

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Nuclear cost recovery clause.

DOCKET NO. 090009-EI

FILED: July 27, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of

Jeffery A. Small, have been served by U.S. Mail this 27th day of July, 2009, to the following:

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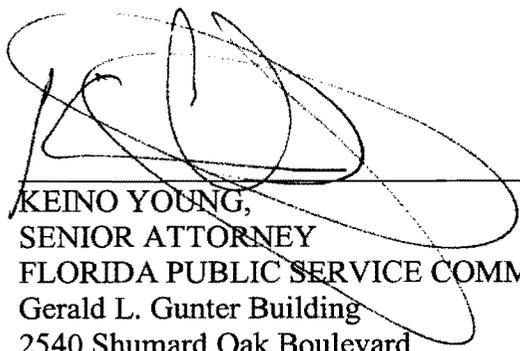
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CERTIFICATE OF SERVICE
DOCKET NO. 090009-EI
PAGE 2

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Public Service Commission

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

DATE: July 27, 2009
TO: Ann Cole, Clerk, Office of Commission Clerk
FROM: Keino Young, Senior Attorney, Office of the General Counsel *KY*
RE: Docket No. 090009-EI – Nuclear Cost Recovery Clause.

Attached for filing in the above-referenced docket are the original and **six** copies of the Direct Testimony of JEFFERY A. SMALL, on behalf of Commission Staff.

KY

DOCUMENT NUMBER-DATE

07621 JUL 27 08

FPSC-COMMISSION CLERK

DOCKET NO. 090009-EI: Nuclear cost recovery clause for Progress Energy Florida, Inc.

WITNESS: Direct Testimony Of Jeffery A. Small, Appearing On Behalf Of the Staff of the Florida Public Service Commission

DATE FILED: July 27, 2009

DOCUMENT NUMBER-DATE

07621 JUL 27 8

FPSC-COMMISSION CLERK

DIRECT TESTIMONY OF JEFFERY A. SMALL

Q. Please state your name and business address.

A. My name is Jeffery A. Small and my business address is 4950 West Kennedy Blvd, Tampa, Florida, 33609.

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

A. I am employed by the Florida Public Service Commission as a Professional Accountant Specialist in the Division of Regulatory Compliance.

Q. How long have you been employed by the Commission?

A. I have been employed by the Florida Public Service Commission (FPSC) since January 1994.

Q. Briefly review your educational and professional background.

A. I have a Bachelor of Science degree in Accounting from the University of South Florida. I am also a Certified Public Accountant licensed in the State of Florida and I am a member of the American and Florida Institutes of Certified Public Accountants.

Q. Please describe your current responsibilities.

A. Currently, I am a Professional Accountant Specialist with the responsibilities of planning and directing the most complex investigative audits. Some of my past audits include cross-subsidization issues, anti-competitive behavior, and predatory pricing. I also am responsible for creating audit work programs to meet a specific audit purpose and integrating EDP applications into these programs.

Q. Have you presented expert testimony before this Commission or any other regulatory agency?

A. Yes. I testified in the Southern States Utilities, Inc. rate case, Docket No. 950495-WS, the transfer application of Cypress Lakes Utilities, Inc., Docket No. 971220-WS, and the Utilities, Inc. of Florida rate case, Docket No. 020071-WS.

1 **Q. Have you provided testimony before the Commission in a prior Nuclear Cost**
2 **Recovery Clause (NCRC) docket.**

3 A. Yes, I provided testimony in the Progress Energy Florida, Inc., Nuclear Cost Recovery
4 Clause filing, Docket No. 080009-EI.

5 **Q. What was the purpose of your testimony in Docket No. 080009-EI?**

6 A. The purpose of my testimony was to sponsor the staff audit reports of Progress Energy
7 Florida, Inc. (PEF, Utility, or Company) in Docket No. 080009-EI which addressed the
8 Utility's application for nuclear cost recovery in 2007. We issued three audit reports on PEF
9 in that docket. The first audit report was issued May 30, 2008, to address the 2007 power
10 uprate costs for the Crystal River Unit 3 nuclear power plant. The second audit report was
11 issued July 25, 2008, to address the pre-construction costs as of December 31, 2007, for Levy
12 County Units 1 & 2. The third audit report was issued July 25, 2008, to address the site
13 selection costs as of December 31, 2007, for Levy County Units 1 & 2. The three audit reports
14 were included as separate exhibits with my testimony.

15 **Q. Was your testimony entered into the record for Docket No. 080009-EI?**

16 A. Yes, however, the second audit report which was issued July 25, 2008, to address the
17 pre-construction costs as of December 31, 2007, for Levy County Units 1 & 2 is being
18 resubmitted in this docket because the issue regarding land costs was deferred and was to be
19 addressed in Docket No. 090009-EI.

20 **Q. What is the purpose of your testimony today?**

21 A. The purpose of my testimony is to sponsor three staff audit reports of PEF which
22 address the Utility's application for nuclear cost recovery in 2007 and 2008. The first audit
23 report was issued July 25, 2008, and addressed the pre-construction cost as of December 31,
24 2007, for Levy County Units 1 & 2. This audit report is filed with my testimony and is
25 identified as Exhibit JAS-1. The second audit report was issued April 3, 2009, to address the

1 2008 power uprate costs for the Crystal River Unit 3 nuclear power plant. This audit report is
2 filed with my testimony and is identified as Exhibit JAS-2. The third audit report was issued
3 June 10, 2009, to address the site selection, pre-construction and construction costs as of
4 December 31, 2008, for Levy County Units 1 & 2. This audit report is filed with my
5 testimony and is identified as Exhibit JAS-3.

6 **Q. Were these audits prepared by you or under your direction?**

7 A. Yes, these audits were prepared by me or under my direction.

8 **Q. Please describe the work you performed in these audits.**

9 A. For the first audit report, to address the prior period pre-construction costs as of
10 December 31, 2007, for Levy County Units 1 & 2, we reconciled the Company's filing to the
11 general ledger and verified that the costs incurred were posted to the proper account, as
12 prescribed by Rule 25-6.014, Florida Administrative Code. We reconciled and recalculated a
13 sample of the monthly revenue requirement accruals displayed on Schedule T-I to the
14 supporting schedules in the Company's 2007 Nuclear Cost Recovery Clause (NCRC) filing.
15 We reconciled and recalculated a sample of the carrying cost accruals displayed on Schedule
16 T-3 to the supporting schedules in the Company's 2007 NCRC filing. We recalculated a
17 sample of the AFUDC balances displayed as "Other Adjustments" in the filing and reconciled
18 the rates applied by the Company to its approved AFUDC rates in Commission Order No.
19 PSC-05-0945-FOF-EI, issued September 28, 2005. We reconciled and recalculated a sample
20 of the monthly deferred tax carrying cost accruals displayed on Schedule T-3A to the
21 supporting schedules in the Company's 2007 NCRC filing. We recalculated a sample of the
22 monthly carrying cost balances for deferred tax assets based on the equity and debt
23 components established in Order No. PSC-05-0945-FOF-EI. We reconciled and recalculated a
24 sample of the monthly CPI accruals displayed on Schedule T-3B to the supporting schedules
25 in the Company's 2007 NCRC filing. We recalculated the Company's Consumer Price Index

1 (CPI) rate and reconciled the component balances to the Company's general ledger. We
2 recalculated a sample of monthly jurisdictional nuclear construction expenditures displayed on
3 Schedule T-6 of the Company's 2007 NCRC filing. We sampled and verified the construction
4 and transmission cost expenditures and traced the invoiced amounts to supporting
5 documentation. We reconciled the jurisdictional factors applied by the Company to the
6 eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued
7 November 22, 2006, in Docket No. 060007-EI.

8 For the second audit report, to address the uprate cost as of December 31, 2008, for
9 Crystal River Unit 3, we reconciled the Company's filing to the general ledger and verified
10 that the costs incurred were posted to the proper account, as prescribed by Rule 25-6.014,
11 Florida Administrative Code. We reconciled and recalculated a sample of the monthly
12 revenue requirement accruals displayed on Schedule T-1 to the supporting schedules in the
13 Company's 2008 NCRC filing. We also reconciled and recalculated a sample of the carrying
14 cost accruals displayed on Schedule T-3 to the supporting schedules in the Company's 2008
15 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction
16 (AFUDC) balances displayed as "Other Cost" in the filing and reconciled the rates applied by
17 the Company to its approved AFUDC rates in Commission Order No. PSC-05-0945-FOF-EI,
18 issued September 28, 2005. We reconciled and recalculated a sample of the monthly deferred
19 tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the
20 Company's 2008 NCRC filing. We recalculated a sample of the monthly carrying cost
21 balances for deferred tax assets based on the equity and debt components established in
22 Commission Order No. PSC-05-0945-FOF-EI. We reconciled and recalculated a sample of the
23 monthly CPI accruals displayed on Schedule T-3B to the supporting schedules in the
24 Company's 2008 NCRC filing. We recalculated the Company's CPI rate and reconciled the
25 component balances to the Company's general ledger. We recalculated a sample of the

1 monthly jurisdictional O&M costs accruals displayed on Schedule T-4 of the Company's 2008
2 filing. We sampled and verified the administrative and general cost accruals and traced the
3 invoiced amounts to supporting documentation. We recalculated a sample of monthly
4 jurisdictional nuclear construction accruals displayed on Schedule T-6 of the Company's 2008
5 NCRC filing. We sampled and verified the project management and power block engineering
6 accruals and traced the invoiced amounts to supporting documentation. We sampled
7 Company salary expense accruals and the respective overhead the Company applied. We
8 recalculated and verified the joint owner billings that reduced the Company's eligible carrying
9 cost for the CR3 Uprate project. We reconciled the jurisdictional factors applied by the
10 Company to the eligible carrying cost to the factors approved in Commission Order No. PSC-
11 06-0972-FOF-EI, issued November 22, 2006. We reconciled and recalculated a sample of the
12 monthly true-ups displayed on Schedule T-9 to the supporting schedules in the Company's
13 2008 NCRC filing.

14 For the third audit report, to address the site selection, pre-construction and
15 construction costs as of December 31, 2008, for Levy County Units 1 & 2, we reconciled the
16 Company's filing to the general ledger and verified that the costs incurred were posted to the
17 proper account, as prescribed by Rule 25-6.014, Florida Administrative Code. We reconciled
18 and recalculated a sample of the monthly revenue requirement accruals displayed on Schedule
19 T-I to the supporting schedules in the Company's 2008 NCRC filing. We reconciled the
20 monthly site selection and preconstruction carrying cost balances displayed on Schedule T-2
21 to the supporting schedules in the Company's 2008 NCRC filing. We recalculated the
22 schedule and reconciled the AFUDC rates applied by the Company to the rates approved in
23 Order No. PSC-05-0945-FOF-EI, issued September 28, 2005. We reconciled the monthly
24 construction carrying cost balances displayed on Schedule T-3 to the supporting schedules in
25 the Company's 2008 NCRC filing. We recalculated the schedule and reconciled the AFUDC

1 rates applied by the Company to the rates approved in Order No. PSC-05-0945-FOF-EI. We
2 recalculated a sample of the monthly recoverable O&M expenditures displayed on Schedule
3 T-4 of the Company's 2008 NCRC filing. We sampled and verified the O&M cost accruals
4 and traced the invoiced amounts to supporting documentation. We verified the Company
5 salary expense accruals and recalculated the respective overhead burdens the Company
6 applied. We reconciled the jurisdictional factors applied by the Company to the eligible
7 carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November
8 22, 2006, in Docket No. 060007-EI. We recalculated a sample of monthly jurisdictional
9 nuclear construction accruals displayed on Schedule T-6 of the Company's 2008 NCRC filing.
10 We sampled and verified the generation and transmission cost accruals and traced the invoiced
11 amounts to supporting documentation. We verified a sample of Company salary expense
12 accruals and recalculated a sample of the respective overhead burdens that the Company
13 applied. We reconciled the jurisdictional factors applied by the Company to the eligible
14 carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November
15 22, 2006, in Docket No. 060007-EI.

