.462%	3,674,233	6,345,847	88.462%	5,613,663
Crystal River Mariculture	62,717	88.462%	55,480	1,571,058	88.462%	1,389,789	2,277,368	88.462%	2,014,605
Debary Gas Turbine units 1 - 6	13,601	91.520%	12,448	595,998	91.520%	545,457	653,364	91.520%	597,959
Debary Gas Turbine units 7 - 10	396,844	91.520%	363,191	7,248,325	91.520%	6,633,667	10,894,781	91.520%	9,970,885
Higgins	7,077	91.520%	6,477	343,512	91.520%	314,382	408,745	91.520%	374,083
Hines PB1	21,228	88.462%	18,779	560,201	88.462%	495,565	447,454	88.462%	395,827
Hines PB2	17,650	88.462%	15,614	560,201	88.462%	495,565	187,244	88.462%	165,640
Hines PB3	16,643	88.462%	14,723	560,201	88.462%	495,565	50,752	88.462%	44,896
Hines PB4	19,989	88.462%	17,682	661,543	88.462%	585,214	151,030	88.462%	133,604
Intercession City Units 1 - 6	10,363	91.520%	9,484	457,098	91.520%	418,336	571,119	91.520%	522,688
Intercession City Units 7 -10	59,188	91.520%	54,169	1,720,105	91.520%	1,574,240	3,145,197	91.520%	2,878,484
Intercession City Units 11	12,516	91.520%	11,455	198,446	91.520%	181,618	256,154	91.520%	234,432
Intercession City Units 12 -14	207,479	91.520%	189,884	4,760,719	91.520%	4,357,010	9,035,721	91.520%	8,269,492
Rio Pinar	6,930	91.520%	6,342	322,364	91.520%	295,028	397,274	91.520%	363,585
Suwannee - Steam units 1 - 3	216,593	58.105%	125,851	14,060,964	58.105%	8,170,123	17,327,448	58.105%	10,068,114
Suwannee - CT 1 - 3	6,992	91.520%	6,399	279,534	91.520%	255,830	370,151	91.520%	338,762
Tiger Bay Combined Cycle	10,912	88.462%	9,653	369,942	88.462%	344,950	262,386	88.462%	232,114
Turner Gas Turbine Units 1 & 2	711	91.520%	650	24,044	91.520%	22,005	21,376	91.520%	19,563
Turner Gas Turbine Units 3 & 4	9,040	91.520%	8,274	432,155	91.520%	395,508	603,256	91.520%	552,102
University of Florida Gas Turbine	9,028	88.462%	7,986	301,464	88.462%	266,681	406,879	88.462%	359,933

**Progress Energy Florida
Computation of Annual Accrual**

Plant:		ALL	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study		2008				
Capital Recovery Year		NA				
Cost @ 2010 \$'s		161,330,653	195,186,637	74,285,408	43,583,518	(151,724,910)
Future 1st Year Expense		147,857,155	244,246,341	71,643,158	33,683,981	(201,716,325)
Future 2nd Year Expense		71,795,152	116,664,562	34,786,714	22,501,522	(102,157,646)
Amount to Accrue		73,527,520	198,097,278	46,398,445	15,786,187	(186,754,390)
PV of Amount to Accrue		50,781,152	90,685,588	28,962,237	10,754,431	(79,621,104)
Capital Recovery Years		NA				
Compounded Inflation		NA				
Ending Balance of Reserve		-				
Acc Reserve (12/31/09 projected)		146,124,782	162,813,624	60,031,426	40,399,315	(117,119,583)
	2010	3,677,309		3,845,221		
	2011	3,786,327				
	2012	3,899,671				
	2013	4,017,575				
	2014	3,869,508		4,020,735		
	2015	3,971,728				
	2016	4,077,074				
	2017	4,164,628				
	2018	4,275,991		4,110,458		
	2019	4,390,812				
	2020	4,509,215				
	2021	3,265,815				
	2022	3,337,957		2,240,888		
	2023	2,256,279				
	2024	1,679,970				
	2025	1,689,347				
	2026	1,707,366		1,726,868		
	2027	1,724,950				
	2028	1,732,632				
	2029	1,742,524				
	2030	1,723,573		1,690,651		
	2031	1,739,317				
	2032	1,644,363				
	2033	1,655,352				
	2034	1,672,331		841,713		
	2035	1,684,490				
	2036	204,884				
	2037	(194,851)				
	2038	(185,433)		(189,305)		
	2039	(193,178)				
	2040	-				
	2041	-				
	2042	-				
	2043	-				
	2044	-				
	2045	-				
	2046	-				
		219,652,311				

4-year average

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Anclote Steam	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2022				
Cost @ 2010 \$'s	10,135,582	19,357,379	4,700,181	4,176,282	(18,098,260)
Future 1st Year Expense	6,963,089	16,363,108	3,034,504	2,744,784	(15,179,307)
Future 2nd Year Expense	7,094,810	16,864,926	3,091,063	2,785,814	(15,646,993)
Amount to Accrue	3,514,475	13,090,094	1,233,418	1,186,707	(11,995,745)
PV of Amount to Accrue	2,354,247	7,290,864	925,787	875,403	(6,737,807)
Capital Recovery Years	13				
Compounded Inflation		4.605%	2.231%	2.368%	4.537%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	10,543,424	20,137,940	4,892,149	4,343,891	(18,830,555)
2010	222,220	757,791	82,829	79,022	(697,423)
2011	229,191	792,685	84,677	80,894	(729,064)
2012	236,419	829,186	86,566	82,809	(762,142)
2013	243,915	867,367	88,498	84,770	(796,720)
2014	251,690	907,308	90,473	86,778	(832,867)
2015	259,755	949,085	92,492	88,833	(870,654)
2016	268,123	992,787	94,556	90,936	(910,155)
2017	276,808	1,038,501	96,666	93,089	(951,448)
2018	285,822	1,086,321	98,823	95,294	(994,615)
2019	295,180	1,136,342	101,028	97,550	(1,039,741)
2020	304,896	1,188,667	103,282	99,860	(1,086,913)
2021	314,987	1,243,401	105,587	102,225	(1,136,226)
2022	325,468	1,300,656	107,943	104,646	(1,187,777)
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	14,057,899	33,228,034	6,125,567	5,530,598	(30,826,300)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Avon Park Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2016				
Cost @ 2010 \$'s	171,048	407,524	110,605	16,618	(363,699)
Future 1st Year Expense	206,896	567,385	127,523	19,912	(507,924)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	25,862	135,981	10,575	2,352	(123,046)
PV of Amount to Accrue	19,952	92,427	8,957	1,904	(83,336)
Capital Recovery Years	7				
Compounded Inflation		5.671%	2.401%	3.060%	5.725%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	181,034	431,404	116,948	17,560	(364,878)
2010	3,293	16,364	1,405	306	(14,783)
2011	3,417	17,292	1,439	316	(15,629)
2012	3,547	18,272	1,474	325	(16,524)
2013	3,683	19,308	1,509	335	(17,469)
2014	3,824	20,403	1,545	346	(18,470)
2015	3,972	21,560	1,582	356	(19,527)
2016	4,125	22,783	1,620	367	(20,645)
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	206,896	567,385	127,523	19,912	(507,924)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Barlow Steam	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2009				
Cost @ 2010 \$'s	28,097,998	20,819,290	4,710,715	13,609,010	(11,041,017)
Future 1st Year Expense	14,969,029	11,498,586	2,387,228	7,283,828	(6,200,591)
Future 2nd Year Expense	15,291,089	11,852,831	2,431,668	7,406,400	(6,399,810)
Amount to Accrue	(0)	928,650	(264,806)	44,331	(708,175)
PV of Amount to Accrue	(0)	928,650	(264,806)	44,331	(708,175)
Capital Recovery Years	0				
Compounded Inflation					
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	30,260,118	22,422,747	5,083,700	14,645,897	(11,892,226)
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	30,260,118	22,422,747	5,083,700	14,645,897	(11,892,226)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Bartow Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2027				
Cost @ 2010 \$'s	346,322	1,524,441	375,003	-	(1,553,122)
Future 1st Year Expense	473,431	2,974,585	531,082	-	(3,032,236)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	146,333	1,534,700	176,835	-	(1,565,201)
PV of Amount to Accrue	107,760	756,189	122,335	-	(770,764)
Capital Recovery Years	18				
Compounded Inflation		4.011%	2.068%	0.000%	4.014%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	327,098	1,439,885	354,247	-	(1,467,035)
2010	7,040	59,785	8,209	-	(60,954)
2011	7,161	62,183	8,379	-	(63,401)
2012	7,283	64,677	8,552	-	(65,946)
2013	7,407	67,271	8,729	-	(68,593)
2014	7,532	69,969	8,909	-	(71,346)
2015	7,658	72,775	9,094	-	(74,210)
2016	7,786	75,693	9,282	-	(77,189)
2017	7,916	78,729	9,474	-	(80,287)
2018	8,046	81,886	9,670	-	(83,510)
2019	8,178	85,171	9,869	-	(86,862)
2020	8,312	88,586	10,074	-	(90,348)
2021	8,446	92,139	10,282	-	(93,975)
2022	8,582	95,834	10,495	-	(97,747)
2023	8,719	99,678	10,712	-	(101,671)
2024	8,857	103,676	10,933	-	(105,752)
2025	8,996	107,834	11,159	-	(109,996)
2026	9,137	112,158	11,390	-	(114,412)
2027	9,278	116,656	11,626	-	(119,004)
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	473,431	2,974,585	531,082	-	(3,032,236)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	PIPELINE	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2022				
Cost @ 2010 \$'s	10,707,360	6,696,112	3,344,481	3,671,514	(3,004,747)
Future 1st Year Expense	15,424,962	11,320,665	4,318,489	4,826,069	(5,040,261)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	8,559,037	7,029,462	2,176,320	2,471,057	(3,117,802)
PV of Amount to Accrue	5,911,546	4,216,148	1,667,843	1,896,762	(1,869,208)
Capital Recovery Years	13				
Compounded Inflation		4.011%	2.068%	2.055%	4.014%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	6,865,925	4,291,203	2,142,169	2,355,012	(1,922,459)
2010	550,524	422,497	147,628	167,751	(187,352)
2011	566,449	439,442	150,681	171,199	(194,872)
2012	582,886	457,066	153,797	174,718	(202,694)
2013	599,853	475,397	156,977	178,309	(210,830)
2014	617,368	494,463	160,224	181,974	(219,292)
2015	635,450	514,293	163,537	185,714	(228,095)
2016	654,120	534,919	166,919	189,532	(237,250)
2017	673,398	556,373	170,371	193,427	(246,774)
2018	693,305	578,686	173,895	197,403	(256,679)
2019	713,864	601,895	177,491	201,461	(266,982)
2020	735,098	626,034	181,161	205,601	(277,698)
2021	757,032	651,141	184,908	209,827	(288,845)
2022	779,689	677,256	188,732	214,140	(300,439)
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	15,424,962	11,320,665	4,318,489	4,826,069	(5,040,261)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Bartow Combined Cycle (2009)	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2039				
Cost @ 2010 \$'s	449,770	6,720,908	1,920,312	222,264	(8,413,714)
Future 1st Year Expense	(2,373,980)	17,522,679	3,379,177	370,142	(23,645,978)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	(2,294,847)	18,705,163	3,717,039	409,247	(25,126,296)
PV of Amount to Accrue	624,911	6,939,387	2,071,546	241,462	(8,627,483)
Capital Recovery Years	30				
Compounded Inflation		3.361%	1.968%	1.774%	3.627%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	(79,133)	(1,182,484)	(337,862)	(39,105)	1,480,318
2010	(3,333)	370,739	92,086	10,449	(476,608)
2011	(6,165)	383,198	93,899	10,635	(493,897)
2012	(9,167)	396,075	95,746	10,824	(511,813)
2013	(12,347)	409,385	97,631	11,016	(530,378)
2014	(15,712)	423,143	99,552	11,211	(549,618)
2015	(19,271)	437,363	101,511	11,410	(569,555)
2016	(23,034)	452,060	103,509	11,612	(590,215)
2017	(27,009)	467,252	105,545	11,818	(611,625)
2018	(31,206)	482,954	107,622	12,028	(633,811)
2019	(35,637)	499,184	109,740	12,242	(656,802)
2020	(40,310)	515,959	111,900	12,459	(680,627)
2021	(45,237)	533,298	114,102	12,680	(705,317)
2022	(50,430)	551,219	116,347	12,905	(730,902)
2023	(55,901)	569,743	118,637	13,134	(757,415)
2024	(61,662)	588,890	120,972	13,367	(784,890)
2025	(67,726)	608,679	123,352	13,604	(813,361)
2026	(74,107)	629,134	125,780	13,845	(842,866)
2027	(80,818)	650,276	128,255	14,091	(873,440)
2028	(87,875)	672,129	130,779	14,341	(905,124)
2029	(95,293)	694,716	133,352	14,595	(937,957)
2030	(103,088)	718,062	135,977	14,854	(971,981)
2031	(111,276)	742,193	138,652	15,118	(1,007,239)
2032	(119,875)	767,134	141,381	15,386	(1,043,776)
2033	(128,902)	792,914	144,163	15,659	(1,081,638)
2034	(138,377)	819,560	147,000	15,937	(1,120,874)
2035	(148,319)	847,101	149,893	16,220	(1,161,533)
2036	(158,749)	875,568	152,843	16,507	(1,203,667)
2037	(169,687)	904,992	155,850	16,800	(1,247,330)
2038	(181,156)	935,404	158,917	17,098	(1,292,576)
2039	(193,178)	966,839	162,045	17,402	(1,339,463)
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	(2,373,980)	17,522,679	3,379,177	370,142	(23,645,978)

Progress Energy Florida
Computation of Annual Accrual

Plant:	Bayboro Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2029				
Cost @ 2010 \$'s	978,450	1,183,760	373,950	287,697	(866,957)
Future 1st Year Expense	1,601,395	2,431,611	549,452	418,373	(1,798,041)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	543,330	1,151,352	145,271	107,302	(860,595)
PV of Amount to Accrue	309,577	539,664	96,887	72,347	(399,322)
Capital Recovery Years	20				
Compounded Inflation		3.861%	2.046%	1.990%	3.914%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	1,058,065	1,280,259	404,181	311,071	(937,446)
2010	20,436	39,224	5,952	4,420	(29,159)
2011	21,019	40,738	6,073	4,508	(30,301)
2012	21,621	42,311	6,198	4,598	(31,487)
2013	22,240	43,945	6,324	4,690	(32,719)
2014	22,879	45,642	6,454	4,783	(34,000)
2015	23,538	47,404	6,586	4,878	(35,330)
2016	24,218	49,235	6,721	4,975	(36,713)
2017	24,919	51,136	6,858	5,074	(38,150)
2018	25,641	53,111	6,998	5,175	(39,643)
2019	26,387	55,162	7,142	5,278	(41,195)
2020	27,156	57,292	7,288	5,383	(42,807)
2021	27,949	59,504	7,437	5,491	(44,482)
2022	28,767	61,801	7,589	5,600	(46,224)
2023	29,611	64,188	7,744	5,711	(48,033)
2024	30,481	66,666	7,903	5,825	(49,913)
2025	31,380	69,241	8,064	5,941	(51,866)
2026	32,307	71,914	8,229	6,059	(53,896)
2027	33,263	74,691	8,398	6,180	(56,006)
2028	34,250	77,575	8,569	6,303	(58,198)
2029	35,269	80,571	8,745	6,428	(60,475)
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	1,601,395	2,431,611	549,452	418,373	(1,798,041)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Crystal River South Units 1 & 2	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2020				
Cost @ 2010 \$'s	32,097,229	39,610,664	16,249,439	9,115,949	(32,878,823)
Future 1st Year Expense	21,420,084	31,441,912	10,111,907	5,813,291	(25,947,026)
Future 2nd Year Expense	21,912,213	32,459,691	10,299,214	5,902,357	(26,749,049)
Amount to Accrue	8,666,742	21,124,308	2,870,350	1,870,630	(17,198,547)
PV of Amount to Accrue	5,900,104	12,484,393	2,233,684	1,419,514	(10,237,487)
Capital Recovery Years	11				
Compounded Inflation		4.897%	2.306%	2.540%	4.829%
Ending Balance of Reserve					
Acc Reserve (12/31/08 projected)	34,665,555	42,777,295	17,540,771	9,845,018	(35,497,528)
2010	655,223	1,494,900	232,225	149,538	(1,221,439)
2011	678,606	1,588,112	237,580	153,337	(1,280,423)
2012	702,945	1,644,910	243,058	157,233	(1,342,256)
2013	728,285	1,725,469	248,663	161,227	(1,407,074)
2014	754,671	1,809,973	254,398	165,323	(1,475,022)
2015	782,151	1,898,616	260,264	169,523	(1,546,252)
2016	810,774	1,991,600	266,266	173,830	(1,620,921)
2017	840,593	2,089,138	272,406	178,246	(1,699,197)
2018	871,663	2,191,453	278,688	182,774	(1,781,252)
2019	904,041	2,298,778	285,114	187,418	(1,867,269)
2020	937,788	2,411,360	291,689	192,179	(1,957,441)
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	43,332,297	63,901,603	20,411,121	11,715,648	(52,696,075)

Progress Energy Florida
Computation of Annual Accrual

Plant:	Crystal River North Units 4 & 5	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2035				
Cost @ 2010 \$'s	26,630,663	37,278,722	20,919,072	7,264,093	(38,831,224)
Future 1st Year Expense	18,744,298	44,184,442	17,129,096	5,734,515	(48,303,755)
Future 2nd Year Expense	18,701,065	45,248,368	17,439,689	5,811,458	(49,798,450)
Amount to Accrue	17,662,907	61,737,372	19,019,775	6,145,363	(69,239,602)
PV of Amount to Accrue	13,515,110	24,850,866	11,281,205	3,795,404	(26,412,365)
Capital Recovery Years	26				
Compounded Inflation		3.562%	2.029%	1.871%	3.776%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	19,782,456	27,895,438	15,549,010	5,400,610	(28,862,603)
2010	617,368	1,481,532	562,666	185,680	(1,612,510)
2011	624,139	1,534,303	574,085	189,154	(1,673,403)
2012	630,787	1,588,955	585,735	192,693	(1,736,595)
2013	637,298	1,645,552	597,621	196,298	(1,802,173)
2014	643,658	1,704,166	609,749	199,970	(1,870,227)
2015	649,850	1,764,868	622,122	203,711	(1,940,852)
2016	655,858	1,827,732	634,747	207,522	(2,014,143)
2017	661,665	1,892,835	647,628	211,404	(2,090,202)
2018	667,253	1,960,257	660,771	215,359	(2,169,133)
2019	672,603	2,030,081	674,180	219,388	(2,251,045)
2020	677,694	2,102,391	687,861	223,492	(2,336,050)
2021	682,505	2,177,277	701,820	227,673	(2,424,266)
2022	687,014	2,254,831	716,062	231,932	(2,515,812)
2023	691,197	2,335,147	730,593	236,271	(2,610,815)
2024	695,029	2,418,324	745,420	240,691	(2,709,406)
2025	698,485	2,504,464	760,547	245,194	(2,811,720)
2026	701,536	2,593,672	775,980	249,781	(2,917,898)
2027	704,154	2,686,057	791,728	254,454	(3,028,085)
2028	706,309	2,781,734	807,794	259,214	(3,142,433)
2029	707,970	2,880,818	824,187	264,064	(3,261,099)
2030	709,101	2,983,431	840,912	269,004	(3,384,246)
2031	709,670	3,089,700	857,977	274,036	(3,512,044)
2032	709,638	3,199,754	875,388	279,163	(3,644,667)
2033	708,967	3,313,728	893,153	284,385	(3,782,299)
2034	707,616	3,431,761	911,278	289,705	(3,925,128)
2035	705,544	3,553,999	929,770	295,125	(4,073,351)
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	37,445,363	89,432,810	34,568,785	11,545,973	(98,102,205)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Crystal River Common	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2035				
Cost @ 2010 \$'s	12,514,898	8,128,913	5,611,355	-	(1,225,370)
Future 1st Year Expense	25,410,396	19,269,517	9,189,455	-	(3,048,576)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	14,882,595	12,431,301	4,469,063	-	(2,017,768)
PV of Amount to Accrue	7,200,954	5,086,227	2,675,627	-	(540,900)
Capital Recovery Years	26				
Compounded Inflation		3.513%	1.993%	0.000%	5.194%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	10,527,801	6,838,216	4,720,392	-	(1,030,808)
2010	394,849	300,374	132,858	-	(38,383)
2011	406,054	310,925	135,505	-	(40,377)
2012	417,579	321,847	138,205	-	(42,474)
2013	429,432	333,152	140,959	-	(44,680)
2014	441,623	344,855	143,768	-	(47,000)
2015	454,160	356,969	146,633	-	(49,442)
2016	467,053	369,508	149,555	-	(52,010)
2017	480,311	382,487	152,535	-	(54,711)
2018	493,945	395,923	155,575	-	(57,553)
2019	507,963	409,830	158,675	-	(60,542)
2020	522,376	424,226	161,836	-	(63,686)
2021	537,195	439,128	165,061	-	(66,994)
2022	552,430	454,553	168,350	-	(70,474)
2023	568,091	470,520	171,705	-	(74,134)
2024	584,190	487,048	175,126	-	(77,984)
2025	600,738	504,156	178,616	-	(82,035)
2026	617,745	521,866	182,175	-	(86,296)
2027	635,225	540,197	185,805	-	(90,778)
2028	653,188	559,173	189,508	-	(95,493)
2029	671,646	578,814	193,284	-	(100,452)
2030	690,612	599,146	197,136	-	(105,670)
2031	710,098	620,192	201,064	-	(111,158)
2032	730,116	641,978	205,070	-	(116,932)
2033	750,680	664,528	209,157	-	(123,005)
2034	771,802	687,871	213,324	-	(129,394)
2035	793,495	712,034	217,575	-	(136,114)
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	25,410,396	19,269,517	9,189,455	-	(3,048,576)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Crystal River South Cooling Towers	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2020				
Cost @ 2010 \$'s	4,153,459	3,721,619	731,046	-	(299,206)
Future 1st Year Expense	6,345,847	5,908,248	909,849	-	(472,250)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	2,290,831	2,274,837	196,130	-	(180,136)
PV of Amount to Accrue	1,413,342	1,368,203	154,176	-	(109,038)
Capital Recovery Years	11				
Compounded Inflation		4.730%	2.212%	0.000%	4.670%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	4,055,016	3,633,411	713,719	-	(292,114)
2010	165,436	162,392	15,944	-	(12,900)
2011	172,868	170,074	16,297	-	(13,502)
2012	180,644	178,119	16,657	-	(14,133)
2013	188,778	186,545	17,026	-	(14,793)
2014	197,288	195,369	17,402	-	(15,484)
2015	206,192	204,611	17,787	-	(16,207)
2016	215,507	214,290	18,181	-	(16,963)
2017	225,254	224,427	18,583	-	(17,756)
2018	235,452	235,043	18,994	-	(18,585)
2019	246,123	246,161	19,414	-	(19,452)
2020	257,289	257,806	19,844	-	(20,361)
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	6,345,847	5,908,248	909,849	-	(472,250)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Crystal River South Fish Hatchery	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2020				
Cost @ 2010 \$'s	1,571,058	939,030	632,028	-	-
Future 1st Year Expense	2,277,368	1,490,755	786,613	-	-
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	822,123	620,947	201,176	-	-
PV of Amount to Accrue	493,472	338,501	154,971	-	-
Capital Recovery Years	11				
Compounded Inflation		5.671%	2.401%	0.000%	0.000%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	1,455,245	869,808	585,437	-	-
2010	58,397	42,199	16,198	-	-
2011	61,179	44,592	16,586	-	-
2012	64,106	47,121	16,985	-	-
2013	67,185	49,793	17,392	-	-
2014	70,428	52,617	17,810	-	-
2015	73,838	55,600	18,237	-	-
2016	77,428	58,753	18,675	-	-
2017	81,208	62,085	19,123	-	-
2018	85,188	65,605	19,583	-	-
2019	89,378	69,325	20,053	-	-
2020	93,791	73,257	20,534	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	2,277,368	1,490,755	786,613	-	-

