

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: August 6, 2008
TO: Office of Commission Clerk
FROM: Keino Young, Senior Attorney *KY*
 Office of General Counsel
RE: Docket No. 080009-EI - Nuclear cost recovery clause.

RECEIVED-FPSC
 08 AUG - 6 PM 3:18
 COMMISSION
 CLERK

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

KY/tfw
Attachment

COM 51
 ECR
 GCL
 OPC
 RCP
 SSC
 SGA
 ADM
 CLK

DOCUMENT NUMBER-DATE

06904 AUG-6 g

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 080009-EI

DATED: AUGUST 6, 2008

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one correct copy of the DIRECT TESTIMONY OF JEFFERY

A. SMALL has been served by U.S. mail to the following on this 6th day of August, 2008:

Carlton Fields Law Firm
J. Michael Walls/Diane M. Tripplett
P.O. Box 3239
Tampa, FL 33601-3239

Florida Power & Light Company
R. Wade Litchfield/John Butler/Bryan Anderson
700 Universe Boulevard
Juno Beach, FL 33408-0420

Florida Industrial Power Users Group
John W. McWhirter, Jr.
c/o McWhirter, Reeves & Davidson, PA
P.O. Box 3350
Tampa, FL 33601-3350

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

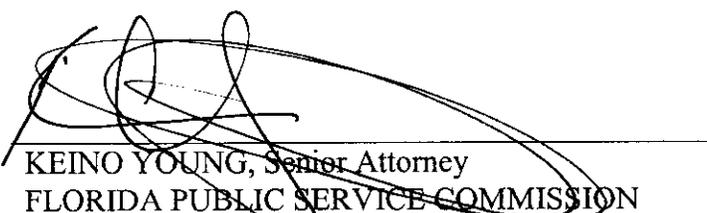
Progress Energy Service Company, LLC
John T. Burnett/R. Alexander Glenn
P.O. Box 14042
St. Petersburg, FL 33733-4042

AARP
c/o Michael B. Twomey
P.O. Box 5256
Tallahassee, FL 32305

PCS Administration (USA), Inc.
Karin S. Torain
Suite 400
Skokie Boulevard
Northbrook, IL 60062

PCS Phosphate – White Springs
James W. Brew, c/o Brickfield Law Firm
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007

J.R. Kelly/Stephen Burgess
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Room 812
Tallahassee, FL 32399-1400


KEINO YOUNG, Senior Attorney
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6226

DOCUMENT NUMBER-DATE
06904 AUG-6 8
FPSC-COMMISSION CLERK

DOCKET NO. 080009-EI: Nuclear cost recovery clause for Progress Energy Florida, Inc.

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

DATE FILED: August 6, 2008

DOCUMENT NUMBER - DATE

06904 AUG-6 8

FPSC-COMMISSION CLERK

DIRECT TESTIMONY OF JEFFERY A. SMALL

1
2 **Q. Please state your name and business address.**

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

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

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

9
10 **Q. How long have you been employed by the Commission?**

11 **A.** I have been employed by the Florida Public Service Commission (FPSC) since January
12 1994.

13
14 **Q. Briefly review your educational and professional background.**

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

18
19 **Q. Please describe your current responsibilities.**

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

25

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

3 **A.** Yes. I testified in the Southern States Utilities, Inc. rate case, Docket No. 95 0495-WS,
4 the transfer application of Cypress Lakes Utilities, Inc., Docket No. 971220-WS, and the
5 Utilities, Inc. of Florida rate case, Docket No. 020071-WS.

6

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

8 **A.** The purpose of my testimony is to sponsor the staff audit reports of Progress Energy
9 Florida, Inc. (PEF or Utility) which addresses the Utility's application for nuclear cost
10 recovery. We issued three audit reports on PEF in this docket. The first audit report was
11 issued May 30, 2008 to address the 2007 power uprate costs for the Crystal River Unit 3
12 nuclear power plant. This audit report is filed with my testimony and is identified as Exhibit
13 JAS-1. The second audit report was issued July 25, 2008 to address the pre-construction costs
14 as of December 31, 2007 for Levy County Units 1 & 2. This audit report is filed with my
15 testimony and is identified as Exhibit JAS-2. The third audit report was issued July 25, 2008
16 to address the site selection costs as of December 31, 2007 for Levy County Units 1 & 2. This
17 audit report is filed with my testimony and is identified as Exhibit JAS-3.

18

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

20 **A.** Yes, I was the audit manager in charge of all three audits.

21

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

23 **A.** For the uprate audit, we reconciled the company's filing to the general ledger and
24 verified that the costs incurred were posted to the proper account, as prescribed by
25 Commission rule 25-6.014, Florida Administrative Code. We reconciled and recalculated a

1 sample of the monthly revenue requirement accruals displayed on Schedule T-1 to the
2 supporting schedules in the company's 2007 Nuclear Cost Recovery Clause (NCRC) filing.
3 We also reconciled and recalculated a sample of the carrying cost accruals displayed on
4 Schedule T-3 to the supporting schedules in the company's 2006 and 2007 NCRC filing. We
5 recalculated a sample of the Allowance for Funds Used During Construction (AFUDC)
6 balances displayed as "Other Cost" in the filing and reconciled the rates applied by the
7 company to its approved AFUDC rates in Commission Order No. PSC-05-0945-FOF-EI,
8 issued September 28, 2005. We reconciled and recalculated a sample of the monthly deferred
9 tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the
10 company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost
11 balances for deferred tax assets based on the equity and debt components established in
12 Commission Order No. PSC-05-0945-FOF-EI. We reconciled and recalculated a sample of the
13 monthly Consumer Price Index (CPI) accruals displayed on Schedule T-3B to the supporting
14 schedules in the company's 2006 and 2007 NCRC filing. We recalculated the company's CPI
15 rate and reconciled the component balances to the company's general ledger. We recalculated
16 a sample of monthly jurisdictional nuclear construction accruals displayed on Schedule T-6 of
17 the company's 2006 and 2007 NCRC filing. We sampled and verified the project management
18 and power block engineering accruals and traced the invoiced amounts to supporting
19 documentation. We sampled company salary expense accruals and the respective overhead the
20 company applied. We recalculated and verified the joint owner billings that reduced the
21 company's eligible carrying cost for the CR3 Uprate project. We reconciled the jurisdictional
22 factors applied by the company to the eligible carrying cost to the factors approved in
23 Commission Order No. PSC-06-0972-FOF-EI, issued November 22, 2006.

24 For the second audit report, to address the pre-construction costs as of December 31,
25 2007 for Levy County Units 1 & 2, we reconciled the company's filing to the general ledger

1 and verified that the costs incurred were posted to the proper account, as prescribed by
2 Commission rule 25-6.014, Florida Administrative Code. We reconciled and recalculated a
3 sample of the monthly revenue requirement accruals displayed on Schedule T-1 to the
4 supporting schedules in the company's 2007 NCRC filing. We reconciled and recalculated a
5 sample of the carrying cost accruals displayed on Schedule T-3 to the supporting schedules in
6 the company's 2007 NCRC filing. We recalculated a sample of the AFUDC balances
7 displayed as "Other Adjustments" in the filing and reconciled the rates applied by the
8 company to its approved AFUDC rates in Commission Order No. PSC-05-0945-FOF-EI,
9 issued September 28, 2005. We reconciled and recalculated a sample of the monthly deferred
10 tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the
11 company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost
12 balances for deferred tax assets based on the equity and debt components established in Order
13 No. PSC-05-0945-FOF-EI. We reconciled and recalculated a sample of the monthly CPI
14 accruals displayed on Schedule T-3B to the supporting schedules in the company's 2007
15 NCRC filing. We recalculated the company's CPI rate and reconciled the component balances
16 to the company's general ledger. We recalculated a sample of monthly jurisdictional nuclear
17 construction expenditures displayed on Schedule T-6 of the company's 2007 NCRC filing. We
18 sampled and verified the construction and transmission cost expenditures and traced the
19 invoiced amounts to supporting documentation. We reconciled the jurisdictional factors
20 applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-
21 06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI.

22 For the third audit report, to address the site selection costs as of December 31, 2007
23 for Levy County Units 1 & 2, we reconciled the company's filing to the general ledger and
24 verified that the costs incurred were posted to the proper account, as prescribed by
25 Commission rule 25-6.014, Florida Administrative Code. We reconciled and recalculated a

1 sample of the monthly revenue requirement accruals displayed on Schedule SS-1 to the
2 supporting schedules in the company's 2006 and 2007 NCRC filing. We reconciled and
3 recalculated a sample of the monthly site selection expenditures displayed on Schedule SS-2
4 to the supporting schedules in the company's 2006 and 2007 NCRC filing. We recalculated a
5 sample of the AFUDC balances displayed in the filing and reconciled the rates applied by the
6 company to its approved AFUDC rates in Commission Order No. PSC-05-0945-FOF-EI,
7 issued September 28, 2005. We reconciled and recalculated a sample of the monthly deferred
8 tax carrying cost accruals displayed on Schedule SS-3A to the supporting schedules in the
9 company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost
10 balances for deferred tax assets based on the equity and debt components established in
11 Commission Order No. PSC-05-0945-FOF-EI. We recalculated a sample of the monthly
12 recoverable O&M expenditures displayed on Schedule SS-4 of the company's 2007 NCRC
13 filing. We sampled and verified the O&M cost accruals and traced the invoiced amounts to
14 supporting documentation. We verified company salary expense accruals and recalculated the
15 respective overhead the company applied. We reconciled the jurisdictional factors applied by
16 the company to the eligible carrying cost to the factors approved in Commission Order No.
17 PSC-06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI. We
18 recalculated a sample of monthly jurisdictional nuclear construction accruals displayed on
19 Schedule SS-6 of the company's 2006 and 2007 NCRC filing. We sampled and verified the
20 generation and transmission cost accruals and traced the invoiced amounts to supporting
21 documentation. We verified company salary expense accruals and recalculated the respective
22 overhead burdens the company applied. We reconciled the jurisdictional factors applied by the
23 company to the eligible carrying cost to the factors approved in Commission Order No. PSC-
24 06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI.

DOCKET NO. 080009-EI: Nuclear cost recovery clause for Progress Energy Florida, Inc.