16 **Q. Please review the audit findings in the audit report, JAS-1, which addresses the**
17 **prior period pre-construction costs as of December 31, 2007 for Levy County Units 1 &**
18 **2.**

19 **A. Audit Finding No. 1**

20 Audit Finding No. 1 concerns the utility's calculation and allocation of the cost of the
21 land purchased for generation, transmission and future use purposes. I provide two alternative
22 methods of allocating the costs between generation, allocation and future use purposes for the
23 Commission to consider. In addition, I disclose the existence of a contingent deferred
24 purchase price related to the purchase of one of the land parcels. This is discussed in greater
25 detail in Exhibit JAS-1, Finding No. 1.

1 **Q. Please review the audit findings in the audit report, JAS-2, which addresses the**
2 **2008 power uprate costs for the Crystal River Unit 3 nuclear power plant.**

3 **A. Audit Finding No. 1**

4 Audit Finding No. 1 provides information concerning the Company's correction of a
5 calculation error in its 2007 filing. This is discussed in greater detail in Exhibit JAS-2,
6 Finding No. 1.

7 **A. Audit Finding No. 2**

8 Audit Finding No. 2 provides information concerning the underbilling of the Company's joint
9 owners during 2007 and 2008. This underbilling of the uprate costs was corrected in March
10 2009. This is discussed in greater detail in Exhibit JAS-2, Finding No. 2.

11 **A. Audit Finding No. 3**

12 Audit Finding No. 3 provides information concerning potential royalty payments from
13 contractors that could reduce the overall cost of the CR3 Uprate in future periods. This is
14 discussed in greater detail in Exhibit JAS-2, Finding No. 3.

15 **A. Audit Finding No. 4**

16 Audit Finding No. 4 provides information concerning the Company's adjustment to transfer
17 the cost associated with the Measurement Uncertainty Recapture (MUR) phase of the CR3
18 Uprate from Construction Work in Progress to plant-in-service in 2008. This is discussed in
19 greater detail in Exhibit JAS-2, Finding No. 4.

20 **Q. Please review the audit findings in the audit report, JAS-3, which addresses the**
21 **site selection, pre-construction and construction costs as of December 31, 2008 for Levy**
22 **County Units 1 & 2.**

23 **A. There are no findings in the third audit report, JAS-3.**

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

25 **A. Yes, it does.**



FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF REGULATORY COMPLIANCE & CONSUMER ASSISTANCE
BUREAU OF AUDITING

Tampa District Office

PROGRESS ENERGY FLORIDA, INC.

NUCLEAR COST RECOVERY CLAUSE

**LEVY COUNTY UNITS 1 & 2
PRE-CONSTRUCTION COST**

AS OF DECEMBER 31, 2007

**DOCKET NO. 080009-EI
AUDIT CONTROL NO. 08-087-2-1**

A handwritten signature in black ink, appearing to read "J. A. Small", written over a horizontal line.

Jeffery A. Small, Audit Manager

A handwritten signature in black ink, appearing to read "J. W. Rohrbacher", written over a horizontal line.

**Joseph W. Rohrbacher, District
Supervisor**

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

Docket No. 090009-EI

Exhibit JAS-1 (Page 3 of 14)

Levy Units 1 & 2 Pre-Construction Cost

**DIVISION OF REGULATORY COMPLIANCE & CONSUMER ASSISTANCE
AUDITOR'S REPORT**

JULY 17, 2008

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 March 27, 2008. We have applied these procedures to the attached schedules prepared by Progress Energy Florida, Inc. in support of its 2007 filings for Nuclear Cost Recovery Clause relief in Docket No. 080009-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 which are only for internal Commission use.

OBJECTIVES AND PROCEDURES

GENERAL

To verify that the company's 2007 Nuclear Cost Recovery Clause (NCRC) filings in Docket No. 080009-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 USoA 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 2007 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 2007 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 2007 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 2007 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction (AFUDC) balances displayed as Other Adjustments in the filing and reconciled the rates applied by the company to its approved AFUDC rates in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005.
- 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 2007 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 2007 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 2007 NCRC filing.

Levy Units 1 & 2 Pre-Construction Cost

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 2007 NCRC filing. We recalculated the company's CPI rate and reconciled the component balances to the company's general ledger.

6. *Objective:* Verify that the jurisdictional nuclear construction amounts, displayed on Schedule T-6 of the company's 2007 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 expenditures displayed on Schedule T-6 of the company's 2007 NCRC filing. We sampled and verified the construction and transmission cost expenditures and traced the invoiced amounts to supporting documentation. 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, in Docket No. 060007-EI. Audit Finding No. 1 discusses our analysis and discloses additional information concerning the company's balances for generation, transmission and future use land.

AUDIT FINDING NO. 1

SUBJECT: LAND AND LAND RIGHTS

AUDIT ANALYSIS: The company's filing and general ledger include the following balances for land and land rights for the Levy Units 1 and 2 nuclear plant projects.

<u>Acct No.</u>	<u>Project No.</u>	<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
1071000	20059051	Land - Generation	\$52,008,983	\$521,276	\$52,530,259
1071000	20064886	Land - Transmission	8,930,645	10,780	8,941,425
1071000	20065752	Land - Held for Future Use	<u>27,667,950</u>	0	<u>27,667,950</u>
Total Land			\$88,607,578	\$532,056	\$89,139,634

The "Other Cost" balances above include company cost outside of the closing process related to the land purchased.

The company's calculations of the above future use and transmission use land balances are displayed below.

<u>Land Purchases</u>	<u>Amount</u>	<u>Acres</u>	<u>Price/Acre</u>
Rayonier land price	\$46,579,500	3,105.00	\$15,000
Closing cost	<u>1,617,172</u>		
Totals	\$48,196,672		
Lybass land price	\$39,084,959	2,159.00	\$18,103
Closing cost	<u>1,325,947</u>		
Totals	\$40,410,906		

<u>Lybass purchase</u>	<u>Land Use</u>	<u>Total Percent</u>	<u>Used/Useful Percent</u>
Generation	94.08	4.36%	29.92%
Transmission	220.39	10.21%	<u>70.08%</u>
Future Use	<u>1,844.53</u>	<u>85.43%</u>	
Totals	2,159.00	100.00%	100.00%

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$15,000
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$27,667,950

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>27,667,950</u>
Remaining Value	\$12,742,956
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$8,930,645

(Small differences are attributed to rounding errors)

The company cited 18 CFR 101, Electric Plant Instruction 7G as justification and support for its valuation and allocation methodology.

When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based

upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in electric operations.

The company asserts that the purchase price it paid for the Lybass property was above its fair market value (FMV) because the sale was influenced by the previous purchase of the Rayonier property. The company therefore used the \$15,000 per acre price of the Rayonier purchase as the FMV multiplier to determine the land held for future use balance of \$27,667,950. The remaining Lybass purchase price of \$12,742,956 was allocated between the generation and transmission land accounts based on percentage of estimated use.

Other applicable CFR citations include 18 CFR 101, Definitions 9 and 23.

Cost means the amount of money actually paid for property or services.

Original cost, as applied to electric plant, means the cost of such property to the person first devoting it to public service.

A first alternative valuation method would use \$18,103, the actual FMV per acre purchase price of the Lybass property, to determine the future use land balance. The Lybass property contains the entire land area that is designated by the company for future use and the valuation method is supported by all three of the CFR citations referenced above. The following reflects our calculated generation, transmission and future use land balances.

<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
Land - Generation	\$50,296,511	\$521,276	\$50,817,787
Land - Transmission	4,919,043	10,780	4,929,823
Land - Held for Future Use	<u>33,392,024</u>	<u>0</u>	<u>33,392,024</u>
Total Land	\$88,607,578	\$532,056	\$89,139,634

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$18,103
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$33,392,024

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>33,392,024</u>
Remaining Value	\$7,018,882
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$4,919,043

(Small differences are attributed to rounding errors)

A second alternative valuation method would use \$16,526, the average FMV per acre purchase price of both the Rayonier and Lybass properties, to determine the future use land balance. This method would treat the entire land purchase as one transaction, which is the ultimate use for the two parcels of land purchased. The following reflects our calculated generation, transmission and future use land balances.

Docket No. 090009-EI
 Exhibit JAS (Page 8 of 14)
 Levy Units 1 & 2 Pre-Construction Cost

<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
Land - Generation	\$54,378,639	\$521,276	\$54,899,915
Land - Transmission	3,746,236	10,780	3,757,016
Land - Held for Future Use	<u>30,482,703</u>	<u>0</u>	<u>30,482,703</u>
Total Land	\$88,607,578	\$532,056	\$89,139,634

<u>Land Purchases</u>	<u>Amount</u>	<u>Acres</u>	<u>Price/Acre</u>
Rayonier land cost	\$46,579,500	3,105.00	\$15,000
Closing cost	<u>1,617,172</u>		
Totals	\$48,196,672		
Lybass land cost	\$39,084,959	2,159.00	\$18,103
Closing cost	<u>1,325,947</u>		
Totals	\$40,410,906		
Combined land cost	\$86,990,406	5,264.00	\$16,526
Closing cost	<u>2,943,119</u>		
Totals	\$89,933,525		

<u>Lybass Site</u>	<u>Land Use</u>	<u>Total Percent</u>	<u>Used/Useful Percent</u>
Generation	94.08	4.36%	29.92%
Transmission	220.39	10.21%	<u>70.08%</u>
Future Use	<u>1,844.53</u>	<u>85.43%</u>	
Totals	2,159.00	100.00%	100.00%

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$15,000
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$27,667,950

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>27,667,950</u>
Remaining Value	\$12,742,956
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$8,930,645

(Small differences are attributed to rounding errors)

Additional information

During our review of supporting documentation for the land purchases it was discovered that the land balances reflected in the filing are overstated by \$127,073 as described below.

1. The company, in response to Document Request No. LV-10-07-PC, identified an invoice totaling \$20,612 for a survey that was paid twice. The company stated that it would correct the duplicate billing when it receives reimbursement from the vendor.
2. The company, in response to Document Request No. LV-11-07-PC, identified the "Other Cost" balance of \$10,780 included in the schedules above as a PEF Administrative Overhead allocation that should not have been charged to the land projects. The company

provided evidence that it removed and reclassified the amount in June 2008.

3. The company, in response to Document Request No. LV-12-07-PC, identified a \$95,681 accrual that is included in the land balance that should have been reversed in 2007. The company provided evidence that it removed the accrual in June 2008. None of the three land valuation methods and resulting balances described earlier in this finding includes the additional information discussed above.

The sales contract to purchase the Rayonier property² and the direct testimony of Daniel Roderick³ indicate that the contract terms of the Rayonier property sale included a deferred purchase price of [REDACTED]. The contingent liability becomes due when PEF has received the Combined Construction and Operation License issued by the U.S. Nuclear Regulatory Commission. The company has not included any accounting entries in the current filing or its general ledger that records the deferred purchase contingent liability.

