

ORIGINAL



JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

September 24, 2004

VIA HAND DELIVERY

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: Docket No. 040002-EU

Dear Ms. Bayó:

Enclosed for filing in the subject docket on behalf of Progress Energy Florida, Inc., are an original and fifteen copies of the direct testimony of John A. Masiello.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced document in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

- CMP _____
- COM 5
- CTR org
- ECR
- GCL 1
- OPC _____
- MMS _____
- RCA _____
- SCR _____
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JAM/scc
Enclosures

cc: Parties of record

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PROGRESS ENERGY FLORIDA

DOCKET NO. 040002-EG

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the direct testimony of John A. Masiello has been furnished to the following individuals by regular U.S. Mail the 24th day of September, 2004:

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Economic Regulation Section
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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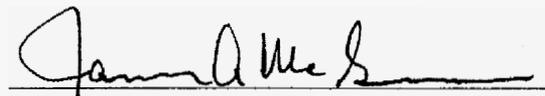
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Attorney

PROGRESS ENERGY FLORIDA

DOCKET NO. 040002-EG

**DIRECT TESTIMONY OF
JOHN A. MASIELLO**

1 **Q. State your name and business address.**

2 A. My name is John A. Masiello. My business address is Progress Energy,
3 3300 Exchange Place, Lake Mary, FL 32746.

4

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

6 A. I am employed by Progress Energy Florida, Inc (Progress Energy of the
7 Company) as Manager, DSM & Alternative Energy Strategy.

8

9 **Q. Have your duties and responsibilities remained the same since you**
10 **last testified in this proceeding.**

11 A. Yes.

12

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

14 A. The purpose of my testimony is to describe the components and costs of
15 the Company's Demand-Side Management Plan as approved by the
16 Commission. I will detail the projected costs for implementing each program
17 in that plan, explain how these costs are presented in my attached exhibit,
18 and show the resulting Energy Conservation Cost Recovery (ECCR) factors
19 for customer billings in 2005.

1 **Q. Do you have any Exhibits to your testimony?**

2 A. Yes, Exhibit No. _____ (JAM-1P) consists of Schedules C-1 through C-5,,
3 which support Progress Energy's ECCR calculations for the 2004
4 actual/estimated period and the 2005 projection period.

5
6 **Q. For what programs does Progress Energy seek recovery?**

7 A. Progress Energy is seeking to recover those costs allowed pursuant to Rule
8 25-17.015, F.A.C., for each of the following Commission-approved
9 conservation programs, as well as for Conservation Program Administration
10 (those common administration expenses not specifically linked to an
11 individual program).

- 12 • Home Energy Check
- 13 • Home Energy Improvement
- 14 • Residential New Construction
- 15 • Low-Income Weatherization Assistance
- 16 • Energy Management (Residential and Commercial Load Management)
- 17 • Business Energy Check
- 18 • Better Business
- 19 • Commercial/Industrial New Construction
- 20 • Innovation Incentive
- 21 • Standby Generation
- 22 • Interruptible Service
- 23 • Curtailable Service
- 24 • Technology Development
- 25 • Qualifying Facilities

1 **Q. What is included in your Exhibit?**

2 A. My exhibit consists of Schedules C-1 through C-5. Schedule C-1 provides a
3 summary of cost recovery clause calculations and information by retail rate
4 schedule. Schedule C-2 provides annual and monthly conservation
5 program cost estimates for the 2005 projection period for each conservation
6 program, as well as for common administration expenses. Additionally,
7 Schedule C-2 presents program costs by specific category (i.e. payroll,
8 materials, incentives, etc.) and includes a schedule of estimated capital
9 investments, depreciation and return for the projection period.

10 Schedule C-3 contains a detailed breakdown of conservation program
11 costs by specific category and by month for the actual/estimated period of
12 January through August 2004 (actual) and September through December
13 2004 (estimated). In addition, Schedule C-3 presents a schedule of capital
14 investment, depreciation and return, an energy conservation adjustment
15 calculation of true-up, and a calculation of interest provision for the 2004
16 actual/estimated period.

17 Schedule C-4 projects ECCR revenues during the 2005 projection
18 period. Schedule C-5 presents a brief description of each program, as well
19 as a summary of progress and projected expenditures for each program for
20 which Progress Energy seeks cost recovery through the ECCR clause.

21

22 **Q. Would you please summarize the major results from your Exhibit?**

23 A. Yes. Schedule C-2, Page 1 of 5, Line 20, shows total net program costs of
24 \$66,614,453 for the 2005 projection period. The following table presents the
25 Progress Energy's proposed ECCR billing factors, expressed in dollars per

1 1,000 kilowatt-hours by retail rate class and voltage level for calendar year
2 2005, as contained in Schedule C-1, Page 1 of 4, Lines 16 – 19.

3 **2005 ECCR Billing Factors (\$/1,000 kWh)**

4		Secondary	Primary	Transmission
5	<u>Retail Rate Schedule</u>	<u>Voltage</u>	<u>Voltage</u>	<u>Voltage</u>
6	Residential	\$1.69	N/A	N/A
7	General Service Non-Demand	\$1.57	\$1.55	\$1.54
8	General Service 100% Load Factor	\$1.16	N/A	N/A
9	General Service Demand	\$1.43	\$1.42	\$1.40
10	Curtable	\$1.33	\$1.32	\$1.30
11	Interruptible	\$1.19	\$1.18	\$1.17
12	Lighting	\$0.64	N/A	N/A

13

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

15 **A. Yes.**

PROGRESS ENERGY FLORIDA INC.
ENERGY CONSERVATION ADJUSTMENT
SUMMARY OF COST RECOVERY CLAUSE CALCULATIONS
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

DOCKET NO. 040002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C - 1
PAGE 1 OF 4

RETAIL RATE SCHEDULES

LINE NO.	RESIDENTIAL	GENERAL SER. NON-DEMAND	GENERAL SER. 100% L.F.	GENERAL SER. DEMAND	CURTAILABLE	INTERRUPTIBLE	LIGHTING	TOTAL
1 DEMAND ALLOCATION PERCENTAGE	56.378%	3.427%	0.139%	34.971%	0.415%	4.508%	0.162%	100.000%
2 DEMAND RELATED INCREMENTAL COSTS	\$27,663,909	\$1,681,582	\$68,205	\$17,159,789	\$203,635	\$2,212,014	\$79,491	\$49,068,625
3 DEMAND PORTION OF PERIOD END TRUE UP (O)U RECOVERY	(\$2,011,868)	(\$122,294)	(\$4,980)	(\$1,247,952)	(\$14,809)	(\$160,869)	(\$5,781)	(\$3,568,533)
4 TOTAL DEMAND RELATED INCREMENTAL COSTS	\$25,652,041	\$1,559,288	\$63,245	\$15,911,837	\$188,826	\$2,051,145	\$73,710	\$45,500,092
5 ENERGY ALLOCATION PERCENTAGE	49.929%	3.348%	0.212%	38.759%	0.503%	6.443%	0.806%	100.000%
6 ENERGY RELATED INCREMENTAL COSTS	\$8,760,456	\$587,434	\$37,197	\$6,800,587	\$88,256	\$1,130,478	\$141,419	\$17,546,828
7 ENERGY PORTION OF PERIOD END TRUE UP (O)U RECOVERY	(\$456,062)	(\$30,581)	(\$1,936)	(\$354,033)	(\$4,595)	(\$58,852)	(\$7,362)	(\$913,422)
8 TOTAL ENERGY RELATED INCREMENTAL COSTS	\$8,304,394	\$556,853	\$35,261	\$6,446,554	\$83,661	\$1,071,626	\$134,057	\$16,632,406
9 TOTAL INCREMENTAL COSTS (LINE 2 + 6)	\$36,424,365	\$2,269,016	\$105,402	\$23,960,376	\$291,891	\$3,342,492	\$220,910	\$66,614,453
10 ECCR TRUE UP (O)U RECOVERY (LINE 3+7)	(\$2,467,930)	(\$152,875)	(\$6,896)	(\$1,601,985)	(\$19,404)	(\$219,721)	(\$13,143)	(\$4,481,955)
11 TOTAL (LINE 9+10)	\$33,956,435	\$2,116,141	\$98,506	\$22,358,391	\$272,487	\$3,122,771	\$207,767	\$62,132,498
12 RETAIL SALES MWH(@ EFFECTIVE VOLTAGE LEVEL SEE P. 4)	20,046,231	1,344,405	85,275	15,603,377	204,868	2,624,494	323,633	40,232,283
13 COST PER 1,000 KWH - ENERGY & DEMAND (LINE 12/13)	\$1.6939	\$1.5740	\$1.1552	\$1.4329	\$1.3301	\$1.1899	\$0.6420	
14 REGULATORY ASSESSMENT TAX EXPANSION FACTOR (IN ACCORDANCE WITH ORDER NO. PSC 95-0398-FOF-EG)	1.000245	1.000245	1.000245	1.000245	1.000245	1.000245	1.000245	
15 ADJUSTMENT FACTOR ADJUSTED FOR TAXES	1.6943	1.5744	1.1555	1.4333	1.3304	1.1902	0.6422	
16 CONSERVATION ADJUSTMENT FACTOR \$/1,000 KWH								
17 @ SECONDARY VOLTAGE	\$1.69	\$1.57	\$1.16	\$1.43	\$1.33	\$1.19	\$0.64	
18 @ PRIMARY VOLTAGE (1% REDUCTION FACTOR)	N/A	\$1.55	N/A	\$1.42	\$1.32	\$1.18	N/A	
19 @ TRANSMISSION VOLTAGE (2% REDUCTION FACTOR)	N/A	\$1.54	N/A	\$1.40	\$1.30	\$1.17	N/A	

