

State of Florida



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# Public Service Commission

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**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** May 11, 2009  
**TO:** James E. Breman, Senior Analyst - PSC, Division of Economic Regulation  
**FROM:** Dale N. Mailhot, Assistant Director, Division of Regulatory Compliance *DM*  
**RE:** Docket No: 090009-EI; Company Name: Progress Energy Florida, Inc.;  
Audit Purpose: Nuclear Uprate Costs for Crystal River Unit 3;  
Company Code: EI801; Audit Control No: 08-248-2-3;

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Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are confidential work papers associated with this audit.

DNM/tbm  
Attachment: Audit Report

CC: Division of Regulatory Compliance (Salak, Mailhot, Harvey,  
District Offices, File Folder)  
Office of Commission Clerk (2)  
General Counsel  
Office of Public Counsel

Mr. Paul Lewis, Jr.  
Progress Energy Florida, Inc.  
106 East College Avenue, Suite 800  
Tallahassee, FL 32301-7740

Mr. John T. Burnett  
Progress Energy Service Company, LLC  
Post Office Box 14042  
St. Petersburg, FL 33733-4042

DOCUMENT NUMBER-DATE

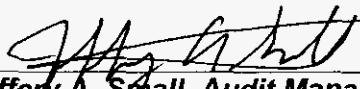
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**FLORIDA PUBLIC SERVICE COMMISSION**  
**DIVISION OF REGULATORY COMPLIANCE**  
**BUREAU OF AUDITING**  
*Tampa District Office*

**PROGRESS ENERGY FLORIDA, INC.**  
**NUCLEAR COST RECOVERY CLAUSE**  
**CRYSTAL RIVER UNIT THREE - UPRATE**  
**AS OF DECEMBER 31, 2008**  
**DOCKET NO. 090009-EI**  
**AUDIT CONTROL NO. 08-248-2-3**

  
Jeffery A. Small, Audit Manager

  
Joseph W. Rohrbacher, District  
Supervisor

DOCUMENT NUMBER-DATE

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<sup>1</sup> Schedules included in the company's filing that did not contain information reviewed by the audit staff is not incorporated in this report.

**DIVISION OF REGULATORY COMPLIANCE  
AUDITOR'S REPORT**

**APRIL 23, 2009**

**TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES**

We have performed the procedures described later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request dated January 12, 2009. We have applied these procedures to the attached schedules prepared by Progress Energy Florida, Inc. in support of its 2008 filing for Nuclear Cost Recovery Clause relief in Docket No. 090009-EI.

This audit was performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. This report is based on agreed upon procedures and the report is intended only for internal Commission use.

DOCUMENT NUMBER-DATE

04579 MAY 12 8

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## OBJECTIVES AND PROCEDURES

### GENERAL

To verify that the company's 2008 Nuclear Cost Recovery Clause (NCRC) filings in Docket No. 090009-EI are consistent and in compliance with Section 366.93, F.S. and Chapter 25-6.0423, F.A.C.

### SPECIFIC

- Objective: Verify that the company's filing is properly recorded on its books and records according to the Code of Federal Regulations (CFR) Uniform System of Accounts. (USoA)

Procedures: We reconciled the company's filing to the general ledger and verified that the costs incurred were posted to the proper account.
- Objective: Verify that Schedule T-1 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly revenue requirement accruals displayed on Schedule T-1 to the supporting schedules in the company's 2008 NCRC filing.
- Objective: Verify that the carrying cost amounts displayed on Schedule T-3, which rolls forward to Schedule T-1, are accurately calculated and that they include the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled and recalculated a sample of the carrying cost accruals displayed on Schedule T-3 to the supporting schedules in the company's 2008 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction (AFUDC) balances displayed as Other Cost in the filing and reconciled the rates applied by the company to the approved AFUDC rates in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005. Audit Finding No. 3 provides information concerning the company's adjustment to remove the cost associated with the Measurement Uncertainty Recapture (MUR) phase of the CR3 Uprate that was transferred to plant-in-service in 2008.
- Objective: Verify that the Deferred Tax Return Requirement amount displayed on Schedule T-3A, which rolls forward to Schedule T-1, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly deferred tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the company's 2008 NCRC filing. We recalculated a sample of the monthly carrying cost balances for deferred tax assets based on the equity and debt components established in Order No. PSC-05-0945-FOF-EI.
- Objective: Verify that the Construction Period Interest (CPI) amount displayed on

Schedule T-3B, which rolls forward to Schedule T-3A, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly CPI accruals displayed on Schedule T-3B to the supporting schedules in the company's 2008 NCRC filing. We recalculated the company's CPI rate and reconciled the component balances to the company's general ledger. Audit Finding No. 1 provides information concerning the company's deferred tax carrying cost calculation reflected on Schedule T-3B of the filing.

6. Objective: Verify that the Recoverable Operation and Maintenance Expense Costs (O&M) displayed on Schedule T-4, which rolls forward to Schedule T-1, are accurately calculated and are supported by original source documentation.

Procedures: We recalculated a sample of the monthly jurisdictional O&M costs accruals displayed on Schedule T-4 of the company's 2008 filing. We sampled and verified the administrative and general cost accruals and traced the invoiced amounts to supporting documentation.

7. Objective: Verify that the jurisdictional nuclear construction amounts, displayed on Schedule T-6 of the company's 2008 filing, which rolls forward to Schedule T-3, are accurately calculated and are supported by original source documentation.

Procedures: We recalculated a sample of monthly jurisdictional nuclear construction accruals displayed on Schedule T-6 of the company's 2008 NCRC filing. We sampled and verified the project management and power block engineering accruals and traced the invoiced amounts to supporting documentation. We sampled company salary expense accruals and the respective overhead burdens the company applied. We recalculated and verified the joint owner billings that reduced the company's eligible carrying cost for the CR3 Uprate project. We reconciled the jurisdictional factors applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November 22, 2006. Audit Finding No. 2 provides information concerning the company's joint owner billings reflected on Schedule T-6 of the filing. Audit Finding No. 3 provides information concerning potential royalty payments from contractors that could reduce the overall cost of the CR3 Uprate in future periods.

