



October 12, 2012

Mr. John Slemkewicz,  
Public Utility Supervisor  
Electric and Gas Accounting Section  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Mr. Slemkewicz:

Pursuant to Commission Rule 25-6.1352, enclosed please find Progress Energy Florida, Inc.'s Rate of Return report for the twelve months ended August 31, 2012.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended August 31, 2012. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-12-0104-FOF-EI.

If you have any questions, please feel free to contact Marcia Olivier at (727) 820-5653.

Sincerely,

A handwritten signature in black ink, appearing to read 'Javier Portuondo', written over a white background.

Javier Portuondo  
Director Rates & Regulatory Strategy

dc  
Attachment  
xc: Mr. J. R. Kelly, Office of the Public Counsel

RECEIVED  
FLORIDA PUBLIC SERVICE  
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DIVISION OF  
ACCOUNTING & FINANCE

**PROGRESS ENERGY FLORIDA  
Rate of Return Report Summary  
August 2012**

Schedule 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income (a) (b)	\$487,667,721	(\$134,495,192)	\$353,172,529	\$168,407,012	\$521,579,541
Average Rate Base	\$9,619,377,510	(\$1,862,885,383)	\$7,756,492,127	\$240,606,689	\$7,997,098,816
Average Rate of Return	5.07%		4.55%		6.52%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$487,667,721	(\$134,495,192)	\$353,172,529	\$168,407,012	\$521,579,541
Year End Rate Base	\$9,917,997,992	(\$2,060,895,720)	\$7,857,102,272	\$0	\$7,857,102,272
Year End Rate of Return	4.92%		4.49%		6.64%

**Footnotes**

- (a) Column (1) includes AFUDC earnings.  
(b) Column (2) includes reversal of AFUDC earnings.

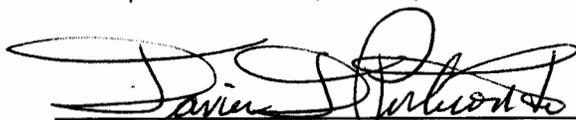
<b>III. Required Rates of Return</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.83%	6.88%
Mid Point	7.29%	7.37%
High Point	7.75%	7.86%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.83%	6.75%
Mid Point	7.29%	7.23%
High Point	7.75%	7.71%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	2.77	(System Per Books Basis)
B. T.I.E. without AFUDC	2.57	(System Per Books Basis)
C. AFUDC to Net Income	17.29%	(System Per Books Basis)
D. Internally Generated Funds	76.07%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	45.54%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.96%	(FPSC Adjusted Basis)
<b>F. Return on Common Equity</b>		
	4.54%	(FPSC Adjusted Basis)
	8.82%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

I am aware that Section 837-06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084