CALCULATION OF AVERAGE 12 CP AND ANNUAL AVERAGE DEMAND
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

DOCKET NO. 040002-EG
PROGRESS ENERGY FLORIDA
JOHN A. MASIELLO
EXHIBIT NO. _____ (JAM-1P)
SCHEDULE C - 1
PAGE 2 OF 4

RATE CLASS	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	MWH SALES @ METER LEVEL	12 CP LOAD FACTOR	12 CP MW @ METER LEVEL (1)/8760hrs(2)	DELIVERY EFFICIENCY FACTOR	AVERAGE CP MW @ SOURCE LEVEL (3)/(4)	MWH SALES @ METER LEVEL	DELIVERY EFFICIENCY FACTOR	SOURCE LEVEL MWH (5)/(7)	ANNUAL AVERAGE DEMAND (8)/8760hrs
I. RESIDENTIAL SERVICE	20,046,231	0.548	4,175.88	0.9421658	4,432.21	20,046,231	0.9421658	21,276,755	2,428.85
II. GENERAL SERVICE NON-DEMAND									
TRANSMISSION	2,205	0.609	0.41	0.9764000	0.42	2,205	0.9764000	2,258	0.26
PRIMARY	9,250	0.609	1.73	0.9664000	1.79	9,250	0.9664000	9,572	1.09
SECONDARY	<u>1,333,086</u>	0.609	<u>249.88</u>	0.9421658	<u>265.22</u>	<u>1,333,086</u>	0.9421658	<u>1,414,917</u>	<u>161.52</u>
TOTAL	1,344,541		252.02		267.43	1,344,541		1,426,747	162.87
III. GS - 100% L.F.	85,275	1.000	9.73	0.9421658	10.33	85,275	0.9421658	90,510	10.33
IV. GENERAL SERVICE DEMAND									
GSD-1 - TRANSMISSION	156	0.698	0.03						
SS-1 - TRANSMISSION	<u>8,332</u>	3.733	0.25						
SUBTOTAL - TRANSMISSION	8,488		<u>0.28</u>	0.9764000	0.29	8,488	0.9764000	8,693	0.99
GSD - PRIMARY	2,762,073	0.698	451.73						
SS-1 - PRIMARY	<u>9,174</u>	3.733	<u>0.28</u>						
SUBTOTAL - PRIMARY	2,771,247		452.01	0.9664000	467.73	2,771,247	0.9664000	2,867,598	327.35
GSD - SECONDARY	<u>12,851,526</u>	0.698	<u>2,101.82</u>	0.9421658	<u>2,230.84</u>	<u>12,851,526</u>	0.9421658	<u>13,640,408</u>	<u>1,557.12</u>
TOTAL	15,631,261		2,554.11		2,698.86	15,631,261		18,516,599	1,885.46
V. CURTAILABLE SERVICE									
CS - PRIMARY	202,249	0.779	28.64						
SS3 - PRIMARY	4,310	0.480	1.03						
SUBTOTAL - PRIMARY	206,559		30.67	0.9664000	31.74	206,559	0.9664000	213,741	24.40
CS - SECONDARY	<u>375</u>	0.779	<u>0.05</u>	0.9421658	<u>0.05</u>	<u>375</u>	0.9421658	<u>388</u>	<u>0.05</u>
TOTAL	206,934		30.72		31.79	206,934		214,139	24.45
VI. INTERRUPTIBLE SERVICE									
IS - TRANSMISSION	451,210	0.940	54.80			451,210			
SS-2 - TRANSMISSION	74,811	0.748	11.42			74,811			
SUBTOTAL - TRANSMISSION	526,021		<u>66.22</u>	0.9764000	67.82	526,021	0.9764000	538,735	61.50
IS - PRIMARY	1,899,879	0.940	230.72			1,899,879			
SS-2 - PRIMARY	80,926	0.748	12.35			80,926			
SUBTOTAL - PRIMARY	1,980,805		243.07	0.9664000	251.52	1,980,805	0.9664000	2,049,674	233.98
SECONDARY	<u>147,996</u>	0.940	<u>17.97</u>	0.9421658	<u>19.07</u>	<u>147,996</u>	0.9421658	<u>157,061</u>	<u>17.93</u>
TOTAL	2,654,822		327.26		338.41	2,654,822		2,745,490	313.41
VII. LIGHTING SERVICE	323,633	4.650	7.95	0.9421658	8.44	323,633	0.9421658	343,499	39.21
TOTAL RETAIL	40,292,697				7,787.47	40,292,697		42,613,839	4,864.58

CALCULATION OF DEMAND AND ENERGY ALLOCATORS
 FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

RATE CLASS	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	AVERAGE 12 CP DEMAND MW	%	ANNUAL AVERAGE DEMAND MW	%	12/13 OF 12 CP 12/13*(2)	1/13 OF AVG. DEMAND 1/13 * (4)	DEMAND ALLOCATOR (5)+(6)
I. RESIDENTIAL SERVICE	4,432.21	56.915%	2,428.85	49.929%	52.537%	3.841%	56.378%
II. GENERAL SERVICE NON-DEMAND							
TRANSMISSION	0.42	0.005%	0.26	0.005%	0.005%	0.000%	0.005%
PRIMARY	1.79	0.023%	1.09	0.022%	0.021%	0.002%	0.023%
SECONDARY	265.22	3.406%	161.52	3.320%	3.144%	0.255%	3.399%
TOTAL	267.43	3.434%	162.87	3.348%	3.170%	0.257%	3.427%
III. GS - 100% L.F.	10.33	0.133%	10.33	0.212%	0.123%	0.016%	0.139%
IV. GENERAL SERVICE DEMAND							
TRANSMISSION	0.29	0.004%	0.99	0.020%	0.004%	0.002%	0.006%
PRIMARY	467.73	6.006%	327.35	6.729%	5.544%	0.518%	6.062%
SECONDARY	2,230.84	28.647%	1,557.12	32.009%	26.443%	2.462%	28.905%
TOTAL	2,698.86	34.656%	1,885.46	38.759%	31.990%	2.981%	34.971%
V. CURTAILABLE SERVICE							
PRIMARY	31.74	0.408%	24.40	0.502%	0.377%	0.039%	0.416%
SECONDARY	0.05	0.001%	0.05	0.001%	0.001%	0.000%	0.001%
TOTAL	31.79	0.408%	24.45	0.503%	0.376%	0.039%	0.415%
VI. INTERRUPTIBLE SERVICE							
TRANSMISSION	67.82	0.871%	61.50	1.264%	0.804%	0.097%	0.901%
PRIMARY	251.52	3.230%	233.98	4.810%	2.982%	0.370%	3.352%
SECONDARY	19.07	0.245%	17.93	0.369%	0.226%	0.028%	0.254%
TOTAL	338.41	4.346%	313.41	6.443%	4.012%	0.496%	4.508%
VII. LIGHTING SERVICE	8.44	0.108%	39.21	0.806%	0.100%	0.062%	0.162%
TOTAL RETAIL	7,787.47	100.000%	4,864.58	100.000%	92.308%	7.692%	100.000%

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 PROGRESS ENERGY FLORIDA
 JOHN A. MASIELLO
 EXHIBIT NO. _____ (JAM-1P)
 SCHEDULE C - 1
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**PROJECTED MWH S
 T EFFECTIVE VOLTAGE
 PERIOD JANUARY 2005 TO DECEMBER 2005**

