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DIVISION OF  
ACCOUNTING & FINANCE

March 15, 2013

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 January 31, 2013.

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 January 31, 2013. 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 horizontal line.

Javier Portuondo

Director Rates & Regulatory Strategy

dc

Attachment

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

**PROGRESS ENERGY FLORIDA  
Rate of Return Report Summary  
January 2013**

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)	\$598,397,070	(\$151,843,342)	\$446,553,728	\$69,270,232	\$515,823,960
Average Rate Base	\$9,734,098,316	(\$1,597,054,361)	\$8,137,043,955	\$0	\$8,137,043,955
Average Rate of Return	6.15%		5.49%		6.34%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$598,397,070	(\$151,843,342)	\$446,553,728	\$69,270,232	\$515,823,960
Year End Rate Base	\$8,891,668,181	(\$1,018,123,730)	\$7,873,544,451	\$0	\$7,873,544,451
Year End Rate of Return	6.73%		5.67%		6.55%

Footnotes

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

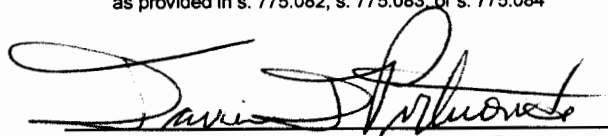
III. Required Rates of Return	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.71%	6.48%
Mid Point	7.17%	6.93%
High Point	7.64%	7.38%
Pro Forma Adjusted Basis		
Low Point	6.71%	6.48%
Mid Point	7.17%	6.93%
High Point	7.64%	7.38%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	2.51	(System Per Books Basis)
B. T.I.E. without AFUDC	2.31	(System Per Books Basis)
C. AFUDC to Net Income	19.71%	(System Per Books Basis)
D. Internally Generated Funds	60.63%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	44.05%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	2.24%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	6.87%	(FPSC Adjusted Basis)
	8.70%	(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

3-14-13  
Date

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Rate Base  
January 2013

	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
System Per Books	\$13,515,379,517	\$5,151,088,226	\$8,364,291,291	\$48,029,868	\$1,166,423,302	\$203,806,434	\$9,782,550,895	\$1,139,280,866	\$10,921,831,761
Regulatory Base - Retail	12,130,399,270	\$4,662,365,949	\$7,468,033,321	\$34,398,511	1,002,231,738	\$184,081,803	\$8,688,745,373	1,045,352,943	\$9,734,098,316
<b>FPSC Adjustments</b>									
ARO	(22,556,832)	(53,516,997)	30,960,165	-	-	-	30,960,165	(30,338,587)	621,578
ECCR	(1,918,528)	(1,246,778)	(671,750)	-	(13,306,704)	-	(13,978,455)	5,677,684	(8,300,791)
ECRC	(1,162,473,518)	(75,734,683)	(1,086,738,835)	-	(475,045)	-	(1,087,213,880)	(24,607,884)	(1,111,821,764)
FUEL	(32,503,704)	(31,509,014)	(994,690)	-	-	-	(994,690)	43,555,559	42,560,869
CCR	-	-	-	-	-	-	-	(9,315,593)	(9,315,593)
NUCLEAR	-	-	-	-	(312,303,900)	-	(312,303,900)	(139,099,735)	(451,403,634)
CR3 Removal	-	-	-	-	-	-	-	(2,148,620)	(2,148,620)
Derivatives	-	-	-	-	-	-	-	(99,569,599)	(99,569,599)
Employee Related	-	-	-	-	-	-	-	1,431,979	1,431,979
Investments Earning a Return	-	-	-	-	-	-	-	(60,548,139)	(60,548,139)
Jobbing Accounts	-	-	-	-	-	-	-	(114,830,654)	(114,830,654)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,394,316)	(2,394,316)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(920,740)	(920,740)
Retention Accounts	-	-	-	-	-	-	-	1,037,241	1,037,241
CWIP - AFUDC	-	-	-	-	(442,949,280)	-	(442,949,280)	-	(442,949,280)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	661,668,394	661,668,394
Capital Lease	(193,537,045)	-	(193,537,045)	-	-	-	(193,537,045)	193,365,755	(171,291)
<b>Total FPSC Adjustments</b>	<b>(1,412,989,628)</b>	<b>(162,007,471)</b>	<b>(1,250,982,156)</b>	<b>-</b>	<b>(769,034,929)</b>	<b>-</b>	<b>(2,020,017,085)</b>	<b>422,962,724</b>	<b>(1,597,054,361)</b>
<b>FPSC Adjusted</b>	<b>\$10,717,409,642</b>	<b>\$4,500,358,478</b>	<b>\$6,217,051,165</b>	<b>\$34,398,511</b>	<b>\$233,196,809</b>	<b>\$184,081,803</b>	<b>\$6,668,728,288</b>	<b>\$1,468,315,667</b>	<b>\$8,137,043,955</b>

