

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for increase in rates
By Progress Energy Florida

DOCKET NO. 090079-EI
Submitted for filing: March 27, 2009

PROGRESS ENERGY FLORIDA, INC.'S NOTICE OF FILING

Progress Energy Florida, Inc., by and through its undersigned counsel, gives notice of filing supplemental MFR schedules for 2009 as follows:

1. B-5;
2. B-13;
3. B-21; and
4. F-8.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via U.S. Mail to the following counsel of record as indicated below on this 27th day of March, 2009.


Attorney

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FLORIDA PUBLIC SERVICE COMMISSION

Explanation:

Provide the data listed below regarding all changes in rate base primary accounts that exceeded 1/20th of one percent (.005) of total rate base and ten percent from the historical year to the prior year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/2010
 Prior Year Ended 12/31/2009
 Historical Test Year Ended 12/31/2008
 Witness: Toomey

Company: PROGRESS ENERGY FLORIDA INC.

Docket No: 090079-EI

(Thousands)

Line No.	(A) Account Number	(B) Account Name	(C) Test Year Ended 12/31/2009	(D) Prior Year Ended 12/31/2008	(E) Increase/(Decrease)		(G) Reason(s) for Change
					(F) Amount (C)-(D) (000)	(F) Percent (E)/(D) (%)	
1							
2	101	Electric Plant in Service	12,692,831	10,425,673	2,267,158	21.75%	Increase is due to the following projects going in service in 2009: Crystal River 5 Clean Air assets, Crystal River 3 Steam Generator Replacement, Bartow Repower, and various Transmission and Distribution projects.
3							
4							
5							
6							
7	107	Total Constr Work in Progress	852,637	2,075,357	(1,222,720)	-58.92%	Increase is due to EPIS projects coming in service in 2009 for Crystal River 5 Clean Air assets, Crystal River 3 Steam Generator Replacement, Bartow Repower, and various Transmission and Distribution projects, noted in explanation of 101 account. These reductions to CWIP are offset by additional expenditures in 2009 related to Crystal River 3 Uprate (2010 in service date), and 2010 portion of CAIR assets at CR 4.
8							
9							
10							
11							
12							
13							
14							
15	111	Accum Prov for Amortization	(184,565)	(122,980)	(61,585)	50.08%	Increase is due to reflecting Nuclear Decommissioning provision in account 111 rather than 108 beginning Jan 2009.
16							
17							
18	120	Net Nuclear Fuel	159,832	106,080	53,752	50.67%	Increase is to provide working stock and protection against supply interruption.
19							
20							
21	142	Customer Accounts Receivable	342,293	287,646	54,648	19.00%	Increase is due to receivables related to pass-through clause recoveries.
22							
23							
24	143	Other Accounts Receivable	29,129	22,774	6,355	27.90%	Increase is due to customer advances on construction of Levy Nuclear Plants.
25							
26							
27	174	Miscellaneous Current & Accrued Assets	100,100	335,100	(235,000)	-70.13%	Decrease is due to a reduction in the derivative collateral receivable, which is based on an expectation that less cash will be needed to cover margin differences related to hedging activities in 2009 than in 2008.
28							
29							
30							
31							
32	236	Taxes Accrued	23,124	(27,105)	50,230	185.31%	Increase is due to debit (negative) balance in 2008 for income tax payments in excess of current year accrual for 2008. Estimated tax payments are made based on prescribed income tax rules. The excess tax payments are trueed up in the following year to actual liability.
33							
34							
35							
36							

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For each major construction project whose cost of completion exceeds 0.2 percent (.002) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year.

Type of Data Shown:

Company: PROGRESS ENERGY FLORIDA INC.

___ Projected Test Year Ended 12/31/2010

XX Prior Year Ended 12/31/2009

Docket No. 090079-EI

___ Historical Test Year Ended 12/31/2008

Witness:

Toomey/Sorrick/Young/Joyner/Oliver/Slusser

(Thousands)

Line No.	(A) Project No.	(B) Project Description	(C) Year End CWIP Balance	(D) Estimated Additional Project Costs	(E) Total Cost of Completion	(F) Initial Project Budget Per Construction Bid	(G) Date Construction Started	(H) Expected Completion Date	(I) Percent Complete (C)/(E)	(J) Amount of AFUDC Charged	(K) 13 Month Average Balance	(L) Jurisdictional Factor	(M) Jurisdictional Amount
1													
2		STEAM PRODUCTION											
3		Major Projects:											
4		PEF CR4 Electrostatic Precipitator	42,560	19,896	62,455	32,101	July 2007	June 2010	68.1%	1,233	24,691		
5		PEF CR5 Electrostatic Precipitator	0	0	51,398	41,457	July 2007	May 2009	100.0%	1,015	11,019		
6													
7		Major Projects - Clause-ECRC	263,863							72,335	847,224		
8													
9		Minor Projects:	25,293								29,745		
10		Total Steam Projects	331,716	19,896	113,853	73,558				74,584	912,680		
11													
12		NUCLEAR PRODUCTION											
13		Major Projects:											
14		CR3 Steam Generator Replacement	0	0	298,931	282,000	Jan 2006	Dec 2009	100.0%	16,258	173,417		
15		CR3 Spent Fuel Dry Storage	20,131	67,205	87,336	91,960	Oct 2008	June 2012	23.0%	654	10,525		
16													
17		Major Projects - Clause-Nuclear	274,612							2,521	165,458		
18													
19		Minor Projects:	17,434								60,033		
20		Total Nuclear Projects	312,178	67,205	386,268	373,960				19,433	409,432		
21													
22		HYDRAULIC PRODUCTION											
23		None											
24													
25		OTHER PRODUCTION											
26		Major Projects:											
27		Bartow Repower	0	0	645,981	539,900	April 2006	June 2009	100.0%	26,968	276,461		
28													
29		Minor Projects:	4,028								4,348		
30		Total Other Projects	4,028		645,981	539,900				26,968	280,809		
31													

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For each major construction project whose cost of completion exceeds 0.2 percent (.002) of gross plant, and for smaller projects within each category shown taken as a group, provide the requested data concerning projects for the test year.

Type of Data Shown:
 ___ Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 ___ Historical Test Year Ended 12/31/2008

Company: PROGRESS ENERGY FLORIDA INC.