(1) MWH SALES METER LEVEL	(2) PAGE PERCENT	(3) MWH SALES EFFECTIVE LEVEL
20,046,231	100%	20,046,231
2,205	98%	2,161
9,250	99%	9,156
<u>1,333,086</u>	100%	<u>1,333,086</u>
1,344,541		1,344,405
85,275	100%	85,275
8,488	98%	8,318
2,762,073	99%	2,734,451
9,174	99%	9,082
2,771,247		2,743,533
<u>12,851,526</u>	100%	<u>12,851,526</u>
15,831,261		15,803,377
206,559	99%	204,493
375	100%	375
<u>206,934</u>		<u>204,868</u>
451,210	98%	442,186
74,811	98%	73,315
526,021		515,501
1,899,879	99%	1,880,880
80,926	99%	80,117
1,980,805		1,960,997
<u>147,996</u>	100%	<u>147,996</u>
2,654,822		2,624,494
323,633	100%	323,633
40,292,697		40,232,283

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM -1P)
SCHEDULE C - 2
PAGE 1 OF 5

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	12 MONTH TOTAL		
1	BETTER BUSINESS (20015937) (E)	\$ 312,672		
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	1,715,512		
3	HOME ENERGY IMPROVEMENT (20015934) (E)	3,961,350		
4	C/I NEW CONSTRUCTION (20015938) (E)	121,134		
5	HOME ENERGY CHECK (20015932) (E)	3,992,957		
6	LOW INCOME (20021329) (E)	118,401		
7	BUSINESS ENERGY CHECK (20015936) (E)	1,149,672		
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	5,329,181		
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	589,300		
10	QUALIFYING FACILITY (20025062) (E)	534,275		
11	INNOVATION INCENTIVE (20015940) (E)	65,426		
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	245,247		
13	STANDBY GENERATION (20021332) (D)	1,152,125		
14	INTERRUPTIBLE SERVICE (20015941) (D)	19,892,697		
15	CURTAILABLE SERVICE (20015942) (D)	1,376,372		
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	24,529,796		
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	842,135		
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	686,200		
19				
20	NET PROGRAM COSTS	<u>\$ 66,614,453</u>		
21				
22	<u>SUMMARY OF DEMAND & ENERGY</u>			
23		12 Months	Prior Period	Total Costs
24		Total	True - up	with True - up
25				
26	ENERGY	\$ 17,545,828	\$ (913,422)	\$ 16,632,406
27				
28	DEMAND	<u>49,068,625</u>	<u>(3,568,533)</u>	<u>45,500,092</u>
29				
30	TOTAL	<u>\$ 66,614,453</u>	<u>\$ (4,481,955)</u>	<u>\$ 62,132,498</u>

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EQ
PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM -1P)
SCHEDULE C - 2
PAGE 2 OF 5

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	ESTIMATED												TOTAL
		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	
1	BETTER BUSINESS (20015837) (E)	\$ 23,333	\$ 29,272	\$ 25,313	\$ 25,878	\$ 25,878	\$ 28,658	\$ 27,856	\$ 25,878	\$ 25,878	\$ 25,878	\$ 25,030	\$ 23,818	\$ 312,872
2	RESIDENTIAL NEW CONSTRUCT (20015833) (E)	103,188	116,211	130,889	110,197	175,007	158,053	184,801	166,842	187,029	141,280	130,248	133,887	1,715,512
3	HOME ENERGY IMPROVEMENT (20015834) (E)	254,585	225,641	351,141	212,412	315,882	417,900	758,908	405,413	303,555	244,113	248,237	227,785	3,961,350
4	CI NEW CONSTRUCTION (20015838) (E)	8,528	11,425	9,887	10,107	10,107	10,878	10,107	10,107	10,107	10,107	9,778	9,228	121,134
5	HOME ENERGY CHECK (20015832) (E)	471,016	374,816	302,503	185,817	208,063	258,581	660,340	358,857	248,898	325,367	277,887	321,835	3,992,957
6	LOW INCOME (20021328) (E)	5,789	5,789	5,789	5,883	11,183	12,463	13,070	10,863	18,883	11,188	8,383	8,283	118,401
7	BUSINESS ENERGY CHECK (20015838) (E)	88,831	80,408	82,432	90,835	82,440	84,281	120,531	88,813	81,881	88,711	88,848	120,311	1,148,872
8	CONSERVATION PROGRAM ADMIN (20015835) (E)	350,458	384,443	748,782	378,740	378,792	463,827	479,740	412,841	417,875	484,888	380,871	801,843	5,328,181
9	CONSERVATION PROGRAM ADMIN (20015835) (D)	38,847	42,494	82,714	41,802	41,843	51,284	53,051	45,588	48,118	48,840	43,188	58,817	589,200
10	QUALIFYING FACILITY (20025882) (E)	41,858	41,858	41,838	41,818	41,818	41,818	58,070	41,818	41,818	41,188	40,818	58,570	534,275
11	INNOVATION INCENTIVE (20015840) (E)	4,908	8,131	5,318	5,433	5,433	5,840	5,840	5,433	5,433	5,433	5,258	4,987	65,428
12	TECHNOLOGY DEVELOPMENT (20015838) (E)	18,881	18,781	17,338	18,688	18,771	20,235	23,338	21,808	21,808	21,808	21,808	21,871	245,247
13	STANDBY GENERATION (20021332) (D)	78,792	87,384	98,881	83,730	94,838	93,707	100,508	92,388	98,387	90,584	113,288	110,588	1,152,125
14	INTERRUPTIBLE SERVICE (20015841) (D)	1,771,808	1,745,387	1,703,130	1,712,712	1,582,432	1,811,528	1,821,388	1,543,278	1,821,872	1,583,451	1,727,575	1,858,052	19,882,897
15	CURTailable SERVICE (20015842) (D)	122,183	118,958	118,808	118,121	108,728	111,058	112,388	108,288	111,781	111,100	118,158	114,781	1,378,372
16	RES ENERGY MANGMNT-ADMIN (20015843) (D)	2,871,127	2,718,988	1,822,587	1,801,225	1,724,508	1,832,280	2,021,338	1,898,484	1,838,858	1,711,811	2,048,730	2,242,747	24,528,798
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	88,328	87,164	87,985	88,802	88,802	70,238	70,878	71,488	72,223	73,003	73,818	70,817	842,135
18	COM ENERGY MANGMNT-ADMIN (20015844) (D)	52,885	55,290	47,200	58,340	84,442	55,500	58,035	68,803	81,388	54,578	81,013	48,804	888,200
19														
20	NET PROGRAM COSTS	\$ 8,388,847	\$ 6,138,485	\$ 5,888,481	\$ 4,780,119	\$ 4,980,744	\$ 5,438,388	\$ 8,380,841	\$ 5,375,325	\$ 5,305,088	\$ 5,011,258	\$ 5,430,251	\$ 5,735,508	\$ 88,814,453
21														
22														
23	SUMMARY OF DEMAND & ENERGY													
24														
25	ENERGY	\$ 1,388,857	\$ 1,302,857	\$ 1,728,183	\$ 1,084,587	\$ 1,283,152	\$ 1,510,791	\$ 2,342,372	\$ 1,552,870	\$ 1,353,842	\$ 1,338,811	\$ 1,245,708	\$ 1,434,100	\$ 17,545,828
26														
27	DEMAND	5,002,881	4,838,838	3,940,297	3,895,532	3,887,582	3,825,808	4,038,588	3,822,358	3,951,748	3,871,448	4,184,545	4,301,408	48,068,825
28														
29	TOTAL	\$ 6,388,847	\$ 6,138,485	\$ 5,888,481	\$ 4,780,119	\$ 4,980,744	\$ 5,438,388	\$ 8,380,841	\$ 5,375,325	\$ 5,305,088	\$ 5,011,258	\$ 5,430,251	\$ 5,735,508	\$ 88,814,453