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Debury Gas Turbine 1-6	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2020				
Cost @ 2010 \$'s	595,998	1,799,358	384,484	579,549	(2,167,393)
Future 1st Year Expense	653,364	2,856,567	478,523	739,163	(3,420,889)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	145,192	1,322,396	150,752	245,220	(1,573,176)
PV of Amount to Accrue	149,248	795,357	118,505	187,647	(952,260)
Capital Recovery Years	11				
Compounded Inflation		4.730%	2.212%	2.463%	4.669%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	508,172	1,534,171	327,771	493,943	(1,847,713)
2010	13,677	94,401	12,255	19,681	(112,660)
2011	13,638	98,867	12,526	20,186	(117,921)
2012	13,582	103,543	12,803	20,683	(123,427)
2013	13,509	108,441	13,087	21,171	(129,191)
2014	13,417	113,571	13,376	21,693	(135,223)
2015	13,305	118,943	13,872	22,227	(141,537)
2016	13,172	124,570	13,974	22,774	(148,147)
2017	13,017	130,482	14,284	23,335	(155,064)
2018	12,838	136,634	14,600	23,910	(162,305)
2019	12,634	143,097	14,922	24,498	(169,884)
2020	12,404	149,866	15,253	25,102	(177,816)
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	653,364	2,856,567	478,523	739,163	(3,420,889)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Debarry Gas Turbine 7-10	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2023				
Cost @ 2010 \$'s	7,248,325	5,021,814	2,463,856	1,736,569	(1,973,914)
Future 1st Year Expense	10,894,761	8,750,412	3,240,698	2,316,777	(3,413,126)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	6,603,095	5,780,579	1,781,532	1,286,777	(2,245,793)
PV of Amount to Accrue	4,203,068	3,178,719	1,326,217	943,368	(1,245,235)
Capital Recovery Years	14				
Compounded Inflation		4.364%	2.131%	2.242%	4.302%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	4,291,666	2,969,833	1,459,166	1,030,000	(1,167,333)
2010	377,770	308,205	110,557	79,258	(120,250)
2011	390,180	321,656	112,913	81,036	(125,424)
2012	403,044	335,693	115,318	82,853	(130,820)
2013	416,380	350,344	117,775	84,710	(136,449)
2014	430,208	365,633	120,284	86,610	(142,319)
2015	444,546	381,590	122,847	88,552	(148,442)
2016	459,416	398,243	125,464	90,537	(154,829)
2017	474,838	415,623	128,137	92,567	(161,490)
2018	490,834	433,781	130,868	94,643	(168,438)
2019	507,427	452,691	133,656	96,765	(175,685)
2020	524,642	472,448	136,503	98,934	(183,243)
2021	542,503	493,066	139,412	101,153	(191,127)
2022	561,037	514,584	142,382	103,421	(199,350)
2023	580,270	537,041	145,415	105,740	(207,927)
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	10,894,761	8,750,412	3,240,698	2,316,777	(3,413,126)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Higgins Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2016				
Cost @ 2010 \$'s	343,512	758,986	278,092	-	(693,566)
Future 1st Year Expense	408,745	1,056,716	320,629	-	(968,600)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	52,180	269,064	31,811	-	(248,695)
PV of Amount to Accrue	41,391	182,879	26,943	-	(168,432)
Capital Recovery Years	7				
Compounded Inflation		5.671%	2.401%	0.000%	5.725%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	356,565	787,652	288,818	-	(719,905)
2010	6,728	32,378	4,228	-	(29,878)
2011	6,955	34,215	4,329	-	(31,589)
2012	7,191	36,155	4,433	-	(33,397)
2013	7,436	38,205	4,539	-	(35,309)
2014	7,690	40,372	4,648	-	(37,330)
2015	7,954	42,661	4,760	-	(39,468)
2016	8,233	45,090	4,877	-	(41,734)
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	408,751	1,056,728	320,632	-	(968,610)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Hines Energy Combined Cycle unit 1	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2028				
Cost @ 2010 \$'s	580,201	3,129,200	1,058,647	83,089	(3,710,735)
Future 1st Year Expense	447,454	6,268,291	1,527,076	119,104	(7,467,017)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	310,934	5,505,690	1,269,053	98,899	(6,562,709)
PV of Amount to Accrue	437,044	2,644,441	862,047	67,627	(3,137,071)
Capital Recovery Years	19				
Compounded Inflation		3.935%	2.056%	2.021%	3.961%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	136,520	762,601	258,023	20,205	(904,308)
2010	21,758	200,235	55,268	4,322	(238,067)
2011	21,430	208,114	56,405	4,409	(247,497)
2012	21,065	216,303	57,565	4,498	(257,301)
2013	20,658	224,815	58,748	4,589	(267,494)
2014	20,210	233,662	59,956	4,682	(278,090)
2015	19,716	242,856	61,189	4,776	(289,106)
2016	19,175	252,413	62,447	4,873	(300,558)
2017	18,584	262,345	63,731	4,971	(312,464)
2018	17,941	272,669	65,042	5,072	(324,841)
2019	17,243	283,398	66,379	5,174	(337,709)
2020	16,486	294,550	67,744	5,279	(351,086)
2021	15,669	306,141	69,137	5,385	(364,994)
2022	14,788	318,188	70,558	5,494	(379,452)
2023	13,840	330,708	72,009	5,605	(394,483)
2024	12,821	343,722	73,490	5,718	(410,110)
2025	11,727	357,247	75,001	5,834	(426,355)
2026	10,556	371,305	76,543	5,952	(443,244)
2027	9,303	385,916	78,117	6,072	(460,802)
2028	7,965	401,102	79,723	6,195	(479,056)
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	447,454	6,268,291	1,527,076	119,104	(7,467,017)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Hines Energy Combined Cycle unit 2	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2033				
Cost @ 2010 \$'s	560,201	3,129,200	1,058,647	83,089	(3,710,735)
Future 1st Year Expense	187,244	7,073,015	1,672,494	127,736	(8,686,001)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	143,554	6,628,963	1,589,920	121,270	(8,396,598)
PV of Amount to Accrue	523,089	2,915,981	986,566	77,421	(3,456,880)
Capital Recovery Years	24				
Compounded Inflation		3.609%	2.008%	1.887%	3.767%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	43,690	244,052	82,574	6,466	(289,403)
2010	18,579	183,677	52,210	4,041	(221,349)
2011	17,995	190,307	53,258	4,118	(229,687)
2012	17,359	197,175	54,328	4,195	(238,339)
2013	16,668	204,292	55,419	4,275	(247,318)
2014	15,919	211,665	56,532	4,355	(256,634)
2015	15,108	219,305	57,667	4,437	(266,301)
2016	14,234	227,220	58,825	4,521	(276,333)
2017	13,293	235,422	60,007	4,606	(286,742)
2018	12,280	243,919	61,212	4,693	(297,544)
2019	11,193	252,722	62,441	4,782	(308,752)
2020	10,029	261,844	63,695	4,872	(320,382)
2021	8,782	271,295	64,974	4,964	(332,451)
2022	7,449	281,086	66,279	5,058	(344,975)
2023	6,026	291,232	67,610	5,153	(357,970)
2024	4,507	301,743	68,968	5,251	(371,454)
2025	2,890	312,634	70,353	5,350	(385,447)
2026	1,168	323,918	71,766	5,451	(399,966)
2027	(663)	335,809	73,207	5,554	(415,033)
2028	(2,609)	347,722	74,677	5,658	(430,687)
2029	(4,676)	360,273	76,177	5,765	(448,890)
2030	(6,868)	373,276	77,707	5,874	(463,724)
2031	(9,192)	386,749	79,267	5,985	(481,193)
2032	(11,655)	400,708	80,859	6,098	(499,319)
2033	(14,262)	415,170	82,483	6,213	(518,128)
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	187,244	7,073,015	1,672,494	127,736	(8,686,001)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Hines Energy Combined Cycle unit 3	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2035				
Cost @ 2010 \$'s	560,201	3,129,200	1,058,647	83,089	(3,710,735)
Future 1st Year Expense	50,752	7,417,741	1,733,697	131,186	(9,231,872)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	47,007	7,396,821	1,726,619	130,632	(9,207,065)
PV of Amount to Accrue	581,179	3,014,486	1,033,727	81,240	(3,568,274)
Capital Recovery Years	26				
Compounded Inflation		3.513%	1.993%	1.844%	3.713%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	3,745	20,920	7,078	554	(24,807)
2010	17,687	178,727	51,330	3,961	(216,331)
2011	17,029	185,005	52,352	4,034	(224,363)
2012	16,315	191,504	53,396	4,109	(232,694)
2013	15,541	198,231	54,460	4,184	(241,334)
2014	14,708	205,194	55,545	4,262	(250,294)
2015	13,808	212,402	56,652	4,340	(259,588)
2016	12,837	219,863	57,780	4,420	(269,226)
2017	11,797	227,586	58,932	4,502	(279,223)
2018	10,681	235,580	60,106	4,585	(289,590)
2019	9,486	243,856	61,304	4,669	(300,343)
2020	8,208	252,421	62,525	4,755	(311,494)
2021	6,842	261,288	63,771	4,843	(323,060)
2022	5,385	270,466	65,042	4,932	(335,055)
2023	3,832	279,967	66,338	5,023	(347,496)
2024	2,178	289,801	67,660	5,116	(360,398)
2025	419	299,981	69,008	5,210	(373,780)
2026	(1,451)	310,518	70,383	5,306	(387,659)
2027	(3,437)	321,426	71,786	5,404	(402,052)
2028	(5,544)	332,717	73,216	5,504	(416,980)
2029	(7,779)	344,404	74,675	5,605	(432,463)
2030	(10,147)	356,502	76,163	5,708	(448,520)
2031	(12,655)	369,024	77,681	5,814	(465,174)
2032	(15,309)	381,987	79,229	5,921	(482,446)
2033	(18,117)	395,405	80,808	6,030	(500,359)
2034	(21,084)	409,294	82,418	6,141	(518,937)
2035	(24,220)	423,671	84,060	6,254	(538,205)
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	50,752	7,417,741	1,733,697	131,186	(9,231,872)

Progress Energy Florida
Computation of Annual Accrual

Plant:	Hines Energy Combined Cycle unit 4	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2037				
Cost @ 2010 \$'s	661,543	3,230,542	1,058,647	83,089	(3,710,735)
Future 1st Year Expense	151,030	8,031,208	1,797,139	134,730	(9,812,047)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	144,343	7,998,553	1,786,438	133,890	(9,774,538)
PV of Amount to Accrue	657,929	3,110,696	1,031,918	81,106	(3,565,791)
Capital Recovery Years	28				
Compounded Inflation		3.430%	1.979%	1.806%	3.667%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	6,687	32,655	10,701	840	(37,509)
2010	20,842	174,622	48,360	3,716	(205,857)
2011	20,308	180,813	49,317	3,783	(213,405)
2012	19,722	186,808	50,293	3,852	(221,231)
2013	19,083	193,217	51,289	3,921	(229,344)
2014	18,387	199,845	52,304	3,992	(237,754)
2015	17,631	206,700	53,339	4,064	(246,472)
2016	16,813	213,791	54,395	4,138	(255,511)
2017	15,929	221,125	55,472	4,212	(264,880)
2018	14,975	228,711	56,570	4,288	(274,594)
2019	13,949	236,557	57,689	4,366	(284,663)
2020	12,846	244,671	58,831	4,445	(295,102)
2021	11,662	253,065	59,996	4,525	(305,923)
2022	10,394	261,746	61,183	4,607	(317,142)
2023	9,038	270,725	62,394	4,690	(328,771)
2024	7,588	280,012	63,629	4,775	(340,828)
2025	6,041	289,618	64,889	4,861	(353,326)
2026	4,392	299,553	66,173	4,949	(366,283)
2027	2,635	309,829	67,483	5,038	(379,714)
2028	766	320,457	68,819	5,129	(393,639)
2029	(1,221)	331,450	70,181	5,222	(408,074)
2030	(3,331)	342,820	71,570	5,316	(423,038)
2031	(5,571)	354,581	72,986	5,412	(438,551)
2032	(7,947)	366,744	74,431	5,510	(454,633)
2033	(10,465)	379,325	75,904	5,609	(471,304)
2034	(13,132)	392,338	77,407	5,711	(488,587)
2035	(15,954)	405,797	78,939	5,814	(506,504)
2036	(18,940)	419,717	80,501	5,919	(525,078)
2037	(22,096)	434,115	82,095	6,026	(544,333)
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	151,030	8,031,208	1,797,139	134,730	(9,812,047)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Intercession City 1-6	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2020				
Cost @ 2010 \$'s	457,098	1,193,462	365,523	129,827	(1,231,714)
Future 1st Year Expense	571,119	1,894,678	454,925	165,583	(1,944,067)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	124,156	727,658	97,355	38,648	(739,502)
PV of Amount to Accrue	96,124	437,651	76,529	29,572	(447,628)
Capital Recovery Years	11				
Compounded Inflation		4.730%	2.212%	2.463%	4.669%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	446,963	1,167,020	357,570	126,937	(1,204,565)
2010	10,003	51,945	7,914	3,102	(52,958)
2011	10,238	54,402	8,089	3,178	(55,431)
2012	10,481	56,975	8,268	3,256	(58,019)
2013	10,730	59,671	8,451	3,337	(60,729)
2014	10,986	62,493	8,638	3,419	(63,564)
2015	11,249	65,449	8,829	3,503	(66,532)
2016	11,520	68,545	9,025	3,589	(69,639)
2017	11,799	71,788	9,224	3,677	(72,891)
2018	12,085	75,184	9,428	3,768	(76,295)
2019	12,381	78,740	9,637	3,861	(79,857)
2020	12,685	82,465	9,850	3,956	(83,586)
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	571,119	1,894,678	454,925	165,583	(1,944,067)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Intercession City 7-10	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2031				
Cost @ 2010 \$'s	1,720,105	1,996,651	677,323	129,827	(1,083,696)
Future 1st Year Expense	3,145,197	4,303,414	1,032,174	194,392	(2,384,783)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	1,738,135	2,669,815	477,792	88,862	(1,498,334)
PV of Amount to Accrue	903,978	1,194,232	307,305	58,218	(655,776)
Capital Recovery Years	22				
Compounded Inflation		3.725%	2.026%	1.941%	3.827%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	1,407,062	1,633,599	554,382	105,530	(886,449)
2010	56,573	80,478	17,451	3,277	(44,633)
2011	58,279	83,476	17,805	3,340	(46,341)
2012	60,040	86,585	18,166	3,405	(48,115)
2013	61,858	89,809	18,534	3,471	(49,956)
2014	63,734	93,154	18,909	3,538	(51,868)
2015	65,670	96,624	19,292	3,607	(53,853)
2016	67,669	100,223	19,883	3,677	(55,914)
2017	69,732	103,956	20,082	3,748	(58,055)
2018	71,861	107,827	20,489	3,821	(60,276)
2019	74,060	111,844	20,904	3,895	(62,583)
2020	76,329	116,009	21,328	3,971	(64,979)
2021	78,673	120,330	21,760	4,048	(67,466)
2022	81,092	124,812	22,201	4,127	(70,048)
2023	83,589	129,460	22,651	4,207	(72,729)
2024	86,168	134,282	23,110	4,288	(75,512)
2025	88,831	139,284	23,578	4,372	(78,402)
2026	91,581	144,471	24,056	4,456	(81,403)
2027	94,420	149,852	24,543	4,543	(84,518)
2028	97,352	155,433	25,041	4,631	(87,753)
2029	100,380	161,223	25,548	4,721	(91,112)
2030	103,507	167,227	26,066	4,813	(94,599)
2031	106,736	173,456	26,594	4,906	(98,219)
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	3,145,197	4,303,414	1,032,174	194,392	(2,384,783)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Intercession City 11	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2022				
Cost @ 2010 \$'s	198,446	284,620	86,377	129,827	(302,378)
Future 1st Year Expense	256,154	481,188	111,532	170,653	(507,219)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	179,594	371,401	78,228	120,583	(390,618)
PV of Amount to Accrue	136,211	210,276	59,308	89,669	(223,042)
Capital Recovery Years	13				
Compounded Inflation		4.473%	2.153%	2.305%	4.405%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	76,560	109,787	33,304	50,070	(116,601)
2010	12,120	21,681	5,279	8,061	(22,901)
2011	12,380	22,650	5,393	8,247	(23,910)
2012	12,646	23,863	5,509	8,437	(24,983)
2013	12,918	24,722	5,627	8,631	(26,062)
2014	13,196	25,828	5,748	8,830	(27,210)
2015	13,480	26,983	5,872	9,034	(28,409)
2016	13,770	28,190	5,999	9,242	(29,660)
2017	14,067	29,451	6,128	9,455	(30,967)
2018	14,370	30,768	6,260	9,673	(32,331)
2019	14,680	32,144	6,394	9,896	(33,755)
2020	14,996	33,582	6,532	10,124	(35,242)
2021	15,320	35,084	6,673	10,357	(36,794)
2022	15,651	36,654	6,816	10,596	(38,415)
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	256,154	481,188	111,532	170,653	(507,219)