Docket No. 090079-EI

Witness :
 Toomey/Sorrick/Young/Joyner/Oliver/Slusser

(Thousands)

Line No.	(A) Project No.	(B) Project Description	(C) Year End CWIP Balance	(D) Estimated Additional Project Costs	(E) Total Cost of Completion	(F) Initial Project Budget Per Construction Bid	(G) Date Construction Started	(H) Expected Completion Date	(I) Percent Complete (C)/(E)	(J) Amount of AFUDC Charged	(K) 13 Month Average Balance	(L) Jurisdictional Factor	(M) Jurisdictional Amount
1													
2		TRANSMISSION PLANT											
3		Major Projects:											
4		Bartow Repower	0	0	154,202	142,100	April 2007	June 2009	100.0%	2,136	25,787		
5													
6		Major Projects - Clause-Nuclear	53,198							346	31,261		
7													
8		Minor Projects:	87,929							1,593	84,176		
9													
10		Total Transmission Projects	141,126	0	154,202	142,100				4,075	141,224		
11													
12		DISTRIBUTION PLANT											
13		Major Projects:											
14		None											
15													
16		Minor Projects:	26,740								35,703		
17		Total Distribution Projects	26,740								35,703		
18													
19		GENERAL PLANT											
20		Major Projects:											
21		None											
22													
23		Minor Projects:	20,501								14,422		
24		Total General Projects	20,501								14,422		
25													
26		OTHER PLANT											
27		Major Projects:											
28		None											
29													
30		Minor Projects:	16,349								12,801		
31		Total Other Projects	16,349								12,801		
32													
33		TOTAL PLANT	852,637	87,101	1,300,303	1,129,518				125,060	1,807,071		
34													

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide a schedule of amounts charged to operating expenses, and the amounts accrued and charged to the provision account balances, for the last calendar year and test year. Indicate desired reserve balances and basis for determining desired balances.

Type of Data Shown:

Company: PROGRESS ENERGY FLORIDA INC.

___ Projected Test Year Ended 12/31/2010

XX Prior Year Ended 12/31/2009

Docket No. 090079-EI

___ Historical Test Year Ended 12/31/2008

Witness: Toomey

(Thousands)

Line No.	(A) Year	(B) Reserve Balance Beg of Period	(C) Current Annual Accrual	(D) Amount Charged to Reserve	(E) Net Fund Income After Taxes	(F) Reserve Balance End of Period	(G) Description of Charge	(H)	(I) Charged to Operating Expenses	(J)	(K)
1											
2	12/31/2009	\$ 138,840	\$ 12,805			\$ 151,646	See Account Description		\$ 12,805		
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16											
17	12/31/2009	\$ 16,377				\$ 16,377	See Account Description		\$ -		
18	12/31/2009	3,271				3,271			-		
19		<u>\$ 19,648</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,648</u>			<u>\$ -</u>		
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Desired Balance: Progress Energy Florida self-insures its transmission & distribution lines against loss due to storm damage & other natural disasters. Pursuant to FPSC Order No. PSC-94-0852-FOF-EI, Progress Energy Florida is accruing \$6 million (system), \$5.6 million (retail), annually to a storm damage reserve and may defer losses in excess of the reserve. The amount accrued in 2009 also includes accrued interest of \$6.8 million on the storm damage reserve balance as provided in Order No. PSC-06-0772-PAA-EI in Docket 041272-EI.

Desired Balance: The desired balances for Workman's Compensation & Claims are based on estimated liabilities associated with incurred claims. No change forecasted for 2009

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide a schedule of amounts charged to operating expenses, and the amounts accrued and charged to the provision account balances, for the last calendar year and test year. Indicate desired reserve balances and basis for determining desired balances.

Type of Data Shown:

Company: PROGRESS ENERGY FLORIDA INC.

— Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 — Historical Test Year Ended 12/31/2008
 Witness: Toomey

Docket No. 090079-EI

(Thousands)

Line No.	(A) Year	(B) Reserve Balance Beg of Period	(C) Current Annual Accrual	(D) Amount Charged to Reserve	(E) Net Fund Income After Taxes	(F) Reserve Balance End of Period	(G) Description of Charge	(H)	(I) Charged to Operating Expenses	(J)	(K)
1	<u>228.3 Accumulated Provision for Pension & Benefits</u>										
2	12/31/2009	\$ 223,719	\$ 6,257			\$ 229,976	See Account Description		\$ 6,257		
3	12/31/2009	(8,983)				(8,983)	"		0		
4	12/31/2009	6,770				6,770	"		0		
5	12/31/2009	227,777	35,047	63,729		199,094	"		37,647		
6	12/31/2009	8,226				8,226	"		0		
7	Total 228.3	<u>\$ 457,509</u>	<u>\$ 41,303</u>	<u>\$ 63,729</u>	<u>\$ 0</u>	<u>\$ 435,084</u>	"		<u>\$ 43,903</u>		

Desired Balance: The desired balance for the active employee medical and dental reserves is based on expected claims. The accrual for retiree medical and life reserves are based on the FAS 106 actuarial valuation which takes into account number of individuals eligible for the plans, their life expectancy, per capita claims costs and cost trend rates. The accrued Pension Liability is based on the FAS 87 actuarial valuation.

228.4 Accumulated Misc Operating Provision

15	12/31/2009	\$ 8,800	\$ 1,100			\$ 9,900	See Account Description		\$ 1,100		
16	12/31/2009	12,000	1,500			13,500	"		1,500		
17	12/31/2009	14,076	(14,076)			-	"		(14,076)		
18	12/31/2009	34,036	0			34,036	"		-		
19	12/31/2009	37,139	15,142	15,142		37,139	"		15,142		
20	12/31/2009	2,538	1,102			3,639	"		1,102		
21	Total 228.4	<u>\$ 108,590</u>	<u>\$ 4,768</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 98,215</u>	"		<u>\$ 4,768</u>		

Desired Balance: The desired balance in the nuclear outage reserve reflects the incremental cost for the work planned during the outage. The total cost is accrued over the live cycle of the refueling outage, approximately 24 months.

The accrual for the last core nuclear fuel and the end of life nuclear materials and supplies inventory is based on the estimated end of life expenses which were approved in Order # PSC-05-0945-S-EI. The total end of life cost will be accrued over the remaining estimated life of the Crystal River Nuclear facility.

The balance accrued for the environmental clean-up reserve is based on the estimated liability associated with the clean-up of contaminated sites. The amount Charged to Operating Expenses is the projected 2009 ECRC O&M expense filed in 2008.