8. Objective: Verify that Schedule T-9 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly true-ups displayed on Schedule T-9 to the supporting schedules in the company's 2008 NCRC filing.

## AUDIT FINDING NO. 1

### SUBJECT: DEFERRED TAX CARRYING COST

**AUDIT ANALYSIS:** In its filing, Schedule T-3B, the company included the following balances.

Beginning @01/01/2008	January Additions	Ending Balance @01/31/08	Average Monthly Balance
\$35,719,834	\$2,158,001	\$37,877,835	\$36,798,835

The average monthly balance on this schedule is used to calculate a monthly Construction Period Interest (CPI) accrual which is carried forward to Schedule T-3A and included in the calculation of the Deferred Tax Carrying Cost on the accrued construction cost balance.

Our audit procedures included reconciling the beginning balances used in the current company filing to the ending balances displayed in the prior company filing in Docket No. 080009-EI. We found that the December 2007 ending balance for accrued construction cost was \$32,096,703 on Schedule T-3B, which does not reconcile with the beginning balance displayed in the company's calculation above.<sup>2</sup>

The company provided the following response for the difference that we found.

*The calculation on T-3B Line 5 was incorrect in the 2006 and 2007 True-Up Filings because CPI was being calculated on a cash accounting basis using T-3, Line 1. CPI is actually calculated on an accrual accounting basis so the Total Jurisdictional Generation Cost (less non-cash accruals) on T-6 should be used on T-3B. The corrected 2006 and 2007 schedules are attached and the January 1, 2008 beginning balance reflected these corrections in the Estimated/Actual filing in Docket 080009, Exhibit LC-2.*

We verified that the Actual/Estimated schedules for year 2008 provided by the company in its response contained the corrected December 2007 ending balance of \$35,719,834.<sup>3</sup>

We evaluated the company's adjustment and its affect on the 2008 Total Revenue Requirement of \$7,555,938 which is displayed on Schedule T-1. Using the company's corrected calculation in the current filing<sup>4</sup>, we removed the company's beginning balance of \$35,719,834 for January 2008 which is displayed on Schedule T-3B and replaced it with the actual beginning balance of \$32,096,703 from the prior years filing.

<sup>2</sup> See Direct Testimony of Will Garret, Exhibit WG-1, Schedule T-3B, Page 2, Commission Clerk Document No. 01514-8, filed on February 28, 2008.

<sup>3</sup> See Direct Testimony of Lori Cross, Exhibit LC-2, Schedule AE-3B, Page 1, Commission Clerk Document No. 03561-8, filed on May 1, 2008.

<sup>4</sup> The company's adjustment did not affect the nuclear cost recovery amount that was approved in Order No. PSC-08-0749-FOF-EI, issued November 12, 2008, for the NCRC filings in 2006 or 2007 in Docket No. 080009-EI.

We calculated a revised Total Revenue Requirement of \$7,550,893 which would decrease the current period Total Revenue Requirement by \$5,045. (\$7,555,938 - \$7,550,893)

Additionally, we estimate that, had the company revised and corrected the two prior year filings for 2006 and 2007 in the current 2008 filing, the current period Total Revenue Requirement would be \$7,564,213, which is \$8,275 above the current requested revenue requirement of \$7,555,938. (\$7,564,213 - \$7,555,938)

Our calculations of the differences discussed above are displayed on the following page.

**EFFECT ON THE FILING:** None, informational only.



Schedule T-1

	Current Filing (a)			Adjusted Company Filing (b)		Adjusted Company Filing (c)	
	Actual	Audit	Audit to Actual	Audit	Audit to Actual	Audit	Audit to Actual
<b>Filing - 2006</b>							
Construction Carrying Cost Revenue Requirement	-	-	-	-	-	-	-
Recoverable O&M Revenue Requirement	-	-	-	-	-	-	-
Deferred Tax Asset Carrying Cost	-	-	-	\$18	\$18	\$18	\$18
Other	-	-	-	-	-	-	-
Total Period Rev Req	-	-	-	\$18	\$18	\$18	\$18
<b>Filing - 2007</b>							
Construction Carrying Cost Revenue Requirement	\$925,842	\$925,842	-	\$925,842	-	\$925,842	-
Recoverable O&M Revenue Requirement	-	-	-	-	-	-	-
Deferred Tax Asset Carrying Cost	3,053	3,053	-	5,355	\$2,302	5,355	\$2,302
Other	-	-	-	-	-	-	-
Total Period Rev Req	\$928,895	\$928,895	-	\$931,197	\$2,302	\$931,197	\$2,302
<b>Filing - 2008</b>							
Construction Carrying Cost Revenue Requirement	\$6,072,267	\$6,072,267	-	\$6,072,267	-	\$6,072,267	-
Recoverable O&M Revenue Requirement	166,588	166,588	-	166,588	-	166,588	-
Deferred Tax Asset Carrying Cost	61,655	56,610	(\$5,045)	69,930	\$8,275	69,930	\$8,275
Other	1,255,428	1,255,428	-	1,255,428	-	1,255,428	-
Total Period Rev Req	\$7,555,938	\$7,550,893	(\$5,045)	\$7,564,213	\$8,275	\$7,564,213	\$8,275

a - Includes the company's correction to Dec-07 ending balance in Schedule T-3B

b - Only removes the company's correction to Dec-07 ending balance in Schedule T-3B

c - Includes and restates the effect of the company's correction to all schedules for all years.

