

1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                   DIRECT TESTIMONY OF

3                   **JAVIER PORTUONDO**

4                   ON BEHALF OF

5                   PROGRESS ENERGY FLORIDA

6                   DOCKET NO. 050007-EI

7                   SEPTEMBER 8, 2005

8

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

10   **A.    My name is Javier J. Portuondo. My business address is Post Office Box 14042,**  
11       **St. Petersburg, Florida 33733.**

12

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

14   **A.    I am employed by Progress Energy Service Company, LLC as Manager of**  
15       **Regulatory Services - Florida.**

16

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

19   **A.    Yes.**

20

21   **Q.    Have you previously filed testimony before this Commission in connection**  
22       **with Progress Energy Florida's Environmental Cost Recovery Clause**  
23       **(ECRC)?**

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1     **A.**     Yes, I have.

2

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

4     **A.**     The purpose of my testimony is to present, for Commission review and  
5             approval, Progress Energy Florida's calculation of the revenue requirements and  
6             its Environmental Cost Recovery (ECRC) factors for application on customer  
7             billings during the period January 2006 through December 2006. My testimony  
8             addresses the capital and operating and maintenance ("O&M") expenses  
9             associated with PEF's environmental compliance activities for the year 2006.

10

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

13    **A.**     Yes. I am sponsoring Exhibit No. \_\_ (JP-3), which consists of PSC Forms 42-1P  
14             through 42-7P. These forms provide a summary and detail of the projected  
15             O&M and capital environmental cost recovery expenses for the period January  
16             2006 through December 2006.

17

18    **Q.**     **What is the total recoverable revenue requirement relating to the projection**  
19             **period January 2006 through December 2006?**

20    **A.**     The total recoverable revenue requirement including true-up amounts and  
21             revenue taxes is \$23,503,878 as shown on Form 42-1P, Line 5 of my exhibit.

22

1     **Q.     What is the total true-up to be applied in the period January 2006 through**  
2           **December 2006?**

3     **A.**     The total true-up applicable for this period is an under-recovery of \$5,960,421.  
4           This consists of the final true-up over-recovery of \$5,961,886 for the period  
5           from January 2004 through December 2004 and an estimated true-up under-  
6           recovery of \$11,994,307 for the current period of January 2005 through  
7           December 2005. The detailed calculation supporting the estimated true-up was  
8           provided on Forms 42-1E through 42-8E of Exhibit No. \_\_ (JP-2) filed with the  
9           Commission on August 8, 2005. Subsequent to that filing, PEF is withdrawing  
10          its request for approval on the Groundwater Reclassification Program and as  
11          such has made an adjustment of \$72,000 for the 2005 costs as shown on Form  
12          42-1P, Line 2.b.

13

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

17    **A.**     No. PEF's 2006 ECRC projection includes both new projects and expansions of  
18          existing projects that have not been previously approved by the Commission.  
19          On May 6, 2005, PEF filed a Petition for Approval of Environmental Cost  
20          Recovery for activities being implemented to comply with the U. S.  
21          Environmental Protection Agency's new Clean Air Interstate Rule (CAIR) and  
22          the Clean Air Mercury Rule (CAMR) Program (No. 7). See Docket No.  
23          050316-EI. PEF anticipates incurring approximately \$52,964,514 in capital

1 expenditures for this program in 2006. Those expenditures that meet the criteria  
2 for AFUDC are not included in the recoverable costs reflected on Form 42-3P  
3 and such costs will be recovered when associated pollution controls are placed  
4 into service. Further discussion on this program is included in the testimony of  
5 Patricia Q. West.

6  
7 In addition, as discussed in the Estimated/Actual True-up testimony filed on  
8 August 8, 2005, PEF requested recovery of four new programs in this docket.  
9 Those programs include the new Sea Turtle Lighting program (No. 9), the  
10 Arsenic Groundwater Standard program (No. 8), the Groundwater  
11 Reclassification program, and the Underground Storage Tanks program (No.  
12 10). As mentioned above, PEF is withdrawing its request for approval of the  
13 Groundwater Reclassification program.

14  
15 The Substation and Distribution System O&M programs (Nos. 1 and 2) were  
16 previously approved by the Commission in Order No. PSC-02-1735-FOF-EI.

17  
18 The Pipeline Integrity Management Program (No. 3) and the Above Ground  
19 Tank Secondary Containment Program (No. 4) were previously approved in  
20 Order No. PSC-03-1230-PCO-EI.

21  
22 The SO<sub>2</sub> Emissions Allowances (No. 5) were moved to the ECRC Docket from  
23 Docket 030001 beginning January 1, 2004 at the request of Staff to be consistent

1 with the other Florida IOUs. Recovery of SO<sub>2</sub> Emission Allowances was  
2 previously approved in Order No. PSC-95-0450-FOF-EI.

3

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

6

7 **Q. Have you prepared schedules showing the calculation of the recoverable**  
8 **capital project costs for 2006?**

9 **A.** Yes. Form 42-3P contained in my exhibits summarizes the cost estimates  
10 projected for these projects. Form 42-4P, pages 1 through 10, shows the  
11 calculations of these costs that result in recoverable jurisdictional capital costs of  
12 \$1,449,706.

13

14 **Q. Have you prepared schedules showing the calculation of the recoverable**  
15 **O&M project costs for 2006?**

16 **A.** Yes. Form 42-2P contained in my exhibits summarizes the recoverable O&M  
17 cost estimates for these projects in the amount of \$16,076,841.

18

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

21 **A.** Yes. Form 42-5P, pages 1 through 10, contained in my exhibits provides a  
22 project description and progress report, as well as the projected recoverable cost  
23 estimates, for each program.

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**Q. What is the total projected jurisdictional costs for environmental compliance activities in the year 2006?**

**A.** The total jurisdictional capital and O&M costs of \$17,526,546 to be recovered through the ECRC are calculated on Form 42-1P, contained in my exhibit.

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

**A.** The ECRC factors were calculated as shown on Forms 42-6P and 42-7P contained in Exhibit No. \_\_ (JP-3). The demand allocation factors were calculated by determining the percentage each rate class contributes to the monthly system peaks and then adjusted for losses for each rate class. The energy allocation factors were calculated by determining the percentage each rate class contributes to total kilowatt-hour sales and then adjusted for losses for each rate class. This information was obtained from Progress Energy Florida's July 2003 load research study. Form 42-7P presents the calculation of the proposed ECRC billing factors by rate class.

**Q. What are Progress Energy Florida's proposed 2006 ECRC billing factors by the various rate classes and delivery voltages?**

**A.** The computation of Progress Energy Florida's proposed ECRC factors for customer billings in 2006 is shown on Form 42-7P, contained in Exhibit No. \_\_ (JP-3). In summary, these factors are as follows:

<b>RATE CLASS</b>	<b>ECRC FACTORS</b>
Residential	0.062 cents/kWh
General Service Non-Demand	
@ Secondary Voltage	0.060 cents/kWh
@ Primary Voltage	0.059 cents/kWh
@ Transmission Voltage	0.059 cents/kWh
General Service 100% Load Factor	0.048 cents/kWh
General Service Demand	
@ Secondary Voltage	0.056 cents/kWh
@ Primary Voltage	0.055 cents/kWh
@ Transmission Voltage	0.055 cents/kWh
Curtable	
@ Secondary Voltage	0.055 cents/kWh
@ Primary Voltage	0.054 cents/kWh
Interruptible	
@ Secondary Voltage	0.049 cents/kWh
@ Primary Voltage	0.049 cents/kWh
@ Transmission Voltage	0.048 cents/kWh
Lighting	0.050 cents/kWh

1

2   **Q.   When is Progress Energy Florida requesting that the proposed ECRC billing**  
3       **factors be made effective?**

1    **A.**   PEF is requesting that its proposed ECRC billing factors be made effective with  
2           the first bill group for January 2006 and will continue through the last bill group  
3           for December 2006.