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Income Statement  
January 2013

	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>	\$4,638,751,989	\$2,269,646,172	\$1,042,399,741	\$192,200,587	\$344,242,680	\$9,752,635	\$202,738,617	(\$941,750)	\$0	\$4,060,038,682	\$578,713,307
<b>Regulatory Base - Retail</b>	\$4,361,910,481	2,172,677,695	962,761,653	134,691,851	\$331,776,713	\$28,649,735	\$181,712,595	(\$844,081)	\$0	\$3,811,425,060	\$550,485,420
<b>FPSC Adjustments</b>											
ARO	-	-	-	(437,539)	-	168,781	-	-	-	(268,759)	268,759
ECCR	(92,047,796)	-	(88,378,631)	(364,981)	(37,069)	(1,260,290)	-	-	-	(90,040,970)	(2,006,826)
ECRC	(194,025,542)	-	(34,203,917)	(28,032,586)	(10,147,889)	(46,923,074)	-	-	-	(119,307,466)	(74,718,077)
FUEL	(1,823,434,660)	(1,836,107,929)	-	(195,627)	(1,555,911)	5,564,369	-	-	-	(1,832,295,097)	8,860,438
CCR	(348,238,215)	(347,954,474)	-	-	-	(109,453)	-	-	-	(348,063,927)	(174,287)
NUCLEAR	(90,982,032)	-	(1,378,139)	(32,058,075)	(97,921)	(22,160,526)	-	-	-	(55,694,661)	(35,287,371)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,544,537)	-	-	981,555	-	-	-	(1,562,982)	1,562,982
FRANCHISE FEE & GROSS REC TAX REVENUE	(204,070,381)	-	-	-	-	(78,720,149)	-	-	-	(78,720,149)	(125,350,231)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(203,047,429)	78,325,546	-	-	-	(124,721,883)	124,721,883
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	756,943	-	-	(1,962,264)	(1,205,321)	1,205,321
INST./PROMOTIONAL ADVERTISING	-	-	(259,451)	-	-	100,083	-	-	-	(159,368)	159,368
INTEREST ON TAX DEFICIENCY	-	-	1,268,127	-	-	(489,180)	-	-	-	778,947	(778,947)
MISCELLANEOUS INTEREST EXPENSE	-	-	185,524	-	-	(71,566)	-	-	-	113,958	(113,958)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(667,934)	-	-	257,656	-	-	-	(410,278)	410,278
REMOVE DEFERRED TAX AFUDC DEBT	-	-	0	-	-	0	-	-	-	0	0
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,307)	-	-	6,676	-	-	-	(10,631)	10,631
REVENUE SHARING	-	-	0	-	-	0	-	-	-	0	0
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,028,984)	-	-	-	(11,028,984)	11,028,984
DIRECTORS & OFFICERS PREMIUM	-	-	(1,426,964)	-	-	550,451	-	-	-	(876,513)	876,513
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,607,257	-	-	-	14,607,257	(14,607,257)
<b>Total FPSC Adjustments</b>	<b>(2,762,798,625)</b>	<b>(2,184,062,404)</b>	<b>(127,423,402)</b>	<b>(61,088,808)</b>	<b>(214,886,218)</b>	<b>(69,443,837)</b>	<b>-</b>	<b>-</b>	<b>(1,962,264)</b>	<b>(2,648,866,933)</b>	<b>(103,931,692)</b>
<b>FPSC Adjusted</b>	<b>\$1,609,111,856</b>	<b>(\$11,384,809)</b>	<b>\$835,338,251</b>	<b>\$73,603,043</b>	<b>\$116,889,495</b>	<b>(\$30,794,102)</b>	<b>\$181,712,595</b>	<b>(\$844,081)</b>	<b>(\$1,962,264)</b>	<b>\$1,162,568,128</b>	<b>\$446,553,728</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	12,772,050	-	-	-	-	4,926,818	-	-	-	4,926,818	7,845,232
Settlement Refund	-	-	(100,000,000)	-	-	-	38,575,000	-	-	(61,425,000)	61,425,000
<b>Total Pro Forma Adjustments</b>	<b>12,772,050</b>	<b>-</b>	<b>(100,000,000)</b>	<b>-</b>	<b>-</b>	<b>4,926,818</b>	<b>38,575,000</b>	<b>-</b>	<b>-</b>	<b>(56,498,182)</b>	<b>69,270,232</b>
<b>Pro Forma Adjusted</b>	<b>\$1,621,883,906</b>	<b>(\$11,384,809)</b>	<b>\$735,338,251</b>	<b>\$73,603,043</b>	<b>\$116,889,495</b>	<b>(\$25,867,284)</b>	<b>\$220,287,595</b>	<b>(\$844,081)</b>	<b>(\$1,962,264)</b>	<b>\$1,106,069,946</b>	<b>\$515,823,960</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$55,763,093 and Jurisdictional NOI by \$47,911,650

