

BRUDER, GENTILE & MARCOUX, L.L.P.

ATTORNEYS AT LAW

CARMEN L. GENTILE
J. MICHEL MARCOUX
DAVID E. GOROFF
JAMES H. MCGREW
THOMAS L. BLACKBURN
ANTONIA A. FROST

PETER K. MATT
COUNSEL

1701 PENNSYLVANIA AVENUE, N.W.
SUITE 900
WASHINGTON, D.C. 20006-5807

202-296-1500

FACSIMILE 202-296-0627

www.brudergentile.com

aafrost@brudergentile.com

GIUSEPPE FINA
NICOLE S. ALLEN
LINDA S. KIZUKA*
JESSE Y. HALPERN*

*NOT ADMITTED IN D.C.

GEORGE F. BRUDER
RETIRED 1997

May 15, 2009

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Regarding: *Carolina Power and Light Company;*
Informational Filing with the 2009 Annual Update
for the OATT Formula Transmission Rate;
Docket No. ER09-____-000**

Dear Secretary Bose:

Carolina Power and Light Company, doing business as Progress Energy Carolinas, Inc. ("PEC"), hereby makes an informational filing with the Commission for PEC's 2009 Annual Update for its OATT formula transmission rate.

Consistent with PEC's Attachment H.2 Formula Rate Implementation Protocols accepted by this Commission, **this informational filing should not be publicly noticed by the Commission in a notice of filing and the Commission does not need to accept or approve of this informational filing.**¹ This filing is submitted to the Commission strictly for informational purposes only.

PEC commits to inform the Commission when the 2009 Annual Update procedures have concluded with its customers and the Commission may terminate the docket in this proceeding.

¹ See page 2 of this filing letter for a complete explanation as to why this informational filing should not be publicly noticed by the Commission in a notice of filing and the Commission does not need to accept or approve of this informational filing.

1. BACKGROUND

PEC, a wholly-owned subsidiary of Progress Energy, Inc., is an investor-owned utility engaged in the generation, transmission, distribution and sale of electric power to retail and wholesale customers in the States of North Carolina and South Carolina. PEC provides open access transmission services pursuant to its OATT.

On April 30, 2008 in Docket No. ER08-889-000, as supplemented on June 13, 2008 in Docket No. ER08-889-001, PEC submitted to the Commission an OATT formula transmission rate filing and settlement agreement with certain PEC customers that provided for a comprehensive and complete resolution of all issues in PEC's OATT formula transmission rate filing. By letter order dated June 27, 2008, the Commission accepted the OATT formula transmission rate filing and settlement agreement for filing and granted the requested effective date of July 1, 2008.

The settlement agreement included an Attachment H.2 Formula Rate Implementation Protocol (the "Protocols"), which describes the Annual Update procedures for PEC's OATT formula transmission rate.² According to these Protocols, on May 15th of each year, PEC will calculate updated OATT formula transmission rates with the latest FERC Form No. 1 information and also post the completed formula and updated rates on its OASIS and file the information at the Commission as an informational filing (the "Annual Update").³

Consistent with PEC's Protocols, PEC's informational filings for the Annual Update of the PEC OATT formula rate should not be noticed for filing and will not require action or an order by the Commission.⁴ In fact, Section 1(b)(ii) of the Protocols provides that if the Commission issues a notice of filing in response to the informational filing, the parties shall advise the Commission of the challenge process in the Protocols and seek an abeyance of the Commission proceeding to permit that challenge process to proceed.

² For an entire copy of the Protocols, see Original Sheet Nos. 255S through 255KK of the Carolina Power & Light Company tariff, FERC Electric Tariff, Fourth Revised Volume No. 3, and Original Sheet Nos. 191A through 191O of the Florida Power Corporation Tariff, FERC Electric Tariff, Third Revised Volume No. 6. As a result of a merger, PEC has a joint OATT with its affiliated transmission provider, Florida Power Corporation, doing business as Progress Energy Florida, Inc. ("PEF"). The joint OATT includes rates for PEC's and PEF's transmission services. Accordingly, the joint OATT has been filed at the Commission as a PEC tariff and as a PEF tariff. Therefore, to revise PEC's OATT formula transmission rates, PEC submitted, and the Commission accepted, revised rate sheets for the two copies of the joint OATT that are on file with the Commission.

³ See Section 1(b) of the Protocols.

⁴ See Section 1(b) of the Protocols.

The Protocols include detailed procedures for customer review, data requests and dispute resolution concerning PEC's Annual Updates.

2. THE INSTANT INFORMATIONAL FILING

In this 2009 Annual Update, PEC calculates the PEC OATT formula rates for the period June 1, 2009 through May 31, 2010 based on PEC's latest FERC Form No. 1 data that reflects 2008 actual costs.⁵ Attachment 1 of this filing includes PEC's OATT formula rate template⁶ populated with the latest PEC FERC Form No. 1 data that reflects 2008 actual costs. PEC notes that the initial PEC OATT formula rates applied to service for the period beginning January 1, 2008 through May 31, 2009 and were based on FERC Form No. 1 data that reflects 2007 actual costs. There is no annual true-up of costs performed for this formula rate.

3. LIST OF PERSONS ON WHOM THIS FILING IS BEING SERVED

Pursuant to 18 C.F.R. § 385.2010(f)(i) of the Commission's Regulations, a copy of this filing is being served by electronic means on the North Carolina Utilities Commission, the Public Service Commission of South Carolina, and PEC's and PEF's OATT transmission customers. Specifically, on the date of this filing, PEC will submit an e-mail that notifies the North Carolina and South Carolina Commissions and PEC's and PEF's OATT transmission customers that its informational filing of the Annual Update for the PEC OATT formula transmission rate and a full-functioning Excel file of the Annual Update for the PEC OATT formula transmission rate is available from PEC's OASIS site at <http://www.oatioasis.com/CPL/>, on the Open Access Transmission Tariff (OATT) Information page,⁷ as well as well as Progress Energy's corporate website at <http://www.progress-energy.com/aboutenergy/ferc/index.asp> .

A preview of PEC's 2009 Annual Update has already been shared with PEC's customers. Section 2 of the Protocols requires PEC to convene a meeting or conference call with interested parties during which PEC provides an overview of the

⁵ See Section 1(a) of the Protocols.

⁶ For the blank version of PEF's OATT formula rate template, see Original Sheet Numbers 255A through 255R of the PEC tariff, FERC Electric Tariff, Fourth Revised Volume No. 3 and Original Sheet Nos. 191P through 191DD of the PEF tariff, FERC Electric Tariff, Third Revised Volume No. 6. See also footnote 2 herein.

⁷ In accordance with Section 1(b)(i) of the Protocols, PEC is required to post the Annual Update on PEC's OASIS. Pursuant to Section 1(e) of the Protocols, upon request by a transmission customer, PEC will make available a "workable" Excel file containing the applicable year's Annual Update data. During PEC's May 5, 2009 customer meeting, the customers requested that PEC provide the "workable" Excel file containing the 2009 Annual Update data.