4  
5    **Q.**   **Please summarize your testimony.**

6    **A.**   My testimony supports the approval of an average environmental billing factor of  
7           0.059 cents per kWh which includes projected capital and O&M revenue  
8           requirements of \$17,526,546 associated with a total of 10 environmental projects  
9           and a true-up under-recovery provision of \$5,960,421. My testimony also  
10          demonstrates that the projected environmental expenditures for 2006 are  
11          appropriate for recovery through the ECRC.

12  
13   **Q.**   **Are there any other issues addressed in Progress Energy's Base Rate**  
14          **preceding that would impact the Environmental Cost Recovery Clause?**

15   **A.**   Yes. Given the settlement of PEF's base rates in Docket No. 050078-EI, the  
16          ECRC schedules no longer reflect Substation Environmental Investigation,  
17          Remediation, and Pollution Prevention and Phase II Cooling Water Intake  
18          adjustments for costs that were previously adjusted in accordance with the  
19          Commission's off-setting policy for environmental costs included in MFRs that  
20          PEF filed in PEF's last rate proceeding in Docket No. 000824-EI. Because those  
21          costs are no longer in base rates, the adjustments are no longer necessary or  
22          appropriate.

23  
24   **Q.**   **Does this conclude your testimony?**



1    A.    Yes, it does.

Docket No. 050007-EI  
Progress Energy Florida Inc.  
Witness: J. Portuondo  
Exhibit No. \_\_ (JP-3)

**ENVIRONMENTAL COST RECOVERY**  
**COMMISSION FORMS 42-1P THROUGH 42-7P**

**CALCULATION OF PROJECTED PERIOD AMOUNT**  
**JANUARY 2006 - DECEMBER 2006**  
**DOCKET NO. 050007-EI**

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Total Jurisdictional Amount to Be Recovered

Form 42-1P

For the Projected Period  
**JANUARY 2006 - DECEMBER 2006**

<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)	\$8,897,745	\$819,414	\$4,542,080	\$1,817,601	\$16,076,841
b Projected Capital Projects (Form 42-3P, Lines 7 through 9)	297,069	0	33,587	1,119,050	1,449,706
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	<u>\$9,194,814</u>	<u>\$819,414</u>	<u>\$4,575,667</u>	<u>\$2,936,651</u>	<u>\$17,526,546</u>
2 True-up for Estimated Over/(Under) Recovery for the current period January 2005 - December 2005					
a (Form 42-2E, Line 5 + 6 + 10)	(8,855,192)	(272,255)	(2,494,097)	(372,762)	(\$11,994,307)
b Adjustment for withdrawing of Groundwater Reclassification	0	0	0	72,000	\$72,000
3 Final True-up for the period January 2004 - December 2004 (Form 42-1A, Line 3)	<u>3,924,783</u>	<u>119,589</u>	<u>1,831,094</u>	<u>86,419</u>	<u>\$5,961,886</u>
4 Total Jurisdictional Amount to Be Recovered/(Refunded) in the Projection period January 2006 - December 2006 (Line 1 - Line 2 - Line 3)	<u>\$14,125,223</u>	<u>\$972,080</u>	<u>\$5,238,670</u>	<u>\$3,150,995</u>	<u>\$23,486,968</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier of 1.00072)	<u>\$14,135,394</u>	<u>\$972,780</u>	<u>\$5,242,442</u>	<u>\$3,153,263</u>	<u>\$23,503,878</u>

**PROGRESS ENERGY FLORIDA**  
**Environmental Cost Recovery Clause (ECRC)**  
**Calculation of the Projected Period Amount**  
**JANUARY 2006 - DECEMBER 2006**

Form 42-2P

**O&M Activities**  
**(in Dollars)**

Line	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total	Method of Classification	
														Demand	Energy
<b>1 Description of O&amp;M Activities</b>															
1 Substation Environmental Investigation, Remediation, and Pollution Prevention	96,724	96,724	96,724	96,724	96,724	96,724	96,724	96,724	96,724	96,724	96,724	96,724	1,160,892	1,160,892	0
2 Distribution System Environmental Investigation, Remediation, and Pollution Prevention	370,974	370,974	370,974	370,974	370,974	370,974	370,974	370,974	370,974	370,974	370,974	370,974	4,451,692	4,451,692	0
3a Pipeline Integrity Management, Review/Update Plan and Risk Assessments - Intm	59,750	59,750	59,750	59,750	59,750	59,750	59,750	59,750	59,750	59,750	59,750	59,750	717,000	717,000	0
4 Above Ground Tank Secondary Containment	0	0	1,250	0	0	1,250	0	0	1,250	0	0	1,250	5,000	5,000	0
5 SO <sub>2</sub> Emissions Allowances	710,800	631,683	622,440	659,800	700,050	889,146	984,726	959,441	888,046	794,388	621,952	734,328	9,323,403	0	9,323,403
6 Phase II Cooling Water Intake - Base	23,008	23,008	23,008	23,008	23,008	23,008	23,008	23,008	23,008	23,008	23,008	23,008	276,101	276,101	0
Phase II Cooling Water Intake - Intm	69,221	69,221	69,221	69,221	69,221	69,221	69,221	69,221	69,221	69,221	69,221	69,221	1,190,648	1,190,648	0
8 Arsenic Groundwater Standard	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000	50,000	0
9 Sea Turtle - Coastal Street Lighting - Distrib	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	9,064	108,767	108,767	0
<b>2 Total of O&amp;M Activities</b>	<b>1,373,708</b>	<b>1,294,591</b>	<b>1,286,598</b>	<b>1,322,708</b>	<b>1,459,558</b>	<b>1,553,304</b>	<b>1,647,637</b>	<b>1,652,349</b>	<b>1,552,204</b>	<b>1,457,296</b>	<b>1,284,880</b>	<b>1,398,488</b>	<b>17,283,303</b>	<b>\$7,959,900</b>	<b>\$9,323,403</b>
<b>3 Recoverable Costs Allocated to Energy</b>	<b>710,800</b>	<b>631,683</b>	<b>622,440</b>	<b>659,800</b>	<b>700,050</b>	<b>889,146</b>	<b>984,726</b>	<b>959,441</b>	<b>888,046</b>	<b>794,388</b>	<b>621,952</b>	<b>734,328</b>	<b>9,323,403</b>		
<b>4 Recoverable Costs Allocated to Demand - Transm</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>96,724</b>	<b>1,160,892</b>		
Recoverable Costs Allocated to Demand - Distrib	380,038	380,038	380,038	380,038	380,038	380,038	380,038	380,038	380,038	380,038	380,038	380,038	4,500,459		
Recoverable Costs Allocated to Demand - Prod-Base	27,175	27,175	27,175	27,175	27,175	27,175	27,175	27,175	27,175	27,175	27,175	27,175	326,101		
Recoverable Costs Allocated to Demand - Prod-Intm	158,971	158,971	160,221	158,971	158,971	160,221	158,971	158,971	160,221	158,971	158,971	160,221	1,912,648		
Recoverable Costs Allocated to Demand - Prod-Peaking	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>5 Retail Energy Jurisdictional Factor</b>	<b>0.93220</b>	<b>0.95910</b>	<b>0.95890</b>	<b>0.95890</b>	<b>0.95890</b>	<b>0.95890</b>	<b>0.95750</b>	<b>0.95390</b>	<b>0.95290</b>	<b>0.95520</b>	<b>0.95520</b>	<b>0.95670</b>			
<b>6 Retail Transmission Demand Jurisdictional Factor</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>	<b>0.70597</b>			
Retail Distribution Demand Jurisdictional Factor	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597		
Retail Production Demand Jurisdictional Factor - Base	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753		
Retail Production Demand Jurisdictional Factor - Intm	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046		
Retail Production Demand Jurisdictional Factor - Peaking	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979		
<b>7 Jurisdictional Energy Recoverable Costs (A)</b>	<b>962,908</b>	<b>905,847</b>	<b>896,858</b>	<b>931,267</b>	<b>782,235</b>	<b>850,557</b>	<b>942,878</b>	<b>943,828</b>	<b>846,219</b>	<b>758,769</b>	<b>594,089</b>	<b>702,532</b>	<b>8,897,745</b>		
<b>8 Jurisdictional Demand Recoverable Costs - Transm (B)</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>68,284</b>	<b>819,414</b>		
Jurisdictional Demand Recoverable Costs - Distrib (B)	378,507	378,507	378,507	378,507	378,507	378,507	378,507	378,507	378,507	378,507	378,507	378,507	4,542,080		
Jurisdictional Demand Recoverable Costs - Prod-Base (B)	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	25,477	305,729		
Jurisdictional Demand Recoverable Costs - Prod-Intm (B)	125,680	125,680	126,648	125,680	125,680	126,648	125,680	125,680	126,648	125,680	125,680	126,648	1,511,872		
Jurisdictional Demand Recoverable Costs - Prod-Peaking (B)	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>9 Total Jurisdictional Recoverable Costs for O&amp;M Activities (Lines 7 + 8)</b>	<b>\$1,260,536</b>	<b>\$1,203,776</b>	<b>\$1,195,774</b>	<b>\$1,229,225</b>	<b>\$1,360,163</b>	<b>\$1,449,474</b>	<b>\$1,540,807</b>	<b>\$1,541,756</b>	<b>\$1,445,136</b>	<b>\$1,356,728</b>	<b>\$1,192,017</b>	<b>\$1,301,448</b>	<b>\$10,076,841</b>		