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.			
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7			
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15			
16	III. CONSTRUCTION BUDGET ASSUMPTIONS	Toomey	16
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19	IV. BALANCE SHEET ASSUMPTIONS	Toomey	18
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Supporting Schedules:	Recap Schedules:
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FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.	I. General Assumptions
1	FORECAST ASSUMPTIONS - CUSTOMER, ENERGY & DEMAND FORECAST
2	
3	Normal weather conditions are assumed over the forecast horizon. For kilowatt-hour sales projections normal weather is based on a historical thirty year average of service area weighted billing month degree days. Monthly coincident peak demand projections are based on a thirty year historical average of system-weighted temperatures at time of seasonal peak.
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5	
6	The population projections produced by the Bureau of Economic and Business Research (BEBR) at the University of Florida as published in "Florida Population Studies" Bulletin No. 150 (March 2008) provide the basis for development of the customer forecast. State and national economic assumptions produced by Economy.Com in their national and Florida forecasts (September 2008) are also incorporated.
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9	
10	Within the PEF service area, the phosphate mining industry is the dominant sector in the industrial sales class. Four (4) major customers accounted for 32 percent of the industrial class MWh sales in 2008. These energy intensive customers mine and process phosphate-based fertilizer products for the global marketplace. The supply and demand for their products are dictated by global conditions that include, but are not limited to, foreign competition, national/international agricultural industry conditions, exchange-rate fluctuations, and international trade pacts. Load and energy consumption at the PEF-served mining or chemical processing sites depend heavily on plant operations, which are heavily influenced by these global as well as the local conditions. After years of excess mining capacity and weak product pricing power, the industry has consolidated down to just a few players in time to take advantage of better market conditions. In addition, a weaker U.S currency value on the foreign exchange has helped the industry in two (2) ways. First, American farm commodities have become more competitive overseas and lead to higher crop production at home. The demand for corn-based ethanol has also increased farm acreage. Both impacts will continue to inflate the demand for fertilizer products. Second, a weak U.S. dollar results in U.S. fertilizer producers becoming more price competitive relative to foreign producers. Going forward, energy consumption is expected to increase in the near term, as a new mine operation is expected to open. A significant risk to this projection lies in the volatile price of energy, which is a major cost of both mining and producing phosphoric fertilizers. The energy projection for this industry assumes no major reductions or shutdowns of operations in the service territory. This includes any change in output from self-owned generation facilities, which remove load from PEF generation facilities.
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21	This forecast incorporates demand and energy reductions from PEF'S dispatchable and non-dispatchable DSM programs required to meet the approved goals set by the FPSC.
22	
23	This forecast assumes that FPC will successfully renew all future franchise agreements.
24	
25	Expected energy and demand reductions from self-service cogeneration are also included in this forecast. FPC will supply the supplemental load of self-service cogeneration customers. While FPC offers "standby" service to all cogeneration customers, the forecast does not assume an unplanned need for standby power.
26	
27	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			___ Projected Test Year Ended 12/31/2010 XX Prior Year Ended 12/31/2009 ___ Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.	I. General Assumptions (Cont'd)	
1	FORECAST ASSUMPTIONS - CUSTOMER, ENERGY & DEMAND FORECAST (Continued)	
2	PEF supplies load and energy service to wholesale customers on a "full", "partial", and "supplemental" requirement basis. Full requirements (FR) customers' demand and energy is assumed to grow at a rate that approximates their	
3	historical trend. Contracts for this service include the cities of Bartow, Chattahoochee, Mt. Dora, Quincy, Williston, and Winter Park. Partial requirements (PR) customer load is assumed to reflect the current contractual obligations	
4	reflected by the nature of the stratified load they have contracted for, plus their ability to receive dispatched energy from power marketers any time it is more economical for them to do so. Contracts for PR service included in this	
5	forecast are with the Florida Municipal Power Agency (FMPA), Reedy Creek Utilities, TECO Energy, Seminole Electric Cooperative, Inc. (SECI) and the cities of New Smyrna Beach, Tallahassee, Gainesville and Homestead. PEF's	
6	contractual arrangement with SECI includes a "supplemental" service contract (1983 contract) for service over and above stated levels they commit to supply themselves. This contract has been renegotiated and will change from a	
7	supplemental nature sale to a "stratified capacity" sale consisting of a base, peaking and system average pieces beginning in 2014 when the term of this contract expires in December 2013. A firm contract with SECI for stratified	
8	intermediate service, which includes both 450 MW (October 1995 contract) and an additional 150 MW in 2012, is contained in this projection. Another contract with varying levels of stratified demands ranging from 300 MW to 75 MW will	
9	be served in 2009 and a FR contract which will commence in 2010 and last through the forecast horizon, are also contained in this forecast. Finally, an agreement to provide interruptible service at a SECI metering site has also been	
10	included in this projection.	
11		
12		
13	The economic outlook for this forecast was developed in mid-2008 as the homebuilding market continued to implode. PEF customer growth had ground to a halt. The general consensus was that the U.S. economy was in recession in	
14	2008 even though it was yet to be announced by the National Bureau of Economic Research, a well-respected think-tank that declares the official start and end of U.S. economic recessions.	
15		
16		
17	The forecast was developed in a year of extreme turbulence. Oil prices, which had increased to record heights in both nominal and real terms, acted like a significant tax increase upon National disposable incomes and dampened	
18	consumption slowing economic growth. Initial claims for unemployment insurance had reached recession levels and State and National employment levels had dropped each month since the year began. The Federal Reserve Board	
19	recognized the extent of the weakening economy and commenced a series of interest rate cuts in an effort to mute the downturn. The early stages of the serious credit crisis had just begun. In Florida, where the homebuilding and real	
20	estate sectors appeared to be in depression, rising home foreclosures and falling home values trumped last year's worries of rising property taxes and homeowner's insurance premiums. A large inventory of unsold homes is expected	
21	to hold down new construction for most of 2009. A significant increase in electric prices was assumed as utilities needed to pass-through higher fuel costs. This would have a negative effect on average customer usage. On the positive	
22	side, Florida real estate values have fallen enough to no longer be considered over-valued. This will set the stage for a return to more normal levels of in-migration and home buying when the national economy finally improves.	
23		
24		
25		
26	CUSTOMER GROWTH RATE = 0.63%	SALES GROWTH RATE = 0.25%
27		