Annual Update, including, on an informal, non-binding basis, as much information about the updated inputs to the formula rates as is available to PEC. PEC held the required customer meeting at 10:00 am on May 5, 2009.

4. MISCELLANEOUS

There are no costs included in this informational filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory employment practices.

5. PERSONS TO WHOM CORRESPONDENCE SHOULD BE ADDRESSED

The following persons should receive communications regarding this filing:

Kendal Bowman, Esq.
Associate General Counsel
Progress Energy Service Company, LLC
P.O. Box 1551, PEB 17B2
Raleigh, NC 27602
Telephone: 919/546-6794
Facsimile: 919/546-2920
E-Mail: kendal.bowman@pgnmail.com

And

Antonia A. Frost
Bruder, Gentile & Marcoux, L.L.P.
1701 Pennsylvania Avenue, N.W.
Suite 900
Washington, D.C. 20006-5807
Telephone: 202/296-1500
Facsimile: 202/296-0627
E-Mail: aafrost@brudergentile.com

Please contact the undersigned if you have any questions.

Respectfully submitted,

BRUDER, GENTILE & MARCOUX, L.L.P.

Of Counsel:

Kendal C. Bowman, Esq.
Associate General Counsel
Progress Energy Service Company, LLC
P.O. Box 1551, PEB 17B2
Raleigh, NC 27602
Telephone: 919/546-6794
Facsimile: 919/546-2920
E-mail: kendal.bowman@pgnmail.com



Antonia A. Frost

1701 Pennsylvania Avenue, NW
Suite 900
Washington, DC 20006-5807
Telephone: 202/296-1500
Facsimile: 202/296-0627
E-mail: aafrost@brudergentile.com

Counsel for Carolina Power & Light
Company

ATTACHMENT 1

PEC's 2009 ANNUAL UPDATE

PROGRESS ENERGY CAROLINAS, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Summary of Rates

Line	Reference	OATT Transmission	
1	Gross PEC Revenue Requirement	Page 3, Line 33	165,847,192
Revenue Credits:			
2	Acct 454 - Transmission Related	Exhibit PEC - 3, p.1	7,079,717
3	Acct 456.1 - NF + STF Service x/ Ancillaries	Exhibit PEC - 3, p. 2	7,946,196
4	Other Acct 456 - Allocable to Transmission	Exhibit PEC - 3, p. 3	86,680
5	Total Revenue Credits		15,112,593
6	Interest Disbursed w/ Network Prepay Refunds	Exhibit PEC-5	1,377,473
7	Revenue Req't - Customer Owned Facilites		0
8	Net Revenue Requirements (Line 1 - Line 5 + Line 6 + Line 7)		152,112,071
9	Divisor - Sum of Monthly MW Transmission System Peaks (Excludes STF)	p.5, line 5 Total	133,279
10	Trans. Rev Req't Rate \$/MW-Mon.	Line 8 / Line 9	1,141
11	GridSouth Wholesale Amortization	Page 5, Line 11	47
12	Total Firm Monthly Trans. \$/MW-Month	Line 10 + Line 11	1,188
13	Annual Firm Trans \$/MW-year	Line 12 * 12	14,258
14	Weekly Firm/Non-Firm P-t-P Rate \$/MW-Week	Line 13 / 52 weeks	274.19
Daily Firm/Non-Firm P-t-P Rates (\$/MW):			
15	On-Peak Days	Line 14 / 5 days	54.84
16	Off-Peak Days	Line 14 / 7 days	39.17
Non-Firm Hourly P-t-P Rates (\$/MWh):			
17	On-Peak Hours	Line 15 / 16 hrs	3.43
18	Off-Peak Hours	Line 16 / 24 hrs	1.63

PROGRESS ENERGY CAROLINAS, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Development of Rate Base

Line	RATE BASE:	Reference	Total	Allocator	OATT Transmission
Gross Plant in Service (Note A):					
1	Production Plant	205.46.g	9,100,688,484	N/A	
2	Transmission Plant	207.58.g	1,455,381,332	TP 0.93944	1,367,247,476
3	Distribution Plant	207.75.g	4,322,192,306	N/A	
4	General Plant	207.99.g	476,473,402	OATT LABOR 0.04474	21,316,021
5	Intangible Plant	205.5.g	210,314,751	OATT LABOR 0.04474	9,408,865
6	Total Gross Plant		<u>15,565,050,275</u>	GP = 0.08981	<u>1,397,972,362</u>
Accumulated Depreciation:					
7	Production Depr. Reserve	219.20-24.c	5,555,689,014	N/A	
8	Transmission Depr. Reserve	219.25.c	591,697,733	TP 0.93944	555,866,160
9	Distribution Depr. Reserve	219.26.c	1,816,247,857	N/A	
10	General Depr. Reserve	219.27.c	173,457,551	OATT LABOR 0.04474	7,759,982
11	Intangible Amort. Reserve	200.21.c	163,662,542	OATT LABOR 0.04474	7,321,782
12	Total Accumulated Depr.		<u>8,300,754,697</u>		<u>570,947,923</u>
Net Plant in Service					
13	Net Production Plant	Line 1 - Line 7	3,544,999,470		
14	Net Transmission Plant	Line 2 - Line 8	863,683,599		811,381,316
15	Net Distribution Plant	Line 3 - Line 9	2,505,944,449		
16	Net General Plant	Line 4 - Line 10	303,015,851		13,556,040
17	Net Intangible Plant	Line 5 - Line 11	46,652,209		2,087,083
18	Total Net Plant		<u>7,264,295,578</u>	NP = 0.11385	<u>827,024,439</u>
Adjustments to Rate Base - Deferred Taxes					
19	ADIT - 190	234.8.c	744,646,368	Exhibit PEC - 6, p 2	16,265,382
20	ADIT - 282 (Negative)	275.2.k	(1,253,976,950)	Exhibit PEC - 6, p 3	(198,868,197)
21	ADIT - 283 (Negative)	277.9.k	(600,014,963)	Exhibit PEC - 6, p 4	(16,078,408)
22	Accum Deferred ITC - 255 (Negative)	267.8.h	(115,672,675)	NP 0.11385	(13,169,085)
23	Total Deferred Tax Adjustments		<u>(1,225,018,220)</u>		<u>(211,850,309)</u>
Adjustments to Rate Base - Labor Related Net Deferred Credits:					
24	Accum Provision for I&D 228.2 (Neg)	112.28.c	(4,726,952)	OATT LABOR 0.04474	(211,470)
25	Accum Provision for P&B 228.3 (Neg)	112.29.c	(823,045,514)	OATT LABOR 0.04474	(36,820,640)
26	Accum. Misc Oper Prov. 228.4 (Neg)	112.30.c	(46,003,509)	Exhibit PEC - 6, p 5	(1,263,276)
27	SFAS 158 Regulatory Asset	232.18.f	521,915,811	OATT LABOR 0.04474	23,348,981
28	Net Rate Base Adj.		<u>(351,860,164)</u>		<u>(14,946,404)</u>
29	Plant Held for Future Use	214.47.d	0	Note 8	0
30	Transmission CWIP - Identified Projects (PEC - 4)		84,479,193	0.50000	42,239,597
Rate Base Adjustment - Network Upgrade Prepayment Balances (PEC - 5):					
31	Balance - Cash Network Prepayments		12,791,312	D/A (1.00000)	(12,791,312)
32	Accrued Interest Balance		1,241,484	D/A 1.00000	1,241,484
33	Reversal of Anson/Richmond AFUDC per Settlement		(1,447,830)	D/A 1.00000	(1,447,830)
34	Total Network Upgrade Prepayment Adjustments		<u>12,584,966</u>		<u>(12,997,658)</u>
Working Capital:					
35	Cash Working Capital (1/8 O&M)	Page 3, line 15			5,235,963
36	M&S - Transmission	227.8.c	4,772,698	TP 0.93944	4,483,677
37	M&S - Stores Expense	227.16.c	23,222,964	OATT LABOR 0.04474	1,038,927
38	Prepayments	111.57.c	656,900	GP 0.08981	58,999
39	Total Working Capital				<u>10,817,566</u>
40	Rate Base (Sum of Lines 18, 23, 28, 30, 34, and 39)				<u>640,287,230</u>

