Florida Power
CORPORATION

September 18, 1997

VIA OVERNIGHT MAIL

Ms. Blanca S. Bayó
Director, Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. [redacted] - Consummation Report.

Dear Ms. Bayó:

Pursuant to the requirements of the Commission's Order No. PSC-96-1521-FOF-EI issued December 16, 1996, as amended by Order No. PSC-97-0925-FOF-EI issued August 4, 1997, I enclose herewith for filing one executed original and three additional conformed copies of a Consummation Report dated September 18, 1997 for Florida Power Corporation (the "Company") in the above-referenced docket.

Please acknowledge your receipt of the Consummation Reports by date-stamping the enclosed copy of this letter and returning it to me using the enclosed, self-addressed and stamped envelope provided for this purpose.

Very truly yours,

Douglas E. Wentz

ACK
AFA Jones
APP
CAF
CMU
CTR
EAG
LEG Elias
LIN
OPC
RCH
SEC 1
WAS
OTH

Enclosures

cc: Kenneth E. Armstrong
Jack Shreve
(each with enclo.)

P:\Power.MTN\Consum.Rpt

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
09509 SEP 22
FPSC-RECORDS/REPORTING

ORIGINAL

DOCKET NO. 961216-EI

FLORIDA PUBLIC SERVICE COMMISSION

TALLAHASSEE, FLORIDA

CONSUMMATION REPORT

TO

APPLICATION OF

FLORIDA POWER CORPORATION

FOR AUTHORITY TO ISSUE AND SELL

SECURITIES DURING 1997

PURSUANT TO FLORIDA STATUTES, SECTION 366.04

AND RULE 25-8, FLORIDA ADMINISTRATIVE CODE

Address communications in connection with this Consummation Report to:

Kenneth E. Armstrong
Vice President and General Counsel
Florida Power Corporation
P.O. Box 14042
St. Petersburg, FL 33733

Dated: September 18, 1997

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In Re: APPLICATION OF FLORIDA POWER CORPORATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 1997 PURSUANT TO FLORIDA STATUTES SECTION 366.04 AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE	)	DOCKET NO. 961216-EI

The Applicant, Florida Power Corporation (the "Company"), pursuant to Commission Order No. PSC-96-1521-FOF-EI issued December 16, 1996, as amended by Order No. PSC-97-0925-FOF-EI that was approved by the Commission at its agenda conference on July 15, 1997 and issued on August 4, 1997 (collectively, the "Order"), hereby files its Consummation Report as required by the terms of such Order and pursuant to Rule 25-8.009, Florida Administrative Code.

(1) On June 10, 1997, the Commission issued its Order No. PSC-97-0652-S-EQ approving the Company's Petition in Docket No. 970096-EQ concerning the Company's acquisition of the Tiger Bay cogeneration facility located in Polk County, Florida, for a purchase price of approximately $450 million (the "Tiger Bay Transaction").

In order to finance the Tiger Bay Transaction, on July 10, 1997, the Company executed (i) a commitment letter agreement (the "Short-Term Commitment Letter") with The Chase Manhattan Bank ("Chase"), pursuant to which Chase agreed to make a short-term loan to the Company in an aggregate principal amount not to exceed $200 million, such loan to be made at any time prior to June 30, 1998 and to mature no later than that date; (ii) a Fixed Rate Promissory Note to evidence any borrowings under the Short-Term Commitment Letter (the "Short-Term Loan Note"); (iii) a commitment letter agreement (the "Long-Term Commitment Letter") with Chase, pursuant to which Chase agreed to make a long-term loan to the Company in an aggregate principal amount not to exceed $250 million, such loan to be made at any time prior to August 31, 1998 and to mature no later than that date; (iv) a Fixed Rate Promissory Note to evidence any borrowings under the Long-Term Commitment Letter (the "Long-Term Loan Note").

On July 15, 1997, the Company closed the Tiger Bay Transaction, and initially financed the acquisition with a $200 million loan under the Short-Term Commitment Letter bearing interest at a rate of 5.725% per annum, and a $250 million loan under the Long-Term Commitment Letter bearing interest at a rate of 5.725% per annum. Each loan could be prepaid at any time without penalty.

On July 22, 1997, the Company entered into a Terms Agreement with a group of six underwriters (J.P. Morgan Securities Inc., PaineWebber Incorporated, First Chicago Capital Markets, Inc., Salomon Brothers Inc, Chase Securities Inc. and NationsBanc Capital Markets, Inc.) providing for the sale in an underwritten transaction of $450 million of Medium-Term Notes (the "MTNs"). A Prospectus Supplement dated July 22, 1997 was prepared and distributed, and the sale closed on July 25, 1997. The proceeds from the sale of the MTNs were used by the Company to repay, on July 25, 1997, the funds borrowed pursuant to the Short and Long-Term Commitment Letters.