EFFECT ON THE FILING:

Action	Effect	Amount
Accept company land valuation	None	\$0
Accept first alternative valuation	Reduce generation land balance	(\$1,712,472)
	Reduce transmission land balance	(\$4,011,602)
	Increase future use land balance	<u>\$5,724,074</u>
	Net	\$0
Accept second alternative valuation	Increase generation land balance	\$2,369,656
	Reduce transmission land balance	(\$5,184,409)
	Increase future use land balance	<u>\$2,814,753</u>
	Net	\$0
Accept additional information finding	Reduce generation land balance	(\$20,612)
	Reduce generation land balance	(\$95,681)
	Reduce transmission land balance	<u>(\$10,780)</u>
		(\$127,073)

EFFECT ON THE GENERAL LEDGER: An alternative valuation adjustment would only apply to the balances of the individual projects within Acct. No. 1071000 with a net effect of \$0 on the account. The additional information adjustments have already been made or will be made by the company in 2008.

We defer the appropriate treatment of the deferred purchase contingent liability to the analyst in this proceeding.

² Purchase and Sale Agreement, executed November 16, 2006, Page 21, Paragraph 44.

³ Confidential Testimony of Daniel L. Roderick on Behalf of Progress Energy Florida, filed March 11, 2008, Docket No. 080148-EI, Page 11, Lines 21-22.

EXHIBIT 1

Levy County Nuclear Filing
Pre-Construction Costs and Carrying Costs on Construction Cost Balance [Section (5)(c)1.a.]
True-up Filing: Retail Revenue Requirements Summary

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 current year and the previously filed expenditures for such current year.

For the Year Ended 12/31/2007

COMPANY:
 Progress Energy - FL
 DOCKET NO.:
 080149-EI

Witness:

Line No.	(H)	(I)	(J)	(K)	(L)	(M)	(N)	
	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	12 Month Total	
Jurisdictional Dollars								
1.	Preconstruction Revenue Requirements (Schedule T-2, line 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2.	Construction Carrying Cost Revenue Requirements (Schedule T-3, line 7)	-	-	224,666	460,556	483,321	544,736	1,713,284
3.	Recoverable O&M Revenue Requirements (Schedule T-4, line 24)	-	-	-	-	-	-	
4.	Deferred Tax Liability Carrying Cost (Schedule T-3A, line 8)	-	-	(70)	(285)	(581)	(904)	(1,841)
5.	Other Adjustments	-	-	-	-	-	-	
6.	Total Period Revenue Requirements (Lines 1 through 5)	-	-	224,596	460,273	482,739	543,835	1,711,443
7.	Total Return Requirements from most recent Projections	-	-	-	-	-	-	
8.	Difference (Line 6 - Line 7)	\$ -	\$ -	\$ 224,596	\$ 460,273	\$ 482,739	\$ 543,835	\$ 1,711,443

Docket No. 090009-EI
 Exhibit IAS-1 (Page 10 of 14)
 Levy Units 1 & 2 Pre-Construction Cost

EXHIBIT 2

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

[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 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

060149-EI

Witness:

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.	Nuclear CWIP Additions (Schedule T-6, line 48)	\$ -	\$ -	\$ 42,708,524	\$ 1,831,101	\$ 1,875,060	\$ 9,148,386	\$ 55,561,672
2.	Transfers to Plant in Service	-	-	-	-	-	-	-
3.	Other Adjustments (d)	-	-	-	161,386	310,364	325,893	787,441
4.	CWIP Base Eligible for Return (PM CWIP Bal. + Line 1 - 2 + 3)	-	-	42,708,524	44,689,020	46,874,434	56,248,513	56,248,513
5.	Average Net CWIP Additions	-	-	21,353,262	43,773,468	45,936,904	51,774,320	na
6.	Return on Average Net CWIP Additions (c)	-	-	-	-	-	-	-
a.	Equity Component (a)	-	-	116,674	239,178	250,999	282,895	889,747
b.	Equity Comp. grossed up for taxes (b)	-	-	189,946	389,383	406,827	460,553	1,448,509
c.	Debt Component	-	-	34,720	71,176	74,683	84,186	264,776
7.	Total Return Requirements (Line 6b + 6c)	-	-	224,866	460,558	483,321	544,738	1,713,284
8.	Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
9.	Difference (Line 7 - Line 8)	\$ -	\$ -	\$ 224,866	\$ 460,558	\$ 483,321	\$ 544,738	\$ 1,713,284

Notes:

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

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

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

(d) Return on average net Construction Work in Progress (CWIP) additions that is being included in the Levy costs until such time as those costs are recovered under the Capacity Cost Recovery (CCR) rate.

Page 2 of 2

Docket No. 090009-EI
Exhibit JAS-1 (Page 11 of 14)
Levy Units 1 & 2 Pre-Construction Cost

EXHIBIT 3

**Levy County Nuclear Filing
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 current year.

For the Year Ended 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

080149-EI

Witness:

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. Construction Period Interest (Schedule T-3B, Line 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Recovered Costs Excluding AFUDC (Schedule T-2, Line 1+ Line 3)	-	-	-	-	-	-	-	-
3. Other Adjustments (d)	-	-	-	(24,720)	(71,178)	(74,883)	(84,185)	(264,776)
4. Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	-	-	-	(24,720)	(105,898)	(180,686)	(264,775)	n/a
5. Deferred Tax Liability (DTL) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	-	-	-	(13,393)	(46,849)	(66,642)	(102,137)	n/a
6. Average Accumulated DTA	-	-	-	(6,867)	(77,121)	(56,296)	(88,900)	
7. Carrying Costs on DTA (c)								
a. Equity Component (a)	-	-	-	(37)	(148)	(302)	(490)	(865)
b. Equity Comp. grossed up for taxes (b)	-	-	-	(90)	(241)	(492)	(754)	(1,566)
c. Debt Component	-	-	-	(11)	(44)	(80)	(140)	(285)
8. Total Return Requirements (Line 7b + 7c)	-	-	-	(70)	(285)	(581)	(904)	(1,641)
9. Total Return Requirements from most recent Projections	-	-	-	-	-	-	-	-
10. Difference (Line 8 - Line 9)	\$ -	\$ -	\$ -	(70)	(285)	(581)	(904)	(1,641)

Notes:

(a) The monthly Equity Component of 8.85% 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 8.848%.

(d) Return on average net Construction Work in Progress (CWIP) additions that is being included in the Levy costs until such time as these costs are recovered under the Capacity Cost Recovery (CCR) rate.

Docket No. 090009-EI
 Exhibit JAS-1 (Page 12 of 14)
 Levy Units 1 & 2 Pre-Construction Cost

EXHIBIT 4

**Levy County Nuclear Filing
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 current year.

For the Year Ended 12/31/2007

COMPANY:
Progress Energy - FL
DOCKET NO.:
080149-EI

Witness.

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	\$ -	\$ -	\$ 42,493,547	\$ 42,706,524	\$ 44,537,825	\$ 46,412,865	
2.	Additions Site Selection & Preconstruction (Schedule T-2, line 1)	-	-	-	-	-	-	
3.	Additions Construction (Schedule T-3, line 1)	-	42,493,547	212,977	1,831,101	1,875,060	9,148,388	65,561,072
4.	Other Adjustments	-	-	-	-	-	-	
5.	Average Balance Eligible for CPI	-	21,246,774	42,800,036	43,622,075	45,475,156	50,886,678	
6.	Monthly CPI Rate (a)	-	-	-	-	-	-	
7.	Construction Period Interest for Tax (CPI)	-	-	-	-	-	-	
8.	Ending Balance Excluding CPI	\$ -	\$ -	\$ 42,493,547	\$ 42,706,524	\$ 44,537,825	\$ 46,412,865	\$ 55,561,072

(a) CPI is not calculated until construction starts for tax purposes.

Docket No. 090009-EI
 Exhibit JAS-1 (Page 13 of 14)
 Levy Units 1 & 2 Pre-Construction Cost

EXHIBIT 5

Levy County Nuclear Plant
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
Freeze Filing Monthly Expenditures

(Section 8)(c)1.a.
(Section 8)(d)

Schedule T-6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the actual monthly expenditures by major tasks performed
at the Site Selection and Construction categories
for the prior year.

For the Year Ended 12/31/2007

COMPANY: Progress Energy - FL
DOCKET NO.: 090148-S1

Witness:

EXPLANATION	(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
Generation													
1. License Application	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Engineering & Design													
3. Permitting													
4. Clearing, Grading and Excavation													
5. On-Site Construction Facilities													
6. Total Generation Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7. Less Allowances													
8. Non-Cash Accruals													
9. Other													
10. Net Generation Costs													
11. Jurisdictional Factor	0.83753	0.83763	0.83753	0.83733	0.83763	0.83753	0.83753	0.83753	0.83753	0.83770	0.83763	0.83753	0.83753
12. Total Jurisdictional Generation Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Transmission													
13. Line Engineering	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
14. Substation Engineering													
15. Clearing													
16. Other													
17. Total Transmission Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
18. Less Allowances													
19. Non-Cash Accruals													
20. Other													
21. Net Transmission Costs													
22. Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
23. Total Jurisdictional Transmission Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
24. Total Jurisdictional Preconstruction Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Construction													
General													
25. Real Estate Acquisitions	\$	\$	\$	\$	\$	\$	\$	\$ 45,325,000	\$ 227,188	\$ 1,831,112	\$ 2,000,000	\$ 3,024,978	\$ 52,530,258
26. Project Management													
27. Personnel Staff Training													
28. Site Preparation													
29. On-Site Construction Facilities													
30. Power Block Engineering, Procurement, etc.													
31. Non-Power Block Engineering, Procurement, etc.													
32. Total Construction Costs	\$	\$	\$	\$	\$	\$	\$	\$ 45,370,000	\$ 227,188	\$ 1,833,112	\$ 2,000,000	\$ 3,024,978	\$ 52,530,258
33. Less Allowances													
34. Non-Cash Accruals								48,325,000	(48,325,000)				
35. Other													
36. Net Construction Costs								\$ 45,325,000	\$ (48,325,000)	\$ 1,833,112	\$ 2,000,000	\$ 3,024,978	\$ 52,530,258
37. Jurisdictional Factor	0.83753	0.83763	0.83753	0.83733	0.83763	0.83753	0.83753	0.83753	0.83753	0.83753	0.83763	0.83753	0.83753
38. Total Jurisdictional Construction Costs	\$	\$	\$	\$	\$	\$	\$	\$ 42,706,324	\$ 1,831,191	\$ 1,878,066	\$ 2,836,008	\$ 4,841,425	\$ 49,248,644
Transmission													
39. Line Engineering	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
40. Substation Engineering													
41. Real Estate Acquisitions													
42. Line Construction													
43. Substation Construction													
44. Other													
45. Total Transmission Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
46. Less Allowances													
47. Non-Cash Accruals													
48. Other													
49. Net Transmission Costs													
50. Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
51. Total Jurisdictional Transmission Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
52. Total Jurisdictional Construction Costs	\$	\$	\$	\$	\$	\$	\$	\$ 42,706,324	\$ 1,831,191	\$ 1,878,066	\$ 2,836,008	\$ 4,841,425	\$ 49,248,644

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 Exhibit JAS-1 (Page 14 of 14)
 Levy Units 1 & 2 Pre-Construction Cost



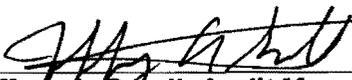
FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF REGULATORY COMPLIANCE
BUREAU OF AUDITING

Tampa District Office

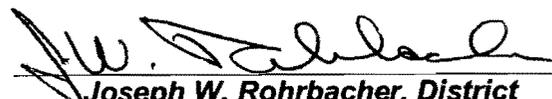
PROGRESS ENERGY FLORIDA, INC.
NUCLEAR COST RECOVERY CLAUSE
CRYSTAL RIVER UNIT THREE - UPRATE

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**

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¹ 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.