**Notes:**

- (A) Line 3 x Line 5  
(B) Line 4 x Line 6

**PROGRESS ENERGY FLORIDA**  
**Environmental Cost Recovery Clause (ECRC)**  
**Calculation of the Projected Period Amount**  
**JANUARY 2006 - DECEMBER 2006**

Form 42-3P

**Capital Investment Projects-Recoverable Costs**  
**(in Dollars)**

Line	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
<b>1 Description of Investment Projects (A)</b>													
3b Pipeline Integrity Management - Bartow/Ancote Pipeline-Intm	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	476,592
4.1 Above Ground Storage Tanks Secondary Containment - Pkg	27,085	27,241	27,571	29,202	31,080	32,428	35,013	36,790	37,329	37,923	42,015	43,319	407,106
4.2 Above Ground Storage Tanks Secondary Containment - Base	484	482	481	480	475	477	475	474	473	471	470	469	5,714
5 SO2 Emissions Allowances - Energy	71,233	64,587	57,590	50,637	42,627	33,355	23,049	12,191	1,864	(7,389)	(15,179)	(22,638)	312,026
7.1 CAIR/CAMR - Intm	138	414	890	7,733	14,775	21,817	28,859	39,353	49,847	74,150	99,143	100,026	436,945
7.2 CAIR/CAMR - Pkg	92	275	458	642	825	1,005	1,192	1,375	1,558	1,742	1,925	2,108	13,200
9 Sea Turtle - Coastal Street Lighting	1,855	1,928	2,199	2,471	2,743	2,877	2,873	2,868	3,543	3,532	3,522	3,511	33,723
10.1 Underground Storage Tanks - Base	82	275	458	642	825	1,008	1,192	1,375	1,558	1,742	1,925	2,108	13,200
10.2 Underground Storage Tanks - Intm	46	138	229	321	413	504	596	688	779	871	963	1,054	6,602
<b>2 Total Investment Projects - Recoverable Costs</b>	<b>140,542</b>	<b>135,056</b>	<b>129,592</b>	<b>131,844</b>	<b>133,492</b>	<b>133,190</b>	<b>132,965</b>	<b>134,830</b>	<b>136,667</b>	<b>152,758</b>	<b>174,500</b>	<b>169,673</b>	<b>1,705,108</b>
<b>3 Recoverable Costs Allocated to Energy</b>	<b>71,233</b>	<b>64,587</b>	<b>57,590</b>	<b>50,637</b>	<b>42,627</b>	<b>33,355</b>	<b>23,049</b>	<b>12,191</b>	<b>1,864</b>	<b>(7,389)</b>	<b>(15,179)</b>	<b>(22,638)</b>	<b>312,026</b>
Recoverable Costs Allocated to Demand	1,656	1,928	2,199	2,471	2,743	2,877	2,873	2,868	3,543	3,532	3,522	3,511	33,723
<b>4 Recoverable Costs Allocated to Demand - Production - Base</b>	<b>576</b>	<b>757</b>	<b>939</b>	<b>1,122</b>	<b>1,303</b>	<b>1,485</b>	<b>1,667</b>	<b>1,849</b>	<b>2,031</b>	<b>2,213</b>	<b>2,395</b>	<b>2,577</b>	<b>18,914</b>
Recoverable Costs Allocated to Demand - Production - Intermediate	39,900	40,268	40,635	47,770	54,904	62,037	69,171	79,757	90,342	114,737	139,822	140,796	920,139
Recoverable Costs Allocated to Demand - Production - Peaking	27,177	27,516	28,129	29,844	31,915	33,436	36,205	38,165	38,887	39,665	43,940	45,427	420,306
<b>5 Retail Energy Jurisdictional Factor</b>	<b>0.93220</b>	<b>0.95910</b>	<b>0.95890</b>	<b>0.95680</b>	<b>0.95680</b>	<b>0.95660</b>	<b>0.95750</b>	<b>0.95390</b>	<b>0.95290</b>	<b>0.95520</b>	<b>0.95520</b>	<b>0.95570</b>	
Retail Distribution Demand Jurisdictional Factor	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
<b>6 Retail Demand Jurisdictional Factor - Production - Base</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	<b>0.93753</b>	
Retail Demand Jurisdictional Factor - Production - Intermediate	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048	0.79048
Retail Demand Jurisdictional Factor - Production - Peaking	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979
<b>7 Jurisdictional Energy Recoverable Costs (B)</b>	<b>66,403</b>	<b>61,946</b>	<b>55,318</b>	<b>48,450</b>	<b>40,785</b>	<b>31,907</b>	<b>22,069</b>	<b>11,629</b>	<b>1,777</b>	<b>(7,058)</b>	<b>(14,499)</b>	<b>(21,658)</b>	<b>297,069</b>
Jurisdictional Demand Recoverable Costs - Distrib (B)	1,649	1,920	2,190	2,461	2,732	2,865	2,861	2,856	3,529	3,518	3,508	3,497	33,587
<b>8 Jurisdictional Demand Recoverable Costs - Production - Base (C)</b>	<b>540</b>	<b>710</b>	<b>880</b>	<b>1,052</b>	<b>1,222</b>	<b>1,392</b>	<b>1,563</b>	<b>1,733</b>	<b>1,904</b>	<b>2,075</b>	<b>2,245</b>	<b>2,416</b>	<b>17,732</b>
Jurisdictional Demand Recoverable Costs - Production - Intermediate (C)	31,539	31,830	32,120	37,760	43,399	49,038	54,677	63,045	71,412	90,695	110,524	111,294	727,333
Jurisdictional Demand Recoverable Costs - Production - Peaking (C)	24,182	24,483	25,029	26,555	28,398	29,751	32,215	33,959	34,601	35,294	39,097	40,420	373,984
<b>9 Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)</b>	<b>\$124,314</b>	<b>\$120,889</b>	<b>\$115,538</b>	<b>\$116,278</b>	<b>\$116,536</b>	<b>\$114,954</b>	<b>\$113,385</b>	<b>\$113,222</b>	<b>\$113,222</b>	<b>\$124,523</b>	<b>\$140,875</b>	<b>\$135,969</b>	<b>\$1,449,706</b>

**Notes:**

- (A) Each project's Total System Recoverable Expenses on Form 42-4P, Line 9  
 (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 2006 - DECEMBER 2006