The MTNs were issued with nine separate maturities and interest rates, as follows:

Amount	Interest rate	Name of series	Maturity	Under-writing Discount	Proceeds to Company
$ 15,000,000	6.21%	Medium-Term Notes, Series B, due July 1, 1999		.250%	99.750%
$ 75,000,000	6.33%	Medium-Term Notes, Series B, due July 1, 2000		.350%	99.650%
$ 80,000,000	6.47%	Medium-Term Notes, Series B, due July 1, 2001		.450%	99.550%
$ 30,000,000	6.54%	Medium-Term Notes, Series B, due July 1, 2002		.500%	99.500%
$ 35,000,000	6.62%	Medium-Term Notes, Series B, due July 1, 2003		.550%	99.450%
$ 40,000,000	6.69%	Medium-Term Notes, Series B, due July 1, 2004		.600%	99.400%
$ 45,000,000	6.72%	Medium-Term Notes, Series B, due July 1, 2005		.600%	99.400%
$ 45,000,000	6.77%	Medium-Term Notes, Series B, due July 1, 2006		.600%	99.400%
$ 85,000,000	6.81%	Medium-Term Notes, Series B, due July 1, 2007		.625%	99.375%
$450,000,000					$447,686,250*

* Before deducting expenses payable by the Company, estimated at $250,000.

Interest on all the MTNs is payable semi-annually in arrears on January 1 and July 1 of each year, commencing January 1, 1998, to holders of record on the December 15 and June 15 immediately preceding such dates, respectively. The MTNs are not redeemable prior to maturity and will not be subject to any sinking fund.

The MTNs were issued under the Company's existing medium-term note program, which was established on August 17, 1992 when the Company filed a Registration Statement on Form S-3 (No. 33-50908) (the "First Registration Statement") with the Securities and Exchange Commission (the "SEC") pursuant to Rule 415 under the Securities Act of 1933 (the "Securities Act") relating to the registration of $200 million aggregate principal amount of medium-term notes. On April 13, 1993, the Company sold $30.7 million of medium-term notes under the First Registration Statement, leaving $169.3 million available to be issued. On April 16, 1996, the Company filed a second Registration Statement on Form S-3 (No. 333-02549) (the "Second Registration Statement") with the SEC relating to the registration of an additional $130.7 million of medium-term notes, so that an aggregate of $300 million was available to be issued. On June 24, 1997, the Company filed a third Registration Statement on Form S-3 (No. 333-29897) (the "Third Registration Statement") relating to the registration of an additional $550 million

medium-term notes, so that an aggregate of $850 million of medium-term notes was available to be issued. When the Company sold $450 million of MTNs on July 22, 1997 to finance the Tiger Bay transaction, they consisted of the remaining $169.3 million medium-term notes from the First Registration Statement, all $130.7 million from the Second Registration Statement and $150 million from the Third Registration Statement, leaving $300 million available to be issued in the future under the Third Registration Statement.

A statement showing actual and pro forma capitalization, pre-tax interest coverage, and debt interest and preferred stock dividend requirements at December 31, 1996 is attached hereto as Schedule I.

Additional details concerning the Short-Term and Long-Term Loan Notes and the MTNs that were issued to finance the Tiger Bay Transaction are set forth in the following exhibits filed herewith (with the exhibit numbers corresponding to the applicable paragraph number of Chapter 25-8, Rule 25-8.009 of the Florida Administrative Code):

Exhibit No.	Description of Exhibit
(1)	Statement showing pro forma capitalization and pre-tax interest coverage, together with debt interest and preferred stock dividend requirements as of December 31, 1996.
(a)-1	Commitment letter agreement dated July 10, 1997 with The Chase Manhattan Bank regarding commitment to make short-term loans not to exceed $200 million.
(a)-2	Fixed Rate Promissory Note dated July 10, 1997 to evidence borrowings under the Short-Term Commitment Letter.
(a)-3	Commitment letter agreement dated July 10, 1997 with Chase regarding commitment to make long-term loans not to exceed $250 million.
(a)-4	Fixed Rate Promissory Note dated July 10, 1997 to evidence borrowings under the Long-Term Commitment Letter.
(a)-5	Indenture, dated as of August 15, 1992 (the "Indenture"), between the Company and The First National Bank of Chicago, as successor trustee. (Filed as Exhibit (a)-1 to the Company's Consummation Report dated July 8, 1993 as filed with the Commission on July 9, 1993 in Docket No. 921096-EI, and incorporated herein by reference).
(a)-6	Prospectus Supplement dated July 22, 1997, together with Prospectus dated July 1, 1997, relating to the MTNS.

(b)-1 Opinion of Kenneth E. Armstrong dated July 10, 1997 relating to the Short-Term Commitment Letter and Note.

(b)-2 Opinion of Kenneth E. Armstrong dated July 10, 1997 relating to the Long-Term Commitment Letter and Note.

(b)-3 Opinion of Kenneth E. Armstrong dated July 25, 1997 relating to the issuance of the MTNs.

(c)-1 Registration Statement on Form S-3 (No. 33-50908) as filed with the SEC on August 17, 1992. (Filed as Exhibit (c) to the Company's Consummation Report dated July 8, 1993 as filed with the Commission on July 9, 1993 in Docket No. 921096-EI, and incorporated herein by reference.)

(c)-2 Registration Statement on Form S-3 (No. 333-02549) as filed with the SEC on April 16, 1996.