PROGRESS ENERGY CAROLINAS, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Development of Revenue Requirements

Line	EXPENSES:	Reference	Total	Allocator		OATT Transmission
O&M Expense						
1	TOTAL Transmission Expenses	321.112.b	58,347,783			
2	Less Account 561.1-561.4	321.84-88.b	4,267,108			
3	Less Account 565	321.96.b	23,813,705			
4	Net Transmission O&M	Note C	30,266,970	TP	0.93944	28,434,086
5	Total Admin & General Expenses	323.197.b	289,345,025			
6	Less (924) Property Insurance	323.185.b	101,969			
7	Less (928) Regulatory Commission Expenses	323.189.b	5,762,220			
8	Less (930.1) General Advertising Expenses	323.191.b	694,624			
9	Less Industry Dues,R&D and Nuc Assoc Exp	335.1-3,17.b	4,915,558			
10	Net Labor Related A&G		277,870,654	OATT LABOR	0.04474	12,431,117
11	(924) Property Insurance	323.185.b	101,969	GP	0.08981	9,158
12	Trans. Related Regulatory Expense	350.12.b	815,872	D/A	1.00000	815,872
13	Trans. Related Advertising Exp.	Note D	0	D/A	1.00000	0
14	Conforming Adj. - 2007 PBOP Expense	Note E	4,414,000	OATT LABOR	0.04474	197,469
15	Total O&M (Sum of Lines 4, 10, and 11 thru 14)					41,887,703
Depreciation Expense						
16	Transmission Depr. Expense	336.7.b	38,348,000	TP	0.93944	36,025,752
17	General Depr. Expense	336.10.b	16,628,695	OATT LABOR	0.04474	743,919
18	Intangible Amortization	336.1.f	2,496,902	OATT LABOR	0.04474	111,704
19	Total Depreciation		57,473,597			36,881,375
Taxes Other Than Income (Note E)						
20	Labor Related	263.i	29,155,324	OATT LABOR	0.04474	1,304,324
21	Property Related	263.i	62,272,149	GP	0.08981	5,592,963
22	Total Other Taxes		91,427,473			6,897,286
Return:						
23	Rate Base (Page 2, Line 40) * Rate of Return (Page 4, Line 31)					55,864,110
Income Taxes:						
24	NC/SC Composite	Note G	6.47%			
25	Federal		35.00%			
26	Composite T = State + Federal * (1 - State)		39.21%			
27	Tax Rev.Req't Factor = T / (1 - T) * (1 - Wtd.Debt.Cost/R)		45.45%			
28	ITC Gross Up Factor = 1 / (1 - T)		1.645			
29	Amortized ITC (Negative)	266.8.f	(5,733,012)			
30	Income Taxes Calculated (Line 23 * Line 27)					25,390,320
31	ITC Adjustment (Line 28 * Line 29)		(9,430,149)	NP	0.11385	(1,073,602)
32	Total Income Taxes					24,316,718
33	TOTAL REVENUE REQUIREMENT (Sum of Lines 15, 19, 22, 23, and 32)					165,847,192

PROGRESS ENERGY CAROLINAS, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Supporting Allocation Factor and Return Calculations

Line		Reference	Total
	Transmission Plant Included in OATT Rate:		
1	Total Transmission Plant	p 2, line 2	1,455,381,332
2	Less Gen. Step-up Transformers in 353	Note D	83,749,094
3	Less Interconnection Facilities (Order 2003)	PEC - 5, p 3	4,384,762
4	Trans Plant for OATT Rate		<u>1,367,247,476</u>
5	TP Allocator (Line 4 / Line 1)	Note C	0.93944
	Labor Allocation Factor		
6	Total Direct Payroll - O&M Labor	354.28.b	409,402,544
7	A&G Labor	354.27.b	74,457,932
8	Adj. - RCO Labor in A&G Labor		<u>2,216,961</u>
9	Adjusted Labor w/o A&G (Line 6 - Line 7 + Line 8)		337,161,573
10	Transmission O&M Labor	354.21.b	16,055,921
11	Trans Labor Factor (Line 10 / Line 9)		0.04762
12	OATT LABOR Allocator (Line 5 * Line 11)	Note C	0.04474
	Return and Capitalization:		
13	Long Term Interest Expense	117.62-66.c	209,509,711
14	Less Interest on Securitization Bonds	Note H	<u>0</u>
15	Net Long Term Interest Expense		209,509,711
16	Preferred Dividends (positive)	118.29.c	2,964,169
17	Long Term Debt	112.24.c	3,487,006,847
18	Less Loss on Reacquired Debt	111.81.c	16,118,132
19	Plus Gain on Reacquired Debt	113.61.c	0
20	Less Securitization Bonds	Note H	<u>0</u>
21	Net Long Term Debt		3,470,888,715
22	Preferred Stock	112.3.c	59,333,982
	Common Stock Development:		
23	Proprietary Capital	112.16.c	4,384,683,800
24	Less Preferred Stock	112.3.c	59,333,982
25	Less Account 216.1	112.12.c	<u>(278,311,444)</u>
26	Common Stock		4,603,661,262
27	Total Capitalization (Sum Lines 21, 22, 26)		8,133,883,959
	SUMMARY CAP STRUCTURE		
		<u>Weight</u>	<u>Cost</u>
28	Long term Debt	42.67%	6.04%
29	Preferred Stock	0.73%	5.00%
30	Common Equity	56.60%	10.80%
31	Overall Return: R_0 =		<u>8.72%</u>