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

EXHIBIT JAS-1: Audit Report for 2007 power uprate costs for the Crystal River Unit 3 nuclear power plant



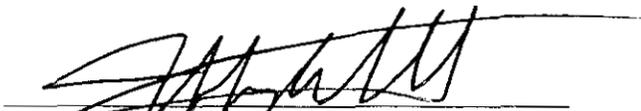
FLORIDA PUBLIC SERVICE COMMISSION
DIVISION OF REGULATORY COMPLIANCE & CONSUMER ASSISTANCE
BUREAU OF AUDITING

Tampa District Office

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

AS OF DECEMBER 31, 2007

DOCKET NO. 080009-EI
AUDIT CONTROL NO. 08-064-2-1


Jeffery A. Small, Audit Manager

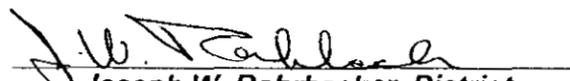

Joseph W. Rohrbacher, District
Supervisor

TABLE OF CONTENTS

AUDITOR'S REPORT	PAGE
I. PURPOSE.....	1
II. OBJECTIVES AND PROCEDURES.....	2
III. FINDINGS	
1. JOINT OWNER BILLINGS.....	4
IV. EXHIBITS ¹	
1. 2006 SCHEDULE T-3 – CONSTRUCTION CARRYING COST.....	5
2. 2006 SCHEDULE T-3B – CONSTRUCTION PERIOD INTEREST.....	6
3. 2006 SCHEDULE T-6 – CONSTRUCTION EXPENDITURES.....	7
4. 2007 SCHEDULE T-1 – RETAIL REVENUE REQUIREMENT.....	8
5. 2007 SCHEDULE T-3 – CONSTRUCTION CARRYING COST.....	10
6. 2007 SCHEDULE T-3A – DEFERRED TAX CARRYING COST.....	12
7. 2007 SCHEDULE T-3B – CONSTRUCTION PERIOD INTEREST.....	14
8. 2007 SCHEDULE T-6 – CONSTRUCTION EXPENDITURES.....	16

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

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

MAY 27, 2008

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have performed the procedures described later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request dated March 3, 2008. We have applied these procedures to the attached schedules prepared by Progress Energy Florida, Inc. in support of its 2006 and 2007 filings for Nuclear Cost Recovery Clause relief in Docket No. 080009-EI..

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

OBJECTIVES AND PROCEDURES

GENERAL

To verify that the company's 2006 and 2007 Nuclear Cost Recovery Clause (NCRC) filings in Docket No. 080009-EI are consistent and in compliance with Section 366.93, F.S. and Chapter 25-6.0423, F.A.C.

SPECIFIC

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

Procedures: We reconciled the company's filing to the general ledger and verified that the costs incurred were posted to the proper USoA account.
- Verify that Schedule T-1 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly revenue requirement accruals displayed on Schedule T-1 to the supporting schedules in the company's 2007 NCRC filing.
- Objective:* Verify that the carrying cost amounts displayed on Schedule T-3, which rolls forward to Schedule T-1, are accurately calculated and that they include the correct balances from the supporting schedules of the company's 2006 and 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the carrying cost accruals displayed on Schedule T-3 to the supporting schedules in the company's 2006 and 2007 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction (AFUDC) balances displayed as Other Cost in the filing and reconciled the rates applied by the company to its approved AFUDC rates in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005.
- Objective:* Verify that the Deferred Tax Return Requirement amount displayed on Schedule T-3A, which rolls forward to Schedule T-1, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly deferred tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost balances for deferred tax assets based on the equity and debt components established in Order No. PSC-05-0945-FOF-EI.
- Objective:* Verify that the Construction Period Interest (CPI) amount displayed on Schedule T-3B, which rolls forward to Schedule T-3A, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's

2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly CPI accruals displayed on Schedule T-3B to the supporting schedules in the company's 2006 and 2007 NCRC filing. We recalculated the company's CPI rate and reconciled the component balances to the company's general ledger.

6. *Objective:* Verify that the jurisdictional nuclear construction amounts, displayed on Schedule T-6 of the company's 2006 and 2007 filing, which rolls forward to Schedule T-3, are accurately calculated and are supported by original source documentation.

Procedures: We recalculated a sample of monthly jurisdictional nuclear construction accruals displayed on Schedule T-6 of the company's 2006 and 2007 NCRC filing. We sampled and verified the project management and power block engineering accruals and traced the invoiced amounts to supporting documentation. We sampled company salary expense accruals and the respective overhead burdens the company applied. We recalculated and verified the joint owner billings that reduced the company's eligible carrying cost for the CR3 Uprate project. We reconciled the jurisdictional factors applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November 22, 2006.

AUDIT FINDING NO. 1

SUBJECT: JOINT OWNER BILLINGS

AUDIT ANALYSIS: The company's 2006 and 2007 filings included \$189,019 and \$3,133,543, respectively, for joint owner billings by Progress Energy Florida, Inc. (PEF) for the Crystal River Unit 3 (CR3) Uprate project costs. The above amounts were calculated based on the joint ownership percentage times the total monthly construction cost accruals for the CR3 Uprate project. The joint owners retain an 8.219 percent ownership of the CR3 unit.

Our audit procedures included an analysis and recalculation of the joint owner billing cost displayed in the company's filings. We discovered a discrepancy in the December 2007 joint owner billing calculation that is displayed below.

Description	Dec-07
Construction Addition (2007 Schedule T-6, Line 39)	\$5,944,715
Joint Owner Percentage	8.219%
Expected Joint Owner Billing	\$488,620
Actual Joint Owner Billing (2007 Schedule T-6, Line 41)	455,975
Difference - Under recovery	\$32,645

The company stated that the \$32,645² difference is the result of a December 2007 correcting journal entry that reclassified a net \$397,173 of PEF's Nuclear Projects and Construction units indirect overhead cost to the CR3 Uprate project. (\$397,173 x 8.219%) The \$397,173 was initially charged, incorrectly, to the Levy Unit 1 & 2 nuclear plant project.

The company's Power Plant System, where construction cost are initially posted before being uploaded to the general ledger, automatically calculates the joint owner billing when an amount is posted to a CR3 project. The adjustment described above, when reclassified to a CR3 Uprate project, did not include the "trigger" that would have calculated the corresponding joint owner billing that is required. The company stated that it would correct and true-up the December 2007 error and all subsequent similar errors discovered in the 2008 period in its 2008 filing.

We will revisit this issue in both the CR3 Uprate and Levy Unit 1 & 2 filings for year 2008 to ensure that the errors are corrected and properly posted.

EFFECT ON THE FILING: None, informational only.

² The \$32,645 difference is based on the construction cost reflected on Schedule T-6. The adjustment, when carried forward, becomes immaterial with respect to the Total Return Requirement reflected on Schedule T-1 of the company's filing.

EXHIBIT 1

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

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

Schedule T-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2006

COMPANY:

Progress Energy - FL

DOCKET NO.:

_____ -EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total	
Jurisdictional Dollars									
1.	Nuclear CWIP Additions (Schedule T-8, line 62)	\$0	\$0	\$0	\$0	\$0	(\$19,244)	(\$20,879)	(\$40,123)
2.	Transfers to Plant in Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.	Other Adjustments		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)		\$0	\$0	\$0	\$0	(\$19,244)	(\$40,123)	(\$40,123)
5.	Average Net CWIP Additions		\$0	\$0	\$0	\$0	(\$9,822)	(\$29,864)	n/a
6.	Return on Average Net CWIP Additions (c)								
a.	Equity Component (Line 5 x 6.819% x 1/12) (a)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
b.	Equity Comp. grossed up for taxes (Line 6a x 1.828002) (b)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c.	Debt Component (Line 5 x 2.029% x 1/12)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
7.	Total Return Requirements (Line 6b + 6c)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
8.	Total Return Requirements from most recent Projections		\$0	\$0	\$0	\$0	\$0	\$0	\$0
9.	Difference (Line 7 - Line 8)		\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.840%.

Docket No. 080009-EI
 Audit Report for PEF Uprate
 Exhibit JAS-1 (Page 7 of 18)

EXHIBIT 2

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

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

Schedule T-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2006

COMPANY:

Progress Energy - FL

DOCKET NO.:

_____ -EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.	Beginning Balance		\$0	\$0	\$0	\$0	(\$19,244)	n/a
2.	Additions Site Selection & Preconstruction (Schedule T-2, line 1)		\$0	\$0	\$0	\$0	\$0	\$0
3.	Additions Construction (Schedule T-3, line 1)		\$0	\$0	\$0	\$0	(\$19,244)	(\$40,123)
4.	Other Adjustments		\$0	\$0	\$0	\$0	\$0	\$0
5.	Average Balance Eligible for CPI		\$0	\$0	\$0	\$0	(\$9,622)	(\$29,684)
6.	Monthly CPI Rate		0.0041529	0.0041529	0.0041529	0.0041529	0.0041529	0.0041529
7.	Construction Period Interest for Tax (CPI)		\$0	\$0	\$0	\$0	\$0	\$0
8.	Ending Balance		\$0	\$0	\$0	\$0	(\$19,244)	(\$40,123)

EXHIBIT 3

CRYSTAL RIVER UNIT 3 UPRATE
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Monthly Expenditures

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

Schedule T-6

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2008

COMPANY:
Progress Energy - FL
DOCKET NO.: -E

Witness: Walt Garrett

Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
1 Site Selection:													
2 [Site Selection may include the same costs as shown below in Pre-Construction.]													
3													
4 Pre-Construction:													
5 Generation:													
6 License Application	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Engineering & Design	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Permitting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Clearing, Grading and Excavation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 On-Site Construction Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Total Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
13													
14 Total Jurisdictional Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15													
16 Transmission:													
17 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18 Substation Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Clearing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22													
23 Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
24													
25 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26													
27 Total Jurisdictional Preconstruction Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28													
29 Construction:													
30 Construction:													
31 Real Estate Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,852	\$97,005	\$132,007
32 Project Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Permanent Staff/Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
34 Site Preparation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 On-Site Construction Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 Power Block Engineering, Procurement, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 Non-Power Block Engineering, Procurement, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$630,331	\$1,528,846	\$2,167,018
38 Total Generation Costs (Note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$674,903	\$1,625,870	\$2,299,673
39													
40 Joint Owner Billing:													
41 Non-Cash Accruals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$50,389)	(\$135,820)	(\$189,019)
42 Net Generation Costs (Note 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$50,389)	(\$135,820)	(\$189,019)
43													
44 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
45													
46 Total Generation Costs Eligible for Carrying Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$19,244)	(\$20,876)	(\$40,123)
47													
48 Transmission:													
49 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
50 Substation Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 Real Estate Acquisition	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52 Line Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 Substation Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54 Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56													
57 Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
58													
59 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60													
61 Total Jurisdictional Construction Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$19,244)	(\$20,876)	(\$40,123)
62													

Note 1: Line 38 represents generation construction costs on an accrual basis, gross of joint owner billings.
Note 2: Line 43 represents net generation costs on a cash basis, net of joint owner billings.