Progress Energy Florida
Computation of Annual Accrual

Plant:	Intercession City Gas Turbine p12 - p14	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2036				
Cost @ 2010 \$'s	4,760,719	4,152,861	1,931,899	902,559	(2,226,600)
Future 1st Year Expense	9,035,721	10,081,364	3,221,148	1,444,140	(5,710,931)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	7,616,329	8,843,654	2,644,875	1,174,456	(5,046,656)
PV of Amount to Accrue	3,899,481	3,520,834	1,555,390	720,861	(1,897,604)
Capital Recovery Years	27				
Compounded Inflation		3.470%	1.986%	1.824%	3.689%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	1,419,392	1,237,710	576,273	269,684	(664,275)
2010	199,823	202,983	74,980	34,049	(112,190)
2011	204,838	210,027	76,469	34,671	(116,329)
2012	209,985	217,315	77,988	35,303	(120,620)
2013	215,269	224,856	79,536	35,947	(125,070)
2014	220,692	232,658	81,116	36,603	(129,684)
2015	226,259	240,731	82,726	37,271	(134,469)
2016	231,975	249,084	84,369	37,950	(139,429)
2017	237,842	257,728	86,045	38,643	(144,573)
2018	243,865	266,671	87,753	39,348	(149,906)
2019	250,048	275,924	89,496	40,066	(155,437)
2020	256,397	285,498	91,273	40,796	(161,171)
2021	262,914	295,405	93,085	41,541	(167,117)
2022	269,606	305,656	94,934	42,298	(173,282)
2023	276,476	316,262	96,819	43,070	(179,675)
2024	283,530	327,236	98,741	43,856	(186,303)
2025	290,773	338,591	100,702	44,656	(193,176)
2026	298,210	350,340	102,702	45,471	(200,303)
2027	305,846	362,496	104,741	46,300	(207,692)
2028	313,687	375,075	106,821	47,145	(215,354)
2029	321,738	388,090	108,942	48,005	(223,299)
2030	330,006	401,557	111,106	48,880	(231,537)
2031	338,496	415,490	113,312	49,772	(240,078)
2032	347,215	429,908	115,562	50,680	(248,935)
2033	356,168	444,825	117,857	51,605	(258,119)
2034	365,363	460,261	120,197	52,546	(267,641)
2035	374,806	476,232	122,584	53,505	(277,515)
2036	384,503	492,757	125,018	54,481	(287,752)
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	9,035,721	10,081,364	3,221,148	1,444,140	(5,710,931)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Rio Pinar Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2016				
Cost @ 2010 \$'s	322,364	265,214	143,260	85,167	(171,277)
Future 1st Year Expense	397,274	369,250	165,173	102,048	(239,197)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	51,818	84,940	11,791	10,848	(55,760)
PV of Amount to Accrue	38,702	57,732	9,949	8,784	(37,764)
Capital Recovery Years	7				
Compounded Inflation		5.671%	2.456%	3.060%	5.725%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	345,456	284,310	153,382	91,200	(183,437)
2010	6,500	10,221	1,564	1,413	(6,699)
2011	6,778	10,801	1,603	1,456	(7,082)
2012	7,069	11,414	1,642	1,501	(7,488)
2013	7,373	12,061	1,682	1,547	(7,917)
2014	7,693	12,745	1,724	1,594	(8,370)
2015	8,028	13,468	1,766	1,643	(8,849)
2016	8,380	14,235	1,808	1,694	(9,358)
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	397,276	369,255	165,172	102,049	(239,200)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Suwannee Steam	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2013				
Cost @ 2010 \$'s	14,060,964	15,717,696	2,744,055	1,026,154	(5,426,941)
Future 1st Year Expense	8,531,473	9,902,262	1,497,599	586,115	(3,454,503)
Future 2nd Year Expense	8,785,975	10,238,746	1,525,080	595,493	(3,563,344)
Amount to Accrue	866,372	1,737,525	(187,231)	(20,051)	(663,872)
PV of Amount to Accrue	596,054	1,248,519	(164,587)	(16,613)	(471,265)
Capital Recovery Years	4				
Compounded Inflation		8.614%	3.275%	4.814%	8.944%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	16,461,076	18,403,483	3,209,910	1,201,659	(6,353,975)
2010	187,593	382,115	(44,570)	(4,665)	(145,287)
2011	205,827	415,028	(46,030)	(4,889)	(158,282)
2012	225,676	450,777	(47,537)	(5,125)	(172,439)
2013	247,276	489,605	(49,094)	(5,371)	(187,863)
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	17,327,448	20,141,008	3,022,679	1,181,608	(7,017,847)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Suwannee Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2024				
Cost @ 2010 \$'s	279,534	767,611	201,196	114,248	(803,521)
Future 1st Year Expense	370,151	1,377,833	269,567	154,671	(1,431,920)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	117,775	684,809	87,858	51,449	(706,339)
PV of Amount to Accrue	86,973	365,904	64,217	37,190	(380,337)
Capital Recovery Years	15				
Compounded Inflation		4.267%	2.112%	2.187%	4.213%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	252,376	693,024	181,711	103,222	(725,581)
2010	6,782	33,527	5,040	2,935	(34,720)
2011	6,920	34,958	5,146	2,999	(36,183)
2012	7,061	36,449	5,255	3,065	(37,707)
2013	7,208	38,005	5,366	3,132	(39,296)
2014	7,354	39,626	5,479	3,200	(40,952)
2015	7,505	41,317	5,595	3,270	(42,677)
2016	7,660	43,080	5,713	3,342	(44,475)
2017	7,818	44,918	5,833	3,415	(46,349)
2018	7,979	46,835	5,956	3,490	(48,302)
2019	8,145	48,833	6,082	3,566	(50,337)
2020	8,314	50,917	6,211	3,644	(52,458)
2021	8,487	53,090	6,342	3,724	(54,668)
2022	8,665	55,355	6,476	3,805	(56,971)
2023	8,846	57,717	6,612	3,888	(59,372)
2024	9,032	60,180	6,752	3,973	(61,873)
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	370,151	1,377,833	269,567	154,671	(1,431,920)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Tiger Bay Comb Cycle	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2038				
Cost @ 2010 \$'s	389,942	2,172,382	371,843	35,313	(2,189,596)
Future 1st Year Expense	262,388	5,530,638	642,680	58,029	(5,968,959)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	170,857	5,020,719	555,359	49,700	(5,454,921)
PV of Amount to Accrue	321,545	1,907,360	315,103	29,712	(1,930,630)
Capital Recovery Years	29				
Compounded Inflation		3.394%	1.973%	1.790%	3.647%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	91,531	509,919	87,321	8,329	(514,038)
2010	11,116	104,387	14,374	1,322	(108,967)
2011	10,992	107,930	14,657	1,346	(112,941)
2012	10,850	111,593	14,947	1,370	(117,059)
2013	10,688	115,380	15,242	1,395	(121,328)
2014	10,505	119,296	15,542	1,420	(125,752)
2015	10,300	123,344	15,849	1,445	(130,338)
2016	10,072	127,530	16,162	1,471	(135,091)
2017	9,819	131,858	16,481	1,497	(140,017)
2018	9,541	136,333	16,806	1,524	(145,123)
2019	9,234	140,960	17,138	1,551	(150,415)
2020	8,899	145,744	17,476	1,579	(155,900)
2021	8,534	150,690	17,821	1,607	(161,584)
2022	8,136	155,804	18,172	1,636	(167,477)
2023	7,704	161,092	18,531	1,665	(173,584)
2024	7,237	166,559	18,897	1,695	(179,914)
2025	6,732	172,211	19,270	1,725	(186,474)
2026	6,188	178,056	19,650	1,756	(193,274)
2027	5,602	184,099	20,038	1,788	(200,322)
2028	4,972	190,346	20,433	1,820	(207,627)
2029	4,297	196,806	20,836	1,852	(215,198)
2030	3,573	203,485	21,248	1,885	(223,045)
2031	2,798	210,391	21,667	1,919	(231,179)
2032	1,971	217,531	22,094	1,954	(239,609)
2033	1,087	224,914	22,530	1,988	(248,346)
2034	144	232,547	22,975	2,024	(257,402)
2035	(861)	240,439	23,428	2,060	(266,788)
2036	(1,930)	248,599	23,891	2,097	(276,517)
2037	(3,068)	257,035	24,362	2,135	(286,600)
2038	(4,277)	265,758	24,843	2,173	(297,051)
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	262,388	5,530,638	642,680	58,029	(5,968,959)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Turner Gas 1&2	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2016				
Cost @ 2010 \$'s	24,044	213,465	46,349	-	(235,770)
Future 1st Year Expense	21,376	297,202	53,439	-	(329,265)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	2,788	248,743	46,134	-	(292,089)
PV of Amount to Accrue	10,322	169,072	39,075	-	(197,825)
Capital Recovery Years	7				
Compounded Inflation		5.671%	2.401%	0.000%	5.725%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	18,588	48,459	7,305	-	(37,176)
2010	973	29,933	6,131	-	(35,091)
2011	808	31,630	6,278	-	(37,100)
2012	629	33,424	6,429	-	(39,224)
2013	433	35,319	6,583	-	(41,470)
2014	220	37,322	6,741	-	(43,843)
2015	(12)	39,439	6,903	-	(46,353)
2016	(263)	41,675	7,069	-	(49,007)
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	21,376	297,202	53,439	-	(329,265)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	Turner Gas 3&4	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2023				
Cost @ 2010 \$'s	432,155	1,098,589	383,430	-	(1,049,864)
Future 1st Year Expense	603,258	1,914,270	504,324	-	(1,815,336)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	160,048	597,936	2,167	-	(440,055)
PV of Amount to Accrue	86,416	328,803	1,613	-	(244,000)
Capital Recovery Years	14				
Compounded Inflation		4.364%	2.131%	0.000%	4.302%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	443,210	1,316,334	502,157	-	(1,375,281)
2010	8,452	31,880	134	-	(23,563)
2011	8,833	33,272	137	-	(24,576)
2012	9,230	34,724	140	-	(25,834)
2013	9,646	36,239	143	-	(26,737)
2014	10,080	37,821	146	-	(27,887)
2015	10,534	39,471	149	-	(29,087)
2016	11,008	41,194	153	-	(30,338)
2017	11,504	42,992	156	-	(31,643)
2018	12,022	44,868	159	-	(33,005)
2019	12,564	46,826	163	-	(34,425)
2020	13,130	48,869	166	-	(35,906)
2021	13,721	51,002	170	-	(37,451)
2022	14,339	53,228	173	-	(39,062)
2023	14,985	55,551	177	-	(40,743)
2024	-	-	-	-	-
2025	-	-	-	-	-
2026	-	-	-	-	-
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	603,258	1,914,270	504,324	-	(1,815,336)

**Progress Energy Florida
Computation of Annual Accrual**

Plant:	University of Florida Gas Turbine	Labor	Mat & Eq	Disposal	Salvage
Year of Last Study	2008				
Capital Recovery Year	2033				
Cost @ 2010 \$'s	301,464	737,424	294,946	18,695	(749,601)
Future 1st Year Expense	406,879	1,666,819	465,968	28,740	(1,754,648)
Future 2nd Year Expense	-	-	-	-	-
Amount to Accrue	233,955	1,243,847	296,848	18,019	(1,324,759)
PV of Amount to Accrue	181,424	531,125	184,198	11,504	(545,403)
Capital Recovery Years	24				
Compounded Inflation		3.609%	2.008%	1.887%	3.767%
Ending Balance of Reserve					
Acc Reserve (12/31/09 projected)	172,924	422,972	169,120	10,721	(429,889)
2010	8,881	33,455	9,748	600	(34,923)
2011	8,980	34,663	9,944	612	(36,238)
2012	9,077	35,914	10,143	623	(37,604)
2013	9,172	37,210	10,347	635	(39,020)
2014	9,265	38,553	10,555	647	(40,490)
2015	9,356	39,945	10,767	659	(42,015)
2016	9,443	41,387	10,983	672	(43,598)
2017	9,528	42,880	11,204	684	(45,240)
2018	9,610	44,428	11,429	697	(46,944)
2019	9,687	46,032	11,658	711	(48,713)
2020	9,761	47,693	11,892	724	(50,548)
2021	9,831	49,414	12,131	738	(52,452)
2022	9,896	51,198	12,375	752	(54,428)
2023	9,957	53,046	12,623	766	(56,478)
2024	10,012	54,960	12,877	780	(58,606)
2025	10,061	56,944	13,135	795	(60,813)
2026	10,104	58,999	13,399	810	(63,104)
2027	10,141	61,129	13,668	825	(65,481)
2028	10,171	63,335	13,943	841	(67,948)
2029	10,193	65,621	14,223	857	(70,507)
2030	10,207	67,990	14,508	873	(73,163)
2031	10,213	70,443	14,800	889	(75,919)
2032	10,210	72,986	15,097	906	(78,779)
2033	10,197	75,620	15,400	923	(81,747)
2034	-	-	-	-	-
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
2044	-	-	-	-	-
2045	-	-	-	-	-
2046	-	-	-	-	-
	406,879	1,666,819	465,968	28,740	(1,754,648)

SECTION 3

CALCULATION OF FUTURE DOLLAR DISMANTLEMENT COST BY PLANT

Progress Energy Florida
 Projected Future Dismantlement Cost by Plant

Plant	Recovery Period (from test year)	Study Date	Test Year	Capital Recovery Year	Dismantlement Costs in 2010 \$	Accumulated Reserve (12/31/09 projected)	Total Future Dollars	2014	2015	2016	2017	2018	2019	2020
Anclote	12	2008	2010	2022	10,135,582	10,543,424	14,057,899							
Avon Park	6	2008	2010	2016	171,048	181,034	206,896							
Bartow - Steam	-1	2008	2010	2009	28,097,998	30,260,118	30,260,118	14,969,029	15,291,089					
Bartow - CT	17	2008	2010	2027	346,322	327,098	473,431							
Bartow-Anclote Pipeline	12	2008	2010	2022	10,707,360	6,865,925	15,424,962							
Bartow - CC	29	2008	2010	2039	449,770	(79,133)	(2,373,980)							
Bayboro Peakers	19	2008	2010	2029	978,450	1,058,065	1,601,395							
Crystal River South (1&2)	10	2008	2010	2020	32,097,229	34,665,555	43,332,297							
Crystal River North (4&5)	25	2008	2010	2035	26,630,663	19,782,456	37,445,363							
Crystal River Common	25	2008	2010	2035	12,514,898	10,527,801	25,410,396							
Crystal River Helper	10	2008	2010	2020	4,153,459	4,055,016	6,345,847							
Crystal River Mariculture	10	2008	2010	2020	1,571,058	1,455,245	2,277,368							
Debary Peakers (1-6)	10	2008	2010	2020	595,998	508,172	653,364							
Debary Peakers (7-10)	13	2008	2010	2023	7,248,325	4,291,666	10,894,761							
Higgins	6	2008	2010	2016	343,512	356,565	408,745							
Hines 1	18	2008	2010	2028	560,201	136,520	447,454							
Hines 2	23	2008	2010	2033	560,201	43,690	187,244							
Hines 3	25	2008	2010	2035	560,201	3,745	50,752							
Hines 4	27	2008	2010	2037	661,543	6,667	151,030							
Intercession City (1-6)	10	2008	2010	2020	457,098	446,963	571,119							
Intercession City (7-10)	21	2008	2010	2031	1,720,105	1,407,062	3,145,197							
Intercession City (11)	12	2008	2010	2022	198,446	76,560	256,154							
Intercession City (12-14)	26	2008	2010	2036	4,760,719	1,419,392	9,035,721							
Rio Pinar	6	2008	2010	2016	322,364	345,456	397,274							
Suwannee Steam	3	2008	2010	2013	14,060,964	16,461,076	17,327,448					8,531,473	8,795,975	
Suwannee Gas	14	2008	2010	2024	279,534	252,376	370,151							
Tiger Bay	28	2008	2010	2038	389,942	91,531	262,388							
Turner Peakers 1&2	6	2008	2010	2016	24,044	18,588	21,376							
Turner Peakers 3&4	13	2008	2010	2023	432,155	443,210	603,258							
UF Cogeneration	23	2008	2010	2033	301,464	172,924	406,879							
Total					161,330,653	146,124,785	219,652,307	14,969,029	15,291,089	0	0	8,531,473	8,795,975	0

Progress Energy Florida
 Projected Future Dismantlement Cost by Plant

Plant	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Anclole							6,963,089	7,094,810						
Avon Park	206,896													
Bartow - Steam														
Bartow - CT												473,431		
Bartow-Anclole Pipeline							15,424,962							
Bartow - CC														
Bayboro Peakers														1,601,395
Crystal River South (1&2)					21,420,084	21,912,213								
Crystal River North (4&5)														
Crystal River Common														
Crystal River Helper					6,345,847									
Crystal River Mariculture					2,277,368									
Debary Peakers (1-6)					653,364									
Debary Peakers (7-10)								10,894,761						
Higgins	408,745													
Hines 1													447,454	
Hines 2														
Hines 3														
Hines 4														
Intercession City (1-6)					571,119									
Intercession City (7-10)														
Intercession City (11)							256,154							
Intercession City (12-14)														
Rio Pinar	397,274													
Suwannee Steam														
Suwannee Gas									370,151					
Tiger Bay														
Turner Peakers 1&2	21,376													
Turner Peakers 3&4								603,258						
UF Cogeneration														
Total	1,034,291	0	0	0	31,267,782	21,912,213	22,644,205	18,592,829	370,151	0	0	473,431	447,454	1,601,395

Progress Energy Florida
 Projected Future Dismantlement Cost by Plant

Plant	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Anclote										
Avon Park										
Bartow - Steam										
Bartow - CT										
Bartow-Anclote Pipeline										
Bartow - CC										(2,373,980)
Bayboro Peakers										
Crystal River South (1&2)										
Crystal River North (4&5)						18,744,298	18,701,065			
Crystal River Common						25,410,396				
Crystal River Helper										
Crystal River Marioculture										
Debary Peakers (1-6)										
Debary Peakers (7-10)										
Higgins										
Hines 1										
Hines 2				187,244						
Hines 3						50,752				
Hines 4								151,030		
Intercession City (1-6)										
Intercession City (7-10)		3,145,197								
Intercession City (11)										
Intercession City (12-14)							9,035,721			
Rio Pinar										
Suwannee Steam										
Suwannee Gas										
Tiger Bay									262,388	
Turner Peakers 1&2										
Turner Peakers 3&4										
UF Cogeneration				406,879						
Total		0 3,145,197	0	594,123	0	44,205,446	27,736,786	151,030	262,388	(2,373,980)

Progress Energy Florida
 Projected Future Dollar Dismantlement Cost by Plant

Plant	Study Date	Capital Recovery Year	Dismantlement Cost Components	Cost Estimate Per Study (w/o Contingency)	Cost Estimate Per Study	Inflation Compounded Multiplier	Cost Estimate 2010 Dollars	First Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Second Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Total Future \$ Cost
Arcade	2008	2022	Labor	15,139,000	17,955,000	1.0781	19,357,379	2027	50%	1.6906	16,363,108	2028	50%	1.7425	16,864,926	33,228,034
			Material & Eq	3,718,000	4,462,000	1.0534	4,700,181	50%	1.2912	3,034,504	50%		1.3153	3,091,063	6,125,567	
			Disposal	3,351,000	4,021,000	1.0386	4,176,282	50%	1.3145	2,744,784	50%		1.3341	2,785,814	5,530,598	
			Salvage	(17,118,000)	(17,118,000)	1.0573	(18,098,260)	50%	1.6774	(15,179,307)	50%		1.7291	(15,645,993)	(30,826,300)	
				5,090,000	9,320,000		10,135,582			6,963,089				7,094,810	14,057,899	
Avon Park Gas Turbine	2008	2016	Labor	318,000	378,000	1.0781	407,524	2021	100%	1.3923	567,385				567,385	
			Material & Eq	88,000	105,000	1.0534	110,605	100%	1.1530	127,523				127,523		
			Disposal	13,000	16,000	1.0386	16,618	100%	1.1982	19,912				19,912		
			Salvage	(344,000)	(344,000)	1.0573	(363,699)	100%	1.3966	(507,924)				(507,924)		
				75,000	155,000		171,048			206,896				206,896		
Bartow Steam	2008	2009	Labor	16,338,000	19,311,000	1.0781	20,819,290	2014	50%	1.1046	11,498,566	2015	50%	1.1386	11,852,831	23,351,397
			Material & Eq	3,727,000	4,472,000	1.0534	4,710,715	50%	1.0135	2,387,226	50%		1.0324	2,431,668	4,818,894	
			Disposal	10,919,000	13,103,000	1.0386	13,609,010	50%	1.0704	7,283,828	50%		1.0885	7,406,400	14,690,228	
			Salvage	(10,443,000)	(10,443,000)	1.0573	(11,041,017)	50%	1.1232	(6,200,591)	50%		1.1593	(6,399,810)	(12,600,401)	
				20,541,000	26,443,000		28,097,998			14,969,029				15,291,089	30,260,118	
Bartow CT	2008	2027	Labor	1,190,000	1,414,000	1.0781	1,524,441	2032	100%	1.9513	2,974,585				2,974,585	
			Material & Eq	297,000	356,000	1.0534	375,003	100%	1.4162	531,082				531,082		
			Disposal	0	0	1.0386	0	100%	1.4132	-				-		
			Salvage	(1,469,000)	(1,469,000)	1.0573	(1,553,122)	100%	1.9523	(3,032,236)				(3,032,236)		
				18,000	301,000		346,322			473,431				473,431		
Bartow-Arcade Pipeline	2008	2022	Labor	5,262,000	6,211,000	1.0781	6,696,112	2027	100%	1.6906	11,320,665				11,320,665	
			Material & Eq	2,646,000	3,175,000	1.0534	3,344,481	100%	1.2912	4,318,489				4,318,489		
			Disposal	2,946,000	3,535,000	1.0386	3,671,514	100%	1.3145	4,826,069				4,826,069		
			Salvage	(2,842,000)	(2,842,000)	1.0573	(3,004,747)	100%	1.6774	(5,040,261)				(5,040,261)		
				8,012,000	10,079,000		10,707,360			15,424,962				15,424,962		
Bartow CC	2008	2039	Labor	5,251,000	6,234,000	1.0781	6,720,908	2044	100%	2.6072	17,522,679				17,522,679	
			Material & Eq	1,519,000	1,823,000	1.0534	1,920,312	100%	1.7597	3,379,177				3,379,177		
			Disposal	178,000	214,000	1.0386	222,264	100%	1.6653	370,142				370,142		
			Salvage	(7,958,000)	(7,958,000)	1.0573	(8,413,714)	100%	2.8104	(23,645,978)				(23,645,978)		
				(1,010,000)	313,000		449,770			(2,373,980)				(2,373,980)		
Bayboro	2008	2029	Labor	926,000	1,098,000	1.0781	1,183,760	2034	100%	2.0541	2,431,611				2,431,611	
			Material & Eq	296,000	355,000	1.0534	373,950	100%	1.4693	549,452				549,452		
			Disposal	231,000	277,000	1.0386	287,697	100%	1.4542	418,373				418,373		
			Salvage	(820,000)	(820,000)	1.0573	(866,957)	100%	2.0740	(1,798,041)				(1,798,041)		
				633,000	910,000		978,450			1,601,395				1,601,395		
Crystal River South Units 1 & 2	2008	2020	Labor	31,024,000	36,741,000	1.0781	39,610,664	2025	50%	1.5875	31,441,912	2026	50%	1.6389	32,459,691	63,901,603
			Material & Eq	12,855,000	15,426,000	1.0534	16,249,439	50%	1.2446	10,111,907	50%		1.2676	10,299,214	20,411,121	
			Disposal	7,314,000	8,777,000	1.0386	9,115,949	50%	1.2754	5,813,291	50%		1.2950	5,902,357	11,715,648	
			Salvage	(31,098,000)	(31,098,000)	1.0573	(32,878,823)	50%	1.5783	(25,947,026)	50%		1.6271	(26,745,049)	(52,696,075)	
				20,095,000	29,846,000		32,097,229			21,420,084				21,912,213	43,332,297	
Crystal River North Units 4 & 5	2008	2035	Labor	29,225,000	34,578,000	1.0781	37,278,722	2040	50%	2.3705	44,184,442	2041	50%	2.4276	45,248,368	89,432,810
			Material & Eq	16,549,000	19,859,000	1.0534	20,919,072	50%	1.6377	17,129,096	50%		1.6673	17,439,689	34,568,785	
			Disposal	5,828,000	6,994,000	1.0386	7,264,093	50%	1.5789	5,734,515	50%		1.6001	5,811,458	11,545,973	
			Salvage	(36,728,000)	(36,728,000)	1.0573	(38,831,224)	50%	2.4879	(48,303,755)	50%		2.5649	(49,798,450)	(98,102,205)	
				14,874,000	24,703,000		26,630,663			18,744,298				18,701,065	37,445,363	
Crystal River Common	2008	2035	Labor	6,369,000	7,540,000	1.0781	8,128,913	2040	100%	2.3705	19,269,517				19,269,517	