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PROGRESS ENERGY FLORIDA INC. DOCKET NO: 090079-EI	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown: ___ Projected Test Year Ended 12/31/2010 XX Prior Year Ended 12/31/2009 ___ Historical Test Year Ended 12/31/2008 Witness: Toomey
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Line No.	I. General Assumptions (Cont'd)	
1		
2		
3		
4		
5	<u>GENERAL INFLATION RATES -</u>	The projected inflation rate for 2009 was 3.13%. However, the 2006 Budget was based on specific cost estimates for 2009. When specific information for 2009 costs was not available, the general inflation rate was used.
6		
7		
8		
9	<u>WAGE AND SALARY INCREASE -</u>	3.0% based upon assessment of: (1) competition; (2) impact of inflation (3) corporate bargaining unit agreement; and (4) merit increases for all non-bargaining unit employees beginning in April 2009 (for an effective annual increase of 3.0%).
10		
11		
12		
13	<u>PROPERTY TAX PAYMENT -</u>	2009 Property Taxes to be paid in November, 2009.
14		
15		
16		
17	<u>FRANCHISE FEE PAYMENT -</u>	Paid to cities on a monthly basis
18		
19		
20		
21	<u>FINANCINGS -</u>	2009 financing needs are assumed to be met with additional borrowings under the Company's commercial paper program and through short-term debt.
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FLORIDA PUBLIC SERVICE COMMISSION COMPANY: PROGRESS ENERGY FLORIDA INC. DOCKET NO: 090079-EI	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown: ___ Projected Test Year Ended 12/31/2010 XX Prior Year Ended 12/31/2009 ___ Historical Test Year Ended 12/31/2008 Witness: Toomey
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Line No.	I. General Assumptions (Cont'd)
1	
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3	
4	RESIDUAL FUEL OIL ASSUMPTIONS
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6	
7	Crude Oil supply will remain relatively stable through the forecast period.
8	
9	U.S. Government policy is not expected to impact the residual or light oil market except that environmental restrictions will increase the relative demand and price of lower sulfur oils.
10	
11	Weather is assumed to be normal throughout the period.
12	
13	Fuel oil demand will remain relatively stable throughout the period except that the demand for lower sulfur oil will gradually displace the demand for higher sulfur oil.
14	
15	Refineries over the long-term will make product changes to balance residual fuel supply with current and future demand.
16	
17	Mismatches between the two above mentioned factors combined with uncertain weather will cause periodic mismatches
18	in supply/demand balances and wider short term fluctuations in prices than presented in this forecast.
19	
20	
21	
22	
23	
24	
25	
26	
27	

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.	I. General Assumptions (Cont'd)
1	<u>DISTILLATE FUEL OIL ASSUMPTIONS</u>
2	Crude Oil supply will remain relatively stable through the forecast period.
3	
4	U.S. Government policy is not expected to impact the residual or light oil market except that environmental restrictions will increase the relative demand and price of lower sulfur oil
5	such as distillate fuel oil.
6	
7	Weather is assumed to be normal throughout the period.
8	
9	Low sulfur #2 oil demand will increase relative to high sulfur #2 oil as it is used as a back-up fuel for natural gas as well as on-road diesel fuel.
10	
11	<u>NATURAL GAS ASSUMPTIONS</u>
12	Overall supply of natural gas will be adequate except during extreme weather and during pipeline outages.
13	
14	Interruptible supply from Florida Gas Transmission, Gulfstream Natural Gas pipeline, and Southern Natural Gas will be available in limited quantities as the pipeline capacity is
15	utilized for firm supply contracts for Progress Energy Florida.
16	
17	
18	
19	<u>COAL ASSUMPTIONS</u>
20	Coal Price Projections represent an estimate of the price Progress Energy Florida expects to pay for coal delivered to the plant sites. It assumes environmental restrictions on coal quality remain in effect as per
21	current plans: 2.1 lbs. per million BTU sulfur dioxide limit for C.R. 1&2 and 1.2 lbs. per million BTU sulfur dioxide limit for C.R. 4&5 until C.R. 4&5 scrubbers are installed and operational in 2010. The
22	installations of scrubbers will allow for high sulfur coal products to be utilized.
23	
24	
25	
26	
27	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.	II. Operating Assumptions Income Statement
1	<u>Operating Revenue</u>
2	A. Base Revenue - KWH sales are determined by the Load Forecasting Department (See general assumptions for customer, energy, and demand forecast).
3	
4	B. Fuel Revenue - No change in the methodology presently in place for the recovery of fuel expense.
5	
6	C. Capacity Revenue - No change in the methodology presently in place for the recovery of capacity expense, but beginning in 2009 the capacity clause includes recovery of nuclear preconstruction and carrying costs.
7	
8	
9	D. Energy Conservation Revenue - No change in the methodology presently in place for the recovery of energy conservation expenses.
10	
11	E. Environmental Revenue - No change in methodology presently in place for the recovery of environmental expenses.
12	
13	F. Franchise Fee and Gross Receipts Revenue - Assumed that an average historic tax rate would be representative for 2009.
14	
15	G. Other Operating Revenue - Pole attachments, rentals, and miscellaneous other service revenues assumed that current rental agreements would remain in effect during 2009 and that service revenues would be impacted by the forecasted customer growth rate, preconstruction and carrying costs.
16	
17	
18	<u>Fuel Expense and Purchased Power</u>
19	Fuel expense and purchased power is determined by the Company's production cost simulation model. The model uses input from fuel price forecasts, purchased power contracts, generating unit operating characteristics, maintenance outage schedules and other pertinent data to determine the most economical way to satisfy the corporate forecast of demand and energy.
20	
21	
22	
23	<u>Depreciation Expense</u>
24	Depreciation expense is determined using forecasted 2009 monthly Electric Plant In Service. Depreciation rates were obtained from the depreciation study which is performed every four years. Dismantlement and decommissioning accruals were based on rates obtained from the dismantlement and decommissioning studies.
25	
26	
27	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No.	II. Operating Assumptions (Cont'd) Income Statement (Cont'd)
1	<u>Amortization of Limited Plant</u>
2	Amortization of intangible plant and ECCR plant assets were based on current approved rates.
3	
4	
5	<u>Taxes Other Than Income Taxes</u>
6	Taxes other than income taxes include property taxes, payroll related taxes, revenue related taxes. The property taxes reflect an estimate of next year's taxes by the tax
7	department, payroll related taxes were estimated based on budgeted payroll and rates in current law. Revenue related taxes are based on current law and franchise agreement
8	and the budgeted revenues.
9	
10	
11	<u>Income Taxes</u>
12	Federal and state statutory tax rates are based upon law in effect at the time the forecast was prepared. Temporary timing differences are fully normalized. Investment Tax Credit
13	is amortized over the remaining lives of related equipment as required by the Internal Revenue Service under Section 46 of the IRS Code. Excess deferred income taxes for
14	protected items are flowed back in accordance with Section 203(e) of the Tax Reform Act of 1986.
15	
16	
17	<u>Other Income and Deduction (Net)</u>
18	Donations and other deductions are based on the budget submission from the business units. Income on the Life Insurance (Rabbi Trust) is based on assumptions of project cost
19	and market conditions. Non-operating income is based on projections from the business units of the non-regulated activity.
20	
21	
22	<u>Gross Interest Expense</u>
23	Interest expense for Long Term Debt is determined by the series interest rate applied to the amount outstanding. Interest expense on Short Term Debt is determined by applying the
24	assumed rate of 4.5% on the average outstanding amount each month. Interest on Customer Deposits is calculated using a blended interest rate applied against the projected total
25	customer deposit balance. Customer deposit balance is based on historical relationship between total deposits and number of customers.
26	
27	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.