EXHIBIT 4

Page 1 of 2

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

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

Schedule T-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended: 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

xxxxxx-EI

Witness: Will Garrett

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	\$8,124	\$18,847	\$21,350	\$24,958	\$32,574	\$40,884	\$146,547
3.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.	\$4	\$17	\$36	\$59	\$89	\$130	\$334
5.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6.	<u>\$8,128</u>	<u>\$18,864</u>	<u>\$21,386</u>	<u>\$25,017</u>	<u>\$32,663</u>	<u>\$40,824</u>	<u>\$146,882</u>
7.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8.	<u>\$8,128</u>	<u>\$18,864</u>	<u>\$21,386</u>	<u>\$25,017</u>	<u>\$32,663</u>	<u>\$40,824</u>	<u>\$146,882</u>

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 10 of 18)

EXHIBIT 4
Page 2 of 2

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

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

Schedule T-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended: 12/31/2007

COMPANY:
Progress Energy - FL
DOCKET NO.:
xx000x-EI

Witness: Will Garrett

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	\$46,230	\$68,664	\$97,726	\$131,079	\$171,049	\$264,327	\$928,842
3.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4.	\$178	\$242	\$335	\$462	\$630	\$872	\$3,053
5.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6.	<u>\$46,408</u>	<u>\$69,126</u>	<u>\$98,061</u>	<u>\$131,541</u>	<u>\$171,679</u>	<u>\$265,199</u>	<u>\$928,896</u>
7.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8.	<u>\$46,408</u>	<u>\$69,126</u>	<u>\$98,061</u>	<u>\$131,541</u>	<u>\$171,679</u>	<u>\$265,199</u>	<u>\$928,896</u>

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 11 of 18)

EXHIBT 5
Page 1 of 2

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

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

Schedule T-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:

Progress Energy - FL

For the Year Ended: 12/31/2007

DOCKET NO.:

xxxxxx-EI

Witness: Will Garrett

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total		
Jurisdictional Dollars										
1.	Nuclear CWIP Additions (Schedule T-8, line 62)	(\$40,123)	\$1,624,534	\$402,817	\$47,840	\$609,396	\$804,698	\$894,858	\$4,183,943	
2.	Transfers to Plant in Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3.	Other Adjustments		\$0	\$5,475	\$12,700	\$14,387	\$16,818	\$21,951	\$71,331	
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)		<u>\$1,584,411</u>	<u>\$1,992,703</u>	<u>\$2,053,043</u>	<u>\$2,676,826</u>	<u>\$3,498,342</u>	<u>\$4,215,151</u>	<u>\$4,255,274</u>	\$4,215,151
5.	Average Net CWIP Additions		\$772,144	\$1,791,295	\$2,029,223	\$2,372,128	\$3,095,993	\$3,867,722	n/a	
6.	Return on Average Net CWIP Additions (c)									
a.	Equity Component (Line 5 x 6.819% x 1/12) (a)		\$4,219	\$9,788	\$11,088	\$12,961	\$18,917	\$21,133	\$76,165	
b.	Equity Comp. grossed up for taxes (Line 6a x 1.828002) (b)		\$6,869	\$15,934	\$18,051	\$21,101	\$27,540	\$34,405	\$123,900	
c.	Debt Component (Line 5 x 2.029% x 1/12)		\$1,258	\$2,913	\$3,300	\$3,857	\$5,034	\$6,289	\$22,848	
7.	Total Return Requirements (Line 6b + 6c)		<u>\$8,124</u>	<u>\$18,647</u>	<u>\$21,350</u>	<u>\$24,958</u>	<u>\$32,574</u>	<u>\$40,694</u>	<u>\$146,547</u>	
8.	Total Return Requirements from most recent Projections		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9.	Difference (Line 7 - Line 8)		<u>\$8,124</u>	<u>\$18,647</u>	<u>\$21,350</u>	<u>\$24,958</u>	<u>\$32,574</u>	<u>\$40,694</u>	<u>\$146,547</u>	

Notes:

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

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

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

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 12 of 18)

EXHIBT 5
Page 2 of 2

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

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

Schedule T-3

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:

Progress Energy - FL

For the Year Ended: 12/31/2007

DOCKET NO.:

XXXXXXXX-EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total		
Jurisdictional Dollars										
1.	Nuclear CWIP Additions (Schedule T-6, line 62)	\$4,215,151	\$302,610	\$3,941,418	\$1,448,364	\$4,759,938	\$2,861,121	\$14,839,436	\$32,138,826	
2.	Transfers to Plant in Service		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3.	Other Adjustments		\$27,422	\$31,153	\$46,419	\$65,854	\$88,330	\$115,264	\$445,772	
4.	CWIP Base Eligible for Return (Prior Mo Balance + Line 1 - 2 + 3)		<u>\$4,545,183</u>	<u>\$8,517,752</u>	<u>\$10,012,534</u>	<u>\$14,838,325</u>	<u>\$17,587,775</u>	<u>\$32,542,475</u>	<u>\$32,582,588</u>	\$32,542,475
5.	Average Net CWIP Additions		\$4,393,878	\$6,547,044	\$9,288,352	\$12,458,357	\$18,257,215	\$25,122,757	n/a	
6.	Return on Average Net CWIP Additions (c)									
a.	Equity Component (Line 5 x 6.819% x 1/12) (a)		\$24,008	\$35,773	\$50,752	\$68,072	\$88,829	\$137,271	\$480,811	
b.	Equity Comp. grossed up for taxes (Line 6a x 1.828002) (b)		\$39,085	\$58,239	\$82,624	\$110,822	\$144,614	\$223,477	\$782,761	
c.	Debt Component (Line 5 x 2.029% x 1/12)		\$7,144	\$10,845	\$15,103	\$20,257	\$28,434	\$40,850	\$143,082	
7.	Total Return Requirements (Line 6b + 6c)		<u>\$46,229</u>	<u>\$68,884</u>	<u>\$97,726</u>	<u>\$131,079</u>	<u>\$171,049</u>	<u>\$264,327</u>	<u>\$925,642</u>	
8.	Total Return Requirements from most recent Projections		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
9.	Difference (Line 7 - Line 8)		<u>\$46,230</u>	<u>\$68,884</u>	<u>\$97,726</u>	<u>\$131,079</u>	<u>\$171,049</u>	<u>\$264,327</u>	<u>\$925,642</u>	

Notes:

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001628 (Debt), which results in the annual rate of 8.848%.

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 13 of 18)

EXHIBIT 6
Page 1 of 2

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

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

Schedule T-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

000000-EI

Witness: Will Garrett

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 8 Month Total
Jurisdictional Dollars								
1.		\$3,207	\$7,416	\$8,352	\$9,716	\$14,017	\$17,466	\$60,174
2.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.		(\$1,258)	(\$2,913)	(\$3,300)	(\$3,857)	(\$5,034)	(\$6,289)	(\$22,849)
4.		\$0	\$1,951	\$6,456	\$11,507	\$17,366	\$26,349	\$37,526
5.		\$0	\$753	\$2,480	\$4,439	\$6,689	\$10,164	\$14,476
6.		\$376	\$1,621	\$3,464	\$5,569	\$8,431	\$12,320	n/a
7.								
a.		\$2	\$9	\$19	\$30	\$46	\$67	\$174
b.		\$3	\$14	\$31	\$50	\$75	\$110	\$283
c.		\$1	\$3	\$6	\$9	\$14	\$20	\$52
8.		\$4	\$17	\$36	\$59	\$89	\$130	\$334
9.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.		\$4	\$17	\$36	\$59	\$89	\$130	\$334

Notes:

(a) The monthly Equity Component of 6.86% reflects an 11.75% return on equity.

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005484 (Equity) and 0.001826 (Debt), which results in the annual rate of 8.848%

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 14 of 18)

EXHIBIT 6
Page 2 of 2

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

[Section 5(c)1.a.]

Schedule T-3A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY:

Progress Energy - FL

For the Year Ended: 12/31/2007

DOCKET NO.:

xxxxxx-EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.		\$19,781	\$28,524	\$41,923	\$56,204	\$73,278	\$113,534	\$394,395
2.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.		(\$7,144)	(\$10,645)	(\$16,103)	(\$20,267)	(\$26,434)	(\$40,850)	(\$143,082)
4.		<u>\$37,528</u>	<u>\$50,143</u>	<u>\$66,021</u>	<u>\$96,841</u>	<u>\$131,788</u>	<u>\$251,314</u>	<u>\$251,314</u>
5.		<u>\$14,478</u>	<u>\$19,343</u>	<u>\$26,825</u>	<u>\$36,071</u>	<u>\$50,837</u>	<u>\$68,008</u>	<u>n/a</u>
6.		\$16,910	\$22,864	\$31,798	\$43,804	\$59,872	\$82,925	
7.								
a.		\$92	\$126	\$174	\$240	\$327	\$455	\$1,566
b.		\$150	\$204	\$283	\$381	\$533	\$736	\$2,581
c.		\$27	\$37	\$52	\$71	\$97	\$135	\$472
8.		<u>\$178</u>	<u>\$242</u>	<u>\$335</u>	<u>\$462</u>	<u>\$630</u>	<u>\$872</u>	<u>\$3,053</u>
9.		\$0	\$0	\$0	\$0	\$0	\$0	\$0
10.		<u>\$178</u>	<u>\$242</u>	<u>\$335</u>	<u>\$462</u>	<u>\$630</u>	<u>\$872</u>	<u>\$3,053</u>

Notes:

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 6.848%.

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 15 of 18)

EXHIBIT 7

Page 1 of 2

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

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

Schedule T-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the calculation of the Actual Construction Period interest for the current year.

For the Year Ended: 12/31/2007

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

Witness: Will Garrett

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
	Jurisdictional Dollars							
1.	Beginning Balance	(\$40,123)	\$1,584,411	\$1,987,228	\$2,034,868	\$2,644,264	\$3,448,982	n/a
2.	Additions Site Selection & Preconstruction (Schedule T-2, line 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.	Additions Construction (Schedule T-3, line 1)	\$1,624,534	\$402,817	\$47,640	\$809,396	\$804,898	\$694,858	\$4,163,943
4.	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	
5.	Average Balance Eligible for CPI	<u>\$772,144</u>	<u>\$1,785,820</u>	<u>\$2,011,048</u>	<u>\$2,339,568</u>	<u>\$3,048,813</u>	<u>\$3,798,391</u>	
6.	Monthly CPI Rate	0.0041529	0.0041529	0.0041529	0.0041529	0.0046008	0.0046008	
7.	Construction Period Interest for Tax (CPI)	\$3,207	\$7,416	\$8,352	\$9,718	\$14,017	\$17,466	\$60,174
8.	Ending Balance Excluding CPI	<u>(\$40,123)</u>	<u>\$1,584,411</u>	<u>\$1,987,228</u>	<u>\$2,034,868</u>	<u>\$2,644,264</u>	<u>\$3,448,982</u>	<u>\$4,143,820</u>

Docket No. 080009-EI
 Audit Report for PEF Uprate
 Exhibit JAS-1 (Page 16 of 18)