  
Javier Portuondo, Director Rates & Regulatory Strategy

10-12-12  
Date

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**August 2012**

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Average Rate Base
<b>System Per Books</b>	<b>\$13,472,649,493</b>	<b>\$5,173,926,729</b>	<b>\$8,298,722,764</b>	<b>\$37,272,798</b>	<b>\$1,199,296,399</b>	<b>\$227,164,092</b>	<b>\$9,762,456,052</b>	<b>\$1,010,483,779</b>	<b>\$10,772,939,831</b>
<b>Regulatory Base - Retail</b>	<b>12,103,516,862</b>	<b>\$4,667,086,842</b>	<b>\$7,436,430,020</b>	<b>\$26,694,405</b>	<b>1,011,914,143</b>	<b>\$205,189,838</b>	<b>\$8,680,228,406</b>	<b>939,149,104</b>	<b>\$9,619,377,510</b>
<b>FPSC Adjustments</b>									
ARO	14,001,741	(61,736,937)	75,738,678	-	-	-	75,738,678	(75,117,100)	621,578
ECCR	(1,818,907)	(1,123,726)	(695,181)	-	(11,450,420)	-	(12,145,601)	6,259,188	(5,886,414)
ECRC	(1,161,377,601)	(64,507,261)	(1,096,870,340)	-	(335,629)	-	(1,097,205,969)	(23,323,000)	(1,120,528,969)
FUEL	(32,738,780)	(31,605,522)	(1,133,258)	-	-	-	(1,133,258)	(54,278,735)	(55,411,993)
CCR	-	-	-	-	-	-	-	8,236,522	8,236,522
NUCLEAR	-	-	-	-	-	-	-	(106,300,674)	(106,300,674)
Derivatives	-	-	-	-	-	-	-	(121,831,045)	(121,831,045)
Employee Related	-	-	-	-	-	-	-	1,455,151	1,455,151
Investments Earning a Return	-	-	-	-	-	-	-	(44,094,503)	(44,094,503)
Jobbing Accounts	-	-	-	-	-	-	-	(6,663,008)	(6,663,008)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,443,394)	(2,443,394)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,194,969)	(1,194,969)
Retention Accounts	-	-	-	-	-	-	-	2,204,526	2,204,526
CWIP - AFUDC	-	-	-	-	(771,953,982)	-	(771,953,982)	-	(771,953,982)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	360,910,033	360,910,033
Capital Lease	(197,153,931)	-	(197,153,931)	-	-	-	(197,153,931)	197,149,689	(4,242)
<b>Total FPSC Adjustments</b>	<b>(1,379,087,479)</b>	<b>(158,973,447)</b>	<b>(1,220,114,032)</b>	<b>-</b>	<b>(783,740,032)</b>	<b>-</b>	<b>(2,003,854,064)</b>	<b>140,968,681</b>	<b>(1,862,885,383)</b>
<b>FPSC Adjusted</b>	<b>\$10,724,429,383</b>	<b>\$4,508,113,395</b>	<b>\$6,216,315,988</b>	<b>\$26,694,405</b>	<b>\$228,174,111</b>	<b>\$205,189,838</b>	<b>\$6,676,374,342</b>	<b>\$1,080,117,786</b>	<b>\$7,756,492,127</b>
<b>Pro Forma Adjustments</b>									
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	240,606,689	240,606,689
<b>Total Pro Forma Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240,606,689</b>	<b>240,606,689</b>
<b>Pro Forma Adjusted</b>	<b>\$10,724,429,383</b>	<b>\$4,508,113,395</b>	<b>\$6,216,315,988</b>	<b>\$26,694,405</b>	<b>\$228,174,111</b>	<b>\$205,189,838</b>	<b>\$6,676,374,342</b>	<b>\$1,320,724,474</b>	<b>\$7,997,098,816</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**August 2012**

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books (a)</b>	\$4,318,202,660	\$2,215,373,200	\$893,426,945	\$201,145,047	\$354,273,711	(\$52,814,640)	\$215,706,448	(\$1,323,000)	\$0	\$3,826,787,711	\$492,414,949