## AUDIT FINDING NO. 2

### SUBJECT: JOINT OWNER BILLINGS

**AUDIT ANALYSIS:** The Company's 2008 filing, Schedule T-6, included \$5,194,525 for joint owner billings by Progress Energy Florida, Inc. (PEF) for the Crystal River Unit 3 (CR3) Uprate project costs.

We provided information to Commission staff on an error we found in the company's calculation of joint owner billings in its 2007 filing in our report issued May 27, 2008.<sup>5</sup> The company explained the cause for the error and indicated that it would correct and true-up the error we found and all subsequent errors discovered in the 2008 period in its 2008 filing.

Our audit procedures included an analysis and recalculation of the joint owner billing cost displayed in the company's filing. We also requested verification and support for the error correction that is discussed above.

We have determined that the company did not correct the error in its power plant billing system until September 2008. The initial \$32,645 unrecovered joint owner billing error that we discovered in December 2007 has increased to \$191,974 as of September 2008 when the error in the company's power plant billing system was finally corrected. See the attached schedule for details and our calculations.

The company did not bill the joint owners for the unrecovered cost determined above until March 15, 2009. Therefore, the net generation costs \$46,823,983 reflected on Schedule T-6 of the filing in 2008 is overstated by \$191,974 which represents the amount owed by the company's joint owners as of December 31, 2008.

We estimate that the effect of the joint owner billing error on the company's filing is as follows.

1. The total jurisdictional construction cost carried forward to Schedule T-3 of the filing is overstated by \$135,528.  $(\$191,974 \times .70597 \text{ jurisdictional factor})^6$
2. The total return requirement calculated on Schedule T-3 and carried forward to Schedule T-1 is overstated by \$1,426.  $[(\$135,528 \times 0.8895\% \text{ gross equity rate}) + (\$135,528 \times 0.1626\% \text{ debt rate})]$

**EFFECT ON THE FILING:** None, informational only.

<sup>5</sup> See Direct Testimony of Jeffery Small, Exhibit JAS-1, Page 6, Commission Clerk Document No. 06094-8, filed on August 6, 2008.

<sup>6</sup> See the Jurisdictional Separation Study that was included in the "Settlement Agreement" which was approved in Order No. PSC-05-0495-S-EI, issued September 28, 2005 in Docket No. 05007-EI.

Schedule T-6	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
Construction Additions	\$3,095,762	\$3,342,526	\$2,543,921	\$3,308,930	\$3,583,164	\$9,371,103
Joint-Owner Billing calculated at 8.2194%	\$254,453	\$274,736	\$209,095	\$271,974	\$294,515	\$770,248
Joint Owner Billing per Sch. T-6	\$294,728	\$262,087	\$199,912	\$264,720	\$272,504	\$691,641
Company corrections	<u>(44,710)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Joint Owner Billing	\$250,018	\$262,087	\$199,912	\$264,720	\$272,504	\$691,641
Difference	\$4,435	\$12,649	\$9,183	\$7,254	\$22,011	\$78,607
Schedule T-6	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Construction Additions	\$4,700,414	\$6,342,159	\$1,453,962	\$4,960,645	\$10,108,879	\$12,325,839
Joint-Owner Billing calculated at 8.2194%	\$386,346	\$521,287	\$119,507	\$407,735	\$830,889	\$1,013,110
Joint Owner Billing per Sch. T-6	\$376,823	\$505,619	\$174,077	\$353,165	\$786,168	\$1,013,082
Company corrections	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>44,710</u>	<u>0</u>
Adjusted Joint Owner Billing	\$376,823	\$505,619	\$174,077	\$353,165	\$830,878	\$1,013,082
Difference	\$9,523	\$15,668	(\$54,570)	\$54,570	\$11	\$28
Sum of January to December 2008 difference		\$159,370				
Remove September - December difference		<u>39</u>	(not material)			
Sum of January to August 2008 error		\$159,330				
Add December 2007 error		<u>32,645</u>				
Total Joint Owner billing error		\$191,975				

**AUDIT FINDING NO. 3**

**SUBJECT: ROYALTY AGREEMENTS**

**AUDIT ANALYSIS:**

The information on this page is confidential

The information on this page is confidential

**EFFECT ON THE FILING:** None, informational only.

## AUDIT FINDING NO. 4

### SUBJECT: CAPITAL ASSET TRANSFER TO PLANT IN SERVICE

**AUDIT ANALYSIS:** The Company's 2008 filing, Schedule T-3, includes a reduction of \$7,872,244 in jurisdictional costs associated with the Measurement Uncertainty Recapture (MUR) phase of the CR3 Uprate project that was placed in service in January 2008.

On September 19, 2008, PEF filed a petition to increase its base rates to recover \$8,030,267 of jurisdictional cost associated with the MUR that was placed in service in January 2008.<sup>7</sup> The company's petition was approved in Order No. PSC-08-0779-TRF-EI, issued November 26, 2008. The order also put the company on notice that, if the approved amount was revised based on a final audit and review of the 2008 construction expenditures then the annual revenue requirement would have to be recalculated. It would also require a corresponding true-up of the revenues already collected and a revision to the related tariffs.

Our audit procedures included steps to reconcile the filing to the Commission approved MUR recovery balance discussed above. We have determined that there is a difference of \$158,023 of jurisdictional cost between the filing and the amount approved in the order referenced above. (\$8,030,267 - \$7,872,244)

The company explained that the difference can be attributed to the following issues and provided the schedule on the following page to reconcile the difference.

1. The MUR recovery amount requested and approved in the order was based on the company's balances portrayed in the Estimated/Actual NCRC filing for 2008.<sup>8</sup>
2. The company stated that after the base rate increase was approved on November 26, 2008, a further analysis of the MUR phase cost resulted in adjustments to the in-service amounts originally requested.
3. The base rate revenue requirements approved in the order were \$1,297,979 while the adjusted base rate revenue requirements reflected in the filing are \$1,310,243. The difference of \$12,264 would not impact the base rate increases as approved.