Type of Data Shown:

COMPANY: PROGRESS ENERGY FLORIDA INC.

DOCKET NO: 090079-EI

Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 ___ Historical Test Year Ended 12/31/2008
 Witness: Crisp

II. Operating Assumptions (Cont'd)						
Average Annual Net Unit Heat Rates for 2009						
Line No.	(A)		(B)	(A)		(B)
	Plant & Unit		Average Net Heat Rate (BTU/KWH) *	Plant & Unit		Average Net Heat Rate (BTU/KWH) *
1	<u>Steam</u>			<u>Peakers</u>		
2	Anclote	1	10,750	Avon Park	1	17,325
3	Anclote	2	10,619	Avon Park	2	21,025
4	Bartow	1	11,630	Bartow	1	18,939
5	Bartow	2	12,160	Bartow	2	14,570
6	Bartow	3	10,596	Bartow	3	17,225
7	Crystal	1	10,245	Bartow	4	14,201
8	Crystal	2	10,039	Bartow CC	4	7,195
9	Crystal	3	10,298	Bayboro	1	14,985
10	Crystal	4	9,767	Bayboro	2	15,092
11	Crystal	5	10,030	Bayboro	3	15,144
12	Suwannee	1	11,544	Bayboro	4	15,494
13	Suwannee	2	12,987	DeBary	1	13,832
14	Suwannee	3	11,915	DeBary	2	15,724
15				DeBary	3	13,895
16				DeBary	4	13,947
17				DeBary	5	14,040
18				DeBary	6	14,151
19						
20						
21						
22						
23						
24						
25						
26						
27						

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.		Projected Test Year Ended 12/31/2010 XX Prior Year Ended 12/31/2009 ___ Historical Test Year Ended 12/31/2008
DOCKET NO: 090079-EI		Witness: Crisp

Line No.	II. Operating Assumptions (Cont'd) Average Annual Net Unit Heat Rates for 2009 (Cont'd)			
	(A)	(B)	(A)	(B)
	Plant & Unit	Average Net Heat Rate (BTU/KWH) *	Plant & Unit	Average Net Heat Rate (BTU/KWH) *
1				
2				
3				
4				
5	<u>Peakers</u>		<u>Peakers</u>	
5	DeBary 7	13,037	InterCity 11	12,217
6	DeBary 8	13,060	InterCity 12	12,437
7	DeBary 9	13,128	InterCity 13	12,400
8	DeBary 10	15,265	InterCity 14	12,486
9	Higgins 1	16,948	Rio Pinar 1	18,066
10	Higgins 2	16,991	Suwannee 1	13,156
11	Higgins 3	17,106	Suwannee 2	15,010
12	Higgins 4	17,142	Suwannee 3	13,062
13	Hines 1	7,408	Tiger Bay 1	7,297
14	Hines 2	7,196	Turner 1	18,902
15	Hines 3	7,216	Turner 2	20,307
16	Hines 4	7,022	Turner 3	16,968
17	InterCity 1	14,532	Turner 4	16,564
18	InterCity 2	15,595	Univ of Fla 1	9,304
19	InterCity 3	15,182		
20	InterCity 4	14,682		
21	InterCity 5	15,171		
22	InterCity 6	14,887		
23	InterCity 7	12,843		
24	InterCity 8	12,702		
25	InterCity 9	12,544		
26	InterCity 10	13,010		
27	Notes: * Includes start-up BTU's.			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation:

For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.

Type of Data Shown:

COMPANY: PROGRESS ENERGY FLORIDA INC.

DOCKET NO: 090079-EI

Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 ___ Historical Test Year Ended 12/31/2008
 Witness: Crisp

Line No.		II. Operating Assumptions (Cont'd) Outage Rates for 2009		
		(A)	(B)	(C)
		Equivalent Forced Outage Rate	Maintenance Outage Rate *	Total Unavailable Outage Rate
2	Steam Plant			
4	Anclote 1	4.47	0.00	4.47
5	Anclote 2	3.99	0.00	3.99
6	Bartow 1	4.70	0.00	n/a
7	Bartow 2	7.74	0.00	n/a
8	Bartow 3	13.39	0.00	n/a
9	Crystal River 1	7.44	0.00	7.44
10	Crystal River 2	7.46	0.00	7.46
11	Crystal River 3	3.00	0.00	3.00
12	Crystal River 4	5.64	0.00	5.64
13	Crystal River 5	5.85	0.00	5.85
14	Suwannee 1	5.90	0.00	5.90
15	Suwannee 2	6.97	0.00	6.97
16	Suwannee 3	4.89	0.00	4.89
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

Notes: * Maintenance outages are incorporated in the forced outages.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.

COMPANY: PROGRESS ENERGY FLORIDA INC.

DOCKET NO: 090079-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 ___ Historical Test Year Ended 12/31/2008
 Witness: Crisp

Line No.		II. Operating Assumptions (Cont'd) Outage Rates for 2009 (Cont'd)		
		(A)	(B)	(C)
		Equivalent Forced Outage Rate	Maintenance Outage Rate *	Total Unavailable Outage Rate
2	Peaker Site and Units			
4	Avon Park	1,2 5.37	0.00	5.37
5	Bartow	1,2,3,4 2.43	0.00	2.43
6	Bartow CC	4 8.97	0.00	8.97
7	Bayboro	1,2,3,4 0.52	0.00	0.52
8	DeBary	1,2,3,4,5,6 1.72	0.00	1.72
9	DeBary	7,8,9,10 1.72	0.00	1.72
10	Higgins	1,2,3,4 1.62	0.00	1.62
11	Hines	1 3.63	0.00	3.63
12	Hines	2 4.19	0.00	4.19
13	Hines	3 4.15	0.00	4.15
14	Hines	4 4.08	0.00	4.08
15	InterCity	1,2,3,4,5,6 0.45	0.00	0.45
16	InterCity	7,8,9,10 1.33	0.00	1.33
17	InterCity	11 1.18	0.00	1.18
18	InterCity	12,13,14 1.84	0.00	1.84
19	Rio Pinar	1 0.88	0.00	0.88
20	Suwannee	1,2,3 0.38	0.00	0.38
21	Tiger Bay	1 5.91	0.00	5.91
22	Turner	1,2 1.26	0.00	1.26
23	Turner	3,4 1.57	0.00	1.57
24	Univ of Fla	1 2.91	0.00	2.91
25				
26				
27	Notes: * Maintenance outages are incorporated in the forced outages.			