<b>Regulatory Base - Retail</b>	\$4,029,880,333	2,128,268,600	824,446,469	150,977,156	\$340,788,224	(\$52,362,239)	\$193,335,532	(\$1,185,792)	\$0	\$3,584,267,951	\$445,612,382
<b>FPSC Adjustments</b>											
ARO	-	-	-	(1,644,172)	-	634,239	-	-	-	(1,009,933)	1,009,933
ECCR	(93,327,556)	-	(90,545,787)	(363,857)	(38,283)	(917,942)	-	-	-	(91,865,869)	(1,461,687)
ECRC	(188,736,507)	-	(41,960,033)	(12,917,475)	(10,143,294)	(47,723,333)	-	-	-	(112,744,136)	(75,992,371)
FUEL	(1,811,507,977)	(1,825,453,559)	-	(470,487)	(1,364,774)	6,087,460	-	-	-	(1,821,201,360)	9,693,383
CCR	(329,074,689)	(328,791,411)	-	-	-	(109,274)	-	-	-	(328,900,686)	(174,003)
NUCLEAR	(110,068,012)	-	(1,494,683)	(51,369,204)	(118,906)	(22,020,623)	-	-	-	(75,003,416)	(35,064,596)
SCRC	312	-	787	-	-	(183)	-	-	-	604	(292)
CORPORATE AIRCRAFT ALLOCATION	-	-	(3,146,111)	-	-	1,213,612	-	-	-	(1,932,499)	1,932,499
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,257,469)	-	-	-	-	(78,406,569)	-	-	-	(78,406,569)	(124,850,900)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(202,479,263)	78,106,376	-	-	-	(124,372,887)	124,372,887
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	846,965	-	-	(2,195,632)	(1,348,667)	1,348,667
INST./PROMOTIONAL ADVERTISING	-	-	(829,171)	-	-	319,853	-	-	-	(509,318)	509,318
INTEREST ON TAX DEFICIENCY	-	-	(14,993,024)	-	-	5,783,559	-	-	-	(9,209,465)	9,209,465
MISCELLANEOUS INTEREST EXPENSE	-	-	177,600	-	-	(68,509)	-	-	-	109,091	(109,091)
REMOVE ASSOC./ORGANIZATION DUES	-	-	(212,520)	-	-	81,979	-	-	-	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	-	-	(19,465)	-	-	7,509	-	-	-	(11,957)	11,957
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(13,796,748)	-	-	-	(13,796,748)	13,796,748
DIRECTORS & OFFICERS PREMIUM	-	-	(2,081,869)	-	-	803,081	-	-	-	(1,278,788)	1,278,788
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	18,081,094	-	-	-	18,081,094	(18,081,094)
<b>Total FPSC Adjustments</b>	<b>(2,735,971,897)</b>	<b>(2,154,244,971)</b>	<b>(155,104,275)</b>	<b>(66,765,195)</b>	<b>(214,144,520)</b>	<b>(51,077,455)</b>	-	-	<b>(2,195,629)</b>	<b>(2,643,532,044)</b>	<b>(92,439,853)</b>
<b>FPSC Adjusted</b>	<b>\$1,293,908,436</b>	<b>(\$25,976,370)</b>	<b>\$669,342,195</b>	<b>\$84,211,961</b>	<b>\$126,643,703</b>	<b>(\$103,439,694)</b>	<b>\$193,335,532</b>	<b>(\$1,185,792)</b>	<b>(\$2,195,629)</b>	<b>\$940,735,907</b>	<b>\$353,172,529</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(17,535,095)	-	-	-	-	(6,764,163)	-	-	-	(6,764,163)	(10,770,932)
Interest Synchronization	-	-	-	-	-	(2,273,944)	-	-	-	(2,273,944)	2,273,944
Settlement Refund	288,000,000	-	-	-	-	10,198,613	100,897,387	-	-	111,096,000	176,904,000
<b>Total Pro Forma Adjustments</b>	<b>270,464,905</b>	-	-	-	-	<b>1,160,506</b>	<b>100,897,387</b>	-	-	<b>102,057,893</b>	<b>168,407,012</b>
<b>Pro Forma Adjusted</b>	<b>\$1,564,373,341</b>	<b>(\$25,976,370)</b>	<b>\$669,342,195</b>	<b>\$84,211,961</b>	<b>\$126,643,703</b>	<b>(\$102,279,187)</b>	<b>\$294,232,919</b>	<b>(\$1,185,792)</b>	<b>(\$2,195,629)</b>	<b>\$1,042,793,800</b>	<b>\$521,579,541</b>

