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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

THOMAS G. FOSTER

ON BEHALF OF

PROGRESS ENERGY FLORIDA

DOCKET NO. 100007-EI

AUGUST 27, 2010

(REVISED OCTOBER 7, 2010)

**Q. Please state your name and business address.**

**A.** My name is Thomas G. Foster. My business address is 299 First Avenue North, St. Petersburg, FL 33701.

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

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

**Q. Have you previously filed testimony before this Commission in this proceeding?**

**A.** Yes, I have.

**Q. Have your duties and responsibilities remained the same since you last filed testimony in this proceeding?**

**A.** Yes.

COM	5
APA	1
ECR	0
GCL	1
RAD	1
SSC	1
ADM	1
OPC	
CLK	GRM

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

2 **A.** The purpose of my testimony is to present, for Commission review and  
3 approval, PEF's calculation of the revenue requirements and its ECRC factors  
4 for application on customer billings during the period January 2011 through  
5 December 2011. My testimony addresses the capital and operating and  
6 maintenance ("O&M") expenses associated with PEF's environmental  
7 compliance activities for the year 2011 and actions to date related to its emission  
8 allowance procurement strategy as part of its Integrated Clean Air Compliance  
9 Plan for complying with the Clean Air Interstate Rule (CAIR) and related  
10 regulatory requirements.

11

12 **Q. Have you prepared or caused to be prepared under your direction,  
13 supervision or control any exhibits in this proceeding?**

14 **A.** Yes. I am sponsoring the following exhibits:

- 15 1. Exhibit No. \_\_ (TGF-3), which consists of PSC Forms 42-1P through 42-  
16 8P; and  
17 2. Exhibit No. \_\_ (TGF-4), which provides details of four capital projects by  
18 site.

19 The following individuals will also be co-sponsors of Forms 42-5P pages 1  
20 through 16 as indicated in their testimony:

- 21 • Mr. Zeigler will co-sponsor Forms 42-5P pages 1, 2 and 9;  
22 • Ms. West will co-sponsor Forms 42-5P pages 3, 4, 6, 8, 10, 11, 12, 13  
23 14, 15 and 16; and

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- Mr. Sorrick will co-sponsor Forms 42-5P page 7.

**Q. What is the total recoverable revenue requirement relating to the projection period January 2011 through December 2011?**

**A.** The total recoverable revenue requirement including true-up amounts and revenue taxes is \$174,303,552 as shown on Form 42-1P, Line 5 of Exhibit No. \_\_ (TGF-3).

**Q. What is the total true-up to be applied in the period January 2011 through December 2011?**

**A.** The total true-up applicable for this period is an over-recovery of \$38,881,686. This consists of the final true-up of over-recovery of \$4,562,177 for the period from January 2009 through December 2009 and an estimated true-up over-recovery of \$34,319,509 for the current period of January 2010 through December 2010. The detailed calculation supporting the estimated true-up was provided on Forms 42-1E through 42-8E of Exhibit No. \_\_ (TGF-1) filed with the Commission on October 7, 2010.

**Q. Are all the costs listed in Forms 42-1P through 42-7P attributable to Environmental Compliance projects previously approved by the Commission?**

**A.** Yes. PEF's 2011 ECRC projections include the following projects that have been previously approved by the Commission:

1 The Substation and Distribution System O&M programs (Nos. 1 and 2) were  
2 previously approved by the Commission in Order No. PSC-02-1735-FOF-EI.

3  
4 The Pipeline Integrity Management Program (No. 3) and the Above Ground  
5 Tank Secondary Containment Program (No. 4) were previously approved in  
6 Order No. PSC-03-1348-FOF-EI.

7  
8 The recovery of SO<sub>2</sub> Emission Allowances (No. 5) was previously approved in  
9 Order No. PSC-95-0450-FOF-EI; however, the costs were moved to the ECRC  
10 Docket from the Fuel Docket beginning January 1, 2004 at the request of Staff  
11 to be consistent with the other Florida investor owned utilities.

12  
13 The Phase II Cooling Water Intake 316(b) Program (No. 6) was previously  
14 approved in Order No. PSC-04-0990-PAA-EI.

15  
16 PEF's Integrated Clean Air Compliance Plan (Program No.7), which the  
17 Commission approved as a prudent and reasonable means of complying with  
18 CAIR and related regulatory requirements in Order No. PSC-07-0922-FOF-EI.

19  
20 The Arsenic Groundwater Standard Program (No. 8), the Sea Turtle Lighting  
21 Program (No. 9), and the Underground Storage Tanks Program (No. 10) were  
22 previously approved in Order No. PSC-05-1251-FOF-EI.

23

1 The Modular Cooling Tower Program (No. 11) was previously approved by the  
2 Commission in Order No. PSC-07-0722-FOF-EI.

3  
4 The Crystal River Thermal Discharge Compliance Project (No. 11.1) and the  
5 Greenhouse Gas Inventory and Reporting Project (No. 12) were previously  
6 approved in Order No. PSC-08-0775-FOF-EI.

7  
8 The Total Maximum Daily Loads for Mercury Project (No. 13) was previously  
9 approved in Order No. PSC-09-0759-FOF-EI.

10  
11 The Hazardous Air Pollutants (HAPs) ICR Project (No. 14) was previously  
12 approved in Docket No. 100025-EI.

13

14 **Q. Have you prepared schedules showing the calculation of the recoverable  
15 O&M project costs for 2011?**

16 **A.** Yes. Form 42-2P contained in Exhibit No. \_\_ (TGF-3) summarizes the  
17 recoverable O&M cost estimates for these projects in the amount of  
18 \$46,998,896.

19

20 **Q. Have you prepared schedules showing the calculation of the recoverable  
21 capital project costs for 2011?**

22 **A.** Yes. Form 42-3P contained in Exhibit No. \_\_ (TGF-3), summarizes the cost  
23 estimates projected for these projects. Form 42-4P, pages 1 through 15, shows

1 the calculations of these costs that result in recoverable jurisdictional capital  
2 costs of \$166,060,934.

3

4 **Q. Have you prepared schedules providing the description and progress**  
5 **reports for all environmental compliance activities and projects?**

6 **A.** Yes. Form 42-5P, pages 1 through 16, contained in Exhibit No. \_\_ (TGF-3)  
7 which provides each project description and progress, as well as the projected  
8 recoverable cost estimates.

9

10 **Q. What is the total projected jurisdictional costs for environmental**  
11 **compliance activities in the year 2011?**

12 **A.** The total jurisdictional capital and O&M costs of \$213,059,829 to be recovered  
13 through the ECRC, are calculated on Form 42-1P, contained in Exhibit No.  
14 \_\_ (TGF-3).

15

16 **Q. Please describe how the proposed ECRC factors were developed.**

17 **A.** The ECRC factors were calculated as shown on Forms 42-6P and 42-7P contained  
18 in Exhibit No. \_\_ (TGF-3). The demand component of class allocation factors  
19 were calculated by determining the percentage each rate class contributes to the  
20 monthly system peaks and then adjusted for losses for each rate class. This  
21 information was obtained from PEF's July 2009 load research study. The energy  
22 allocation factors were calculated by determining the percentage each rate class  
23 contributes to total kilowatt-hour sales and then adjusted for losses for each rate

1 class. Form 42-7P presents the calculation of the proposed ECRC billing factors  
2 by rate class.

3

4 **Q. Have you made any changes in how the costs associated with the Integrated**  
5 **Clean Air Compliance Plan (Project 7) are being allocated to the different**  
6 **rate classes?**

7 **A.** Yes. Project 7 capital and O&M costs are being allocated to the retail rate classes  
8 on an energy basis as opposed to a production demand basis as approved in Order  
9 PSC-09-0759-FOF-EI in Docket 090007. Previously, pursuant to the settlement in  
10 Docket 050078, PEF was allocating the costs of this project to the rate classes on a  
11 demand basis.

12

13 **Q. What are PEF's proposed 2011 ECRC billing factors by the various rate**  
14 **classes and delivery voltages?**

15 **A.** The computation of PEF's proposed ECRC factors for customer billings in 2011 is  
16 shown on Form 42-7P, contained in Exhibit No. \_\_ (TGF-3). In summary, these  
17 factors are as follows:

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RATE CLASS	ECRC FACTORS 12CP & 1/13AD
Residential	0.491 cents/kWh
General Service Non-Demand @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.482 cents/kWh 0.477 cents/kWh 0.472 cents/kWh
General Service 100% Load Factor	0.463 cents/kWh
General Service Demand @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.471 cents/kWh 0.466 cents/kWh 0.462 cents/kWh
Interruptible @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.464 cents/kWh 0.459 cents/kWh 0.455 cents/kWh
Curtable @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.451 cents/kWh 0.446 cents/kWh 0.442 cents/kWh
Lighting	0.470 cents/kWh



1 **Q. When is PEF requesting that the proposed ECRC billing factors be made**  
2 **effective?**

3 **A.** PEF is requesting that its proposed ECRC billing factors be made effective with  
4 the first bill group for January 2011 and continue through the last bill group for  
5 December 2011.

6

7 **Q. Please summarize your testimony.**

8 **A.** My testimony supports the approval of an average environmental billing factor of  
9 0.480 cents per kWh which includes projected capital and O&M revenue  
10 requirements of \$213,059,829 associated with a total of 15 environmental projects  
11 and a true-up over-recovery provision of \$38,881,686. My testimony also  
12 demonstrates that the projected environmental expenditures for 2011 are  
13 appropriate for recovery through the ECRC.

14

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

16 **A.** Yes, it does.

Witness: T.G. Foster  
Portion of Exhibit\_\_(TGF -3)  
Revised 10/07/10

**PROGRESS ENERGY FLORIDA, INC.  
ENVIRONMENTAL COST RECOVERY  
COMMISSION FORMS 42-1P THROUGH 42-8P**

**JANUARY 2011 - DECEMBER 2011**  
Calculation of the Projected Period Amount  
January through December 2011  
**DOCKET NO. 100007-EI**

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Total Jurisdictional Amount to be Recovered  
 For the Projected Period  
**JANUARY 2011 - DECEMBER 2011**  
 (in Dollars)

Form 42-1P  
 Revised 10/06/10

<u>Line</u>	Energy (\$)	Transmission Demand (\$)	Distribution Demand (\$)	Production Demand (\$)	Total (\$)
1 Total Jurisdictional Rev. Req. for the projected period					
a Projected O&M Activities (Form 42-2P, Lines 7 through 9)	\$32,876,935	\$988,344	\$9,191,580	\$3,942,037	\$46,998,896
b Projected Capital Projects (Form 42-3P, Lines 7 through 9)	163,940,992	0	3,570	2,116,372	166,060,934
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	<u>\$196,817,927</u>	<u>\$988,344</u>	<u>\$9,195,150</u>	<u>\$6,058,409</u>	<u>\$213,059,829</u>
2 True-up for Estimated Over/(Under) Recovery for the current period January 2010 - December 2010 (Form 42-2E, Line 5 + 6 + 10)	32,634,175	(1,826,794)	(555,669)	4,067,797	\$34,319,509
3 Final True-up for the period January 2009 - December 2009 (Form 42-1A, Line 3)	<u>3,223,408</u>	<u>148,765</u>	<u>855,587</u>	<u>334,416</u>	<u>\$4,562,177</u>
4 Total Jurisdictional Amount to Be Recovered/(Refunded) in the Projection period January 2011 - December 2011 (Line 1 - Line 2 - Line 3)	<u>\$160,960,344</u>	<u>\$2,666,373</u>	<u>\$8,895,231</u>	<u>\$1,656,196</u>	<u>\$174,178,144</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier of 1.00072)	<u>\$161,076,236</u>	<u>\$2,668,292</u>	<u>\$8,901,636</u>	<u>\$1,657,388</u>	<u>\$174,303,552</u>

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
 JANUARY 2011 - DECEMBER 2011

Form 42-2P  
 Revised 10/06/10

O&M Activities  
 (in Dollars)