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>	\$321,023,974	\$136,566,726	\$55,051,718	\$33,269,047	\$27,305,175	19,804,842	\$0	\$0	\$0	\$271,997,508	\$49,026,465
<b>Jurisdictional Per Books</b>											
<b>Excluding AFUDC Earnings and Recoverable</b>	<b>126,949,702</b>	<b>\$346,782</b>	<b>32,954,779</b>	<b>22,485,336</b>	<b>11,942,032</b>	<b>19,355,676</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,084,505</b>	<b>\$39,865,197</b>

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Adjustments  
January 2013

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	(\$8,300,791)	(\$8,300,791)
	ECRC	F	(\$1,204,224,681)	(\$1,111,821,784)
	FUEL	F	\$42,560,869	\$42,560,869
	CCR	F	(\$9,315,593)	(\$9,315,593)
	NUCLEAR	F	(\$482,993,737)	(\$451,403,634)
	Derivatives	F	(\$99,569,599)	(\$99,569,599)
	CR3 Removal	F	(\$2,148,620)	(\$2,148,620)
	Employee Related	F	\$1,431,979	\$1,431,979
	Investments Earning a Return	F	(\$60,548,139)	(\$60,548,139)
	Jobbing Accounts	F	(\$114,830,654)	(\$114,830,654)
	Non-Regulated and Miscellaneous	F	(\$2,394,316)	(\$2,394,316)
	Rate Case Regulatory Asset	F	(\$920,740)	(\$920,740)
	Retention Accounts	F	\$1,037,241	\$1,037,241
(1)	CWIP - AFUDC	F	(\$529,647,867)	(\$442,949,280)
(3)	Imputed Off Balance Sheet Obligations	F	726,397,692	661,668,394
(2)	Capital Lease - EPIS	F	(193,537,045)	(193,537,045)
(2)	Capital Lease - Working Capital	F	193,365,755	193,365,755
	<b>Total</b>		<b>(\$1,743,016,669)</b>	<b>(\$1,697,054,361)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$437,539	(\$168,781)	\$437,539	(\$168,781)
	ECCR	F	(3,267,116)	1,260,290	(3,267,116)	1,260,290
	ECRC	F	(192,465,358)	74,243,512	(121,641,151)	46,923,074
	FUEL	F	13,117,942	5,060,246	14,424,807	(5,564,369)
	CCR	F	(283,740)	109,453	(283,740)	109,453
	NUCLEAR	F	(57,283,249)	22,097,013	(57,447,897)	22,160,526
	SCRC	F	173	(67)	173	(67)
	CR3 Removal	F	\$0	\$0	\$0	\$0
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,759,053	(\$1,064,305)	\$2,544,537	(\$981,555)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(204,070,381)	78,720,149	(204,070,381)	78,720,149
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,047,429	(78,325,546)	203,047,429	(78,325,546)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,147,918	(828,559)	1,962,264	(756,943)
(1)	INST./PROMOTIONAL ADVERTISING	F	281,324	(108,521)	259,451	(100,083)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,393,683)	537,613	(1,268,127)	489,180
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(566,859)	218,666	(185,524)	71,566
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	724,244	(279,377)	667,934	(257,656)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,307	(6,676)	17,307	(6,676)
(2)	PARENT DEBT ADJUSTMENT	F	0	12,980,620	0	11,028,984
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,426,964	(550,451)	1,426,964	(550,451)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(16,353,656)	0	(14,607,257)
	<b>Total</b>		<b>(\$235,370,493)</b>	<b>\$97,641,624</b>	<b>(\$163,376,630)</b>	<b>\$69,443,837</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**  
**January 2013**