We reviewed and recalculated the company's assertions above and have determined that the difference, as noted above, would increase the base rates approved in the order by 0.934 percent. (\$12,264/\$1,279,979)

**EFFECT ON THE FILING:** None, informational only

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<sup>7</sup> See Progress Energy Florida, Inc's Petition for Expedited Commission Approval of Base Rate Increase for Cost Associated with the MUR Phase of the CR3 Uprate Project, Docket No. 080603-EI, Commission Clerk Document No. 08840-08, filed on September 19, 2008.

<sup>8</sup> See Direct Testimony of Lori Cross, Exhibit LC-2, Appendix A, Commission Clerk Document No. 03561-8, filed on May 1, 2008.

	Base Rate	NCRC	Difference	Explanation of NCRC Amounts
Gross Plant in Service	\$9,332,412	\$9,099,111	(\$233,301)	Actual amount spent was \$9,643,060 including \$543,949 incurred for cost of removal which should be excluded. (\$9,643,060 - \$543,949 = \$9,099,111)
Less Joint Owner Allocation	<u>(767,068)</u>	<u>(702,319)</u>	<u>64,749</u>	Joint Owners do not pay AFUDC so calculation should be excluded.
PEF Portion of MUR Cost	\$8,565,344	\$8,396,792	(\$168,552)	
Jurisdictional Amount (93.753%)	<u>\$8,030,267</u>	<u>\$7,872,244</u>	<u>(\$158,023)</u>	

**EXHIBIT 1**

Page 1 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Retail Revenue Requirements Summary**  
**True-up Filing: Retail Revenue Requirements Summary**

(Section 5)(c)(1.a.)

Schedule T-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended: 12/31/2008

COMPANY:  
 Progress Energy - FL  
 DOCKET NO.:  
 080008-EI

Witness: W.H. Garrett

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	322,723	323,906	361,086	366,266	402,300	458,063	2,220,363
3.	9,952	16,778	16,681	(38,053)	19,979	15,264	39,601
4.	1,262	1,791	2,380	3,008	3,670	4,391	16,500
5.	64,816	109,551	109,470	109,389	109,308	109,227	651,761
6.	<u>\$388,753</u>	<u>\$462,025</u>	<u>\$479,596</u>	<u>\$438,828</u>	<u>\$535,258</u>	<u>\$583,965</u>	<u>\$2,878,224</u>
7.	\$387,412	\$449,355	\$476,960	\$506,800	\$541,802	\$564,574	\$2,925,903
8.	<u>\$1,341</u>	<u>\$12,670</u>	<u>\$2,636</u>	<u>(\$67,972)</u>	<u>(\$8,544)</u>	<u>\$19,391</u>	<u>(\$47,679)</u>

Note 1: The amount in this row represents the revenue requirements associated with the MUR as presented in Appendix A.



EXHIBIT 1  
Page 2 of 2

CRYSTAL RIVER UNIT 3 UPRATE  
Retail Revenue Requirements Summary  
True-up Filing: Retail Revenue Requirements Summary

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

Schedule T-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended: 12/31/2008

COMPANY:  
Progress Energy - FL  
DOCKET NO.:  
080008-E1

Witness: Will Garrett

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	515,422	575,063	627,256	677,114	712,194	744,855	6,072,267
3	8,713	28,750	17,193	25,315	22,803	29,414	188,588
4	5,182	8,062	8,977	7,920	8,929	10,075	61,666
5	108,147	108,088	108,985	108,904	108,823	108,742	1,256,428
6	<u>\$838,473</u>	<u>\$719,941</u>	<u>\$780,412</u>	<u>\$819,253</u>	<u>\$852,648</u>	<u>\$887,898</u>	<u>\$7,555,938</u>
7	\$800,048	\$865,444	\$742,302	\$810,435	\$852,674	\$918,130	\$7,612,934
8	<u>\$38,427</u>	<u>\$54,497</u>	<u>\$18,110</u>	<u>\$8,818</u>	<u>(\$125)</u>	<u>(\$28,044)</u>	<u>\$43,004</u>

Note 1: The amount in this row represents the revenue requirements associated with the MUR as presented in Appendix A.

EXHIBIT 2  
Page 1 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Construction Costs**

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

Schedule T-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the final true-up of carrying costs on construction expenditures, based on actual carrying costs on construction expenditures for the prior year and previously filed carrying costs on construction expenditures for such prior year.

For the Year Ended: 12/31/2008

COMPANY:

Progress Energy - FL

Witness: Will Garrett

DOCKET NO.:

000009-EI

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) Total To Date	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule T-6, line 73)	\$32,006,703	\$3,777,071	\$3,665,022	\$644,912	\$1,381,481	\$5,162,192	\$4,325,110	\$51,472,471
2.	Transfers to Plant in Service (Appendix B, Line 5)		7,872,244	0	0	0	0	0	7,872,244
3.	Other Adjustments (d)	445,772	178,121	217,472	218,269	230,564	246,154	271,000	1,813,468
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)	<u>\$28,628,423</u>	<u>\$32,727,617</u>	<u>\$33,791,097</u>	<u>\$35,408,142</u>	<u>\$40,817,487</u>	<u>\$45,413,693</u>	<u>\$45,413,693</u>	
5.	Average Net CWIP Additions	\$30,673,010	\$30,785,406	\$33,368,641	\$34,719,411	\$38,236,361	\$43,251,138		
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		\$167,597	\$168,211	\$182,326	\$189,701	\$208,924	\$238,324	\$1,153,064
b.	Equity Component grossed up for taxes (b)		272,849	273,849	296,827	306,834	340,128	384,736	1,877,223
c.	Debt Component		49,874	50,057	54,257	56,452	62,172	70,326	343,140
7.	Total Return Requirements (Line 6b + 6c)	<u>\$322,723</u>	<u>\$323,908</u>	<u>\$351,085</u>	<u>\$385,286</u>	<u>\$402,300</u>	<u>\$455,063</u>	<u>\$2,220,363</u>	
8.	Total Return Requirements from most recent Projections	\$324,576	\$327,622	\$354,827	\$376,691	\$406,300	\$436,092	\$2,225,307	
9.	Difference (Line 7 - Line 8)	<u>(\$1,852)</u>	<u>(\$3,716)</u>	<u>(\$3,742)</u>	<u>(\$11,905)</u>	<u>(\$4,000)</u>	<u>\$19,971</u>	<u>(\$4,944)</u>	

Notes:

(a) The monthly Equity Component of 6.65% reflects an 11.75% return on equity.