Line	Description	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Description of O&M Activities													
1	Transmission Substation Environmental Investigation, Remediation, and Pollution Prevention	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$120,920	\$1,451,040
1a	Distribution Substation Environmental Investigation, Remediation, and Pollution Prevention	134,706	134,706	134,706	134,706	134,706	134,706	134,706	134,706	134,706	134,706	134,706	134,706	1,616,472
2	Distribution System Environmental Investigation, Remediation, and Pollution Prevention	1,568,000	1,018,000	1,046,200	750,400	761,200	761,200	534,400	443,000	422,200	303,400	0	0	7,608,000
3	Pipeline Integrity Management, Review/Update Plan and Risk Assessments - Intm	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	1,593,000
4	Above Ground Tank Secondary Containment - Pkg	0	0	0	0	0	0	0	0	0	0	0	0	0
5	SO2 & NOx Emissions Allowances - Energy	468,763	412,306	448,082	261,456	522,364	645,017	705,122	683,356	611,025	454,619	336,590	388,218	5,934,929
6	Phase II Cooling Water Intake 316(b) - Base	0	0	0	0	0	0	0	0	0	0	0	0	0
6a	Phase II Cooling Water Intake 316(b) - Intm	0	0	0	0	0	0	0	0	0	0	0	0	0
7.2	CAIR - Peaking	0	43,700	0	0	10,000	0	0	0	0	0	0	0	0
7.4	CAIR Crystal River - Base	1,484,091	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	1,257,763	15,319,483
7.4	CAIR Crystal River - Energy	1,192,628	861,703	669,181	1,100,107	1,246,889	1,266,008	1,189,286	1,229,973	1,259,051	1,247,075	1,053,038	965,914	13,270,832
7.4	CAIR Crystal River - A&G	1,142	1,142	1,142	1,714	1,142	1,142	1,142	1,142	1,142	1,142	1,714	1,142	14,851
8	Arsenic Groundwater Standard - Base	0	0	3,750	0	0	3,750	0	0	0	0	0	0	0
9	Sea Turtle - Coastal Street Lighting - Distrib	150	150	150	150	150	150	150	150	150	150	150	150	15,000
11	Modular Cooling Towers - Base	0	0	0	0	0	700,000	700,000	700,000	700,000	700,000	240,761	240,761	3,281,521
12	Greenhouse Gas Inventory and Reporting - Energy	0	0	4,500	0	0	0	0	0	0	0	0	0	4,500
13	Mercury Total Daily Maximum Loads Monitoring - Energy	9,500	0	0	9,500	0	0	0	9,500	0	0	0	0	38,000
14	Hazardous Air Pollutants (HAPs) ICR Program - Energy	0	0	0	0	0	0	0	0	0	9,500	0	0	0
15	Effluent Limitation Guidelines ICR Program - Energy	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Total of O&M Activities	5,112,650	3,983,140	3,817,154	3,769,466	4,187,864	5,023,407	4,785,739	4,703,760	4,643,457	3,695,096	3,300,320	3,258,574	\$50,280,628
3	Recoverable Costs Allocated to Energy	1,670,691	1,274,009	1,119,773	1,371,063	1,769,233	1,911,025	1,903,908	1,913,329	1,870,075	1,711,194	1,389,628	1,344,132	19,248,262
4	Recoverable Costs Allocated to Demand - Transm	120,920	120,920	120,920	120,920	120,920	120,920	120,920	120,920	120,920	120,920	120,920	120,920	1,451,040
	Recoverable Costs Allocated to Demand - Distrib	1,702,856	1,152,856	1,181,056	885,256	896,056	896,056	669,256	577,856	557,056	438,256	134,856	134,856	9,226,272
	Recoverable Costs Allocated to Demand - Prod-Base	1,484,091	1,257,763	1,261,513	1,257,763	1,257,763	1,961,513	1,957,763	1,957,763	1,961,513	1,257,763	1,498,523	1,502,273	18,616,004
	Recoverable Costs Allocated to Demand - Prod-Intm	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	132,750	1,593,000
	Recoverable Costs Allocated to Demand - Prod-Peaking	0	43,700	0	0	10,000	0	0	0	0	0	0	0	0
	Recoverable Costs Allocated to Demand - A&G	1,142	1,142	1,142	1,714	1,142	1,142	1,142	1,142	1,142	1,142	1,714	1,142	14,851
5	Retail Energy Jurisdictional Factor	0.95713	0.97279	0.98062	0.98030	0.97895	0.97979	0.97902	0.97730	0.97680	0.97656	0.97725	0.97837	
6	Retail Transmission Demand Jurisdictional Factor	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	0.68113	
	Retail Distribution Demand Jurisdictional Factor	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	
	Retail Production Demand Jurisdictional Factor - Base	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
	Retail Production Demand Jurisdictional Factor - Intm	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	
	Retail Production Demand Jurisdictional Factor - Peaking	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	
	Retail Production Demand Jurisdictional Factor - A&G	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	0.87691	
7	Jurisdictional Energy Recoverable Costs (A)	1,599,263	1,239,339	1,098,075	1,344,047	1,731,993	1,872,395	1,863,962	1,869,901	1,826,694	1,671,087	1,358,015	1,315,060	18,789,631
8	Jurisdictional Demand Recoverable Costs - Transm (B)	82,362	82,362	82,362	82,362	82,362	82,362	82,362	82,362	82,362	82,362	82,362	82,362	988,344
	Jurisdictional Demand Recoverable Costs - Distrib (B)	1,696,453	1,148,521	1,176,615	881,927	892,687	892,687	666,740	575,683	554,961	436,608	134,349	134,349	9,191,580
	Jurisdictional Demand Recoverable Costs - Prod-Base (B)	1,351,844	1,145,684	1,149,100	1,145,684	1,145,684	1,786,723	1,783,307	1,783,307	1,786,723	1,145,684	1,364,990	1,368,406	16,957,136
	Jurisdictional Demand Recoverable Costs - Prod-Intm (B)	78,272	78,272	78,272	78,272	78,272	78,272	78,272	78,272	78,272	78,272	78,272	78,272	939,264
	Jurisdictional Demand Recoverable Costs - Prod-Peaking (B)	0	39,875	0	0	9,125	0	0	0	0	0	0	0	0
	Jurisdictional Demand Recoverable Costs - A&G (B)	1,002	1,002	1,002	1,503	1,002	1,002	1,002	1,002	1,002	1,503	1,002	1,002	119,718
9	Total Jurisdictional Recoverable Costs for O&M Activities (Lines 7 + 8)	\$4,809,196	\$3,735,055	\$3,585,426	\$3,533,795	\$3,941,126	\$4,713,441	\$4,475,645	\$4,390,527	\$4,330,014	\$3,445,172	\$3,039,521	\$2,999,982	\$48,998,896

Notes:  
 (A) Line 3 x Line 6  
 (B) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Capital Investment Projects- Recoverable Costs  
 (in Dollars)

Form 42-3P  
 Revised 10/06/10

Line	Description	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Description of Investment Projects (A)													
3.1	Pipeline Integrity Management - Bartow/Anclote Pipeline-Intermediate	\$37,076	\$37,004	\$36,934	\$36,864	\$36,793	\$36,722	\$36,802	\$37,027	\$37,106	\$37,182	\$37,260	\$37,618	\$444,388
4.1	Above Ground Tank Secondary Containment - Peaking	122,568	122,290	122,012	121,730	121,452	121,169	120,892	120,613	120,335	120,057	119,778	119,498	1,452,394
4.2	Above Ground Tank Secondary Containment - Base	33,280	33,204	33,150	33,095	33,041	32,985	32,931	32,876	32,822	32,768	32,713	32,658	395,503
4.3	Above Ground Tank Secondary Containment - Intermediate	3,103	3,098	3,094	3,088	3,084	3,079	3,074	3,069	3,065	3,059	3,054	3,050	36,917
5	SO2 & NOX Emissions Allowances - Energy	277,815	273,786	269,861	266,423	262,836	257,297	251,124	244,773	238,853	233,980	230,362	227,047	3,033,957
7.1	CAIR Anclote- Intermediate	0	0	0	0	0	0	0	0	0	0	0	0	0
7.2	CAIR CT's - Peaking	21,410	21,380	21,348	21,315	21,281	21,250	21,217	21,183	21,154	21,120	21,088	21,055	254,799
7.3	CAIR Crystal River - Base	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	31,728
7.4	CAIR Crystal River AFUDC - Base	14,822,113	14,804,527	14,780,981	14,757,438	14,733,892	14,710,349	14,686,805	14,663,258	14,639,715	14,616,173	14,593,450	14,570,726	176,379,427
7.4	CAIR Crystal River - Energy	4,372	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	57,301
9	Sea Turtle - Coastal Street Lighting - Distribution	188	203	229	250	265	290	311	326	352	372	386	411	3,583
10.1	Underground Storage Tanks-Base	1,831	1,828	1,826	1,823	1,820	1,817	1,815	1,812	1,809	1,806	1,804	1,801	21,792
10.2	Underground Storage Tanks-Intermediate	868	867	865	863	861	860	857	856	853	852	850	848	10,300
11	Modular Cooling Towers - Base	12,320	12,218	12,117	12,016	11,914	11,812	9,051	599	599	599	599	599	84,443
11.1	Crystal River Thermal Discharge Compliance Project AFUDC - Base	4,070	4,065	4,061	4,055	4,051	4,046	4,042	4,037	4,032	4,028	4,023	4,018	48,528
2	Total Investment Projects - Recoverable Costs	15,343,638	15,321,926	15,293,932	15,266,418	15,238,546	15,209,132	15,176,377	15,137,885	15,108,151	15,079,452	15,052,823	15,026,785	182,255,060
3	Recoverable Costs Allocated to Energy	282,187	278,598	274,673	271,235	267,448	262,109	255,936	249,585	243,665	238,792	235,174	231,859	3,091,258
4	Recoverable Costs Allocated to Demand - Distribution	188	203	229	250	265	290	311	326	352	372	386	411	3,583
	Recoverable Costs Allocated to Demand - Production - Base	14,878,238	14,858,486	14,834,779	14,811,071	14,787,362	14,763,653	14,737,268	14,705,226	14,681,621	14,658,018	14,635,233	14,612,446	176,961,421
	Recoverable Costs Allocated to Demand - Production - Intermediate	41,047	40,969	40,893	40,815	40,738	40,661	40,733	40,952	41,024	41,093	41,164	41,516	491,605
	Recoverable Costs Allocated to Demand - Production - Peaking	143,978	143,670	143,358	143,045	142,733	142,419	142,109	141,796	141,489	141,177	140,866	140,553	1,707,193
5	Retail Energy Jurisdictional Factor	0.95713	0.97279	0.98062	0.98030	0.97895	0.97979	0.97902	0.97730	0.97680	0.97656	0.97725	0.97837	
6	Retail Distribution Demand Jurisdictional Factor	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	
	Retail Demand Jurisdictional Factor - Production - Base	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
	Retail Demand Jurisdictional Factor - Production - Intermediate	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	
	Retail Demand Jurisdictional Factor - Production - Peaking	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	
7	Jurisdictional Energy Recoverable Costs (B)	270,090	271,016	269,350	265,890	261,818	256,810	250,586	243,920	238,012	233,195	229,824	226,844	3,017,336
8	Jurisdictional Demand Recoverable Costs - Distribution (C)	187	202	228	249	264	289	310	325	351	371	385	409	3,570
	Jurisdictional Demand Recoverable Costs - Production - Base (C)	13,550,616	13,534,446	13,512,852	13,491,256	13,469,660	13,448,064	13,424,048	13,394,843	13,373,342	13,351,842	13,331,087	13,310,331	161,192,389
	Jurisdictional Demand Recoverable Costs - Production - Intermediate (C)	24,202	24,156	24,111	24,065	24,020	23,975	24,017	24,146	24,189	24,229	24,271	24,479	289,860
	Jurisdictional Demand Recoverable Costs - Production - Peaking (C)	131,377	131,098	130,811	130,526	130,241	129,954	129,672	129,386	129,106	128,821	128,537	128,252	1,557,779
9	Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	\$13,976,473	\$13,980,917	\$13,937,353	\$13,911,987	\$13,886,004	\$13,859,082	\$13,828,613	\$13,792,620	\$13,764,999	\$13,738,458	\$13,714,104	\$13,690,315	\$186,060,934