Return on Capital Investments, Depreciation and Taxes  
For Project: PIPELINE INTEGRITY MANAGEMENT - Barrow/Anchale Pipeline (Project 3b)  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments		\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$7,917	\$95,000
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		2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588	2,674,588
3	Less: Accumulated Depreciation		(89,938)	(96,780)	(103,623)	(110,465)	(117,308)	(124,150)	(130,993)	(137,835)	(144,678)	(151,520)	(158,363)	(165,205)	(172,048)
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)		\$2,584,650	2,585,724	2,586,798	2,587,872	2,588,947	2,590,021	2,591,095	2,592,169	2,593,243	2,594,317	2,595,392	2,596,466	2,597,540
6	Average Net Investment		2,585,187	2,586,261	2,587,335	2,588,409	2,589,484	2,590,558	2,591,632	2,592,706	2,593,780	2,594,855	2,595,929	2,597,003	
7	Return on Average Net Investment														
a.	Equity Component Crossed Up For Taxes (B)	11.16%	24,042	24,052	24,062	24,072	24,082	24,092	24,102	24,112	24,122	24,132	24,142	24,152	\$289,166
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	4,395	4,397	4,398	4,400	4,402	4,404	4,406	4,408	4,409	4,411	4,413	4,415	52,856
8	Investment Expenses	3.07%	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	82,110
a.	Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Depreciation (C)		6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842	
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)		4,436	4,424	4,412	4,401	4,389	4,377	4,365	4,354	4,342	4,330	4,318	4,307	52,456
e.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	476,590
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		39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	39,716	476,590
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.9520	0.9520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	
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)		31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	376,727
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	31,394	376,727

Notes:  
(A) N/A  
(B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 8.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-El.  
(C) Line 2 x 3.07% x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-El.  
(D) Lines 2 + 3 x 89% @ .021064 x 1/12 + 11% @ .017303 x 1/12. Ratio from Property Tax Administration Department, based on plant allocation reported and 2004 Actual Property Tax Millage Rate.  
(E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
(F) Line 9b x Line 11

Source:  
Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-El.

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**JANUARY 2006 - DECEMBER 2006**

Form 42-4P  
Page 2 of 10

Return on Capital Investments, Depreciation and Taxes  
For Project: ABOVE GROUND STORAGE TANKS SECONDARY CONTAINMENT - Peaking (Project 4.1)  
(In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$10,000	\$25,000	\$60,000	\$225,000	\$125,000	\$125,000	\$275,000	\$55,000	\$50,000	\$65,000	\$205,000	\$43,000	\$1,263,000
b.	Clearings to Plant		0	0	0	0	0	0	160,000	0	0	0	705,000	0	
c.	Retirements		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	
2	Plant-in-Service/Depreciation Base	\$1,413,313	1,413,313	1,413,313	1,413,313	1,413,313	1,413,313	1,413,313	1,573,313	1,573,313	1,573,313	1,573,313	2,278,313	2,278,313	
3	Less: Accumulated Depreciation	(30,412)	(33,403)	(36,394)	(39,385)	(42,376)	(45,367)	(48,359)	(51,442)	(54,525)	(57,608)	(60,691)	(65,507)	(70,324)	
4	CWIP - Non-Interest Bearing	623,792	633,792	658,792	718,792	943,792	1,068,792	1,193,792	1,308,792	1,363,792	1,413,792	1,478,792	978,792	1,021,792	
5	Net Investment (Lines 2 + 3 + 4)	\$2,006,694	2,013,702	2,035,711	2,092,720	2,314,729	2,436,738	2,558,747	2,830,663	2,882,580	2,929,497	2,991,414	3,191,598	3,229,781	
6	Average Net Investment		2,010,198	2,024,707	2,064,216	2,203,724	2,375,733	2,497,742	2,694,705	2,856,622	2,906,039	2,960,456	3,091,506	3,210,690	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	18,695	18,830	19,197	20,495	22,094	23,229	25,061	26,567	27,026	27,532	28,751	29,859	\$287,336
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	3,417	3,442	3,509	3,746	4,039	4,246	4,581	4,856	4,940	5,033	5,256	5,458	52,524
8	Investment Expenses														
a.	Depreciation (C)		2,991	2,991	2,991	2,991	2,991	2,991	3,083	3,083	3,083	3,083	4,816	4,816	39,912
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)		1,982	1,978	1,974	1,970	1,965	1,961	2,288	2,284	2,279	2,275	3,192	3,185	27,332
e.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		27,085	27,241	27,671	29,202	31,090	32,428	35,013	36,790	37,329	37,923	42,015	43,319	407,104
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		27,085	27,241	27,671	29,202	31,090	32,428	35,013	36,790	37,329	37,923	42,015	43,319	407,104
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	
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)		24,100	24,239	24,621	25,984	27,664	28,854	31,154	32,735	33,215	33,744	37,385	38,545	362,239
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$ 24,100	\$ 24,239	\$ 24,621	\$ 25,984	\$ 27,664	\$ 28,854	\$ 31,154	\$ 32,735	\$ 33,215	\$ 33,744	\$ 37,385	\$ 38,545	\$ 362,239

**Notes:**

- (A) N/A.  
(B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
(C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
(D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
(E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
(F) Line 9b x Line 11

**Source:**

Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-EI.

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
JANUARY 2006 - DECEMBER 2006

Return on Capital Investments, Depreciation and Taxes  
For Project: ABOVE GROUND STORAGE TANKS SECONDARY CONTAINMENT - Base (Project 4.2)

(In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092	33,092
3	Less: Accumulated Depreciation	(3,216)	(3,327)	(3,438)	(3,549)	(3,660)	(3,772)	(3,883)	(3,994)	(4,105)	(4,216)	(4,327)	(4,438)	(4,549)	(4,660)
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)	\$29,876	29,765	29,654	29,543	29,432	29,320	29,209	29,098	28,987	28,876	28,765	28,654	28,543	28,432
6	Average Net Investment		29,821	29,709	29,598	29,487	29,376	29,265	29,154	29,043	28,931	28,820	28,709	28,598	28,487
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	277	276	275	274	273	272	271	270	269	268	267	266	265
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	51	51	50	50	50	50	50	49	49	49	49	49	49
8	Investment Expenses		111	111	111	111	111	111	111	111	111	111	111	111	111
a.	Depreciation (C)		111	111	111	111	111	111	111	111	111	111	111	111	111
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)		45	45	44	44	44	44	44	43	43	43	43	43	43
e.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		484	482	481	480	478	477	475	474	473	471	470	469	468
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		484	482	481	480	478	477	475	474	473	471	470	469	468
10	Energy Jurisdictional Factor		0.93220	0.93910	0.95890	0.95680	0.95680	0.95680	0.93753	0.95390	0.95290	0.95520	0.93753	0.93753	0.93753
11	Demand Jurisdictional Factor - Production (Intermediate)		0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
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)		454	452	451	450	448	447	445	444	443	442	441	440	439
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		454	452	451	450	448	447	445	444	443	442	441	440	439

(A) N/A

(B) Line 6 x 11.16% x 1/12. Based on RCE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
(C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
(D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
(E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
(F) Line 9b x Line 11

Source: Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
Line 8c



**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**JANUARY 2006 - DECEMBER 2006**

Form 42-4P  
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Schedule of Amortization and Return  
Deferred Gain on Sales of Emissions Allowances (Project 5)  
**(in Dollars)**