	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>\$12,945,492,307</b>	<b>\$4,791,090,283</b>	<b>\$8,154,402,024</b>	<b>\$149,948,453</b>	<b>\$387,990,427</b>	<b>\$97,648</b>	<b>\$8,692,438,551</b>	<b>\$1,139,280,866</b>	<b>\$9,831,719,418</b>
<b>Regulatory Base - Retail</b>	<b>\$11,688,014,577</b>	<b>\$4,267,113,261</b>	<b>\$7,420,901,316</b>	<b>\$107,391,582</b>	<b>318,061,943</b>	<b>(\$39,603)</b>	<b>\$7,846,315,238</b>	<b>\$1,045,352,943</b>	<b>\$8,891,668,181</b>
<b>FPSC Adjustments</b>									
ARO	(19,543,694)	(23,827,401)	4,283,707	-	-	-	4,283,707	(30,338,587)	(26,054,880)
ECCR	(3,042,631)	(1,482,780)	(1,559,851)	-	(14,650,991)	-	(16,210,842)	5,677,664	(10,533,178)
ECRC	(1,164,460,883)	(88,765,337)	(1,075,695,546)	-	(691,752)	-	(1,076,387,298)	(24,607,884)	(1,100,995,182)
FUEL	(31,188,445)	(30,252,791)	(935,654)	-	-	-	(935,654)	43,555,559	42,619,905
CCR	-	-	-	-	-	-	-	(9,315,593)	(9,315,593)
NUCLEAR	-	-	-	-	(98,503,790)	-	(98,503,790)	(139,099,735)	(237,603,525)
CR3 Removal	-	-	-	-	-	-	-	(2,148,620)	(2,148,620)
Derivatives	-	-	-	-	-	-	-	(99,569,599)	(99,569,599)
Employee Related	-	-	-	-	-	-	-	1,431,979	1,431,979
Investments Earning a Return	-	-	-	-	-	-	-	(60,548,139)	(60,548,139)
Jobbing Accounts	-	-	-	-	-	-	-	(114,830,654)	(114,830,654)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,394,316)	(2,394,316)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(920,740)	(920,740)
Retention Accounts	-	-	-	-	-	-	-	1,037,241	1,037,241
CWIP - AFUDC	-	-	-	-	(64,266,419)	-	(64,266,419)	-	(64,266,419)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	661,668,394	661,668,394
Capital Lease	(189,066,158)	-	(189,066,158)	-	-	-	(189,066,158)	193,365,755	4,299,597
<b>Total FPSC Adjustments</b>	<b>(1,407,301,811)</b>	<b>(144,328,309)</b>	<b>(1,262,973,502)</b>	<b>-</b>	<b>(178,112,952)</b>	<b>-</b>	<b>(1,441,086,454)</b>	<b>422,962,724</b>	<b>(1,018,123,730)</b>
<b>FPSC Adjusted</b>	<b>\$10,280,712,766</b>	<b>\$4,122,784,952</b>	<b>\$6,157,927,814</b>	<b>\$107,391,582</b>	<b>\$139,948,991</b>	<b>(\$39,603)</b>	<b>\$6,405,228,784</b>	<b>\$1,468,315,667</b>	<b>\$7,873,544,451</b>