**Notes:**

- (A) Each project's Total System Recoverable Expenses on Form 42-4P, Line 9; Line 5 for Project 5 - Allowances and Project 7.4 - Reagents.
- (B) Line 3 x Line 5
- (C) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: PIPELINE INTEGRITY MANAGEMENT - Bartow/Ancloata Pipeline (Project 3.1)  
 (In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$32,500	\$32,500	\$0	\$32,500	\$0	\$32,500	\$130,000
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	130,000	
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,579,735	3,709,735	
3	Less: Accumulated Depreciation	(658,240)	(665,973)	(673,706)	(681,439)	(689,172)	(696,905)	(704,638)	(712,371)	(720,104)	(727,837)	(735,570)	(743,303)	(751,220)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	32,500	65,000	65,000	97,500	97,500	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$2,921,496	2,913,763	2,906,030	2,898,297	2,890,564	2,882,831	2,875,098	2,869,865	2,924,632	2,916,899	2,941,666	2,933,933	2,958,516	
6	Average Net Investment		2,917,629	2,909,896	2,902,163	2,894,430	2,886,697	2,878,964	2,887,461	2,912,248	2,920,765	2,929,282	2,937,799	2,946,224	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	19,508	19,455	19,404	19,353	19,301	19,249	19,307	19,472	19,530	19,585	19,642	19,699	\$233,505
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	7,178	7,159	7,140	7,121	7,102	7,083	7,105	7,165	7,186	7,207	7,228	7,249	85,923
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)		7,733	7,733	7,733	7,733	7,733	7,733	7,733	7,733	7,733	7,733	7,733	7,917	92,980
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)		2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,753	31,980
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		37,076	37,004	36,934	36,864	36,793	36,722	36,802	37,027	37,106	37,182	37,260	37,618	444,388
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		37,076	37,004	36,934	36,864	36,793	36,722	36,802	37,027	37,106	37,182	37,260	37,618	444,388
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Intermediate)		0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		21,861	21,818	21,777	21,736	21,694	21,652	21,699	21,832	21,878	21,923	21,969	22,180	262,020
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$21,861	\$21,818	\$21,777	\$21,736	\$21,694	\$21,652	\$21,699	\$21,832	\$21,878	\$21,923	\$21,969	\$22,180	\$262,020

Notes:  
 (A) N/A  
 (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (C) Depreciation calculated in Pipeline Integrity Management section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (D) Property tax calculated in Pipeline Integrity Management section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (E) Line 9a x Line 10  
 (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **ABOVE GROUND TANK SECONDARY CONTAINMENT - PEAKING (Project 4.1)**  
 (In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	10,064,499	
3	Less: Accumulated Depreciation	(843,390)	(873,896)	(904,402)	(934,908)	(965,414)	(995,920)	(1,026,426)	(1,056,932)	(1,087,438)	(1,117,944)	(1,148,450)	(1,178,956)	(1,209,462)	
4	CWIP - Non-Interest Bearing	(0)	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$9,221,109	9,190,603	9,160,097	9,129,591	9,099,085	9,068,579	9,038,073	9,007,567	8,977,061	8,946,555	8,916,049	8,885,543	8,855,037	
6	Average Net Investment		9,205,857	9,175,351	9,144,845	9,114,339	9,083,833	9,053,327	9,022,821	8,992,315	8,961,809	8,931,303	8,900,797	8,870,291	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	61,551	61,348	61,145	60,940	60,735	60,530	60,327	60,124	59,920	59,717	59,513	59,308	\$725,158
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	22,650	22,575	22,500	22,423	22,350	22,272	22,198	22,122	22,048	21,973	21,898	21,823	266,832
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)		30,506	30,506	30,506	30,506	30,506	30,506	30,506	30,506	30,506	30,506	30,506	30,506	366,072
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
	d. Property Taxes (D)		7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	7,861	94,332
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		122,568	122,290	122,012	121,730	121,452	121,169	120,892	120,613	120,335	120,057	119,778	119,498	1,452,394
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		122,568	122,290	122,012	121,730	121,452	121,169	120,892	120,613	120,335	120,057	119,778	119,498	1,452,394
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Peaking)	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		111,941	111,587	111,334	111,076	110,823	110,564	110,312	110,057	109,803	109,550	109,295	109,040	1,325,280
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$111,941	\$111,587	\$111,334	\$111,076	\$110,823	\$110,564	\$110,312	\$110,057	\$109,803	\$109,550	\$109,295	\$109,040	\$1,325,280

Notes:  
 (A) N/A  
 (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (C) Depreciation calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (D) Property tax calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (E) Line 9a x Line 10  
 (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: ABOVE GROUND TANK SECONDARY CONTAINMENT - Base (Project 4.2)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-In-Service/Depreciation Base	\$2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	2,849,412	
3	Less: Accumulated Depreciation	(143,200)	(149,177)	(155,146)	(161,115)	(167,084)	(173,053)	(179,022)	(184,991)	(190,960)	(196,929)	(202,898)	(208,867)	(214,836)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$2,706,206	2,700,236	2,694,267	2,688,298	2,682,329	2,676,360	2,670,391	2,664,422	2,658,453	2,652,484	2,646,515	2,640,546	2,634,577	
6	Average Net Investment		2,703,221	2,697,252	2,691,283	2,685,314	2,679,345	2,673,376	2,667,407	2,661,438	2,655,469	2,649,500	2,643,531	2,637,562	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	18,075	18,034	17,994	17,955	17,915	17,874	17,834	17,795	17,755	17,715	17,675	17,635	\$214,256
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	6,651	6,636	6,622	6,606	6,592	6,577	6,563	6,547	6,533	6,519	6,504	6,489	78,839
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)		5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	5,969	71,628
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)		2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	2,565	30,780
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		33,260	33,204	33,150	33,095	33,041	32,985	32,931	32,876	32,822	32,768	32,713	32,658	395,503
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		33,260	33,204	33,150	33,095	33,041	32,985	32,931	32,876	32,822	32,768	32,713	32,658	395,503
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Base)	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		30,296	30,245	30,196	30,146	30,097	30,046	29,997	29,946	29,897	29,848	29,798	29,748	360,260
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$30,296	\$30,245	\$30,196	\$30,146	\$30,097	\$30,046	\$29,997	\$29,946	\$29,897	\$29,848	\$29,798	\$29,748	\$360,260

**Notes:**

- (A) N/A
- (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (C) Depreciation calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (D) Property tax calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (E) Line 9a x Line 10
- (F) Line 9b x Line 11



**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **ABOVE GROUND TANK SECONDARY CONTAINMENT - Intermediate (Project 4.3)**  
 (In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	290,297	
3	Less: Accumulated Depreciation	(28,602)	(29,134)	(29,666)	(30,198)	(30,730)	(31,262)	(31,794)	(32,326)	(32,858)	(33,390)	(33,922)	(34,454)	(34,986)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$261,696	261,164	260,632	260,100	259,568	259,036	258,504	257,972	257,440	256,908	256,376	255,844	255,312	
6	Average Net Investment		261,430	260,898	260,366	259,834	259,302	258,770	258,238	257,706	257,174	256,642	256,110	255,578	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	1,748	1,744	1,741	1,737	1,734	1,730	1,727	1,723	1,720	1,716	1,712	1,709	\$20,741
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	643	642	641	639	638	637	635	634	633	631	630	629	7,632
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)		532	532	532	532	532	532	532	532	532	532	532	532	6,384
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
	d. Property Taxes (D)		180	180	180	180	180	180	180	180	180	180	180	180	2,160
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,103	3,098	3,094	3,088	3,084	3,079	3,074	3,069	3,065	3,059	3,054	3,050	36,917
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		3,103	3,098	3,094	3,088	3,084	3,079	3,074	3,069	3,065	3,059	3,054	3,050	36,917
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Intermediate)	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	
12	Retail Energy-Related Recoverable Costs (E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)	1,830	1,827	1,824	1,821	1,818	1,815	1,812	1,810	1,807	1,804	1,801	1,798	1,795	21,767
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)	\$1,830	\$1,827	\$1,824	\$1,821	\$1,818	\$1,815	\$1,812	\$1,810	\$1,807	\$1,804	\$1,801	\$1,798	\$1,795	\$21,767

- Notes:
- (A) N/A
  - (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
  - (C) Depreciation calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.
  - (D) Property tax calculated in Above Ground Tank Secondary Containment section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
  - (E) Line 9a x Line 10
  - (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Schedule of Amortization and Return  
 Deferred Gain on Sales of Emissions Allowances (Project 5)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Working Capital Dr (Cr)														
	a. 1581001 SO <sub>2</sub> Emission Allowance Inventory	\$5,783,283	\$5,723,119	\$5,666,550	\$5,600,196	\$5,567,217	\$5,502,591	\$5,423,555	\$5,345,412	\$5,263,250	\$5,184,780	\$5,115,943	\$5,063,143	\$5,001,231	\$5,001,231
	b. 25401FL Auctioned SO <sub>2</sub> Allowance	(1,778,566)	(1,758,207)	(1,739,848)	(1,721,489)	(1,732,535)	(1,710,500)	(1,688,465)	(1,666,430)	(1,644,395)	(1,622,360)	(1,600,325)	(1,578,290)	(1,556,255)	(1,556,255)
	c. 1581002 NO <sub>x</sub> Emission Allowance Inventory	26,801,812	26,174,654	25,800,557	25,402,459	25,140,920	24,661,146	24,073,130	23,424,116	22,800,887	22,246,298	21,838,481	21,532,655	21,184,314	21,184,314
2	Total Working Capital	\$30,806,529	30,139,566	29,727,259	29,281,167	28,975,602	28,453,237	27,808,220	27,103,098	26,419,742	25,806,717	25,354,098	25,017,508	24,629,290	24,629,290
3	Average Net Investment		30,373,947	29,933,412	29,504,213	29,128,384	28,714,420	28,130,729	27,455,659	26,761,420	26,114,230	25,581,408	25,185,803	24,823,399	
4	Return on Average Net Working Capital Balance (A)														
	a. Equity Component Grossed Up For Taxes	8.02%	203,086	200,140	197,271	194,758	191,990	188,087	183,574	178,932	174,604	171,042	168,397	165,974	\$2,217,855
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	74,729	73,646	72,590	71,665	70,646	69,210	67,550	65,841	64,249	62,938	61,965	61,073	816,102
5	Total Return Component (B)		277,815	273,786	269,861	266,423	262,636	257,297	251,124	244,773	238,853	233,980	230,362	227,047	3,033,957
6	Expense Dr (Cr)														
	a. 5090001 SO <sub>2</sub> allowance expense		\$60,164	\$56,569	\$66,354	\$32,979	\$64,626	\$79,036	\$78,143	\$82,162	\$78,470	\$68,837	\$52,799	\$61,912	782,052
	b. 4074004 Amortization Expense		(18,359)	(18,359)	(18,359)	(33,062)	(22,035)	(22,035)	(22,035)	(22,035)	(22,035)	(22,035)	(22,035)	(22,035)	(264,421)
	c. 5090003 NO <sub>x</sub> allowance expense		428,958	374,097	398,097	261,539	479,774	588,017	649,014	623,229	554,590	407,817	305,826	348,341	5,417,298
7	Net Expense (C)		468,763	412,306	446,092	261,456	522,364	645,017	705,122	683,356	611,025	454,619	336,590	368,218	5,934,929
8	Total System Recoverable Expenses (Lines 5 + 7)		746,578	686,092	715,953	527,879	785,000	902,314	956,246	928,129	849,878	688,599	566,952	615,265	8,968,886
	a. Recoverable costs allocated to Energy		746,578	686,092	715,953	527,879	785,000	902,314	956,246	928,129	849,878	688,599	566,952	615,265	8,968,886
	b. Recoverable costs allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Energy Jurisdictional Factor		0.95713	0.97279	0.98062	0.98030	0.97895	0.97979	0.97902	0.97730	0.97680	0.97656	0.97725	0.97837	
10	Demand Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Retail Energy-Related Recoverable Costs (D)		714,574	667,422	702,080	517,477	768,477	884,075	936,183	907,063	830,163	672,460	554,054	601,957	8,755,984
12	Retail Demand-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total Jurisdictional Recoverable Costs (Lines 11 + 12)		\$714,574	\$667,422	\$702,080	\$517,477	\$768,477	\$884,075	\$936,183	\$907,063	\$830,163	\$672,460	\$554,054	\$601,957	\$8,755,984

**Notes:**

- (A) Line 3 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (B) Line 5 is reported on Capital Schedule
- (C) Line 7 is reported on O&M Schedule
- (D) Line 8a x Line 9.
- (E) Line 8b x Line 10.