Footnotes:  
(a) The addition of earnings from AFUDC charges would increase the system NOI by \$49,840,411 and Jurisdictional NOI by \$42,055,339

**Current Month**

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books (a)</b>	\$497,719,829	\$255,962,574	\$102,893,059	\$32,836,825	\$35,450,459	(\$53,666,684)	\$73,145,174	(\$110,250)	\$0	\$446,511,156	\$51,208,673
<b>Jurisdictional Per Books</b>											
<b>Excluding AFUDC Earnings and Recoverable</b>	<b>166,551,745</b>	<b>\$687,385</b>	<b>78,831,526</b>	<b>21,375,389</b>	<b>10,959,085</b>	<b>(\$36,341,821)</b>	<b>\$65,559,288</b>	<b>(\$98,816)</b>	<b>\$0</b>	<b>\$140,972,037</b>	<b>\$25,579,708</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Adjustments**  
**August 2012**

Schedule 2  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$621,578	\$621,578
	ECCR	F	(\$5,886,414)	(\$5,886,414)
	ECRC	F	(\$1,212,158,509)	(\$1,120,528,969)
	FUEL	F	(\$55,411,993)	(\$55,411,993)
	CCR	F	\$8,236,522	\$8,236,522
	NUCLEAR	F	(\$106,300,674)	(\$106,300,674)
	Derivatives	F	(\$121,831,045)	(\$121,831,045)
	Employee Related	F	\$1,455,151	\$1,455,151
	Investments Earning a Return	F	(\$44,094,503)	(\$44,094,503)
	Jobbing Accounts	F	(\$6,663,008)	(\$6,663,008)
	Non-Regulated and Miscellaneous	F	(\$2,443,394)	(\$2,443,394)
	Rate Case Regulatory Asset	F	(\$1,194,969)	(\$1,194,969)
	Retention Accounts	F	\$2,204,526	\$2,204,526
(1)	CWIP - AFUDC	F	(\$909,834,259)	(\$771,953,982)
(3)	Imputed Off Balance Sheet Obligations	F	66,036,154	57,595,413
(2)	Capital Lease - EPIS	F	(197,153,931)	(197,153,931)
(2)	Capital Lease - Working Capital	F	197,149,689	197,149,689
	<b>Total</b>		<b>(\$2,387,269,079)</b>	<b>(\$2,166,200,003)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$1,644,172	(\$634,239)	\$1,644,172	(\$634,239)
	ECCR	F	(2,379,629)	917,942	(2,379,629)	917,942
	ECRC	F	(166,284,512)	64,144,251	(123,715,704)	47,723,333
	FUEL	F	(14,196,570)	5,476,327	(15,780,843)	(6,087,460)
	CCR	F	(283,277)	109,274	(283,277)	109,274
	NUCLEAR	F	(56,962,433)	21,973,258	(57,085,219)	22,020,623
	SCRC	F	(475)	183	(475)	183
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,411,343	(\$1,315,926)	\$3,146,111	(\$1,213,612)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,257,469)	78,406,569	(203,257,469)	78,406,569
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,479,263	(78,106,376)	202,479,263	(78,106,376)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,362,265	(911,244)	2,195,632	(846,965)
(1)	INST.PROMOTIONAL ADVERTISING	F	899,074	(346,818)	829,171	(319,853)
(1)	INTEREST ON TAX DEFICIENCY	F	16,477,480	(6,356,188)	14,993,024	(5,783,559)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(358,117)	138,144	(177,600)	68,509
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,465	(7,509)	19,465	(7,509)
(2)	PARENT DEBT ADJUSTMENT	F	0	16,238,155	0	13,796,748
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,081,869	(803,081)	2,081,869	(803,081)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(19,587,178)	0	(18,081,094)
	<b>Total</b>		<b>(\$214,117,115)</b>	<b>\$79,246,654</b>	<b>(\$175,078,992)</b>	<b>\$51,077,455</b>

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI  
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI  
(3) Docket No. 120022-EI

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Rate Base**  
**August 2012**

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Period End Rate Base
<b>System Per Books</b>	<b>\$13,765,543,018</b>	<b>\$5,248,910,673</b>	<b>\$8,516,632,344</b>	<b>\$42,212,117</b>	<b>\$1,322,606,749</b>	<b>\$246,284,874</b>	<b>\$10,127,736,084</b>	<b>\$1,010,483,779</b>	<b>\$11,138,219,863</b>
<b>Regulatory Base - Retail</b>	<b>\$12,368,423,100</b>	<b>\$4,770,010,608</b>	<b>\$7,598,412,492</b>	<b>\$30,231,896</b>	<b>1,127,743,490</b>	<b>\$222,461,009</b>	<b>\$8,978,848,887</b>	<b>\$939,149,104</b>	<b>\$9,917,997,992</b>
<b>FPSC Adjustments</b>									
ARO	(105,462,817)	(61,649,688)	(43,813,129)	-		-	(43,813,129)	(75,117,100)	(118,930,229)
ECCR	(1,823,207)	(1,272,734)	(550,473)	-	(16,561,800)	-	(17,112,273)	6,259,188	(10,853,085)
ECRC	(1,162,818,981)	(73,784,477)	(1,089,034,504)	-	(411,695)	-	(1,089,446,199)	(23,323,000)	(1,112,769,199)
FUEL	(32,738,780)	(31,756,617)	(982,163)	-	-	-	(982,163)	(54,278,735)	(55,260,898)
CCR	-	-	-	-	-	-	-	8,236,522	8,236,522
NUCLEAR	-	-	-	-	-	-	-	(106,300,674)	(106,300,674)
Derivatives	-	-	-	-	-	-	-	(121,831,045)	(121,831,045)
Employee Related	-	-	-	-	-	-	-	1,455,151	1,455,151
Investments Earning a Return	-	-	-	-	-	-	-	(44,094,503)	(44,094,503)
Jobbing Accounts	-	-	-	-	-	-	-	(6,663,008)	(6,663,008)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,443,394)	(2,443,394)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,194,969)	(1,194,969)
Retention Accounts	-	-	-	-	-	-	-	2,204,526	2,204,526
CWIP - AFUDC	-	-	-	-	(860,164,444)	-	(860,164,444)	-	(860,164,444)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	360,910,033	360,910,033
Capital Lease	(190,346,193)	-	(190,346,193)	-	-	-	(190,346,193)	197,149,689	6,803,496
<b>Total FPSC Adjustments</b>	<b>(1,493,189,978)</b>	<b>(168,463,516)</b>	<b>(1,324,726,462)</b>	<b>-</b>	<b>(877,137,939)</b>	<b>-</b>	<b>(2,201,864,401)</b>	<b>140,968,681</b>	<b>(2,060,895,720)</b>
<b>FPSC Adjusted</b>	<b>\$10,875,233,122</b>	<b>\$4,601,547,092</b>	<b>\$6,273,686,030</b>	<b>\$30,231,896</b>	<b>\$250,605,551</b>	<b>\$222,461,009</b>	<b>\$6,776,984,486</b>	<b>\$1,080,117,786</b>	<b>\$7,857,102,272</b>