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Working Capital Dr (Cr)														
a.	1581001 SO2 Emission Allowance Inventory	\$10,884,434	\$10,307,799	\$9,676,116	\$9,053,676	\$8,393,876	\$7,597,226	\$6,708,080	\$5,723,351	\$4,733,910	\$3,845,864	\$3,051,476	\$2,429,524	\$1,695,196	\$1,695,196
b.	25401FL Auctioned SO2 Allowance	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)	(4,120,394)
2	Total Working Capital	\$ 6,764,040	\$6,187,405	\$5,555,722	\$4,933,282	\$4,273,482	\$3,476,832	\$2,587,686	\$1,602,957	\$613,516	(\$274,530)	(\$1,068,918)	(\$1,690,870)	(\$2,425,198)	\$ (2,425,198)
3	Average Net Investment		6,475,723	5,871,563	5,244,502	4,603,382	3,875,157	3,032,259	2,095,321	1,108,236	169,493	(671,724)	(1,379,894)	(2,058,034)	
4	Return on Average Net Working Capital Balance														
a.	Equity Component Grossed Up For Taxes (A) 11.16%		60,224	54,606	48,774	42,811	36,039	28,200	19,486	10,307	1,576	(6,247)	(12,833)	(19,140)	\$263,804
b.	Debt Component (Line 6 x 2.04% x 1/12) 2.04%		11,009	9,982	8,916	7,826	6,588	5,155	3,562	1,884	288	(1,142)	(2,346)	(3,499)	48,222
5	Total Return Component (B)		71,233	64,587	57,690	50,637	42,627	33,355	23,049	12,191	1,864	(7,389)	(15,179)	(22,638)	312,026
6	Expense Dr (Cr)														
a.	5090001 SO <sub>2</sub> Allowance Expense		\$710,800	\$631,683	\$622,440	\$659,800	\$796,650	\$889,146	\$984,729	\$989,441	\$888,046	\$794,388	\$621,952	\$734,328	\$9,323,403
7	Net Expense (C)		710,800	631,683	622,440	659,800	796,650	889,146	984,729	989,441	888,046	794,388	621,952	734,328	9,323,403
8	Total System Recoverable Expenses (Lines 5 + 7)		782,033	696,270	680,130	710,437	839,277	922,501	1,007,778	1,001,632	889,910	786,999	606,773	711,690	
a.	Recoverable costs allocated to Energy		782,033	696,270	680,130	710,437	839,277	922,501	1,007,778	1,001,632	889,910	786,999	606,773	711,690	
b.	Recoverable costs allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
9	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
10	Demand Jurisdictional Factor - N/A		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
11	Retail Energy-Related Recoverable Costs (D)		729,011	667,793	652,176	679,746	803,020	882,464	964,947	955,456	847,996	751,741	579,590	680,873	9,194,814
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)		\$ 729,011	\$ 667,793	\$ 652,176	\$ 679,746	\$ 803,020	\$ 882,464	\$ 964,947	\$ 955,456	\$ 847,996	\$ 751,741	\$ 579,590	\$ 680,873	\$ 9,194,814

**Notes:**

- (A) Line 3 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-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  
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Return on Capital Investments, Depreciation and Taxes  
For Project: CAIR / CAMR - Intermediate (Project 7.1)  
**(In Dollars)**

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$25,106	\$25,106	\$25,106	\$1,255,287	\$25,106	\$1,255,287	\$25,106	\$1,882,930	\$25,106	\$4,393,504	\$150,634	\$10,042	\$9,098,320
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	25,106	50,212	75,318	1,330,605	1,355,711	2,610,998	2,636,104	4,519,034	4,544,140	8,937,644	9,088,278	9,098,320	
5	Net Investment (Lines 2 + 3 + 4)	\$0	25,106	50,212	75,318	1,330,605	1,355,711	2,610,998	2,636,104	4,519,034	4,544,140	8,937,644	9,088,278	9,098,320	
6	Average Net Investment		12,553	37,659	62,765	702,962	1,343,158	1,983,355	2,623,551	3,577,569	4,531,587	6,740,892	9,012,961	9,093,299	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	117	350	584	6,538	12,491	18,445	24,399	33,271	42,144	62,690	83,821	84,568	\$369,417
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	21	64	107	1,195	2,283	3,372	4,460	6,082	7,704	11,460	15,322	15,459	67,528
8	Investment Expenses														
a.	Depreciation (C)		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	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)		138	414	690	7,733	14,775	21,817	28,859	39,353	49,847	74,150	99,143	100,026	436,945
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		138	414	690	7,733	14,775	21,817	28,859	39,353	49,847	74,150	99,143	100,026	436,945
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	
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)		109	327	545	6,113	11,679	17,245	22,812	31,107	39,402	58,613	78,369	79,067	345,388
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$ 109	\$ 327	\$ 545	\$ 6,113	\$ 11,679	\$ 17,245	\$ 22,812	\$ 31,107	\$ 39,402	\$ 58,613	\$ 78,369	\$ 79,067	\$ 345,388

**Notes:**

- (A) N/A.  
 (B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
 (E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
 (F) Line 9b x Line 11

**Source:**

Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-EI.

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
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Return on Capital Investments, Depreciation and Taxes  
For Project: CAIR / CAMR - Peaking (Project 7.2)  
(In Dollars)

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,000
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	\$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	16,667	33,333	50,000	66,667	83,333	100,000	116,667	133,333	150,000	166,667	183,333	200,000	
5	Net Investment (Lines 2 + 3 + 4)	\$0	16,667	33,333	50,000	66,667	83,333	100,000	116,667	133,333	150,000	166,667	183,333	200,000	
6	Average Net Investment		8,333	25,000	41,667	58,333	75,000	91,667	108,333	125,000	141,667	158,333	175,000	191,667	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	77	233	388	542	698	853	1,007	1,163	1,318	1,472	1,628	1,783	\$11,160
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	14	43	71	99	128	156	184	213	241	269	298	326	2,040
8	Investment Expenses														
a.	Depreciation (C)		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	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)		92	275	458	642	825	1,008	1,192	1,375	1,558	1,742	1,925	2,108	13,200
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		92	275	458	642	825	1,008	1,192	1,375	1,558	1,742	1,925	2,108	13,200
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	0.88979	
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)		82	245	408	571	734	897	1,061	1,223	1,386	1,550	1,713	1,876	11,745
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$ 82	\$ 245	\$ 408	\$ 571	\$ 734	\$ 897	\$ 1,061	\$ 1,223	\$ 1,386	\$ 1,550	\$ 1,713	\$ 1,876	\$ 11,745

**Notes:**

- (A) N/A.  
(B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
(C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
(D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
(E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
(F) Line 9b x Line 11

**Source:**

Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-EI.

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**JANUARY 2006 - DECEMBER 2006**

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Return on Capital Investments, Depreciation and Taxes  
For Project: **CAIR / CAMR - Base - AFUDC (Project 7.3) (A)**  
**(In Dollars)**

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$2,019,836	\$2,021,945	\$2,041,727	\$2,180,355	\$2,196,440	\$2,225,247	\$3,671,241	\$3,585,292	\$4,763,849	\$4,799,722	\$7,241,436	\$6,919,054	\$43,666,194
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 (B' 8.848%		7,446	37,149	52,404	68,356	84,996	101,924	124,414	152,083	183,985	220,599	266,618	320,789	1,620,763
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 - AFUDC-Interest Bearing Accrued	2,000,000	4,027,282	6,086,376	8,180,507	10,429,218	12,710,654	15,037,824	18,833,479	22,570,854	27,518,688	32,539,010	40,047,114	47,286,957	\$45,286,957
5	Net Investment (Lines 2 + 3 + 4)	\$2,000,000	4,027,282	6,086,376	8,180,507	10,429,218	12,710,654	15,037,824	18,833,479	22,570,854	27,518,688	32,539,010	40,047,114	47,286,957	
6	Average Net Investment		3,013,641	5,056,829	7,133,442	9,304,863	11,569,936	13,874,239	16,935,652	20,702,167	25,044,771	30,028,849	36,293,062	43,667,035	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes		0	0	0	0	0	0	0	0	0	0	0	0	\$0
b.	Debt Component (Line 6 x 2.04% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a.	Depreciation		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		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		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Notes:**

- (A) This schedule shown for informational purposes.  
(B) AFUDC calculation based on 2005 Rate Case Settlement in Dkt. 050078-EI.