Progress Energy Florida

Projected Future Dollar Dismantlement Cost by Plant

Plant	Study Date	Capital Recovery Year	Dismantlement Cost Components	Cost Estimate Per Study (w/o Contingency)	Cost Estimate Per Study	Inflation Compounded Multiplier	Cost Estimate 2010 Dollars	First Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Second Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Total Future \$ Cost	
			Material & Eq	4,439,000	5,327,000	1.0534	5,611,355		100%	1.6377	9,189,455				9,189,455		
			Disposal	0	0	1.0386	0		100%	1.5789	-		-			-	
			Salvage	(1,159,000)	(1,159,000)	1.0573	(1,225,370)		100%	2.4879	(3,048,576)		(3,048,576)			(3,048,576)	
				9,649,000	11,708,000		12,514,898				25,410,396				25,410,396		
Crystal River Helper	2008	2020	Labor	2,905,000	3,452,000	1.0781	3,721,619	2025	100%	1.5875	5,908,248				5,908,248		
			Material & Eq	578,000	694,000	1.0534	731,046		100%	1.2446	909,849		909,849		909,849		
			Disposal	0	0	1.0386	0		100%	1.2754	-		-		-		
			Salvage	(283,000)	(283,000)	1.0573	(299,206)		100%	1.5783	(472,250)			(472,250)			
				3,200,000	3,863,000		4,153,459				6,345,847				6,345,847		
Crystal River Manicature (Fish Hatchery)	2008	2020	Labor	736,000	871,000	1.0781	939,030	2025	100%	1.5875	1,490,755				1,490,755		
			Material & Eq	500,000	600,000	1.0534	632,028		100%	1.2446	786,613		786,613		786,613		
			Disposal	0	0	1.0386	0		100%	1.2754	-		-		-		
			Salvage	0	0	1.0573	0		100%	1.5783	-		-		-		
				1,236,000	1,471,000		1,571,058				2,277,368				2,277,368		
Debarry Gas Turbine units 1 - 6	2008	2020	Labor	1,408,000	1,669,000	1.0781	1,799,358	2025	100%	1.5875	2,856,567				2,856,567		
			Material & Eq	304,000	365,000	1.0534	384,484		100%	1.2446	478,523		478,523		478,523		
			Disposal	465,000	558,000	1.0386	579,549		100%	1.2754	739,163		739,163		739,163		
			Salvage	(2,050,000)	(2,050,000)	1.0573	(2,167,393)		100%	1.5783	(3,420,889)			(3,420,889)			
				127,000	542,000		595,998				653,364				653,364		
Debarry Gas Turbine units 7 - 10	2008	2023	Labor	3,940,000	4,658,000	1.0781	5,021,814	2028	100%	1.7425	8,750,412				8,750,412		
			Material & Eq	1,949,000	2,339,000	1.0534	2,463,856		100%	1.3153	3,240,698		3,240,698		3,240,698		
			Disposal	1,393,000	1,672,000	1.0386	1,736,569		100%	1.3341	2,316,777		2,316,777		2,316,777		
			Salvage	(1,867,000)	(1,867,000)	1.0573	(1,973,914)		100%	1.7291	(3,413,126)			(3,413,126)			
				5,415,000	6,802,000		7,248,325				10,894,761				10,894,761		
Higgins	2008	2016	Labor	593,000	704,000	1.0781	758,986	2021	100%	1.3923	1,056,716				1,056,716		
			Material & Eq	220,000	264,000	1.0534	278,092		100%	1.1530	320,629		320,629		320,629		
			Disposal	0	0	1.0386	0		100%	1.1962	-		-		-		
			Salvage	(656,000)	(656,000)	1.0573	(693,566)		100%	1.3966	(968,600)			(968,600)			
				157,000	312,000		343,512				408,745				408,745		
Hines PB1	2008	2028	Labor	2,445,500	2,902,500	1.0781	3,129,200	2033	100%	2.0032	6,268,291				6,268,291		
			Material & Eq	837,250	1,005,000	1.0534	1,058,647		100%	1.4425	1,527,076		1,527,076		1,527,076		
			Disposal	66,750	80,000	1.0386	83,089		100%	1.4335	119,104		119,104		119,104		
			Salvage	(3,509,750)	(3,509,750)	1.0573	(3,710,735)		100%	2.0123	(7,467,017)			(7,467,017)			
				(160,250)	477,750		560,201				447,454				447,454		
Hines PB2	2008	2033	Labor	2,445,500	2,902,500	1.0781	3,129,200	2038	100%	2.2603	7,073,015				7,073,015		
			Material & Eq	837,250	1,005,000	1.0534	1,058,647		100%	1.5798	1,672,494		1,672,494		1,672,494		
			Disposal	66,750	80,000	1.0386	83,089		100%	1.5373	127,736		127,736		127,736		
			Salvage	(3,509,750)	(3,509,750)	1.0573	(3,710,735)		100%	2.3408	(8,686,001)			(8,686,001)			
				(160,250)	477,750		560,201				187,244				187,244		
Hines PB3	2008	2035	Labor	2,445,500	2,902,500	1.0781	3,129,200	2040	100%	2.3705	7,417,741				7,417,741		
			Material & Eq	837,250	1,005,000	1.0534	1,058,647		100%	1.6377	1,733,697		1,733,697		1,733,697		
			Disposal	66,750	80,000	1.0386	83,089		100%	1.5789	131,186		131,186		131,186		
			Salvage	(3,509,750)	(3,509,750)	1.0573	(3,710,735)		100%	2.4879	(9,231,872)			(9,231,872)			
				(160,250)	477,750		560,201				50,752				50,752		
Hines PB4	2008	2037	Labor	2,524,500	2,996,500	1.0781	3,230,542	2042	100%	2.4860	8,031,208				8,031,208		
			Material & Eq	837,250	1,005,000	1.0534	1,058,647		100%	1.6976	1,797,139		1,797,139		1,797,139		

Progress Energy Florida
 Projected Future Dollar Dismantlement Cost by Plant

Plant	Study Date	Capital Recovery Year	Dismantlement Cost Components	Cost Estimate Per Study (w/o Contingency)	Cost Estimate Per Study	Inflation Compounded Multiplier	Cost Estimate 2010 Dollars	First Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Second Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Total Future \$ Cost
			Disposal	66,750	80,000	1.0386	83,089		100%	1.6215	134,730				134,730	
			Salvage	(3,509,750)	(3,509,750)	1.0573	(3,710,735)		100%	2.6442	(9,812,047)				(9,812,047)	
				(81,250)	571,750		661,543				151,030				151,030	
Intercession City Units 1 - 6	2008	2020	Labor	933,000	1,107,000	1.0781	1,193,462	2025	100%	1.5875	1,894,678				1,894,678	
			Material & Eq	289,000	347,000	1.0534	365,523		100%	1.2446	454,925				454,925	
			Disposal	104,000	125,000	1.0386	129,827		100%	1.2754	165,583				165,583	
			Salvage	(1,165,000)	(1,165,000)	1.0573	(1,231,714)		100%	1.5783	(1,944,067)				(1,944,067)	
				161,000	414,000		457,098				571,119				571,119	
Intercession City Units 7 - 10	2008	2031	Labor	1,561,000	1,852,000	1.0781	1,996,651	2036	100%	2.1553	4,303,414				4,303,414	
			Material & Eq	536,000	643,000	1.0534	677,323		100%	1.5239	1,032,174				1,032,174	
			Disposal	104,000	125,000	1.0386	129,827		100%	1.4973	194,392				194,392	
			Salvage	(1,025,000)	(1,025,000)	1.0573	(1,083,696)		100%	2.2006	(2,384,783)				(2,384,783)	
				1,176,000	1,595,000		1,720,105				3,145,197				3,145,197	
Intercession City Units 11	2008	2022	Labor	224,000	264,000	1.0781	284,620	2027	100%	1.6906	481,168				481,168	
			Material & Eq	68,000	82,000	1.0534	86,377		100%	1.2912	111,532				111,532	
			Disposal	104,000	125,000	1.0386	129,827		100%	1.3145	170,653				170,653	
			Salvage	(286,000)	(286,000)	1.0573	(302,378)		100%	1.6774	(507,219)				(507,219)	
				110,000	185,000		198,446				256,154				256,154	
Intercession City Units 12 - 14	2008	2036	Labor	3,254,000	3,852,000	1.0781	4,152,861	2041	100%	2.4276	10,081,364				10,081,364	
			Material & Eq	1,528,000	1,834,000	1.0534	1,931,899		100%	1.6673	3,221,148				3,221,148	
			Disposal	724,000	869,000	1.0386	902,559		100%	1.6001	1,444,140				1,444,140	
			Salvage	(2,106,000)	(2,106,000)	1.0573	(2,226,600)		100%	2.5649	(5,710,931)				(5,710,931)	
				3,400,000	4,449,000		4,760,719				9,035,721				9,035,721	
Rio Pinar	2008	2016	Labor	209,000	246,000	1.0781	265,214	2021	100%	1.3923	369,250				369,250	
			Material & Eq	113,000	136,000	1.0534	143,260		100%	1.1530	165,173				165,173	
			Disposal	68,000	82,000	1.0386	85,167		100%	1.1982	102,048				102,048	
			Salvage	(182,000)	(182,000)	1.0573	(171,277)		100%	1.3966	(239,197)				(239,197)	
				228,000	302,000		322,364				397,274				397,274	
Suwannee - Steam	2008	2013	Labor	12,270,000	14,579,000	1.0781	15,717,696	2018	50%	1.2600	9,902,262	2019	50%	1.3028	10,238,746	20,141,008
			Material & Eq	2,171,000	2,605,000	1.0534	2,744,055		50%	1.0915	1,497,599		50%	1.1116	1,525,080	3,022,679
			Disposal	823,000	988,000	1.0386	1,026,154		50%	1.1424	586,115		50%	1.1606	595,493	1,181,608
			Salvage	(5,133,000)	(5,133,000)	1.0573	(5,426,941)		50%	1.2731	(3,454,503)		50%	1.3132	(3,563,344)	(7,017,847)
				10,131,000	13,036,000		14,060,964				8,531,473			8,795,975	17,327,448	
Suwannee - Gas	2008	2024	Labor	600,000	712,000	1.0781	767,611	2029	100%	1.7950	1,377,833				1,377,833	
			Material & Eq	159,000	191,000	1.0534	201,196		100%	1.3398	269,567				269,567	
			Disposal	92,000	110,000	1.0386	114,748		100%	1.3538	154,671				154,671	
			Salvage	(760,000)	(760,000)	1.0573	(803,521)		100%	1.7821	(1,431,920)				(1,431,920)	
				91,000	253,000		279,534				370,151				370,151	
Tiger Bay Combined Cycle	2008	2038	Labor	1,696,000	2,015,000	1.0781	2,172,382	2043	100%	2.5459	5,530,638				5,530,638	
			Material & Eq	294,000	353,000	1.0534	371,843		100%	1.7284	642,680				642,680	
			Disposal	28,000	34,000	1.0386	35,313		100%	1.6433	58,029				58,029	
			Salvage	(2,071,000)	(2,071,000)	1.0573	(2,189,596)		100%	2.7261	(5,968,959)				(5,968,959)	
				(53,000)	331,000		369,942				262,388				262,388	
Turner Gas Turbine Units 1 & 2	2008	2016	Labor	166,000	198,000	1.0781	213,465	2021	100%	1.3923	297,202				297,202	

Progress Energy Florida

Projected Future Dollar Dismantlement Cost by Plant

Plant	Study Date	Capital Recovery Year	Dismantlement Cost Components	Cost Estimate Per Study (w/o Contingency)	Cost Estimate Per Study	Inflation Compounded Multiplier	Cost Estimate 2010 Dollars	First Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Second Year of Expense (3)	% of Total Cost	Inflation Compounded Multiplier	Future Dollar Cost	Total Future \$ Cost
			Material & Eq	37,000	44,000	1.0534	46,349		100%	1.1530	53,439				53,439	53,439
			Disposal	0	0	1.0386	0		100%	1.1982	-				-	-
			Salvage	(223,000)	(223,000)	1.0573	(235,770)		100%	1.0966	(329,265)				(329,265)	(329,265)
				(20,000)	19,000		24,044				21,376				21,376	21,376
Turner Gas Turbine Units 3 & 4	2008	2023	Labor	859,000	1,019,000	1.0781	1,098,589	2028	100%	1.7425	1,914,270				1,914,270	1,914,270
			Material & Eq	303,000	364,000	1.0534	383,430		100%	1.3153	504,324				504,324	504,324
			Disposal	0	0	1.0386	0		100%	1.3341	-				-	-
			Salvage	(993,000)	(993,000)	1.0573	(1,049,864)		100%	1.7291	(1,815,336)				(1,815,336)	(1,815,336)
			169,000	390,000		432,155			603,258				603,258	603,258		
University of Florida Gas Turbine	2008	2033	Labor	577,000	684,000	1.0781	737,424	2038	100%	2.2603	1,666,819				1,666,819	1,666,819
			Material & Eq	233,000	280,000	1.0534	294,946		100%	1.5798	465,968				465,968	465,968
			Disposal	15,000	18,000	1.0386	18,695		100%	1.5373	28,740				28,740	28,740
			Salvage	(709,000)	(709,000)	1.0573	(749,601)		100%	2.3408	(1,754,648)				(1,754,648)	(1,754,648)
			116,000	273,000		301,464			406,879				406,879	406,879		
				103,859,000	150,823,000		161,330,653			147,857,155				71,795,152	219,652,307	

SECTION 4

PROPOSED RESERVE ADJUSTMENTS

**Progress Energy Florida
2008 Dismantlement Study
Proposed Reserve Adjustments - Residual Reserve Balances**

Transfer of Residual Reserve from:

	Accumulated Reserve	Future to Dismantle	Surplus
Avon Steam	5,410,811	-	5,410,811
Higgins Steam	10,158,455	-	10,158,455
Inglis Steam	88,472	-	88,472
Port St. Joe	599,283	-	599,283
Turner Steam	6,693,907	-	6,693,907
	22,950,929	-	22,950,928

Transfer of Residual Reserve to:

	A	B	C=A-B	D	E	F=A+D+E Adjusted 12/31/09 Reserve Balances (for plants receiving portion of residual reserve balances)
	Accumulated Reserve (before adjustments)	Future to Dismantle	Deficit	Allocation of Residual Reserves	Adjustments due to Theoretical Reserve analysis	
Bartow Steam	21,137,835	30,260,118	(9,122,283)	9,122,283	(0)	30,260,118
Suwannee Steam	10,512,957	17,327,448	(6,814,491)	6,814,491	(866,372)	16,461,076
Bartow-Anclote Pipeline	3,397,041	15,424,962	(12,027,921)	599,283	2,869,601	6,865,925
CR 1&2	25,916,397	43,332,297	(17,415,900)	6,414,872	2,334,286	34,665,555
	60,964,230	106,344,825	(45,380,595)	22,950,929	4,337,515	88,252,674

NOTES:

D (above): allocation based on similar production facilities (i.e. steam), adjusted based on theoretical reserve analysis.

SECTION 5

CALCULATION OF INFLATION INDICES

Progress Energy Florida
Inflation Forecast

Description: Historical End Date:	LABOR		MATERIALS & EQUIPMENT			DISPOSAL			SALVAGE			
	Annual Rate of Change	Labor - 2008 Base	Labor - 2010 Base	Annual Rate of Change	Materials, Equipment - 2006 Base	Materials, Equipment - 2010 Base	Annual Rate of Change	Disposal - 2008 Base	Disposal - 2010 Base	Annual Rate of Change	Salvage - 2008 Base	Salvage - 2010 Base
2008	4.69%	100.00		12.02%	100.00		2.44%	100.00		37.01%	100.00	
2009	4.43%	1.0443		4.53%	1.0453		1.89%	1.0189		3.58%	1.0358	
2010	3.24%	1.0781	100.00	0.77%	1.0534	100.00	1.94%	1.0386	100.00	2.07%	1.0573	100.00
2011	2.65%	1.1067	1.0265	-1.12%	1.0416	0.9888	1.87%	1.0580	1.0187	2.65%	1.0853	1.0265
2012	2.42%	1.1335	1.0514	0.05%	1.0421	0.9893	1.66%	1.0756	1.0356	2.80%	1.1157	1.0552
2013	2.37%	1.1604	1.0763	0.82%	1.0506	0.9973	1.67%	1.0936	1.0529	3.12%	1.1505	1.0882
2014	2.63%	1.1909	1.1046	1.63%	1.0676	1.0135	1.67%	1.1118	1.0704	3.22%	1.1875	1.1232
2015	3.08%	1.2276	1.1386	1.86%	1.0875	1.0324	1.68%	1.1305	1.0885	3.21%	1.2257	1.1593
2016	3.40%	1.2693	1.1773	1.91%	1.1083	1.0522	1.64%	1.1491	1.1063	3.15%	1.2643	1.1958
2017	3.46%	1.3132	1.2181	1.87%	1.1291	1.0719	1.62%	1.1676	1.1242	3.20%	1.3047	1.2341
2018	3.44%	1.3584	1.2600	1.83%	1.1498	1.0915	1.61%	1.1865	1.1424	3.16%	1.3460	1.2731
2019	3.40%	1.4046	1.3028	1.83%	1.1709	1.1116	1.60%	1.2055	1.1606	3.15%	1.3884	1.3132
2020	3.39%	1.4521	1.3469	1.83%	1.1923	1.1319	1.60%	1.2248	1.1792	3.13%	1.4318	1.3542
2021	3.37%	1.5010	1.3923	1.86%	1.2145	1.1530	1.61%	1.2445	1.1982	3.12%	1.4765	1.3966
2022	3.35%	1.5513	1.4389	1.94%	1.2380	1.1753	1.59%	1.2643	1.2173	3.12%	1.5226	1.4401
2023	3.34%	1.6030	1.4869	1.96%	1.2623	1.1984	1.58%	1.2843	1.2365	3.13%	1.5703	1.4852
2024	3.33%	1.6565	1.5365	1.95%	1.2869	1.2217	1.58%	1.3045	1.2560	3.10%	1.6189	1.5312
2025	3.32%	1.7115	1.5875	1.87%	1.3110	1.2446	1.55%	1.3247	1.2754	3.08%	1.6687	1.5783
2026	3.24%	1.7669	1.6389	1.85%	1.3353	1.2676	1.53%	1.3450	1.2950	3.09%	1.7203	1.6271
2027	3.15%	1.8227	1.6906	1.86%	1.3602	1.2912	1.51%	1.3652	1.3145	3.09%	1.7735	1.6774
2028	3.07%	1.8786	1.7425	1.86%	1.3855	1.3153	1.49%	1.3856	1.3341	3.08%	1.8281	1.7291
2029	3.01%	1.9352	1.7950	1.86%	1.4113	1.3398	1.48%	1.4061	1.3538	3.06%	1.8841	1.7821
2030	2.87%	1.9907	1.8464	1.87%	1.4377	1.3648	1.46%	1.4266	1.3735	3.09%	1.9422	1.8370
2031	2.82%	2.0467	1.8984	1.87%	1.4645	1.3903	1.44%	1.4471	1.3933	3.10%	2.0024	1.8939
2032	2.78%	2.1037	1.9513	1.86%	1.4918	1.4162	1.43%	1.4678	1.4132	3.08%	2.0642	1.9523
2033	2.66%	2.1596	2.0032	1.86%	1.5195	1.4425	1.43%	1.4888	1.4335	3.07%	2.1275	2.0123
2034	2.55%	2.2146	2.0541	1.86%	1.5478	1.4693	1.45%	1.5104	1.4542	3.07%	2.1927	2.0740
2035	2.46%	2.2690	2.1046	1.85%	1.5763	1.4964	1.51%	1.5332	1.4782	2.95%	2.2573	2.1351
2036	2.41%	2.3237	2.1553	1.84%	1.6052	1.5239	1.43%	1.5551	1.4973	3.07%	2.3266	2.2006
2037	2.41%	2.3796	2.2072	1.82%	1.6345	1.5517	1.31%	1.5756	1.5170	3.18%	2.4005	2.2705
2038	2.41%	2.4369	2.2603	1.81%	1.6642	1.5798	1.34%	1.5967	1.5373	3.09%	2.4748	2.3408
2039	2.41%	2.4955	2.3148	1.81%	1.6943	1.6085	1.34%	1.6181	1.5580	3.09%	2.5514	2.4132
2040	2.41%	2.5556	2.3705	1.81%	1.7251	1.6377	1.34%	1.6398	1.5789	3.09%	2.6304	2.4879
2041	2.41%	2.6172	2.4276	1.81%	1.7564	1.6673	1.34%	1.6618	1.6001	3.09%	2.7117	2.5649
2042	2.41%	2.6802	2.4860	1.81%	1.7882	1.6976	1.34%	1.6841	1.6215	3.09%	2.7957	2.6442
2043	2.41%	2.7447	2.5459	1.81%	1.8206	1.7284	1.34%	1.7067	1.6433	3.09%	2.8822	2.7261
2044	2.41%	2.8108	2.6072	1.81%	1.8536	1.7597	1.34%	1.7296	1.6653	3.09%	2.9713	2.8104
2045	2.41%	2.8785	2.6700	1.81%	1.8872	1.7916	1.34%	1.7528	1.6877	3.09%	3.0633	2.8974
2046	2.41%	2.9478	2.7343	1.81%	1.9215	1.8241	1.34%	1.7764	1.7103	3.09%	3.1581	2.9870
2047	2.41%	3.0188	2.8001	1.81%	1.9563	1.8572	1.34%	1.8002	1.7333	3.09%	3.2558	3.0795
2048	2.41%	3.0915	2.8675	1.81%	1.9918	1.8908	1.34%	1.8244	1.7565	3.09%	3.3565	3.1747
2049	2.41%	3.1659	2.9366	1.81%	2.0279	1.9251	1.34%	1.8488	1.7801	3.09%	3.4604	3.2730
2050	2.41%	3.2422	3.0073	1.81%	2.0647	1.9600	1.34%	1.8736	1.8040	3.09%	3.5675	3.3743
2051	2.41%	3.3202	3.0797	1.81%	2.1021	1.9956	1.34%	1.8988	1.8282	3.09%	3.6779	3.4787
2052	2.41%	3.4002	3.1538	1.81%	2.1402	2.0318	1.34%	1.9243	1.8527	3.09%	3.7917	3.5863
2053	2.41%	3.4821	3.2298	1.81%	2.1790	2.0686	1.34%	1.9501	1.8776	3.09%	3.9060	3.6973
2054	2.41%	3.5659	3.3076	1.81%	2.2185	2.1061	1.34%	1.9762	1.9028	3.09%	4.0300	3.8117
2055	2.41%	3.6518	3.3872	1.81%	2.2588	2.1443	1.34%	2.0028	1.9283	3.09%	4.1547	3.9296
2056	2.41%	3.7397	3.4688	1.81%	2.2997	2.1832	1.34%	2.0296	1.9542	3.09%	4.2832	4.0512
2057	2.41%	3.8297	3.5523	1.81%	2.3414	2.2228	1.34%	2.0569	1.9804	3.09%	4.4158	4.1766
2058	2.41%	3.9220	3.6378	1.81%	2.3839	2.2631	1.34%	2.0845	2.0070	3.09%	4.5524	4.3058
2059	2.41%	4.0164	3.7254	1.81%	2.4271	2.3041	1.34%	2.1124	2.0339	3.09%	4.6933	4.4391
2060	2.41%	4.1131	3.8151	1.81%	2.4711	2.3459	1.34%	2.1408	2.0612	3.09%	4.8385	4.5764
2061	2.41%	4.2122	3.9070	1.81%	2.5159	2.3884	1.34%	2.1695	2.0888	3.09%	4.9882	4.7181
2062	2.41%	4.3136	4.0011	1.81%	2.5615	2.4317	1.34%	2.1986	2.1169	3.09%	5.1426	4.8641
2063	2.41%	4.4174	4.0974	1.81%	2.6080	2.4758	1.34%	2.2281	2.1453	3.09%	5.3017	5.0146

SECTION 6

ANALYSIS OF ANNUAL ACCRUALS

Progress Energy Florida
2010 Proposed Accrual vs. Current Approved
System Accrual Amounts

	2010 Proposed			2006 Filed Amounts *			2000 Commission Approved **		
	\$		\$	\$		\$		\$	
		3,845,221	11,211,637		(7,366,416)	8,813,128		(4,967,907)	
ALL PLANTS									
Andote		232,936	829,685		(596,749)	816,300		(583,364)	
Avon Park Gas Turbine		3,485	56,894		(53,409)	-		3,485	
Bartow - Steam		-	1,740,237		(1,740,237)	1,277,949		(1,277,949)	
Bartow - CT		7,222	81,939		(74,717)	-		7,222	
Bartow-Andote Pipeline		574,928	770,060		(195,132)	504,183		70,745	
Bartow - CC		(7,753)	-		(7,753)	-		(7,753)	
Bayboro		21,329	121,053		(99,724)	89,630		(68,301)	
Crystal River South Units 1 & 2		691,265	2,546,950		(1,855,685)	2,297,071		(1,605,806)	
Crystal River North Units 4 & 5		627,398	1,153,585		(526,187)	1,397,432		(770,034)	
Crystal River Common		411,978	586,936		(174,958)	541,395		(129,417)	
Crystal River Helper		176,932	352,924		(175,992)	315,522		(138,590)	
Crystal River Mariculture		62,717	118,715		(55,998)	108,763		(46,046)	
Debary Gas Turbine units 1 - 6		13,601	210,534		(196,933)	37,966		(24,365)	
Debary Gas Turbine units 7 - 10		396,844	339,811		57,033	347,466		49,378	
Higgins		7,077	30,640		(23,563)	-		7,077	
Hines PB1		21,228	100,947		(79,719)	158,423		(137,195)	
Hines PB2		17,650	410,954		(393,304)	202,606		(184,956)	
Hines PB3		16,643	-		16,643	-		16,643	
Hines PB4		19,989	-		19,989	-		19,989	
Intercession City Units 1 - 6		10,363	123,405		(113,042)	42,234		(31,871)	
Intercession City Units 7 -10		59,188	205,590		(146,402)	95,977		(36,789)	
Intercession City Units 11		12,516	47,681		(35,165)	13,155		(639)	
Intercession City Units 12 -14		207,479	167,445		40,034	230,514		(23,035)	
Port St. Joe		-	6,663		(6,663)	-		-	
Rio Pinar		6,930	51,236		(44,306)	-		6,930	
Suwannee - Steam units 1 - 3		216,593	425,938		(209,345)	-		216,593	
Suwannee - CT 1 - 3		6,992	32,481		(25,489)	42,462		(35,470)	
Tiger Bay Combined Cycle		10,912	134,837		(123,925)	114,463		(103,551)	
Turner Gas Turbine Units 1 - 2		711	-		711	-		711	
Turner Gas Turbine Units 3 - 4		9,040	72,927		(63,887)	64,658		(55,618)	
Turner - Steam		-	367,275		(367,275)	-		-	
University of Florida Gas Turbine		9,028	124,295		(115,267)	114,959		(105,931)	