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

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001628 (Debt), which results in the annual rate of 6.648%.

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

EXHIBIT 2  
Page 2 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Construction Costs**

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

Schedule T-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the final true-up of carrying costs on construction expenditures, based on actual carrying costs on construction expenditures for the prior year and previously filed carrying costs on construction expenditures for such prior year.

For the Year Ended: 12/31/2008

COMPANY:

Progress Energy - FL

Witness: Will Garrett

DOCKET NO.:

090008-EI

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) Total To Date
<b>Jurisdictional Dollars</b>								
1.	Nuclear CWIP Additions (Schedule T-6, line 73)	\$6,535,251	\$4,107,246	\$5,039,040	\$3,592,903	\$2,162,805	\$3,065,875	\$75,996,591
2.	Transfers to Plant In Service (Appendix A, Line 5)	0	0	0	0	0	0	7,872,244
3.	Other Adjustments (d)	308,651	347,325	387,515	422,688	456,283	479,922	4,213,848
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)	<u>\$62,255,595</u>	<u>\$58,710,166</u>	<u>\$62,136,721</u>	<u>\$66,152,309</u>	<u>\$68,771,398</u>	<u>\$72,337,195</u>	<u>\$72,337,195</u>
5.	Average Net CWIP Additions	\$48,987,969	\$54,658,543	\$59,817,201	\$64,355,858	\$67,689,966	\$70,794,257	
6.	Return on Average Net CWIP Additions (c)							
a.	Equity Component (a)	\$267,870	\$298,643	\$325,748	\$351,640	\$389,858	\$386,820	\$3,153,465
b.	Equity Component grossed up for taxes (b)	435,768	486,192	530,318	572,471	602,130	629,743	5,133,646
c.	Debt Component	76,854	88,872	96,938	104,643	110,064	115,111	938,421
7.	Total Return Requirements (Line 6a + 6c)	<u>\$615,422</u>	<u>\$675,063</u>	<u>\$627,256</u>	<u>\$677,114</u>	<u>\$712,194</u>	<u>\$744,856</u>	<u>\$8,072,267</u>
8.	Total Return Requirements from most recent Projections	\$470,318	\$534,598	\$609,459	\$670,214	\$717,416	\$778,851	\$8,008,161
9.	Difference (Line 7 - Line 8)	<u>\$45,104</u>	<u>\$40,467</u>	<u>\$17,797</u>	<u>\$8,900</u>	<u>(\$5,222)</u>	<u>(\$33,896)</u>	<u>\$68,106</u>

Notes:

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

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

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001828 (Debt), which results in the annual rate of 6.848%.

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

EXHIBIT 3

Page 1 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Deferred Tax Carrying Costs**

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

Schedule T-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual deferred tax Carrying Costs for the prior year.

COMPANY:

Progress Energy - FL

DOCKET NO.:

000008-E1

For the Year Ended:

12/31/2008

Witness: Will Garrett

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1.		\$199,304	\$191,098	\$203,445	\$219,720	\$230,196	\$257,510	\$1,287,264
2.		0	0	0	0	0	0	0
3.		(48,874)	(90,067)	(84,257)	(58,462)	(62,172)	(70,326)	(343,140)
4.		<u>\$251,314</u>	<u>\$270,744</u>	<u>\$211,775</u>	<u>\$660,665</u>	<u>\$420,231</u>	<u>\$688,265</u>	<u>\$1,176,438</u>
5.		<u>\$98,644</u>	<u>\$143,014</u>	<u>\$197,417</u>	<u>\$254,366</u>	<u>\$318,404</u>	<u>\$483,425</u>	n/a
6.		\$118,979	\$170,218	\$236,192	\$286,685	\$348,812	\$417,322	
7.								
a.		\$656	\$630	\$1,238	\$1,581	\$1,906	\$2,280	\$8,569
b.		1,067	1,514	2,012	2,541	3,103	3,712	13,950
c.		196	277	368	465	587	679	2,560
8.		<u>\$1,262</u>	<u>\$1,791</u>	<u>\$2,390</u>	<u>\$2,008</u>	<u>\$5,870</u>	<u>\$4,391</u>	<u>\$18,500</u>
9.		\$1,264	\$1,798	\$2,395	\$3,025	\$3,892	\$4,427	\$18,801
10.		<u>(\$2)</u>	<u>(\$7)</u>	<u>(\$15)</u>	<u>(\$16)</u>	<u>(\$22)</u>	<u>(\$36)</u>	<u>(\$101)</u>

Notes:

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

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

(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.006484 (Equity) and 0.001828 (Debt), which results in the annual rate of 8.848%.

(d) Other adjustments represent the monthly debt component of carrying costs capitalized to the book basis of the assets, prior to accelerated cost recovery.

**EXHIBIT 3**  
Page 2 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Deferred Tax Carrying Costs**

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

Schedule T-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual deferred tax Carrying Costs for the prior year.