EXHIBIT 7
Page 2 of 2

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

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

Schedule T-3B

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

xxxxxx-EI

Witness: Will Garrett

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$4,143,820	\$4,448,430	\$8,387,848	\$9,838,210	\$14,598,148	\$17,257,287	n/a
2.	Additions Site Selection & Preconstruction (Schedule T-2, line 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3.	Additions Construction (Schedule T-3, line 1)	\$302,810	\$3,941,418	\$1,448,364	\$4,759,938	\$2,681,121	\$14,839,438	\$32,138,828
4.	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5.	Average Balance Eligible for CPI	<u>\$4,295,125</u>	<u>\$6,417,138</u>	<u>\$9,112,028</u>	<u>\$12,218,178</u>	<u>\$15,926,707</u>	<u>\$24,876,985</u>	
6.	Monthly CPI Rate	0.0048008	0.0048008	0.0048008	0.0048008	0.0048008	0.0048008	
7.	Construction Period Interest for Tax (CPI)	\$19,781	\$29,524	\$41,923	\$56,204	\$73,278	\$113,534	\$394,385
8.	Ending Balance Excluding CPI	<u>\$4,143,820</u>	<u>\$4,448,430</u>	<u>\$8,387,848</u>	<u>\$9,838,210</u>	<u>\$14,598,148</u>	<u>\$17,257,287</u>	<u>\$32,491,098</u>

Docket No. 080009-EI
Audit Report for PEF Uprate
Exhibit JAS-1 (Page 17 of 18)

EXHIBIT 8

CRYSTAL RIVER UNIT 3 UPRATE
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Monthly Expenditures

[Section (5)(c)1 a.]
[Section (8)(d)]

Schedule T-4

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

For the Year Ended: 12/31/2007

COMPANY:

Progress Energy - FL

DOCKET NO.:

0

Witness: Will Garrett

Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
1 Site Selection:													
2 [Site Selection may include the same costs as shown below in Pre-Construction.]													
3													
4 Pre-Construction:													
5 Generation:													
6 License Application	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7 Engineering & Design	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8 Permitting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Clearing, Grading and Excavation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10 On-Site Construction Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11 Total Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
13													
14 Total Jurisdictional Generation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15													
16													
17 Transmission:													
18 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19 Substation Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 Clearing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21 Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
24													
25 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
26													
27 Total Jurisdictional Preconstruction Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28													
29													
30 Construction:													
31 Real Estate:													
32 Real Estate Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
33 Project Management	\$67,188	\$41,995	\$24,452	\$131,129	\$337,405	\$228,822	\$261,884	\$116,341	\$241,688	\$312,781	\$98,274	\$440,022	\$2,329,817
34 Permanent Staff/Training	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
35 Site Preparation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36 On-Site Construction Facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
37 Power Block Engineering, Procurement, etc.	\$305,477	(\$293,310)	\$1,153,849	\$438,185	\$358,200	(\$49,578)	\$4,097,806	\$2,087,133	\$3,885,398	\$8,743,824	\$9,028,658	\$3,484,483	\$36,200,299
38 Non-Power Block Engineering, Procurement, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
39 Total Generation Costs (Note 1)	\$372,863	(\$261,315)	\$1,178,691	\$576,294	\$696,605	\$179,043	\$4,358,479	\$2,182,474	\$4,108,801	\$10,056,683	\$9,124,830	\$3,544,715	\$38,820,914
40 Less Adjustments:													
41 Joint Owner Billing	(\$30,874)	\$20,708	(\$98,854)	(\$48,875)	(\$27,257)	(\$14,718)	(\$362,221)	\$108,443	(\$621,486)	(\$828,599)	(\$730,014)	(\$455,875)	(\$2,133,943)
42 Non-Cash Accruals	\$1,390,787	\$480,284	(\$1,030,730)	\$128,582	\$218,884	\$575,831	(\$2,874,478)	\$1,913,127	(\$1,849,382)	(\$4,152,983)	(\$5,338,477)	\$10,338,445	(\$1,109,180)
43 Net Generation Costs (Note 2)	\$1,732,781	\$429,658	\$90,114	\$656,002	\$858,317	\$741,158	\$322,773	\$4,204,043	\$1,544,873	\$5,077,102	\$2,834,438	\$15,824,229	\$34,278,183
44 Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
45													
46 Total Generation Costs Eligible for Carrying Costs	\$1,624,534	\$402,817	\$47,840	\$609,396	\$804,698	\$664,858	\$302,810	\$3,641,418	\$1,448,364	\$4,759,836	\$2,661,121	\$14,839,436	\$32,136,828
47													
48													
49 Transmission:													
50 Line Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51 Substation Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
52 Real Estate Acquisitions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53 Line Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
54 Substation Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55 Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
56 Total Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
57 Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
58													
59 Total Jurisdictional Transmission Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
60													
61 Total Jurisdictional Construction Costs	\$1,624,534	\$402,817	\$47,840	\$609,396	\$804,698	\$664,858	\$302,810	\$3,641,418	\$1,448,364	\$4,759,836	\$2,661,121	\$14,839,436	\$32,136,828
62													

Note 1: Line 39 represents generation construction costs on an accrual basis, gross of joint owner billings and excludes APJUDC.
Note 2: Line 43 represents net generation costs on a cash basis, net of joint owner billings.

DOCKET NO. 080009-EI: Nuclear cost recovery clause for Progress Energy Florida, Inc.

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

EXHIBIT JAS-2: Audit Report to address the pre-construction costs as of December 31, 2007 for Levy County Units 1 & 2 (Redacted)



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

Tampa District Office

PROGRESS ENERGY FLORIDA, INC.
NUCLEAR COST RECOVERY CLAUSE

LEVY COUNTY UNITS 1 & 2
PRE-CONSTRUCTION COST

AS OF DECEMBER 31, 2007

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

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

Jeffery A. Small, Audit Manager

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

**Joseph W. Rohrbacher, District
Supervisor**

TABLE OF CONTENTS

AUDITOR'S REPORT	PAGE
I. PURPOSE.....	2
II. OBJECTIVES AND PROCEDURES	3
III. FINDINGS	
1. LAND AND LAND RIGHTS	5
IV. EXHIBITS ¹	
1. 2007 SCHEDULE T-1 – RETAIL REVENUE REQUIREMENT	9
2. 2007 SCHEDULE T-3 – CONSTRUCTION CARRYING COST	10
3. 2007 SCHEDULE T-3A – DEFERRED TAX CARRYING COST	11
4. 2007 SCHEDULE T-3B – CONSTRUCTION PERIOD INTEREST	12
5. 2007 SCHEDULE T-6 – MONTHLY EXPENDITURES	13

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

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

JULY 17, 2008

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have performed the procedures described later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request dated March 27, 2008. We have applied these procedures to the attached schedules prepared by Progress Energy Florida, Inc. in support of its 2007 filings for Nuclear Cost Recovery Clause relief in Docket No. 080009-EI.

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

OBJECTIVES AND PROCEDURES

GENERAL

To verify that the company's 2007 Nuclear Cost Recovery Clause (NCRC) filings in Docket No. 080009-EI are consistent and in compliance with Section 366.93, F.S. and Chapter 25-6.0423, F.A.C.

SPECIFIC

- Objective:* Verify that the company's filing is properly recorded on its books and records according to the Code of Federal Regulations (CFR) Uniform System of Accounts. (USoA)
Procedures: We reconciled the company's filing to the general ledger and verified that the costs incurred were posted to the proper USoA account.
- Objective:* Verify that Schedule T-1 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.
Procedures: We reconciled and recalculated a sample of the monthly revenue requirement accruals displayed on Schedule T-1 to the supporting schedules in the company's 2007 NCRC filing.
- Objective:* Verify that the carrying cost amounts displayed on Schedule T-3, which rolls forward to Schedule T-1, are accurately calculated and that they include the correct balances from the supporting schedules of the company's 2007 NCRC filing.
Procedures: We reconciled and recalculated a sample of the carrying cost accruals displayed on Schedule T-3 to the supporting schedules in the company's 2007 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction (AFUDC) balances displayed as Other Adjustments in the filing and reconciled the rates applied by the company to its approved AFUDC rates in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005.
- Objective:* Verify that the Deferred Tax Return Requirement amount displayed on Schedule T-3A, which rolls forward to Schedule T-1, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.
Procedures: We reconciled and recalculated a sample of the monthly deferred tax carrying cost accruals displayed on Schedule T-3A to the supporting schedules in the company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost balances for deferred tax assets based on the equity and debt components established in Order No. PSC-05-0945-FOF-EI.
- Objective:* Verify that the Construction Period Interest (CPI) amount displayed on Schedule T-3B, which rolls forward to Schedule T-3A, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.

- Procedures:* We reconciled and recalculated a sample of the monthly CPI accruals displayed on Schedule T-3B to the supporting schedules in the company's 2007 NCRC filing. We recalculated the company's CPI rate and reconciled the component balances to the company's general ledger.
6. *Objective:* Verify that the jurisdictional nuclear construction amounts, displayed on Schedule T-6 of the company's 2007 filing, which rolls forward to Schedule T-3, are accurately calculated and are supported by original source documentation.
- Procedures:* We recalculated a sample of monthly jurisdictional nuclear construction expenditures displayed on Schedule T-6 of the company's 2007 NCRC filing. We sampled and verified the construction and transmission cost expenditures and traced the invoiced amounts to supporting documentation. We reconciled the jurisdictional factors applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI. Audit Finding No. 1 discusses our analysis and discloses additional information concerning the company's balances for generation, transmission and future use land.

AUDIT FINDING NO. 1

SUBJECT: LAND AND LAND RIGHTS

AUDIT ANALYSIS:

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

EXHIBIT 1

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

Schedule T-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended 12/31/2007

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

Witness:

Line No.	(H)	(I)	(J)	(K)	(L)	(M)	(N)
	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	12 Month Total
Jurisdictional Dollars							
1.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	-	-	224,668	460,556	483,321	544,739	1,713,284
3.	-	-	-	-	-	-	-
4.	-	-	(70)	(285)	(581)	(904)	(1,841)
5.	-	-	-	-	-	-	-
6.	-	-	224,596	460,273	482,739	543,835	1,711,443
7.	-	-	-	-	-	-	-
8.	\$ -	\$ -	\$ 224,596	\$ 460,273	\$ 482,739	\$ 543,835	\$ 1,711,443

Docket No. 080009-EI
 Audit Report for PEF Levy Pre-Construction
 Redacted
 Exhibit JAS-2 (Page 10 of 14)

EXHIBIT 2

Schedule T-3 **Levy County Nuclear Filing**
Pre-Construction Costs and Carrying Costs on Construction Cost Balance [Section (5)(c)1 a.]
True-up Filing: Construction

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Progress Energy - FL
 DOCKET NO.: 000149-EI

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

For the Year Ended 12/31/2007

Witness:

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.	Nuclear CWIP Additions (Schedule T-6, line 48)	\$ -	\$ -	\$ 42,708,524	\$ 1,831,101	\$ 1,875,060	\$ 8,148,386	\$ 55,561,072
2.	Transfers to Plant in Service	-	-	-	-	-	-	-
3.	Other Adjustments (d)	-	-	-	161,386	310,364	325,693	787,441
4.	CWIP Base Eligible for Return (PM CWIP Bal. + Line 1 - 2 + 3)	-	-	42,708,524	44,689,020	46,874,434	56,348,513	56,348,513
5.	Average Net CWIP Additions	-	-	21,353,262	43,773,469	45,936,904	51,774,320	n/a
6.	Return on Average Net CWIP Additions (c)	-	-	-	-	-	-	-
a.	Equity Component (a)	-	-	116,674	239,178	250,999	282,895	609,747
b.	Equity Comp. grossed up for taxes (b)	-	-	196,946	399,383	408,627	460,553	1,448,509
c.	Debt Component	-	-	34,720	71,176	74,683	84,186	264,775
7.	Total Return Requirements (Line 6b + 6c)	-	-	224,666	460,558	483,321	544,738	1,713,284
8.	Total Return Requirements from most recent Projections	-	-	-	-	-	-	-
9.	Difference (Line 7 - Line 8)	\$ -	\$ -	\$ 224,666	\$ 460,558	\$ 483,321	\$ 544,738	\$ 1,713,284

Notes:

- (a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.
- (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.
- (c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001620 (Debt), which results in the annual rate of 6.518%.
- (d) Return on average net Construction Work in Progress (CWIP) additions that is being included in the Levy costs until such time as these costs are recovered under the Capacity Cost Recovery (CCR) rate.