PROGRESS ENERGY FLORIDA
ESTIMATED CONSERVATION PROGRAM COSTS
FOR THE PERIOD JANUARY 2005 THROUGH DECEMBER 2005

DOCKET NO. 040002-EG
PROGRESS ENERGY FLORIDA
WITNESS: MASIELLO
EXHIBIT NO: (JAM-1P)
SCHEDULE C - 2
PAGE 3 OF 5

LINE NO.	PROGRAM TITLE Demand (D) or Energy (E)	DEPRECIATION, AMORTIZATION & RETURN	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	OUTSIDE SERVICES	ADVERTISING	INCENTIVES	VEHICLES	OTHER	PROGRAM REVENUES (CREDITS)	TOTAL
1	BETTER BUSINESS (20015937) (E)	\$ -	\$ 14,400	\$ -	\$ -	\$ 14,450	\$ 282,822	\$ -	\$ 1,000	\$ -	\$ 312,672
2	RESIDENTIAL NEW CONSTRUCT (20015933) (E)	-	632,924	26,111	21,637	261,347	722,856	-	50,637	-	1,715,512
3	HOME ENERGY IMPROVEMENT (20015934) (E)	1,594	502,215	12,320	1,500	746,721	2,650,000	-	47,000	-	3,961,350
4	C/I NEW CONSTRUCTION (20015938) (E)	-	4,900	-	-	6,490	109,844	-	-	-	121,134
5	HOME ENERGY CHECK (20015932) (E)	1,781	1,851,734	194,457	32,162	1,730,323	-	-	182,500	-	3,992,957
6	LOW INCOME (20021329) (E)	-	41,120	-	-	44,500	23,001	-	9,780	-	118,401
7	BUSINESS ENERGY CHECK (20015936) (E)	870	734,455	11,490	24,000	300,807	-	-	78,050	-	1,149,672
8	CONSERVATION PROGRAM ADMIN (20015935) (E)	25,431	3,604,523	366,916	180,448	60,480	-	-	1,091,383	-	5,329,181
9	CONSERVATION PROGRAM ADMIN (20015935) (D)	-	400,502	40,767	20,047	6,720	-	-	121,264	-	589,300
10	QUALIFYING FACILITY (20025062) (E)	-	471,056	3,219	-	-	-	-	60,000	-	534,275
11	INNOVATION INCENTIVE (20015940) (E)	-	7,200	-	-	-	58,226	-	-	-	65,426
12	TECHNOLOGY DEVELOPMENT (20015939) (E)	37,707	89,916	8,396	-	1,000	-	-	108,228	-	245,247
13	STANDBY GENERATION (20021332) (D)	-	57,294	15,051	16,228	-	1,046,740	-	16,813	-	1,152,125
14	INTERRUPTIBLE SERVICE (20015941) (D)	-	95,545	97,320	5,850	-	19,648,001	-	45,981	-	19,892,697
15	CURTAILABLE SERVICE (20015942) (D)	-	26,332	-	-	-	1,350,040	-	-	-	1,376,372
16	RES ENERGY MANGMNT-ADMIN (20015943) (D)	-	1,846,127	52,380	1,350,000	127,440	21,074,685	-	79,164	-	24,529,796
17	LOAD MANAGEMENT SWITCHES (9080120) (D)	842,135	-	-	-	-	-	-	-	-	842,135
18	COM ENERGY MANGMNT-ADMIN (20015944) (D)	-	4,200	-	2,000	-	680,000	-	-	-	686,200
19											
20	NET PROGRAM COSTS	\$ 909,518	\$ 10,384,342	\$ 828,426	\$ 1,653,872	\$ 3,300,279	\$ 47,646,215	\$ -	\$ 1,891,800	\$ -	\$ 66,614,453
21											
22											
23	<u>SUMMARY OF DEMAND & ENERGY</u>										
24											
25	ENERGY	\$ 67,383	\$ 7,954,343	\$ 622,909	\$ 259,747	\$ 3,166,119	\$ 3,846,749	\$ -	\$ 1,628,578	\$ -	\$ 17,545,828
26											
27	DEMAND	842,135	2,429,999	205,518	1,394,125	134,160	43,799,466	-	263,222	-	49,068,625
28											
29	TOTAL	\$ 909,518	\$ 10,384,342	\$ 828,426	\$ 1,653,872	\$ 3,300,279	\$ 47,646,215	\$ -	\$ 1,891,800	\$ -	\$ 66,614,453

PROGRESS ENERGY FLORIDA
 SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASHIELLO
 EXHIBIT NO: (JAM -1P)
 SCHEDULE C - 2
 PAGE 4 OF 8

LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL	
			Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05		
1	HOME ENERGY CHECK															
2	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	DEPRECIATION BASE		6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
5																
6	DEPRECIATION EXPENSE		112	112	112	112	112	112	112	112	112	112	112	112	112	1,344
7																
8	CUMULATIVE INVESTMENT	8,737	8,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737	6,737
9	LESS: ACC. DEPRECIATION	2,788	2,900	3,012	3,124	3,238	3,348	3,460	3,572	3,684	3,796	3,908	4,020	4,132	4,132	4,132
10	NET INVESTMENT	3,849	3,837	3,725	3,613	3,501	3,389	3,277	3,165	3,053	2,941	2,829	2,717	2,605	2,605	2,605
11	AVERAGE INVESTMENT		3,893	3,781	3,669	3,557	3,445	3,333	3,221	3,109	2,997	2,885	2,773	2,661	2,661	2,661
12	RETURN ON AVERAGE INVESTMENT		29	29	28	28	28	25	25	24	23	22	21	21	21	301
13																
14	RETURN REQUIREMENTS		42	42	41	41	38	38	36	35	34	32	30	30	30	437
15																
16	PROGRAM TOTAL		\$ 154	\$ 154	\$ 153	\$ 153	\$ 150	\$ 148	\$ 148	\$ 147	\$ 146	\$ 144	\$ 142	\$ 142	\$ 142	\$ 1,781
17																
18	BUSINESS ENERGY CHECK															
19	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	DEPRECIATION BASE		3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801
22																
23	DEPRECIATION EXPENSE		80	80	80	80	80	80	80	80	80	80	80	80	80	720
24																
25	CUMULATIVE INVESTMENT	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801
26	LESS: ACC. DEPRECIATION	2,100	2,180	2,220	2,260	2,340	2,400	2,460	2,520	2,580	2,640	2,700	2,760	2,820	2,820	2,820
27	NET INVESTMENT	1,501	1,441	1,381	1,321	1,261	1,201	1,141	1,081	1,021	961	901	841	781	781	781
28	AVERAGE INVESTMENT		1,471	1,411	1,351	1,291	1,231	1,171	1,111	1,051	991	931	871	811	811	811
29	RETURN ON AVERAGE INVESTMENT		11	11	10	10	10	9	8	8	7	7	7	7	7	104
30																
31	RETURN REQUIREMENTS		16	16	14	14	14	13	12	12	10	10	10	9	9	150
32																
33	PROGRAM TOTAL		\$ 78	\$ 78	\$ 74	\$ 74	\$ 74	\$ 73	\$ 72	\$ 72	\$ 70	\$ 70	\$ 70	\$ 68	\$ 68	\$ 870
34																
35	ENERGY CONSERVATION ADMINISTRATION															
36	INVESTMENT		\$ 59,540	\$ 25,384	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 84,924
37	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	DEPRECIATION BASE		29,770	72,232	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924
39																
40	DEPRECIATION EXPENSE		496	1,204	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	15,850
41																
42	CUMULATIVE INVESTMENT	0	59,540	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924	84,924
43	LESS: ACC. DEPRECIATION	0	496	1,700	3,115	4,530	5,945	7,360	8,775	10,190	11,605	13,020	14,435	15,850	15,850	15,850
44	NET INVESTMENT	0	59,044	83,224	81,809	80,394	79,979	79,564	79,149	78,734	78,319	77,904	77,489	77,074	76,659	69,074
45	AVERAGE INVESTMENT		29,522	71,134	82,517	81,102	79,687	78,272	76,857	75,442	74,027	72,612	71,197	69,782	69,782	69,782
46	RETURN ON AVERAGE INVESTMENT		226	544	632	621	610	599	588	578	567	556	544	533	533	6,598
47																
48	RETURN REQUIREMENTS		328	790	918	902	886	870	854	838	823	807	790	774	774	9,581
49																
50	PROGRAM TOTAL		\$ 624	\$ 1,984	\$ 2,333	\$ 2,317	\$ 2,301	\$ 2,285	\$ 2,269	\$ 2,254	\$ 2,238	\$ 2,222	\$ 2,205	\$ 2,189	\$ 2,189	\$ 25,431

NOTES:
 - DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF 0.166667% OR 2% ANNUALLY
 - RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 8.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER PSC-02-0856-AS-61
 - RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.576%

PROGRESS ENERGY FLORIDA
SCHEDULE OF ESTIMATED CAPITAL INVESTMENTS, DEPRECIATION & RETURN
FOR THE PERIOD JANUARY 2006 THROUGH DECEMBER 2006

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM-1P)
 SCHEDULE C-2
 PAGE 6 OF 8