* Docket No 050078

** Order No. PSC-01-2386-PAA-EI
Docket No 010031-EI; Attachment B

**Progress Energy Florida
Fossil Dismantlement Expense**

	2008	2004	% change	\$ change
Anclote	9,320,000	13,853,000	-32.7%	(4,533,000)
Avon Park Gas Turbine	155,000	575,400	-73.1%	(420,400)
Bartow (Steam, CT and CC)	27,057,000	24,727,000	9.4%	2,330,000
Bartow-Anclote Pipeline	10,079,000	8,447,000	19.3%	1,632,000
Bayboro	910,000	1,655,300	-45.0%	(745,300)
Crystal River South Units 1 & 2	29,846,000	35,129,000	-15.0%	(5,283,000)
Crystal River North Units 4 & 5	24,703,000	25,923,000	-4.7%	(1,220,000)
Crystal River Common	11,708,000	7,918,000	47.9%	3,790,000
Crystal River Helper Cooling Towers	3,863,000	3,058,000	26.3%	805,000
Crystal River Mariculture	1,471,000	1,073,000	37.1%	398,000
Debary Gas Turbine units 1 - 6	542,000	2,650,000	-79.5%	(2,108,000)
Debary Gas Turbine units 7 - 10	6,802,000	4,640,000	46.6%	2,162,000
Higgins - Steam	0	5,545,000	-100.0%	(5,545,000)
Higgins - Peakers	312,000	505,000	-38.2%	(193,000)
Hines PB1 - 4	2,005,000	7,197,000	-72.1%	(5,192,000)
Intercession City Units 1 - 6	414,000	1,496,000	-72.3%	(1,082,000)
Intercession City Units 7 -10	1,595,000	2,889,000	-44.8%	(1,294,000)
Intercession City Units 11	185,000	538,000	-65.6%	(353,000)
Intercession City Units 12 -14	4,449,000	2,223,000	100.1%	2,226,000
Port St Joe	0	247,000	-100.0%	(247,000)
Rio Pinar	302,000	614,000	-50.8%	(312,000)
Suwannee - Steam units 1 - 3	13,039,000	12,257,000	6.4%	782,000
Suwannee - CT 1 - 3	253,000	437,000	-42.1%	(184,000)
Tiger Bay Combined Cycle	331,000	1,691,000	-80.4%	(1,360,000)
Turner Steam Plant	0	7,146,000	-100.0%	(7,146,000)
Turner Gas Turbine Units 1 - 4	409,000	1,362,000	-70.0%	(953,000)
University of Florida Gas Turbine	273,000	1,217,000	-77.6%	(944,000)
	<u>150,023,000</u>	<u>175,012,700</u>		<u>(24,989,700)</u>

**Progress Energy Florida
2010 Fossil Dismantlement Cost Study**

Plant	Variance Between Studies	Dismantlement Costs in 2010 \$	Dismantlement Costs in 2006 \$
Anclote	(4,897,228)	10,135,582	15,032,810
Avon Park Gas Turbine	(455,118)	171,048	626,166
Bartow (Steam)	2,596,538	28,097,998	25,501,460
Bartow-Anclote Pipeline	1,643,660	10,707,360	9,063,700
Bartow (CT)	(629,784)	346,322	976,106
Bartow (CC)	449,770	449,770	0
Bayboro	(813,441)	978,450	1,791,891
Crystal River South Units 1 & 2	(5,868,995)	32,097,229	37,966,224
Crystal River North Units 4 & 5	(1,502,651)	26,630,663	28,133,314
Crystal River Common	3,925,255	12,514,898	8,589,643
Crystal River Helper Cooling Towers	837,284	4,153,459	3,316,175
Crystal River Mariculture	417,759	1,571,058	1,153,299
Debary Gas Turbine units 1 - 6	(2,258,276)	595,998	2,854,274
Debary Gas Turbine units 7 - 10	2,240,557	7,248,325	5,007,768
Higgins - Steam	(5,948,848)	0	5,948,848
Higgins - Peakers	(209,747)	343,512	553,259
Hines PB1	(1,121,515)	560,201	1,681,716
Hines PB2	(5,643,735)	560,201	6,203,936
Hines PB3	560,201	560,201	0
Hines PB4	661,543	661,543	0
Intercession City Units 1 - 6	(1,168,411)	457,098	1,625,509
Intercession City Units 7 -10	(1,413,016)	1,720,105	3,133,121
Intercession City Units 11	(378,121)	198,446	576,567
Intercession City Units 12 -14	2,352,351	4,760,719	2,408,368
Port St Joe	(265,285)	0	265,285
Rio Pinar	(341,847)	322,364	664,211
Suwannee - Steam units 1 - 3	778,082	14,060,964	13,282,882
Suwannee - CT 1 - 3	(200,763)	279,534	480,297
Tiger Bay Combined Cycle	(1,460,448)	389,942	1,850,390
Turner Steam Plant	(8,210,467)	0	8,210,467
Turner Gas Turbine Units 1 - 2	(258,861)	24,044	282,905
Turner Gas Turbine Units 3 - 4	(296,782)	432,155	728,937
University of Florida Gas Turbine	(1,022,983)	301,464	1,324,447
TOTAL	(27,903,322)	161,330,653	189,233,975
Percent Increase / (Decrease)	-15%		

SECTION 7

BURNS & MCDONNELL 2008 DISMANTLEMENT COST STUDY

SEE SEPARATE VOLUME

Line No.	Reconciliation of Capital Structure to Rate Base	
1	System Per Books (B-3)	\$9,652
2	Adjustments to System Per Books:	
3	Remove ARO	398
4	Remove ECCR	(24)
5	Remove ECRC	(1,166)
6	Remove Fuel	(25)
7	Remove CCR/NCRC	(246)
8	Remove Above Market Affiliate Transfer	(19)
9	Remove Non-Utility Property	(0)
10	Other Investments (124)	(2)
11	Other Special Funds (128)	(446)
12	Misc and Accrued Taxes Other (174)	(69)
13	Remove Non-Rate Base Deferred Debits	(12)
14	Remove Dividends Declared (238)	(0)
15	Remove Derivative Instrument Assets & Liabilities	(23)
16	Remove Other Regulatory Assets and Liabilities	7
17	Remove Employee Related Accounts	(0)
18	Remove Nuclear Decommissioning Accounts	61
19	Adjusted System per Books	8,085
20	Jurisdictional Wholesale	1,237
21	Jurisdictional Per Books	6,848
22	Jurisdictional Company/FPSC Adjustments:	
23	Company Adjustment - Leased Assets	(10)
24	Company Adjustment - Rate Case	3
25	CWIP - AFUDC	(598)
26	Gain/loss on sale of plant	(7)
27	Nuc. Decom. Unfunded - Wholesale	2
28	Total Adjustments	(609)
29	Jurisdictional Adjusted Rate Base	\$6,239

DOCKET 090079- EI
Progress Energy Florida
Exhibit No.: _____ (PT-10)
Section 7

Report on the

**Dismantlement Cost Study
Florida Fossil Fuel Plants**

for

**Progress Energy Florida, Inc.
Crystal River, Florida**

Project Number 48822

October 2008

DOCUMENT NUMBER-DATE

02430 MAR 20 2008





October 10, 2008

Mr. Richard F. Reiland
Engineering Manager
Progress Energy Florida, Inc.
CR 36
8202 West Venable Street
Crystal River, Florida 34429

Dismantlement Cost Study
Florida Fossil Fuel Plants
B&McD Project 48822

Dear Mr. Reiland:

Burns & McDonnell (B&McD) is pleased to submit our Dismantlement Cost Study for the fossil fuel, power generating facilities (Plants), located in Florida, owned by Progress Energy Florida, Inc (Progress). The Plants include natural gas, fuel oil, and coal-fired generating facilities. The purpose of the Dismantlement Cost Study was to review the facilities and to make a recommendation to Progress regarding the total cost to dismantle the facilities at the end of their useful lives.

The results of the Dismantlement Cost Study conducted for the Plants are summarized in the attached report.

If you need any additional information, please contact me at (816) 822-4239 or by e-mail at jkopp@burnsmcd.com. It is a pleasure to be of service to Progress in this matter.

Sincerely,

BURNS & McDONNELL

Jeff Kopp, P.E.

DOCUMENT NUMBER-DATE

02430 MAR 2008

FPSC-COMMISSION CLERK

**Dismantlement Cost Study
Florida Fossil Fuel Plants**

prepared for

**Progress Energy Florida, Inc.
Crystal River, Florida**

October 2008

Project No. 48822

prepared by

**Burns & McDonnell Engineering Company, Inc.
Kansas City, Missouri**

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INDEX AND CERTIFICATION

Progress Energy Florida, Inc. Dismantlement Cost Study Florida Fossil Fuel Plants

Project 48822

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Certification

I hereby certify, as a Professional Engineer in the state of Florida, that the information in the document was assembled under my direct personal charge. This certification is made in accordance with the provisions of the laws and rules of Florida.

GREG MACK
Greg Mack, P.E.
Date: 10 Oct 08
(Reproductions are not valid unless signed, dated, and include Engineer's seal)

Gregory Mack
10 Oct 08

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1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

Burns & McDonnell (B&McD) was retained by Progress Energy Florida, Inc. (Progress) to conduct a dismantlement cost study for all of the Progress owned fossil fuel-fired energy facilities in the state of Florida. The assets include natural gas, fuel oil, and coal-fired generating facilities. Progress is required to have a dismantlement cost study performed every four years. The previous study was conducted in 2004 by Sargent & Lundy. B&McD visited all of the sites in May of 2008. The purpose of the dismantlement cost study was to review the facilities and to make a recommendation to Progress regarding the total cost to dismantle the facilities at the end of their useful lives.

The site dismantlement costs were developed using the 2004 dismantlement study as a starting point. The 2004 study was reviewed by B&McD, and the quantities in that study were evaluated and checked for reasonableness and adjusted to reflect changes that have taken place since the last study was performed. This resulted in a full estimate of quantities for the tasks required to be performed for each dismantlement effort. Current market pricing for manhour rates and unit pricing were then developed for each task, and these rates were applied to the quantities for each plant to determine the total cost of dismantlement for each site. This methodology for developing the costs is materially the same as the previous study. No material changes to the assumptions for dismantlement methodology were made. The only material changes to quantities were made as the result of physical changes that have occurred at the sites.

1.2 RESULTS

B&McD has prepared estimates in current dollars (2008\$) for the dismantlement of each of the assets and these costs are summarized in Table 1.1. When Progress determines that the assets should be retired, the above grade equipment and steel structures are assumed to have sufficient scrap value to a salvage contractor to offset a portion of the site dismantlement costs. Progress will incur costs in the demolition and restoration of the sites less the salvage value of equipment and bulk steel.

Table 1.1

SITE DISMANTLEMENT COST SUMMARY (THOUSANDS)

<u>Asset</u>	<u>Dismantlement Costs</u>	<u>Credits</u>	<u>Net Project Cost</u>
Anclote	\$26,438	(\$17,118)	\$9,320
Avon Park	\$499	(\$344)	\$155
Bartow	\$46,927	(\$19,870)	\$27,057
Bartow-Anclote Pipeline	\$12,921	(\$2,842)	\$10,079
Bayboro Peakers	\$1,730	(\$820)	\$910
Crystal River South	\$60,944	(\$31,098)	\$29,846
Crystal River North	\$61,431	(\$36,728)	\$24,703
Crystal River Common	\$12,867	(\$1,159)	\$11,708
Crystal River Helper	\$4,146	(\$283)	\$3,863
Crystal River Mariculture	\$1,471	\$0	\$1,471
Debary Peakers	\$11,261	(\$3,917)	\$7,344
Higgins	\$968	(\$656)	\$312
Hines	\$16,044	(\$14,039)	\$2,005
Intercession City	\$11,225	(\$4,582)	\$6,643
Rio Pinar	\$464	(\$162)	\$302
Suwannee	\$19,185	(\$5,893)	\$13,292
Tiger Bay	\$2,402	(\$2,071)	\$331
Turner Peakers	\$1,625	(\$1,216)	\$409
UF Cogeneration	\$982	(\$709)	\$273

The total project costs presented above include the costs to return the site to a condition compatible with the surrounding land, similar to the conditions that existed before development of the Plant. Included are the costs to dismantle the power generating equipment owned by Progress as well as the costs to dismantle the Progress owned balance of plant facilities.

* * * * *

2.0 SITE VISIT

Site visits were conducted May 12th through May 16th of 2008. A complete list of the site visit dates is shown in Table 2.1. Site visits consisted of a tour of each the facilities with plant personnel to review the equipment installed at the site and discuss changes to the facilities that have occurred since the last study was performed. Tours were conducted by plant personnel at each facility. Additional construction and changes to the existing assets, that have taken place since the 2004 study was performed, were explored in detail.

Table 2.1
SITE VISIT DATES

<u>Site</u>	<u>Date of Visit</u>
Anclote	May 13, 2008
Avon Park	May 15, 2008
Bartow	May 14, 2008
Bartow-Anclote Pipeline	May 14, 2008
Bayboro Peakers	May 14, 2008
Crystal River Common	May 13, 2008
Crystal River Helper	May 13, 2008
Crystal River Mariculture	May 13, 2008
Crystal River North	May 13, 2008
Crystal River South	May 13, 2008
Debary Peakers	May 15, 2008
Higgins	May 13, 2008
Hines	May 14, 2008
Intercession City	May 15, 2008
Rio Pinar	May 16, 2008
Suwannee	May 12, 2008
Tiger Bay	May 15, 2008
Turner Peakers	May 15, 2008
UF Cogeneration	May 12, 2008

* * * * *

3.0 PLANT DESCRIPTIONS

3.1 ANCLOTE

The Anclote facility is located on a site of roughly 400 acres that is north of the Anclote River and adjacent to the Gulf of Mexico in Pasco County. The facility consists of two No. 6 oil fired units with Unit 1 and Unit 2 going into commercial operation in 1974 and 1978 respectively. Each unit has a nameplate generating capacity of 509.2 MW. Fuel oil for the facility is received via pipeline from the Bartow plant, 34 miles away in St. Petersburg and is stored in two storage tanks with a capacity of approximately 260,000 barrels apiece. The facility includes common administrative, warehouse and maintenance buildings.

Changes that have been made to the facility since the 2004 study was performed include the following. Concrete cooling towers have been replaced with fiberglass cooling towers. Debris filters have been added to both units circulating water systems and to cooling towers. A reverse osmosis (RO) system has been installed and a wastewater surge tank has been added.

3.2 AVON PARK

The Avon Park facility is located on a site of roughly 55 acres that is located south of Avon Park, Florida on Lake Lotela in Highlands County. The facility consists of two Pratt & Whitney FT4 combustion turbines, with one unit being dual fuel capable and one unit capable of burning liquid fuel only. Each unit has a nameplate generating capacity of 33.8 MW. The units were commissioned in 1968. Fuel oil for the facility is stored in one storage tank with a capacity of approximately 10,000 barrels. The facility includes common administrative, warehouse and maintenance buildings.

The only change made to the facility since the 2004 study was performed was the addition of a carport to the facility.

3.3 BARTOW

The Bartow facility is located on a site of roughly 1,350 acres that is north of downtown St. Petersburg, Florida on Weedon Island in Pinellas County. The facility consists of three No. 6 fuel oil fired units and four simple cycle combustion turbine units. An additional 4-on-1 combined cycle facility is currently under construction. Unit 1 and Unit 2 went into commercial operation in 1958 and 1961 respectively. Each unit has a nameplate generating capacity of 127.5 MW. Unit 3 went into operation in 1963 and has a nameplate capacity of 239.4 MW. The four existing combustion turbines went online in 1972 and have

a 55.7 MW nameplate capacity each. Fuel oil for the facility is received via barge and is stored in two storage tanks with capacities of approximately 150,000 and 200,000 barrels. The facility includes common administrative, warehouse and maintenance buildings.

Major changes have occurred to this site since the 2004 study was performed. A 4-on-1 combined cycle plant is currently under construction. The combined cycle plant consists of four Siemens SGT6-5000F combustion turbines and one Mitsubishi steam turbine. This plant includes two new No. 2 fuel oil tanks with a capacity of 3.5 million gallons each. A 2.2 million gallon raw water tank, a 2.2 million gallon demineralized water tank, and 1.1 million gallon service water/fire water tank are also included with the new combined cycle plant. One existing tank at the facility is being cleaned and demolished in 2008 along with its associated piping and is not included in the dismantlement cost estimate. The Bartow to Anclote oil pipeline on the site has been rerouted to avoid the new combined cycle facility.

3.4 BARTOW – ANCLOTE PIPELINE

The Bartow to Anclote pipeline is a 14-inch diameter, 34-mile pipeline that runs from the Bartow facility to the Anclote facility. Oil is delivered to two storage tanks with a capacity of 250,000 barrels each via barge at Bartow. The oil is then delivered from the tanks to the Anclote facility via the 34-mile pipeline. The pipeline also includes a pumping station, control room, a pair of pipe cleaning, launching and receiving stations, a Zurn package boiler and a dockside package building.

There have been no changes to this facility since the 2004 study was performed.

3.5 BAYBORO

The Bayboro facility is located on Bayboro Harbor, south of downtown St. Petersburg, Florida in Pinellas County. The facility consists of four combustion turbine units that went online in 1973 with a nameplate generating capacity of 56.7 MW each. The site includes two fuel oil storage tanks with a capacity of approximately 25,000 barrels and 20,000 barrels. Fuel oil can be delivered to the facility by barge or truck. The facility includes common administrative, warehouse and maintenance buildings.

There have been no changes since the 2004 study was performed.

3.6 CRYSTAL RIVER UNITS 1 & 2 (SOUTH)

The Crystal River facility is located on a site of roughly 4750 acres that is north of the city of Crystal River, Florida and adjacent to the Gulf of Mexico in Citrus County. Units 1 and 2 are on the southern

portion of the Crystal River site. The facility consists of two coal fired units with Unit 1 and Unit 2 going into commercial operation in 1966 and 1969 respectively. Unit 1 and Unit 2 have nameplate generating capacities of 440.5 MW and 523.8 MW respectively. Coal is received by rail or barge and is stored in the south coal yard. No. 2 fuel oil is used for light-off and flame stabilization and is delivered to two small storage tanks by truck. Each unit has an approximately 500-foot tall brick lined concrete stack. There are four mechanical draft cooling towers. Helper cooling towers cool one half of the water from Units 1 and 2 as well as the nuclear unit located at the site. The nuclear unit is not included in the dismantlement estimate. A fish hatchery (Mariculture Center) and a condenser flow reduction system are associated with the helper cooling tower. The facility includes common administrative, warehouse and maintenance buildings, as well as other common infrastructure.

Since the 2004 study was performed, a new crane was installed at the coal unloading facility, and a new radial stacker is currently being installed.

3.7 CRYSTAL RIVER UNITS 4 & 5 (NORTH)

The Crystal River facility is located on a site of roughly 4750 acres that is north of the city of Crystal River, Florida and adjacent to the Gulf of Mexico in Citrus County. Units 4 and 5 are on the northern portion of the Crystal River site. The facility consists of two coal fired units with Unit 4 and Unit 5 going into commercial operation in 1982 and 1984 respectively. Unit 4 and Unit 5 have nameplate generating capacities of 665 MW each. Coal is received by rail or barge and relocated to the north coal yard by conveyor. No. 2 fuel oil is used for light-off and flame stabilization and is delivered to two small storage tanks by truck. Each unit has an approximately 600-foot tall brick lined concrete stack. There is a single 445-foot tall natural draft hyperbolic cooling tower for the two units. The facility includes common administrative, warehouse and maintenance buildings, as well as other common infrastructure.

Since the 2004 study was performed, scrubbers are currently being installed on Units 4 & 5, a fire training area was demolished to make room for the scrubbers.

3.8 DEBARY

The Debary facility is located on a site of roughly 2200 acres that is West of Debary, Florida on the east side of the St. John's River in Volusia County. The facility consists of ten combustion turbine units. Units P3 and P5 went into commercial operation in 1975. Units P1, P2, P4 and P6 went into commercial operation in 1976. These six units run exclusively on fuel oil. Each unit has a nameplate generating capacity of 60.9 MW. Units P7 through P10 went into commercial operation in 1992, are dual fuel

capable and have a nameplate generating capacity of 85.4 MW each. There are currently four tanks onsite, with capacities of 25,000 barrels, 50,000 barrels and two 300,000 barrel tanks. The facility includes common administrative, warehouse and maintenance buildings.

The only change to the facility since the 2004 study is that Tank 1 is currently being converted from a wastewater tank to a fuel oil tank.

3.9 HIGGINS

The Higgins facility is located on a site of roughly 142 acres that is south of Oldsmar, Florida on the Booth Point peninsula in Pinellas County. The facility consists of four FTC4 units with a combined nameplate generating capacity of 153.4 MW. The first two units went online 1969, followed by the second two in 1970 and 1971.

Since the 2004 study was performed, the three fuel oil-fired steam units that were located on site have been dismantled along with the associated balance of plant facilities. The area has been covered with two feet of soil. Only the combustion turbines remain at the site.

3.10 HINES

The Hines facility is located on a site of roughly 8,200 acres that is south of Bartow, Florida in Polk County. The facility consists of four 2-on-1 natural gas fired combined cycle powerblocks. Powerblocks 1 and 2 have nameplate generating capacities of 500 MW each and went online in 1999 and 2003. Powerblock 3 has a nameplate generating capacity of 530 MW and went online in late 2005. Powerblock 4 achieved commercial operation in late 2007 and has a nameplate capacity of 500 MW. Each of the units run primarily on natural gas, with No. 1 fuel oil as backup. The facility includes common administrative, warehouse, and maintenance buildings.