Docket No. 080009-EI
 Audit Report for PEF Levy Pre-Construction
 Redacted
 Exhibit JAS-2 (Page 11 of 14)

EXHIBIT 3

Schedule T-3A **Levy County Nuclear Filing**
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Deferred Tax Carrying Costs (Section 5)(c)(1)(A.)

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: Progress Energy - FL
 DOCKET NO.: 080149-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs for the current year.

For the Year Ended 12/31/2007

Witness:

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.								
3.				(24,720)	(71,178)	(74,881)	(84,185)	(264,775)
4.				(24,720)	(105,888)	(189,589)	(254,775)	N/A
5.				(13,203)	(40,849)	(69,542)	(102,137)	N/A
6.				(6,867)	(77,121)	(56,296)	(85,907)	
7.								
a.				(37)	(148)	(302)	(486)	(966)
b.				(90)	(241)	(492)	(754)	(1,576)
c.				(11)	(44)	(90)	(140)	(285)
8.				(70)	(285)	(561)	(904)	(1,841)
9.								
10.				(70)	(285)	(561)	(904)	(1,841)

Notes:
 (a) The monthly Equity Component of 6.85% reflects an 11.75% return on equity.
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.
 (c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005404 (Equity) and 0.001626 (Debt) which results in the annual rate of 8.848%.
 (d) Return on average net Construction Work in Progress (CWIP) additions that is being included in the Levy costs until such time as these costs are recovered under the Capacity Cost Recovery (CCR) rate.

Docket No. 080009-EI
 Audit Report for PEF Levy Pre-Construction
 Redacted
 Exhibit JAS-2 (Page 12 of 14)

EXHIBIT 4

Schedule T-3B **Levy County Nuclear Filing**
Pre-Construction Costs and Carrying Costs on Construction Cost Balance [Section (5)(c)1.a.]
True-up Filing: Construction Period Interest

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the calculation of the Actual Construction Period Interest for the current year. For the Year Ended 12/31/2007

COMPANY: Progress Energy - FL

DOCKET NO.: 080149-EI

Witness.

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1.	Beginning Balance	\$ -	\$ -	\$ 42,493,547	\$ 42,708,524	\$ 44,537,825	\$ 46,412,645	
2.	Additions Site Selection & Preconstruction (Schedule T-2, line 1)	-	-	-	-	-	-	
3.	Additions Construction (Schedule T-3, line 1)	-	42,493,547	212,977	1,831,101	1,875,000	9,148,386	55,561,071
4.	Other Adjustments	-	-	-	-	-	-	
5.	Average Balance Eligible for CPI	-	21,246,774	42,600,036	43,822,075	45,475,156	50,986,878	
6.	Monthly CPI Rate (a)	-	-	-	-	-	-	
7.	Construction Period Interest for Tax (CPI)	-	-	-	-	-	-	
8.	Ending Balance Excluding CPI	\$ -	\$ 42,493,547	\$ 42,708,524	\$ 44,537,825	\$ 46,412,645	\$ 55,561,077	\$ 55,561,077

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

Docket No. 080009-EI
 Audit Report for PEF Levy Pre-Construction
 Redacted
 Exhibit JAS-2 (Page 13 of 14)

EXHIBIT 5

Sched. 7-4		Levy County Nuclear Plant Pre-Construction Costs and Carrying Costs on Construction Cost Balance True-up Billing: Monthly Expenditures												[Section (2)(c)1.a] [Section (8)(g)]	
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: Provide the actual monthly expenditures by major trade performed within the Education and Construction categories for the prior year.												For the Year Ended 12/31/2007	
COMPANY: Progress Energy - FL														Witness	
DOCKET NO. 060146-EI															
Description:		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	12 Month
		January	February	March	April	May	June	July	August	September	October	November	December	Total	
Generation:															
1.	License Application	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2.	Engineering & Design														
3.	Permitting														
4.	Clearing, Grading and Excavation														
5.	On-Site Construction Facilities														
6.	Total Generation Costs														
7.	Less Adjustments:														
8.	Non-Cash Accruals														
9.	Other														
10.	Net Generation Costs														
11.	Jurisdictional Factor	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753
12.	Total Jurisdictional Generation Costs														
Transmission:															
13.	Line Engineering	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
14.	Substation Engineering														
15.	Clearing														
16.	Other														
17.	Total Transmission Costs														
18.	Less Adjustments:														
19.	Non-Cash Accruals														
20.	Other														
21.	Net Transmission Costs														
22.	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
23.	Total Jurisdictional Transmission Costs														
24.	Total Jurisdictional Preconstruction Costs														
Construction:															
Generation:															
25.	Real Estate Acquisitions	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
26.	Project Management														
27.	Personnel Staff Training														
28.	Site Preparation														
29.	On-Site Construction Facilities														
30.	Power Plant Engineering, Procurement, etc.														
31.	Non-Power Block Engineering, Procurement, etc.														
32.	Total Generation Costs														
33.	Less Adjustments:														
34.	Non-Cash Accruals														
35.	Other														
36.	Net Generation Costs														
37.	Jurisdictional Factor	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753	0.83753
38.	Total Jurisdictional Generation Costs														
Transmission:															
39.	Line Engineering	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
40.	Substation Engineering														
41.	Real Estate Acquisitions														
42.	Line Construction														
43.	Substation Construction														
44.	Other														
45.	Total Transmission Costs														
46.	Less Adjustments:														
47.	Non-Cash Accruals														
48.	Other														
49.	Net Transmission Costs														
50.	Jurisdictional Factor	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
51.	Total Jurisdictional Transmission Costs														
52.	Total Jurisdictional Construction Costs														

DOCKET NO. 080009-EI: Nuclear cost recovery clause for Progress Energy Florida, Inc.

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

EXHIBIT JAS-3: Audit Report to address the site selection costs as of December 31, 2007 for Levy County Units 1 & 2.



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

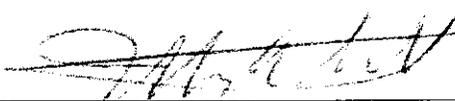
Tampa District Office

PROGRESS ENERGY FLORIDA, INC.
NUCLEAR COST RECOVERY CLAUSE

LEVY COUNTY UNITS 1 & 2
SITE SELECTION COST

AS OF DECEMBER 31, 2007

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



Jeffery A. Small, Audit Manager



**Joseph W. Rohrbacher, District
Supervisor**

TABLE OF CONTENTS

AUDITOR'S REPORT	PAGE
I. PURPOSE.....	2
II. OBJECTIVES AND PROCEDURES.....	3
III. FINDINGS	
1. DEFERRED TAX CARRYING COST.....	5
IV. EXHIBITS ¹	
1. 2006 SCHEDULE SS-1 – RETAIL REVENUE REQUIREMENT.....	8
2. 2006 SCHEDULE SS-2 – SITE SELECTION COST.....	10
3. 2006 SCHEDULE SS-6 – MONTHLY EXPENDITURES.....	12
4. 2007 SCHEDULE SS-1 – RETAIL REVENUE REQUIREMENT.....	13
5. 2007 SCHEDULE SS-2 – SITE SELECTION COST.....	15
6. 2007 SCHEDULE SS-3A – DEFERRED TAX CARRYING COST.....	17
7. 2007 SCHEDULE SS-4 – RECOVERABLE O&M EXPENDITURES.....	19
8. 2007 SCHEDULE SS-6 – MONTHLY EXPENDITURES.....	20

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

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

JULY 16, 2008

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have performed the procedures described later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request dated March 27, 2008. We have applied these procedures to the attached schedules prepared by Progress Energy Florida, Inc. in support of its 2006 and 2007 filings for Nuclear Cost Recovery Clause relief of its site selection cost in Docket No. 080009-EI.

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

OBJECTIVES AND PROCEDURES

GENERAL

To verify that the company's 2006 and 2007 Nuclear Cost Recovery Clause (NCRC) filings in Docket No. 080009-EI are consistent and in compliance with Section 366.93, F.S. and Chapter 25-6.0423, F.A.C.

SPECIFIC

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

Procedures: We reconciled the company's filing to the general ledger and verified that the costs incurred were posted to the proper USoA account.
- Objective:* Verify that Schedule SS-1 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2006 and 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly revenue requirement accruals displayed on Schedule SS-1 to the supporting schedules in the company's 2006 and 2007 NCRC filing. Audit Finding No. 1 discusses our recommended adjustment to correct a calculation error on Schedule SS-3A that rolls forward to Schedule SS-1.
- Objective:* Verify that Schedule SS-2 is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2006 and 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly site selection expenditures displayed on Schedule SS-2 to the supporting schedules in the company's 2006 and 2007 NCRC filing. We recalculated a sample of the Allowance for Funds Used During Construction (AFUDC) balances displayed in the filing and reconciled the rates applied by the company to its approved AFUDC rates in Order No. PSC-05-0945-FOF-EI, issued September 28, 2005.
- Objective:* Verify that the Deferred Tax Return Requirement amount displayed on Schedule SS-3A, which rolls forward to Schedule SS-1, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.

Procedures: We reconciled and recalculated a sample of the monthly deferred tax carrying cost accruals displayed on Schedule SS-3A to the supporting schedules in the company's 2007 NCRC filing. We recalculated a sample of the monthly carrying cost balances for deferred tax assets based on the equity and debt components established in Order No. PSC-05-0945-FOF-EI. Audit Finding No. 1 discusses our recommended adjustment to correct a calculation error in the company's schedule.

5. *Objective:* Verify that the Recoverable O&M Expenditure amount displayed on Schedule SS-4, which rolls forward to Schedule SS-1, is accurately calculated and that it includes the correct balances from the supporting schedules of the company's 2007 NCRC filing.