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.²

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 \$35,719,834.³

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 filing⁴, 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.

² 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.

³ 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.

⁴ 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

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

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.

Docket No. 090009-EI
 Exhibit JAS-2 (Page 8 of 26)
 Crystal River Unit Three - Uprate

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, 2008.⁵ 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.

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

⁶ 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				

Docket No. 090009-EI
 Exhibit JAS-2 (Page 10 of 26)
 Crystal River Unit Three - Uprate

AUDIT FINDING NO. 3

SUBJECT: [REDACTED]

AUDIT ANALYSIS: The Company has executed two contracts with Areva NP, Inc. for the Crystal River Unit 3 (CR3) extended power uprate (EPU) project. The two contracts include the following language concerning [REDACTED]

1. Contract No. 101659, Work Authorization No. 84, Amendment No. 3, Change Order No. 7. Effective date of December 8, 2008.

[REDACTED]

2. Contract No. 101659, Work Authorization No. 93. Effective date of October 18, 2007.

[REDACTED]

[REDACTED]

The first Areva contract above has a firm fixed price of [REDACTED] for the work provided by the contractor for the CR3 EPU, excluding subsequent amendments or change orders if applicable. [REDACTED]

The second Areva contract above has a firm fixed price of [REDACTED],000 for the work provided by the contractor for the CR3 EPU, excluding subsequent work authorizations, amendments or change orders when applicable. [REDACTED]

The company stated that the two Areva contracts are the only EPU contracts that contain [REDACTED] and that it has not received any [REDACTED] to date under the terms of the contracts.

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 2008.⁷ 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 2008.⁸
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

⁷ 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.

⁸ 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>	

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 Exhibit JAS-2 (Page 14 of 26)
 Crystal River Unit Three - Uprate

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.

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2008

DOCKET NO.:

090009-EI

Witness:

Wm 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	323,908	381,085	388,288	402,500	458,083	2,220,388
3.	9,952	16,778	16,681	(39,053)	19,979	16,284	39,601
4.	1,282	1,791	2,390	3,008	3,670	4,391	16,500
5.	54,816	109,551	109,470	109,389	109,308	109,227	601,761
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	\$478,960	\$506,800	\$541,802	\$584,574	\$2,928,903
8.	<u>\$1,341</u>	<u>\$12,670</u>	<u>\$2,636</u>	<u>(67,972)</u>	<u>(86,544)</u>	<u>\$19,391</u>	<u>(\$47,879)</u>

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

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Crystal River Unit Three - Uprate

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

[Section 5(X)1.6.]

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.:
090009-EI

Witness: Will Garrett

Line No.	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	12 Month Total
	Jurisdictional Dollars						
1.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	515,422	575,063	627,266	677,114	712,194	744,866	6,072,267
3.	8,713	28,750	17,193	25,315	22,803	23,414	166,588
4.	5,182	8,062	6,877	7,920	8,929	10,076	61,866
5.	108,147	108,688	108,885	108,904	108,523	108,742	1,256,428
6.	<u>\$638,473</u>	<u>\$719,941</u>	<u>\$760,412</u>	<u>\$810,253</u>	<u>\$852,548</u>	<u>\$887,688</u>	<u>\$7,555,938</u>
7.	\$600,046	\$666,444	\$742,302	\$810,435	\$852,674	\$916,130	\$7,612,934
8.	<u>\$38,427</u>	<u>\$54,497</u>	<u>\$18,110</u>	<u>\$8,818</u>	<u>(\$128)</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.

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Crystal River Unit Three - Uprate

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

DOCKET NO.:

090009-EI

Witness: WNI 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) Total To Date	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule T-6, line 73)	\$32,096,703	\$3,777,071	\$3,665,022	\$844,912	\$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	218,268	236,664	246,154	271,006	1,813,468
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)		<u>\$28,625,425</u>	<u>\$32,727,917</u>	<u>\$33,781,067</u>	<u>\$35,409,142</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	\$33,369,641	\$34,719,411	\$38,236,391	\$43,261,138	
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		\$187,597	\$198,211	\$182,326	\$188,701	\$208,924	\$236,324	\$1,153,084
b.	Equity Component grossed up for taxes (b)		272,849	273,849	296,827	306,834	340,126	384,796	1,877,223
c.	Debt Component		49,874	50,057	54,267	56,452	62,172	70,326	343,140
7.	Total Return Requirements (Line 6b + 6c)		<u>\$322,723</u>	<u>\$323,906</u>	<u>\$351,065</u>	<u>\$365,286</u>	<u>\$402,300</u>	<u>\$455,083</u>	<u>\$2,220,363</u>
8.	Total Return Requirements from most recent Projections		\$324,575	\$327,822	\$354,827	\$376,891	\$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>(\$11,606)</u>	<u>(\$4,000)</u>	<u>\$18,971</u>	<u>(\$4,844)</u>

Notes:

(a) The monthly Equity Component of 6.65% reflects an 11.78% 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 0.001626 (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 PEF's monthly CWIP balance to calculate the return requirements.

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Crystal River Unit Three - Uprate

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.

COMPANY:

Progress Energy - FL

For the Year Ended: 12/31/2008

DOCKET NO.:

090009-EI

Witness: WIM 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) Total To Date
Jurisdictional Dollars								
1.	Nuclear CWIP Additions (Schedule T-6, line 73)	\$8,535,251	\$4,107,248	\$5,039,040	\$3,692,903	\$2,162,805	\$3,085,875	\$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)	306,651	\$47,325	\$87,515	422,686	458,283	479,922	4,213,848
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)	<u>\$82,255,995</u>	<u>\$56,710,189</u>	<u>\$62,136,721</u>	<u>\$69,152,309</u>	<u>\$69,771,368</u>	<u>\$72,337,195</u>	<u>\$72,337,195</u>
5.	Average Net CWIP Additions	\$48,967,909	\$54,656,543	\$59,617,201	\$64,355,858	\$67,689,996	\$70,794,257	
6.	Return on Average Net CWIP Additions (c)							
a.	Equity Component (a)	\$257,670	\$298,643	\$325,748	\$351,840	\$369,858	\$386,820	\$3,153,465
b.	Equity Component grossed up for taxes (b)	435,768	486,192	530,319	572,471	602,130	629,743	5,133,846
c.	Debt Component	79,854	85,872	96,938	104,843	110,064	115,111	938,421
7.	Total Return Requirements (Line 6b + 6c)	<u>\$615,422</u>	<u>\$675,083</u>	<u>\$627,299</u>	<u>\$677,114</u>	<u>\$712,194</u>	<u>\$744,856</u>	<u>\$9,072,287</u>
8.	Total Return Requirements from most recent Projections	\$470,318	\$534,598	\$609,459	\$670,214	\$717,418	\$778,861	\$8,006,161
9.	Difference (Line 7 - Line 8)	<u>\$145,104</u>	<u>\$140,487</u>	<u>\$117,797</u>	<u>\$89,900</u>	<u>(\$5,222)</u>	<u>(\$33,996)</u>	<u>\$96,106</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 36.575%.

(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 0.001628 (Debt), which results in the annual rate of 6.846%.

(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.

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Crystal River Unit Three - Uprate

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.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: 12/31/2006

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.	Construction Period Interest (Schedule T-3B, Line 6)	\$188,304	\$191,088	\$203,445	\$215,720	\$230,186	\$257,510	\$1,287,254
2.	Recovered Costs Excluding AFUDC (Schedule T-2, Line 3)	0	0	0	0	0	0	0
3.	Other Adjustments (d)	(48,874)	(50,057)	(54,257)	(58,452)	(62,172)	(70,328)	(343,140)
4.	Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	<u>\$281,314</u>	<u>\$270,744</u>	<u>\$251,775</u>	<u>\$260,865</u>	<u>\$268,251</u>	<u>\$1,175,498</u>	<u>\$1,175,438</u>
5.	Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	<u>\$95,944</u>	<u>\$143,014</u>	<u>\$197,417</u>	<u>\$254,096</u>	<u>\$316,404</u>	<u>\$453,425</u>	<u>n/a</u>
6.	Average Accumulated DTA	\$118,979	\$170,218	\$226,182	\$285,665	\$348,812	\$417,322	
7.	Carrying Costs on DTA (c)							
a.	Equity Component (a)	\$656	\$930	\$1,238	\$1,581	\$1,906	\$2,280	\$8,589
b.	Equity Component grossed up for taxes (b)	1,067	1,514	2,012	2,541	3,103	3,712	13,950
c.	Debt Component	195	277	368	485	607	879	2,560
8.	Total Return Requirements (Line 7a + 7c)	<u>\$1,282</u>	<u>\$1,791</u>	<u>\$2,300</u>	<u>\$2,006</u>	<u>\$3,670</u>	<u>\$4,561</u>	<u>\$18,600</u>
9.	Total Return Requirements from most recent Projections	\$1,284	\$1,798	\$2,306	\$3,025	\$3,692	\$4,427	\$18,801
10.	Difference (Line 8 - Line 9)	<u>(\$2)</u>	<u>(\$7)</u>	<u>(\$6)</u>	<u>(\$19)</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 $M = [(1 + A/100)^{1/12} - 1] \times 100$, resulting in a monthly accrual rate of 0.006484 (Equity) and 0.001826 (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.

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Crystal River Unit Three - Uprate

EXHIBIT 3
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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

Witness: WRN Garrett

DOCKET NO.:

090009-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) 12 Month Total
Jurisdictional Dollars								
1. Construction Period Interest (Schedule T-3B, Line 8)		\$267,131	\$310,276	\$326,467	\$336,899	\$371,632	\$418,637	\$3,321,325
2. Recovered Costs Excluding AFUDC (Schedule T-2, Line 1)		0	0	0	0	0	0	0
3. Other Adjustments (d)		(76,654)	(66,672)	(66,936)	(104,643)	(110,084)	(116,111)	(638,421)
4. Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	\$1,175,438	\$1,362,814	\$1,604,319	\$1,833,668	\$2,069,124	\$2,350,662	\$2,634,218	\$2,634,218
5. Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	\$463,425	\$533,459	\$616,846	\$707,415	\$798,185	\$890,064	\$1,016,180	n/a
6. Average Accumulated DTA		\$493,442	\$676,193	\$863,140	\$782,790	\$648,615	\$667,607	
7. Carrying Costs on DTA (c)								
a. Equity Component (a)		\$2,896	\$3,146	\$3,623	\$4,113	\$4,637	\$5,232	\$32,019
b. Equity Component grossed up for taxes (b)		4,389	5,125	5,969	6,688	7,549	8,618	\$2,127
c. Debt Component		802	607	1,076	1,224	1,380	1,657	9,528
8. Total Return Requirements (Line 7a + 7c)		\$5,182	\$6,092	\$6,977	\$7,920	\$8,929	\$10,075	\$41,665
9. Total Return Requirements from most recent Projections		\$5,267	\$6,196	\$7,172	\$8,197	\$9,321	\$10,665	\$43,318
10. Difference (Line 8 - Line 9)		(\$73)	(\$139)	(\$195)	(\$277)	(\$392)	(\$490)	(\$1,653)

Notes:

(a) The monthly Equity Component of 8.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.675%.

(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 0.001626 (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.

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Exhibit JAS-2 (Page 20 of 26)
Crystal River Unit Three - Uprate

EXHIBIT 4
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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.