Although the third powerblock did not achieve commercial operation until late 2005, it was under construction at the time of the 2004 study and was included in the cost estimates. Since the 2004 study was completed, a fourth power block was added to the site, along with a one million gallon fuel oil tank. Also, a well pump for makeup to the cooling lake has been added. The warehouse and oil storage buildings have doubled in size, and the cooling pond has been significantly increased in size to accommodate all of the power blocks.

3.11 INTERCESSION CITY

The Intercession City facility is located on a site of roughly 165 acres that is southwest of Kissimmee, Florida in Osceola County. The facility consists of 14 combustion turbine units. Units P1 through P6 have a nameplate capacity of 56.7 MW each, run strictly on fuel oil and went into commercial operation in 1974. Units P7 through P10 have a nameplate capacity of 85.4 MW each, are dual fuel capable and went into commercial operation in 1993. Unit P11 has a nameplate capacity of 147 MW, runs strictly on fuel oil and went into commercial operation in 1997. Units P12 through P14 have a nameplate capacity of 84.3 MW each, are dual fuel capable and went into commercial operation in 2000. The site has three 100,000 barrel capacity fuel oil storage tanks and truck fuel unloading stations. A fire pump house building has two 250,000 gallon storage tanks at its disposal.

There have been no changes to the facility since the 2004 study was performed.

3.12 RIO PINAR

The Rio Pinar facility is located on a site of roughly 22 acres that is east of the Orlando airport in Orange County. The facility consists of a single combustion turbine that is fired with fuel oil only and went into commercial operation in 1970. This facility has a nameplate generating capacity of 19.3 MW. Fuel oil for the facility is received via truck. The storage fuel oil tank for the facility has a 3,571 barrel capacity. The facility includes common administrative, warehouse and maintenance buildings.

There have been no changes to the facility since the 2004 study was performed.

3.13 SUWANNEE

The Suwannee facility is located on a site of roughly 600 acres that is on the east bank of the Suwannee River about a mile downstream of the Withlacoochee River intersection in Suwannee County. The facility consists of three fuel oil-fired steam units and three combustion turbines. Unit 1 has a nameplate capacity of 34.5 MW and went operational in 1953. Unit 2 has a nameplate capacity of 34.5 MW and went operational in 1954. Unit 3 has a nameplate capacity of 75 MW and went operational in 1956. Each unit has a stack, with the Unit 1 and 2 stacks being 110-feet tall, and the Unit 3 stack being 135-feet tall. Trucks are used to deliver fuel oil to the site and natural gas is provided by pipeline. The fuel oil is stored in tanks with a capacity of 55,000 barrels and 81,000 barrels. The three combustion turbines onsite each have a nameplate capacity of 61.2 MW and became operational in 1980. The facility includes common administrative, warehouse and maintenance buildings.

Since 2004, asbestos abatement has been performed at the rate of \$40k - \$100k per year. In addition, the combustion turbine fuel oil tank containment area had a high density polyethylene (HDPE) liner installed.

3.14 TIGER BAY

The Tiger Bay facility is located on a site of roughly 3 acres, west of Fort Meade, Florida, south of Highway 630 in Polk County. The facility is a 1-on-1 combined cycle plant consisting of a GE 7FA combustion turbine, a single heat recovery steam generator, and a steam turbine. The facility has a total nominal plant capacity of 203 MW. The facility originally went online in 1995 as a cogeneration facility and was acquired by Progress Energy in 1997. The facility includes common administrative, warehouse and maintenance buildings.

Since 2004, Tiger Bay no longer provides extraction steam, and the steam line to the thermal host was demolished. Two new pipelines have been constructed from the Hines facility, one for wastewater discharge to Hines from Tiger Bay and one for demineralized water supply to Tiger Bay from Hines. The entire zero liquid discharge (ZLD) system at the Tiger Bay site has been removed. The shop has been expanded and an oil storage building has been added.

3.15 TURNER

The Turner facility is located on a site of roughly 125 acres that is in the town of Enterprise, Florida in Volusia County. The facility consists of four combustion turbines. Units P1 and P2 have a 19.3 MW nameplate capacity each and went online in 1970. Units P3 and P4 have a 71.2 MW nameplate capacity each and went online in 1974. The site has two fuel oil storage tanks with a capacity of 100,000 barrels each. The facility includes common administrative, warehouse and maintenance buildings. The facility originally included four oil fired steam turbines.

Since the 2004 study, the steam units have been dismantled. The inlet structure has been abandoned in place and the fuel oil barge unloading structures and cooling water inlet structures have been left in place. The outfall structure has been filled in half way out to the lake. The wastewater tank for the combustion turbine units is currently being converted to a fuel oil tank.

3.16 UNIVERSITY OF FLORIDA COGENERATION

The University of Florida Cogeneration facility is located on the University of Florida campus in Gainesville, Florida in Alachua County. The facility consists of a GE LM6000 combustion turbine with an HRSG, but no steam turbine. The facility went online in 1993. The steam that is produced is sold to

the University of Florida, while the power is supplied to the grid. The facility includes common administrative, warehouse and maintenance buildings.

The only change to the site since the 2004 study was performed, was the removal of an abandoned fuel oil storage tank.

* * * * *

3. Transmission switchyards and substations within the boundaries of the plant are not part of the demolition scope. Switchyards that are associated with the facilities only and are not part of the transmission system are included for demolition.
4. Step up transformers, auxiliary transformers, and spare transformers are included for demolition in all estimates.
5. Abatement of asbestos will precede any other work. After final air quality clearances have been reached, demolition can proceed.
6. Removal of asbestos will be done in accordance with any and all applicable Federal, State and Local laws, rules and regulations.
7. Progress Energy will remove all burnable coal, fuel oil and chemicals prior to commencement of demolition activities.
8. All PCB oil will be removed and disposed of properly.
9. No environmental costs have been included to address site clean up of contaminated soils, hazardous materials, or other conditions present on-site having a negative environmental impact, other than those specifically listed in these assumptions. No allowances are included for unforeseen environmental remediation activities.
10. Existing ash ponds will be pumped dry, mined two additional feet, filled with inert debris, capped with six inches of clay and 18 inches of soil, and then seeded.
11. Handling and disposal of hazardous material will be performed in compliance with the approved methods of Progress Energy Environmental Services Department.
12. Percolation ponds will have two feet of sludge and an additional five feet of soil removed before filling with inert debris, 1.5 feet of proper soil cover, and will be seeded.
13. Site areas will be graded to achieve suitable site drainage to natural drainage patterns, but grading will be minimized to the extent possible.
14. All dikes will be removed and regraded with the dike material used as fill.
15. All existing basements will be used to bury non-hazardous debris. Concrete in trenches and basements will be perforated to create drainage.
16. All structures two feet below grade and above will be demolished. All structures below two feet will be abandoned in-place unless deemed hazardous by Progress Energy or otherwise stated in the assumptions as being demolished.
17. Major equipment and structural steel is included for scrap value. All other demolished materials are considered debris.
18. Costs for offsite disposal are included for materials in excess of the onsite inert debris disposal capacity.

how work will be performed and what work conditions will be like when the project is executed. These uncertainties will impact the actual costs of the project relative to the estimated cost. The estimator is aware of these unknowns when preparing the cost estimate, and based on past experience, prepares an estimate of these probable costs. The estimated cost of these unknowns is referred to as cost contingency. Based on BMcD's experience with preparing cost estimates related to power generating facilities and dismantlement of those facilities, along with BMcD's experience with actual costs relative to estimated costs, a cost contingency of 20% was applied to the dismantlement cost estimates prepared for the Progress owned facilities.

34. Scrap value of steel is included at \$350 per ton. Scrap steel values have been volatile in the past few years due to a high demand for steel. Several sources of scrap steel prices were considered to assist in the development of a scrap steel value. The Demolition Scrap Metal and Salvage News listed the value of plate at structural steel as \$347 per gross ton in March of 2008. Updated costs were not available. Several scrap steel brokers in Florida were contacted to confirm that this pricing was still applicable. Pricing varied, but was in this range, therefore, a scrap steel value of \$350 per ton was utilized.
35. Scrap value of copper is included at \$3.00 per pound. The same methodology was used to estimate the scrap value of copper.
36. All estimates include the demolition of all buildings on-site, including administration buildings, maintenance buildings, warehouses, storage buildings, and any other ancillary buildings. Any spare parts, tools, inventory, or equipment in the buildings will be salvaged or sold for scrap, the value of which has been accounted for in the estimates.

4.2 SITE SPECIFIC ASSUMPTIONS

4.2.1 ANCLOTE

1. The intake and discharge canals will remain in place in their current state.
2. The existing grade will remain as-is even though it is 14 feet above the original grade.
3. The canal access roads will remain in place.
4. The reverse osmosis system added to the facility is included in the dismantlement estimate.
5. The wastewater surge tank added to the facility is included in the dismantlement estimate.

4.2.2 AVON PARK

1. The carport that was added to the facility is included in the dismantlement estimate.

4.2.3 BARTOW

1. The existing discharge canal will be filled, closed and capped.
2. The existing intake structure with seawalls will remain in place.
3. Units 1 & 2 require removal of asbestos and transite and these costs are included in the estimate. Unit 3 has been partially abated and requires additional work on the north wall. This cost is also included in the estimate.
4. A new 4-on-1 CCGT plant is currently under construction and consists of four Siemens SGT6-5000F combustion turbines, four HRSGs, and one Mitsubishi steam turbine. Dismantlement costs for this equipment are included in the estimate.
5. New tanks have been added to support the CCGT plant. The tanks consist of two #2 fuel oil with a capacity of 3.5 million gallons each, a 2.2 million gallon raw water tank, a 2.2 million gallon demineralization tank, and a 1.1 million gallon service water or firewater tank. Dismantlement costs for this equipment are included in the estimate.

4.2.4 BARTOW-ANCLOTE PIPELINE

1. No site specific assumptions.

4.2.5 BAYBORO PEAKERS

1. No site specific assumptions.

4.2.6 CRYSTAL RIVER UNITS 1 & 2 (SOUTH)

1. Asbestos abatement will be required, and the quantities for asbestos abatement are the same as those from the 2004 study.
2. The limestone back haul facility and lightweight concrete aggregate facility are not included in the estimate.

4.2.7 CRYSTAL RIVER UNITS 4 & 5 (NORTH)

1. No asbestos abatement is required.
2. The limestone back haul facility and lightweight concrete aggregate facility are not included in the estimate.
3. New scrubbers are being installed and are included in the estimate.

4.2.8 CRYSTAL RIVER MARICULTURE

1. The area is non-hazardous.
2. The fish hatchery ponds for the Mariculture center will be drained, the berms will be graded and leveled, and the liner will be extracted from the site.

4.2.9 DEBARY PEAKERS

1. An existing wastewater tank is currently being converted to a fuel oil tank. This is accounted for in the estimate.

4.2.10 HIGGINS

1. All steam plants have been completely demolished and covered with two feet of soil with seeding. No additional costs associated with these units are included in the estimate.
2. The combustion turbines and the supporting balance of plant equipment are all that remain for dismantlement.

4.2.11 HINES

1. A fourth power block (2-on-1 CCGT) has been constructed at the site and is included in the dismantlement estimate.
2. A well pump for makeup has been added for the cooling lake and is included in the dismantlement estimate.
3. A new bridge crane has been added to the intake of the cooling lake and is included in the dismantlement estimate.
4. The warehouse area has doubled in size, and this expansion is included in the dismantlement estimate.
5. The oil storage building has doubled in size, and this expansion is included in the dismantlement estimate.

4.2.12 INTERCESSION CITY

1. There are no site specific assumptions.

4.2.13 RIO PINAR

1. There are no site specific assumptions.

4.2.14 SUWANNEE

1. The existing intake and discharge canals will remain in their current state.
2. Canal structures will be backfilled as a form of contouring for the surrounding area.
3. The combustion turbine fuel oil tanks each have a new HPDE liner installed in the containment area. Costs for the liner removal and disposal are included in the dismantlement estimate.

4.2.15 TIGER BAY

1. The entire ZLD system has been removed. This change has been accounted for in the estimate.
2. A new demineralized water line to the Hines facility has been installed and is included in the dismantlement estimate.
3. A new wastewater pipeline to the Hines facility has been installed and is included in the dismantlement estimate.
4. The extraction steam line to the former steam host has been removed from the steam host to the Progress property boundary. This change has been accounted for in the estimate.
5. The existing shop has been expanded, and this expansion is included in the dismantlement estimate.

4.2.16 TURNER

1. All steam facilities have been dismantled. No additional costs associated with these units are included in the estimate.
2. The existing cooling water inlet structure for the steam units has been left in place and will remain.
3. The fuel oil barge unloading structures for the steam units have been left in place and will remain.
4. The concrete outfall structure has been filled with dirt half way out to the lake. This structure will remain as-is.
5. The existing wastewater tank is being converted to fuel oil tank. This is accounted for in the estimate.

5.0 LIMITATIONS

In preparation of this dismantlement cost study, B&McD has relied upon information provided by Progress. B&McD acknowledges that it has requested the information from Progress that it deemed necessary to complete this study. While we have no reason to believe that the information provided to us, and upon which we have relied, is inaccurate or incomplete in any material respect, we have not independently verified such information and cannot guarantee its accuracy or completeness.

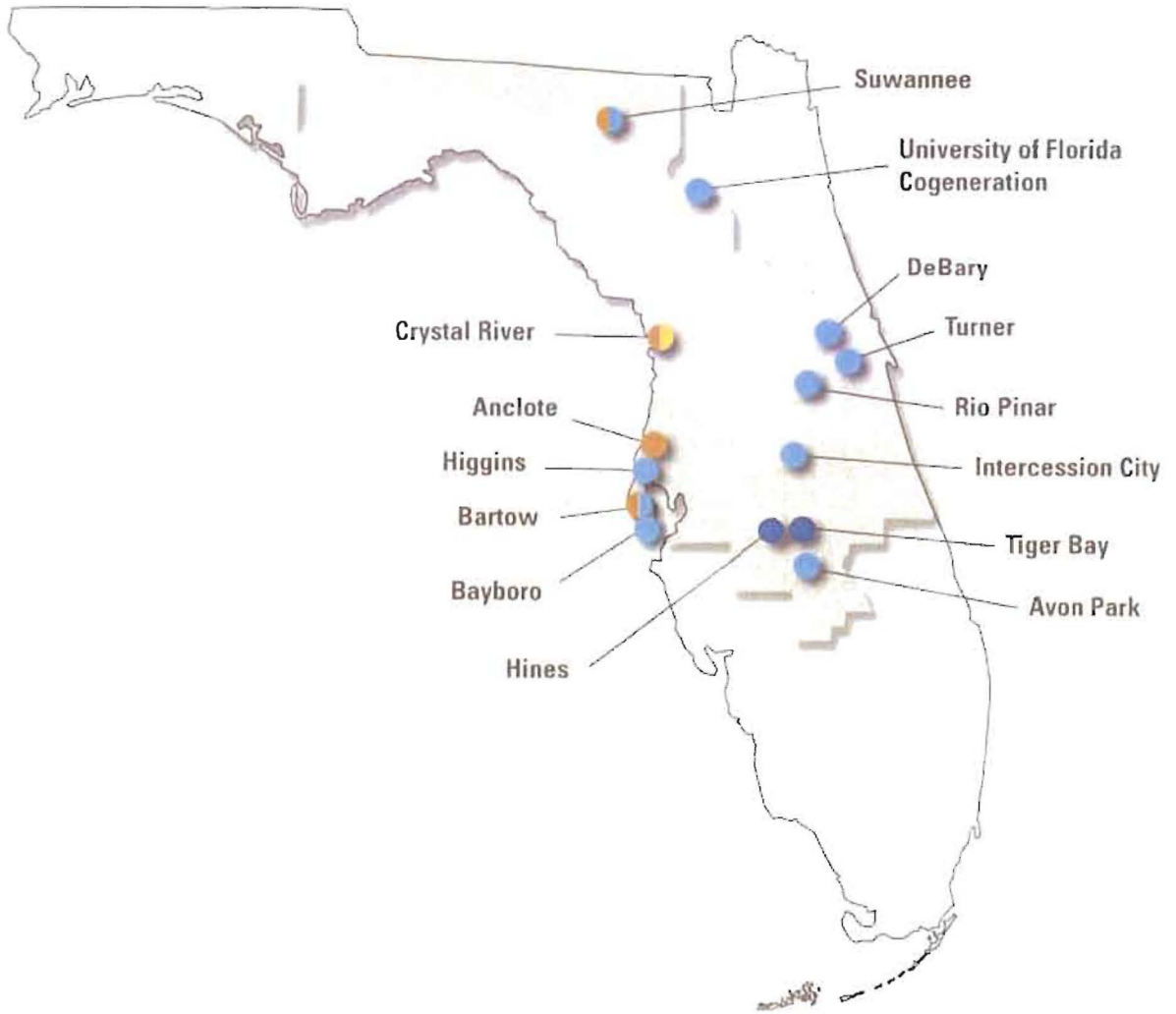
Engineer's estimates and projections of demolition costs are based on Engineer's experience, qualifications and judgment. Since Engineer has no control over weather, cost and availability of labor, material and equipment, labor productivity, construction contractors' procedures and methods, and other factors, Engineer does not guarantee the accuracy of its estimates and projections.

Engineer's estimates do not include allowances for unforeseen environmental liabilities associated with unexpected environmental contamination due to events not considered part of normal operations, such as fuel tank ruptures, oil spills, etc. Estimates also do not include allowances for environmental remediation associated with changes in classification of hazardous materials.

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APPENDIX A - SITE LOCATION MAP

SITE LOCATION MAP



- Hydroelectric
- Steam (coal, oil)
- Combustion Turbine
- Combined Cycle
- Nuclear

Progress Energy Regulated Service Area

APPENDIX B – SITE DISMANTLEMENT COST BREAKDOWNS

Table B.1
Anclote Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 1 - Structures and Improvements		
	a Foundation	\$171,000	\$0
	b Building	\$92,000	\$0
	c Structural Salvage	\$569,000	-\$2,020,000
	d Electrical, HVAC & Elevator	\$258,000	\$0
	Subtotal	\$1,090,000	-\$2,020,000
2	Unit 2 - Structures and Improvements		
	a Foundation	\$145,000	\$0
	b Building	\$98,000	\$0
	c Structural Salvage	\$573,000	-\$2,035,000
	d Electrical, HVAC & Elevator	\$133,000	\$0
	Subtotal	\$949,000	-\$2,035,000
3	Common Site Facilities		
	a Excavation	\$1,575,000	\$0
	b Building	\$421,000	\$0
	c Foundations / Walkways / Lighting	\$284,000	\$0
	d Non-Hazardous Waste Transport and Disposal	\$3,351,000	\$0
	e Cover Disturbed Areas & Ponds	\$1,554,000	\$0
	f Seed & Mulch	\$298,000	\$0
	g Pavement / Curbs / Hydrants	\$615,000	\$0
	Subtotal	\$8,098,000	\$0
4	Unit 1 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$1,879,000	-\$4,067,000
	b Asbestos	\$666,000	\$0
	c Concrete and Foundation	\$533,000	\$0
	Subtotal	\$3,078,000	-\$4,067,000

Table B.1
Anclote Site Dismantlement Estimate

Task	Description	Costs	Credits
5	Unit 2 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$1,852,000	-\$4,008,000
	b Asbestos	\$666,000	\$0
	c Concrete and Foundation	\$58,000	\$0
	Subtotal	\$2,576,000	-\$4,008,000
6	Material Handling - Common Facilities		
	a Fuel Oil Storage Tanks, Pumps and Equipment	\$932,000	-\$1,372,000
	Subtotal	\$932,000	-\$1,372,000
7	Unit 1 - Turbine Plant		
	a Turbine Components and Equipment	\$461,000	-\$870,000
	b Piping, Pedestal and Cooling Tower	\$1,493,000	\$0
	Subtotal	\$1,954,000	-\$870,000
8	Unit 2 - Turbine Plant		
	a Turbine Components and Equipment	\$448,000	-\$870,000
	b Piping, Pedestal and Cooling Tower	\$1,493,000	\$0
	Subtotal	\$1,941,000	-\$870,000
9	Unit 1 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$146,000	-\$216,000
	b Foundations	\$24,000	\$0
	c Scrap Copper	\$0	-\$750,000
	Subtotal	\$170,000	-\$966,000
10	Unit 2 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$67,000	-\$98,000
	b Foundations	\$10,000	\$0
	c Scrap Copper	\$0	-\$318,000
	Subtotal	\$77,000	-\$416,000

Table B.1

Anclote Site Dismantlement Estimate

Task	Description	Costs	Credits
11	Common - Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$24,000	-\$35,000
	b Foundations	\$10,000	\$0
	c Scrap Copper	\$0	-\$155,000
	Subtotal	\$34,000	-\$190,000
12	Unit 1 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$111,000	-\$152,000
	b O. H. Crane and Gantry Crane	\$29,000	\$0
	Subtotal	\$140,000	-\$152,000
13	Unit 2 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$111,000	-\$152,000
	Subtotal	\$111,000	-\$152,000
TOTAL COST (CREDIT)		\$21,150,000	-\$17,118,000
PROJECT INDIRECTS (5%)		\$1,058,000	
CONTINGENCY (20%)		\$4,230,000	
TOTAL PROJECT COST (CREDIT)		\$26,438,000	-\$17,118,000
TOTAL NET PROJECT COST (CREDIT)		\$9,320,000	

Table B.2
Avon Park Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 1 - Structures and Improvements Subtotal	\$0	\$0
2	Unit 2 - Structures and Improvements Subtotal	\$0	\$0
3	Common Site Facilities a Rubbish and Tenant Debris Transport/Disposal	\$13,000	\$0
	Subtotal	\$13,000	\$0
4	Peakers Common Facilities - Structures & Improvements a Butler Type Warehouse	\$28,000	\$0
	b Foundations / Walkways / Lighting	\$46,000	\$0
	c Cover Disturbed Areas & Ponds	\$12,000	\$0
	d Seed & Mulch	\$5,000	\$0
	e Pavement	\$20,000	\$0
	Subtotal	\$111,000	\$0
5	Peakers 1-2 - Structures and Improvements a Turbine Foundations and Pedestals	\$57,000	\$0
	Subtotal	\$57,000	\$0
6	Peakers Common Facilities - Fuel Oil and Bop Equipment a Fuel Oil Storage Tanks, Pumps and Equipment	\$30,000	-\$47,000
	Subtotal	\$30,000	-\$47,000
7	Peakers 1-2 - Gas Turbine Plant a 2 Combustion Turbines	\$140,000	-\$154,000
	Subtotal	\$140,000	-\$154,000

Table B.2

Avon Park Site Dismantlement Estimate

Task	Description	Costs	Credits
8	Peakers 1-2 - Accessory Electrical Equipment		
	a Electrical Equipment	\$48,000	-\$53,000
	b Scrap Copper	\$0	-\$90,000
	Subtotal	\$48,000	-\$143,000
<hr/>			
	TOTAL COST (CREDIT)	\$399,000	-\$344,000
	PROJECT INDIRECTS (5%)	\$20,000	
	CONTINGENCY (20%)	\$80,000	
	TOTAL PROJECT COST (CREDIT)	\$499,000	-\$344,000
	TOTAL NET PROJECT COST (CREDIT)	\$155,000	