PROGRESS ENERGY CAROLINAS, INC.
OATT Transmission Non-Levelized Rate Formula Template Using Form-1 Data

Wholesale GridSouth Amortization and Explanatory Notes

Line	Reference	Total	Allocator	OATT Transmission	
Denominator for Wholesale Transmission:					
1	Firm Network Service for Self	400.17.e	90,593	0.00000	0
2	Firm Network Service for Others	400.17.f	40,922	1.00000	40,922
3	Long-Term Firm P-t-P Reservations	400.17.g	1,764	1.00000	1,764
4	Other Long-Term Firm Service	400.17.h	0	1.00000	0
5	Total System Long Term Firm Transmission Load		<u>133,279</u>		<u>42,686</u>
6	Wholesale Trans Allocation Factor				0.32028
7	GridSouth - Deferred Debit as of 12/31/06	Note I	32,962,614	WT2006 0.30297	9,986,562
Five-Year Amortization of G/S Wholesale Amount					
8	Annual Funding Requirement	9,986,562 / 5	Fixed		1,997,312
9	Under(over) Collection Prior Year				<u>3,063</u>
10	Net GridSouth Wholesale Revenue Requirement				<u>2,000,375</u>
11	GridSouth Wholesale Amortization	Line 10 / Line 5			47
Remaining Wholesale GridSouth Balance					
12	Cumulative Whlse Funding - Prior years				<u>995,593</u>
13	Remaining Wholesale Deferred Debit	Line 7 - Line 12			<u>8,990,969</u>

Note A: Excludes Asset Retirement Obligations from plant balances

Note B: FERC Form 1 page 214 excluding non-transmission related items

Note C: The allocator "TP" is the percent of gross transmission plant that is OATT related, i.e., after removal of interconnections, and generator step-up transformers. It also serves as the basis for deriving OATT-related transmission labor from the Form-1 reported value.

Note D: Analysis of Company books.

Note E: Difference between Test Year PBOP Expense and 2007 Amount in initial Formula Rate of \$18,903,000

Note F: Excludes all income and gross receipts taxes. Labor related other taxes include FICA and unemployment taxes. Property related taxes include county and local property, highway use, and intangible taxes.

Note G: Determined by annual apportionment factors provided by Tax Department

Note H: To the extent PEC is authorized by state utility commission(s) and issues bonds to securitize retail recovery of extraordinary property losses, associated principal and interest expense are excluded in capitalization and return basis.

Note I: The WT2006 allocation factor, based on the wholesale/system load relationship in the Form-1 for year ending 12/31/2006, will be a constant in determining the wholesale GridSouth allocation to be recovered in the first five years of formula rate operation.

PROGRESS ENERGY CAROLINAS, INC.
Transmission Formula Rate Support
Account 454 Reconciliation - Rents

	Amount	Allocation Factor		OATT Amt
NORTH CAROLINA				
FACILITY CHARGES	9,212,666	NC94	0.322934	2,975,083
RESIDENCES - COMPANY EMPLOYEES	650	Other		
POLE RENTAL	11,420,720	Dist		
BUILDING & LAND RENTAL	2,485,984	Other		
O & M MONTHLY CHARGE	600	Other		
PT HOLDINGS IRU/REVENUE SHARING	362,118	Trans		362,118
4543001 - NCEMC LEASED FACILITIES	2,368,067	Dist		0
454300A - LEASED FACILITIES - PA3	1,345,608	PA Inv	0.128789	173,299
4543100 - TELEMETRY CHARGES - PA3	132,288	PROD		
4549000 - CO-GENERATION	2,717,768	CSP N94	0.841047	2,285,770
TOTAL NORTH CAROLINA	30,046,469			
SOUTH CAROLINA				
FACILITY CHARGES	3,358,827	SC94	0.380188	1,276,985
4549000 - CO-GENERATION	21,373	CSPS 94	0.302409	6,463
TOTAL SOUTH CAROLINA	3,380,200			
TOTAL	33,426,670			7,079,717

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support - Account 456.1 Revenue Credits

Form 1 Reference	Payment by (Column (b))	Classification (Col (d))	Rate Schedule (Col (e))	Transmission Revenue (Col (k))	Ancillary/Other Revenue (Col (m))	Total Revenue (Col (n))
328, line1	Southeastern Power Administration (Kerr)	LFP	RS127	899,459	0	899,459
328, line3	Southeastern Power Administration (Cumberland)	LFP	RS126	157,150	0	157,150
328, line6	American Electric Power Service Corp	NF	T3/	15,113	2,061	17,174
328, line7	Arclight Energy Marketing, LLC	NF	T3/	88	13	101
328, line9	Bear Energy, LP	NF	T3/	5,998	854	6,852
328, line11&13	Calpine Energy Services	SFP/NF	T3/	17,147	2,327	19,474
328, line15&17	Cargill	SFP/NF	T3/	213,923	29,145	243,068
328, line18&20	Progress Energy Carolinas, Inc. (FPO)	SFP/NF	T3/	6,175,842	842,088	7,017,930
328, line22	City of Camden	FNO	T3/	392,899	114,983	507,882
328, line23	Constellation Energy Commodities Group	NF	T3/	341	48	389
328, line25	Craven County Wood Energy	OS	T3/	0	12,900	12,900
328, line27	DTE Energy Trading, Inc.	LFP	T3/	539,354	70,935	610,289
328, line29&31	DTE Energy Trading, Inc.	SFP/NF	T3/	194,490	25,480	219,970
328, line33	Duke Energy Corporation	NF	T3/	57,796	7,883	65,679
328.1, line1	Eagle Energy Partners	NF	T3/	998	142	1,140
328.1, line3	Elizabethtown Power LLC	OS	T3/	0	7,200	7,200
328.1, line5	Fayetteville Public Works Commission	FNO	T3/	3,711,446	615,112	4,326,558
328.1, line7&9	Fortis Energy Marketing & Trading	SFP/NF	T3/	144,880	19,631	164,511
328.1, line10	Florida Power Corporation	NF	T3/	4,727	597	5,324
328.1, line11	French Broad EMC	FNO	T3/	729,146	300,757	1,029,903
328.1, line13	Industrial Power Generating Company, LLC	OS	T3/	0	2,700	2,700
328.1, line14	Lehman Brothers Commodity Services	NF	T3/	1,035	147	1,182
328.1, line16	Lumberton Power Company, LLC	OS	T3/	0	7,200	7,200
328.1, line18	Merrill Lynch Commodities, Inc.	NF	T3/	11,902	1,519	13,421
328.1, line20	Morgan Stanley Capital Group	NF	T3/	938	130	1,068
328.1, line22	NCEMC Point-to-Point transmission	LFP	T3/	1,143,450	150,360	1,293,810
328.1, line24&26	NCEMC Point-to-Point transmission	SFP/NF	T3/	647,881	83,947	731,828
328.1, line28	NCEMC Network Transmission	FNO	T3/	16,462,484	3,037,908	19,500,392
328.1, line30	NC Eastern Municipal Power Agency	FNO	T3/	11,003,501	824,716	11,828,217
328.1, line31	NC Municipal Power Agency 1	NF	T3/	1,568	210	1,778
328.1, line32	Piedmont EMC	FNO	T3/	217,379	65,080	282,459
328.1, line34	Rainbow Energy	NF	T3/	6,018	850	6,868
328.2, line1	SCE&G Power Marketing, Inc.	NF	T3/	44,269	5,903	50,172
328.2, line3	Seneca Light & Water	FNO	T3/	269,049	302,564	571,613
328.2, line4&6	The Energy Authority	SFP/NF	T3/	385,210	51,396	436,606
328.2, line7	Tennessee Valley Authority	NF	T3/	16,032	2,097	18,129
328.2, line8	Town of Sharpsburg, NC	FNO	T3/	42,609	10,866	53,475
328.2, line9	Town of Stantonsburg, NC	FNO	T3/	44,775	11,498	56,273
328.2, line10	Town of Black Creek, NC	FNO	T3/	26,389	8,204	34,593
328.2, line11	Town of Lucama, NC	FNO	T3/	43,890	10,691	54,581
328.2, line12	Town of Waynesville, NC	FNO	T3/	132,648	45,220	177,868
328.2, line13	Town of Winterville, NC	FNO	T3/	105,225	42,708	147,933
	Total Per Form-1			43,867,049	6,718,070	50,585,119
	STF/NF Revenues			7,946,196	1,076,468	9,022,664