LINE NO.	PROGRAM TITLE	BEGINNING BALANCE	ESTIMATED												TOTAL		
			Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05			
1	TECHNOLOGY DEVELOPMENT																
2	INVESTMENT		\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ 35,000	\$ 35,000	\$ 12,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$182,000	
3	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	DEPRECIATION BASE		0	0	50,000	100,000	100,000	117,500	152,500	178,000	182,000	182,000	182,000	182,000	182,000	0	
5																	
6	DEPRECIATION EXPENSE		0	0	0	1,687	1,687	1,958	2,542	2,933	3,033	3,033	3,033	3,033	3,033	22,899	
7																	
8	CUMULATIVE INVESTMENT	0	0	0	100,000	100,000	100,000	135,000	170,000	182,000	182,000	182,000	182,000	182,000	182,000	182,000	
9	LESS: ACC. DEPRECIATION	0	0	0	0	1,687	3,374	5,332	7,874	10,787	13,800	16,833	19,866	22,899	25,932	22,899	
10	NET INVESTMENT	0	0	0	100,000	98,313	94,668	129,708	162,186	171,213	168,200	165,167	162,134	159,101	156,068	159,101	
11	AVERAGE INVESTMENT		0	0	50,000	69,187	97,500	113,187	145,837	166,700	180,717	186,864	186,864	186,864	186,864	186,818	
12	RETURN ON AVERAGE INVESTMENT		0	0	382	758	748	665	1,117	1,275	1,298	1,275	1,251	1,229	1,229	10,186	
13																	
14	RETURN REQUIREMENTS		0	0	555	1,101	1,083	1,256	1,622	1,852	1,885	1,852	1,817	1,785	1,785	14,808	
15																	
16	PROGRAM TOTAL		\$ 0	\$ 0	\$ 555	\$ 2,768	\$ 2,750	\$ 3,214	\$ 4,184	\$ 4,785	\$ 4,918	\$ 4,885	\$ 4,650	\$ 4,618	\$ 4,618	\$37,707	
17																	
18	HOME ENERGY IMPROVEMENT																
19	INVESTMENT		\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 0	\$ 4,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$8,700	
20	RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	DEPRECIATION BASE		0	0	0	0	2,500	5,000	5,000	7,350	9,700	9,700	9,700	9,700	9,700	0	
22																	
23	DEPRECIATION EXPENSE		0	0	0	0	42	83	83	123	182	182	182	182	182	979	
24																	
25	CUMULATIVE INVESTMENT	0	0	0	0	0	5,000	5,000	5,000	9,700	9,700	9,700	9,700	9,700	9,700	9,700	
26	LESS: ACC. DEPRECIATION	0	0	0	0	0	42	125	208	331	483	655	817	979	1,161	979	
27	NET INVESTMENT	0	0	0	0	0	4,958	4,875	4,792	9,369	9,217	9,045	8,883	8,721	8,519	8,721	
28	AVERAGE INVESTMENT		0	0	0	0	2,479	4,917	4,934	7,061	9,288	9,129	8,964	8,902	8,902	424	
29	RETURN ON AVERAGE INVESTMENT																
30																	
31	RETURN REQUIREMENTS		0	0	0	0	28	55	54	78	103	101	99	97	97	615	
32																	
33	PROGRAM TOTAL		\$ 0	\$ 0	\$ 0	\$ 0	\$ 70	\$ 138	\$ 137	\$ 201	\$ 285	\$ 283	\$ 281	\$ 259	\$ 259	\$1,594	
34	LOAD MANAGEMENT SWITCHES (0080120) (D)																
35	LOAD CONTROL RECEIVERS, SWITCHES, AND HARDWARE - INVESTMENT		\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 84,000	\$ 57,069	\$761,069
36	RETIREMENTS		29,937	18,358	32,280	10,941	30,109	29,575	35,237	30,838	22,146	23,428	40,685	423,809	423,809	730,341	
37	AMORTIZATION BASE		3,029,487	3,007,821	3,107,503	3,149,892	3,190,387	3,221,525	3,253,119	3,284,083	3,321,591	3,362,803	3,394,848	3,422,954	3,422,954	0	
38																	
39	AMORTIZATION EXPENSE		50,441	51,130	51,792	52,498	53,173	53,892	54,219	54,735	55,380	56,047	56,758	57,118	57,118	643,381	
40																	
41	CUMULATIVE INVESTMENT	3,008,936	3,043,998	3,091,843	3,123,363	3,178,422	3,204,313	3,238,738	3,287,501	3,300,665	3,342,517	3,363,089	3,405,204	3,039,864	3,039,864	3,039,864	
42	LESS: ACC. AMORTIZATION	1,585,868	1,807,172	1,841,948	1,681,456	1,703,015	1,720,076	1,744,198	1,783,178	1,787,077	1,820,289	1,852,908	1,868,801	1,498,708	1,498,708	1,498,708	
43	NET INVESTMENT	1,423,298	1,436,827	1,448,897	1,481,905	1,473,407	1,484,234	1,494,542	1,504,323	1,513,588	1,522,228	1,530,181	1,537,803	1,540,956	1,540,956	1,540,956	
44	AVERAGE INVESTMENT		1,430,047	1,443,282	1,455,801	1,487,858	1,478,820	1,489,388	1,499,432	1,508,955	1,517,908	1,528,204	1,533,892	1,539,279	1,539,279	1,539,279	
45	RETURN ON AVERAGE INVESTMENT		10,940	11,041	11,137	11,227	11,313	11,394	11,470	11,544	11,612	11,678	11,734	11,778	11,778	136,884	
46																	
47	RETURN REQUIREMENTS		15,887	18,034	18,173	18,304	18,429	18,548	18,657	18,784	18,883	18,958	17,040	17,101	17,101	198,754	
48																	
49	TOTAL AMORTIZATION AND RETURN		\$ 68,328	\$ 87,164	\$ 87,965	\$ 88,802	\$ 89,802	\$ 70,236	\$ 70,878	\$ 71,489	\$ 72,223	\$ 73,003	\$ 73,816	\$ 70,817	\$ 70,817	\$642,135	
50																	
51																	
52																	
53	SUMMARY OF DEMAND & ENERGY:																
54																	
55	ENERGY		\$ 1,054	\$ 2,224	\$ 3,115	\$ 5,312	\$ 5,275	\$ 5,720	\$ 8,853	\$ 7,258	\$ 7,372	\$ 7,321	\$ 7,267	\$ 7,218	\$ 7,218	\$ 65,789	
56																	
57	DEMAND		68,328	87,164	87,985	88,802	89,802	70,238	70,878	71,489	72,223	73,003	73,818	70,817	70,817	642,135	
58																	
59	TOTAL DEPRECIATION AND RETURN		\$ 67,382	\$ 88,388	\$ 71,080	\$ 74,114	\$ 74,877	\$ 75,958	\$ 77,529	\$ 78,757	\$ 79,595	\$ 80,324	\$ 80,885	\$ 78,035	\$ 78,035	\$ 607,924	

NOTES:
 - DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .016887 OR 20% ANNUALLY
 - RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 8.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDERPSC-02-066-AS-EI

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2004 ACTUAL
 SEPTEMBER through DECEMBER, 2004 ESTIMATED

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM - 1P)
 SCHEDULE C - 3
 PAGE 1 OF 6

LINE NO.	PROGRAM TITLE	DEPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS						PROGRAM REVENUES (CREDITS)	TOTAL	
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES			OTHER
1	BETTER BUSINESS										
2	A. ACTUAL	\$ -	\$ 15,924	\$ -	\$ -	\$ -	\$ -	\$ 39,973	\$ 144	\$ -	\$ 56,041
3	B. ESTIMATED	-	5,193	-	-	112	617	59,800	132	-	65,854
4											
5	C. TOTAL	-	21,117	-	-	112	617	99,773	276	-	121,895
6											
7	RESIDENTIAL NEW CONSTRUCTION										
8	A. ACTUAL	-	376,288	-	18,802	2,323	128,953	803,523	33,418	-	1,363,307
9	B. ESTIMATED	-	258,729	-	9,690	1,036	98,094	236,190	17,651	-	621,390
10											
11	C. TOTAL	-	635,017	-	28,492	3,359	227,047	1,039,713	51,069	-	1,984,697
12											
13	HOME ENERGY IMPROVEMENT										
14	A. ACTUAL	-	256,561	-	24,720	2,370	50,949	1,415,722	17,079	(1,170)	1,766,250
15	B. ESTIMATED	-	247,312	-	-	3,190	58,120	812,000	26,150	-	1,146,772
16											
17	C. TOTAL	-	503,893	-	24,720	5,560	109,069	2,227,722	43,229	(1,170)	2,913,022
18											
19	COMM / IND NEW CONSTRUCTION										
20	A. ACTUAL	-	-	-	-	-	-	17,419	-	-	17,419
21	B. ESTIMATED	-	1,652	-	-	-	-	31,688	-	-	33,340
22											
23	C. TOTAL	-	1,652	-	-	-	-	49,107	-	-	50,759
24											
25	HOME ENERGY CHECK										
26	A. ACTUAL	1,605	1,103,746	-	24,743	103,825	1,426,174	-	128,827	-	2,788,920
27	B. ESTIMATED	633	680,673	-	12,831	4,354	142,353	-	86,191	-	927,035
28											
29	C. TOTAL	2,238	1,784,419	-	37,574	108,179	1,568,527	-	215,018	-	3,715,955
30											
31	LOW INCOME										
32	A. ACTUAL	-	23,162	-	-	-	21,038	13,625	3,279	-	61,104
33	B. ESTIMATED	-	13,129	-	-	-	16,500	7,884	2,560	-	40,073
34											
35	C. TOTAL	-	36,291	-	-	-	37,538	21,509	5,839	-	101,177