Table B.3
Bartow Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 1 - Structures and Improvements		
	a Foundation & Concrete	\$320,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$796,000	\$0
	c Structural Salvage	\$249,000	-\$886,000
	d Building	\$33,000	\$0
	e Electrical, HVAC & Elevator	\$91,000	\$0
	Subtotal	\$1,489,000	-\$886,000
2	Unit 2 - Structures and Improvements		
	a Foundation & Concrete	\$201,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$20,000	\$0
	c Structural Salvage	\$222,000	-\$789,000
	d Building	\$25,000	\$0
	e Electrical, HVAC & Elevator	\$79,000	\$0
	Subtotal	\$547,000	-\$789,000
3	Unit 3 - Structures and Improvements		
	a Foundation & Concrete	\$187,000	\$0
	b Masonry Wall & Transit Wall	\$698,000	\$0
	c Structural & Girt Steel	\$207,000	-\$728,000
	d Building	\$23,000	\$0
	e Electrical, HVAC & Elevator	\$78,000	\$0
	Subtotal	\$1,193,000	-\$728,000
4	Common Site Facilities		
	a Excavation	\$1,819,000	\$0
	b Foundation & Concrete	\$349,000	\$0
	c Building	\$232,000	\$0
	d Cover Disturbed Areas & Ponds	\$1,793,000	\$0
	e Non-Hazardous Waste Excavation, Transport and Disposal	\$10,919,000	\$0
	f Pavement, Hydrants & Curbs	\$408,000	\$0
	g Discharge Closure	\$52,000	\$0
	h Seed & Mulch	\$344,000	\$0
	Subtotal	\$15,916,000	\$0

Table B.3
Bartow Site Dismantlement Estimate

Task	Description	Costs	Credits
5	Unit 1 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$384,000	-\$840,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$326,000	-\$623,000
	c Asbestos	\$2,563,000	\$0
	d Concrete and Foundation	\$178,000	\$0
	Subtotal	\$3,451,000	-\$1,463,000
6	Unit 2 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$384,000	-\$840,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$142,000	-\$263,000
	c Asbestos	\$2,563,000	\$0
	d Concrete and Foundation	\$135,000	\$0
	Subtotal	\$3,224,000	-\$1,103,000
7	Unit 3 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$640,000	-\$1,400,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$190,000	-\$357,000
	c Asbestos	\$0	\$0
	d Concrete and Foundation	\$142,000	\$0
	Subtotal	\$972,000	-\$1,757,000
8	Material Handling - Common Facilities		
	a Fuel Oil Storage Tanks, Pumps and Equipment	\$746,000	-\$1,098,000
	Subtotal	\$746,000	-\$1,098,000
9	Unit 1 - Turbine Plant		
	a Turbine Components and Equipment	\$234,000	-\$436,000
	b Piping, Pedestal and Cooling Tower	\$234,000	\$0
	Subtotal	\$468,000	-\$436,000
10	Unit 2 - Turbine Plant		
	a Turbine Components and Equipment	\$227,000	-\$436,000
	b Piping, Pedestal and Cooling Tower	\$272,000	\$0
	Subtotal	\$499,000	-\$436,000
11	Unit 3 - Turbine Plant		
	a Turbine Components and Equipment	\$267,000	-\$512,000
	b Piping, Pedestal and Cooling Tower	\$328,000	\$0
	Subtotal	\$595,000	-\$512,000

Table B.3
Bartow Site Dismantlement Estimate

Task	Description	Costs	Credits
12	Unit 1 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$40,000	-\$60,000
	b Foundations	\$7,000	\$0
	c Scrap Copper	\$0	-\$150,000
	Subtotal	\$47,000	-\$210,000
13	Unit 2 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$40,000	-\$60,000
	b Foundations	\$7,000	\$0
	c Scrap Copper	\$0	-\$150,000
	Subtotal	\$47,000	-\$210,000
14	Unit 3 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$79,000	-\$116,000
	b Foundations	\$14,000	\$0
	c Scrap Copper	\$0	-\$300,000
	Subtotal	\$93,000	-\$416,000
15	Common - Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$14,000	-\$21,000
	b Foundations	\$3,000	\$0
	c Scrap Copper	\$0	-\$150,000
	Subtotal	\$17,000	-\$171,000
16	Unit 1 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$60,000	-\$63,000
	b O. H. Crane and Gantry Crane	\$29,000	\$0
	Subtotal	\$89,000	-\$63,000
17	Unit 2 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$60,000	-\$63,000
	Subtotal	\$60,000	-\$63,000
18	Unit 3 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$91,000	-\$102,000
	Subtotal	\$91,000	-\$102,000

Table B.3
Bartow Site Dismantlement Estimate

Task	Description	Costs	Credits
19	Peakers Common Facilities - Structures and Improvements		
	a Pavement	\$120,000	\$0
	b Seed & Mulch	\$23,000	\$0
	c Cover Disturbed Areas & Ponds	\$120,000	\$0
	d Foundations & Walkways	\$49,000	\$0
	Subtotal	\$312,000	\$0
20	Peakers 1-4 - Structures and Improvements		
A	a Foundations & Pedestals	\$172,000	\$0
	Subtotal	\$172,000	\$0
21	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Piping, Pumps and Equipment	\$427,000	-\$635,000
	Subtotal	\$427,000	-\$635,000
22	Peakers 1-4 - Gas Turbine Plant		
	a 4 Combustion Turbines	\$521,000	-\$574,000
	Subtotal	\$521,000	-\$574,000
23	Peakers 1-4 - Accessory Electrical Equipment		
	a Electrical Equipment	\$127,000	-\$140,000
	b Scrap Copper	\$0	-\$120,000
	Subtotal	\$127,000	-\$260,000
24	Combined Cycle Common Facilities - Structures & Improvements		
	a Excavation	\$288,000	\$0
	b Building	\$45,000	\$0
	c Foundations	\$57,000	\$0
	d Intake Structure	\$79,000	\$0
	e Non-Hazardous Waste Transport and Disposal	\$178,000	\$0
	f Cover Disturbed Areas & Ponds	\$118,000	\$0
	g Seed & Mulch	\$32,000	\$0
	h Pavement	\$188,000	\$0
	Subtotal	\$985,000	\$0
25	Combined Cycle - Structures and Improvements		
	a Electrical, Fire Pump, Foam Building & Chemical Feed	\$40,000	\$0
	b Building Equipment and Structural Demo	\$16,000	-\$63,000
	c Turbine Foundations and Pedestals	\$1,029,000	\$0
	Subtotal	\$1,085,000	-\$63,000

Table B.3

Bartow Site Dismantlement Estimate

Task	Description	Costs	Credits
26	Combined Cycle Common Facilities - Fuel Oil and Bop Equipment		
	a Tanks, Pumps, Treatment System & Misc. Piping	\$218,000	-\$359,000
	Subtotal	\$218,000	-\$359,000
27	Combined Cycle - Boiler Plant (HRSG)		
	a Package HRSG and Aux. Equipment Including Stack	\$2,473,000	-\$3,640,000
	Subtotal	\$2,473,000	-\$3,640,000
28	Combined Cycle - Gas Turbine Plant		
	a Combustion Turbines & Steam Turbines	\$1,233,000	-\$2,506,000
	Subtotal	\$1,233,000	-\$2,506,000
29	Combined Cycle - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$445,000	-\$490,000
	b Scrap Copper	\$0	-\$900,000
	Subtotal	\$445,000	-\$1,390,000
TOTAL COST (CREDIT)		\$37,542,000	-\$19,870,000
PROJECT INDIRECTS (5%)		\$1,877,000	
CONTINGENCY (20%)		\$7,508,000	
TOTAL PROJECT COST (CREDIT)		\$46,927,000	-\$19,870,000
TOTAL NET PROJECT COST (CREDIT)		\$27,057,000	

Table B.4

Bartow-Anclote Pipeline Dismantlement Estimate

Task	Description	Costs	Credits
1	Common Site Facilities		
	a Excavation & Fill	\$2,603,000	\$0
	b Foundation & Concrete	\$124,000	\$0
	c Building & Walls	\$70,000	\$0
	d Cover Disturbed Areas	\$781,000	\$0
	e Non-Hazardous Waste Excavation, Transport and Disposal	\$2,946,000	\$0
	f Pavement & Curbs	\$94,000	\$0
	g Lighting	\$20,000	\$0
	h Seed & Mulch	\$151,000	\$0
	Subtotal	\$6,789,000	\$0
2	Decontamination		
	a Decontamination Soil and Groundwater	\$851,000	\$0
	Subtotal	\$851,000	\$0
3	Fuel Oil Storage		
	a Fuel Oil Storage Tanks, Pumps, Pipelines & Equipment	\$2,639,000	-\$2,711,000
	Subtotal	\$2,639,000	-\$2,711,000
4	Miscellaneous Mechanical Equipment		
	a 8 Gantry Cranes	\$4,000	-\$6,000
	Subtotal	\$4,000	-\$6,000
5	Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$24,000	-\$35,000
	b Foundations	\$5,000	\$0
	c Scrap Copper	\$0	-\$90,000
	Subtotal	\$29,000	-\$125,000

Table B.4

Bartow-Anclote Pipeline Dismantlement Estimate

Task	Description	Costs	Credits
6	Unit 1 - Misc. Equipment		
	a Balance Piping and Hangers	\$25,000	\$0
	Subtotal	\$25,000	\$0
<hr/>			
	TOTAL COST (CREDIT)	\$10,337,000	-\$2,842,000
	PROJECT INDIRECTS (5%)	\$517,000	
	CONTINGENCY (20%)	\$2,067,000	
	TOTAL PROJECT COST (CREDIT)	\$12,921,000	-\$2,842,000
	TOTAL NET PROJECT COST (CREDIT)	\$10,079,000	

Table B.5

Bayboro Peakers Dismantlement Estimate

Task	Description	Costs	Credits
1	Peakers Common Facilities - Structures & Improvements		
	a Excavation	\$49,000	\$0
	b Building	\$78,000	\$0
	d Foundations / Walkways	\$119,000	\$0
	d Non-Hazardous Waste Transport and Disposal	\$231,000	\$0
	e Cover Disturbed Areas & Ponds	\$48,000	\$0
	f Seed & Mulch	\$9,000	\$0
	g Pavement	\$53,000	\$0
	Subtotal	\$587,000	\$0
2	Peakers 1-4 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$169,000	\$0
	Subtotal	\$169,000	\$0
3	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Fuel Oil and Misc. Piping	\$132,000	-\$184,000
	Subtotal	\$132,000	-\$184,000
4	Peakers 1-4 - Gas Turbine Plant		
	a Combustion Turbines	\$369,000	-\$406,000
	Subtotal	\$369,000	-\$406,000
5	Peakers 1-4 - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$127,000	-\$140,000
	b Scrap Copper	\$0	-\$90,000
	Subtotal	\$127,000	-\$230,000
TOTAL COST (CREDIT)		\$1,384,000	-\$820,000
PROJECT INDIRECTS (5%)		\$69,000	
CONTINGENCY (20%)		\$277,000	
TOTAL PROJECT COST (CREDIT)		\$1,730,000	-\$820,000
TOTAL NET PROJECT COST (CREDIT)		\$910,000	

Table B.6

Crystal River Units 1 & 2 (South) Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 1 - Structures and Improvements		
	a Foundation & Concrete	\$708,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$3,446,000	\$0
	c Structural Salvage	\$325,000	-\$1,120,000
	d Building	\$40,000	\$0
	e Electrical, HVAC & Elevator	\$211,000	\$0
	Subtotal	\$4,730,000	-\$1,120,000
2	Unit 2 - Structures and Improvements		
	a Foundation & Concrete	\$589,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$3,332,000	\$0
	c Structural Salvage	\$344,000	-\$1,185,000
	d Building	\$28,000	\$0
	e Electrical, HVAC & Elevator	\$197,000	\$0
	Subtotal	\$4,490,000	-\$1,185,000
3	Common Site Facilities		
	a Excavation	\$3,173,000	\$0
	b Foundation & Concrete	\$285,000	\$0
	c Building & Walls	\$434,000	\$0
	d Structural Steel	\$10,000	-\$13,000
	e Cover Disturbed Areas & Ponds	\$3,108,000	\$0
	f Non-Hazardous Waste Excavation, Transport and Disposal	\$7,314,000	\$0
	g Pavement, Hydrants & Curbs	\$349,000	\$0
	h Discharge Structure Outfall/Closure, Lighting, Oil Platforms & Facilities	\$316,000	\$0
	i Seed & Mulch	\$596,000	\$0
	Subtotal	\$15,585,000	-\$13,000

Table B.6

Crystal River Units 1 & 2 (South) Dismantlement Estimate

Task	Description	Costs	Credits
4	Unit 1 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$1,718,000	-\$3,159,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$1,737,000	-\$3,054,000
	c Asbestos	\$4,486,000	\$0
	d Concrete and Foundation	\$1,403,000	\$0
	Subtotal	\$9,344,000	-\$6,213,000
5	Unit 2 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$2,406,000	-\$4,200,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$1,440,000	-\$2,685,000
	c Fly Ash Silo	\$9,000	-\$35,000
	d Asbestos	\$4,998,000	\$0
	e Concrete and Foundation	\$1,369,000	\$0
	Subtotal	\$10,222,000	-\$6,920,000
6	Material Handling - Common Facilities		
	a Building	\$41,000	\$0
	b Foundations	\$191,000	\$0
	c Fuel Oil Storage Tanks, Pumps and Equipment	\$1,996,000	-\$2,664,000
	Subtotal	\$2,228,000	-\$2,664,000
7	Unit 1 - Turbine Plant		
	a Turbine Components and Equipment	\$347,000	-\$627,000
	b Piping, Pedestal and Cooling Tower	\$345,000	\$0
	Subtotal	\$692,000	-\$627,000
8	Unit 2 - Turbine Plant		
	a Turbine Components and Equipment	\$356,000	-\$669,000
	b Piping, Pedestal and Cooling Tower	\$321,000	\$0
	Subtotal	\$677,000	-\$669,000

Table B.6

Crystal River Units 1 & 2 (South) Dismantlement Estimate

Task	Description	Costs	Credits
9	Unit 1 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$254,000	-\$361,000
	b Foundations	\$45,000	\$0
	c Scrap Copper	\$0	-\$792,000
	Subtotal	\$299,000	-\$1,153,000
10	Unit 2 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$97,000	-\$138,000
	b Foundations	\$22,000	\$0
	c Scrap Copper	\$0	-\$9,800,000
	Subtotal	\$119,000	-\$9,938,000
11	Common - Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$28,000	-\$40,000
	b Foundations	\$10,000	\$0
	c Scrap Copper	\$0	-\$126,000
	Subtotal	\$38,000	-\$166,000
12	Unit 1 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$156,000	-\$223,000
	b O. H. Crane and Gantry Crane	\$30,000	\$0
	Subtotal	\$186,000	-\$223,000
13	Unit 2 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$145,000	-\$207,000
	Subtotal	\$145,000	-\$207,000
TOTAL COST (CREDIT)		\$48,755,000	-\$31,098,000
PROJECT INDIRECTS (5%)		\$2,438,000	
CONTINGENCY (20%)		\$9,751,000	
TOTAL PROJECT COST (CREDIT)		\$60,944,000	-\$31,098,000
TOTAL NET PROJECT COST (CREDIT)		\$29,846,000	

Table B.7

Crystal River Units 4 & 5 (North) Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 4 - Structures and Improvements		
	a Foundation & Concrete	\$1,194,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$141,000	\$0
	c Structural Salvage	\$1,494,000	-\$5,147,000
	d Building	\$95,000	\$0
	e Electrical, HVAC & Elevator	\$359,000	\$0
	Subtotal	\$3,283,000	-\$5,147,000
2	Unit 5 - Structures and Improvements		
	a Foundation & Concrete	\$979,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$101,000	\$0
	c Structural Salvage	\$1,334,000	-\$4,596,000
	d Building	\$66,000	\$0
	e Electrical, HVAC & Elevator	\$304,000	\$0
	Subtotal	\$2,784,000	-\$4,596,000
3	Common Site Facilities		
	a Excavation	\$3,758,000	\$0
	b Foundation & Concrete	\$460,000	\$0
	c Building & Walls	\$379,000	\$0
	d Structural Steel	\$41,000	-\$140,000
	e Cover Disturbed Areas & Ponds	\$3,663,000	\$0
	f Non-Hazardous Waste Excavation, Transport and Disposal	\$5,828,000	\$0
	g Pavement, Hydrants & Curbs	\$666,000	\$0
	h Discharge Structure Outfall/Closure & Lighting	\$308,000	\$0
	i Seed & Mulch	\$702,000	\$0
	Subtotal	\$15,805,000	-\$140,000

Table B.7

Crystal River Units 4 & 5 (North) Dismantlement Estimate

Task	Description	Costs	Credits
4	Unit 4 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$2,151,000	-\$3,955,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$2,272,000	-\$3,962,000
	c Concrete and Foundation	\$1,982,000	\$0
	Subtotal	\$6,405,000	-\$7,917,000
5	Unit 5 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$2,151,000	-\$3,955,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$2,270,000	-\$3,962,000
	c Concrete and Foundation	\$1,511,000	\$0
	Subtotal	\$5,932,000	-\$7,917,000
6	Material Handling - Common Facilities		
	a Building	\$73,000	-\$105,000
	b Foundations	\$450,000	\$0
	c Fuel Oil Storage Tanks, Pumps and Equipment	\$1,348,000	-\$1,787,000
	Subtotal	\$1,871,000	-\$1,892,000
7	Unit 4 - Turbine Plant		
	a Turbine Components and Equipment	\$514,000	-\$973,000
	b Piping, Pedestal and Cooling Tower	\$2,758,000	\$0
	Subtotal	\$3,272,000	-\$973,000
8	Unit 5 - Turbine Plant		
	a Turbine Components and Equipment	\$532,000	-\$973,000
	b Piping, Pedestal and Cooling Tower	\$2,758,000	\$0
	Subtotal	\$3,290,000	-\$973,000
9	Unit 4 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$89,000	-\$129,000
	b Foundations	\$19,000	\$0
	c Scrap Copper	\$0	-\$420,000
	Subtotal	\$108,000	-\$549,000

Table B.7

Crystal River Units 4 & 5 (North) Dismantlement Estimate

Task	Description	Costs	Credits
10	Unit 5 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$46,000	-\$66,000
	b Foundations	\$10,000	\$0
	c Scrap Copper	\$0	-\$204,000
	Subtotal	\$56,000	-\$270,000
11	Common - Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$90,000	-\$129,000
	b Foundations	\$19,000	\$0
	c Scrap Copper	\$0	-\$402,000
	Subtotal	\$109,000	-\$531,000
12	Unit 4 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$178,000	-\$242,000
	b O. H. Crane and Gantry Crane	\$36,000	\$0
	Subtotal	\$214,000	-\$242,000
13	Unit 5 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$179,000	-\$245,000
	Subtotal	\$179,000	-\$245,000
14	Scrubbers		
	a Foundation & Concrete	\$4,282,000	\$0
	b Structural Salvage	\$1,555,000	-\$5,336,000
		\$5,837,000	-\$5,336,000
TOTAL COST (CREDIT)		\$49,145,000	-\$36,728,000
PROJECT INDIRECTS (5%)		\$2,457,000	
CONTINGENCY (20%)		\$9,829,000	
TOTAL PROJECT COST (CREDIT)		\$61,431,000	-\$36,728,000
TOTAL NET PROJECT COST (CREDIT)		\$24,703,000	

Table B.8

Crystal River Common Facilities Dismantlement Estimate

Task	Description	Costs	Credits
1	Common Site Facilities		
a	Excavation	\$2,085,000	\$0
b	Foundation & Concrete	\$562,000	\$0
c	Building & Walls	\$674,000	\$0
d	Cover Disturbed Areas & Ponds	\$2,057,000	\$0
e	Pavement, R/R Tracks	\$3,379,000	\$0
f	Seed & Mulch	\$394,000	\$0
	Subtotal	\$9,151,000	\$0
2	Material Handling - Common Facilities		
A	a Buildings, Towers, Conveyors & Gantry Crane	\$818,000	-\$1,159,000
B	b Foundations	\$324,000	\$0
	Subtotal	\$1,142,000	-\$1,159,000
TOTAL COST (CREDIT)		\$10,293,000	-\$1,159,000
PROJECT INDIRECTS (5%)		\$515,000	
CONTINGENCY (20%)		\$2,059,000	
TOTAL PROJECT COST (CREDIT)		\$12,867,000	-\$1,159,000
TOTAL NET PROJECT COST (CREDIT)		\$11,708,000	

Table B.9

Crystal River Helper Tower Facilities Dismantlement Estimate

Task	Description	Costs	Credits
1	Common Site Facilities		
a	Excavation	\$195,000	\$0
b	Foundation & Concrete	\$131,000	\$0
c	Building	\$108,000	\$0
d	Cover Disturbed Areas & Ponds	\$192,000	\$0
e	Pavement, Hydrants & Curbs	\$83,000	\$0
f	Discharge Structure & Lighting	\$118,000	\$0
g	Seed & Mulch	\$37,000	\$0
	Subtotal	\$864,000	\$0
2	Common - Circulating Water System		
a	Circulating Water System Equipment & Gantry Crane	\$104,000	-\$158,000
b	Circulating Water System Piping & Tunnels	\$88,000	\$0
	Subtotal	\$192,000	-\$158,000
3	Cooling Towers - Circulating Water System		
a	4 Cooling Towers	\$2,205,000	\$0
	Subtotal	\$2,205,000	\$0
4	Common - Accessory Electrical Equipment		
a	Auxiliary Transformers and Electrical Equipment	\$25,000	-\$35,000
b	Foundations, Walls, Piers & Curbs	\$31,000	\$0
c	Scrap Copper	\$0	-\$90,000
	Subtotal	\$56,000	-\$125,000
TOTAL COST (CREDIT)		\$3,317,000	-\$283,000
PROJECT INDIRECTS (5%)		\$166,000	
CONTINGENCY (20%)		\$663,000	
TOTAL PROJECT COST (CREDIT)		\$4,146,000	-\$283,000
TOTAL NET PROJECT COST (CREDIT)		\$3,863,000	

Table B.10

Crystal River Mariculture Center Dismantlement Estimate

Task	Description	Costs	Credits
1	Common Site Facilities		
	a Excavation	\$240,000	\$0
	b Foundation, Concrete & Lighting	\$114,000	\$0
	c Building	\$135,000	\$0
	d Cover Disturbed Areas & Ponds	\$289,000	\$0
	e Pavement, Curbs, Hydrants	\$293,000	\$0
	f Seed & Mulch	\$55,000	\$0
	Subtotal	\$1,126,000	\$0
2	Common - Misc. Plant Equipment		
	a Fiberglass Tanks, Screens & Lab Equipment	\$37,000	\$0
	Subtotal	\$37,000	\$0
3	Common - Accessory Electrical Equipment		
	a Accessory Electrical Equipment	\$14,000	\$0
	Subtotal	\$14,000	\$0
TOTAL COST (CREDIT)		\$1,177,000	\$0
PROJECT INDIRECTS (5%)		\$59,000	
CONTINGENCY (20%)		\$235,000	
TOTAL PROJECT COST (CREDIT)		\$1,471,000	\$0
TOTAL NET PROJECT COST (CREDIT)		\$1,471,000	