PROGRESS ENERGY FLORIDA  
End of Period - Income Statement  
August 2012

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books (a)</b>	<b>\$4,318,202,660</b>	<b>\$2,215,373,200</b>	<b>\$893,426,945</b>	<b>\$201,145,047</b>	<b>\$354,273,711</b>	<b>(\$52,814,640)</b>	<b>\$215,706,448</b>	<b>(\$1,323,000)</b>	<b>\$0</b>	<b>\$3,825,787,711</b>	<b>\$492,414,949</b>
<b>Regulatory Base - Retail</b>	<b>\$4,029,880,333</b>	<b>\$2,128,268,600</b>	<b>824,446,469</b>	<b>152,621,328</b>	<b>\$340,788,224</b>	<b>(\$52,362,239)</b>	<b>\$193,335,532</b>	<b>(\$1,185,792)</b>	<b>\$0</b>	<b>\$3,585,912,123</b>	<b>\$443,968,210</b>
<b>FPSC Adjustments</b>											
ARO	-	-	-	(1,644,172)	-	634,239	-	-	-	(1,009,933)	1,009,933
ECCR	(93,327,556)	-	(90,545,787)	(363,857)	(38,283)	(917,942)	-	-	-	(91,865,869)	(1,461,687)
ECRC	(188,736,507)	-	(41,960,033)	(12,917,475)	(10,143,294)	(47,723,333)	-	-	-	(112,744,136)	(75,992,371)
FUEL	(1,811,507,977)	(1,825,453,559)	-	(470,487)	(1,364,774)	6,087,460	-	-	-	(1,821,201,360)	9,693,383
CCR	(329,074,689)	(328,791,411)	-	-	-	(109,274)	-	-	-	(328,900,686)	(174,003)
NUCLEAR	(110,068,012)	-	(1,494,683)	(51,369,204)	(118,906)	(22,020,623)	-	-	-	(75,003,416)	(35,064,596)
SCRC	312	-	787	-	-	(183)	-	-	-	604	(292)
CORPORATE AIRCRAFT ALLOCATION	-	-	(3,146,111)	-	-	1,213,612	-	-	-	(1,932,499)	1,932,499
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,257,469)	-	-	-	-	(78,406,569)	-	-	-	(78,406,569)	(124,850,900)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(202,479,263)	78,106,376	-	-	-	(124,372,887)	124,372,887
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	846,965	-	-	(2,195,632)	(1,348,667)	1,348,667
INST./PROMOTIONAL ADVERTISING	-	-	(829,171)	-	-	319,853	-	-	-	(509,318)	509,318
INTEREST ON TAX DEFICIENCY	-	-	(14,993,024)	-	-	5,783,559	-	-	-	(9,209,465)	9,209,465
MISCELLANEOUS INTEREST EXPENSE	-	-	177,600	-	-	(68,509)	-	-	-	109,091	(109,091)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(212,520)	-	-	81,979	-	-	-	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	-	-	(19,465)	-	-	7,509	-	-	-	(11,957)	11,957
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(13,796,748)	-	-	-	(13,796,748)	13,796,748
SEBRING - RIDER REVENUE	-	-	-	-	-	-	-	-	-	-	-
DIRECTORS & OFFICERS PREMIUM	-	-	(2,081,869)	-	-	803,081	-	-	-	(1,278,788)	1,278,788
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	18,081,094	-	-	-	18,081,094	(18,081,094)
<b>Total FPSC Adjustments</b>	<b>(2,735,971,897)</b>	<b>(2,154,244,971)</b>	<b>(155,104,275)</b>	<b>(66,765,195)</b>	<b>(214,144,520)</b>	<b>(51,077,455)</b>	<b>-</b>	<b>-</b>	<b>(2,195,632)</b>	<b>(2,643,532,047)</b>	<b>(92,439,850)</b>
<b>FPSC Adjusted</b>	<b>\$1,293,908,436</b>	<b>(\$25,976,370)</b>	<b>\$669,342,195</b>	<b>\$85,856,133</b>	<b>\$126,643,703</b>	<b>(\$103,439,694)</b>	<b>\$193,335,532</b>	<b>(\$1,185,792)</b>	<b>(\$2,195,632)</b>	<b>\$942,380,076</b>	<b>\$351,528,360</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$49,840,411  
and Jurisdictional NOI by \$42,055,339