COMPANY:

Progress Energy - FL

For the Year Ended:

12/31/2008

DOCKET NO.:

090009-EI

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.	Beginning Balance	\$ 36,718,834	\$ 37,877,836	\$ 40,785,838	\$ 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 + 46 + 48) X Line 52)	2,158,001	2,888,004	2,197,578	2,854,038	3,103,843	8,137,288	21,338,720
4.	Other Adjustments	0	0	0	0	0	0	0
5.	Ending Balance Excluding CPI	<u>\$ 38,718,834</u>	<u>\$ 37,877,836</u>	<u>\$ 40,785,838</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>\$ 38,798,834</u>	<u>\$ 39,321,837</u>	<u>\$ 41,864,828</u>	<u>\$ 44,350,456</u>	<u>\$ 47,588,377</u>	<u>\$ 52,968,928</u>	
7.	Monthly CPI Rate (a)	0.0048008	0.0048896	0.0049598	0.0048696	0.0048598	0.0048696	
8.	Construction Period Interest for Tax (CPI)	<u>\$ 188,304</u>	<u>\$ 191,088</u>	<u>\$ 203,448</u>	<u>\$ 213,720</u>	<u>\$ 230,198</u>	<u>\$ 257,810</u>	<u>\$ 1,287,384</u>

Notes:

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

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Exhibit JAS-2 (Page 21 of 26)
Crystal River Unit Three - Uprate

EXHIBIT 4
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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: 12/31/2008

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	\$ 61,112,050	\$ 66,583,982	\$ 67,763,912	\$ 72,103,583	\$ 80,843,832	
2.	Additions Site Selection/Preconstruction	0	0	0	0	0	0	
3.	Additions Construction (Schedule T-6, (Line 45 + 4B + 4C) X Line 52)	4,053,496	5,471,932	1,199,931	4,319,651	8,740,266	10,605,296	55,729,293
4.	Other Adjustments	0	0	0	0	0	0	
5.	Ending Balance Excluding CPI	<u>\$ 57,058,554</u>	<u>\$ 61,112,050</u>	<u>\$ 66,583,982</u>	<u>\$ 67,763,912</u>	<u>\$ 72,103,583</u>	<u>\$ 80,843,832</u>	<u>\$ 91,449,127</u>
6.	Average Balance Eligible for CPI	<u>\$ 59,085,302</u>	<u>\$ 63,848,016</u>	<u>\$ 67,163,947</u>	<u>\$ 68,943,738</u>	<u>\$ 76,473,697</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>\$ 338,898</u>	<u>\$ 371,632</u>	<u>\$ 418,637</u>	<u>\$ 3,321,325</u>

Notes:

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

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Exhibit JAS-2 (Page 22 of 26)
Crystal River Unit Three - Uprate

EXHIBIT 5

CRYSTAL RIVER UNIT 3 UPRATE
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 5(c))

Schedule T-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:
Progress Energy - FL
DOCKET NO.:
890005-02

For the Year Ended: 12/31/2008

Witness: WM Gerritt

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	\$308	\$1,808	\$2,040	(\$4,174)	\$2,287	\$4,234	\$1,887	\$1,932	\$1,293	\$4,748	\$3,882	\$4,074	\$23,846
2	Corporate Communications	0	0	0	0	0	0	0	53	0	0	0	0	53
3	Corporate Planning	3,382	6,106	7,842	(14,876)	12,133	9,162	4,187	2,207	1,303	7,138	4,388	4,133	48,488
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	3,330	3,339	3,309	(18,900)	0	0	0	0	0	0	0	0	(13)
8	Legal	0	0	0	0	0	0	0	22,088	18,848	16,111	12,488	13,630	78,870
9	Project Assistance	3,943	6,978	5,888	(12,878)	9,320	4,708	4,384	8,398	1,018	2,888	3,887	8,848	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	(808)	(1,848)	(1,487)	(842)	(2,884)	(1,834)	(2,438)	(2,184)	(2,374)	(18,881)
12	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Subtotal A&G	\$10,828	\$18,281	\$18,084	(\$42,882)	\$21,781	\$18,802	\$8,407	\$32,313	\$18,483	\$27,228	\$24,381	\$28,388	\$188,878
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	\$18,828	\$18,281	\$18,084	(\$42,882)	\$21,781	\$18,802	\$8,407	\$32,313	\$18,483	\$27,228	\$24,381	\$28,388	\$188,878
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)	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783	0.88783
30	Jurisdictional Factor (Transmission)	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887	0.70887
31	Jurisdictional Recoverable Costs (A&G) (Line 13 X Line 27)	\$8,935	\$16,731	\$16,578	(\$38,108)	\$19,848	\$17,219	\$8,823	\$29,821	\$16,827	\$24,988	\$22,338	\$23,882	\$188,878
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 (Nuclear - 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	\$8,935	\$16,731	\$16,578	(\$38,108)	\$19,848	\$17,219	\$8,823	\$29,821	\$16,827	\$24,988	\$22,338	\$23,882	\$188,878
36	Average Monthly Recoverable O&M Balance	\$4,868	\$16,317	\$38,018	\$23,837	\$14,311	\$31,828	\$43,913	\$83,124	\$88,827	\$187,737	\$131,781	\$184,818	
37	Monthly Short-Term Commercial Paper Rate (Appendix A, Line 5)	0.338%	0.287%	0.234%	0.228%	0.228%	0.203%	0.204%	0.204%	0.288%	0.329%	0.188%	0.088%	
38	Interest Provision	\$17	\$47	\$83	\$84	\$31	\$88	\$80	\$138	\$357	\$354	\$244	\$132	\$1,312
39	Total Monthly Recoverable O&M Costs	\$9,852	\$16,778	\$16,661	(\$38,024)	\$19,879	\$17,307	\$9,703	\$30,700	\$17,184	\$25,342	\$22,582	\$24,014	\$190,190
40	Total Jurisdictional O&M Costs From Most Recent Projection	\$8,963	\$16,777	\$16,662	(\$38,081)	\$19,880	\$17,227	\$8,714	\$29,881	\$16,828	\$24,981	\$22,331	\$23,880	\$188,833
41	Difference (Line 39 - 40)	(\$1)	\$1	(\$1)	(\$64)	(\$11)	(\$28)	(\$189)	(\$179)	(\$357)	(\$361)	(\$151)	(\$132)	(\$257)

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 Crystal River Unit Three Uprate

EXHIBIT 6

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

(Section 33(1)-a.)
(Section 33(2))

Substate T-4

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: Progress Energy - FL
DOCKET NO.: 090009-EI

EXPLANATION: Provide the actual monthly expenditures by major tasks performed within Site Selection, Preconstruction and Construction categories for the prior year.

For the Year Ended: 12/31/2008
Witness: WM Gamble & Sons Huntington

Category	(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 Site Selection/Pre-Construction													
2 Generation:													
3 Licenses 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 Total Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Adjustments:													
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 Net Generation Costs	\$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 Total Jurisdictional Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Transmission:													
19 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Substation Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Clearing	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24 Adjustments:													
25 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
27 Net Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28 Jurisdictional Factor	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997
29 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
30 Total Jurisdictional SEPC Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Construction:													
37 Generation:													
38 Real Estate Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Project Implementation	320,842	368,538	781,148	348,897	783,887	1,618,388	482,182	831,480	676,848	1,088,087	751,428	652,782	7,731,840
40 Personnel Staff/Training	0	0	0	0	0	0	0	0	0	0	0	0	0
41 Site Preparation	0	0	0	0	0	0	0	0	0	0	0	0	0
42 On-Site Construction Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
43 Power Plant Engineering, Procurement, etc.	2,778,120	2,878,394	2,182,778	2,808,492	2,787,296	7,892,200	4,178,248	8,888,878	888,888	3,801,140	9,383,847	11,838,383	68,888,128
44 Non-Power Plant Engineering, Procurement, etc.	0	0	0	138,832	31,831	82,828	43,888	14,820	22,828	81,388	138,887	81,388	482,827
45 Total Generation Costs Note 1)	\$2,988,182	\$3,342,326	\$2,843,381	\$3,308,832	\$3,383,184	\$9,371,303	\$4,708,214	\$9,342,138	\$1,833,988	\$4,888,848	\$10,188,818	\$12,328,838	\$88,127,303
46 Adjustments:													
47 Non-Cash Accruals	1,728,856	1,783,881	(1,842,788)	(1,378,888)	2,188,882	(8,888,888)	2,847,127	(1,888,888)	8,888,888	(778,172)	(7,818,737)	(8,228,888)	(12,818,888)
48 Joint Owner Credit	(884,788)	(882,887)	(188,881)	(188,728)	(188,728)	(278,882)	(278,882)	(888,888)	(118,887)	(383,888)	(788,888)	(1,818,888)	(5,188,888)
49 Other	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)	(888,888)
50 Net Generation Costs (Note 2)	\$4,038,747	\$4,143,888	\$381,211	\$1,812,812	\$5,308,182	\$4,811,303	\$8,888,712	\$4,380,822	\$4,374,888	\$7,833,307	\$2,388,818	\$3,291,488	\$48,828,823
51 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
52 Total Jurisdictional Generation Costs	\$3,777,871	\$3,883,372	\$344,812	\$1,681,481	\$4,982,182	\$4,528,110	\$8,338,281	\$4,107,248	\$4,088,848	\$7,388,848	\$2,288,805	\$3,088,818	\$45,888,888
37 Transmission:													
38 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Substation Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
40 Real Estate Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0
41 Line Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
42 Substation Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
43 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
44 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45 Adjustments:													
46 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
48 Net Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49 Jurisdictional Factor	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997	0.070997
50 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 Total Jurisdictional Construction Costs	\$3,777,871	\$3,883,372	\$344,812	\$1,681,481	\$4,982,182	\$4,528,110	\$8,338,281	\$4,107,248	\$4,088,848	\$7,388,848	\$2,288,805	\$3,088,818	\$45,888,888

Note 1: Line 45 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.

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Crystal River Unit Three - Upgrade

EXHIBIT 7
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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-8

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-EI

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 Provtion	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	536,258	583,985	2,878,224
5	Over/(Under) Recovery true-up provision (Line 3 - Line 4)	(388,753)	(452,025)	(479,596)	(438,628)	(536,258)	(583,985)	(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

Docket No. 090009-EI
 Exhibit IAS-2 (Page 25 of 26)
 Crystal River Unit Three - Uprate

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-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	887,066	7,555,938
5	Over/(Under) Recovery true-up provision (Line 3 - Line 4)	(638,473)	(719,941)	(780,412)	(819,253)	(852,548)	(887,066)	(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
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

Docket No. 090009-EI
 Exhibit JAS-2 (Page 26 of 26)
 Crystal River Unit Three - Uprate



FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF REGULATORY COMPLIANCE
BUREAU OF AUDITING

Tampa District Office

PROGRESS ENERGY FLORIDA, INC.
NUCLEAR COST RECOVERY CLAUSE

LEVY COUNTY UNITS 1 & 2

AS OF DECEMBER 31, 2008

DOCKET NO. 090009-EI
AUDIT CONTROL NO. 08-248-2-1

A handwritten signature in black ink, appearing to read "Jeffery A. Small", written over a horizontal line.

Jeffery A. Small, Audit Manager

A handwritten signature in black ink, appearing to read "Joseph W. Rohrbacher", written over a horizontal line.

**Joseph W. Rohrbacher, District
Supervisor**

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¹ Schedules included in the company's filing that did not contain information reviewed by the auditor are excluded from this report.

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

JUNE 10, 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 Nuclear Cost Recovery Clause relief of its site selection, preconstruction and construction cost expenditures 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.