**PROGRESS ENERGY FLORIDA**  
**End of Period - Income Statement**  
**January 2013**

	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>\$4,638,751,989</b>	<b>\$2,269,646,172</b>	<b>\$1,042,399,741</b>	<b>\$192,200,587</b>	<b>\$344,242,680</b>	<b>\$9,752,635</b>	<b>\$202,738,617</b>	<b>(\$941,750)</b>	<b>\$0</b>	<b>\$4,060,038,682</b>	<b>\$578,713,307</b>
<b>Regulatory Base - Retail</b>	<b>\$4,361,910,481</b>	<b>\$2,172,677,595</b>	<b>962,761,653</b>	<b>134,691,851</b>	<b>\$331,775,713</b>	<b>\$28,649,735</b>	<b>\$181,712,595</b>	<b>(\$844,081)</b>	<b>\$0</b>	<b>\$3,811,425,060</b>	<b>\$550,485,420</b>
<b>FPSC Adjustments</b>											
ARO	-	-	-	(437,539)	-	168,781	-	-	-	(268,759)	268,759
ECCR	(92,047,796)	-	(88,378,631)	(364,981)	(37,069)	(1,280,290)	-	-	-	(90,040,970)	(2,006,826)
ECRC	(194,025,542)	-	(34,203,917)	(28,032,586)	(10,147,889)	(48,923,074)	-	-	-	(119,307,466)	(74,718,077)
FUEL	(1,823,434,660)	(1,836,107,929)	-	(195,627)	(1,555,911)	5,564,369	-	-	-	(1,832,295,097)	8,860,438
CCR	(348,238,215)	(347,954,474)	-	-	-	(109,453)	-	-	-	(348,063,927)	(174,287)
NUCLEAR	(90,982,032)	-	(1,378,139)	(32,058,075)	(97,921)	(22,160,526)	-	-	-	(55,694,661)	(35,287,371)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,544,537)	-	-	981,555	-	-	-	(1,562,982)	1,562,982
FRANCHISE FEE & GROSS REC TAX REVENUE	(204,070,381)	-	-	-	-	(78,720,149)	-	-	-	(78,720,149)	(125,350,231)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(203,047,429)	78,325,546	-	-	-	(124,721,883)	124,721,883
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	756,943	-	-	(1,962,264)	(1,205,321)	1,205,321
INST./PROMOTIONAL ADVERTISING	-	-	(259,451)	-	-	100,083	-	-	-	(159,368)	159,368
INTEREST ON TAX DEFICIENCY	-	-	1,268,127	-	-	(489,180)	-	-	-	778,947	(778,947)
MISCELLANEOUS INTEREST EXPENSE	-	-	185,524	-	-	(71,566)	-	-	-	113,958	(113,958)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(867,934)	-	-	257,656	-	-	-	(410,278)	410,278
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,307)	-	-	6,676	-	-	-	(10,631)	10,631
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,028,984)	-	-	-	(11,028,984)	11,028,984
SEBRING - RIDER REVENUE	-	-	-	-	-	-	-	-	-	-	-
DIRECTORS & OFFICERS PREMIUM	-	-	(1,426,964)	-	-	550,451	-	-	-	(876,513)	876,513
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,607,257	-	-	-	14,607,257	(14,607,257)
<b>Total FPSC Adjustments</b>	<b>(2,752,798,625)</b>	<b>(2,184,062,404)</b>	<b>(127,423,402)</b>	<b>(61,088,808)</b>	<b>(214,886,218)</b>	<b>(59,443,837)</b>	<b>-</b>	<b>-</b>	<b>(1,962,264)</b>	<b>(2,648,866,933)</b>	<b>(103,931,692)</b>
<b>FPSC Adjusted</b>	<b>\$1,609,111,856</b>	<b>(\$11,384,809)</b>	<b>\$835,338,251</b>	<b>\$73,603,043</b>	<b>\$116,889,495</b>	<b>(\$30,794,102)</b>	<b>\$181,712,595</b>	<b>(\$844,081)</b>	<b>(\$1,962,264)</b>	<b>\$1,162,558,128</b>	<b>\$446,553,728</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$55,763,093 and Jurisdictional NOI by \$47,911,650

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Adjustments**  
**January 2013**