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Adjustments**  
**August 2012**

**Schedule 3**  
**Page 3 of 3**

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	(\$118,930,229)	(\$118,930,229)
	ECCR	F	(10,853,085)	(10,853,085)
	ECRC	F	(1,212,158,509)	(1,112,769,199)
	FUEL	F	(55,260,898)	(55,260,898)
	CCR	F	8,236,522	8,236,522
	NUCLEAR	F	(106,300,674)	(106,300,674)
	Derivatives	F	(100,401,222)	(100,401,222)
	Employee Related	F	4,180,680	4,180,680
	Investments Earning a Return	F	(80,936,220)	(80,936,220)
	Jobbing Accounts	F	(22,877,878)	(22,877,878)
	Non-Regulated and Miscellaneous	F	(2,437,395)	(2,437,395)
	Rate Case Regulatory Asset	F	(866,579)	(866,579)
	Retention Accounts	F	422,736	422,736
(1)	CWIP - AFUDC	F	(\$1,007,895,379)	(860,164,444)
(3)	Imputed Off Balance Sheet Obligations	F	(858,470,000)	(781,971,738)
(2)	Capital Lease - EPIS	F	(190,346,193)	(190,346,193)
(2)	Capital Lease - Working Capital	F	197,149,689	197,149,689
	<b>Total</b>		<b>(\$3,567,744,632)</b>	<b>(\$3,234,126,125)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$1,644,172	(\$634,239)	\$1,644,172	(\$634,239)
	ECCR	F	(2,379,629)	917,942	(2,379,629)	917,942
	ECRC	F	(166,284,512)	64,144,251	(123,715,704)	47,723,333
	FUEL	F	(14,196,570)	5,476,327	(15,780,843)	(6,087,460)
	CCR	F	(283,277)	109,274	(283,277)	109,274
	NUCLEAR	F	(56,962,433)	21,973,258	(57,085,219)	22,020,623
	SCRC	F	(475)	183	(475)	183
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,411,343	(\$1,315,926)	\$3,146,111	(\$1,213,612)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,257,469)	78,406,569	(203,257,469)	78,406,569
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,479,263	(78,106,376)	202,479,263	(78,106,376)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,362,265	(911,244)	2,195,632	(846,965)
(1)	INST./PROMOTIONAL ADVERTISING	F	899,074	(346,818)	829,171	(319,853)
(1)	INTEREST ON TAX DEFICIENCY	F	16,477,480	(6,356,188)	14,993,024	(5,783,559)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(358,117)	138,144	(177,600)	68,509
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,465	(7,509)	19,465	(7,509)
(2)	PARENT DEBT ADJUSTMENT	F	-	16,238,155	-	13,796,748
(2)	STORM COSTS 2004	F	2,081,869	(803,081)	2,081,869	(803,081)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(19,587,178)	-	(18,081,094)
	<b>Total</b>		<b>(\$214,117,115)</b>	<b>\$79,246,664</b>	<b>(\$175,078,992)</b>	<b>\$51,077,465</b>