PROGRESS ENERGY CAROLINAS, INC.
Transmission Formula Rate Support
Account 456 Reconciliation - Other Revenue

Description	Amount	Allocation Factor	OATT Amt
BUILDING & LAND LEASE	532,905	Other	
POLE RENTALS	96,136	Dist	
SALES OF MATERIAL	3,467	Other	
TIMBER SALES - Net	986,137	Other	
PIEDMONT EMC SCHEDULING FEE	50,400	PROD	
Unbilled Rev. - Other	900	Other	
BOD FEES - REIMBURSEMENT	25,711	LABOR	0.044737
DEMAND PROFILE PLOTS	168,008	Other	
GENERATION OPTIMIZATION - NET	2,173,859	PROD	
MAGNETIC TAPE PULSE DATA	152	Other	
COGEN/SMALL PWR PROD	125,569	Other	
STATE SALES TAX CREDIT	3,100	Other	
UNBILLED REVENUES - NC RETAIL	7,443,446	Other	
UNBILLED REVENUES - SC RETAIL	983,456	Other	
NCEMPA ADMINISTRATIVE CHARGE	300,000	Other	
NCEMPA - RETURN ON GENERAL PLANT	1,911,834	LABOR	0.044737
NCEMPA DISPATCH FEE	22,942	PROD	
NCEMPA SITE REP	4,908	PROD	
OTHER ELEC REVENUE - BY-PRODUCTS	(726,784)	PROD	
NCEMC ADMINISTRATIVE CHARGE	250,200	Other	
Total Other Revenue	14,356,345		86,680

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support - Year End CWIP for Identified Projects

Project No.	Description	12/31/08 CWIP
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<p>Detail on Projects Eligible for 50% CWIP is Critical Energy Infrastructure Information *** Sponsored by Mark Byrd and Filed under Protective Order ***</p>

Total All Identified Projects	84,479,193
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PROGRESS ENERGY CAROLINAS, INC.

Transmission Rate Formula Support - Customer Prepayments for Network Upgrades Detail

NCEMC Anson Co. Project - Closed to Plant in Service June 2007

Balances as of Beginning of Year:

	Cash Payments	Accrued Interest	Total Liability
Balance per prior year formula	5,475,963	391,482	5,867,445
Adj. - 12/07 Interest/Rounding		<u>38,729</u>	<u>38,729</u>
Adjusted Balance	5,475,963	430,211	5,906,174
Allocation of Balance Refunds:	92.72%	7.28%	

Test Year Refund History:

Service Month	Amount Refunded	Allocation of Amount Refunded			Ending Liability Balance
		Current Interest	Cash Prepayment	Accrued Interest	
Jan-08	181,337	35,215	135,478	10,644	5,760,052
Feb-08	215,127	36,571	165,550	13,006	5,581,496
Mar-08	198,666	30,144	156,247	12,275	5,412,974
Apr-08	225,366	29,398	181,694	14,274	5,217,006
May-08	273,114	28,665	226,643	17,806	4,972,557
Jun-08	265,581	20,711	227,033	17,837	4,727,687
Jul-08	220,917	20,187	186,109	14,621	4,526,957
Aug-08	324,797	18,774	283,732	22,291	4,220,934
Sep-08	325,260	16,362	286,398	22,500	3,912,036
Oct-08	323,934	14,733	286,679	22,522	3,602,835
Nov-08	322,959	13,645	286,783	22,531	3,293,521
Dec-08	<u>324,273</u>	<u>11,323</u>	<u>290,154</u>	<u>22,796</u>	2,980,571
Total	3,201,331	275,728	2,712,499	213,104	
==> Interest Disbursed:	488,832	275,728		213,104	
Allocation of Ending Balance:			2,763,463	217,108	2,980,571

AFUDC Reversal Calculation:

(1)	(2)	(3)	(4) = 12 / (3)	(5) = 18.5 / (4)	(6)=[1-(5)]*
FERC A/C	Pct. of Project	Depr. Rate	Avg. Depr. Life (Months)	% Depreciated 12/31/2008	Net AFUDC Reversal
352	8.69%	1.72%			
353	84.68%	1.71%			
354	0.29%	1.43%			
355	2.69%	5.13%			
356	3.64%	<u>3.31%</u>			
		1.86%	645.0	2.87%	399,969

PROGRESS ENERGY CAROLINAS, INC.