For the Year Ended: 12/31/2008

COMPANY:  
Progress Energy - FL  
DOCKET NO.:  
090009-EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.		\$287,131	\$310,278	\$328,487	\$338,898	\$371,832	\$418,837	\$3,321,328
2.		0	0	0	0	0	0	0
3.		(78,854)	(88,872)	(98,938)	(104,843)	(110,064)	(116,111)	(838,421)
4.		<u>\$1,175,438</u>	<u>\$1,342,814</u>	<u>\$1,804,319</u>	<u>\$1,833,888</u>	<u>\$2,089,124</u>	<u>\$2,330,892</u>	<u>\$2,634,218</u>
5.		<u>\$453,425</u>	<u>\$533,459</u>	<u>\$618,886</u>	<u>\$707,415</u>	<u>\$788,185</u>	<u>\$888,064</u>	<u>nil</u>
6.		\$493,442	\$576,183	\$663,140	\$752,790	\$848,615	\$957,807	
7.								
a.		\$2,886	\$3,146	\$3,623	\$4,113	\$4,637	\$5,232	\$32,019
b.		4,389	5,125	5,898	6,688	7,549	8,518	52,127
c.		802	937	1,078	1,224	1,380	1,567	9,528
8.		<u>\$5,192</u>	<u>\$6,082</u>	<u>\$6,977</u>	<u>\$7,920</u>	<u>\$8,929</u>	<u>\$10,075</u>	<u>\$61,653</u>
9.		\$5,267	\$6,196	\$7,172	\$8,197	\$9,321	\$10,686	\$63,318
10.		<u>(875)</u>	<u>(1,114)</u>	<u>(1,195)</u>	<u>(1,277)</u>	<u>(1,392)</u>	<u>(1,490)</u>	<u>(11,665)</u>

Notes:

- (a) The monthly Equity Component of 5.85% reflects an 11.75% return on equity.
- (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.
- (c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.005484 (Equity) and 0.001626 (Debt), which results in the annual rate of 9.848%.
- (d) Other adjustments represent the monthly debt component of carrying costs capitalized to the book basis of the assets, prior to accelerated cost recovery.

**EXHIBIT 4**  
Page 1 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Construction Period Interest**

(Section (5)(c)1. a.)

Schedule T-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual Construction Period Interest for the prior year.

For the Year Ended: 12/31/2005

COMPANY:

Progress Energy - FL

Witness: Will Garrett

DOCKET NO.:

090009-EI

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$ 35,719,834	\$ 37,877,835	\$ 40,765,839	\$ 42,963,418	\$ 45,817,455	\$ 48,921,298	
2.	Additions Site Selection/Preconstruction	0	0	0	0	0	0	\$0
3.	Additions Construction (Schedule T-8, (Line 45 + 48 + 49) X Line 52)	2,158,001	2,888,004	2,197,579	2,854,038	3,103,843	8,137,256	21,338,720
4.	Other Adjustments	0	0	0	0	0	0	
5.	Ending Balance Excluding CPI	<u>\$ 38,719,834</u>	<u>\$ 37,877,835</u>	<u>\$ 40,765,839</u>	<u>\$ 42,963,418</u>	<u>\$ 45,817,455</u>	<u>\$ 48,921,298</u>	<u>\$ 57,058,554</u>
6.	Average Balance Eligible for CPI	<u>\$ 36,786,834</u>	<u>\$ 39,321,837</u>	<u>\$ 41,964,829</u>	<u>\$ 44,360,436</u>	<u>\$ 47,369,377</u>	<u>\$ 52,948,928</u>	
7.	Monthly CPI Rate (a)	0.0048008	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	
8.	Construction Period Interest for Tax (CPI)	<u>\$ 188,304</u>	<u>\$ 191,088</u>	<u>\$ 203,448</u>	<u>\$ 215,720</u>	<u>\$ 230,188</u>	<u>\$ 257,510</u>	<u>\$ 1,287,264</u>

Notes:

(a) CPI rate is the projected weighted average debt rate for the period.

**EXHIBIT 4**  
Page 2 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Construction Period Interest

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

Schedule T-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual Construction Period Interest for the prior year.

For the Year Ended: 12/31/2008

COMPANY:  
Progress Energy - FL  
DOCKET NO.:  
090009-EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$ 57,058,554	\$ 61,112,060	\$ 66,583,962	\$ 67,783,912	\$ 72,103,563	\$ 80,843,832	
2.	Additions Site Selection/Preconstruction	0	0	0	0	0	0	-
3.	Additions Construction (Schedule T-6, (Line 45 + 46 + 49) X Line 52)	4,053,496	5,471,932	1,199,931	4,318,651	8,740,268	10,606,296	55,728,293
4.	Other Adjustments	0	0	0	0	0	0	0
5.	Ending Balance Excluding CPI	<u>\$ 57,058,554</u>	<u>\$ 61,112,050</u>	<u>\$ 66,583,962</u>	<u>\$ 67,783,912</u>	<u>\$ 72,103,563</u>	<u>\$ 80,843,832</u>	<u>\$ 91,449,127</u>
6.	Average Balance Eligible for CPI	<u>\$ 59,065,302</u>	<u>\$ 63,848,016</u>	<u>\$ 67,183,847</u>	<u>\$ 68,943,738</u>	<u>\$ 76,473,897</u>	<u>\$ 86,146,480</u>	
7.	Monthly CPI Rate (a)	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	0.0048596	
8.	Construction Period Interest for Tax (CPI)	<u>\$ 287,131</u>	<u>\$ 310,278</u>	<u>\$ 326,467</u>	<u>\$ 336,899</u>	<u>\$ 371,652</u>	<u>\$ 418,637</u>	<u>\$ 3,321,325</u>

Notes:

(a) CPI rate is the projected weighted average debt rate for the period.

EXHIBIT 5

CRYSTAL RIVER UNIT 3 UPGRADE  
 Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance  
 True-up Filing: Recoverable O&M Monthly Expenditures

(Section 5)(c)(1) (a)  
 (Section 8)(e)

Schedule T-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the CCRC Recoverable O&M actual monthly expenditures by function for the prior year.