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI  
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**Pro Forma Adjusted Basis**  
**August 2012**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,748,551,412	393,256,329	(\$1,100,659,255)	\$4,041,148,486	\$3,680,083,665	46.02%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
Preferred Stock	33,496,700		(7,170,329)	26,326,371	23,974,187	0.30%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,406,128,532		(943,179,207)	3,462,949,325	3,153,544,911	39.43%	5.85%	2.31%	5.85%	2.31%	5.85%	2.31%
Short Term Debt *	256,147,057	(163,336,542)	(19,867,089)	72,943,426	66,426,144	0.83%	0.68%	0.01%	0.68%	0.01%	0.68%	0.01%
Customer Deposits												
Active	215,294,201		(46,086,040)	169,208,162	169,208,162	2.12%	5.97%	0.13%	5.97%	0.13%	5.97%	0.13%
Inactive	1,175,225		(251,570)	923,655	923,655	0.01%						
Investment Tax Credit												
Post '70 Total	3,871,016		(828,633)	3,042,383								
Equity **					1,496,484	0.02%	7.56%	0.00%	8.36%	0.00%	9.15%	0.00%
Debt **					1,274,071	0.02%	4.67%	0.00%	4.67%	0.00%	4.67%	0.00%
Deferred Income Taxes	1,322,611,242	149,437,134	(315,107,789)	1,156,940,587	1,053,571,322	13.17%						
FAS 109 DIT - Net	(214,335,554)		45,880,831	(168,454,723)	(153,403,785)	-1.92%						
<b>Total</b>	<b>\$10,772,939,831</b>	<b>\$379,356,921</b>	<b>(\$2,387,269,079)</b>	<b>\$8,765,027,673</b>	<b>\$7,997,098,816</b>	<b>100.00%</b>		<b>6.83%</b>		<b>7.29%</b>		<b>7.75%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**August 2012**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,833,516,490	855,940,980	(\$1,699,860,613)	\$3,989,596,857	\$3,749,726,446	47.72%	9.50%	4.53%	10.50%	5.01%	11.50%	5.49%
Preferred Stock	33,496,700		(10,007,935)	23,488,765	22,076,527	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,429,124,357		(1,323,306,147)	3,105,818,209	2,919,084,082	37.15%	5.82%	2.16%	5.82%	2.16%	5.82%	2.16%
Short Term Debt *	249,555,450	(84,415,598)	(49,339,455)	115,800,397	108,838,017	1.39%	0.68%	0.01%	0.68%	0.01%	0.68%	0.01%
Customer Deposits												
Active	213,793,571		(63,875,910)	149,917,662	149,917,662	1.91%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,222,472		(365,243)	857,229	857,229	0.01%						
Investment Tax Credit												
Post '70 Total	3,209,516		(958,919)	2,250,596								
Equity **					1,192,432	0.02%	5.79%	0.00%	6.39%	0.00%	7.00%	0.00%
Debt **					922,850	0.01%	3.55%	0.00%	3.55%	0.00%	3.55%	0.00%
Deferred Income Taxes	1,435,279,725	157,174,653	(475,783,586)	1,116,670,792	1,049,532,108	13.36%						
FAS 109 DIT - Net	(220,076,807)		65,753,175	(154,323,631)	(145,045,081)	-1.85%						
<b>Total</b>	<b>\$10,979,121,473</b>	<b>\$928,700,035</b>	<b>(\$3,557,744,632)</b>	<b>\$8,350,076,877</b>	<b>\$7,857,102,272</b>	<b>100.00%</b>		<b>6.75%</b>		<b>7.23%</b>		<b>7.71%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**August 2012**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,748,551,412	393,256,329	(\$1,100,659,255)	\$4,041,148,486	\$3,566,955,202	45.99%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
Preferred Stock	33,496,700		(7,170,329)	26,326,371	23,237,203	0.30%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,406,128,532	0	(943,179,207)	3,462,949,325	3,056,602,635	39.41%	5.85%	2.31%	5.85%	2.31%	5.85%	2.31%
Short Term Debt *	256,147,057	(163,336,542)	(19,867,089)	72,943,426	64,384,156	0.83%	0.68%	0.01%	0.68%	0.01%	0.68%	0.01%
Customer Deposits												
Active	215,294,201		(46,086,040)	169,208,162	169,208,162	2.18%	5.97%	0.13%	5.97%	0.13%	5.97%	0.13%
Inactive	1,175,225		(251,570)	923,655	923,655	0.01%						
Investment Tax Credit												
Post '70 Total	3,871,016		(828,633)	3,042,383								
Equity **					1,450,481	0.02%	7.80%	0.00%	8.62%	0.00%	9.44%	0.00%
Debt **					1,234,905	0.02%	4.82%	0.00%	4.82%	0.00%	4.82%	0.00%
Deferred Income Taxes	1,322,611,242	149,437,134	(315,107,789)	1,156,940,587	1,021,183,770	13.17%						
FAS 109 DIT - Net	(214,335,554)		45,880,831	(168,454,723)	(148,688,041)	-1.92%						
<b>Total</b>	<b>\$10,772,939,831</b>	<b>\$379,356,921</b>	<b>(\$2,387,269,079)</b>	<b>\$8,765,027,673</b>	<b>\$7,756,492,127</b>	<b>100.00%</b>		<b>6.83%</b>		<b>7.29%</b>		<b>7.75%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**August 2012**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,833,516,490	\$855,940,980	(\$1,699,860,613)	\$3,989,596,857	\$3,749,726,446	49.11%	9.50%	4.67%	10.50%	5.16%	11.50%	5.65%
Preferred Stock	33,496,700		(10,007,935)	23,488,765	22,076,527	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,429,124,357	0	(1,323,306,147)	3,105,818,209	2,919,084,082	37.15%	5.82%	2.16%	5.82%	2.16%	5.82%	2.16%
Short Term Debt *	249,555,450	(84,415,598)	(49,339,455)	115,800,397	0	0.00%	0.68%	0.00%	0.68%	0.00%	0.68%	0.00%
Customer Deposits				-								
Active	213,793,571		(63,875,910)	149,917,662	149,917,662	1.91%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,222,472		(365,243)	857,229	857,229	0.01%						
Investment Tax Credit				-								
Post '70 Total	3,209,516		(958,919)	2,250,596								
Equity **				-	1,192,432	0.02%	5.79%	0.00%	6.39%	0.00%	7.00%	0.00%
Debt **				-	922,850	0.01%	3.55%	0.00%	3.55%	0.00%	3.55%	0.00%
Deferred Income Taxes	1,435,279,725	157,174,653	(475,783,586)	1,116,670,792	1,049,532,108	13.36%						
FAS 109 DIT - Net	(220,076,807)		65,753,175	(154,323,631)	(145,045,081)	-1.85%						
<b>Total</b>	<b>\$10,979,121,473</b>	<b>\$928,700,035</b>	<b>(\$3,557,744,632)</b>	<b>\$8,350,076,877</b>	<b>\$7,857,102,272</b>	<b>100.00%</b>		<b>6.88%</b>		<b>7.37%</b>		<b>7.86%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**August 2012**