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.		Projected Test Year Ended 12/31/2010 XX Prior Year Ended 12/31/2009 __ Historical Test Year Ended 12/31/2008 Witness: Crisp
DOCKET NO: 090079-EI		

Line No.	II. Operating Assumptions (Cont'd) Planned Maintenance for 2009						
	(A)	(B)	(C)	(D)			
	Plant and Unit	Start Date	End Date	Outage Duration (Days)	Total Days		
1							
2							
3							
4	Anclote	1	November 28	December 18	21	21	
	Anclote	2	February 7	February 22	16	16	
5							
6	Crystal River	1	October 24	November 8	16	16	
7	Crystal River	2	December 8	December 16	9	9	
8	Crystal River	3	September 26	December 19	85	85	
9	Crystal River	5	February 21	May 15	84	84	
10	Crystal River	5	November 9	December 6	28	28	
11							
12	Hines	1	February 28	March 22	23	23	
13	Hines	2	April 18	May 3	16	16	
14	Hines	2	October 24	December 7	45	45	(281 MW Only)
15	Hines	3	May 2	May 24	23	23	
16	Hines	3	October 31	November 22	23	23	(285 MW Only)
17	Hines	4	March 7	April 19	44	44	
18	Hines	4	October 3	October 18	16	16	
19							
20	Suwannee	1	January 3	April 24	112	112	
21	Suwannee	2	May 16	May 31	16	16	
22	Suwannee	3	January 31	February 15	16	16	
23							
24	Tiger Bay	1	March 28	April 5	9	9	
25	Tiger Bay	1	October 10	October 20	11	11	
26							
27							
28							

Notes:
i) Planned maintenance for 2009 is based on: "2009 Generating Unit Maintenance Outage Schedule" dated October 6, 2008.

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.

Type of Data Shown:

COMPANY: PROGRESS ENERGY FLORIDA INC.

Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
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 Witness: Crisp

DOCKET NO: 090079-EI

			II. Operating Assumptions (Cont'd)		
			Net Unit Capacity Ratings for 2009		
Line No.			(A) Net *	(B) Net *	
	Plant and Unit		Summer (MW)	Winter (MW)	
1					
2					
3					
4	Anclole	1	499	522	
5	Anclole	2	507	526	
6	Bartow	1	n/a	125	
7	Bartow	2	n/a	124	
8	Bartow	3	n/a	215	
9	Crystal	1	372	386	
10	Crystal	2	494	496	
11	Crystal	3 **	813	826	
12	Crystal	4	722	734	
13	Crystal	5	722	734	
14	Suwannee	1	30	33	
15	Suwannee	2	28	31	
16	Suwannee	3	71	82	
17					
18	Total Steam		4,258	4,834	
19					
20					
21					
22					
23					
24					
25					
26					
27					

Notes:
 * All ratings are maximum dependable capability. Summer ratings are effective May 1 through October 31. Winter ratings are effective November 1 through April 30.

** Crystal River 3 net ratings have been adjusted for sale of 9.17806% of capacity.

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.

COMPANY: PROGRESS ENERGY FLORIDA INC.

DOCKET NO: 090079-EI

Type of Data Shown:

Projected Test Year Ended 12/31/2010
 XX Prior Year Ended 12/31/2009
 ___ Historical Test Year Ended 12/31/2008
 Witness: Crisp

Line No.		II. Operating Assumptions (Cont'd) Net Unit Capacity Ratings for 2009 (Cont'd)	
		(A) Net *	(B) Net *
		Summer (MW)	Winter (MW)
1			
2	Peaker Site and Units		
3			
4	Avon Park 1,2	49	70
5	Bartow 1,2,3,4	176	226
6	Bartow CC 4	1,159	n/a
7	Bayboro 1,2,3,4	178	232
8	DeBary 1,2,3,4,5,6	313	393
9	DeBary 7,8,9,10	329	386
10	Higgins 1,2,3,4	113	133
11	Hines 1	466	528
12	Hines 2	490	562
13	Hines 3	499	570
14	Hines 4	475	550
15	InterCity 1,2,3,4,5,6	280	369
16	InterCity 7,8,9,10	329	376
17	InterCity 11	143	161
18	InterCity 12,13,14	232	278
19	Rio Pinar 1	12	16
20	Suwannee 1,2,3	153	199
21	Tiger Bay 1	204	225
22	Turner 1,2	22	32
23	Turner 3,4	126	169
24	Univ of Fla 1	46	47
25			
26	Total Peakers	5,794	5,522
27			
28	System Total	10,052	10,356

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009
DOCKET NO: 090079-EI			<input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey

Line No.	iii. Construction Budget Assumptions	
1	FACILITY ASSUMPTIONS - FUNCTIONAL AREA	
2	<u>Production Plant</u>	
3	The CR3 Steam Generator Replacement project is expected to require capital expenditures of about \$135 million in 2009 and \$7 million in 2010. The project will be placed in	
4	service at the completion of the refueling outage in December 2009.	
5		
6	The Bartow Repowering Project will incur capital expenditures of \$35 million in 2009 and capital expenditures of \$5 million in 2010. The project will be placed into service June 1,	
7	2009.	
8		
9	<u>Transmission and Distribution Plant</u>	
10	The Bartow Transmission upgrades in support of the Bartow Repowering Project will incur about \$8 million of capital expenditures in 2009 of which the majority be placed in	
11	service in March 2009.	
12		
13	Delivery plant expenditures of \$386m in 2009 and \$421m during 2010 include those expenditures required to provide the infrastructure for the projected customer growth, and	
14	maintain or improve the quality of service and reliability to existing customer base. None of these expenditures individually exceed 0.4% of plant in service. In general, all projects	
15	are justified on the basis of environmental, capacity, availability, safety, regulatory requirements, and/or discretion (where benefits exceed cost).	
16		
17	<u>General Plant</u>	
18	General plant expenditures are used to a) provide proper equipment for new employees with proper equipment to perform their jobs, b) replace existing equipment that can not be	
19	properly maintained or repaired.	
20		
21	NUCLEAR FUEL	
22	Purchases of Nuclear Fuel are expected to be approximately \$41m in 2009	
23		
24	ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	
25	The system level of CWIP allowed in rate base was assumed to be the amount associated with work order projects not eligible for AFUDC and work order projects ready for	
26	service but accruing additional expenditures. This amount is consistent with the amount authorized at the time this forecast was prepared.	
27		
28		
29		
Supporting Schedules:		Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	Type of Data Shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.			<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI			