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 Rule 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 Schedule T-2 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled the monthly site selection and preconstruction carrying cost balances displayed on Schedule T-2 to the supporting schedules in the company's 2008 NCRC filing. We recalculated the schedule and reconciled the Allowance for Funds Used During Construction (AFUDC) rates applied by the company to the rates approved in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005.
- Objective:* Verify that Schedule T-3 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2008 NCRC filing.

Procedures: We reconciled the monthly construction carrying cost balances displayed on Schedule T-3 to the supporting schedules in the company's 2008 NCRC filing. We recalculated the schedule and reconciled the AFUDC rates applied by the company to the rates approved in Order No. PSC-05-0945-FOF-EI.
- 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

6. *Objective:* Verify that the Recoverable O&M Expenditure amount displayed on Schedule T-4, 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 recalculated a sample of the monthly recoverable O&M expenditures displayed on Schedule T-4 of the company's 2008 NCRC filing. We sampled and verified the O&M cost accruals and traced the invoiced amounts to supporting documentation. We verified company salary expense accruals and recalculated the respective overhead burdens the company applied. 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, in Docket No. 060007-EI.

7. *Objective:* Verify that the jurisdictional nuclear construction amounts, displayed on Schedule T-6, which rolls forward to Schedules T-2 and 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 generation and transmission cost accruals and traced the invoiced amounts to supporting documentation. We verified a sample of company salary expense accruals and recalculated a sample of the respective overhead burdens that the company applied. 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, in Docket No. 060007-EI.

EXHIBIT 1
Page 1 of 2

LEVY COUNTY NUCLEAR 1 and 2
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.:
090009-EI

Witness: **Will 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	Site Selection/Preconstruction Revenue Requirements (Schedule T-2, line 7)	\$2,834,068	\$3,247,997	\$2,360,391	\$55,009,653	\$50,985,874	\$11,326,657	\$125,756,639
2	Construction Carrying Cost Revenue Requirements (Schedule T-3, line 7)	596,727	600,658	605,429	610,104	615,239	619,765	3,648,223
3	Recoverable O&M Revenue Requirements (Schedule T-4, line 39)	1,116,447	71,263	66,428	170,727	87,624	72,305	1,583,796
4	Deferred Tax Asset Carrying Cost (Schedule T-3A, line 8)	(2,569)	(3,076)	(3,603)	(4,237)	(5,140)	(6,322)	(24,948)
5	Other Adjustments	0	0	0	0	0	0	0
6	Total Period Revenue Requirements (Lines 1 through 5)	\$4,548,673	\$3,917,142	\$3,017,844	\$55,796,547	\$51,683,397	\$12,012,405	\$130,862,708
7	Total Return Requirements from most recent Projections	\$2,964,809	\$3,908,330	\$3,010,425	\$63,344,811	\$47,750,366	\$16,843,997	\$138,822,738
8	Difference (Line 6 - Line 7)	\$1,583,864	\$6,812	\$7,219	(\$7,548,264)	\$3,933,031	(\$3,831,592)	(\$5,860,030)

Docket No. 090009-EI
 Exhibit IAS-3 (Page 6 of 17)
 Levy County Units 1 & 2

EXHIBIT 1
Page 2 of 2

Schedule T-1		LEVY COUNTY NUCLEAR 1 and 2 Retail Revenue Requirements Summary True-up Filing: Retail Revenue Requirements Summary						[Section (5)(c)1.a.]
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								Witness: Will Garrett
DOCKET NO.: 090009-EI								
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	Site Selection/Preconstruction Revenue Requirements (Schedule T-2, line 7)	\$5,163,800	\$3,123,713	\$3,310,662	\$4,601,425	\$3,840,253	\$4,211,218	\$150,006,710
2	Construction Carrying Cost Revenue Requirements (Schedule T-3, line 7)	623,586	628,812	634,525	640,291	646,416	658,441	7,480,395
3	Recoverable O&M Revenue Requirements (Schedule T-4, line 39)	472,138	146,559	600,683	319,647	147,417	314,571	3,784,810
4	Deferred Tax Asset Carrying Cost (Schedule T-3A, line 8)	(7,532)	(8,983)	(10,358)	(11,757)	(13,183)	(14,638)	(81,499)
5	Other Adjustments	0	0	0	0	0	0	0
6	Total Period Revenue Requirements (Lines 1 through 5)	<u>\$6,251,894</u>	<u>\$3,890,201</u>	<u>\$4,735,512</u>	<u>\$5,540,807</u>	<u>\$4,620,903</u>	<u>\$5,169,692</u>	<u>\$161,180,416</u>
7	Total Return Requirements from most recent Projections	<u>\$6,049,800</u>	<u>\$6,242,196</u>	<u>\$41,951,278</u>	<u>\$6,817,836</u>	<u>\$9,398,034</u>	<u>\$16,874,584</u>	<u>\$226,956,466</u>
8	Difference (Line 6 - Line 7)	<u>\$202,094</u>	<u>(\$3,351,995)</u>	<u>(\$37,215,766)</u>	<u>(\$1,268,229)</u>	<u>(\$4,777,131)</u>	<u>(\$11,704,892)</u>	<u>(\$55,776,050)</u>

Docket No. 090009-EI
 Exhibit IAS-3 (Page 7 of 17)
 Levy County Units 1 & 2

EXHIBIT 2
Page 1 of 2

LEVY COUNTY NUCLEAR 1 and 2
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Site Selection/Preconstruction Costs

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

Schedule T-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the final true-up of site selection/preconstruction costs based on actual site selection/preconstruction expenditures for the prior year and previously filed expenditures for such prior year.

For the Year Ended:

12/31/2008

COMPANY:

Progress Energy - FL

Witness:

Will Garrett

DOCKET NO.:

090009-EI

Line No.	Beginning of Period	(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		\$2,642,288	\$3,024,141	\$2,098,002	\$4,458,249	\$49,881,160	\$9,899,822	\$122,003,662
2	\$16,992,024	16,992,024	19,784,182	22,939,142	26,207,220	80,037,242	130,862,695	
3		0	0	0	0	0	0	0
4		18,313,188	21,278,223	23,868,143	52,436,344	104,977,822	136,812,806	
5								
a.		100,063	116,253	131,071	286,512	573,599	740,987	1,948,488
b.		162,903	189,281	213,384	468,442	933,820	1,200,328	3,172,138
c.		29,777	34,595	39,005	85,261	170,684	220,506	579,839
6		<u>\$182,880</u>	<u>\$223,858</u>	<u>\$252,389</u>	<u>\$661,704</u>	<u>\$1,104,514</u>	<u>\$1,426,835</u>	<u>\$3,751,977</u>
7		<u>\$2,834,968</u>	<u>\$3,247,997</u>	<u>\$2,350,391</u>	<u>\$5,009,853</u>	<u>\$50,985,674</u>	<u>\$11,326,657</u>	<u>\$125,756,639</u>
8		\$2,331,766	\$3,242,713	\$2,345,097	\$62,596,104	\$47,000,521	\$14,940,695	\$132,458,888
9		<u>\$503,190</u>	<u>\$5,284</u>	<u>\$6,324</u>	<u>(\$7,668,151)</u>	<u>\$3,985,163</u>	<u>(\$3,614,038)</u>	<u>(\$6,703,248)</u>

Notes:

(a) The monthly Equity Component of 6.83% reflects an 11.75% return on equity.

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005484 (Equity) and 0.001626 (Debt), which results in the annual rate of 6.648%.

Docket No. 090009-EI
Exhibit JAS-3 (Page 8 of 17)
Levy County Units 1 & 2

EXHIBIT 2
Page 2 of 2

LEVY COUNTY NUCLEAR 1 and 2
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Site Selection/Preconstruction Costs

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

Schedule T-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the final true-up of site selection/preconstruction costs based on actual site selection/preconstruction expenditures for the prior year and previously filed expenditures for such prior year.

For the Year Ended:

12/31/2008

COMPANY:

Progres Energy - FL

Witness:

Will Garrett

DOCKET NO.:

090009-EI

Line No.	(I) Actual July	(J) Actual August	(K) Actual September	(L) Actual October	(M) Actual November	(N) Actual December	(O) 12 Month Total
Jurisdictional Dollars							
1	\$3,655,538	\$1,577,230	\$1,735,786	\$2,990,518	\$2,190,689	\$2,525,130	\$136,678,634
2	141,624,011	148,198,913	148,815,283	161,812,303	155,668,354	158,990,619	
3	0	0	0	0	0	0	0
4	143,351,790	146,984,528	149,883,166	163,107,682	156,783,689	160,253,184	
5	Return on Average Not Amortized CWIP Eligible for Return (c)						
a.	783,274	803,123	817,869	836,580	856,666	875,823	6,921,621
b.	1,275,172	1,307,488	1,331,482	1,361,963	1,394,654	1,426,516	11,268,411
c.	233,090	238,997	243,385	248,963	254,930	260,572	2,069,766
6	<u>\$1,806,262</u>	<u>\$1,646,483</u>	<u>\$1,574,676</u>	<u>\$1,810,906</u>	<u>\$1,649,564</u>	<u>\$1,886,086</u>	<u>\$13,328,176</u>
7	<u>\$5,163,800</u>	<u>\$3,123,713</u>	<u>\$3,310,662</u>	<u>\$4,601,425</u>	<u>\$3,840,253</u>	<u>\$4,211,218</u>	<u>\$130,008,710</u>
8	\$5,283,538	\$8,483,077	\$41,188,183	\$6,017,195	\$8,808,368	\$16,051,448	\$218,088,696
9	<u>(\$119,738)</u>	<u>(\$5,398,364)</u>	<u>(\$37,875,521)</u>	<u>(\$1,418,770)</u>	<u>(\$4,788,113)</u>	<u>(\$11,849,231)</u>	<u>(\$68,081,986)</u>

Notes:

(a) The monthly Equity Component of 8.86% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.678%.

(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 8.848%.

Docket No. 090009-EI
Exhibit JAS-3 (Page 9 of 17)
Levy County Units 1 & 2

EXHIBIT 3
Page 1 of 2

LEVY COUNTY NUCLEAR 1 and 2
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.

COMPANY:

Progress Energy - FL

For the Year Ended: 12/31/2008

DOCKET NO.:

090009-EI

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) Total to Date	
Jurisdictional Dollars									
1	Nuclear CWIP Additions (Schedule T-6, line 73)	\$55,681,072	\$0	\$0	\$39,628	\$32,931	\$120,998	(\$89,865)	\$55,664,962
2	Transfers to Plant in Service		0	0	0	0	0	0	0
3	Other Adjustments (d)	787,441	367,080	402,114	404,965	407,977	411,127	414,588	3,185,292
4	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)	<u>\$56,715,693</u>	<u>\$57,117,707</u>	<u>\$57,542,487</u>	<u>\$58,003,405</u>	<u>\$58,535,631</u>	<u>\$58,800,254</u>	<u>\$58,860,254</u>	
5	Average Net CWIP Additions	\$56,715,693	\$57,117,707	\$57,542,564	\$57,968,940	\$58,475,032	\$58,905,188		
6	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		\$309,894	\$312,091	\$314,413	\$316,841	\$319,608	\$321,858	\$1,894,604
b.	Equity Component grossed up for taxes (b)		504,508	508,085	511,864	515,817	520,159	523,985	3,084,418
c.	Debt Component		92,220	92,873	93,564	94,287	95,080	95,780	563,804
7	Total Return Requirements (Line 6a + 6c)		<u>\$596,727</u>	<u>\$600,958</u>	<u>\$605,429</u>	<u>\$610,104</u>	<u>\$615,239</u>	<u>\$619,765</u>	<u>\$3,648,223</u>
8	Total Return Requirements from most recent Projections		\$596,728	\$600,958	\$605,429	\$610,033	\$614,763	\$619,877	\$3,647,788
9	Difference (Line 7 - Line 8)		<u>(\$1)</u>	<u>\$0</u>	<u>(\$0)</u>	<u>\$71</u>	<u>\$476</u>	<u>(\$112)</u>	<u>\$435</u>

Notes:

(a) The monthly Equity Component of 8.65% 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 $M = [(1 + A/100)^{12P} - 1] \times 100$; resulting in a monthly accrual rate of 0.005484 (Equity) and 0.001626 (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 PEF's monthly CWIP balance to calculate the return requirements.