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
JANUARY 2006 - DECEMBER 2006  
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-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments		\$25,123	\$25,123	\$25,123	\$25,123	\$25,123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,615
	a. Expenditures/Additions														
	b. Clearings to Plant		92,500	0	0	0	0	0	0	0	125,615	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	92,500	92,500	92,500	92,500	92,500	92,500	92,500	92,500	218,115	218,115	218,115	218,115	218,115
3	Less: Accumulated Depreciation	0	(354)	(708)	(1,061)	(1,415)	(1,769)	(2,123)	(2,477)	(2,831)	(3,665)	(4,499)	(5,333)	(6,168)	(6,168)
4	CWIP - Non-Interest Bearing	92,500	25,123	50,246	75,369	100,492	125,615	125,615	125,615	125,615	214,450	213,616	212,782	211,947	211,947
5	Net Investment (Lines 2 + 3 + 4)	\$92,500	117,269	142,038	166,808	191,577	216,346	215,992	215,638	215,285	214,450	213,616	212,782	211,947	211,947
6	Average Net Investment		104,885	129,654	154,423	179,192	203,961	216,169	215,815	215,461	214,867	214,033	213,199	212,364	212,364
7	Return on Average Net Investment														
	a. Equity Component Crossed Up For Taxes (B)		975	1,206	1,436	1,666	1,897	2,010	2,067	2,004	1,998	1,991	1,983	1,975	1,975
	b. Debt Component (Line 6 x 2.04% x 1/12)		178	220	263	305	347	367	367	366	365	364	362	361	361
8	Investment Expenses														
	a. Depreciation (C)		354	354	354	354	354	354	354	354	834	834	834	834	834
	b. Amortization		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Disarmament		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)		148	148	147	146	146	145	145	144	345	343	342	341	341
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,656	1,928	2,199	2,471	2,743	2,877	2,873	2,868	3,543	3,532	3,522	3,511	3,511
	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		1,656	1,928	2,199	2,471	2,743	2,877	2,873	2,868	3,543	3,532	3,522	3,511	3,511
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95697	0.95680	0.95750	0.95390	0.95290	0.95520	0.95670	0.95670	0.95670
11	Demand Jurisdictional Factor - Production (Intermediate)		0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597	0.99597
12	Retail Demand-Related Recoverable Costs (F)		1,649	1,920	2,190	2,461	2,732	2,865	2,861	2,856	3,529	3,518	3,508	3,497	3,497
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)		\$1,649	\$1,920	\$2,190	\$2,461	\$2,732	\$2,865	\$2,861	\$2,856	\$3,529	\$3,518	\$3,508	\$3,497	\$3,497
	(F) Line 9b x Line 11														
	(E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.														
	(D) Line 2 x 4.59% x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EL.														
	(C) Line 2 x 4.59% x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EL.														
	(B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EL.														
	(A) N/A.														

Notes:

Source: Based on 2005 Rate Case Settlement in Dkt. 050078-EL.

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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-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,000
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	\$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	16,667	33,333	50,000	66,667	83,333	100,000	116,667	133,333	150,000	166,667	183,333	200,000	
5	Net Investment (Lines 2 + 3 + 4)	\$0	16,667	33,333	50,000	66,667	83,333	100,000	116,667	133,333	150,000	166,667	183,333	200,000	
6	Average Net Investment		8,333	25,000	41,667	58,333	75,000	91,667	108,333	125,000	141,667	158,333	175,000	191,667	
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	77	233	388	542	698	853	1,007	1,163	1,318	1,472	1,628	1,783	\$11,160
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	14	43	71	99	128	156	184	213	241	269	298	326	2,040
8	Investment Expenses														
a.	Depreciation (C)		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	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)		92	275	458	642	825	1,008	1,192	1,375	1,558	1,742	1,925	2,108	13,200
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		92	275	458	642	825	1,008	1,192	1,375	1,558	1,742	1,925	2,108	13,200
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	
11	Demand Jurisdictional Factor - Production (Intermediate)		0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	
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)		86	258	429	602	773	945	1,118	1,289	1,461	1,633	1,805	1,976	12,375
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$ 86	\$ 258	\$ 429	\$ 602	\$ 773	\$ 945	\$ 1,118	\$ 1,289	\$ 1,461	\$ 1,633	\$ 1,805	\$ 1,976	\$ 12,375

**Notes:**

- (A) N/A.  
 (B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
 (E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
 (F) Line 9b x Line 11

**Source:**

Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-EI.

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For Project: UNDERGROUND STORAGE TANKS - Intermediate (Project 10.2)  
**(in Dollars)**

Line	Description	Beginning of Period Amount	Projected Jan-06	Projected Feb-06	Projected Mar-06	Projected Apr-06	Projected May-06	Projected Jun-06	Projected Jul-06	Projected Aug-06	Projected Sep-06	Projected Oct-06	Projected Nov-06	Projected Dec-06	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$8,333	\$100,000
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	\$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	8,333	16,667	25,000	33,333	41,667	50,000	58,333	66,667	75,000	83,333	91,667	100,000	0
5	Net Investment (Lines 2 + 3 + 4)	\$0	8,333	16,667	25,000	33,333	41,667	50,000	58,333	66,667	75,000	83,333	91,667	100,000	0
6	Average Net Investment		4,167	12,500	20,833	29,167	37,500	45,833	54,167	62,500	70,833	79,167	87,500	95,833	0
7	Return on Average Net Investment														
a.	Equity Component Grossed Up For Taxes (B)	11.16%	39	116	194	271	349	426	504	581	659	736	814	891	\$5,580
b.	Debt Component (Line 6 x 2.04% x 1/12)	2.04%	7	21	35	50	64	78	92	106	120	135	149	163	1,020
8	Investment Expenses														
a.	Depreciation (C)		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	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)		46	138	229	321	413	504	596	688	779	871	963	1,054	6,600
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		46	138	229	321	413	504	596	688	779	871	963	1,054	6,600
10	Energy Jurisdictional Factor		0.93220	0.95910	0.95890	0.95680	0.95680	0.95660	0.95750	0.95390	0.95290	0.95520	0.95520	0.95670	0
11	Demand Jurisdictional Factor - Production (Intermediate)		0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0.79046	0
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)		36	109	181	254	326	398	471	544	616	688	761	833	5,219
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$ 36	\$ 109	\$ 181	\$ 254	\$ 326	\$ 398	\$ 471	\$ 544	\$ 616	\$ 688	\$ 761	\$ 833	\$ 5,219

**Notes:**

- (A) N/A.  
 (B) Line 6 x 11.16% x 1/12. Based on ROE of 11.75%, weighted cost of equity component of capital structure of 6.85%, and statutory income tax rate of 38.575% (expansion factor of 1.628002). Based on 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (C) Line 2 x rate x 1/12. Depreciation rate based on 2005 rates on Exhibit 2 in the 2005 Rate Case Settlement in Dkt. 050078-EI.  
 (D) Lines 2 + 3 x rate x 1/12. Based on 2004 Actual Property Tax Millage Rate.  
 (E) Line 9a x Line 10 x 1.00000 line loss multiplier. None for this period.  
 (F) Line 9b x Line 11

**Source:**

Line 8c Based on 2005 Rate Case Settlement in Dkt. 050078-EI.

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**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 terminate 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:**

As of July of this year, PEF has completed environmental investigations and necessary remediations at four substations this year. Also, as a result of recent negotiations with the FDEP, the number of targeted substations to be completed in the remainder of 2005 required schedule changes. Per this agreement, PEF will schedule remediation on eight large scale substation sites which are expected to be completed by end of year. In addition, any substations that are found to have off-site contamination as identified through substation groundwater investigations currently underway, will also be completed to ensure FDEP's plan approval. PEF's revision to the original 2005 workplan does not produce a significant deviation from the forecasted expenditures. This is due to the program now being based on the remediations which are focused on large scale remediation sites versus the forecasted 66 sites which were primarily small scale remediations. PEF is currently on target to meet these revised commitments to ensure compliance with FDEP's recent agreement.

**Project Fiscal Expenditures:**

January 1, 2005 to December 31, 2005: Project expenditures are estimated to be \$64,775 higher than originally projected. This variance is primarily due to three substations requiring emergency response. PEF does not forecast for this type of remediations due to its occurrence/s being unknown.

**Project Progress Summary:**

PEF is on schedule according to the approved Substation Inspection Plan and the Substation Assessment and Remedial Action Plan.

**Project Projections:**

Estimated project expenditures for the period January 2006 through December 2006 are expected to be \$1,160,692 for remediation activity.



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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 prevent 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. 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 remediation on 668 of the 820 planned distribution padmount transformer sites in 2005. These remediations include 126 sites completed in the 1st quarter of 2005 as a result of a roll over from the 2004 work plan. As a result of corrections, 36 sites were also added to the 2005 work plan. Completion of the remaining identified remediation sites, are on schedule.