Procedures: We recalculated a sample of the monthly recoverable O&M expenditures displayed on Schedule SS-4 of the company's 2007 NCRC filing. We sampled and verified the O&M cost accruals and traced the invoiced amounts to supporting documentation. We verified company salary expense accruals and recalculated the respective overhead burdens the company applied. We reconciled the jurisdictional factors applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI.

6. *Objective:* Verify that the jurisdictional nuclear construction amounts, displayed on Schedule SS-6 of the company's 2006 and 2007 filing, which rolls forward to Schedule SS-2, are accurately calculated and are supported by original source documentation.

Procedures: We recalculated a sample of monthly jurisdictional nuclear construction accruals displayed on Schedule SS-6 of the company's 2006 and 2007 NCRC filing. We sampled and verified the generation and transmission cost accruals and traced the invoiced amounts to supporting documentation. We verified company salary expense accruals and recalculated the respective overhead burdens the company applied. We reconciled the jurisdictional factors applied by the company to the eligible carrying cost to the factors approved in Order No. PSC-06-0972-FOF-EI, issued November 22, 2006, in Docket No. 060007-EI.

AUDIT FINDING NO. 1.

SUBJECT: DEFERRED TAX CARRYING COST

AUDIT ANALYSIS: The Company's filing reflects a credit balance of \$6,170 for deferred tax carrying cost on Schedule SS-3A, Line 8, as of December 31, 2007.

We recalculated the balances on the above schedule and discovered an error in the company's presentation. In July 2007, Column J, Line 4, the company's schedule calculates a year to date credit balance of \$184,156. The company's calculation included the six month total of January - June 2007 balances instead of the June 2007 month end balance to determine the July 2007 year to date balance. The effect of this error overstates the July 2007 year to date balance and all succeeding year to date balances by \$112,483.

The net effect of this error overstates the balance for the total return requirement displayed in Column P, Line 10, by \$2,739. (\$6,170 - \$3,431) See Attachment 1 that follows for our recalculation.

Additionally, the above error is carried forward into Schedule SS-1 of the company's filing because the monthly balances determined on Schedule SS-3A, Line 8 are included on Schedule SS-1, Line 4. The net effect of the above described error understates the company's total period revenue requirement by \$2,739. (\$14,580,252 - \$14,577,513) See Attachment 2 that follows for our recalculation.

EFFECT ON THE FILING: Increase the total period revenue requirement displayed on Schedule SS-1, Line 6, by \$2,739 as of December 31, 2007.

EFFECT ON THE GENERAL LEDGER: None

Attachment 1 – 2007 Schedule SS-3A²

Line No.	Actual Jan-07	Actual Feb-07	Actual Mar-07	Actual Apr-07	Actual May-07	Actual Jun-07	Actual Jul-07	Actual Aug-07	Actual Sep-07	Actual Oct-07	Actual Nov-07	Actual Dec-07	12 Month Total
Construction Period Interest													
1. (Schedule T-3B, Line 7)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recovered Costs Excluding AFUDC (Schedule T-2, Line 1+ Line 3)													
2.													
3 Other Adjustments	<u>\$(5,811)</u>	<u>\$(7,424)</u>	<u>\$(9,287)</u>	<u>\$(8,066)</u>	<u>\$(9,740)</u>	<u>\$(14,403)</u>	<u>\$(16,942)</u>	<u>\$(19,326)</u>	<u>\$(22,336)</u>	<u>\$(25,100)</u>	<u>\$(27,781)</u>	<u>\$(28,614)</u>	<u>\$(194,830)</u>
Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)	<u>\$(5,811)</u>	<u>\$(13,235)</u>	<u>\$(22,522)</u>	<u>\$(30,588)</u>	<u>\$(40,328)</u>	<u>\$(54,731)</u>	<u>\$(71,673)</u>	<u>\$(90,999)</u>	<u>\$(113,335)</u>	<u>\$(138,435)</u>	<u>\$(166,216)</u>	<u>\$(194,830)</u>	
Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	<u>\$(2,242)</u>	<u>\$(5,105)</u>	<u>\$(8,688)</u>	<u>\$(11,799)</u>	<u>\$(15,557)</u>	<u>\$(21,112)</u>	<u>\$(27,648)</u>	<u>\$(35,103)</u>	<u>\$(43,719)</u>	<u>\$(53,401)</u>	<u>\$(64,118)</u>	<u>\$(75,156)</u>	
5													
6 Average Accumulated DTA	(\$1,121)	(\$3,673)	(\$6,897)	(\$10,244)	(\$13,678)	(\$18,335)	(\$24,380)	(\$31,375)	(\$39,411)	(\$48,560)	(\$58,760)	(\$69,637)	
7 Carrying Cost on DTA													
a. Equity Component (a)	(\$6)	(\$20)	(\$38)	(\$56)	(\$75)	(\$100)	(\$133)	(\$171)	(\$215)	(\$265)	(\$321)	(\$380)	(\$1,732)
Equity Comp. grossed up for taxes (b)	(\$10)	(\$33)	(\$61)	(\$91)	(\$122)	(\$163)	(\$217)	(\$279)	(\$351)	(\$432)	(\$523)	(\$619)	(\$2,900)
b.													
c. Debt Component	(\$2)	(\$6)	(\$11)	(\$17)	(\$22)	(\$30)	(\$40)	(\$51)	(\$64)	(\$79)	(\$96)	(\$113)	(\$530)
Total Return Requirements (Line 8b + 8c)	<u>(\$12)</u>	<u>(\$39)</u>	<u>(\$73)</u>	<u>(\$108)</u>	<u>(\$144)</u>	<u>(\$193)</u>	<u>(\$257)</u>	<u>(\$330)</u>	<u>(\$415)</u>	<u>(\$511)</u>	<u>(\$618)</u>	<u>(\$733)</u>	<u>(\$3,431)</u>
8													
Total Return Requirements from most recent Projections													
9													
10 Difference (Line 9 - Line 10)	<u>(\$12)</u>	<u>(\$39)</u>	<u>(\$73)</u>	<u>(\$108)</u>	<u>(\$144)</u>	<u>(\$193)</u>	<u>(\$257)</u>	<u>(\$330)</u>	<u>(\$415)</u>	<u>(\$511)</u>	<u>(\$618)</u>	<u>(\$733)</u>	<u>(\$3,431)</u>

² The schedule above that we created only corrects the year to date monthly balance displayed on Line 4 for July through December 2007. All other information carrying cost rates on DTA and calculations used in our recalculation of this schedule were incorporated from the company's corresponding schedule.

Attachment 2 – 2007 Schedule SS-1³

Line No.	Actual Jan-07	Actual Feb-07	Actual Mar-07	Actual Apr-07	Actual May-07	Actual Jun-07	Actual Jul-07	Actual Aug-07	Actual Sep-07	Actual Oct-07	Actual Nov-07	Actual Dec-07	12 Month Total
Site Selection Revenue Requirements (Schedule													
1. SS-2, line 7)	\$ 201,370	\$ 1,817,898	\$ 517,359	\$ (1,987,956)	\$ 4,091,375	\$ 1,716,077	\$ 1,483,159	\$ 1,537,118	\$ 2,265,727	\$ 1,246,625	\$ 2,173,840	\$ (1,026,384)	\$ 14,036,210
Construction Carrying Cost Revenue Requirements													
2. Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable O&M Revenue Requirements (Schedule SS-4, line 28)													
3.	-	-	\$ 25,123	\$ 110	\$ 15,220	\$ 178	\$ 178	\$ 185	\$ 4,764	\$ 112,379	\$ 165,265	\$ 224,072	\$ 547,473
Deferred Tax Asset Carrying Cost (Schedule SS-3A, line 8)													
4.	(\$12)	(\$39)	(\$73)	(\$108)	(\$144)	(\$193)	(\$257)	(\$330)	(\$415)	(\$511)	(\$618)	(\$733)	(\$3,437)
5. Other Adjustments													
Total Period Revenue Requirements (Lines 1 through 5)													
6.	\$ 201,358	\$ 1,817,859	\$ 542,409	\$ (1,987,954)	\$ 4,106,451	\$ 1,716,062	\$ 1,483,080	\$ 1,536,973	\$ 2,270,076	\$ 1,358,493	\$ 2,338,487	\$ (803,045)	\$ 14,560,252
Total Return Requirements from most recent Projections													
7.													
Difference (Line 6 - Line 7)													
8.	\$ 201,358	\$ 1,817,859	\$ 542,409	\$ (1,987,954)	\$ 4,106,451	\$ 1,716,062	\$ 1,483,080	\$ 1,536,973	\$ 2,270,076	\$ 1,358,493	\$ 2,338,487	\$ (803,045)	\$ 14,560,252

³ The schedule above that we created only corrects the 12-month total balance and the monthly balance displayed on Line 4 for July through December 2007. All other information and calculations used in our recalculation of this schedule were incorporated from the company's corresponding schedule.

EXHIBIT 1
Page 1 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Retail Revenue Requirements Summary

[Section (4)]
[Section (8)(d)]

Schedule SS-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended 12/31/2006

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080149 - E1

Witness: Lori Cross

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,772)	\$ 211,559
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
4.	-	-	-	-	-	-	-
5.	-	-	-	-	-	-	-
6.	-	-	-	11,287	211,044	(10,772)	211,559
7.	-	-	-	-	-	-	-
8.	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,772)	\$ 211,559

Docket No. 080009-E1
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 9 of 21)

EXHIBIT 1
Page 2 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Retail Revenue Requirements Summary

{Section (4)}
 {Section (8)(d)}

Schedule SS-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended 12/31/2006

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080149 - EI

Witness: Lori Cross

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1.	\$ 155,142	\$ 137,968	\$ 39,990	\$ 483,518	\$ 134,404	\$ 2,332,188	\$ 3,491,739
2.							
3.							
4.							
5.							
6.	<u>155,142</u>	<u>137,968</u>	<u>39,990</u>	<u>483,518</u>	<u>134,404</u>	<u>2,332,188</u>	<u>3,491,739</u>
7.							
8.	<u>\$ 155,142</u>	<u>\$ 137,968</u>	<u>\$ 39,990</u>	<u>\$ 483,518</u>	<u>\$ 134,404</u>	<u>\$ 2,332,188</u>	<u>\$ 3,491,739</u>

EXHIBIT 2
Page 1 of 2

**Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Site Selection Costs**

Schedule SS-2

[Section (4)]
[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2008

DOCKET NO.: 080149 - EI

Witness: Lori Cross

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,772)	\$ 211,559
2.				11,287	222,331	211,568	
3.							
4.				5,644	118,809	216,343	
5.							
a.							
b.							
c.							
6.							
7.				11,287	211,044	(10,772)	211,559
8.							
9.	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,772)	\$ 211,559

(a) The monthly Equity Component of 5.85% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.975%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$; resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 5.84%.