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **CAIR - Intermediate (Project 7.1 - Anclote Low Nox Burners and SOFA)**  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Intermediate)		0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

- (A) N/A
- (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (C) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.
- (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (E) Line 9a x Line 10
- (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: CAIR - Peaking (Project 7.2 - CT Emission Monitoring Systems)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400
3	Less: Accumulated Depreciation	(133,504)	(137,044)	(140,584)	(144,124)	(147,664)	(151,204)	(154,744)	(158,284)	(161,824)	(165,364)	(168,904)	(172,444)	(175,984)	
4	CWIP - Non-Interest Bearing	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	
5	Net Investment (Lines 2 + 3 + 4)	\$1,800,896	1,797,356	1,793,816	1,790,276	1,786,736	1,783,196	1,779,656	1,776,116	1,772,576	1,769,036	1,765,496	1,761,956	1,758,416	
6	Average Net Investment		1,799,127	1,795,587	1,792,047	1,788,507	1,784,967	1,781,427	1,777,887	1,774,347	1,770,807	1,767,267	1,763,727	1,760,187	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	12,028	12,006	11,981	11,959	11,934	11,911	11,887	11,864	11,841	11,816	11,793	11,769	\$142,789
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	4,426	4,418	4,409	4,400	4,391	4,383	4,374	4,363	4,357	4,348	4,339	4,330	52,538
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)		3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	3,540	42,480
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)		1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	1,416	16,992
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		21,410	21,380	21,346	21,315	21,281	21,250	21,217	21,183	21,154	21,120	21,088	21,055	254,799
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		21,410	21,380	21,346	21,315	21,281	21,250	21,217	21,183	21,154	21,120	21,088	21,055	254,799
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Peaking)		0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	0.91248	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		19,536	19,509	19,478	19,450	19,418	19,390	19,360	19,329	19,303	19,272	19,242	19,212	232,499
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$19,536	\$19,509	\$19,478	\$19,450	\$19,418	\$19,390	\$19,360	\$19,329	\$19,303	\$19,272	\$19,242	\$19,212	\$232,499

Notes:

- (A) N/A
- (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (C) Depreciation calculated in CAIR CTs section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (D) Property tax calculated in CAIR CTs section of Capital Program Detail file only on assets placed inservice. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (E) Line 9a x Line 10
- (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: CAIR - Crystal River - Base (Project 7.3 - Continuous Mercury Monitoring Systems)  
 (In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non-Interest Bearing	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107
5	Net Investment (Lines 2 + 3 + 4)	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>	<u>289,107</u>
6	Average Net Investment		289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	289,107	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	1,933	\$23,196
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	711	711	711	711	711	711	711	711	711	711	711	711	8,532
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)	3.70%	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)	0.010800	0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	31,728
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	2,644	31,728
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Base)		0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	2,408	28,901
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$2,408</u>	<u>\$28,901</u>

Notes:  
 (A) N/A  
 (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (C) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (E) Line 9a x Line 10  
 (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
Return on Capital Investments, Depreciation and Taxes  
For Project: CAIR - Base - AFUDC (Project 7.4 - Crystal River FGD and SCR)  
**(In Dollars)**

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$1,303,543	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$180,000	\$0	\$1,483,543
	b. Clearings to Plant		1,303,543	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$1,249,219,810	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153	1,250,523,153
3	Less: Accumulated Depreciation	(32,546,828)	(35,121,090)	(37,695,252)	(40,269,414)	(42,843,576)	(45,417,738)	(47,991,900)	(50,566,062)	(53,140,224)	(55,714,386)	(58,288,548)	(60,862,710)	(63,436,872)	
4	CWIP - AFUDC-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	180,000
5	Net Investment (Lines 2 + 3 + 4)	\$1,216,672,982	1,215,402,063	1,212,827,901	1,210,253,739	1,207,679,577	1,205,105,415	1,202,531,253	1,199,957,091	1,197,382,929	1,194,808,767	1,192,234,605	1,189,640,443	1,187,266,281	
6	Average Net Investment (B)		1,216,037,371	1,214,114,980	1,211,540,818	1,208,966,656	1,206,392,494	1,203,818,332	1,201,244,170	1,198,670,008	1,196,095,846	1,193,521,684	1,191,037,522	1,188,553,360	
7	Return on Average Net Investment (C)														
	a. Equity Component Grossed Up For Taxes	8.02%	8,130,647	8,117,792	8,100,580	8,083,370	8,066,157	8,048,949	8,031,737	8,014,523	7,997,314	7,980,103	7,963,492	7,946,883	\$36,481,547
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	2,991,834	2,987,103	2,980,769	2,974,436	2,968,102	2,961,768	2,955,436	2,949,103	2,942,769	2,936,438	2,930,326	2,924,211	35,502,295
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (D)		2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	2,574,162	30,889,944
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (E)		1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	1,125,470	13,505,640
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		14,822,113	14,804,527	14,780,981	14,757,438	14,733,892	14,710,349	14,686,805	14,663,258	14,639,715	14,616,173	14,593,450	14,570,726	176,379,427
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		14,822,113	14,804,527	14,780,981	14,757,438	14,733,891	14,710,349	14,686,805	14,663,258	14,639,715	14,616,173	14,593,450	14,570,726	176,379,426
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Base)		0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
12	Retail Energy-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (G)		13,501,315	13,485,296	13,463,848	13,442,403	13,420,954	13,399,510	13,378,064	13,356,615	13,335,170	13,313,726	13,293,028	13,272,329	160,662,255
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$13,501,315	\$13,485,296	\$13,463,848	\$13,442,403	\$13,420,954	\$13,399,510	\$13,378,064	\$13,356,615	\$13,335,170	\$13,313,726	\$13,293,028	\$13,272,329	\$160,662,255

Notes:  
 (A) N/A  
 (B) Line represents the average net investment excluding interest-bearing CWIP projects. Refer to Capital Program Detail for Average Net Investment Return on which Line 7 is calculated.  
 (C) Return on equity and debt calculated only on assets placed in service which appear in CAIR Crystal River AFUDC section of Capital Program Detail file. Calculation in the Capital Program Detail is reflected as follows: Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.6338). Based on 2010 rate case Order PSC-10-0131-FOF-EI  
 (D) Depreciation calculated only on assets placed in-service which appear in CAIR Crystal River AFUDC section of Capital Program Detail file. Calculated on that schedule as Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (E) Property taxes calculated only on assets placed in-service which appear in CAIR Crystal River AFUDC section of Capital Program Detail file. Calculated on that schedule as Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (F) Line 9a x Line 10  
 (G) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**

Schedule of Amortization and Return  
 For Project: **CAIR - Energy (Project 7.4 - Reagents and By-products)**  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Working Capital Dr (Cr)														
	a. 1544001 Ammonia Inventory	\$40,074	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276	\$41,276
	b. 1544004 Limestone Inventory	389,740	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800	484,800
2	Total Working Capital	\$429,814	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076
3	Average Net Investment		477,945	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	526,076	
4	Return on Average Net Working Capital Balance (A)														
	a. Equity Component Grossed Up For Taxes 8.02%		3,196	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	3,517	
	b. Debt Component (Line 6 x Rate x 1/12) 2.95%		1,176	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	\$41,887
5	Total Return Component (B)		4,372	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	4,812	57,301
6	Expense Dr (Cr)														
	a. 5020011 Ammonia Expense		430,383	311,462	239,545	392,008	437,559	442,826	417,183	436,151	448,722	445,912	380,782	350,612	4,733,146
	b. 5020012 Limestone Expense		482,436	348,255	265,593	441,837	505,895	514,675	482,347	502,421	512,869	507,068	425,481	383,104	5,371,980
	c. 5020013 Dibasic Acid Expense		0	0	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	50,000
	d. 5020003 Gypsum Disposal/Sale		279,809	201,985	154,042	256,262	293,415	298,507	279,757	291,400	297,460	294,095	246,776	222,198	3,115,706
	d. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Net Expense (C)		1,192,628	861,703	669,181	1,100,107	1,246,869	1,266,008	1,189,286	1,229,973	1,259,051	1,247,075	1,053,036	955,914	13,270,832
8	Total System Recoverable Expenses (Lines 5 + 7)		1,196,999	866,514	673,993	1,104,919	1,251,680	1,270,820	1,194,098	1,234,784	1,263,862	1,251,887	1,057,850	960,726	13,328,133
	a. Recoverable costs allocated to Energy		1,196,999	866,514	673,993	1,104,919	1,251,680	1,270,820	1,194,098	1,234,784	1,263,862	1,251,887	1,057,850	960,726	13,328,133
	b. Recoverable costs allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Energy Jurisdictional Factor		0.95713	0.97279	0.98062	0.98030	0.97895	0.97979	0.97902	0.97730	0.97680	0.97656	0.97725	0.97837	
10	Demand Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Retail Energy-Related Recoverable Costs (D)		1,145,686	842,934	660,933	1,083,147	1,225,334	1,245,131	1,169,045	1,206,758	1,234,544	1,222,545	1,033,784	939,946	13,009,787
12	Retail Demand-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total Jurisdictional Recoverable Costs (Lines 11 + 12)		\$1,145,686	\$842,934	\$660,933	\$1,083,147	\$1,225,334	\$1,245,131	\$1,169,045	\$1,206,758	\$1,234,544	\$1,222,545	\$1,033,784	\$939,946	\$13,009,787

Notes:  
 (A) Line 3 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (B) Line 5 is reported on Capital Schedule  
 (C) Line 7 is reported on O&M Schedule  
 (D) Line 8a x Line 9.  
 (E) Line 8b x Line 10.