Schedule 3  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	(\$26,054,880)	(\$26,054,880)
	ECCR	F	(10,533,178)	(10,533,178)
	ECRC	F	(1,204,224,681)	(1,100,995,182)
	FUEL	F	42,619,905	42,619,905
	CCR	F	(9,315,593)	(9,315,593)
	NUCLEAR	F	(247,587,361)	(237,603,525)
	Derivatives	F	(99,589,599)	(99,589,599)
	CR3 Removal	F	(\$2,148,620)	(\$2,148,620)
	Employee Related	F	1,431,979	1,431,979
	Investments Earning a Return	F	(60,548,139)	(60,548,139)
	Jobbing Accounts	F	(114,830,654)	(114,830,654)
	Non-Regulated and Miscellaneous	F	(2,394,316)	(2,394,316)
	Rate Case Regulatory Asset	F	(920,740)	(920,740)
	Retention Accounts	F	1,037,241	1,037,241
(1)	CWIP - AFUDC	F	(\$88,116,884)	(\$84,266,419)
(3)	Imputed Off Balance Sheet Obligations	F	726,397,692	661,668,394
(2)	Capital Lease - EPIS	F	(189,066,158)	(189,066,158)
(2)	Capital Lease - Working Capital	F	193,365,755	193,365,755
	<b>Total</b>		<b>(\$1,090,438,231)</b>	<b>(\$1,018,123,730)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$437,539	(\$168,781)	\$437,539	(\$168,781)
	ECCR	F	(3,267,116)	1,260,290	(3,267,116)	1,260,290
	ECRC	F	(192,465,358)	74,243,512	(121,641,151)	46,923,074
	FUEL	F	13,117,942	5,060,246	14,424,807	(5,564,369)
	CCR	F	(283,740)	109,453	(283,740)	109,453
	NUCLEAR	F	(57,283,249)	22,097,013	(57,447,897)	22,160,526
	SCRC	F	173	(67)	173	(67)
	CR3 Removal	F	\$0	\$0	\$0	\$0
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,759,053	(\$1,064,305)	\$2,544,537	(\$981,555)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(204,070,381)	78,720,149	(204,070,381)	78,720,149
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,047,429	(78,325,546)	203,047,429	(78,325,546)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,147,918	(828,559)	1,962,264	(756,943)
(1)	INST./PROMOTIONAL ADVERTISING	F	281,324	(108,521)	259,451	(100,083)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,393,683)	537,613	(1,268,127)	489,180
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(566,859)	218,666	(185,524)	71,566
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	724,244	(279,377)	667,934	(257,656)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,307	(6,676)	17,307	(6,676)
(2)	PARENT DEBT ADJUSTMENT	F	-	12,980,620	-	11,028,984
(2)	STORM COSTS 2004	F	1,426,964	(550,451)	1,426,964	(550,451)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(16,353,656)	-	(14,607,257)
	<b>Total</b>		<b>(\$235,370,493)</b>	<b>\$97,541,624</b>	<b>(\$163,375,530)</b>	<b>\$59,443,837</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**  
**January 2013**

	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	\$4,780,615,759	723,784,504	(\$810,959,859)	\$4,693,440,404	\$3,769,017,530	46.32%	9.50%	4.40%	10.50%	4.86%	11.50%	5.33%
Preferred Stock	33,496,700		(4,935,048)	28,561,652	22,936,132	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,541,991,289		(669,168,745)	3,872,822,544	3,110,029,063	38.22%	5.74%	2.19%	5.74%	2.19%	5.74%	2.19%
Short Term Debt *	190,037,628	41,129,617	(34,057,726)	197,109,519	158,286,708	1.95%	0.53%	0.01%	0.53%	0.01%	0.53%	0.01%
Customer Deposits												
Active	214,234,120		(31,562,979)	182,671,141	182,671,141	2.24%	4.44%	0.10%	4.44%	0.10%	4.44%	0.10%
Inactive	1,307,667		(192,658)	1,115,009	1,115,009	0.01%						
Investment Tax Credit												
Post '70 Total	3,369,939		(496,491)	2,873,448								
Equity **					1,267,737	0.02%	9.76%	0.00%	10.78%	0.00%	11.80%	0.00%
Debt **					1,039,754	0.01%	5.91%	0.00%	5.91%	0.00%	5.91%	0.00%
Deferred Income Taxes	1,376,545,740	144,001,725	(224,021,310)	1,296,526,154	1,041,161,575	12.80%						
FAS 109 DIT - Net	(219,767,080)		32,378,147	(187,388,933)	(150,480,695)	-1.85%						
<b>Total</b>	<b>\$10,921,831,761</b>	<b>\$908,915,846</b>	<b>(\$1,743,016,669)</b>	<b>\$10,087,730,938</b>	<b>\$8,137,043,955</b>	<b>100.00%</b>		<b>6.71%</b>		<b>7.17%</b>		<b>7.64%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**January 2013**