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 11 of 21)

EXHIBIT 2
Page 2 of 2

**Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Site Selection Costs**

[Section (4)]
[Section (8)(d)]

Schedule SS-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2006

DOCKET NO.: 080149 - E1

Witness: Lori Cross

Line No.	(I) Actual July	(J) Actual August	(K) Actual September	(L) Actual October	(M) Actual November	(N) Actual December	(O) 12 Month Total	
Jurisdictional Dollars								
1.	Current Period Pre-Construction Expenses (Schedule SS-6 Line 34)	\$ 155,142	\$ 137,958	\$ 36,960	\$ 463,518	\$ 134,404	\$ 2,332,186	\$ 3,491,739
2.	Prior Period Unrecovered Pre-Construction Balance	385,701	504,869	541,629	1,025,147	1,158,551	3,491,739	
3.	Pre-Construction Expenses Recovered							
4.	Average Balance Pre-Construction Expenses Eligible for Return	269,130	435,895	523,149	763,398	1,092,349	2,325,645	
5.	Return on Average Net Unamortized CWIP Eligible for Return (c)							
a.	Equity Component (a)							
b.	Equity Comp. grossed up for taxes (b)							
c.	Debt Component							
6.	Total Return Requirements (Line 5b + 5c)							
7.	Total Costs to be Recovered	155,142	137,958	36,960	463,518	134,404	2,332,186	3,491,739
8.	CWIP Additions & Amortization from most recent Projections							
9.	Difference (Line 7 - Line 8)	\$ 155,142	\$ 137,958	\$ 36,960	\$ 463,518	\$ 134,404	\$ 2,332,186	\$ 3,491,739

(a) The monthly Equity Component of 5.55% reflects an 11.75% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 34.875%.

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 6.645%.

EXHIBIT 3

Livy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Monthly Expenditures

Schedule SS-6

(Section 4)
(Section 5)(U)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION

Provide the actual monthly expenditures by major tasks performed within Site Selection category.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2006

DOCKET NO.: 080149 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
1														
2														
3														
4	Site Selection:													
5	Generation:													
6	License Application	\$ -	\$ -	\$ -	\$ 175,119	\$ 289,670	\$ 210,344	\$ 145,154	\$ (74,571)	\$ 285,111	\$ 620,177	\$ 275,963	\$ 941,644	\$ 2,049,210
7	Engineering, Design & Procurement													
8	Permitting													
9	Contracting, Ongoing and Retention													
10	On-Site Construction Facilities													
11	Total Generation Costs	\$ -	\$ -	\$ -	\$ 175,119	\$ 289,670	\$ 210,344	\$ 145,154	\$ (74,571)	\$ 285,111	\$ 620,777	\$ 275,963	\$ 941,644	\$ 2,049,210
12	Less Allowances													
13	Non Cash Adjustments	0	0	0	163,080	44,554	221,834	(20,326)	(271,731)	248,888	105,041	132,803	280,293	961,044
14	Other													
15	Net Generation Costs	\$ -	\$ -	\$ -	\$ 12,039	\$ 226,106	\$ (11,480)	\$ 124,828	\$ 147,161	\$ 36,223	\$ 816,736	\$ 143,160	\$ 2,487,088	\$ 3,724,400
16	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
17														
18	Total Jurisdictional Generation Costs	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,777)	\$ 125,142	\$ 137,088	\$ 36,080	\$ 483,518	\$ 134,404	\$ 2,332,188	\$ 3,491,731
19														
20	Transmission:													
21	Site Engineering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22	Substation Engineering													
23	Contracting													
24	Other													
25	Total Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Less Allowances													
27	Non Cash Adjustments													
28	Other													
29	Net Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Jurisdictional Factor	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567	0.70567
31														
32	Total Jurisdictional Transmission Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33														
34	Total Jurisdictional Site Selection Costs	\$ -	\$ -	\$ -	\$ 11,287	\$ 211,044	\$ (10,777)	\$ 125,142	\$ 137,088	\$ 36,080	\$ 483,518	\$ 134,404	\$ 2,332,188	\$ 3,491,731
35														

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 13 of 21)

EXHIBIT 4
Page 1 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Retail Revenue Requirements Summary

[Section (4)]
[Section (8)(d)]

Schedule SS-1

FLORIDA PUBLIC SERVICE COMMISSION

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

For the Year Ended 12/31/2007

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080149 - EI

Witness: Lori Cross

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1.	\$ 201,370	\$ 1,817,866	\$ 517,309	\$ (1,987,854)	\$ 4,091,375	\$ 1,716,077	\$ 6,395,124
2.							
3.			25,123	110	15,220	178	40,630
4.	(12)	(29)	(73)	(108)	(144)	(193)	(568)
5.							
6.	201,258	1,817,790	542,410	(1,987,854)	4,106,451	1,716,061	6,395,105
7.							
8.	\$ 201,258	\$ 1,817,760	\$ 542,410	\$ (1,987,854)	\$ 4,106,451	\$ 1,716,061	\$ 6,395,105

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 14 of 21)

EXHIBIT 4
Page 2 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Retail Revenue Requirements Summary

[Section (4)]
[Section (8)(d)]

Schedule SS-1

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080149 - EI

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

For the Year Ended 12/31/2007

Witness: Lori Cross

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1.	\$ 1,483,159	\$ 1,637,118	\$ 2,265,727	\$ 1,246,625	\$ 2,173,840	\$ (1,026,384)	\$ 14,036,210
2.	-	-	-	-	-	-	-
3.	178	185	4,764	112,379	165,265	224,072	547,473
4.	(713)	(787)	(871)	(967)	(1,075)	(1,189)	(6,170)
5.	-	-	-	-	-	-	-
6.	<u>1,482,624</u>	<u>1,536,517</u>	<u>2,269,820</u>	<u>1,358,037</u>	<u>2,339,030</u>	<u>(803,501)</u>	<u>14,577,510</u>
7.	-	-	-	-	-	-	-
8.	<u>\$ 1,482,624</u>	<u>\$ 1,536,517</u>	<u>\$ 2,269,820</u>	<u>\$ 1,358,037</u>	<u>\$ 2,339,030</u>	<u>\$ (803,501)</u>	<u>\$ 14,577,510</u>

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 15 of 21)

EXHIBT 5
Page 1 of 2

**Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Site Selection Costs**

Schedule SS-2

[Section (4)]
[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY: PROGRESS ENERGY - FI

For the Year Ended 12/31/2007

DOCKET NO.: 080149 - EI

Witness: Lon Cross

Line No.		(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars								
1.	Current Period Pre-Construction Expenses (Schedule SS-6 Line 34)	\$ 163,770	\$ 1,769,000	\$ 457,264	\$ (2,040,150)	\$ 4,028,352	\$ 1,622,877	\$ 6,001,973
2.	Prior Period Unrecovered Pre-Construction Balance	3,491,739	3,655,508	5,450,706	5,940,342	3,940,688	8,004,211	9,869,556
3.	Pre-Construction Expenses Recovered							
4.	Average Balance Pre-Construction Expenses Eligible for Return	3,573,624	4,565,776	5,711,710	4,960,763	5,990,035	8,658,119	
5.	Return on Average Net Unamortized CWIP Eligible for Return (c)							
n.	Equity Component (a)	19,526	24,947	31,209	27,106	32,730	48,401	193,918
b.	Equity Comp. grossed up for taxes (b)	31,789	40,614	50,808	44,120	53,284	78,797	259,420
c.	Debt Component	5,811	7,424	9,287	8,066	9,740	14,403	54,731
6.	Total Return Requirements (Line 5b + 5c)	37,600	48,008	80,095	52,194	63,024	93,200	354,151
7.	Total Costs to be Recovered	201,370	1,817,998	517,359	(1,987,956)	4,091,375	1,716,077	6,306,124
8.	CWIP Additions, Amortization & Return from most recent Projections							
9.	Over / (Under) Recovery (Line 7 - Line 8)	\$ 201,370	\$ 1,817,998	\$ 517,359	\$ (1,987,956)	\$ 4,091,375	\$ 1,716,077	\$ 6,306,124

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001826 (Debt), which results in the annual rate of 6.62%

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 16 of 21)

EXHIBT 5
Page 2 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Site Selection Costs

Schedule SS-2

[Section (4)]
[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

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

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2007

DOCKET NO.: 080149 - E1

Witness: Lori Cross

Line No.	(I) Actual July	(J) Actual August	(K) Actual September	(L) Actual October	(M) Actual November	(N) Actual December	(O) 12 Month Total
Jurisdictional Dollars							
1.	\$ 1,373,535	\$ 1,412,063	\$ 2,121,156	\$ 1,064,209	\$ 1,994,027	\$ (1,211,538)	\$ 12,775,518
2.	11,105,897	(2,591,832)	14,797,300	15,878,902	18,062,426	15,992,024	
3.							
4.	10,419,129	11,885,800	13,736,701	15,436,798	17,065,368	17,587,793	
5.							
a.	56,930	64,944	75,057	84,347	93,355	96,154	554,705
b.	32,682	105,729	127,193	137,317	151,981	156,539	1,065,862
c.	16,842	19,326	22,336	25,100	27,781	28,614	194,830
6.	109,624	125,055	144,529	162,417	179,762	185,153	1,260,692
7.	1,483,156	1,537,118	2,266,727	1,246,625	2,173,840	(1,026,384)	14,036,210
8.							
9.	\$ 1,483,156	\$ 1,537,118	\$ 2,266,727	\$ 1,246,625	\$ 2,173,840	\$ (1,026,384)	\$ 14,036,210

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{1/12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 6.644%.

EXHIBIT 6
Page 1 of 2

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual & Estimated Filing: Deferred Tax Carrying Costs

Schedule SS-3A

[Section (4)]
[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2007

DOCKET NO.: 080149 - EI

Witness: I on Cross

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.								
3.		\$ (5,811)	\$ (7,424)	\$ (9,287)	\$ (8,000)	\$ (9,740)	\$ (14,407)	\$ (54,731)
4.		\$ -	\$ (5,811)	\$ (13,735)	\$ (22,522)	\$ (30,580)	\$ (40,378)	\$ (116,724)
5.		\$ -	\$ (2,241)	\$ (5,105)	\$ (8,685)	\$ (11,794)	\$ (15,006)	\$ (27,113)
6.		\$ (1,121)	\$ (3,673)	\$ (6,897)	\$ (10,244)	\$ (13,678)	\$ (18,336)	
7.								
a.			(5)	(20)	(38)	(56)	(75)	(295)
b.			(10)	(33)	(61)	(91)	(127)	(480)
c.			(2)	(8)	(11)	(17)	(22)	(80)
8.			(12)	(38)	(73)	(108)	(144)	(509)
9.								
10.		\$ (12)	\$ (38)	\$ (73)	\$ (108)	\$ (144)	\$ (193)	\$ (509)

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

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

(c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001029 (Debt), which results in the annual rate of 6.65%.