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **SEA TURTLE - COASTAL STREET LIGHTING - (Project 9)**  
 (In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments		\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
	a. Expenditures/Additions				5,000	0	0	5,000	0	0	0	0	0	0	5,000
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$15,200	15,200	15,200	20,200	20,200	20,200	25,200	25,200	25,200	30,200	30,200	30,200	35,200	
3	Less: Accumulated Depreciation	(1,019)	(1,058)	(1,097)	(1,143)	(1,195)	(1,247)	(1,306)	(1,371)	(1,436)	(1,508)	(1,586)	(1,664)	(1,749)	
4	CWIP - Non-Interest Bearing	0	1,667	3,333	(0)	1,667	3,333	(0)	1,667	3,333	(0)	1,667	3,333	(0)	
5	Net Investment (Lines 2 + 3 + 4)	\$14,181	15,809	17,437	19,057	20,672	22,287	23,894	25,496	27,098	28,692	30,281	31,870	33,451	
6	Average Net Investment		14,995	16,623	18,247	19,865	21,479	23,091	24,695	26,297	27,895	29,487	31,075	32,661	
7	Return on Average Net Investment (B)														\$1,915
	a. Equity Component Grossed Up For Taxes	8.02%	100	111	122	133	144	154	165	176	187	197	208	218	706
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	37	41	45	49	53	57	61	65	69	73	76	80	0
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C) 3.10%		39	39	46	52	52	59	65	65	72	78	78	85	730
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D) 0.009673		12	12	16	16	16	20	20	20	24	24	24	28	232
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		188	203	229	250	265	290	311	326	352	372	386	411	3,583
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		188	203	229	250	265	290	311	326	352	372	386	411	3,583
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - (Distribution)		0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624	0.99624
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		187	202	228	249	264	289	310	325	351	371	385	409	3,570
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$187	\$202	\$228	\$249	\$264	\$289	\$310	\$325	\$351	\$371	\$385	\$409	\$3,570

Notes:  
 (A) N/A  
 (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (C) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (E) Line 9a x Line 10  
 (F) Line 9b x Line 11



**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: UNDERGROUND STORAGE TANKS - BASE (Project 10.1)  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941	168,941
3	Less: Accumulated Depreciation	(17,584)	(17,880)	(18,176)	(18,472)	(18,768)	(19,064)	(19,360)	(19,656)	(19,952)	(20,248)	(20,544)	(20,840)	(21,136)	(21,432)
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$151,357	151,061	150,765	150,469	150,173	149,877	149,581	149,285	148,989	148,693	148,397	148,101	147,805	147,509
6	Average Net Investment		151,209	150,913	150,617	150,321	150,025	149,729	149,433	149,137	148,841	148,545	148,249	147,953	147,657
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	1,011	1,009	1,007	1,005	1,003	1,001	999	997	995	993	991	989	987
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	372	371	371	370	369	368	367	366	365	365	365	364	364
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)	2.10%	296	296	296	296	296	296	296	296	296	296	296	296	296
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)	0.010800	152	152	152	152	152	152	152	152	152	152	152	152	152
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,831	1,828	1,826	1,823	1,820	1,817	1,815	1,812	1,809	1,806	1,804	1,801	1,798
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		1,831	1,828	1,826	1,823	1,820	1,817	1,815	1,812	1,809	1,806	1,804	1,801	1,798
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Base)		0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		1,668	1,665	1,663	1,661	1,658	1,655	1,653	1,651	1,648	1,645	1,643	1,641	1,639
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$1,668	\$1,665	\$1,663	\$1,661	\$1,658	\$1,655	\$1,653	\$1,651	\$1,648	\$1,645	\$1,643	\$1,641	\$1,639

- Notes:  
 (A) N/A  
 (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.  
 (C) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.  
 (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.  
 (E) Line 9a x Line 10  
 (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
**JANUARY 2011 - DECEMBER 2011**  
Description and Progress Report for  
Environmental Compliance Activities and Projects

**Project Title:** Substation Environmental Investigation, Remediation, and Pollution Prevention  
**Project No. 1**

**Project Description:**

Chapter 376, Florida Statutes, requires that any person discharging a prohibited pollutant shall undertake to contain, remove, and abate the discharge to the satisfaction of the Florida Department of Environmental Protection. Similarly, Chapter 403, Florida Statutes provides that it is prohibited to cause pollution so as to harm or injure human health or welfare, animal, plant, or aquatic life or property. For Progress Energy Florida to continue to comply with these statutes, it is conducting environmental investigation, remediation, and pollution prevention activities associated with its substation facilities to determine the existence of pollutant discharges, and if present, their removal and remediation. Activities also include development and implementation of best management and pollution prevention measures at these facilities.

**Project Accomplishments:**

PEF has completed environmental remediations at 29 substations during 2010. PEF is continuing to work with the FDEP on remaining remediations.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: Project expenditures are estimated to be \$7,471,465 higher than originally projected. This variance is primarily due to multiple sites containing more contamination than originally projected as well as scheduling conflicts that resulted in multiple sites being rescheduled from the 2009 and into 2010.

**Project Progress Summary:**

PEF continues to remediate substation sites in accordance with the approved Substation Assessment and Remedial Action Plan.

**Project Projections:**

Estimated project expenditures for the period January 2011 through December 2011 are expected to be \$3,067,512.

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**Project Title: Distribution System Environmental Investigation, Remediation, and Pollution Prevention**  
**Project No. 2**

**Project Description:**

Chapter 376, Florida Statutes, requires that any person discharging a prohibited pollutant shall undertake to contain, remove, and abate the discharge to the satisfaction of the Florida Department of Environmental Protection. Similarly, Chapter 403, Florida Statutes provides that it is prohibited to cause pollution so as to harm or injure human health or welfare, animal, plant, or aquatic life or property. For Progress Energy Florida to continue to comply with these statutes, it is conducting environmental investigation, remediation, and pollution prevention activities associated with its distribution system facilities to determine the existence of pollutant discharges, and if present, their removal and remediation. Activities also include development and implementation of best management and pollution prevention measures at these facilities.

**Project Accomplishments:**

Progress Energy has completed all TRIP inspections and has finalized its remaining targets. PEF is expecting to complete remediations on 751 distribution padmount transformer sites in 2010. All remediations have been conducted in accordance with the FDEP approved Environmental Remediation Strategy.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: Project expenditures are estimated to be approximately \$290,000 lower than originally projected.

**Project Progress Summary:**

This project is on schedule according to the approved Distribution System Investigation, Remediation and Pollution Prevention Program.

**Project Projections:**

Estimated project expenditures for the period January 2011 through December 2011 are expected to be approximately \$7,608,000. Progress Energy is expecting to complete remediations on approximately 635 sites.

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**Project Title:** Pipeline Integrity Management, Review/Update Plan and Risk Assessments  
**Project No. 3**

**Project Description:**

The U.S. Department of Transportation ("USDOT") Regulation 49 CFR Part 195, as amended effective February 15, 2002 and the new regulation published at 67 Federal Register 2136 on January 16, 2002 requires PEF to implement a Pipeline Integrity Management Program. Prior to the February 15, 2002 amendments, the USDOT's pipeline integrity management regulations applied only to operators with 500 miles or more of hazardous liquid and carbon dioxide pipelines that could affect high consequence areas. The amendments which became effective on February 15, 2002 extended the requirements for implementing integrity management to operators who have less than 500 miles of regulated pipelines. As such, PEF must improve the integrity of pipeline systems in order to protect public safety and the environment, as well as comply with continual assessment and evaluation of pipeline systems integrity through inspection or testing, data integration and analysis, and follow up with remedial, preventative, and mitigative actions.

Effective February 2010, amendments to 49 CFR 195 were finalized to improve opportunities to reduce risk through more effective control of pipelines. Compliance with these amendments will enhance pipeline safety by coupling strengthened control room management with improved controller training and fatigue management. PEF must develop these Pipeline control room management procedures by August 1, 2011 and implement said procedures by February 1, 2013.

PEF owns one hazardous liquid pipeline that is subject to the new regulation and must comply with the new requirements for the Bartow/Anclole 14-inch hot oil pipeline, extending 33.3 miles from the Company's Bartow Plant north of St. Petersburg to the Anclole Plant in Holiday.

**Project Accomplishments:**

During 2010 the USDOT Pipeline and Hazardous Material Safety Administration ("PHMSA") conducted an audit of the Bartow Anclole Pipeline. No fines or violations were identified. A smart pig 180 day repair was completed along with several risk reduction projects. Smart pig data validation, corrosion rate calculations, anomaly ranking, repair planning, inspection interval determination, risk analysis updates, spill consequence updates, data alignment, and biennial review activities have been initiated and are ongoing. Design and construction coordination is ongoing for third party projects at US 19 and Haines Bayshore Road, 9th Street and Gandy Boulevard, 118th Avenue, Dump Road, Progress Energy Trail, and Spruce Street.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: O&M project expenditures are estimated to be approximately \$108,129 below the originally projected expenses.

**Project Progress Summary:**

Ongoing smart pig anomaly evaluation, data validation, corrosion rate calculations, repair ranking, repair implementation, program biennial review activities, and third party project coordination continue. This compliance work will continue through the end of 2010, and into the future.

**Project Projections:**

For the period January 2011 through December 2011 O&M expenditures are expected to be \$1,593,000 and Capital expenditures are expected to be \$130,000.

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**Project Title: Above Ground Storage Tank Secondary Containment**  
**Project No. 4**

**Project Description:**

Florida Department of Environmental Protection Rule 62-761.510(3) states that the Company is required to make improvements to many of its above ground petroleum storage tanks in order to comply with those provisions. Subsection (d) of that rule requires all internally lined single bottom above ground storage tanks to be upgraded with secondary containment, including secondary containment for piping in contact with the soil. Rule 62-761.500(1)(e) also requires that dike field area containment for pre-1998 tanks be upgraded, if needed, to comply with the requirement.

**Project Accomplishments:**

2009 work resulted in the following tanks being placed into service: DeBary 1, Turner 7, Turner 8 and Higgins 1. The following tanks will be completed and placed into service during 2010: Bartow 6 and Turner P-1 and P-2 piping work.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: There are no projected O&M project expenditures for this project in 2010. Capital expenditures are projected to be approximately \$638k and relate to the completion of the Turner and Bartow tanks.

**Project Progress Summary:**

PEF will continually evaluate its compliance program, including project prioritization, schedule, and technology applications.

**Project Projections:**

Estimated capital expenditures for the period January 2011 through December 2011 are expected to be \$0 as all upgrade work to the tanks was completed in 2010. Additionally, no O&M expenditures are projected at this time.

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**Project Title:** SO<sub>2</sub> and NO<sub>x</sub> Emissions  
**Project No. 5**

**Project Description:**

In accordance with Title IV of the Clean Air Act, CFR 40 Part 73 and Part 76, and Florida Administrative Code Rule 62-214 and the Clean Air Interstate Rule, PEF manages the Company's SO<sub>2</sub> and NO<sub>x</sub> emissions allowance inventory for the purpose of offsetting sulfur dioxide and nitrogen oxides emissions in compliance with the Federal Acid Rain Program.

**Project Accomplishments:**

For purposes of compliance with an affected unit's sulfur dioxide and nitrogen oxides emissions requirements under the Acid Rain Program, the air quality compliance costs are administered by an authorized account representative who evaluates a variety of resources and options. Activities performed include purchases of SO<sub>2</sub> and NO<sub>x</sub> emissions allowances as well as auctions and transfers of SO<sub>2</sub> emissions allowances.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: Project expenditures are estimated to be \$1,379,220 higher than originally projected. This variance is primarily driven by higher than projected energy requirements during the first quarter of 2010 due to significantly cooler weather than originally projected.

**Project Progress Summary:**

PEF continually evaluates its compliance strategy to manage the most cost effective program and to mitigate higher gas prices which can impact the fuel mix as it relates to emissions as a result of residual oil.

**Project Projections:**

For the period January 2011 through December 2011 Estimated SO<sub>2</sub> expenditures are expected to be \$782,052 and NO<sub>x</sub> project expenditures for the period and \$5,417,298, respectively. PEF also expects approximately \$264,421 in amortization expense from SO<sub>2</sub> auction proceeds in 2011.

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**Project Title:** Phase II Cooling Water Intake  
**Project No. 6**

**Project Description:**

Section 316(b) of the Federal Clean Water Act, requires that "the location, design, construction, and capacity of cooling water intake structures reflect the best technology available for minimizing adverse environmental impact." 33 U.S.C. Section 1326. In the past, EPA and the state regulatory agency implemented Section 316(b) on a case-by-case basis. In the new Phase II rules, EPA has established "national performance standards" for determining compliance with Section 316(b) at certain existing electric generating facilities. See 40 CFR 125.94(b). The process of compliance involves planning and scheduling efforts, conducting certain biological studies, and evaluation of options for compliance. These compliance options involve engineering measures, operational measures, restorative measures and/or cost assessment measures. See generally 40 CFR 125.94 and 125.95.