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$529,884,463
AFUDC - Debt	\$16,648,718
Income Taxes	\$163,554,606
<b>Total</b>	<b>\$710,087,787</b>
Interest Charges (before deducting AFUDC-Debt)	\$256,755,159
<b>T.I.E. with AFUDC</b>	<b>2.77</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$529,884,463
AFUDC - Equity	(\$33,191,694)
Income Taxes	\$163,554,606
<b>Total</b>	<b>\$660,247,376</b>
Interest Charges (before deducting AFUDC-Debt)	\$256,755,159
<b>T.I.E. without AFUDC</b>	<b>2.57</b>

**C: PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS**

AFUDC - Debt	\$16,648,718
Less: DIT	\$0
<b>Subtotal</b>	<b>\$16,648,718</b>
AFUDC - Other	\$33,191,694
<b>Total AFUDC</b>	<b>\$49,840,411</b>
Net Income Available For Common Shareholders	\$288,266,161
<b>Percent AFUDC to Available Net Income</b>	<b>17.29%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$289,778,021
Common Dividends	(\$205,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$49,840,411)
Depreciation & Amortization	\$217,955,901
Deferred Income Taxes	\$201,165,251
Investment Tax Credits	(\$1,323,000)
Deferred Fuel (Net)	(\$95,541,088)
Nuclear Fuel Amortization	\$0
Nuclear Refueling	(\$16,840,126)
Other - Incl Nuclear Decommissioning	\$175,714,515
<b>Funds Provided from Operations</b>	<b>\$614,657,202</b>
Other Funds Provided - Incl Change in Working Capital	\$80,459,710
<b>Total Funds Provided</b>	<b>\$696,016,912</b>
Construction Expenditures (excluding AFUDC)	\$782,182,686
<b>Percentage Internally Generated Funds</b>	<b>76.07%</b>

**E: SHORT TERM DEBT / LONG TERM DEBT AS PERCENT OF TOTAL INVESTOR CAPITAL - FPSC**

Common Equity	\$3,566,955,202
Preferred Stock	\$23,237,203
Long Term Debt - Fixed Rate	\$3,056,602,635
Short Term Debt	\$64,384,156
<b>Total</b>	<b>\$6,711,179,195</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>45.54%</b>
<b>% Short Term Debt</b>	<b>0.96%</b>

**FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PRO FORMA**

<b>F: RETURN ON COMMON EQUITY</b>	<b>Pro Forma</b>	<b>FPSC</b>
Average Earned Rate of Return	6.52%	4.55%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.31%	2.31%
Short Term Debt	0.01%	0.01%
Customer Deposits	0.13%	0.13%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.46%</b>	<b>2.46%</b>
<b>Total</b>	<b>4.06%</b>	<b>2.09%</b>
<b>Divided by Common Equity Ratio</b>	<b>46.02%</b>	<b>45.99%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>8.82%</b>	<b>4.54%</b>