Docket No. 090009-EI
Exhibit IAS-3 (Page 10 of 17)
Levy County Units 1 & 2

EXHIBIT 3
Page 2 of 2

LEVY COUNTY NUCLEAR 1 and 2
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: 12/31/2006

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) Total To Date	
Jurisdictional Dollars									
1	Nuclear CWIP Additions (Schedule T-6, line 73)	\$55,864,862	(\$18,839)	\$190,091	\$26,298	\$211,733	\$89,623	\$1,326,261	\$7,462,187
2	Transfers to Plant in Service		0	0	0	0	0	0	0
3	Other Adjustments (d)	3,195,292	417,036	420,214	423,601	427,584	431,470	436,097	5,751,595
4	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)	<u>\$59,269,252</u>	<u>\$59,869,558</u>	<u>\$60,322,625</u>	<u>\$60,961,941</u>	<u>\$61,482,634</u>	<u>\$63,243,762</u>	<u>\$63,243,762</u>	
5	Average Net CWIP Additions	\$69,268,572	\$69,774,512	\$69,307,992	\$69,856,075	\$69,438,173	\$69,661,158		
6	Return on Average Net CWIP Additions (c)								
a.	Equity Component (a)		\$323,843	\$326,608	\$329,523	\$332,516	\$335,698	\$341,943	\$3,884,737
b.	Equity Component grossed up for taxes (b)		527,218	631,718	636,484	641,389	646,517	656,684	6,324,369
c.	Debt Component		96,371	97,193	98,061	98,952	99,866	101,757	1,156,036
7	Total Return Requirements (Line 6a + 6b + 6c)		<u>\$923,588</u>	<u>\$928,912</u>	<u>\$934,626</u>	<u>\$940,291</u>	<u>\$946,416</u>	<u>\$958,441</u>	<u>\$7,480,365</u>
8	Total Return Requirements from most recent Projections		\$626,459	\$631,482	\$638,513	\$646,813	\$662,354	\$697,349	\$7,551,788
9	Difference (Line 7 - Line 8)		<u>(\$1,871)</u>	<u>(\$2,670)</u>	<u>(\$3,888)</u>	<u>(\$6,522)</u>	<u>(\$16,938)</u>	<u>(\$38,908)</u>	<u>(\$71,363)</u>

Notes:

(a) The monthly Equity Component of 6.55% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.675%.

(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 0.001626 (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.

Docket No. 090009-EI
Exhibit JAS-3 (Page 11 of 17)
Levy County Units 1 & 2

EXHIBIT 4
Page 1 of 2

LEVY COUNTY NUCLEAR 1 and 2
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: WRT 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	Construction Period Interest (Schedule T-3B, Line 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Recovered Costs Excluding AFUDC (Schedule T-2, Line 3)	0	0	0	0	0	0	0
3	Other Adjustments (d)	(121,897)	(127,469)	(132,569)	(179,548)	(265,774)	(316,286)	(1,143,543)
4	Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	<u>(\$572,088)</u>	<u>(\$694,085)</u>	<u>(\$821,553)</u>	<u>(\$954,122)</u>	<u>(\$1,133,671)</u>	<u>(\$1,369,445)</u>	<u>(\$1,715,731)</u>
5	Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	36.575%	<u>(\$220,883)</u>	<u>(\$267,743)</u>	<u>(\$316,914)</u>	<u>(\$366,053)</u>	<u>(\$437,313)</u>	<u>(\$539,836)</u>
6	Average Accumulated DTA		(\$244,213)	(\$292,329)	(\$342,483)	(\$402,683)	(\$488,578)	(\$600,840)
7	Carrying Costs on DTA (c)							
a.	Equity Component (a)		(\$1,334)	(\$1,587)	(\$1,871)	(\$2,200)	(\$2,670)	(\$3,283)
b.	Equity Component grossed up for taxes (b)		(2,172)	(2,800)	(3,047)	(3,562)	(4,346)	(5,345)
c.	Debt Component		(387)	(473)	(557)	(658)	(794)	(977)
8	Total Return Requirements (Line 7b + 7c)		<u>(\$2,569)</u>	<u>(\$3,076)</u>	<u>(\$3,603)</u>	<u>(\$4,237)</u>	<u>(\$5,140)</u>	<u>(\$6,222)</u>
9	Total Return Requirements from most recent Projections		(\$1,322)	(\$1,825)	(\$2,356)	(\$2,991)	(\$3,916)	(\$5,118)
10	Difference (Line 8 - Line 9)		<u>(\$1,247)</u>	<u>(\$1,251)</u>	<u>(\$1,263)</u>	<u>(\$1,246)</u>	<u>(\$1,224)</u>	<u>(\$1,104)</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 36.575%.

(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 0.001626 (Debt), which results in the annual rate of 8.948%.

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

Docket No. 090009-EI
Exhibit IAS-3 (Page 12 of 17)
Levy County Units 1 & 2

EXHIBIT 4
Page 2 of 2

LEVY COUNTY NUCLEAR 1 and 2
Site Selection/Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Deferred Tax Carrying Costs

[Section (b)(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	Construction Period Interest (Schedule T-26, Line 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2	Recovered Costs Excluding AFUDC (Schedule T-2, Line 3)	0	0	0	0	0	0	0	
3	Other Adjustments (d)	(328,461)	(336,100)	(341,448)	(347,905)	(354,829)	(362,329)	(3,215,802)	
4	Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	<u>(\$1,718,731)</u>	<u>(\$2,045,191)</u>	<u>(\$2,381,592)</u>	<u>(\$2,722,827)</u>	<u>(\$3,070,732)</u>	<u>(\$3,425,561)</u>	<u>(\$3,787,690)</u>	
5	Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate) 38.575%	<u>(\$661,843)</u>	<u>(\$788,933)</u>	<u>(\$918,618)</u>	<u>(\$1,050,331)</u>	<u>(\$1,184,635)</u>	<u>(\$1,321,419)</u>	n/a	
6	Average Accumulated DTA		(\$725,388)	(\$863,775)	(\$964,474)	(\$1,117,433)	(\$1,252,973)	(\$1,391,294)	
7	Carrying Costs on DTA (c)								
a.	Equity Component (a)		(\$3,964)	(\$4,905)	(\$5,378)	(\$6,106)	(\$6,846)	(\$7,602)	(\$47,517)
b.	Equity Component grossed up for taxes (b)		(6,453)	(7,595)	(8,757)	(9,940)	(11,148)	(12,376)	(77,358)
c.	Debt Component		(1,178)	(1,388)	(1,601)	(1,817)	(2,037)	(2,262)	(14,140)
8	Total Return Requirements (Line 7a + 7b + 7c)		<u>(\$11,595)</u>	<u>(\$13,888)</u>	<u>(\$15,736)</u>	<u>(\$17,863)</u>	<u>(\$20,031)</u>	<u>(\$22,240)</u>	<u>(\$141,422)</u>
9	Total Return Requirements from most recent Projections		(\$20,546)	(\$21,921)	(\$23,393)	(\$25,045)	(\$26,729)	(\$28,497)	(\$163,623)
10	Difference (Line 8 - Line 9)		<u>\$12,194</u>	<u>\$12,938</u>	<u>\$13,035</u>	<u>\$13,256</u>	<u>\$13,546</u>	<u>\$13,859</u>	<u>\$72,124</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 0.001626 (Debt), which results in the annual rate of 6.848%.

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

Docket No. 090009-EI
Exhibit JAS-3 (Page 13 of 17)
Levy County Units 1 & 2

EXHIBIT 5

**LEVY COUNTY NUCLEAR 1 and 2
Site Selection/Pre-Construction Costs and Carrying Costs and Construction Cost Balance
True-up Filing: Recoverable O&M Monthly Expenditures**

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

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

DOCKET NO.:

090009-EI

Witness: WBI Garrett

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	\$1,201	\$7,328	\$5,354	\$12,133	\$4,206	\$5,152	\$3,363	\$4,980	\$1,761	\$4,656	\$5,109	\$7,782	\$66,507
2	Corporate Communications	0	2,902	3,259	778	(3,132)	283	4,428	3,821	0	4,310	3,813	3,937	24,248
3	Corporate Planning	13,040	24,418	14,065	37,950	29,804	12,402	11,069	9,458	12,215	51,136	(22,434)	10,113	208,384
4	Corporate Services	0	0	0	255	0	0	0	0	0	0	0	0	255
5	External Relations	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Human Resources	3,711	8,996	10,832	1,647	12,863	9,808	7,227	7,607	4,945	10,983	4,945	5,705	89,871
7	IT & Telecom	0	0	0	3,171	40	327	0	0	383	0	0	0	11,577
8	Legal	0	0	0	0	0	0	37,136	62,376	540,881	183,542	88,059	88,873	1,010,854
9	Project Assurance	7,869	13,025	15,361	6,182	13,544	9,821	7,161	8,156	5,452	21,383	20,056	30,905	479,675
10	Public Affairs	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	11,800	625	(7,128)	(2,867)	2,731	1,479	3,359	189,633	(6,927)	(5,292)	4,854	208,028
13	Subtotal A&G	\$25,848	\$89,475	\$49,415	\$55,189	\$54,589	\$40,346	\$93,678	\$106,662	\$770,430	\$281,064	\$190,295	\$187,865	\$1,798,111
14	Energy Delivery Florida	\$0	\$0	\$0	\$8,863	\$9,861	\$11,280	\$26,382	\$24,948	\$15,444	\$27,588	\$14,076	\$21,132	\$180,716
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	\$0	\$0	\$0	\$8,863	\$9,861	\$11,280	\$26,382	\$24,948	\$15,444	\$27,588	\$14,076	\$21,132	\$180,716
18	Nuclear Generation	\$1,114,320	\$0	\$0	\$104,859	\$0	\$0	\$399,694	\$0	\$91,840	(\$104,061)	\$453	\$64,886	\$1,571,800
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	\$1,114,320	\$0	\$0	\$104,859	\$0	\$0	\$399,694	\$0	\$91,840	(\$104,061)	\$453	\$64,886	\$1,571,800
22	Transmission	\$85,403	\$6,542	\$24,403	\$12,517	\$34,758	\$29,653	\$53,280	\$35,625	\$31,736	\$172,348	\$48,270	\$120,348	\$836,822
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	\$85,403	\$6,542	\$24,403	\$12,517	\$34,758	\$29,653	\$53,280	\$35,625	\$31,736	\$172,348	\$48,270	\$120,348	\$836,822
26	Total O&M Costs	\$1,205,969	\$76,917	\$73,818	\$182,547	\$60,205	\$81,290	\$613,242	\$161,175	\$882,482	\$378,659	\$184,863	\$164,170	\$4,197,550
27	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
28	Jurisdictional Factor (Distribution)	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567	0.99567
29	Jurisdictional Factor (Nuclear - Production - Base)	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753
30	Jurisdictional Factor (Transmission)	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567
31	Jurisdictional Recoverable Costs (A&G) (Line 13 X Line 27)	\$29,699	\$83,687	\$46,299	\$80,601	\$80,041	\$36,986	\$56,058	\$82,222	\$706,260	\$267,869	\$91,913	\$144,798	\$1,846,245
32	Jurisdictional Recoverable Costs (Distribution) (Line 17 X Line 28)	0	0	0	0.043	0.821	11,247	26,286	24,847	15,382	27,477	14,018	21,047	180,088
33	Jurisdictional Recoverable Costs (Nuclear - Production - Base) (Line 21 X Line 29)	1,044,708	0	0	86,308	0	0	318,473	0	48,802	(67,589)	425	80,654	1,473,810
34	Jurisdictional Recoverable Costs (Transmission) (Line 25 X Line 30)	60,172	4,619	17,228	8,837	24,536	20,904	37,814	25,160	22,408	121,675	34,783	84,860	448,842
35	Total Jurisdictional CCRC Recoverable O&M Costs	\$1,114,579	\$88,306	\$63,527	\$187,679	\$84,209	\$60,167	\$488,429	\$142,220	\$792,819	\$308,258	\$141,156	\$311,488	\$3,731,868
36	Average Monthly Recoverable O&M Balance	\$857,287	\$1,150,800	\$1,218,873	\$1,326,977	\$1,488,054	\$1,546,973	\$1,618,009	\$2,127,042	\$2,898,831	\$3,157,804	\$1,360,392	\$3,825,989	
37	Monthly Short-term Commercial Paper Rate (Appendix A, Line 5)	0.336%	0.257%	0.238%	0.228%	0.220%	0.203%	0.204%	0.204%	0.308%	0.329%	0.185%	0.086%	
38	Interest Provision	\$1,872	\$2,957	\$2,901	\$3,048	\$3,225	\$3,138	\$3,709	\$4,339	\$8,004	\$10,389	\$6,278	\$3,882	\$50,844
39	Total Monthly Recoverable O&M Costs	\$1,116,451	\$71,263	\$66,428	\$170,727	\$87,434	\$73,305	\$492,138	\$146,559	\$800,883	\$319,647	\$147,434	\$315,370	\$3,782,712
40	Total Jurisdictional O&M Costs From Most Recent Projection	\$37,615	\$98,486	\$82,278	\$138,864	\$138,097	\$88,543	\$161,348	\$148,598	\$148,975	\$176,843	\$184,943	\$184,282	\$1,479,631
41	Difference (Line 39 - 40)	\$1,078,836	\$47,787	\$35,150	\$31,863	\$35,373	\$35,238	\$330,790	\$61,661	\$650,708	\$141,804	\$162,491	\$131,088	\$2,303,081