**Project Fiscal Expenditures:**

January 1, 2005 to December 31, 2005: Project expenditures are estimated to be \$460,825 higher than originally projected. This variance resulted from the roll over of remediation activities of 126 single-phase sites from the 2004 work plan into the 2005 work plan as a result of work delays.

**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 2006 through December 2006 are expected to be \$4,451,692 for remediation activity.

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

**Project Description:**

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 of 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 complying with continual assessment and evaluation of pipeline systems integrity through inspection and testing, data integration and analysis and follow up with remedial, preventative, and mitigative actions.

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

**Project Accomplishments:**

During 2005, PEF continued work on the PIM program. This effort included ongoing implementation activities as required by the integrity management regulation as well as projects to address areas of inadequate coverage and / or corrosion of the pipeline.

**Project Fiscal Expenditures:**

From January 1, 2005 to December 31, 2005: O&M project expenditures are estimated to be \$208,000 higher than originally projected. This variance is primarily attributable to implementation of unanticipated activities undertaken to ensure pipeline protection.

**Project Progress Summary:**

Review and updates to the integrity management plan and risk analyses continue on target. Compliance work will continue through the end of 2005, and into the future.

**Project Projections:**

Estimated project O&M expenditures for the period January 2006 through December 2006 are expected to be \$717,000; estimated capital expenditure for the period are expected to be \$95,000.

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**Project Title:** Above Ground 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 any 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:**

Activities during 2005 included continued work on the Turner above ground storage tank double-bottoming project, completion of upgrading one Intercession City tank and associated piping, and upgrading of a smaller tank at the Avon Park combustion turbine site.

**Project Fiscal Expenditures:**

January 1, 2005 to December 31, 2005: Project expenditures will be approximately \$240,385 less than the original projection due to scheduling of individual tank upgrades to ensure system availability during the critical hurricane season.

**Project Progress Summary:**

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

**Project Projections:**

Estimated capital expenditures for the period January 2006 through December 2006 are expected to be \$1,263,000. O&M expenditures are estimated to be \$5,000.

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**Project Title:** SO<sub>2</sub> Emissions Allowances  
**Project No. 5**

**Project Description:**

In accordance with Title IV of the Clean Air Act, CFR 40 Part 73 and Florida Statute Regulation 62-214, PEF manages the company's SO<sub>2</sub> emissions allowance inventory for the purpose of offsetting sulfur dioxide emissions in compliance with the Federal Acid Rain Program.

**Project Accomplishments:**

For the purposes of compliance with an affected unit's sulfur dioxide 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, auctions, and transfers of SO<sub>2</sub> emissions allowances.

**Project Fiscal Expenditures:**

From January 1, 2005 to December 31, 2005: Project expenditures are estimated to be \$8,364,147 or 39% higher than originally projected. This variance is primarily driven by higher market prices for allowances which was partially offset by lower projected tons.

**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 our fuel mix as it relates to emissions as a result of residual oil.

**Project Projections:**

Estimated project expenditures for the period January 2006 through December 2006 are expected to be \$9,323,403.

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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, administrative measures and/or cost assessment measures. See generally 40 CFR 125.94 and 125.95.

**Project Accomplishments:**

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 and Bartow and they have been submitted to FDEP. FDEP approved the Anclote PIC, and field work is underway. Negotiations are underway regarding the Bartow PIC, and field work is expected to begin during the third quarter. The PIC for Crystal River will be submitted to FDEP before the end of 2005.

**Project Fiscal Expenditures:**

January 2005 - December 2005: PEF's projected expenditures will be approximately \$338,775 less than the original projection for 2005 due to delays in starting field sampling work at Anclote and Bartow sites, and FDEP's approval (via NPDES permit issued in May 2005) of deferring work for one year at Crystal River.

**Project Progress Summary:**

Though environmental studies were conducted at Anclote, Bartow and Crystal River in the past, the results of the studies did not sufficiently address the requirements of the new 316(b) Phase II rule, in particular those of the Comprehensive Demonstration Study (CDS). With the assistance of an environmental consultant, PEF has completed a Compliance Strategy and Implementation Plan (CSIP), and is developing Proposals for Information Collection (PICs). PICs for Anclote and Bartow were submitted to the FDEP in early 2005; Anclote is approved and Bartow is pending. The PICs are the basis for field studies and data collection now underway at Anclote, and planned shortly for Bartow. PEF will continue to actively work with FDEP / EPA to specify the required actions and associated schedules.

**Project Projections:**

Estimated project O&M expenditures for the period January 2006 through December 2006 are expected to be \$1,466,749 for continued field sampling work and initiation of engineering / technology evaluations.

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**Project Title:** CAIR and CAMR  
**Project No. 7**

**Project Description:**

The 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 allocates 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. The Clean Air Mercury Rule (CAMR), 40 CFR Part 60 Subpart Da and 40 CFR Part 60 Subpart HHHH, employs a cap on total mercury emissions from coal-fired power plants in order to achieve significant emissions reductions. Mercury emissions from new and existing coal-fired utility units will be capped at specified, nationwide levels.

**Project Accomplishments:**

Progress Energy has contracted with a team of outside vendors to perform strategy development work. Preliminary engineering work is underway.

**Project Fiscal Expenditures:**

January 2005 - December 2005: PEF's expenditures are projected to be approximately \$2,000,000. These costs include preliminary engineering activities and strategy development work necessary to determine the Company's integrated compliance strategy.

**Project Progress Summary:**

PEF will continually evaluate its compliance program, including scheduling and technology applications. Currently, the focus is on Crystal River with a project team being formed, while Anclote and Bartow are being completed first.

**Project Projections:**

Estimated project expenditures for the period January 2006 through December 2006 are expected to be approximately \$53 million: CR Units 4 and 5 SCRs: \$21.7 million; CR Unit 5 FGD: \$22 million; Anclote Unit 1 NO<sub>x</sub> reduction: \$9.1 million; the installation of test ports on 44 emission sources at 31 combustion turbine sites: \$200,000.

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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 with a new MCL of 0.010 mg/L (10ppb). Effective January 1, 2002, 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 monitoring wells is underway, utilizing new analytical methods that can detect the lower maximum contaminant level (MCL). As results are gathered and submitted to FDEP, PEF will be able to determine future compliance activities and costs.

**Project Fiscal Expenditures:**

January 2005 - December 2005: O&M projections are estimated to be \$50,000; this includes costs for sampling and analyses.

**Project Progress Summary:**

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

**Project Projections:**

Estimated project expenditures for the period January 2006 through December 2006 are expected to be \$50,000 for analytical testing and consultant costs associated with development of compliance strategies. These strategies will depend upon analytical results and discussions with FDEP.

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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, FFWCC, 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 will be working with the local governments and regulatory agencies in 2005 to determine the most cost-effective compliance measures for each site. Compliance measures include retrofitting or replacing existing streetlights and, in certain cases, monitoring to determine the effectiveness of the new or retrofitted lights. These activities are planned to be carried out in the 3rd and 4th quarters of 2005 pending acceptance from the applicable local governments.

**Project Fiscal Expenditures:**

January 1, 2005 to December 31, 2005: PEF projects to incur capital costs of \$92,500 and O&M costs of \$80,000 in 2005. Capital cost estimates are based on the modification of 500 lighting fixtures to add lens shielding and/or buffering at a cost of approximately \$185 per unit. PEF estimates O&M costs of \$80,000 for monitoring the effectiveness of these retrofits. Actual costs may vary depending upon discussions with regulatory agencies to determine the most cost-effective and appropriate compliance measures for specific sites.

**Project Progress Summary:**

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

**Project Projections:**

Estimated project expenditures for the period January 2006 through December 2006 are expected to be \$108,767 in O&M costs and \$125,615 in capital expenditures to ensure compliance with sea turtle ordinances.



**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
**JANUARY 2006 - DECEMBER 2006**  
Description and Progress Report for  
Environmental Compliance Activities and Projects

Form 42-5P  
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**Project Title:** Underground Storage Tanks  
**Project No. 10**

**Project Description:**

DEP rules require that underground pollutant storage tanks and small diameter piping be upgraded with secondary containment by September 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. The necessary work will be performed in 2006.