Line No. **III. Construction Budget Assumptions (Cont'd)**

1 OVERHEADS

2	Burden rates for benefits, payroll taxes and exceptional hours are applied to all charges for productive labor.	
3		
4	Targeted base salaries are allocated between productive labor and exceptional hours. This allocation is based on the average days taken off in 2006 for company observed holidays, employee preference holidays and vacation days as a percentage of work days in the year. For the 2009 budget, 85.84% of base wages was considered productive labor, and 14.16% of base wages was considered exceptional hours. This allocation results in an exceptional hours burden rate applied to productive labor of 16.5%. For the Energy Delivery business unit, the exceptional hours burden rate is adjusted to 20.0% based on higher average vacation days taken.	
5		
6		
7		
8		
9	Productive labor is burdened at a 8.06% rate for payroll taxes (including FICA, Medicare, and federal and state unemployment taxes).	
10		
11	The employee benefit burden rate is based on the following costs for 2009 (\$ in millions)	
12	Employee health care	\$ 30.9
13	Retiree health care	20.3
14	Employee life insurance	1.1
15	401(k) plan	14.1
16	Wellness Program	1.0
17	FAS 112 health / Life	0.8
18	FAS 112 salary continuation	0.8
19	Total	<u>\$ 69.0</u>
20	Benefits burden rate	<u>27.5%</u>
21		
22	The resulting total burden rate applied to productive labor is as follows:	
23	Exceptional hours	16.50%
24	Payroll taxes	8.06%
25	Pension	13.10%
26	Benefits	<u>27.50%</u>
27	Total burden rate	<u>65.16%</u>
28		
29	Variances in the budget for total burdened benefits versus total expected costs are adjusted at the corporate level.	

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	Type of data shown:
COMPANY: PROGRESS ENERGY FLORIDA INC.	For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. At a minimum, state assumptions used for balance sheet, income statement, and sales forecast.	<input type="checkbox"/> Projected Test Year Ended 12/31/2010 <input checked="" type="checkbox"/> Prior Year Ended 12/31/2009 <input type="checkbox"/> Historical Test Year Ended 12/31/2008 Witness: Toomey
DOCKET NO: 090079-EI		

Line No.	IV. Balance Sheet Assumptions
1	UTILITY PLANT
2	ELECTRIC PLANT IN SERVICE
3	The timing and dollar amount of additions related to major projects is based on the current budget submissions from the business units. The dollar amount for minor project
4	additions and blanket additions is also based on the current budget submission from the business units. The timing of these additions is based on a percentage of the prior
5	month CWIP balance and historical trends. Retirements are based on known amortization schedules and historical trends.
6	
7	ELECTRIC PLANT HELD FOR FUTURE USE
8	Existing electric plant held for future use will not be placed in service before December 31, 2010. There are no additional closings to this account projected for 2009 or 2010.
9	
10	CONSTRUCTION WORK IN PROGRESS
11	Total expenditures are derived from the 2009/2010 Corporate Construction Budget. Allowance for Funds Used During Construction is calculated at an annual rate of 8.48%
12	
13	CONTRA CONSTRUCTION WORK IN PROGRESS - NUCLEAR
14	The balance for Contra CWIP - Nuclear is calculated by adding monthly construction expenditures from the construction budget forecast, specifically for recoverable nuclear capital,
15	offset by a regulatory asset.
16	
17	ACCUMULATED PROVISION FOR DEPRECIATION
18	Depreciation expense is derived from the Budgeted income statement. Plant retirements are taken from monthly Electric Plant in-service activity.
19	
20	ACCUMULATED AMORTIZATION OF ELECTRIC PLANT
21	The only activity affecting this account is the monthly amortization expense from the income statement, except for the storm cost amortization expense which reduces the regulatory asset.
22	
23	NUCLEAR FUEL
24	Purchases of Nuclear Fuel are expected to be approximately \$41m in 2009. Other changes represent the forecasted nuclear fuel burn from the Production Simulation Model.
25	
26	NON-UTILITY PROPERTY
27	Represents the change resulting from additions and depreciation on property assets utilized in the non-regulated business.

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	Type of data shown:
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DOCKET NO: 090079-EI		Witness: Toomey

Line No.	IV. Balance Sheet Assumptions (Continued)
1	ACCUMULATED PROVISION FOR DEPRECIATION - NON-UTILITY
2	The monthly balance will increase by the provision for depreciation.
3	
4	<u>OTHER PROPERTY AND INVESTMENTS</u>
5	OTHER INVESTMENTS
6	The monthly balance will remain unchanged for the budget year.
7	
8	OTHER SPECIAL FUNDS
9	Primarily the Nuclear Plant Decommissioning Fund. The nuclear decommissioning expense accrual was suspended as part of the 2002 Rate Case Settlement agreement in Docket
10	No. 000824-EI.
11	
12	<u>CURRENT AND ACCRUED ASSETS</u>
13	CASH
14	Monthly balances are derived from the budgeted cash forecast .
15	
16	SPECIAL DEPOSITS
17	Monthly balances related to deposits on mortgaged property sold or destroyed are assumed to be zero.
18	
19	WORKING FUNDS
20	Assumed that the monthly balance of working funds for employees and various company offices are assumed to be zero.
21	
22	TEMPORARY CASH INVESTMENT
23	Temporary cash investments are a function of the budgeted cash receipts and disbursements.
24	
25	NOTES RECEIVABLE
26	Notes receivable is assumed to remain constant for the budget year.
27	