EXHIBIT 6

LEVY COUNTY NUCLEAR 1 and 2
Site Selection/Pre-Construction Cost and Carrying Cost on Construction Cost Balance
True-up Files: Monthly Expenditures

(Section 19)(c)(1) #1
(Section 19)(b)(6)

Schedule T-6

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: Progress Energy - FL
DOCKET NO.: 090009-EI

EXPLANATION

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

For the Year Ended 12/31/2008
Winner: Y&B/Garrett/Garry Miller/Gary Purman

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 Site Selection/Pre-Construction													
2 Submittals													
3 License Application	\$3,694,011	\$3,369,653	\$3,379,417	\$3,134,426	(\$340,878)	\$8,384,875	\$1,788,284	\$1,298,529	\$2,118,733	\$4,850,827	(\$1,794,588)	\$5,486,331	\$33,358,472
4 Engineering & Design & Procurement	0	0	0	\$8,061,982	48,468,848	7,524,609	1,231,518	623,848	\$25,805	12,009,298	4,643,779	1,187,099	110,864,010
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	18,887	32,412	73,272	225,022	46,848	1,614	3,893	401,538
8 Total Generation Costs (Note 1)	\$3,994,011	\$3,369,653	\$3,379,417	\$38,196,378	\$48,127,772	\$8,428,181	\$3,053,214	\$1,897,848	\$2,867,525	\$2,631,917	\$2,852,795	\$6,677,543	\$144,454,020
9 Adjustments													
10 Non-Cash Accounts	(\$1,284,020)	(\$380,936)	(\$1,400,881)	(\$1,803,887)	\$6,341,940	\$1,582,665	\$482,125	(\$650,389)	(\$1,478,297)	(\$185,357)	(\$1,241,703)	(\$4,410,865)	(\$4,102,324)
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 Net Generation Costs (Note 2)	\$2,829,991	\$3,008,717	\$1,978,536	\$37,392,491	\$54,869,712	\$10,228,346	\$3,535,539	\$1,445,325	\$1,389,328	\$2,446,620	\$1,608,092	\$2,266,738	\$140,351,696
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 Total Jurisdictional Generation Costs	\$2,464,852	\$2,820,782	\$1,770,747	\$35,807,162	\$49,379,444	\$9,384,281	\$3,295,756	\$1,355,221	\$1,302,586	\$2,272,510	\$1,508,572	\$2,087,634	\$131,496,548
16 Transmission													
17 Line Engineering	982,228	\$142,034	\$161,578	\$756,791	\$265,818	\$80,864	\$158,415	\$156,580	\$217,879	\$874,800	\$334,187	\$416,258	\$3,682,300
18 Substation Engineering	(4,468)	27,490	11,932	89,880	108,378	89,130	48,867	125,016	193,873	88,844	184,282	275,858	1,179,837
19 Clearing	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other	54,824	507,882	478,856	(173,483)	296,808	203,880	280,380	408,848	488,188	(38,028)	283,985	323,789	3,185,814
21 Total Transmission Costs (Note 1)	\$147,783	\$677,215	\$640,264	\$683,196	\$668,366	\$383,950	\$567,742	\$788,424	\$889,188	\$1,017,656	\$602,474	\$1,015,930	\$7,988,071
22 Adjustments													
23 Non-Cash Accounts	\$108,554	(\$384,132)	(\$181,731)	\$298,073	\$181,778	\$332,144	\$7,814	(\$481,891)	(\$228,297)	\$27,745	(\$183,710)	(\$398,894)	(\$832,085)
24 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
25 Net Transmission Costs (Note 2)	\$251,237	\$293,083	\$458,533	\$981,269	\$770,138	\$776,184	\$906,856	\$314,473	\$660,891	\$300,389	\$188,784	\$617,111	\$7,155,986
26 Jurisdictional Factor	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587
27 Total Jurisdictional Transmission Costs	\$177,436	\$203,378	\$322,259	\$683,082	\$501,717	\$505,541	\$359,892	\$222,996	\$433,196	\$377,989	\$368,097	\$437,497	\$5,832,085
28 Total Jurisdictional SGPC Cost	\$2,642,288	\$3,024,161	\$2,098,001	\$34,489,250	\$49,881,161	\$9,889,822	\$3,895,638	\$1,577,220	\$1,735,786	\$2,990,819	\$2,190,669	\$2,525,131	\$136,878,633
29 Construction/Construction													
30 Real Estate Acquisition	80	\$13,856	\$63,284	\$118,832	\$21,068	\$22,427	\$48,671	\$47,356	\$108,974	\$195,835	\$113,037	(\$817,605)	(\$115,764)
31 Project Management	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Permanent Staff/Training	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Site Preparation	0	0	0	0	0	0	0	0	0	0	0	0	0
34 On-Site Construction Facilities	0	0	0	0	0	0	0	0	0	0	0	18,981	18,981
35 Power Block Engineering, Procurement, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Non-Power Block Engineering, Procurement, etc.	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Total Construction Costs (Note 1)	80	\$13,856	\$63,284	\$118,832	\$21,068	\$22,427	\$48,671	\$47,356	\$108,974	\$195,835	\$113,037	(\$808,624)	(\$96,783)
38 Adjustments													
39 Non-Cash Accounts	80	(\$13,856)	(\$10,911)	(\$88,707)	\$107,823	(\$110,192)	(\$69,387)	\$169,388	(\$75,792)	(\$89,808)	(\$34,823)	\$420,838	(\$78,447)
40 Joint Owner Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
41 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
42 Net Construction Costs (Note 2)	80	0	\$42,373	\$30,125	\$128,891	(\$87,771)	(\$19,716)	\$202,722	\$31,182	\$94,027	\$78,214	(\$387,786)	(\$78,447)
43 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
44 Total Jurisdictional Construction Costs	80	0	\$39,726	\$28,131	\$120,938	(\$82,248)	(\$18,872)	\$190,058	\$29,233	\$87,105	\$73,234	(\$361,382)	(\$78,447)
45 Transmission													
46 Line Engineering	80	80	80	80	80	80	80	80	80	80	80	80	80
47 Substation Engineering	0	0	0	0	0	0	0	0	0	0	0	0	0
48 Real Estate Acquisition	0	0	0	142	95	47	47	47	0,297	175,047	47,712	2,782,616	2,984,450
49 Line Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
50 Substation Construction	0	0	0	0	0	0	0	0	0	0	0	0	0
51 Other	0	0	142	(\$142)	0	(10,789)	0	0	0	0	0	0	(10,789)
52 Total Transmission Costs (Note 1)	80	80	142	80	85	(\$10,732)	\$47	\$47	\$9,297	\$175,047	\$47,712	\$2,782,616	\$2,863,670
53 Adjustments													
54 Non-Cash Accounts	80	80	80	80	80	80	80	80	(\$8,250)	80	(\$24,838)	\$14,333	(\$15,955)
55 Other	0	0	0	0	0	0	0	0	0	0	0	0	0
56 Net Transmission Costs (Note 2)	80	80	142	80	85	(\$10,732)	\$47	\$47	\$47	\$175,047	\$23,214	\$2,796,949	\$2,847,715
57 Jurisdictional Factor	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587
58 Total Jurisdictional Transmission Costs	80	80	\$100	80	\$85	(\$7,377)	\$33	\$33	\$33	\$123,578	\$16,268	\$1,982,645	2,831,960
59 Total Jurisdictional Construction Costs	80	80	\$39,828	\$28,211	\$120,938	(\$82,895)	(\$18,835)	\$190,091	\$29,268	\$87,173	\$87,523	\$1,325,201	\$1,853,115

Note 1: Lines 8, 24, 45 and 52 represent capital expenditures on an accrual basis, gross of joint owner billings and excludes AFUDC
Note 2: Lines 13, 26, 50 and 57 represent net capital expenditures on a cash basis, net of joint owner billings.

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Levy County Units 1 & 2

EXHIBIT 7
Page 1 of 2

LEVY COUNTY NUCLEAR 1 and 2
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-EI

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)	4,545,573	3,917,142	3,017,644	55,786,547	51,883,397	12,012,405	130,962,708
5	Over/(Under) Recovery true-up provision (Line 3 - Line 4)	(4,545,573)	(3,917,142)	(3,017,644)	(55,786,547)	(51,883,397)	(12,012,405)	(130,962,708)
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

Docket No. 090009-EI
Exhibit JAS-3 (Page 16 of 17)
Levy County Units 1 & 2

EXHIBIT 7
Page 2 of 2

LEVY COUNTY NUCLEAR 1 and 2
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-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)	6,251,894	3,890,201	4,735,512	5,549,607	4,620,903	5,169,592	181,180,416
5	Over/(Under) Recovery true-up provision (Line 3 - Line 4)	(6,251,894)	(3,890,201)	(4,735,512)	(5,549,607)	(4,620,903)	(5,169,592)	(181,180,416)
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

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Levy County Units 1 & 2