PROGRESS ENERGY FLORIDA
 CONSERVATION PROGRAM COSTS
 JANUARY through AUGUST, 2004 ACTUAL
 SEPTEMBER through DECEMBER, 2004 ESTIMATED

DOCKET NO. 040002-EG
 PROGRESS ENERGY FLORIDA
 WITNESS: MASIELLO
 EXHIBIT NO: (JAM - 1P)
 SCHEDULE C - 3
 PAGE 2 OF 6

LINE NO.	PROGRAM TITLE	DÉPRECIATION AMORTIZATION & RETURN	OPERATING AND MAINTENANCE COSTS							PROGRAM REVENUES (CREDITS)	TOTAL
			PAYROLL & BENEFITS	VEHICLES	OUTSIDE SERVICES	MATERIALS & SUPPLIES	ADVERTISING	INCENTIVES	OTHER		
1	BUSINESS ENERGY CHECK										
2	A. ACTUAL	656	483,517	-	-	3,630	2,816	7,656	46,746	-	545,021
3	B. ESTIMATED	233	263,497	-	2,500	2,351	10,043	-	21,886	-	300,510
4											
5	C. TOTAL	889	747,014	-	2,500	5,981	12,859	7,656	68,632	-	845,531
6											
7	QUALIFYING FACILITY										
8	A. ACTUAL		225,707	-	-	1,202	-	-	25,680	(180)	252,409
9	B. ESTIMATED		155,290	-	-	1,798	-	-	31,493	-	188,581
10											
11	C. TOTAL		380,997	-	-	3,000	-	-	57,173	(180)	440,990
12											
13	INNOVATION INCENTIVE										
14	A. ACTUAL										
15	B. ESTIMATED		2,668	-	-	-	-	16,680	128	-	19,476
16											
17	C. TOTAL		2,668	-	-	-	-	16,680	128	-	19,476
18											
19	TECHNOLOGY DEVELOPMENT										
20	A. ACTUAL		53,881	-	-	3,153	-	1,468	5,672	(390)	63,784
21	B. ESTIMATED		31,913	-	1,332	1,412	600	23,336	18,492	-	77,085
22											
23	C. TOTAL		85,794	-	1,332	4,565	600	24,804	24,164	(390)	140,869
24											
25	STANDBY GENERATION										
26	A. ACTUAL		25,698	-	5,339	10,163	1,104	386,337	6,882	-	435,523
27	B. ESTIMATED		22,444	-	6,016	4,956	-	467,824	7,942	-	509,182
28											
29	C. TOTAL		48,142	-	11,355	15,119	1,104	854,161	14,824	-	944,705
30											
31	INTERRUPT LOAD MANAGEMENT										
32	A. ACTUAL	-	85,644	-	1,749	34,112	-	12,675,376	11,319	-	12,808,200
33	B. ESTIMATED	-	39,115	-	1,200	3,793	-	6,681,000	21,946	-	6,747,054
34											
35	C. TOTAL	-	124,759	-	2,949	37,905	-	19,356,376	33,265	-	19,555,254

PROGRESS ENERGY FLORIDA
 SCHEDULE OF CAPITAL INVESTMENT, DEPRECIATION & RETURN
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

LINE NO	BEGINNING BALANCE	JAN 04	FEB 04	MAR 04	APR 04	MAY 04	JUN 04	JUL 04	AUG 04	SEP 04	OCT 04	NOV 04	DEC 04	TOTAL
1 BUSINESS ENERGY CHECK														
2 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
3 RETIREMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
4 DEPRECIATION BASE		3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	
5														
6 DEPRECIATION EXPENSE		80	80	80	80	80	80	80	80	80	80	80	80	720
7														
8 CUMM. NET INVEST	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801	3,801
9 LESS: ACC. NET DEPR	1,380	1,440	1,500	1,560	1,620	1,680	1,740	1,800	1,860	1,920	1,980	2,040	2,100	2,100
10 NET INVESTMENT	2,221	2,181	2,101	2,041	1,981	1,921	1,861	1,801	1,741	1,681	1,621	1,561	1,501	1,501
11 AVERAGE INVESTMENT		2,191	2,131	2,071	2,011	1,951	1,891	1,831	1,771	1,711	1,651	1,591	1,531	
12 RETURN ON AVG INVEST		17	17	15	15	15	14	14	14	13	13	12	11	170
13														
14 RETURN REQUIREMENTS		25	25	22	22	22	20	20	20	19	19	18	18	248
15														
16 PROGRAM TOTAL														864
17														
18 LOAD MANAGEMENT ASSETS														
19 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
20 RETIREMENTS		22,545	433,345	0	0	0	0	0	0	0	0	0	0	455,890
21 DEPRECIATION BASE		444,818	218,873	0	0	0	0	0	0	0	0	0	0	
22														
23 DEPRECIATION EXPENSE		7,410	3,811	0	0	0	0	0	0	0	0	0	0	11,021
24														
25 CUMM. NET INVEST	455,890	433,345	0	0	0	0	0	0	0	0	0	0	0	0
26 LESS: ACC. NET DEPR	444,889	429,734	0	0	0	0	0	0	0	0	0	0	0	0
27 NET INVESTMENT	11,021	3,811	0	0	0	0	0	0	0	0	0	0	0	0
28 AVERAGE INVESTMENT		7,318	1,806	0	0	0	0	0	0	0	0	0	0	
29 RETURN ON AVG INVEST		56	14	0	0	0	0	0	0	0	0	0	0	70
30														
31 RETURN REQUIREMENTS		81	20	0	0	0	0	0	0	0	0	0	0	101
32														
33 PROGRAM TOTAL		7,491	3,831											11,122
34														
35 HOME ENERGY CHECK														
36 INVESTMENTS		0	0	0	0	0	0	0	0	0	0	0	0	0
37 RETIREMENTS		0	0	0	0	0	0	2,435	0	0	0	0	0	2,435
38 DEPRECIATION BASE		9,172	9,172	9,172	9,172	9,172	9,172	7,855	8,737	8,737	8,737	8,737	8,737	
39														
40 DEPRECIATION EXPENSE		153	153	153	153	153	153	133	112	112	112	112	112	1,811
41														
42 CUMM. NET INVEST	9,172	9,172	9,172	9,172	9,172	9,172	9,172	8,737	8,737	8,737	8,737	8,737	8,737	8,737
43 LESS: ACC. NET DEPR	3,812	3,785	3,818	4,071	4,224	4,377	4,530	2,228	2,340	2,452	2,564	2,678	2,798	2,788
44 NET INVESTMENT	5,550	5,407	5,254	5,101	4,948	4,795	4,642	4,509	4,397	4,285	4,173	4,061	3,948	3,949
45 AVERAGE INVESTMENT		5,484	5,331	5,178	5,025	4,872	4,719	4,576	4,453	4,341	4,229	4,117	4,005	
46 RETURN ON AVG INVEST		42	40	40	38	37	36	35	35	33	32	32	31	432
47														
48 RETURN REQUIREMENTS		61	58	56	57	54	52	51	51	48	48	46	45	827
49														
50 PROGRAM TOTAL		214	213	211	210	207	205	184	183	180	158	158	157	2,236
51														
52 LOAD MANAGEMENT														
53 LOAD CONTROL RECEIVERS, SWITCHES														
54 HARDWARE - INVESTMENTS		7,053	18,510	77,911	103,529	27,702	40,882	25,131	21,748	25,000	25,000	25,000	25,000	422,248
55 RETIREMENTS		15,590	10,954	19,012	26,810	7,350	22,098	31,805	18,917	17,131	32,945	32,044	41,225	275,659
56 AMORTIZATION BASE		2,858,094	2,857,818	2,890,848	2,857,751	3,005,383	3,024,841	3,030,786	3,029,865	3,038,215	3,038,177	3,028,683	3,017,048	
57														
58 AMORTIZATION EXPENSE		47,835	47,827	48,181	48,296	50,090	50,414	50,513	50,498	50,804	50,803	50,478	50,284	598,223
59														
60 CUMULATIVE INVEST.	2,862,347	2,853,840	2,861,098	2,920,298	2,995,207	3,015,559	3,034,123	3,027,449	3,032,281	3,040,150	3,032,205	3,025,181	3,008,898	3,008,338
61 LESS: ACC. AMORT.	1,285,104	1,297,179	1,333,852	1,363,021	1,393,899	1,428,438	1,454,755	1,473,463	1,507,044	1,540,517	1,556,175	1,576,809	1,565,868	1,565,868
62 NET INVESTMENT	1,597,243	1,556,661	1,527,544	1,557,275	1,611,508	1,589,120	1,579,368	1,553,986	1,525,237	1,499,633	1,474,030	1,448,352	1,423,288	1,423,288
63 AVERAGE INVESTMENT		1,578,952	1,542,103	1,542,410	1,584,381	1,600,314	1,564,244	1,566,877	1,539,811	1,512,435	1,486,831	1,481,291	1,435,910	
64 RETURN ON AVG. INVEST.		12,063	11,797	11,799	12,120	12,242	12,118	11,985	11,778	11,670	11,374	11,179	10,984	141,010
65														
66 RETURN REQUIREMENTS		17,518	17,131	17,135	17,801	17,778	17,598	17,405	17,104	16,802	16,517	16,234	15,951	204,775
67														
68 PROGRAM TOTAL		85,153	84,758	85,316	86,897	87,888	88,013	87,818	87,802	87,408	87,120	86,712	86,235	800,968