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DOCKET NO: 090079-EI		

Line No.	IV. Balance Sheet Assumptions (Continued)
1	CURRENT AND ACCRUED ASSETS (CONTINUED)
2	NOTES AND ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES
3	The monthly balances in accounts receivable from associated companies will remain constant for the year.
4	
5	ACCOUNTS RECEIVABLE
6	The monthly balances for Customer Accounts Receivable was projected assuming that a specified percent of a forecasted months revenue would be received as cash that month
7	and other amounts would be collected in subsequent months. A different lag factor is applied to different types of revenue receipts.
8	
9	
10	MATERIALS AND SUPPLIES
11	The monthly net additions for materials and supply inventory are derived from the Company's Corporate Model and will remain constant throughout the year.
12	
13	FUEL STOCK
14	The fuel inventory level was projected by subtracting the estimated cost of the fuel burn as determined by the Production Simulation Model and the average inventory cost and adding the projected
15	costs to purchase additional fuel at forecasted prices sufficient to bring inventory to targeted quantity levels.
16	
17	PREPAYMENTS
18	Monthly balances based on expected payment dates for insurance and the related amortization period for these amounts.
19	
20	ACCRUED UTILITY REVENUES
21	It was assumed that the accrued utility revenue balance would be equal to the beginning balance; therefore the accrued utility revenues are forecast at a constant level.
22	
23	OTHER CURRENT AND ACCRUED ASSETS
24	
25	It was assumed that other current and accrued assets relating to rate base would be equal to the beginning balance; therefore the other current and accrued assets are forecast at a constant level.
26	
27	

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DOCKET NO: 090079-EI			

Line No.	IV. Balance Sheet Assumptions (Continued)
1	DEFERRED CHARGES AND OTHER ASSETS
2	
3	DEFERRED CLAUSE BALANCES
4	This account captures such items as the FUEL, CCR, NCR, ECCR and ECRC clause current month deferral and the amortization of the prior month's deferral. In addition, it includes the
5	GPIF amortization.
6	
7	OTHER REGULATORY ASSETS & OTHER DEFERRED DEBITS
8	It was assumed that, in general, the average of the remaining other regulatory assets and deferred debits would be equal to the beginning balance; therefore they are forecast at a constant level.
9	
10	UNAMORTIZED LOSS ON REACQUIRED DEBT
11	This line item is reduced for amortization of loss on reacquired debt and increased for new issues - amortization is calculated over the life of the debt instrument
12	
13	ACCUMULATED DEFERRED INCOME TAXES
14	This line item fluctuates for impact of deferred tax assets
15	
16	CAPITALIZATION
17	COMMON STOCK
18	No changes are expected during 2009
19	
20	PREFERRED STOCK
21	No changes are expected during the year.
22	
23	OTHER PAID IN CAPITAL
24	No changes are expected during the year.
25	
26	UNAPPROPRIATED RETAINED EARNINGS
27	The projected monthly balances are expected to increase by the monthly earnings applicable to common from the Budgeted income statement and will be reduced by expected common dividends to be paid during the year.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	Type of data shown:
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DOCKET NO: 090079-EI		

Line No.	IV. Balance Sheet Assumptions (Continued)
1	LONG-TERM DEBT
2	There are no debt issuances forecasted in 2009. 2009 financing needs are assumed to be met with additional borrowings under the Company's commercial paper program and through short-term
3	debt.
4	
5	
6	OTHER NON-CURRENT LIABILITIES
7	RETAIL UNFUNDED STORM DAMAGE
8	The monthly balances increase by the accruals shown on the income statement and decrease by the cash payments.
9	
10	END OF LIFE NUCLEAR M&S AND LAST CORE NUCLEAR FUEL
11	The monthly balances increase by the accruals shown on the income statement and decrease by the cash payments.
12	
13	OTHER MISCELLANEOUS OPERATING RESERVES
14	There are various accounts such items as DOE Facility Decommissioning, Pension Liability, Deferred SERP, Medical & Life Insurance reserves, Worker's Comp Accrual, and Environmental liability. In
15	general, it was assumed that the average of the remaining miscellaneous operating reserves would be equal to the beginning balance; therefore they are forecast at a constant level.
16	
17	
18	CURRENT AND ACCRUED LIABILITIES
19	NOTES PAYABLE
20	Short-term borrowing requirements are as determined in the Budgeted cash forecast.
21	
22	ACCOUNTS PAYABLE
23	The monthly balances for fuel, purchased power, trade payables and Nuclear Fuel Disposal Cost are derived from the Company's Corporate Model.
24	
25	
26	
27	

Supporting Schedules:

Recap Schedules:

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DOCKET NO: 090079-EI			<input checked="" type="checkbox"/> Prior Year Ended 12/31/2009
			<input type="checkbox"/> Historical Test Year Ended 12/31/2008
			Witness: Toomey

Line No.	IV. Balance Sheet Assumptions (Continued)
1	CURRENT AND ACCRUED LIABILITIES (CONT)
2	
3	ACCOUNTS PAYABLE TO ASSOCIATED COMPANY
4	The monthly balances are derived from information provided by Associated Companies.
5	
6	CUSTOMER DEPOSITS
7	Customer deposit balance is based on historical relationship between total deposits and number of customers. Accrued interest for the customer accounts are credited to the customers in June.
8	
9	TAXES ACCRUED
10	The monthly balances increase by the accruals for property and income tax shown on the income statement and decrease by the cash payments.
11	
12	
13	INTEREST ACCRUED
14	The monthly balances increase by the accruals shown on the income statement and decrease by the cash payments.
15	
16	DIVIDENDS DECLARED - COMMON STOCK
17	Dividends declared and paid in the current month.
18	
19	OTHER CURRENT LIABILITIES
20	Change reflects the loss in the Company Owned Life Insurance (COLI). The monthly balance of all other accounts in this group to remain constant for the year.
21	
22	OTHER TAX COLLECTIONS PAYABLE
23	The monthly tax accruals comes from the Budget income statement. Payments for other taxes are derived from an analysis of each specific "Other Tax".
24	
25	
26	
27	

Supporting Schedules:

Recap Schedules:

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			<input type="checkbox"/> Historical Test Year Ended 12/31/2008
			Witness: Toomey

Line No.	IV. Balance Sheet Assumptions (Continued)	
1	OTHER LIABILITIES	
2		
3	REGULATORY LIABILITY - SFAS 109	
4	This balance changes to reflect the amortization of the SFAS 109 Regulatory Liability.	
5		
6		
7	ACCUMULATED DEFERRED INVESTMENT TAX CREDIT/ACCUMULATED DEFERRED INCOME TAXES	
8	The net monthly balance for investment tax credit is determined from the activity shown in the Budget income statement.	
9		
10		
11	OTHER DEFERRED LIABILITIES	
12	It was assumed that the other deferred liabilities balance would be equal to the beginning balance; therefore the other deferred liabilities are forecast at a constant level.	
13		
14		
15	ASSET RETIREMENT OBLIGATIONS FAS 143	
16	The change in this balance represents the accretion expense associated with FAS 143.	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		

Supporting Schedules:

Recap Schedules: