

All rates effective with August 2008 billing.

A brief description of Progress Energy's residential rates is outlined in the brochure.

# Committed to our Customers

## Higher fuel costs prompt Progress Energy to increase fuel charge.

Due to global market conditions, the cost of fuel to generate electricity has been increasing dramatically. To cover this increase, on July 1, 2008, the Florida Public Service Commission (FSPC) approved an increase in Progress Energy Florida's fuel charge to recover an additional \$106 million, for the period of August through December 2008. The increase covers the cost of the fuel itself; Progress Energy makes no profit on fuel. The increase will be partially offset by the discontinuation of the \$3.61 per 1,000 kilowatt-hours (kWh) storm-cost recovery charge that the company was previously collecting for its response to the devastating 2004 and 2005 hurricane season and to rebuild our storm reserves. The effect on customers will be an approximate increase of 2.3 percent (this will vary depending on usage), bringing the total residential bill for 1,000 kWh to \$110.59 from \$108.11.

Progress Energy is sensitive to the impact of rates on our customers and strives to keep rates as low as possible. The company uses a balanced strategy that combines energy efficiency, alter-

native energy and state-of-the-art plants. This strategy ensures clean, reliable, affordable power for today's needs – and for the future. As part of this strategy, the company maintains the state's most diverse mix of generating plants, including plants fueled by coal, oil, natural gas and nuclear to help mitigate fuel cost volatility for our customers.

Progress Energy recognizes that rising energy costs are a serious concern and is committed to working with our customers to keep electricity affordable. The company encourages you to take advantage of our free energy-efficiency programs and budget-billing options. In addition, we have a two-tiered rate that charges a lower rate for the first 1,000 kWh, and a higher rate for additional usage. For more ideas on how to save energy and money, visit [savethewatts.com](http://savethewatts.com).

Your current rate schedule can be obtained from your most recent electric bill and is found in the example below. For more information about the rate schedule, visit [progress-energy.com](http://progress-energy.com), go to "about energy" and click on "electric rates."

## Breakdown of the Monthly Bill Statement

This bill belongs to a sample customer who uses 1,500 kWh of electricity each month.

Notice how we've presented the residential rate so you can clearly see the costs for the first 1,000 kWh as compared to the costs per kWh above 1,000. Also below, we've defined some of the other items included in most residential bills.

RS-1 001 Residential Service	
BILLING PERIOD .08-01-08 TO 08-31-08	30 DAYS
CUSTOMER CHARGE	8.03
ENERGY CHARGE	
FIRST 1000 KWH	1000 KWH @ 5.099¢
ABOVE 1000 KWH	500 KWH @ 6.099¢
FUEL CHARGE	
FIRST 1000 KWH	1000 KWH @ 4.881¢
ABOVE 1000 KWH	500 KWH @ 5.881¢
TOTAL ELECTRIC COST	167.74
LOAD MANAGEMENT (Energywise) CREDIT	8.50CR
GROSS RECEIPTS TAX	4.08
MUNICIPAL FRANCHISE FEE	9.80
MUNICIPAL UTILITY TAX	10.54
TOTAL CURRENT BILL	183.66
<b>TOTAL DUE THIS STATEMENT</b>	<b>\$183.66</b>

- Customer Charge:** A fixed monthly amount to cover the cost of providing service to your location. This charge is applicable whether or not electricity is used.
- Energy Charge:** All the costs, other than fuel, involved in producing and distributing electricity.
- Fuel Charge:** This includes the actual cost of coal, oil, uranium and natural gas that Progress Energy Florida uses to make electricity. We make no profit on fuel. This is adjusted annually to reflect changes in the cost of fuel.
- EnergyWise<sup>SM</sup> Credit:** EnergyWise is a free program that could save you more than \$145 a year. Learn more at [savethewatts.com](http://savethewatts.com).
- Gross Receipts Tax:** Collected in accordance with Florida state statutes. This tax is assessed on all electric public utilities and paid directly to the state. Progress Energy Florida does not keep these tax monies.
- Franchise Fee:** This is a fee that we collect to compensate communities for using their rights of way. All of the fee is sent back to the local community; Progress Energy Florida does not keep any franchise fees. Fees vary by community.
- County/Municipal Utility Tax:** In accordance with state law, a county/municipality may levy a tax on the purchase of electricity within that area. This tax is paid directly to your county/municipality. Progress Energy Florida does not keep any of these taxes.

# OUR RESIDENTIAL RATES

(all rates effective with August 2008 billing)

Most Progress Energy Florida customers are billed under our standard Residential Service plan. If you would like more information on service plans and rates, contact Progress Energy Florida by calling the number on your electric bill or visit [progress-energy.com](http://progress-energy.com).

## Residential Service (RS-1)

Customer Charge.....	\$8.03 per month
Energy Charge	
1st 1,000 kWh.....	5.099¢ per kWh
All kWh above 1,000.....	6.099¢ per kWh
Fuel Charge	
1st 1,000 kWh.....	4.881¢ per kWh
All kWh above 1,000.....	5.881¢ per kWh

### Want to save more on your electric bill?

As you see above, the price for your first 1,000 kWh is less than the price for all kWh above 1,000. Stay at or below 1,000 kWh and you benefit from some of our lowest electric rates.

## Residential Load Management (RSL-1/RSL-2)

(EnergyWise Program)

Progress Energy Florida offers this special program for conservation purposes. Under this rate, the standard Residential Service applies. However, you receive a monthly credit for allowing specific electrical equipment to be interrupted for short periods of time when Progress Energy Florida needs to reduce customer electricity demand. You receive credit whether or not we interrupt your appliances.

## Residential Seasonal Service (RSS-1)

You can reduce your Customer Charge from \$8.03 per month to \$4.20 per month if you are gone for at least three months during the billing periods of March through October, do not use more than 210 kWh per month (or 7 kWh per day). All other charges as stated in otherwise applicable rate schedules still apply.

## Residential Service — TOU (RST-1)

(Time of Use)

Customer Charge.....	\$14.84 per month*
Energy Charge	
On-Peak.....	12.719¢ per kWh
Off-Peak.....	2.076¢ per kWh
Fuel Charge	
On-Peak.....	7.133¢ per kWh
Off-Peak.....	4.286¢ per kWh

\* For most residential customers. Where an advance special meter payment is made, the charge is \$8.03.

Esta información se encuentra disponible en español.

Para solicitar la versión en español, sea tan amable de llamar al 1.800.700.8744.

## Billing Adjustments

The Energy Charges listed in these rate schedules for residential service (RS-1, RST-1, RSL-1, RSL-2 and RSS-1) include an Energy Conservation Cost Recovery Factor (the cost of energy conservation programs) of 0.201¢ per kWh, a Capacity Cost Recovery Factor (a portion of the cost of purchasing electricity from sources other than Progress Energy Florida) of 1.192¢ per kWh, and an Environmental Cost Recovery Clause (the cost of new environmental programs not in base rates) of 0.118¢ per kWh. For Lighting Service (LS-1), the Energy Conservation Cost Recovery Factor is 0.087¢ per kWh, the Capacity Cost Recovery Factor is 0.169¢ per kWh, and the Environmental Cost Recovery Clause Factor is 0.094¢ per kWh. These factors are normally revised in January by the Florida Public Service Commission.

The Fuel Charges listed in these rate schedules are based on a Fuel Cost Recovery Factor (the cost of fuel and a portion of the cost of purchased power) that is being revised in August of this year and is normally revised each January by the Florida Public Service Commission.

In accordance with section 203.01 of the Florida statutes, a factor of 2.5641 percent is applicable to electric sales charges for collection of the state Gross Receipts Tax. These schedules are also subject to municipal utility taxes, state and county taxes, and franchise fees.

## Lighting Service (LS-1)

This service is available from dusk to dawn with various automatically controlled light fixtures.

Fixture & Maintenance Charge.....	Depends upon fixture type
Customer Charge (per line of billing)	
Metered.....	\$3.13 per month
Unmetered.....	\$1.09 per month
Energy Charge.....	1.904¢ per kWh
Fuel Charge.....	4.818¢ per kWh

## Service Charges

Opening account at new service location.....	\$61.00
Reconnect service after normal disconnection.....	\$28.00
Reconnect service after disconnection for nonpayment or violation of a rule or regulation.....	\$40.00
after normal business hours.....	\$50.00
Change of account with Leaving Service Active (LSA) applicable to multi-housing only.....	\$10.00
Returned check.....	as allowed by Florida Statute 68.065
Late payment charge.....	1.5% per month or \$5.00, whichever is greater.