**Project Accomplishments:**

PEF facilities subject to EPA's new Phase II rules include Anclote, Bartow, Crystal River and Suwannee plants. Early in 2004 PEF requested competitive bids for an environmental consultant to support the development of a Compliance Strategy and Implementation Plan (CSIP); that contract was secured and the CSIP is now complete. The consultant completed a Proposals for Information Collection (PICs) for Anclote & Bartow, Crystal River, and Suwannee and they have been submitted and approved by the FDEP.

**Project Fiscal Expenditures:**

January 1, 2010 - December 30, 2010: Due to a federal courts vacatur of the Phase II rules, the estimated project O&M expenditures for the period January 2010 through December 2010 are projected to be \$0.

**Project Progress Summary:**

The original baseline biological studies have been completed. Work has been suspended pending completion of additional rulemaking. The EPA is expected to issue a new proposed 316(b) rule in late 2010 which would become final in 2012.

**Project Projections:**

Due to the vacatur, the estimated project O&M expenditures for the period January 2011 through December 2011 are projected to be \$0.

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**Project Title:** Integrated Clean Air Compliance Plan (CAIR)  
**Project No. 7**

**Project Description:**

Clean Air Interstate Rule (CAIR), 40 CFR 24, 262, imposes significant new restrictions on emissions of sulfur dioxide ("SO<sub>2</sub>") and nitrogen oxides ("NO<sub>x</sub>") from power plants in 28 eastern states, including Florida and the District of Columbia. The CAIR rule apportions region-wide SO<sub>2</sub> and NO<sub>x</sub> emission reduction requirements to the individual states, and further requires each affected state to revise its State Implementation Plans ("SIP") by September 2006 to include measures necessary to achieve its emission reduction budget within the prescribed deadlines.

**Project Accomplishments:**

Progress Energy achieved several significant project milestones in 2010. In May 2010, PEF placed the Crystal River Unit 4 Selective Catalytic Reduction ("SCR") system and the Unit 4 Flue Gas Desulfurization ("FGD" or "scrubber") system into service. During 2010, PEF is transitioning from the construction phase of the project into the operation phase.

**Project Fiscal Expenditures:**

January 1, 2010 - December 31, 2010: PEF's capital expenditures for the Crystal River Projects in 2010 will be approximately \$3.4 million (6%) higher than PEF's 2010 Projection filing. The difference is primarily attributable to work carried forward from 2009 to 2010 (as mentioned in prior testimony). PEF's O&M expenditures for this project in 2010 will be \$1.4 million (6%) lower than PEF's 2010 Projection filing.

**Project Progress Summary:**

The construction portion of the project will be complete in 2010. PEF is currently in the process of transitioning to Operations. Until the transition is complete, PEF's construction team will continue to track project expenditures against the detailed project scopes to ensure that PEF receives what it contracted for and that any turnover changes are properly evaluated and documented. PEF also will continue to conduct regularly scheduled meetings with the primary contractors and senior management to maintain supervision of the project, to ensure that management remains fully informed, and to ensure that management expectations are communicated to the outside vendors and the project team.

**Project Projections:**

The remaining construction projects relating to the Crystal River Units 4&5 SCR and FGD systems are scheduled to be completed by the end of 2010. 2011 will be the first full year of both Units 4&5 being operational under the Integrated Clean Air Compliance Plan. Estimated capital expenditures for the period January 2011 through December 2011 are expected to be approximately \$1.5million. Additionally, O&M expenditures are projected to be approximately \$28.6 million.



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**Project Title:** Arsenic Groundwater Standard  
**Project No. 8**

**Project Description:**

On January 22, 2001, the U.S. Environmental Protection Agency (USEPA) adopted a new maximum contaminant level (MCL) for arsenic in drinking water, replacing the previous standard of 0.050 mg/L (50ppb) with a new MCL of 0.010 mg/L (10ppb). Effective January 1, 2005, FDEP established the USEPA MCL as Florida's drinking water standard. See Rule 62-550, F.A.C. The new standard has implications for land application and water reuse projects in Florida because the drinking water standard has been established as the groundwater standard by Rule 62-520.420(1), F.A.C. Lowering the arsenic standard will require new analytical methods for sampling groundwater at numerous PEF sites.

**Project Accomplishments:**

Sampling of existing monitoring wells continues as required by the reissued Industrial Wastewater Permit. Discussions are continuing with FDEP relative to an acceptable strategic plan.

**Project Fiscal Expenditures:**

January 1, 2010 - December 31, 2010: O&M costs are expected to be \$20,000 higher than originally forecasted as work continues with FDEP to establish an arsenic compliance plan and schedule.

**Project Progress Summary:**

PEF will continually evaluate analytical results and maintain ongoing communication with FDEP regarding compliance strategies.

**Project Projections:**

Progress Energy Florida continues to work with the Florida Department of Environmental Protection to comply with the terms of the renewed industrial wastewater permit for the Crystal River Energy Complex (January 9, 2007) and the modified Conditions of Certification (May 14, 2010). PEF expects work to continue with the FDEP to establish an arsenic compliance plan and schedule. PEF is projecting \$15,000 in costs in 2011 associated with this.

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**Project Title:** Sea Turtle - Coastal Street Lighting  
**Project No. 9**

**Project Description:**

PEF owns and leases high pressure sodium streetlights throughout its service territory, including areas along the Florida coast. Pursuant to Section 161.163, Florida Statutes, the Florida Department of Environmental Protection (FDEP), in collaboration with the Florida Fish and Wildlife Conservation Commission (FFWCC) and the U.S. Fish & Wildlife Service (USFWS), has developed a model Sea Turtle lighting ordinance. The model ordinance is used by the local governments to develop and implement local ordinances within their jurisdiction. To date, Sea Turtle lighting ordinances have been adopted in Franklin County, Gulf County and the City of Mexico Beach in Bay County, all of which are within PEF's service territory. Since 2004, officials from the various local governments, as well as FDEP, FFWC, and USFWS, have advised PEF that lighting it owns and leases is affecting turtle nesting areas that fall within the scope of these ordinances. As a result, the local governments are requiring PEF to take additional measures to satisfy new criteria being applied to ensure compliance with the ordinances.

**Project Accomplishments:**

PEF has worked with Franklin County to determine the most cost-effective compliance measures for affected lighting on St. George Island. Compliance measures that have been performed include retrofitting existing streetlights, monitoring them for effectiveness, and making modifications to the retrofitted lights where applicable. Project studies are ongoing with University of Florida and are expected to continue through 2010.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: O&M costs are expected to be \$1,296 or 72% lower and Capital costs are expected to be \$14,947 or 75% lower than originally projected.

**Project Progress Summary:**

PEF is on schedule with the activities identified for this program.

**Project Projections:**

Estimated project expenditures for the period January 2011 through December 2011 are expected to be \$1,800 in O&M costs and \$20,000 in capital expenditures to ensure ongoing compliance with sea turtle ordinances.

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**Project Title:**            **Underground Storage Tanks**  
**Project No. 10**

**Project Description:**

FDEP rules require that underground pollutant storage tanks and small diameter piping be upgraded with secondary containment by December 31, 2009. See Rule 62-761.510(5), F.A.C. PEF has identified four tanks that must comply with this rule: two at the Crystal River power plant and two at the Bartow power plant.

**Project Accomplishments:**

Work on Crystal River and Bartow USTs was completed in the fourth quarter 2006.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: \$0 was projected to be spent in 2010.

**Project Projections:**

No project capital expenditures are anticipated for the period January 2011 through December 2011.

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**Project Title:** Modular Cooling Towers  
**Project No. 11**

**Project Description:**

The project involves installation and operation of modular cooling towers in the summer months to minimize "de-rates" of PEF's Crystal River Units 1 and 2 necessary to comply with the NPDES permit limit for the temperature of cooling water discharged from the units.

**Project Accomplishments:**

Vendors of modular cooling towers were evaluated regarding cost of installation and operation. The Florida Department of Environmental Protection reviewed the project and approved operation. A vendor was selected and the towers were installed during the second quarter of 2006.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: Project O&M costs are expected to be approximately \$819,000 or 20% lower than originally projected.

**Project Progress Summary:**

Modular cooling towers began operation in June 2006 and have successfully minimized de-rates of Units 1 and 2.

**Project Projections:**

Estimated project expenditures are expected to be approximately \$3.3 million for the period January 2011 thru December 2011.

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**Project Title:** Crystal River Thermal Discharge Compliance Project  
**Project No. 11.1**

**Project Description:**

This project will evaluate and implement the best long term solution to maintain compliance with the thermal discharge limit in FDEP industrial wastewater permit for Crystal River 1 & 2 that is currently being addressed in the short term by the Modular Cooling Towers approved in Docket No. 060162- EI for ECRC recovery.

**Project Accomplishments:**

The Study phase of the project is complete. The recommendation is to replace the modular cooling towers in coordination with the cooling solution for the CR3 EPU discharge canal cooling solution. The new cooling tower associated with the CR3 EPU will be sized to mitigate both the increased temperatures from the EPU as well as serve to replace the modular cooling towers.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: PEF is projecting capital expenditures to be \$20 million lower for this project in 2010 than originally forecast. This variance is mainly attributable to the refinement of project costs reflecting the shift of construction to coincide with the next Crystal River Unit 3 refueling outage in 2012.

**Project Progress Summary:**

The design contract for the CR3 EPU cooling tower has been awarded and a cooling tower supplier has been selected.

**Project Projections:**

Estimated project capital expenditures are expected to be approximately \$30.7 million for the period January 2011 thru December 2011.

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**Project Title:** Greenhouse Gas Inventory and Reporting  
**Project No. 12**

**Project Description:**

The Greenhouse Gas (GHG) Inventory and Reporting Program was created in response to Chapter 2008-277, Florida Laws, which established the Florida Climate Protection Act, to be codified at section 403.44, Florida Statutes. Among other things, this legislation authorizes FDEP to establish a cap and trade program to GHG emissions from electric utilities. Utilities subject to the program, including PEF, will be required to use The Climate Registry for purposes of GHG emission registration and reporting. The requirement to report to The Climate Registry was repealed during the 2010 legislative session; however, EPA's GHG Reporting Rule (40 CFR 98) does require that PEF submit 2010 GHG data to the EPA by March 31, 2011.

**Project Accomplishments:**

During 2009, Progress Energy joined The Climate Registry and submitted the 2008 GHG inventory. 2009 data will be submitted during the third quarter of 2010 and will be validated by a third party as required by the EPA's GHG Reporting Rule by the 1st Quarter 2011.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: PEF expects that total O&M project expenditures for the year will be approximately \$11,250 lower than originally projected.

**Project Progress Summary:**

The 2009 GHG inventory is currently verification ready and planning is underway for reporting 2010 data in 2011.

**Project Projections:**

January 2011 to December 2011: Because the EPA web-based system for submitting data is not yet developed, PEF is not certain of the complexity of this process; therefore, O&M project expenses are estimated to be approximately \$4,500 in the event that an outside contractor is hired to assist with completing a timely filing.

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**Project Title:** Mercury Total Daily Maximum Loads Monitoring (TMDL)  
**Project No. 13**

**Project Description:**

Section 303(d) of the federal Clean Water Act requires each state to identify state waters not meeting water quality standards and establish a TMDL for the pollutant or pollutants causing the failure to meet standards. Under a 1999 federal consent decree, TMDLs for over 100 Florida water bodies listed as impaired for mercury must be established by September 12, 2012. DEP has initiated a research program to provide the necessary information for setting the appropriate TMDLs for mercury. Among other things, the study will assess the relative contributions of mercury-emitting sources, such as coal-fired power plants, to mercury levels in surface waters.