Transmission Rate Formula Support - Customer Prepayments for Network Upgrades Detail

NCEMC Richmond Co. Project - Closed to Plant in Service December 2007

Balances as of Beginning of Year:

	Cash Payments	Accrued Interest	Total Liability
Balance per prior year formula	11,581,108	1,114,558	12,695,666
Adj. - 12/07 Interest/Rounding		84,239	84,239
Adj. - Payments Q1 2008	<u>154,180</u>		<u>154,180</u>
Adjusted Balance	11,735,288	1,198,797	12,934,085
Allocation of Balance Refunds:	90.73%	9.27%	

Test Year Refund History:

Service Month	Amount Refunded	Allocation of Amount Refunded			Ending Liability Balance
		Current Interest	Cash Prepayment	Accrued Interest	
Jan-08	151,293	78,049	66,455	6,789	12,860,841
Feb-08	129,279	82,399	42,535	4,345	12,813,961
Mar-08	165,751	70,830	86,123	8,798	12,719,040
Apr-08	188,028	71,023	106,160	10,845	12,602,035
May-08	227,864	68,544	144,553	14,767	12,442,715
Jun-08	221,579	54,995	151,144	15,440	12,276,131
Jul-08	159,669	54,277	95,624	9,768	12,170,739
Aug-08	270,985	49,558	200,904	20,523	11,949,312
Sep-08	271,371	49,047	201,718	20,606	11,726,988
Oct-08	270,264	46,845	202,711	20,708	11,503,569
Nov-08	269,451	46,781	202,032	20,638	11,280,899
Dec-08	<u>270,547</u>	<u>41,873</u>	<u>207,479</u>	<u>21,195</u>	11,052,225
Total	2,596,081	714,221	1,707,440	174,420	
==> Interest Disbursed:	888,641	714,221		174,420	
Allocation of Ending Balance:			10,027,848	1,024,377	11,052,225

AFUDC Reversal Calculation:

(1)	(2)	(3)	(4) = 12 / (3)	(5) = 12.5 / (4)	(6)=[1-(5)]*
FERC A/C	Pct. of Project	Depr. Rate	Avg. Depr. Life (Months)	% Depreciated 12/31/2008	Net AFUDC Reversal
352	5.22%	1.72%			
353	37.76%	1.71%			
355	18.56%	5.13%			
356	38.46%	<u>3.31%</u>			
		2.96%	405.3	3.08%	1,047,862

PROGRESS ENERGY CAROLINAS, INC.

Transmission Rate Formula Support - Interconnection Facilities^[1]
Generation In-Service After March 15, 2000 per FERC Order 2003

<u>Project</u>	<u>Balance</u>
Wayne County	1,185,911
Asheville Unit 4	134,659
Richmond - Phase 1	539,660
Richmond - Phase 2	1,805,629
Brunswick #1 Uprate	398,309
Brunswick #2 Uprate	320,595
Total Interconnection Facilities	4,384,762

^[1] - Excludes Step-up Transformers accounted for on PEC-2, page 4, line 2

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support - List of Inputs from FERC Form-1

Page	Row	Column	Description	Reference	Value
111	57	c	Prepayments	111.57.c	656,900
111	81	c	Loss on Reacquired Debt	111.81.c	16,118,132
112	3	c	Preferred Stock Issued	112.3.c	59,333,982
112	12	c	Account 216.1	112.12.c	(278,311,444)
112	16	c	Proprietary Capital	112.16.c	4,384,683,800
112	24	c	Long Term Debt	112.24.c	3,487,006,847
112	28	c	Accum. Provision for Injuries & Damages	112.28.c	4,726,952
112	29	c	Accum. Provision for Pensions & Benefits	112.29.c	823,045,514
112	30	c	Accum. Misc Operating Provisions	112.30.c	46,003,509
113	61	c	Gain on Reacquired Debt	113.61.c	0
117	62-66	c	Long Term Interest Expense	117.62-66.c	209,509,711
118	29	c	Preferred Dividends (positive)	118.29.c	2,964,169
200	21	c	Intangible Amort. Reserve	200.21.c	163,662,542
205	5	g	Intangible Plant	205.5.g	210,314,751
205	46	g	Production Plant	205.46.g	9,100,688,484
207	58	g	Transmission Plant	207.58.g	1,455,381,332
207	75	g	Distribution Plant	207.75.g	4,322,192,306
207	99	g	General Plant	207.99.g	476,473,402
214	47	d	Plant Held for Future Use (Trans. Only)	214.47.d	0
219	20-24	c	Production Depr. Reserve	219.20-24.c	5,555,689,014
219	25	c	Transmission Depr. Reserve	219.25.c	591,697,733
219	26	c	Distribution Depr. Reserve	219.26.c	1,816,247,857
219	27	c	General Depr. Reserve	219.27.c	173,457,551
227	8	c	M&S - Transmission	227.8.c	4,772,698
227	16	c	M&S - Stores Expense	227.16.c	23,222,964
232	18	f	SFAS 158 Regulatory Assets	232.18.f	521,915,811
234	8	c	ADIT - 190	234.8.c	744,646,368
263	3	i	Other Taxes - FICA	263.3.i	28,112,768
263	4	i	Other Taxes - Federal Unemployment	263.4.i	319,965
263	5	i	Other Taxes - Highway Use	263.5.i	63,201
263	11&21	i	Other Taxes - Real & Personal Property	263.11&21.i	62,208,948
263	13&23	i	Other Taxes - State Unemployment	263.13&23.i	722,591
263	18	i	Other Taxes - intangibles	263.18.i	0
266	8	f	Amortized ITC (Negative)	266.8.f	(5,733,012)
267	8	h	Accum Deferred ITC - 255 (Negative)	267.8.h	(115,672,675)
273	8	k	ADIT - 281 (Negative)	273.8.k	0
275	2	k	ADIT - 282 (Negative)	275.2.k	(1,253,976,950)
277	9	k	ADIT - 283 (Negative)	277.9.k	(600,014,963)
321	84-88	b	(561.1-561.4) Transmission Expense	321.84-88.b	4,267,108
321	96	b	(565) Transmission of Electricity by Others	321.96.b	23,813,705
321	112	b	TOTAL Transmission Expenses	321.112.b	58,347,783
323	185	b	(924) Property Insurance	323.185.b	101,969
323	189	b	(928) Regulatory Commission Expenses	323.189.b	5,762,220
323	191	b	(930.1) General Advertising Expenses	323.191.b	694,624
323	197	b	Total Admin & General Expenses	323.197.b	289,345,025
335	1-3,17	b	Industry Dues, R&D, C-V Nuc Pwr Assoc	335.1-3,17.b	4,915,558
336	1	f	Intangible Amortization	336.1.f	2,496,902
336	7	b	Transmission Depr. Expense	336.7.b	38,348,000
336	10	b	General Depr. Expense	336.10.b	16,628,695
350	12	b	FERC Order 641 Annual Charges	350.12.b	815,872
354	21	b	Transmission O&M Labor	354.21.b	16,055,921
354	27	b	A&G Labor	354.27.b	74,457,932
354	28	b	Total Direct Payroll - O&M Labor	354.28.b	409,402,544
400	17	b	Sum of Monthly Transmission Peaks	400.17.b	139,806
400	17	e	Firm Network Service for Self	400.17.e	90,593
400	17	f	Firm Network Service for Others	400.17.f	40,922
400	17	g	Long-Term Firm P-t-P Reservations	400.17.g	1,764
400	17	h	Other Long-Term Firm Service	400.17.h	0
400	17	i	Short-Term Firm P-t-P Reservations	400.17.i	6,527