NOTES:

- DEPRECIATION EXPENSE IS CALCULATED USING A MONTHLY RATE OF .0188867 OR 20% ANNUALLY
- RETURN ON AVERAGE INVESTMENT IS CALCULATED USING AN ANNUAL RATE OF 8.18% PER THE 2002 RATE CASE SETTLEMENT AGREEMENT, ORDER#PSC-02-0855-AS-EI
- RETURN REQUIREMENTS ARE CALCULATED USING A COMBINED STATUTORY RATE OF 38.575%

PROGRESS ENERGY FLORIDA
 ENERGY CONSERVATION ADJUSTMENT
 CALCULATION OF TRUE-UP
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

LINE NO.	JAN 04	FEB 04	MAR 04	APR 04	MAY 04	JUN 04	JUL 04	AUG 04	SEP 04	OCT 04	NOV 04	DEC 04	TOTAL FOR THE PERIOD
1A BETTER BUSINESS	0	0	0	0	0	0	0	0	0	0	0	0	0
1B HOME ENERGY IMPROVEMENT	0	290	310	0	390	180	0	0	0	0	0	0	1,170
1C HOME ENERGY CHECK	0	0	0	0	0	0	0	0	0	0	0	0	0
1D SUBTOTAL - FEES	0	290	310	0	390	180	0	0	0	0	0	0	1,170
2 CONSERVATION CLAUSE REVENUES	4,836,564	4,227,625	4,313,332	4,129,702	4,622,107	5,824,572	6,637,069	5,731,634	6,160,096	5,559,258	4,752,722	4,640,976	61,437,657
2A CURRENT PERIOD GRT REFUND	0.00	0	0	0	0	0	0	0	0	0	0	0	0
3 TOTAL REVENUES	4,836,564	4,227,915	4,313,642	4,129,702	4,622,497	5,824,752	6,637,069	5,731,634	6,160,096	5,559,258	4,752,722	4,640,976	61,438,827
4 PRIOR PERIOD TRUE-UP OVER/(UNDER)	7,451,686	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,973	7,451,687
5 CONSERVATION REVENUES APPLICABLE TO PERIOD	5,459,538	4,848,889	4,934,816	4,750,876	5,243,471	8,445,726	7,258,043	6,352,808	6,781,070	6,180,232	5,373,896	5,261,949	68,890,514
6 CONSERVATION EXPENSES (CT-3, PAGE 1, LINE 73)	5,518,842	4,874,240	5,747,780	3,893,288	5,363,741	5,254,765	4,791,761	4,624,885	5,861,063	5,589,742	6,305,950	6,514,504	64,140,591
7 TRUE-UP THIS PERIOD (O)/U	59,304	25,351	813,164	(1,057,388)	120,270	(1,190,961)	(2,466,262)	(1,727,723)	(919,977)	(590,490)	932,254	1,252,555	(4,749,923)
8 CURRENT PERIOD INTEREST	(6,193)	(5,406)	(4,426)	(4,125)	(4,120)	(4,637)	(6,497)	(9,020)	(8,604)	(6,984)	(6,290)	(4,782)	(71,084)
9 ADJUSTMENTS PER AUDIT \ RDC Order	0	0	0	0	0	0	339,053	0	0	0	0	0	339,053
10 TRUE-UP & INTEREST PROVISIONS BEGINNING OF PERIOD (O)/U	(7,451,686)	(6,777,603)	(6,138,634)	(4,706,972)	(5,147,511)	(4,410,387)	(4,985,011)	(6,497,763)	(7,613,532)	(7,921,139)	(7,897,639)	(6,350,701)	(7,451,688)
10 A CURRENT PERIOD GRT REFUNDED	0	0	0	0	0	0	0	0	0	0	0	0	0
11 PRIOR TRUE-UP REFUNDED/ (COLLECTED)	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,974	620,973	7,451,687
12 END OF PERIOD NET TRUE-UP	(6,777,603)	(8,138,684)	(4,708,972)	(5,147,511)	(4,410,367)	(4,985,011)	(6,497,763)	(7,613,532)	(7,921,139)	(7,897,639)	(6,350,701)	(4,481,955)	(4,481,955)

PROGRESS ENERGY FLORIDA
 CALCULATION OF INTEREST PROVISION
 FOR THE PERIOD JANUARY 2004 THROUGH DECEMBER 2004

04	FEB 04	MAR 04	APR 04	MAY 04	JUN 04	JUL 04	AUG 04	SEP 04	OCT 04	NOV 04	DEC 04	TOTAL FOR TH PERIOD
51,888	(6,777,603)	(6,138,684)	(4,708,972)	(5,147,511)	(4,410,387)	(4,845,958)	(8,497,783)	(7,613,532)	(7,921,139)	(7,897,639)	(6,350,701)	
71,410	(8,131,278)	(4,702,546)	(5,143,366)	(4,406,267)	(4,980,374)	(6,491,266)	(7,604,512)	(7,912,535)	(7,890,655)	(6,344,411)	(4,477,173)	
23,098	(12,908,881)	(10,839,230)	(9,850,358)	(9,553,778)	(9,390,761)	(11,137,224)	(14,102,275)	(15,526,067)	(15,811,794)	(14,242,050)	(10,827,874)	
11,549	(6,454,441)	(5,419,615)	(4,925,179)	(4,776,889)	(4,695,380)	(5,568,612)	(7,051,137)	(7,763,033)	(7,905,897)	(7,121,025)	(5,413,937)	
1.06%	1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.80%	1.06%	1.06%	1.06%	
1.03%	0.98%	0.98%	1.03%	1.04%	1.33%	1.47%	1.80%	1.06%	1.06%	1.06%	1.06%	
2.09%	2.01%	1.96%	2.01%	2.07%	2.37%	2.80%	3.07%	2.66%	2.12%	2.12%	2.12%	
1.045%	1.005%	0.980%	1.005%	1.035%	1.185%	1.400%	1.535%	1.330%	1.060%	1.060%	1.060%	
(6,193)	(5,406)	(4,426)	(4,125)	(4,120)	(4,637)	(6,497)	(9,020)	(8,604)	(6,984)	(6,290)	(4,782)	(71,084)

CALCULATION OF ENERGY CONSERVATION COST RECOVERY (ECCR) REVENUES
 FOR THE PERIOD: JANUARY 2004 THROUGH DECEMBER 2004

MONTH	JURISDICTIONAL MWH SALES	BASE REVENUES	CLAUSE REVENUE NET OF REVENUE TAXES
JANUARY	3,081,183	\$0	\$4,755,673
FEBRUARY	2,958,866	\$0	\$4,564,711
MARCH	2,870,052	\$0	\$4,396,811
APRIL	2,921,389	\$0	\$4,458,088
MAY	3,040,447	\$0	\$4,645,953
JUNE	3,621,077	\$0	\$5,579,463
JULY	3,956,373	\$0	\$6,126,238
AUGUST	4,049,623	\$0	\$6,276,872
SEPTEMBER	4,012,062	\$0	\$6,212,612
OCTOBER	3,623,548	\$0	\$5,585,833
NOVEMBER	3,107,364	\$0	\$4,748,982
DECEMBER	3,050,704	\$0	\$4,669,552
TOTAL	<u>40,292,688</u>	<u>\$0</u>	<u>\$62,020,789</u>

Program Description and Progress

Program Title: Home Energy Check

Program Description: The Home Energy Check program is a comprehensive residential energy evaluation (audit) program. The program provides Progress Energy Florida, Inc.'s (PEF) residential customers with an analysis of energy consumption and recommendations on energy efficiency improvements. It acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures. It serves as the foundation of the residential Home Energy Improvement program and is a program requirement for participation. There are six types of the energy audit: the free walk-thru, the paid walk-thru (\$15 charge), the energy rating (Energy Gauge), the mail-in audit, an internet option and a phone assisted audit.