**Project Accomplishments:**

Atmospheric & Environmental Research, Inc (AER) completed the literature review on mercury deposition in Florida, this document was sent to the FDEP Division of Air Resource Management and the TMDL team for review. In addition, the Florida Electric Power Coordinating Group ("FCG") Mercury Task Force met with the FDEP Division of Air Resource Management to discuss the review. AER performed the Florida mercury deposition modeling for the Division of Air Resource Management. The FCG Mercury Task Force contracted with Tetra Tech to conduct aquatic field sampling, including an aquatics modeling report, to develop a "Conceptual Model for the Florida Mercury TMDL." This document is expected to be finalized during the third quarter of 2010. AER is also developing a mercury atmospheric model coincidental with the work of University of Michigan (working for FDEP). These modeling efforts (aquatic and atmospheric) will continue into 2011 with a final TMDL report to be submitted to FDEP during the first part of 2012.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: PEF expects that total O&M project expenditures for the year will be approximately \$36,077.

**Project Progress Summary:**

The FCG Mercury task force continues to meet with the state as the changes in the program evolve. In 2009 FCG contracted with a private contractor to develop a conceptual model, and to continue that work into 2011.

**Project Projections:**

Estimated project expenditures are expected to be approximately \$38,000 for the period January 2011 thru December 2011.

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**Project Title:** Hazardous Air Pollutants (HAPs) ICR Program  
**Project No. 14**

**Project Description:**

In 2009, the U.S. Environmental Protection Agency (EPA) initiated efforts to develop an Information Collection Request ("ICR"), which requires that owners/operators of all coal- and oil-fired electric utility steam generating units provide information that will allow the EPA to assess the emissions of hazardous air pollutants from each such unit. The intention of the ICR is to assist the Administrator of the EPA in developing national emission standards for hazardous air pollutants under Section 112(d) of the Clean Air Act, 42 U.S.C. 7412. Pursuant to those efforts, by letter dated December 24, 2009, the EPA formally requested that PEF comply with certain data collection and emissions testing requirements for several of its steam electric generating units. The EPA letter states that initial submittal of existing information must be made within 90 days, and that the remaining data must be submitted within 8 months. Collection and submittal of the requested information is mandatory under Section 114 of the Clean Air Act, 42 U.S.C. 7414.

**Project Accomplishments:**

The Company will complete the ICR during 2010.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: PEF expects that total O&M project expenditures for the year will be approximately \$400,000.

**Project Progress Summary:**

PEF is in process of completing the ICR.

**Project Projections:**

PEF is not anticipating any expenditures in this program during 2011.



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**Project Title:** Effluent Limitation Guidelines ICR Program  
**Project No. 15**

**Project Description:**

The Effluent Limitation Guidelines ICR Program was created in response to Section 304 of the federal Clean Water Act which directs the U.S. EPA to develop and periodically review regulations, called effluent guidelines, to limit the amount of pollutants that are discharged to surface waters from various point source categories. 33 U.S.C. §13 14(b). In October 2009, EPA announced that it intended to update the effluent guidelines for the steam electric power generating point source category, which were last updated in 1982. PEF is required to complete the ICR and submit responses to U.S. EPA within 90 days. Collection and submittal of the requested information is mandatory under Section 308 of the Clean Water Act.

**Project Accomplishments:**

The Company will complete the ICR during 2010.

**Project Fiscal Expenditures:**

January 1, 2010 to December 31, 2010: PEF expects that total O&M project expenditures for the year will be approximately \$60,000.

**Project Progress Summary:**

PEF is in process of completing the ICR.

**Project Projections:**

PEF is not anticipating any expenditures in this program during 2011.

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Energy & Demand Allocation % by Rate Class  
**JANUARY 2011 - DECEMBER 2011**

Form 42-6P

Rate Class	(1) Average 12CP Load Factor at Meter (%)	(2) Sales at Meter (mWh)	(3) Avg 12 CP at Meter (MW) (2)/(8760hrs*(1))	(4) NCP Class Max Load Factor	(5) Delivery Efficiency Factor	(6) Sales at Source (Generation) (mWh) (2)/(5)	(7) Avg 12 CP at Source (MW) (3)/(5)	7(a) Sales at Source (Distrib Svc Only) (mWh)	(8) Class Max MW at Source Level (Distrib Svc) (7a)/(8760hrs*(4))	(9) mWh Sales at Source Energy Allocator (%)	(10) 12CP Demand Transmission Allocator (%)	(11) 12CP & 1/13 AD Demand Allocator (%)	(12) NCP Distribution Allocator (%)
<b>Residential</b>													
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>													
Secondary	0.494	18,156,533	4,195.68	0.361	0.9342388	19,434,573	4,491.01	19,434,573	6,145.6	50.132%	62.283%	61.349%	63.305%
<b>General Service Non-Demand</b>													
<b>GS-1, GST-1</b>													
Secondary	0.695	1,166,288	191.57	0.423	0.9342388	1,248,383	205.05	1,248,383	336.9	3.220%	2.844%	2.673%	3.470%
Primary	0.695	4,416	0.73	0.423	0.9687000	4,559	0.75	4,559	1.2	0.012%	0.010%	0.010%	0.013%
Transmission	0.695	3,699	0.61	0.423	0.9787000	3,780	0.62	0	0.0	0.010%	0.009%	0.009%	0.000%
										<b>3.242%</b>	<b>2.863%</b>	<b>2.892%</b>	<b>3.483%</b>
<b>General Service</b>													
<b>GS-2 Secondary</b>													
Secondary	1.000	97,312	11.11	1.000	0.9342388	104,162	11.89	104,162	11.9	0.269%	0.165%	0.173%	0.122%
<b>General Service Demand</b>													
<b>GSD-1, GSDT-1</b>													
Secondary	0.785	12,131,043	1,764.10	0.612	0.9342388	12,984,948	1,888.28	12,984,948	2,422.1	33.495%	26.187%	26.750%	24.950%
Primary	0.785	2,266,966	329.66	0.612	0.9687000	2,340,215	340.32	2,340,215	436.5	6.037%	4.720%	4.821%	4.497%
Transmission	0.785	0	0.00	0.612	0.9787000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
<b>SS-1</b>													
Primary	1.546	8	0.00	0.207	0.9687000	8	0.00	8	0.0	0.000%	0.000%	0.000%	0.000%
Transm Del/ Transm Mtr	1.546	11,483	0.85	0.207	0.9787000	11,733	0.87	0	0.0	0.030%	0.012%	0.013%	0.000%
Transm Del/ Primary Mtr	1.546	4,471	0.33	0.207	0.9687000	4,615	0.34	0	0.0	0.012%	0.005%	0.005%	0.000%
										<b>39.574%</b>	<b>30.924%</b>	<b>31.589%</b>	<b>29.446%</b>
<b>Curtailable</b>													
<b>CS-1, CST-1, CS-2, CST-2, SS-3</b>													
Secondary	0.935	0	0.00	0.592	0.9342388	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Primary	0.935	171,491	20.94	0.592	0.9687000	177,032	21.61	177,032	34.1	0.457%	0.300%	0.312%	0.352%
<b>SS-3 Primary</b>													
Primary	0.451	3,536	0.90	0.047	0.9687000	3,650	0.92	3,650	8.9	0.009%	0.013%	0.013%	0.091%
										<b>0.466%</b>	<b>0.313%</b>	<b>0.324%</b>	<b>0.443%</b>
<b>Interruptible</b>													
<b>IS-1, IST-1, IS-2, IST-2</b>													
Secondary	0.983	100,117	11.63	0.768	0.9342388	107,164	12.44	107,164	15.9	0.276%	0.173%	0.181%	0.164%
Sec Del/Primary Mtr	0.983	4,623	0.54	0.768	0.9687000	4,772	0.55	4,772	0.7	0.012%	0.008%	0.008%	0.007%
Primary Del / Primary Mtr	0.983	1,166,627	135.48	0.768	0.9687000	1,204,322	139.86	1,204,322	179.0	3.107%	1.940%	2.029%	1.844%
Primary Del / Transm Mtr	0.983	16,410	1.91	0.768	0.9787000	16,767	1.95	16,767	2.5	0.043%	0.027%	0.028%	0.026%
Transm Del/ Transm Mtr	0.983	289,741	33.65	0.768	0.9787000	296,047	34.38	0	0.0	0.764%	0.477%	0.499%	0.000%
Transm Del/ Primary Mtr	0.983	264,215	30.68	0.768	0.9687000	272,752	31.67	0	0.0	0.704%	0.439%	0.460%	0.000%
<b>SS-2</b>													
Primary	0.929	75,224	9.24	0.447	0.9687000	77,655	9.54	77,655	19.8	0.200%	0.132%	0.138%	0.204%
Transm Del/ Transm Mtr	0.929	64,481	7.92	0.447	0.9787000	65,884	8.10	0	0.0	0.170%	0.112%	0.117%	0.000%
Transm Del/ Primary Mtr	0.929	14,531	1.79	0.447	0.9687000	15,001	1.84	0	0.0	0.039%	0.026%	0.027%	0.000%
										<b>5.315%</b>	<b>3.333%</b>	<b>3.486%</b>	<b>2.245%</b>
<b>Lighting</b>													
<b>LS-1 (Secondary)</b>													
Secondary	5.151	363,266	8.05	0.479	0.9342388	388,836	8.62	388,836	92.7	1.003%	0.120%	0.187%	0.955%
		<b>36,376,481</b>	<b>6,757.34</b>			<b>38,766,859</b>	<b>7,210.62</b>	<b>38,097,048</b>	<b>9,707.8</b>	<b>100.000%</b>	<b>100.000%</b>	<b>100.000%</b>	<b>100.000%</b>

- Notes:
- |     |   |      |   |
|-----|---|------|---|
| (1) | Average 12CP load factor based on load research study filed July 31, 2010 | (7)  | Column 3 / Column 5                             |
| (2) | Projected kWh sales for the period January 2011 to December 2011          | (7a) | Column 6 excluding transmission service         |
| (3) | Calculated: Column 2 / (8,760 hours x Column 1)                           | (8)  | Calculated: Column 7a / (8,760 hours/ Column 4) |
| (4) | NCP load factor based on load research study filed July 31, 2010          | (9)  | Column 8/ Total Column 6                        |
| (5) | Based on system average line loss analysis for 2009                       | (10) | Column 7/ Total Column 7                        |
| (6) | Column 2 / Column 5   | (11) | Column 9 x 1/13 + Column 10 x 12/13             |
|     |   | (12) | Column 8/ Total Column 8                        |

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of Environmental Cost Recovery Clause Rate Factors by Rate Class  
**JANUARY 2011 - DECEMBER 2011**