**Project Accomplishments:**

Utility engineering staff is preparing to conduct work in 2006.

**Project Fiscal Expenditures:**

Costs were projected for 2005.

**Project Progress Summary:**

Appropriate approvals have been received to conduct this work in 2006.

**Project Projections:**

Estimated project capital expenditures for the period January 2006 through December 2006 are expected to be \$300,000 for installation of two new underground storage tanks at Crystal River (\$200,000), and two new underground storage tanks at Bartow (\$100,000).

**PROGRESS ENERGY FLORIDA**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Energy & Demand Allocation % by Rate Class  
**JANUARY 2006 - DECEMBER 2006**

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>													
RS-1, RST-1, RSL-1, RSL-2, RSS-1													
Secondary	0.548	20,435,616	4,256.99	0.40979	0.9411752	21,712,871	4,523.06	21,712,871	6,048.5	51.077%	58.017%	57.483%	59.532%
<b>General Service Non-Demand</b>													
GS-1, GST-1													
Secondary	0.609	1,345,051	252.13	0.43381	0.9411752	1,429,119	267.88	1,429,119	376.1	3.362%	3.436%	3.430%	3.701%
Primary	0.609	6,106	1.14	0.43381	0.9663000	6,319	1.18	6,319	1.7	0.015%	0.015%	0.015%	0.016%
Transmission	0.609	2,830	0.53	0.43381	0.9763000	2,899	0.54	0	0.0	0.007%	0.007%	0.007%	0.000%
										3.384%	3.458%	3.453%	3.718%
GS-2 Secondary	1.000	85,622	9.77	1.00000	0.9411752	90,973	10.39	90,973	10.4	0.214%	0.133%	0.139%	0.102%
<b>General Service Demand</b>													
GSD-1, GSDT-1													
Secondary	0.698	12,662,743	2,070.94	0.56422	0.9411752	13,454,183	2,200.38	13,454,183	2,722.1	31.650%	28.224%	28.488%	26.792%
Primary	0.698	2,505,125	409.70	0.56422	0.9663000	2,592,492	423.99	2,592,492	524.5	6.099%	5.439%	5.489%	5.163%
Transmission	0.698	0	0.00	0.56422	0.9763000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
SS-1 Primary	3.733	0	0.00	0.18621	0.9663000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Transm Del/ Transm Mtr	3.733	9,179	0.28	0.18621	0.9763000	9,402	0.29	0	0.0	0.022%	0.004%	0.005%	0.000%
Transm Del/ Primary Mtr	3.733	5,482	0.17	0.18621	0.9663000	5,673	0.17	0	0.0	0.013%	0.002%	0.003%	0.000%
										37.784%	33.668%	33.985%	31.955%
<b>Curtailable</b>													
CS-1, CST-1, CS-2, CST-2, SS-3													
Secondary	0.779	-	0.00	0.56424	0.9411752	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Primary	0.779	294,624	43.17	0.56424	0.9663000	304,899	44.68	304,899	61.7	0.717%	0.573%	0.584%	0.607%
SS-3 Primary	0.480	1,842	0.44	0.02458	0.9663000	1,906	0.45	1,906	8.9	0.004%	0.006%	0.006%	0.087%
										0.722%	0.579%	0.590%	0.694%
<b>Interruptible</b>													
IS-1, IST-1, IS-2, IST-2													
Secondary	0.940	137,041	16.64	0.67161	0.9411752	145,606	17.68	145,606	24.7	0.343%	0.227%	0.236%	0.244%
Primary Del / Primary Mtr	0.940	1,687,544	204.94	0.67161	0.9663000	1,746,398	212.09	1,746,398	296.8	4.108%	2.720%	2.827%	2.922%
Primary Del / Transm Mtr	0.940	2,133	0.26	0.67161	0.9763000	2,185	0.27	2,185	0.4	0.005%	0.003%	0.004%	0.004%
Transm Del/ Transm Mtr	0.940	406,511	49.37	0.67161	0.9763000	416,379	50.57	0	0.0	0.979%	0.649%	0.674%	0.000%
Transm Del/ Primary Mtr	0.940	60,721	7.37	0.67161	0.9663000	62,839	7.63	0	0.0	0.148%	0.098%	0.102%	0.000%
SS-2 Primary	0.748	-	0.00	0.17340	0.9663000	0	0.00	0	0.0	0.000%	0.000%	0.000%	0.000%
Transm Del/ Transm Mtr	0.748	102,983	15.72	0.17340	0.9763000	105,483	16.10	0	0.0	0.248%	0.206%	0.210%	0.000%
Transm Del/ Primary Mtr	0.748	63,764	9.73	0.17340	0.9663000	65,988	10.07	0	0.0	0.155%	0.129%	0.131%	0.000%
										5.987%	4.033%	4.183%	3.169%
<b>Lighting</b>													
LS-1 (Secondary)	4.650	333,325	8.18	0.47900	0.9411752	354,158	8.69	354,158	84.4	0.833%	0.112%	0.167%	0.831%
		40,148,242	7,357.49			42,509,772	7,796.12	41,841,109	10,160.2	100.000%	100.000%	100.000%	100.000%

Notes:

(1)	Average 12CP load factor based on load research study filed July 31, 2003	(7)	Column 3 / Column 5
(2)	Projected kWh sales for the period January 2006 to December 2006	(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, 2003	(9)	Column 6/ Total Column 6
(5)	Based on system average line loss analysis for 2004	(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 2006 - DECEMBER 2006**

Form 42-7P

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP Demand Transmission Allocator (%)	(3) 12CP & 1/13 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>											
RS-1, RST-1, RSL-1, RSL-2, RSS-1											
Secondary	51.077%	58.017%	57.483%	59.532%	\$7,219,987	\$564,376	\$3,120,910	\$1,812,591	\$12,717,864	20,435,616	0.062
<b>General Service Non-Demand</b>											
GS-1, GST-1											
Secondary										1,345,051	0.060
Primary										6,045	0.059
Transmission										2,773	0.059
TOTAL GS	3.384%	3.458%	3.453%	3.718%	\$478,277	\$33,641	\$194,900	\$108,867	\$815,686	1,353,869	
<b>General Service</b>											
GS-2 Secondary	0.214%	0.133%	0.139%	0.102%	\$30,251	\$1,296	\$5,359	\$4,396	\$41,301	85,622	0.048
<b>General Service Demand</b>											
GSD-1, GSDT-1, SS-1											
Secondary										12,662,743	0.056
Primary										2,485,501	0.055
Transmission										8,995	0.055
TOTAL GSD	37.784%	33.668%	33.985%	31.955%	\$5,340,870	\$327,520	\$1,675,200	\$1,071,637	\$8,415,227	15,157,238	
<b>Curtailable</b>											
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3											
Secondary										-	0.055
Primary										293,501	0.054
Transmission										-	0.054
TOTAL CS	0.722%	0.579%	0.590%	0.694%	\$102,019	\$5,632	\$36,397	\$18,601	\$162,649	293,501	
<b>Interruptible</b>											
IS-1, IST-1, IS-2, IST-2, SS-2											
Secondary										137,041	0.049
Primary										1,793,909	0.049
Transmission										501,394	0.048
TOTAL IS	5.987%	4.033%	4.183%	3.169%	\$846,225	\$39,230	\$166,126	\$131,903	\$1,183,484	2,432,344	
<b>Lighting</b>											
LS-1 Secondary	0.833%	0.112%	0.167%	0.831%	\$117,765	\$1,085	\$43,550	\$5,267	\$167,667	333,325	0.050
	100.000%	100.000%	100.000%	100.000%	\$14,135,394	\$972,780	\$5,242,442	\$3,153,263	\$23,503,878	40,091,516	0.059

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- Notes:
- (1) From Form 42-6P, Column 9
  - (2) From Form 42-6P, Column 10
  - (3) From Form 42-6P, Column 11
  - (4) From Form 42-6P, 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 2006 to December 2006
  - (11) Column 7 / Column 8 x 100