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support
Deferred Income Tax Balances - GL A/C 190

	Balance 12/31/2008 Dr(Cr)		Allocation Factor	OATT Amt
Accrued Litigation	488,500	Other	0.00000	0
Allowances-Basis Diff System	(8,571,063)	PROD	0.00000	0
ARO - 190	116,689,857	Other	0.00000	0
Audit Reserve/FIN48	461,719	Other	0.00000	0
Bond Premium Discount	(187,112)	NP	0.11385	(21,302)
Broad River Adjustment	2,802,889	PROD	0.00000	0
Compensation Plan	12,119,585	LABOR	0.04474	542,195
Comprehensive Income	10,241,715	NP	0.11385	1,165,997
Deferred Compensation	22,533,874	LABOR	0.04474	1,008,099
Environmental Accrual	6,338,491	Other	0.00000	0
FAS 109 - Excess	6,783,409	Other	0.00000	0
FAS 109 - ITC	69,477,495	Other	0.00000	0
FAS 112	15,075,443	LABOR	0.04474	674,431
Imputed Interest Income	5,095	NP	0.11385	580
Insurance Reserve	1,257,660	NP	0.11385	143,182
Inventory Reserve	522,048	NP	0.11385	59,434
IRS Audit Interest Accrual	2,798,602	Other	0.00000	0
Leslie/McInnes Coal Reserves	1,983,292	PROD	0.00000	0
LLRW Disposal Cost Accrual	136,121	PROD	0.00000	0
Mark to Market - Reg Liability	69,782	Other	0.00000	0
Mark to Market Accrual	38,811,142	Other	0.00000	0
Nuclear Decommissioning	135,181,174	PROD	0.00000	0
OPEB Expense	142,002,227	LABOR	0.04474	6,352,763
Operating Reserve (workers comp)	1,809,702	LABOR	0.04474	80,961
Pension Expense	108,672,756	LABOR	0.04474	4,861,700
Pension Restoration Exp.	101,744	LABOR	0.04474	4,552
Real Time Energy Pricing Rider	1,582,970	Other	0.00000	0
Reg Liability - ARO Asbestos	1,643,137	Other	0.00000	0
Reg Liability - Medicare Subsidy	1,276,991	LABOR	0.04474	57,129
Renewable Energy Certifications	82,331	Other	0.00000	0
Severance Pay	202,886	LABOR	0.04474	9,077
TMAS Production	2,454,329	PROD	0.00000	0
Unbilled Rev.	17,629,743	Other	0.00000	0
Uncollectible Accounts	2,514,909	Other	0.00000	0
Vacation Accrual	13,588,508	LABOR	0.04474	607,910
Wages: Year End Accrual	16,064,419	LABOR	0.04474	718,675
GL 190 - Electric	744,646,370			16,265,382

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support
Deferred Income Tax Balances - GL A/C 282

	Balance 12/31/2008 Dr(Cr)	Allocation Factor		OATT Amt
AFUDC Equity - FAS109	(92,409,454)	Other	0.00000	0
ARO - 282 Operating	(1,313,690)	Other	0.00000	0
Clean Smokestacks	174,138,721	PROD	0.00000	0
NC Direct Disallowance	6,309,835	Other	0.00000	0
NC Indirect Disallowance	37,418,705	Other	0.00000	0
PA Depr Diff Exc Harris	(1,686,960)	PROD	0.00000	0
PA Depr Diff Harris	(127,662)	PROD	0.00000	0
PA Direct Disallowanc Contra	1,108,702	PROD	0.00000	0
SC Indirect Disallowance	6,811,673	Other	0.00000	0
SC Rate Difference	(14,493,475)	Other	0.00000	0
Tax Dep Plant - Dist	(336,001,415)	Other	0.00000	0
Tax Dep Plant - G	(67,200,474)	LABOR	0.04474	(3,006,352)
Tax Dep Plant - Intang	(24,436,637)	LABOR	0.04474	(1,093,223)
Tax Dep Plant - Nuc Fuel	(5,680,978)	PROD	0.00000	0
Tax Dep Plant - Prod	(717,495,983)	PROD	0.00000	0
Tax Dep Plant - Trans	(204,309,615)	TP	0.93944	(191,937,192)
Tax Dep Plant - Unfunct	(20,928,671)	NP	0.11385	(2,382,684)
WH Direct Disallowance	1,577,487	PROD	0.00000	0
WH Indirect Disallowance	9,653,674	PROD	0.00000	0
Wholesale Dep Diff - Dist	(28,003)	Other	0.00000	0
Wholesale Dep Diff - Gen	(10,595)	LABOR	0.04474	(474)
Wholesale Dep Diff - Prod	(4,394,965)	PROD	0.00000	0
Wholesale Dep Diff - Trans	(477,168)	TP	0.93944	(448,272)
Total GL 282	(1,253,976,948)			(198,868,197)

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support
Deferred Income Tax Balances - GL A/C 283

	Balance 12/31/2008 Dr(Cr)		Allocation Factor	OATT Amt
AFUDC Equity - Reg Asset	(59,593,530)	NP	0.11385	(6,784,595)
Comprehensive Income	12,581,332	NP	0.11385	1,432,358
DSM Cost - NC	(3,204,820)	Other	0.00000	0
DSM Cost - SC	(451,527)	Other	0.00000	0
EMC OPEB	81,897	LABOR	0.04474	3,664
Environmental Liability - Reg Asset - NC	(2,683,696)	Other	0.00000	0
Environmental Liability - Reg Asset - SC	(748,556)	Other	0.00000	0
FAS 158 Pension Restoration - Reg Asset	58,743	LABOR	0.04474	2,628
FAS158 OPEB - Reg Asset	(38,355,946)	LABOR	0.04474	(1,715,932)
FAS158 Pension - Reg Asset	(181,445,690)	LABOR	0.04474	(8,117,347)
FAS158 SERP - Reg Asset	(549,055)	LABOR	0.04474	(24,563)
Fay/Muni OPEB	25,322	LABOR	0.04474	1,133
Grid South - NC	(2,506,135)	Other	0.00000	0
Grid South - SC	(1,441,260)	Other	0.00000	0
Grid South - WH	(3,523,754)	Other	0.00000	0
IRS Audit Reserve	(23,262)	Other	0.00000	0
Market to Market	(65,960)	Other	0.00000	0
Market to Market - Reg Asset	(37,765,920)	Other	0.00000	0
Miscellaneous Investments	2,519,928	Other	0.00000	0
NC Deferred Fuel	(126,648,211)	Other	0.00000	0
Reg Asset - Accrued Vacation	(11,298,778)	LABOR	0.04474	(505,474)
Reg Asset - ARO Asbestos	(894,441)	Other	0.00000	0
Reg Asset - Design Basis Brunswick	(5,936,781)	PROD	0.00000	0
Reg Asset - Design Basis Robinson	(1,472,114)	PROD	0.00000	0
Reg Asset - Nuc Decom	(133,539,610)	PROD	0.00000	0
Reg Asset - PCF Deferral - SC	(128,818)	PROD	0.00000	0
Reg Asset - PSNC Pipeline	(369,058)	PROD	0.00000	0
Renewable Energy Deferral - NC	(228,015)	Other	0.00000	0
SC Deferred Fuel	(6,218,959)	Other	0.00000	0
Stock Overhead ADJ - PROD	851,916	PROD	0.00000	0
Stock Overhead ADJ - UNFUNCT	(3,252,374)	NP	0.11385	(370,276)
Storm Damage Deferral - NC	3,701,643	Other	0.00000	0
Storm Damage Deferral - SC	2,845,901	Other	0.00000	0
Wholesale Deferred Fuel	(335,354)	Other	0.00000	0
Round Adjustment	(21)	NP	0.11385	(2)
Total GL 283	(600,014,963)			(16,078,408)