Form 42-7P  
 Revised 10/06/10

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP Transmission Demand Allocator (%)	(3) 12CP & 1/13th AD Demand Allocator (%)	(4) NCP Distribution Allocator (%)	(5) Energy- Related Costs (\$)	(6) Transmission Demand Costs (\$)	(7) Distribution Demand Costs (\$)	(8) Production Demand Costs (\$)	(9) Total Environmental Costs (\$)	(10) Projected Effective Sales at Meter Level (mWh)	(11) Environmental Cost Recovery Factors (cents/kWh)
<b>Residential</b>											
<b>RS-1, RST-1, RSL-1, RSL-2, RSS-1</b>											
Secondary	50.132%	62.283%	61.349%	63.305%	\$80,750,620	\$1,661,900	\$5,635,223	\$1,016,784	\$89,064,526	18,156,533	0.491
<b>General Service Non-Demand</b>											
<b>GS-1, GST-1</b>											
Secondary										1,166,288	0.482
Primary										4,372	0.477
Transmission										3,625	0.472
<b>TOTAL GS</b>	<b>3.242%</b>	<b>2.863%</b>	<b>2.892%</b>	<b>3.483%</b>	<b>\$5,221,675</b>	<b>\$76,386</b>	<b>\$310,051</b>	<b>\$47,929</b>	<b>\$5,656,041</b>	<b>1,174,285</b>	
<b>General Service</b>											
<b>GS-2</b> Secondary	0.269%	0.165%	0.173%	0.122%	\$432,792	\$4,400	\$10,903	\$2,865	\$450,961	97,312	0.463
<b>General Service Demand</b>											
<b>GSD-1, GSDT-1, SS-1</b>											
Secondary										12,131,043	0.471
Primary										2,248,731	0.466
Transmission										11,253	0.482
<b>TOTAL GSD</b>	<b>39.574%</b>	<b>30.924%</b>	<b>31.589%</b>	<b>29.446%</b>	<b>\$63,743,989</b>	<b>\$825,140</b>	<b>\$2,621,185</b>	<b>\$523,557</b>	<b>\$67,713,871</b>	<b>14,391,027</b>	
<b>Curtailable</b>											
<b>CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3</b>											
Secondary										-	0.464
Primary										173,277	0.459
Transmission										-	0.455
<b>TOTAL CS</b>	<b>0.466%</b>	<b>0.313%</b>	<b>0.324%</b>	<b>0.443%</b>	<b>\$750,735</b>	<b>\$8,340</b>	<b>\$39,432</b>	<b>\$5,376</b>	<b>\$803,883</b>	<b>173,277</b>	
<b>Interruptible</b>											
<b>IS-1, IST-1, IS-2, IST-2, SS-2</b>											
Secondary										100,117	0.451
Primary										1,509,968	0.446
Transmission										363,219	0.442
<b>TOTAL IS</b>	<b>5.315%</b>	<b>3.333%</b>	<b>3.486%</b>	<b>2.245%</b>	<b>\$8,560,811</b>	<b>\$88,938</b>	<b>\$199,870</b>	<b>\$57,769</b>	<b>\$8,907,388</b>	<b>1,973,304</b>	
<b>Lighting</b>											
<b>LS-1</b> Secondary	1.003%	0.120%	0.187%	0.955%	\$1,615,614	\$3,189	\$84,972	\$3,107	\$1,706,882	363,266	0.470
	100.000%	100.000%	100.000%	100.000%	\$161,076,236	\$2,668,292	\$8,901,636	\$1,657,388	\$174,303,552	36,329,004	0.480

- Notes:
- (1) From Form 42-6P 12 & 1/13, Column 9
  - (2) From Form 42-6P 12 & 1/13, Column 10
  - (3) From Form 42-6P 12 & 1/13, Column 11
  - (4) From Form 42-6P 12 & 1/13, Column 12
  - (5) Column 1 x Total Energy Jurisdictional Dollars from Form 42-1P, line 5
  - (6) Column 2 x Total Transmission Demand Jurisdictional Dollars from Form 42-1P, line 5
  - (7) Column 4 x Total Distribution Demand Jurisdictional Dollars from Form 42-1P, line 5
  - (8) Column 3 x Total Production Demand Jurisdictional Dollars from Form 42-1P, line 5
  - (9) Column 5 + Column 6 + Column 7 + Column 8
  - (10) Projected kWh sales at effective voltage level for the period January 2011 to December 2011
  - (11) Column 7/ Column 8 x 100

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projection Period Amount  
 January 2011 through December 2011

Form 42 - 8P

**Progress Energy Florida Capital Structure and Cost Rates**

Class of Capital	Retail Amount	Staff Adjusted	Ratio	Cost Rate	Weighted Cost Rate	Pre-Tax Weighted Cost Rate
CE	\$ 2,916,026	\$ 2,945,782	46.74%	0.10500	4.908%	7.990%
PS	21,239	21,456	0.34%	0.04510	0.015%	0.025%
LTD	2,817,708	2,846,460	45.17%	0.06178	2.790%	2.790%
STD	41,245	41,666	0.66%	0.03720	0.025%	0.025%
CD-Active	144,119	145,590	2.31%	0.05950	0.137%	0.137%
CD-Inactive	1,457	1,472	0.02%	0.00000	0.000%	0.000%
ADIT	415,881	420,125	6.67%	0.00000	0.000%	0.000%
FAS 109	(122,914)	(124,168)	-1.97%	0.00000	0.000%	0.000%
ITC	3,857	3,896	0.06%	0.08360	0.005%	0.008%
<b>Total</b>	<b>\$ 6,238,618</b>	<b>\$ 6,302,278</b>	<b>100.00%</b>		<b>7.881%</b>	<b>10.976%</b>

Total Debt            2.952%     2.95%  
 Total Equity           4.928%     8.02%

Source: Per Staff 13-Month Average Capital Structure worksheet - Schedule 2 REVISED - handed out at 1/11/10 Rate Case Agenda - Docket No. 090079-EI

Rationale: The Company is using the currently approved capital structure and cost rates in accordance with the 2009 Settlement Agreement.

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **UNDERGROUND STORAGE TANKS - INTERMEDIATE (10.2)**  
 (in Dollars)

Form 42-4P  
 Page 13 of 15  
 Revised 10/06/10

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006	76,006
3	Less: Accumulated Depreciation	(9,805)	(9,808)	(10,011)	(10,214)	(10,417)	(10,620)	(10,823)	(11,026)	(11,229)	(11,432)	(11,635)	(11,838)	(12,041)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$66,401	66,198	65,995	65,792	65,589	65,386	65,183	64,980	64,777	64,574	64,371	64,168	63,965	
6	Average Net Investment		66,300	66,097	65,894	65,691	65,488	65,285	65,082	64,879	64,676	64,473	64,270	64,067	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	443	442	441	439	438	437	435	434	432	431	430	428	\$5,230
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	163	163	162	162	161	161	160	160	159	159	158	158	1,926
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)	3.20%	203	203	203	203	203	203	203	203	203	203	203	203	2,436
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)	0.009330	59	59	59	59	59	59	59	59	59	59	59	59	708
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		868	867	865	863	861	860	857	856	853	852	850	848	10,300
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		868	867	865	863	861	860	857	856	853	852	850	848	10,300
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	Demand Jurisdictional Factor - Production (Intermediate)		0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	0.58962	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		512	511	510	509	508	507	505	505	503	502	501	500	6,073
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$512	\$511	\$510	\$509	\$508	\$507	\$505	\$505	\$503	\$502	\$501	\$500	\$6,073

**Notes:**

- (A) N/A
- (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (C) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.
- (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (E) Line 9a x Line 10
- (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: **MODULAR COOLING TOWERS - BASE (Project 11)**  
 (in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base	\$665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	665,141	
3	Less: Accumulated Depreciation	(690,211)	(601,297)	(612,383)	(623,469)	(634,555)	(645,641)	(656,727)	(665,141)	(665,141)	(665,141)	(665,141)	(665,141)	(665,141)	
4	CWIP - Non-Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$74,930	63,844	52,758	41,672	30,586	19,500	8,414	(0)	(0)	(0)	(0)	(0)	(0)	
6	Average Net Investment		69,387	58,301	47,215	36,129	25,043	13,957	4,207	0	0	0	0	0	
7	Return on Average Net Investment (B)														
	a. Equity Component Grossed Up For Taxes	8.02%	464	390	316	242	167	93	28	0	0	0	0	0	\$1,700
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	171	143	116	89	62	34	10	0	0	0	0	0	625
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (C)	20.00%	11,086	11,086	11,086	11,086	11,086	11,086	8,414	0	0	0	0	0	74,930
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (D)	0.010800	599	599	599	599	599	599	599	599	599	599	599	599	7,188
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		12,320	12,218	12,117	12,016	11,914	11,812	9,051	599	599	599	599	599	84,443
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		12,320	12,218	12,117	12,016	11,914	11,812	9,051	599	599	599	599	599	84,443
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Base)		0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
12	Retail Energy-Related Recoverable Costs (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (F)		11,222	11,129	11,037	10,945	10,852	10,759	8,244	546	546	546	546	546	76,918
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$11,222	\$11,129	\$11,037	\$10,945	\$10,852	\$10,759	\$8,244	\$546	\$546	\$546	\$546	\$546	\$76,918

**Notes:**

- (A) N/A
- (B) Line 6 x 10.98% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (C) Line 2 x rate x 1/12. Depreciation rate based on 5 year life of project, as stated in Dkt. 060162-EI.
- (D) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (E) Line 9a x Line 10
- (F) Line 9b x Line 11

**PROGRESS ENERGY FLORIDA**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
**JANUARY 2011 - DECEMBER 2011**  
 Return on Capital Investments, Depreciation and Taxes  
 For Project: Crystal River Thermal Discharge Compliance Project- AFUDC - Base (Project 11.1)  
 (in Dollars)

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Line	Description	Beginning of Period Amount	Projected Jan - 11	Projected Feb - 11	Projected Mar - 11	Projected Apr - 11	Projected May - 11	Projected Jun - 11	Projected Jul - 11	Projected Aug - 11	Projected Sep - 11	Projected Oct - 11	Projected Nov - 11	Projected Dec - 11	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$1,435,506	\$1,444,373	\$1,740,852	\$1,929,432	\$2,206,392	\$2,115,884	\$2,754,031	\$2,702,377	\$3,340,551	\$3,706,700	\$3,688,109	\$3,676,718	\$30,740,925
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other (A)		133,941	140,269	147,220	155,144	164,008	173,283	183,665	195,233	207,996	222,763	238,284	253,842	2,215,649
2	Plant-in-Service/Depreciation Base	\$361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735	361,735
3	Less: Accumulated Depreciation	(8,578)	(9,090)	(9,602)	(10,114)	(10,626)	(11,138)	(11,650)	(12,162)	(12,674)	(13,186)	(13,698)	(14,210)	(14,722)	(14,722)
4	CWIP - AFUDC- Interest Bearing	21,650,897	23,220,344	24,804,986	26,693,058	28,777,834	31,148,034	33,437,202	36,374,898	39,272,508	42,821,055	46,750,518	50,676,912	54,607,471	
5	Net Investment (Lines 2 + 3 + 4)	\$22,004,054	23,572,989	25,157,119	27,044,879	29,128,743	31,498,632	33,787,287	36,724,471	39,621,569	43,169,605	47,098,555	51,024,437	54,954,485	
6	Average Net Investment (B)		352,902	352,390	351,878	351,366	350,854	350,342	349,830	349,318	348,806	348,294	347,782	347,270	
7	Return on Average Net Investment (C)														
	a. Equity Component Grossed Up For Taxes	8.02%	2,360	2,356	2,353	2,349	2,346	2,342	2,339	2,336	2,332	2,329	2,325	2,322	\$28,089
	b. Debt Component (Line 6 x Rate x 1/12)	2.95%	868	867	866	864	863	862	861	859	858	857	856	854	10,335
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation (D)		512	512	512	512	512	512	512	512	512	512	512	512	6,144
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes (E)		330	330	330	330	330	330	330	330	330	330	330	330	3,960
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		4,070	4,065	4,061	4,055	4,051	4,046	4,042	4,037	4,032	4,028	4,023	4,018	48,528
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		4,070	4,065	4,061	4,055	4,051	4,046	4,042	4,037	4,032	4,028	4,023	4,018	48,528
10	Energy Jurisdictional Factor		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Production (Base)		0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	0.91089	
12	Retail Energy-Related Recoverable Costs (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (G)		3,707	3,703	3,699	3,694	3,690	3,685	3,682	3,677	3,673	3,669	3,665	3,660	44,204
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$3,707	\$3,703	\$3,699	\$3,694	\$3,690	\$3,685	\$3,682	\$3,677	\$3,673	\$3,669	\$3,665	\$3,660	\$44,204

**Notes:**

- (A) AFUDC rate reflected within Docket 100134-EI as initiated under Order PSC-10-0258-PCO-EI and recently voted on and approved by the Commission.
- (B) Line represents the average net investment excluding interest-bearing CWIP projects. Refer to Capital Program Detail for Average Net Investment Return on which Line 7 is calculated.
- (C) Line 6 x 10.96% x 1/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure of 4.93%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2010 rate case Order PSC-10-0131-FOF-EI.
- (D) Line 2 x rate x 1/12. Depreciation Rate based on approved rates in Order PSC-10-0131-FOF-EI.
- (E) Line 2 x rate x 1/12. Based on 2009 Effective Tax Rate on original cost.
- (F) Line 9a x Line 10
- (G) Line 9b x Line 11