For the Year Ended: 12/31/2008

COMPANY:

Progress Energy - FL

Witness: WM Garrett

DOCKET NO

000000-01

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 month Total
1	Accounting	\$208	\$1,638	\$2,040	(\$4,174)	\$2,287	\$4,284	\$1,887	\$1,832	\$1,293	\$4,748	\$3,862	\$4,074	\$23,846
2	Corporate Communications	0	0	0	0	0	0	0	33	0	0	0	0	33
3	Corporate Planning	3,262	8,106	7,042	(\$4,870)	12,133	9,182	4,187	2,207	1,308	7,126	4,380	4,133	48,450
4	Corporate Services	0	0	0	0	0	0	0	0	0	0	0	0	0
5	External Relations	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
7	IT & Telecom	3,332	3,335	3,330	(10,000)	0	0	0	0	0	0	0	0	(1)
8	Legal	0	0	0	0	0	0	0	22,588	18,348	16,111	13,488	13,620	79,079
9	Project Assurance	3,943	6,978	5,888	(12,979)	8,320	4,702	4,284	8,318	1,018	2,888	3,857	5,848	44,718
10	Public Affairs	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Joint Owner Credit	0	0	0	(938)	(1,948)	(1,487)	(842)	(2,884)	(1,854)	(2,438)	(2,184)	(2,174)	(18,881)
12	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Subtotal A&G	\$10,838	\$18,281	\$18,064	(\$42,882)	\$21,761	\$16,802	\$8,407	\$32,313	\$18,488	\$27,228	\$24,381	\$28,306	\$188,076
14	Energy Delivery Florida	80	80	80	80	80	80	80	80	80	80	80	80	80
15	Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Subtotal Energy Delivery Florida	80	80	80	80	80	80	80	80	80	80	80	80	80
18	Nuclear Generation	80	80	80	80	80	80	80	80	80	80	80	80	80
19	Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Subtotal Nuclear Generation	80	80	80	80	80	80	80	80	80	80	80	80	80
22	Transmission	80	80	80	80	80	80	80	80	80	80	80	80	80
23	Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Subtotal Transmission	80	80	80	80	80	80	80	80	80	80	80	80	80
26	Total O&M Costs	\$10,918	\$18,361	\$18,144	(\$42,882)	\$21,761	\$16,882	\$8,487	\$32,313	\$18,488	\$27,228	\$24,381	\$28,386	\$188,076
27	Jurisdictional Factor (A&G)	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870	0.91870
28	Jurisdictional Factor (Distribution)	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887	0.98887
29	Jurisdictional Factor (Nuclear - Production - Base)	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783	0.93783
30	Jurisdictional Factor (Transmission)	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687	0.70687
31	Jurisdictional Recoverable Costs (A&G) (Line 13 X Line 27)	\$9,935	\$16,731	\$16,578	(\$38,108)	\$19,946	\$15,219	\$8,023	\$29,821	\$16,927	\$24,980	\$22,358	\$25,282	\$168,076
32	Jurisdictional Recoverable Costs (Distribution) (Line 17 X Line 28)	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Jurisdictional Recoverable Costs (Nuc - Production - Base) (Line 21 X Line 29)	0	0	0	0	0	0	0	0	0	0	0	0	0
34	Jurisdictional Recoverable Costs (Transmission) (Line 25 X Line 30)	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Total Jurisdictional CCRC Recoverable O&M Costs	\$9,935	\$16,731	\$16,578	(\$38,108)	\$19,946	\$15,219	\$8,023	\$29,821	\$16,927	\$24,980	\$22,358	\$25,282	\$168,076
36	Average Monthly Recoverable O&M Balance	\$4,968	\$16,317	\$26,018	\$23,837	\$14,311	\$31,826	\$43,912	\$83,124	\$86,627	\$107,737	\$131,761	\$164,818	
37	Monthly Short-term Commercial Paper Rate (Appendix A, Line 5)	0.336%	0.387%	0.288%	0.228%	0.230%	0.209%	0.204%	0.204%	0.208%	0.229%	0.188%	0.088%	
38	Interest Provision	\$17	\$27	\$83	\$64	\$31	\$88	\$80	\$128	\$287	\$284	\$284	\$132	\$1,812
39	Total Monthly Recoverable O&M Costs	\$5,052	\$16,779	\$16,661	(\$38,044)	\$19,977	\$15,307	\$8,103	\$29,949	\$17,153	\$25,218	\$22,642	\$25,414	\$189,888
40	Total Jurisdictional O&M Costs From Most Recent Projection	\$9,963	\$16,777	\$16,662	(\$38,061)	\$19,988	\$15,227	\$8,118	\$29,961	\$16,938	\$24,981	\$22,331	\$25,380	\$261,833
41	Difference (Line 39 - 40)	(\$1)	\$1	(\$1)	(\$1,817)	(\$1,911)	(\$1,918)	(\$1,915)	(\$1,712)	(\$1,785)	(\$1,763)	(\$1,711)	(\$1,968)	(\$18,945)



EXHIBIT 6

CRYSTAL RIVER UNIT 3 UPGRADE  
Site Selection/Pre-Construction Cost and Carrying Cost on Construction Cost Balance

(Section 5)(c)1 a.1  
(Section 5)(d)5

Worksheet 7.4

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: Progress Energy - FL  
DOCKET NO.: 090208-01

Tracking Period: Monthly Periods/Items

Provides the actual monthly expenditures by major tasks performed within Site Selection, Reconstruction and Construction categories for the prior year.