PROGRESS ENERGY CAROLINAS, INC.
Transmission Rate Formula Support
Accumulated Misc. Operating Provision Balances - GL A/C 228.4

	Balance 12/31/2008 Dr(Cr)	Allocation Factor		OATT Amt
Coal Mines	(5,058,700)	PROD	0.00000	0
Est. Excess PA Scrubber Charge	(10,644,836)	PROD	0.00000	0
Deferred Compensation	(28,237,783)	LABOR	0.04474	(1,263,276)
Environmental	(1,715,000)	Other	0.00000	0
RNP LLRW Disposal	(347,191)	PROD	0.00000	0
Total GL 228.4	(46,003,509)			(1,263,276)

PROGRESS ENERGY CAROLINAS
PREPAYMENTS FOR NETWORK UPGRADES - HYPOTHETICAL EXAMPLES

252 Customer advances for construction.

This account shall include advances by customers for construction which are to be refunded either wholly or in part. When a customer is refunded the entire amount to which he is entitled, according to the agreement or rule under which the advance was made the balance, if any, remaining in this account shall be credited to the respective plant account.

EXAMPLE

NETWORK UPGRADE COST	\$ 1,000,000
DEPRECIABLE LIFE	40-YRS
ANNUAL FERC INTEREST RATE	ANNUALLY 6%
REFUND OVER 5-YRS	ANNUALLY \$ 200,000

SCENARIO 1:

YEAR OF IN-SERVICE:			
DESCRIPTION	FERC	DEBIT	CREDIT
ELEC. PLNT IN-SVC	101	\$ 1,000,000	\$ 1,000,000
CUSTOMER ADVANCES	252		

1st REFUND:			
DESCRIPTION	FERC	DEBIT	CREDIT
CASH	130		\$ 260,000
CUSTOMER ADVANCES	252	\$ 200,000	
INTEREST EXP	431	\$ 60,000	

RATE BASE		EXPENSE
FORMULA INPUT - EPIS _{YR-1}	\$ 1,000,000	
BEGINNING BAL.	\$(1,000,000)	
INTEREST EXPENSE _{YR-1}	\$(60,000)	\$ 60,000
REFUND _{YR-1}	\$ 260,000	
FORMULA INPUT _{YR-1}	\$ (800,000)	\$ 60,000

FORMULA INPUT - EPIS _{YR-2}	\$ 1,000,000	
FORMULA ACCUM. DEP _{YR-2}	\$(25,000)	
BEGINNING BAL.	\$(800,000)	
INTEREST EXPENSE _{YR-2}	\$(48,000)	\$ 48,000
REFUND _{YR-2}	\$ 248,000	
FORMULA INPUT _{YR-2}	\$ (600,000)	\$ 48,000

SCENARIO 2:
RECOVERY OF INTEREST: PER AGREEMENT WITH CUSTOMERS, INTEREST WILL BE RECOVERED UPON PAYMENT AND NOT AS ACCRUED. THIS WILL CREATE A REGULATORY ASSET TO RECOGNIZE THE DEFERRED COST RECOVERY.

YEAR OF IN-SERVICE:			
DESCRIPTION	FERC	DEBIT	CREDIT
ELEC. PLNT IN-SVC	101	\$ 1,000,000	\$ 1,000,000
CUSTOMER ADVANCES	252		

YR-1 NO REFUND:			
DESCRIPTION	FERC	DEBIT	CREDIT
CUSTOMER ADVANCES	252		\$ 60,000
INTEREST ACCRUED	431	\$ 60,000	
REG ASSET (INTEREST ACCRUED)	182.3	\$ 60,000	
INTEREST ACCRUED DEFERRAL	407.4		\$ 60,000

YR-5 WITH REFUND:			
DESCRIPTION	FERC	DEBIT	CREDIT
CUSTOMER ADVANCES	252	\$ 1,338,226	
CASH	131		\$ 1,338,226
REG ASSET (INTEREST ACCRUED)	182.3		\$ 338,226
INTEREST ACCRUED DEFERRAL	407.3	\$ 338,226	

IF NOT REFUNDED UNTIL YR 5, THAN:

RATE BASE		EXPENSE
BEGINNING BAL.	\$ (1,000,000)	
INTEREST ACCRUED _{YR-1}	\$(60,000)	\$ (60,000)
REG. ASSET (INTEREST ACCRUED) _{YR-1}	\$ 60,000	\$ 60,000
FORMULA INPUT _{YR-1}	\$ (1,000,000)	\$ -
INTEREST ACCRUED _{YR-2}	\$(63,600)	\$(63,600)
REG. ASSET (INTEREST ACCRUED) _{YR-2}	\$ 63,600	\$ 63,600
FORMULA INPUT _{YR-2}	\$ (1,000,000)	\$ -
INTEREST ACCRUED _{YR-3}	\$(67,416)	\$(67,416)
REG. ASSET (INTEREST ACCRUED) _{YR-3}	\$ 67,416	\$ 67,416
FORMULA INPUT _{YR-3}	\$ (1,000,000)	\$ -
INTEREST ACCRUED _{YR-4}	\$(71,461)	\$(71,461)
REG. ASSET (INTEREST ACCRUED) _{YR-4}	\$ 71,461	\$ 71,461
FORMULA INPUT _{YR-4}	\$ (1,000,000)	\$ -
INTEREST ACCRUED _{YR-5}	\$(75,749)	\$(75,749)
REG. ASSET (INTEREST ACCRUED) _{YR-5}	\$ 75,749	\$ 75,749
REFUND _{YR-5}	\$ 1,000,000	\$ 338,226
FORMULA INPUT _{YR-5}	\$ -	\$ 338,226