Table B.11
Debary Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Peakers Common Facilities - Structures & Improvements		
	a Building	\$283,000	\$0
	b Excavation	\$960,000	\$0
	c Paved Surfaces, R/R Tracks Siding, Fences	\$269,000	\$0
	d Foundations / Walkways	\$323,000	\$0
	e Cover Disturbed Areas & Ponds	\$1,029,000	\$0
	f Seed & Mulch	\$197,000	\$0
	g Rubbish and Tenant Debris - Transport and Disposal	\$1,858,000	\$0
	Subtotal	\$4,919,000	\$0
2	Peakers 1-6 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$234,000	\$0
	Subtotal	\$234,000	\$0
3	Peakers 7-10 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$1,260,000	\$0
	Subtotal	\$1,260,000	\$0
4	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Piping, Pumps and Equipment	\$981,000	-\$1,685,000
	Subtotal	\$981,000	-\$1,685,000
5	Peakers 1-6 - Gas Turbine Plant		
	a 6 Combustion Turbines	\$738,000	-\$882,000
	Subtotal	\$738,000	-\$882,000
6	Peakers 7-10 - Gas Turbine Plant		
	a 6 Combustion Turbines	\$585,000	-\$700,000
	Subtotal	\$585,000	-\$700,000
7	Peakers 1-6 - Accessory Electrical Equipment		
	a Electrical Equipment	\$146,000	-\$175,000
	b Scrap Copper	\$0	-\$150,000
	Subtotal	\$146,000	-\$325,000

Table B.11
Debary Site Dismantlement Estimate

Task	Description	Costs	Credits
8	Peakers 7-10 - Accessory Electrical Equipment		
	a Electrical Equipment	\$146,000	-\$175,000
	b Scrap Copper	\$0	-\$150,000
	Subtotal	\$146,000	-\$325,000
<hr/>			
	TOTAL COST (CREDIT)	\$9,009,000	-\$3,917,000
	PROJECT INDIRECTS (5%)	\$450,000	
	CONTINGENCY (20%)	\$1,802,000	
	TOTAL PROJECT COST (CREDIT)	\$11,261,000	-\$3,917,000
	TOTAL NET PROJECT COST (CREDIT)	\$7,344,000	

Table B.12

Higgins Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Peakers Common Facilities - Structures & Improvements		
	a Excavation	\$49,000	\$0
	b Building	\$1,000	\$0
	c Foundations	\$20,000	\$0
	d Cover Disturbed Areas & Ponds	\$48,000	\$0
	e Seed & Mulch	\$9,000	\$0
	Subtotal	\$127,000	\$0
2	Peakers 1-4 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$180,000	\$0
	Subtotal	\$180,000	\$0
3	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Fuel Oil and Misc. Piping	\$70,000	-\$98,000
	Subtotal	\$70,000	-\$98,000
4	Peakers 1-4 - Gas Turbine Plant		
	a Combustion Turbines	\$302,000	-\$333,000
	Subtotal	\$302,000	-\$333,000
5	Peakers 1-4 - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$95,000	-\$105,000
	b Scrap Copper	\$0	-\$120,000
	Subtotal	\$95,000	-\$225,000
TOTAL COST (CREDIT)		\$774,000	-\$656,000
PROJECT INDIRECTS (5%)		\$39,000	
CONTINGENCY (20%)		\$155,000	
TOTAL PROJECT COST (CREDIT)		\$968,000	-\$656,000
TOTAL NET PROJECT COST (CREDIT)		\$312,000	

Table B.13
Hines Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Combined Cycle Common Facilities - Structures & Improvements		
	a Excavation	\$432,000	\$0
	b Building	\$136,000	\$0
	c Foundations	\$86,000	\$0
	d Intake Structure	\$117,000	\$0
	e Non-Hazardous Waste Transport and Disposal	\$267,000	\$0
	f Cover Disturbed Areas & Ponds	\$178,000	\$0
	g Seed & Mulch	\$46,000	\$0
	h Pavement	\$282,000	\$0
	Subtotal	\$1,544,000	\$0
2	Combined Cycle - Structures and Improvements		
	a Electrical, Fire Pump, Foam Building & Chemical Feed	\$80,000	\$0
	b Building Equipment and Structural Demo	\$34,000	-\$125,000
	c Turbine Foundations and Pedestals	\$2,059,000	\$0
	Subtotal	\$2,173,000	-\$125,000
3	Combined Cycle Common Facilities - Fuel Oil and Bop Equipment		
	a Tanks, Pumps, Treatment System & Misc. Piping	\$435,000	-\$718,000
	Subtotal	\$435,000	-\$718,000
4	Combined Cycle - Boiler Plant (HRSG)		
	a Package HRSG and Aux. Equipment Including Stack	\$4,946,000	-\$7,280,000
	Subtotal	\$4,946,000	-\$7,280,000
5	Combined Cycle - Gas Turbine Plant		
	a Combustion Turbines & Steam Turbines	\$2,847,000	-\$3,136,000
	Subtotal	\$2,847,000	-\$3,136,000
6	Combined Cycle - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$890,000	-\$980,000
	b Scrap Copper	\$0	-\$1,800,000
	Subtotal	\$890,000	-\$2,780,000
TOTAL COST (CREDIT)		\$12,835,000	-\$14,039,000
PROJECT INDIRECTS (5%)		\$642,000	
CONTINGENCY (20%)		\$2,567,000	
TOTAL PROJECT COST (CREDIT)		\$16,044,000	-\$14,039,000
TOTAL NET PROJECT COST (CREDIT)		\$2,005,000	

Table B.14

Intercession City Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Peakers Common Facilities - Structures & Improvements		
	a Building	\$261,000	\$0
	b Excavation	\$446,000	\$0
	c Paved Surfaces, Synthetic Liner, Fences	\$533,000	\$0
	d Foundations / Walkways	\$412,000	\$0
	e Cover Disturbed Areas & Ponds	\$502,000	\$0
	f Seed & Mulch	\$96,000	\$0
	g Rubbish and Tenant Debris - Transport and Disposal	\$1,036,000	\$0
	Subtotal	\$3,286,000	\$0
2	Peakers 1-6 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$310,000	\$0
	Subtotal	\$310,000	\$0
3	Peakers 7-10 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$1,260,000	\$0
	Subtotal	\$1,260,000	\$0
3	Peaker 11 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$64,000	\$0
	Subtotal	\$64,000	\$0
3	Peakers 12-14 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$945,000	\$0
	Subtotal	\$945,000	\$0
4	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Piping, Pumps and Equipment	\$776,000	-\$1,337,000
	Subtotal	\$776,000	-\$1,337,000
5	Peakers 1-6 - Gas Turbine Plant		
	a 6 Combustion Turbines	\$703,000	-\$840,000
	Subtotal	\$703,000	-\$840,000
6	Peakers 7-10 - Gas Turbine Plant		
	a 4 Combustion Turbines	\$585,000	-\$700,000
	Subtotal	\$585,000	-\$700,000

Table B.14

Intercession City Site Dismantlement Estimate

Task	Description	Costs	Credits
6	Peaker 11 - Gas Turbine Plant		
	a 1 Combustion Turbine	\$172,000	-\$206,000
	Subtotal	\$172,000	-\$206,000
6	Peakers 12-14 - Gas Turbine Plant		
	a 3 Combustion Turbines	\$440,000	-\$525,000
	Subtotal	\$440,000	-\$525,000
7	Peakers 1-6 - Accessory Electrical Equipment		
	a Electrical Equipment	\$146,000	-\$175,000
	b Scrap Copper	\$0	-\$150,000
	Subtotal	\$146,000	-\$325,000
8	Peakers 7-10 - Accessory Electrical Equipment		
	a Electrical Equipment	\$146,000	-\$175,000
	b Scrap Copper	\$0	-\$150,000
	Subtotal	\$146,000	-\$325,000
8	Peaker 11 - Accessory Electrical Equipment		
	a Electrical Equipment	\$37,000	-\$44,000
	b Scrap Copper	\$0	-\$36,000
	Subtotal	\$37,000	-\$80,000
8	Peakers 12-14 - Accessory Electrical Equipment		
	a Electrical Equipment	\$110,000	-\$131,000
	b Scrap Copper	\$0	-\$113,000
	Subtotal	\$110,000	-\$244,000
TOTAL COST (CREDIT)		\$8,980,000	-\$4,582,000
PROJECT INDIRECTS (5%)		\$449,000	
CONTINGENCY (20%)		\$1,796,000	
TOTAL PROJECT COST (CREDIT)		\$11,225,000	-\$4,582,000
TOTAL NET PROJECT COST (CREDIT)		\$6,643,000	

Table B.15
Rio Pinar Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Peaker Common Facilities - Structures & Improvements		
	a Building	\$1,000	\$0
	b Excavation	\$35,000	\$0
	c Paved Surfaces, Synthetic Liner, Fences	\$69,000	\$0
	d Foundations / Walkways	\$33,000	\$0
	e Cover Disturbed Areas & Ponds	\$37,000	\$0
	f Seed & Mulch	\$9,000	\$0
	g Rubbish and Tenant Debris - Transport and Disposal	\$68,000	\$0
	Subtotal	\$252,000	\$0
2	Peaker - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$15,000	\$0
	Subtotal	\$15,000	\$0
3	Peaker Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Pumps and Equipment	\$16,000	-\$26,000
	Subtotal	\$16,000	-\$26,000
4	Peaker - Gas Turbine Plant		
	a Combustion Turbine	\$73,000	-\$88,000
	Subtotal	\$73,000	-\$88,000
5	Peaker - Accessory Electrical Equipment		
	a Electrical Equipment	\$15,000	-\$18,000
	b Scrap Copper	\$0	-\$30,000
	Subtotal	\$15,000	-\$48,000
TOTAL COST (CREDIT)		\$371,000	-\$162,000
PROJECT INDIRECTS (5%)		\$19,000	
CONTINGENCY (20%)		\$74,000	
TOTAL PROJECT COST (CREDIT)		\$464,000	-\$162,000
TOTAL NET PROJECT COST (CREDIT)		\$302,000	

Table B.16
Suwannee Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Unit 1 - Structures and Improvements		
	a Foundation & Concrete	\$224,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$800,000	\$0
	c Structural Salvage	\$91,000	-\$338,000
	d Building	\$14,000	\$0
	e Electrical, HVAC & Elevator	\$66,000	\$0
	Subtotal	\$1,195,000	-\$338,000
2	Unit 2 - Structures and Improvements		
	a Foundation & Concrete	\$191,000	\$0
	b Masonry Walls & Transit Pipes/Walls/Conduit	\$720,000	\$0
	c Structural Salvage	\$85,000	-\$316,000
	d Building	\$13,000	\$0
	e Electrical, HVAC & Elevator	\$63,000	\$0
	Subtotal	\$1,072,000	-\$316,000
3	Unit 3 - Structures and Improvements		
	a Foundation & Concrete	\$299,000	\$0
	b Masonry Wall & Transit Wall	\$871,000	\$0
	c Structural & Girt Steel	\$126,000	-\$466,000
	d Asbestos	\$2,116,000	\$0
	e Building	\$14,000	\$0
	f Electrical, HVAC & Elevator	\$56,000	\$0
	Subtotal	\$3,482,000	-\$466,000
4	Common Site Facilities		
	a Excavation	\$235,000	\$0
	b Foundation & Concrete	\$110,000	\$0
	c Building	\$173,000	\$0
	d Cover Disturbed Areas & Ponds	\$252,000	\$0
	e Non-Hazardous Waste Excavation, Transport and Disposal	\$915,000	\$0
	f Pavement, Hydrants, R/R Tracks & Curbs	\$233,000	\$0
	g Discharge & Intake Closure/Structure	\$83,000	\$0

Table B.16

Suwannee Site Dismantlement Estimate

Task	Description	Costs	Credits
	h Seed & Mulch	\$50,000	\$0
	Subtotal	\$2,051,000	\$0
5	Unit 1 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$224,000	-\$420,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$96,000	-\$182,000
	c Asbestos	\$2,116,000	\$0
	d Concrete and Foundation	\$13,000	\$0
	Subtotal	\$2,449,000	-\$602,000
6	Unit 2 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$226,000	-\$425,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$96,000	-\$182,000
	c Asbestos	\$2,116,000	\$0
	d Concrete and Foundation	\$13,000	\$0
	Subtotal	\$2,451,000	-\$607,000
7	Unit 3 - Boiler Plant		
	a Boiler, Appurtenances and Equipment	\$340,000	-\$639,000
	b Piping, Flues, Ducts & Deaerating Equipment	\$132,000	-\$250,000
	c Asbestos	\$0	\$0
	d Concrete and Foundation	\$17,000	\$0
	Subtotal	\$489,000	-\$889,000
8	Material Handling - Common Facilities		
	a Fuel Oil Storage Tanks, Pumps and Equipment	\$326,000	-\$496,000
	Subtotal	\$326,000	-\$496,000
9	Unit 1 - Turbine Plant		
	a Turbine Components and Equipment	\$103,000	-\$207,000
	b Piping, Pedestal and Cooling Tower	\$129,000	\$0
	Subtotal	\$232,000	-\$207,000

Table B.16

Suwannee Site Dismantlement Estimate

Task	Description	Costs	Credits
10	Unit 2 - Turbine Plant		
	a Turbine Components and Equipment	\$106,000	-\$214,000
	b Piping, Pedestal and Cooling Tower	\$141,000	\$0
	Subtotal	\$247,000	-\$214,000
11	Unit 3 - Turbine Plant		
	a Turbine Components and Equipment	\$146,000	-\$294,000
	b Piping, Pedestal and Cooling Tower	\$180,000	\$0
	Subtotal	\$326,000	-\$294,000
12	Unit 1 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$25,000	-\$39,000
	b Foundations	\$14,000	\$0
	c Scrap Copper	\$0	-\$120,000
	Subtotal	\$39,000	-\$159,000
13	Unit 2 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$16,000	-\$25,000
	b Foundations	\$14,000	\$0
	c Scrap Copper	\$0	-\$90,000
	Subtotal	\$30,000	-\$115,000
14	Unit 3 - Accessory Electrical Equipment		
	a Generator Bus Transformers and Electrical Equipment	\$25,000	-\$39,000
	b Foundations	\$14,000	\$0
	c Scrap Copper	\$0	-\$120,000
	Subtotal	\$39,000	-\$159,000
15	Common - Accessory Electrical Equipment		
	a Auxiliary Transformers and Electrical Equipment	\$14,000	-\$21,000
	b Foundations	\$4,000	\$0
	c Scrap Copper	\$0	-\$90,000
	Subtotal	\$18,000	-\$111,000

Table B.16
Suwannee Site Dismantlement Estimate

Task	Description	Costs	Credits
16	Unit 1 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$43,000	-\$51,000
	b O. H. Crane and Gantry Crane	\$17,000	\$0
	Subtotal	\$60,000	-\$51,000
17	Unit 2 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$43,000	-\$51,000
	Subtotal	\$43,000	-\$51,000
18	Unit 3 - Misc. Power Plant Equipment		
	a Power Plant Equipment and Tanks	\$52,000	-\$58,000
	Subtotal	\$52,000	-\$58,000
19	Peakers Common Facilities - Structures and Improvements		
	a Pavement	\$22,000	\$0
	b Seed & Mulch	\$9,000	\$0
	c Cover Disturbed Areas & Ponds	\$48,000	\$0
	d Foundations & Walkways	\$39,000	\$0
	Subtotal	\$118,000	\$0
20	Peakers 1-3 - Structures and Improvements		
	a Foundations & Pedestals	\$119,000	\$0
	Subtotal	\$119,000	\$0
21	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Piping, Pumps and Equipment	\$147,000	-\$256,000
	Subtotal	\$147,000	-\$256,000
22	Peakers 1-3 - Gas Turbine Plant		
	a 3 Combustion Turbines	\$286,000	-\$326,000
	Subtotal	\$286,000	-\$326,000
23	Peakers 1-3 - Accessory Electrical Equipment		
	a Electrical Equipment	\$77,000	-\$88,000
	b Scrap Copper	\$0	-\$90,000
	Subtotal	\$77,000	-\$178,000

Table B.16
Suwannee Site Dismantlement Estimate

Task	Description	Costs	Credits
	TOTAL COST (CREDIT)	\$15,348,000	-\$5,893,000
	PROJECT INDIRECTS (5%)	\$767,000	
	CONTINGENCY (20%)	\$3,070,000	
	TOTAL PROJECT COST (CREDIT)	\$19,185,000	-\$5,893,000
	TOTAL NET PROJECT COST (CREDIT)	\$13,292,000	

Table B.17

Tiger Bay Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Cogen. Common Facilities - Structures & Improvements		
	a Excavation	\$101,000	\$0
	b Foundation, Equipment & Structure	\$45,000	\$0
	c Non-Hazardous Waste Transport and Disposal	\$28,000	\$0
	d Cover Disturbed Areas & Ponds	\$41,000	\$0
	e Seed & Mulch	\$28,000	\$0
	f Pavement	\$64,000	\$0
	Subtotal	\$307,000	\$0
2	Cogen. - Structures and Improvements		
	a Building - Structural Demo.	\$13,000	\$0
	b Building - Siding Demo.	\$6,000	-\$25,000
	c Foundations	\$235,000	\$0
	Subtotal	\$254,000	-\$25,000
3	Cogen. Common Facilities - Fuel Oil and Bop Equipment		
	a Tanks, Pumps, Treatment System & Misc. Piping	\$240,000	-\$339,000
	b Package Boiler	\$4,000	-\$7,000
	Subtotal	\$244,000	-\$346,000
4	Cogen. - Boiler Plant (HRSG)		
	a Package HRSG & Aux. Equipment with Stack	\$618,000	-\$910,000
	Subtotal	\$618,000	-\$910,000
5	Cogen. - Gas Turbine Plant		
	a Combustion Turbine & Steam Turbine	\$388,000	-\$427,000
	Subtotal	\$388,000	-\$427,000
6	Cogen. - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$111,000	-\$123,000
	b Scrap Copper	\$0	-\$240,000
	Subtotal	\$111,000	-\$363,000

Table B.17

Tiger Bay Site Dismantlement Estimate

Task	Description	Costs	Credits
	TOTAL COST (CREDIT)	\$1,922,000	-\$2,071,000
	PROJECT INDIRECTS (5%)	\$96,000	
	CONTINGENCY (20%)	\$384,000	
	TOTAL PROJECT COST (CREDIT)	\$2,402,000	-\$2,071,000
	TOTAL NET PROJECT COST (CREDIT)	\$331,000	

Table B.18

Turner Peakers Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Peakers Common Facilities - Structures & Improvements		
	a Building	\$1,000	\$0
	b Foundations / Walkways	\$37,000	\$0
	c Cover Disturbed Areas & Ponds	\$167,000	\$0
	d Seed & Mulch	\$32,000	\$0
	e Pavement & Fencing	\$90,000	\$0
	Subtotal	\$327,000	\$0
2	Peakers 1-2 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$32,000	\$0
	Subtotal	\$32,000	\$0
2	Peakers 3-4 - Structures and Improvements		
	a Turbine Foundations and Pedestals	\$112,000	\$0
	Subtotal	\$112,000	\$0
3	Peakers Common Facilities - Fuel Oil and Bop Equipment		
	a Fuel Oil Storage Tanks, Fuel Oil and Misc. Piping	\$302,000	-\$495,000
	Subtotal	\$302,000	-\$495,000
4	Peakers 1-2 - Gas Turbine Plant		
	a Combustion Turbines	\$132,000	-\$158,000
	Subtotal	\$132,000	-\$158,000
4	Peakers 3-4 - Gas Turbine Plant		
	a Combustion Turbines	\$307,000	-\$368,000
	Subtotal	\$307,000	-\$368,000
5	Peakers 1-2 - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$29,000	-\$35,000
	b Scrap Copper	\$0	-\$30,000
	Subtotal	\$29,000	-\$65,000

Table B.18

Turner Peakers Site Dismantlement Estimate

Task	Description	Costs	Credits
5	Peakers 3-4 - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$59,000	-\$70,000
	b Scrap Copper	\$0	-\$60,000
	Subtotal	\$59,000	-\$130,000
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	TOTAL COST (CREDIT)	\$1,300,000	-\$1,216,000
	PROJECT INDIRECTS (5%)	\$65,000	
	CONTINGENCY (20%)	\$260,000	
	TOTAL PROJECT COST (CREDIT)	\$1,625,000	-\$1,216,000
	TOTAL NET PROJECT COST (CREDIT)	\$409,000	

Table B.19

University of Florida Cogen Site Dismantlement Estimate

Task	Description	Costs	Credits
1	Cogen. Common Facilities - Structures & Improvements		
	a Excavation	\$26,000	\$0
	b Building	\$2,000	\$0
	c Foundation, Structure & Pavement/Walkways	\$46,000	\$0
	d Non-Hazardous Waste Transport and Disposal	\$15,000	\$0
	e Cover Disturbed Areas & Ponds	\$28,000	\$0
	f Seed & Mulch	\$5,000	\$0
	g Pavement	\$14,000	\$0
	Subtotal	\$136,000	\$0
2	Cogen. - Structures and Improvements		
	a Masonry Walls	\$14,000	\$0
	b Building	\$24,000	\$0
	c Structural and Girt Steel	\$24,000	-\$88,000
	d Turbine Foundations, Floors and Roof	\$220,000	\$0
	Subtotal	\$282,000	-\$88,000
3	Cogen. Common Facilities - Fuel Oil and Bop Equipment		
	a Tanks, Pumps, Treatment System & Misc. Piping	\$84,000	-\$137,000
	Subtotal	\$84,000	-\$137,000
4	Cogen. - Boiler Plant (HRSG)		
	a Combustion Turbines	\$184,000	-\$280,000
	Subtotal	\$184,000	-\$280,000
5	Cogen. - Gas Turbine Plant		
	a Combustion Turbines	\$69,000	-\$79,000
	Subtotal	\$69,000	-\$79,000

Table B.19

University of Florida Cogen Site Dismantlement Estimate

Task	Description	Costs	Credits
6	Cogen. - Accessory Electrical Equipment		
	a Interconnecting Electrical Equipment	\$31,000	-\$35,000
	b Scrap Copper	\$0	-\$90,000
	Subtotal	\$31,000	-\$125,000
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	TOTAL COST (CREDIT)	\$786,000	-\$709,000
	PROJECT INDIRECTS (5%)	\$39,000	
	CONTINGENCY (20%)	\$157,000	
	TOTAL PROJECT COST (CREDIT)	\$982,000	-\$709,000
	TOTAL NET PROJECT COST (CREDIT)	\$273,000	