For the Year Ended 12/31/2008  
Witness: WSP Gamble Stone Remington

Description	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	12 Month Total
<b>1 Site Selection/Pre-Construction</b>													
2 <b>Site Selection</b>													
3 License Application	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4 Engineering & Design Per Site Eng & Procedure	0	0	0	0	0	0	0	0	0	0	0	0	0
5 Permitting	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Clearing, Grading and Excavation	0	0	0	0	0	0	0	0	0	0	0	0	0
7 On-Site Construction Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
8 <b>Total Generation Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 <b>Adjustments:</b>													
10 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
13 <b>Net Generation Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
15 <b>Total Jurisdictional Generation Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16 <b>Transmission:</b>													
17 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Substation Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Clearing	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
21 <b>Total Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 <b>Adjustments:</b>													
23 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
25 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
26 <b>Net Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27 Jurisdictional Factor	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987
28 <b>Total Jurisdictional Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
29 <b>Total Jurisdictional S&amp;PC Cost</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 <b>Construction:</b>													
31 <b>Generation:</b>													
32 Real Estate Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Project Management	320,842	368,135	381,148	345,807	783,887	1,418,368	482,142	839,480	970,848	1,088,087	781,428	882,782	7,731,840
34 Personnel Staff/Training	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Site Protection	0	0	0	0	0	0	0	0	0	0	0	0	0
36 On-Site Construction Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Power Block Engineering, Procurement, etc.	2,778,120	2,978,381	2,182,775	2,808,480	2,787,288	7,492,208	4,175,248	5,898,878	688,680	3,800,140	6,383,847	11,859,383	98,888,138
38 Non-Power Block Engineering, Procurement, etc.	0	0	0	136,832	51,831	82,428	47,828	16,820	81,388	81,388	136,887	33,883	450,887
39 <b>Total Generation Costs (Note 1)</b>	\$2,778,120	\$2,978,381	\$2,182,775	\$2,945,119	\$3,375,146	\$8,073,704	\$4,323,074	\$6,024,576	\$7,550,914	\$4,969,608	\$8,402,017	\$12,228,896	\$109,137,301
40 <b>Adjustments:</b>													
41 Non-Cash Accruals	1,728,804	1,083,451	(1,442,788)	(1,578,488)	2,104,502	(4,088,158)	2,847,121	(1,845,818)	4,084,818	(778,173)	(1,218,737)	(8,220,488)	(12,818,884)
42 Joint Owner Credit	(284,738)	(282,887)	(188,812)	(284,738)	(272,504)	(881,841)	(378,823)	(806,888)	(174,877)	(282,148)	(788,188)	(1,013,282)	(8,184,525)
43 Other	(888,245)	0	0	0	0	0	0	0	0	0	0	0	(888,245)
44 <b>Net Generation Costs (Note 2)</b>	\$4,328,941	\$4,143,889	\$381,111	\$1,183,912	\$1,306,188	\$3,711,725	\$3,971,712	\$4,380,988	\$6,714,804	\$4,312,387	\$7,384,918	\$13,997,489	\$88,325,845
45 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
46 <b>Total Jurisdictional Generation Costs</b>	\$4,077,071	\$3,883,572	\$354,917	\$1,113,241	\$1,226,782	\$3,478,110	\$3,718,251	\$4,107,248	\$6,298,840	\$4,042,803	\$6,912,809	\$13,083,875	\$84,148,888
47 <b>Transmission:</b>													
48 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49 Substation Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
50 Real Estate Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0
51 Line Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
52 Substation Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
53 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
54 <b>Total Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 <b>Adjustments:</b>													
56 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
58 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
59 <b>Net Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60 Jurisdictional Factor	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987	0.070987
61 <b>Total Jurisdictional Transmission Costs</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
62 <b>Total Jurisdictional Construction Costs</b>	\$4,077,071	\$3,883,572	\$354,917	\$1,113,241	\$1,226,782	\$3,478,110	\$3,718,251	\$4,107,248	\$6,298,840	\$4,042,803	\$6,912,809	\$13,083,875	\$84,148,888

Note 1: Line 48 represents generation construction cost on an accrual basis, gross of joint owner billings and excludes AFUDC.  
Note 2: Line 50 represents net generation cost on a cash basis, net of joint owner billings.

**EXHIBIT 7**

Page 1 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-Up Filing: Calculation of the Final True-up Amount for the Period**

**Schedule T-9**

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2008

DOCKET NO.:

090009-E1

Witness:

Will Garrett

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	True-Up Provision	0	0	0	0	0	0	0
3	NFR Revenues Applicable to Period (Lines 1 + 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Jurisdictional NFR Costs (Schedule T-1, Line 6)	388,753	452,025	479,596	438,628	535,258	583,965	2,878,224
5	Over/(Under) Recovery True-up provision (Line 3 - Line 4)	(388,753)	(452,025)	(479,596)	(438,628)	(535,258)	(583,965)	(2,878,224)
6	Interest Provision	0	0	0	0	0	0	0
7	Beginning Balance True-up & Interest Provision	0	0	0	0	0	0	0
a	Deferred True-up	0	0	0	0	0	0	0
8	True-Up Collected (Refunded) (See Line 2)	0	0	0	0	0	0	0
9	End of Period True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**EXHIBIT 7**

Page 2 of 2

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-Up Filing: Calculation of the Final True-up Amount for the Period**

**Schedule T-9**

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2008

DOCKET NO.:

090000-EI

Witness:

Will Garrett

Line No.	Description	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
1	NFR Revenues (net of Revenue Taxes)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	True-Up Provision	0	0	0	0	0	0	0
3	NFR Revenues Applicable to Period (Lines 1 + 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Jurisdictional NFR Costs (Schedule T-1, Line 6)	638,473	719,941	780,412	819,253	852,548	887,086	7,555,938
5	Over/(Under) Recovery true-up provision (Line 3 - Line 4)	(638,473)	(719,941)	(780,412)	(819,253)	(852,548)	(887,086)	(7,555,938)
6	Interest Provision	0	0	0	0	0	0	0
7	Beginning Balance True-up & Interest Provision	0	0	0	0	0	0	0
8	Deferred True-up	0	0	0	0	0	0	0
9	True-Up Collected (Refunded) (See Line 2)	0	0	0	0	0	0	0
9	End of Period True-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0