(d) Other adjustment represents the monthly debt component carrying costs that is a permanent difference and therefore not included in the DTA calculation.

Docket No. 080009-EI
Audit Report for PEF Levy Site Selection
Exhibit JAS-3 (Page 18 of 21)

EXHIBIT 6

Page 2 of 2

**Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual & Estimated Filing: Deferred Tax Carrying Costs**

Schedule SS-3A

[Section (4)]
[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs for the current year.

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2007

DOCKET NO.: 080149 - EI

Witness: Lori Cross

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total	
1. Construction Period Interest (Schedule SS-3B, Line 5)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2. Recovered Costs Excluding AFUDC (Schedule SS-2, Line 1+ Line 3)									
3. Other Adjustments (d)		\$ (16,942)	\$ (19,326)	\$ (22,336)	\$ (25,100)	\$ (27,781)	\$ (26,614)	(104,830)	
4. Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)		\$ (167,214)	\$ (184,156)	\$ (203,482)	\$ (225,818)	\$ (250,918)	\$ (278,089)	(1,307,313) n/a	
5. Deferred Tax Asset (DTA) on Tax Basis in Excess of Book (Line 4 * Tax Rate)		\$ (64,503)	\$ (71,038)	\$ (78,493)	\$ (87,109)	\$ (96,792)	\$ (107,508)	(118,546) n/a	
6. Average Accumulated DTA		\$ (67,771)	\$ (74,706)	\$ (82,801)	\$ (91,851)	\$ (102,150)	\$ (113,027)		
7. Carrying Costs on DTA (c)									
a. Equity Component (a)			(370)	(409)	(452)	(502)	(558)	(618)	(1,254)
b. Equity Comp. grossed up for taxes (b)			(603)	(666)	(737)	(818)	(909)	(1,007)	(2,215)
c. Debt Component			(110)	(122)	(136)	(150)	(166)	(184)	(364)
8. Total Return Requirements (Line 7b + 7c)			(713)	(787)	(871)	(967)	(1,075)	(1,186)	(6,170)
9. Total Return Requirements from most recent Projections									
10. Difference (Line 8 - Line 9)		\$ (713)	\$ (787)	\$ (871)	\$ (967)	\$ (1,075)	\$ (1,186)	\$ (6,170)	

(a) The monthly Equity Component of 8.85% reflects an 11.75% return on equity.
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 34.576%.
 (c) AFUDC actual monthly rate is calculated using the formula $M = [(1 + A/100)^{12} - 1] \times 100$, resulting in a monthly accrual rate of 0.005464 (Equity) and 0.001626 (Debt), which results in the annual rate of 8.848%.
 (d) Other adjustment represents the monthly debt component carrying costs that is a permanent difference and therefore not included in the DTA calculation.

Docket No. 080009-EI
 Audit Report for PEF Levy Site Selection
 Exhibit JAS-3 (Page 19 of 21)

EXHIBIT 7

Levy County Nuclear Filing
 Site Selection Costs and Carrying Costs
 Actual Filing: Recoverable O&M Monthly Expenditures

Schedule SS-4

[Section (4)]
 [Section (5)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide the Actual CCRC Recoverable O&M
 monthly expenditures by function for the current year

COMPANY: PROGRESS ENERGY - FL

For the Year Ended 12/31/2007

DOCKET NO: 080140 - EI

Witness: Lori Cross

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
1	Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Corporate Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporate Planning	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-
5	External Relations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Human Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
7	IT & Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Legal	-	-	-	-	-	-	-	-	0	0	146,827	144	146,971
9	Project Assurance	-	-	-	-	-	-	-	-	0	0	0	0	0
10	Public Affairs	-	-	-	-	-	-	-	-	4,967	11,907	27,179	15,740	58,813
11	Subtotal A&G	-	-	-	-	-	-	-	-	4,967	11,907	27,179	15,740	58,813
12	Energy Delivery Florida	-	-	-	-	-	-	-	-	4,967	11,907	174,000	15,694	206,568
13	Nuclear Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Transmission	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Total O&M Costs	\$ -	\$ -	\$ 35,500	\$ -	\$ 21,355	\$ -	\$ -	\$ -	\$ -	\$ 143,136	\$ 6,805	\$ 294,270	\$ 201,063
16	Total O&M Costs	\$ -	\$ -	\$ 35,500	\$ -	\$ 21,355	\$ -	\$ -	\$ -	\$ 4,967	\$ 155,043	\$ 180,811	\$ 310,152	\$ 201,967
18	Jurisdictional Factor (A&G)	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670	0.91670
17	Jurisdictional Factor (Distribution)	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
18	Jurisdictional Factor (Nuclear - Production - 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
19	Jurisdictional Factor (Transmission)	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597	0.70597
20	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,572	\$ 10,915	\$ 159,511	\$ 14,561	\$ 185,559
21	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 17)	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Jurisdictional Recoverable Costs (Nuclear - Production - Base) (Line 13 X Line 18)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 19)	\$ -	\$ -	\$ 25,068	\$ -	\$ 15,078	\$ -	\$ -	\$ -	\$ -	\$ 131,250	\$ 4,804	\$ 207,751	\$ 353,127
24	Total Jurisdictional Recoverable O&M Costs	\$ -	\$ -	\$ 25,068	\$ -	\$ 15,078	\$ -	\$ -	\$ -	\$ 4,572	\$ 111,365	\$ 164,315	\$ 222,112	\$ 543,306
25	Average Monthly Recoverable O&M Balance	\$ -	\$ -	\$ 12,634	\$ 25,123	\$ 32,771	\$ 40,453	\$ 40,630	\$ 40,808	\$ 43,274	\$ 101,740	\$ 240,254	\$ 434,167	\$ 543,306
26	Monthly Short-term Commercial Paper Rate	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.45%	0.45%	0.47%	0.40%	0.41%	
27	Interest Provision	\$ -	\$ -	\$ 55	\$ 110	\$ 144	\$ 178	\$ 178	\$ 185	\$ 192	\$ 414	\$ 949	\$ 770	\$ 4,722
28	Total Monthly Recoverable O&M Costs	\$ -	\$ -	\$ 25,123	\$ 110	\$ 15,220	\$ 178	\$ 178	\$ 185	\$ 4,764	\$ 112,379	\$ 165,265	\$ 224,172	\$ 547,428
29	Total Jurisdictional O&M Costs From Most Recent Projection	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Difference (Line 28 - 29)	\$ -	\$ -	\$ 25,123	\$ 110	\$ 15,220	\$ 178	\$ 178	\$ 185	\$ 4,764	\$ 112,379	\$ 165,265	\$ 224,172	\$ 547,428

Docket No. 080009-EI
 Audit Report for PEF Levy Site Selection
 Exhibit JAS-3 (Page 20 of 21)

EXHIBIT 8

Levy County Nuclear Filing
Site Selection Costs and Carrying Costs
Actual Filing: Monthly Expenditures

Schedule 55-6

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: PROGRESS ENERGY - FL

DOCKET NO.: 080149 - E1

EXPLANATION

Provide the actual monthly expenditures by major tasks performed within Site Selection category.

(Section 4)
(Section 8)(d)

For the Year Ended 12/31/2007

Witness: 1 on Cross

Line No	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
4	Site Selection:													
5	Generation:													
6	Leases Application	\$ 277,874	\$ 530,028	\$ 1,228,837	\$ 1,973,080	\$ 4,285,412	\$ 1,846,881	\$ 1,715,788	\$ 1,613,340	\$ 1,828,805	\$ 1,072,000	\$ 3,171,782	\$ 594,705	\$ 20,536,894
7	Engineering, Design & Procurement													
8	Permitting													
9	Clearing, Grading and Excavation													
10	On-Site Construction Facilities													
11	Total Generation Costs	\$ 277,874	\$ 530,028	\$ 1,228,837	\$ 1,973,080	\$ 4,285,412	\$ 1,846,881	\$ 1,715,788	\$ 1,613,340	\$ 1,828,805	\$ 1,072,000	\$ 3,171,782	\$ 594,705	\$ 20,536,894
12	Less Adjustments:													
13	Non-Cash Accruals	121,430	(340,912)	630,304	1,229,826	92,326	183,913	298,227	204,836	(394,868)	679,620	1,337,566	2,215,551	6,548,276
14	Other	(18,439)	(1,038,832)	(70,617)	2,932,144									
15	Net Generation Costs	\$ 174,683	\$ 1,867,790	\$ 458,891	\$ 2,188,880	\$ 4,191,006	\$ 1,662,968	\$ 1,417,561	\$ 1,318,504	\$ 2,023,937	\$ 992,380	\$ 1,834,216	\$ 1,620,141	\$ 12,160,246
16	Jurisdictional Factor	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753	0.93753
17	Total Jurisdictional Generation Costs	\$ 163,770	\$ 1,749,860	\$ 439,599	\$ 2,052,149	\$ 3,929,289	\$ 1,560,063	\$ 1,328,016	\$ 1,239,131	\$ 1,897,121	\$ 930,954	\$ 1,719,032	\$ 1,519,447	\$ 11,400,000
20	Transmission:													
21	Line Engineering													
22	Substation Engineering			2,355	19,726	170,169	49,444	23,958	78,279	465,349	170,729	112,480	418,620	2,111,534
23	Clearing									5,880	150,423	6,458	8,124	171,431
24	Other			23,320	9,331	23,441	10,130	21,639	214,325	(13,786)	260,214	67,873	240,527	668,117
25	Total Transmission Costs			\$ 25,675	\$ 29,057	\$ 193,630	\$ 59,574	\$ 45,597	\$ 292,604	\$ 457,463	\$ 564,866	\$ 187,831	\$ 567,251	\$ 2,451,182
26	Less Adjustments:													
27	Non-Cash Accruals	0	0	663	12,000	53,280	(30,780)	(17,478)	43,408	140,050	373,783	231,481	211,111	668,325
28	Other													
29	Net Transmission Costs			\$ 25,022	\$ 16,997	\$ 140,350	\$ 90,364	\$ 63,075	\$ 249,196	\$ 317,403	\$ 213,081	\$ 304,447	\$ 478,140	\$ 1,444,802
30	Jurisdictional Factor	0.70587	0.70587	0.70507	0.70597	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587	0.70587
31	Total Jurisdictional Transmission Costs	\$	\$	\$ 17,665	\$ 11,999	\$ 99,083	\$ 63,794	\$ 44,529	\$ 175,925	\$ 224,075	\$ 151,254	\$ 214,447	\$ 337,967	\$ 1,030,000
32	Total Jurisdictional Site Selection Costs	\$ 163,770	\$ 1,749,860	\$ 457,264	\$ 2,043,150	\$ 4,028,352	\$ 1,622,877	\$ 1,373,535	\$ 1,412,063	\$ 2,121,196	\$ 1,044,705	\$ 1,954,077	\$ 1,213,104	\$ 11,770,000