Program Projections for January 2005 through December 2005: It is estimated that 27,500 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$3,992,957.

Program Progress Summary: The Home Energy Check will continue to inform and motivate consumers on cost effective energy efficiency improvements which result in implementation of energy efficiency measures.

Program Description and Progress

Program Title: Home Energy Improvement

Program Description: This umbrella efficiency program provides incentives to existing residential customers for energy efficient heating, air conditioning, ceiling insulation upgrade and duct leakage repair.

Program Projections for January 2005 through December 2005: It is estimated that 14,000 completions will be performed in this program during the projected period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$3,961,350

Program Progress Summary: This program will continue to be offered to residential customers through the Home Energy Check to provide opportunities for improving the energy efficiency of existing homes.

Program Description and Progress

Program Title: Residential New Construction

Program Description: This program is designed to encourage single, multi, and manufactured home builders to construct more energy efficient homes by choosing from a menu of energy saving measures such as duct sealing, duct layout, attic insulation, and high efficiency heat pumps. This is also an educational program that strives to teach builders, realtors, HVAC dealers, and homebuyers the importance of energy efficiency. Incentives are awarded to the builder based on the level of efficiency they choose.

Program Projections for January 2005 through December 2005: It is estimated that 9,500 homes representing 300 builders will participate in this program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$1,715,512.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of homes built during this period. Participation has increased each year since its inception.

Program Description and Progress

Program Title: Low-Income Weatherization Assistance Program

Program Description: The program goal is to integrate PEF's DSM program measures with the Department of Community Affairs (DCA) and local weatherization providers to deliver energy efficiency measures to low-income families. Through this partnership Florida Power Progress Energy will assist local weatherization agencies by providing energy education materials and financial incentives to weatherize the homes of low-income families.

Program Projections for January 2005 through December 2005: It is estimated that 100 participants representing 12 agencies will receive services during 2005.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$118,401.

Program Progress Summary: To promote the delivery of efficiency programs to low-income families, a statewide agency meeting will be held in 2005 to all participating agencies. Individual meetings with weatherization providers are conducted throughout PEF territory to encourage participation.

Program Description and Progress

Program Title: Energy Management (Residential & Commercial)

Program Description: The Load Management Program incorporates direct radio control of selected customer equipment to reduce system demand during peak capacity periods and/or emergency conditions by temporarily interrupting selected customer appliances for specified periods of time. Customers have a choice of options and receive a credit on their monthly electric bills depending on the options selected and their monthly kWh usage.

Program Projections for January 2005 through December 2005: During this period we anticipate installing 5,000 new participants to the program.

Program Fiscal Expenditures for January 2005 through December 2005: Program expenditures during this period are projected to be \$25,215,996.

Program Progress Summary: As of August 1, 2004 there are 369,426 customers participating in the Load Management program.



Program Description and Progress

Program Title: Business Energy Check

Program Description: The Business Energy Check is an audit for non-residential customers, and has two parts. The free audit provides a no-cost energy audit for non-residential facilities and can be completed at the facility by an auditor or online by the business customer. The paid audit provides a more thorough energy analysis for non-residential facilities. This program acts as a motivational tool to identify, evaluate, and inform consumers on cost effective energy saving measures for their facility. It serves as the foundation of the Better Business Program and is a requirement for participation.

Program Projections for January 2005 through December 2005: It is estimated that 1,650 customers will participate in this program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$1,149,672

Program Progress Summary: The program is required for participation in most of the company's other DSM Business incentive programs.

Program Description and Progress

Program Title: Better Business

Program Description: This umbrella efficiency program provides incentives to existing commercial and industrial customers for heating, air conditioning, cool roof coating, roof insulation upgrade, duct leakage and repair, and high efficiency energy recovery ventilation units.

Program Projections for January 2005 through December 2005: It is estimated that 100 customers will participate during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$312,672.

Program Progress Summary: This program will continue to be offered to commercial customers through the Business Energy Check to provide opportunities for improving the energy efficiency of existing facilities.

Program Description and Progress

Program Title: Commercial/Industrial New Construction

Program Description: This umbrella efficiency program provides incentives for the design and construction of energy efficient commercial and industrial facilities. Incentives are provided for energy efficient heating, air conditioning, cool roof coating, high efficiency energy recovery ventilation units and leak free ducts.

Program Projections for January 2005 through December 2005: It is estimated that 5 customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$121,134.

Program Progress Summary: This program is tied to the building industry. Economic forces will dictate the number of commercial facilities built during this period.

Program Description and Progress

Program Title: Innovation Incentive

Program Description: Significant conservation efforts that are not supported by other Florida Power programs can be encouraged through Innovation Incentive. Major equipment replacement or other actions that substantially reduce PEF peak demand requirements are evaluated to determine their impact on Progress Energy's system. If cost effective, these actions may qualify for an economic incentive in order to shorten the "payback" time of the project.

Program Projections for January 2005 through December 2005: It is estimated that 1 customer will participate in the program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$65,426.

Program Progress Summary: This program continues to attract specialized, customer specific energy efficiency measures not covered through the company's other DSM programs.

Program Description and Progress

Program Title: Standby Generation

Program Description: Progress Energy Florida, Inc. provides an incentive for customers to voluntarily operate their on-site generation during times of system peak.

Program Projections for January 2005 through December 2005: It is estimated that 4 new customers will participate in the program during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$1,152,125.

Program Progress Summary: A total of 30 customers are currently on this program.

Program Description and Progress

Program Title: Interruptible Service Program

Program Description: The Interruptible Service program is a rate tariff which allows Florida Power to switch off electrical service to customers during times of capacity shortages. The signal to operate the automatic switch on the customer's service is activated by the Energy Control Center. In return for this, the customers receive a monthly rebate on their kW demand charge.

Program Projections for January 2005 through December 2005: No new participants are expected during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$19,892,697

Program Progress Summary: The program currently has 158 active accounts with 91 participants. The original program filed, as the IS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the IS-2 tariff.

Program Description and Progress

Program Title: Curtailable Service Program

Program Description: The Curtailable Service is a dispatchable DSM program in which customers contract to curtail or shut down a portion of their load during times of capacity shortages. The curtailment is done voluntarily by the customer when notified by PEF. In return for this cooperation, the customer receives a monthly rebate for the curtailable portion of their load.

Program Projections for January 2005 through December 2005: One new participant is expected during the projection period.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$1,376,372

Program Progress Summary: This program has 7 participants. The original program filed, as the CS-1 tariff is no longer cost-effective under the Commission approved test and was closed on April 16, 1996. Existing participants were grandfathered into the program. New participants are placed on the newer CS-2 or CS-3 tariffs.

Program Description and Progress

Program Title: Technology Development

Program Description: This program allows Progress Energy Florida, Inc. to undertake certain development and demonstration projects which have promise to become cost-effective conservation and energy efficiency programs.

Program Projections for January 2005 through December 2005: Several research and development projects will continue in 2005. Photovoltaic projects include the monitoring of photovoltaic systems at five schools with a related curriculum. Progress Energy has completed the monitoring of six photovoltaic systems on manufactured homes and will develop a final report by the end of 2004. Evaluation of new cost-effective energy measurement and monitoring technologies will be conducted.

Program Fiscal Expenditures for January 2005 through December 2005: Expenses for this program are projected to be \$245,247.

Program Progress Summary: Research and analysis of a demand response pilot will continue in 2005 along with a research project on fuel cell technologies. Progress will monitor a project combining hydrogen energy technology with photovoltaics. This demonstration project, at the Homosassa Springs State Wildlife Park, will increase public awareness of hydrogen technology while studying the integration of this equipment with the distribution system.

Program Description and Progress

Program Title: Qualifying Facility

Program Description: Power is purchased from qualifying cogeneration and small power production facilities.

Program Projections for January, 2005 through December, 2005: Contracts for new facilities will continue to be negotiated when opportune.

Program Fiscal Expenditures for January, 2005 through December, 2005: Expenses for this program are projected to be \$534,275.

Program Progress Summary: The total MW of qualifying facility capacity is approximately 839 MW.