	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	\$4,850,717,890	856,349,441	(\$499,319,000)	\$5,207,748,331	\$3,577,308,376	45.43%	9.50%	4.32%	10.50%	4.77%	11.50%	5.22%
Preferred Stock	33,496,700		(2,930,671)	30,566,029	20,996,428	0.27%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	5,072,960,159		(443,840,110)	4,629,120,048	3,179,836,826	40.39%	5.14%	2.08%	5.14%	2.08%	5.14%	2.08%
Short Term Debt *	(304,836,185)	555,845,919	(21,961,179)	229,048,555	157,338,116	2.00%	0.53%	0.01%	0.53%	0.01%	0.53%	0.01%
Customer Deposits												
Active	212,726,318		(18,611,712)	194,114,607	194,114,607	2.47%	2.29%	0.06%	2.29%	0.06%	2.29%	0.06%
Inactive	1,621,098		(141,832)	1,479,266	1,479,266	0.02%						
Investment Tax Credit												
Post '70 Total	3,039,516		(265,931)	2,773,584								
Equity **					1,011,428	0.01%	12.46%	0.00%	13.77%	0.00%	15.08%	0.00%
Debt **					893,803	0.01%	6.77%	0.00%	6.77%	0.00%	6.77%	0.00%
Deferred Income Taxes	1,408,346,692	(570,179)	(123,168,261)	1,284,608,252	882,423,567	11.21%						
FAS 109 DIT - Net	(226,313,438)		19,800,467	(206,512,971)	(141,857,965)	-1.80%						
<b>Total</b>	<b>\$11,051,758,749</b>	<b>\$1,411,625,182</b>	<b>(\$1,090,438,231)</b>	<b>\$11,372,945,700</b>	<b>\$7,873,544,451</b>	<b>100.00%</b>		<b>6.48%</b>		<b>6.93%</b>		<b>7.38%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**January 2013**

	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	\$4,780,615,759	723,784,504	(\$810,959,859)	\$4,693,440,404	\$3,769,017,530	46.32%	9.50%	4.40%	10.50%	4.86%	11.50%	5.33%
Preferred Stock	33,496,700		(4,935,048)	28,561,652	22,936,132	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,541,991,289	0	(669,168,745)	3,872,822,544	3,110,029,063	38.22%	5.74%	2.19%	5.74%	2.19%	5.74%	2.19%
Short Term Debt *	190,037,628	41,129,617	(34,057,726)	197,109,519	158,286,708	1.95%	0.53%	0.01%	0.53%	0.01%	0.53%	0.01%
Customer Deposits												
Active	214,234,120		(31,562,979)	182,671,141	182,671,141	2.24%	4.44%	0.10%	4.44%	0.10%	4.44%	0.10%
Inactive	1,307,667		(192,658)	1,115,009	1,115,009	0.01%						
Investment Tax Credit												
Post '70 Total	3,369,939		(496,491)	2,873,448								
Equity **					1,267,737	0.02%	9.76%	0.00%	10.78%	0.00%	11.80%	0.00%
Debt **					1,039,754	0.01%	5.91%	0.00%	5.91%	0.00%	5.91%	0.00%
Deferred Income Taxes	1,376,545,740	144,001,725	(224,021,310)	1,296,526,154	1,041,161,575	12.80%						
FAS 109 DIT - Net	(219,767,080)		32,378,147	(187,388,933)	(150,480,695)	-1.85%						
<b>Total</b>	<b>\$10,921,831,761</b>	<b>\$908,915,846</b>	<b>(\$1,743,016,669)</b>	<b>\$10,087,730,938</b>	<b>\$8,137,043,955</b>	<b>100.00%</b>		<b>6.71%</b>		<b>7.17%</b>		<b>7.64%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**January 2013**

	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	\$4,850,717,890	\$856,349,441	(\$499,319,000)	\$5,207,748,331	\$3,577,308,376	45.43%	9.50%	4.32%	10.50%	4.77%	11.50%	5.22%
Preferred Stock	33,496,700		(2,930,671)	30,566,029	20,996,428	0.27%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	5,072,960,159	0	(443,840,110)	4,629,120,048	3,179,836,826	40.39%	5.14%	2.08%	5.14%	2.08%	5.14%	2.08%
Short Term Debt *	(304,836,185)	555,845,919	(21,961,179)	229,048,555	157,338,116	2.00%	0.53%	0.01%	0.53%	0.01%	0.53%	0.01%
Customer Deposits				-								
Active	212,726,318		(18,611,712)	194,114,607	194,114,607	2.47%	2.29%	0.06%	2.29%	0.06%	2.29%	0.06%
Inactive	1,621,098		(141,832)	1,479,266	1,479,266	0.02%						
Investment Tax Credit				-								
Post '70 Total	3,039,516		(265,931)	2,773,584								
Equity **				-	1,011,428	0.01%	12.46%	0.00%	13.77%	0.00%	15.08%	0.00%
Debt **				-	893,803	0.01%	6.77%	0.00%	6.77%	0.00%	6.77%	0.00%
Deferred Income Taxes	1,408,346,692	(570,179)	(123,168,261)	1,284,608,252	882,423,567	11.21%						
FAS 109 DIT - Net	(226,313,438)		19,800,467	(206,512,971)	(141,857,965)	-1.80%						
<b>Total</b>	<b>\$11,051,758,749</b>	<b>\$1,411,625,182</b>	<b>(\$1,090,438,231)</b>	<b>\$11,372,945,700</b>	<b>\$7,873,544,451</b>	<b>100.00%</b>		<b>6.48%</b>		<b>6.93%</b>		<b>7.38%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**January 2013**

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$541,346,401
AFUDC - Debt	\$18,605,337
Income Taxes	\$128,928,398
<b>Total</b>	<b>\$688,880,136</b>
Interest Charges (before deducting AFUDC-Debt)	\$274,073,068
<b>T.I.E. with AFUDC</b>	<b>2.51</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$541,346,401
AFUDC - Equity	(\$37,157,756)
Income Taxes	\$128,928,398
<b>Total</b>	<b>\$633,117,043</b>
Interest Charges (before deducting AFUDC-Debt)	\$274,073,068
<b>T.I.E. without AFUDC</b>	<b>2.31</b>

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

AFUDC - Debt	\$18,605,337
Less: DIT	\$0
<b>Subtotal</b>	<b>\$18,605,337</b>
AFUDC - Other	\$37,157,756
<b>Total AFUDC</b>	<b>\$55,763,093</b>
Net Income Available For Common Shareholders	\$282,920,071
<b>Percent AFUDC to Available Net Income</b>	<b>19.71%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$284,431,931
Common Dividends	(\$130,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC Equity	(\$37,157,756)
Depreciation & Amortization	\$196,812,972 *
Deferred Income Taxes	\$207,572,628 *
Investment Tax Credits	(\$941,750)
Nuclear Refueling	(\$17,974,152) *
Other - Incl Nuclear Decommissioning	(\$23,961,937) *
<b>Funds Provided from Operations</b>	<b>\$477,270,076</b>
Other Funds Provided - Incl Change in Working Capital	\$12,969,932 *
<b>Total Funds Provided</b>	<b>\$490,240,008</b>
Construction Expenditures (excluding AFUDC)	\$808,599,641
<b>Percentage Internally Generated Funds</b>	<b>60.63%</b>

\*Updated on a quarterly basis

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

Common Equity	\$3,745,176,702
Preferred Stock	\$23,067,794
Long Term Debt - Fixed Rate	\$3,127,881,771
Short Term Debt	\$159,195,332
<b>Total</b>	<b>\$7,065,321,599</b>

<b>% Long Term Debt - Fixed Rate</b>	<b>44.33%</b>
<b>% Short Term Debt</b>	<b>2.26%</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	6.35%	5.50%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.21%	2.21%
Short Term Debt	0.01%	0.01%
Customer Deposits	0.10%	0.10%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.33%</b>	<b>2.33%</b>
<b>Total</b>	<b>4.02%</b>	<b>3.17%</b>
<b>Divided by Common Equity Ratio</b>	<b>46.03%</b>	<b>46.03%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>8.73%</b>	<b>6.89%</b>