(c)-3 Registration Statement on Form S-3 (No. 333-29897) as filed with the SEC on June 24, 1997.

(c)-4 The Company's Annual Report on Form 10-K for the year ended December 31, 1996.

(c)-5 Copy of "blue sky" notices and other forms filed with the state regulatory bodies in Florida, New York and Oregon in connection with the sale of the MTNs.

(d)-1 Amended and Restated Distribution Agreement dated April 23, 1996 relating to the issuance and sale of the MTNs.

(d)-2 Terms Agreement dated July 22, 1997 relating to the issuance and sale of the MTNs.

(e) Statement as to underwriters' and finders' fees, if any.

Respectively submitted this
18th day of July, 1997.

FLORIDA POWER CORPORATION

By: _____
Kenneth E. Armstrong
Vice President and General Counsel

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SCHEDULE I

Statement showing actual and pro forma capitalization, pre-tax interest coverage, and debt interest and preferred stock dividend requirements at December 31, 1996.

FLORIDA POWER CORPORATION
SELECTED FINANCIAL DATA

SCHEDULE 1

CAPITALIZATION:

Florida Power's actual and pro forma capitalization at December 31, 1996:

	Interest Rate	(In millions) Actual December 31, 1996	Pro forma December 31, 1996
Debt:			
Long-term debt:			
First mortgage bonds:			
Maturing in 1997 and 1999	6.50%	$ 75.0	$ 75.0
Maturing 2002 and 2003	6.50% (a)	200.0	200.0
Maturing 2006	6.88%	80.0	80.0
Maturing 2021 through 2023	7.90% (a)	400.0	400.0
Pollution control revenue bonds:			
Maturing 2016 through 2027	6.90% (a)	240.9	240.9
Notes maturing:			
1998-1997	8.44% (a)	21.3	21.3
1998-2008	6.67%	26.0	26.0
Tiger Bay notes	6.90% (a)	-	450.0
Commercial paper, supported by revolver maturing November 30, 2001	5.53% (a)	200.0	200.0
Discount, net of premium, being amortized over term of bonds		(3.5)	(3.5)
Total long-term debt		1,317.7	1,767.7
Short-term debt		4.1	4.1
Total debt		1,321.8	1,771.8
Preferred stock:			
Without sinking funds, not subject to mandatory redemption:			
4.08%	$104.25	40,000	30,000	4.0	4.0
4.60%	$102.00	75,000	75,000	7.5	7.5
4.58%	$101.00	100,000	90,000	10.0	10.0
4.08%	$101.25	40,000	30,007	4.0	4.0
4.72%	$102.00	80,000	80,000	8.0	8.0
Total preferred stock			334,067	33.5	33.5
Common stock equity				1,825.5	1,825.5
Total capitalization				$ 3,180.8	$ 3,630.8

(a) Weighted average interest rate at December 31, 1996.

PRE-TAX INTEREST COVERAGE:

Florida Power's actual and pro forma pre-tax interest coverage for 1996:

	(In millions) Actual 1996	Pro forma 1996
Net income	$238.4	$238.4
Add:		
Operating income taxes	135.8	135.8
Other income taxes	(0.1)	(0.1)
Income before taxes	374.1	374.1
Total interest charges	98.4	128.1
Total earnings (A)	$472.5	$502.2
Total interest charges (B)	$ 98.4	$128.1
Pre-tax interest coverage (A/B)	4.80	3.92

DEBT INTEREST:

Florida Power's actual and pro forma debt interest charges for 1996 were $98.4 million and $128.1 million, respectively.

PREFERRED STOCK DIVIDEND REQUIREMENTS:

Florida Power's actual and pro forma preferred stock dividend requirements for 1996 were each $5.8 million.

EXHIBIT (a)-1

CHASE

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

July 10, 1997

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733

Attention: Kenneth E. McDonald
Assistant Treasurer

Ladies and Gentlemen:

The Chase Manhattan Bank ("Lender") is pleased to confirm that it is prepared to make funds available to Florida Power Corporation ("Borrower") for general corporate purposes, subject to the terms and conditions outlined below.

Commitment — Lender agrees to make a loan (the "Loan") in an aggregate principal amount not to exceed $200,000,000 (the "Commitment"). Borrower may borrow the Loan in a single disbursement to be made at any time from the date hereof to but excluding June 30, 1998 (the "Availability Period"), subject to the limitations set forth herein and in a promissory note (the "Note"), which shall evidence the Loan and be substantially in the form attached hereto.

Termination/ Reduction of Commitment — The unused Commitment shall terminate immediately upon disbursement of the Loan. Borrower may upon at least three business days' notice to Lender terminate at any time, or reduce from time to time, the unused amount of the Commitment. All accrued commitment fees shall be payable on the effective date of termination or reduction.

Commitment Fee — A commitment fee shall accrue on the daily average unused Commitment during the period from the date hereof to the earlier of the date on which (i) the Loan is disbursed and (ii) the Commitment terminates, at a rate per annum equal to 6/100 of 1%, calculated on the basis of a 365/366 day year, for the actual number of days elapsed, and payable on the last business day of each calendar quarter and upon any reduction or termination of the Commitment.

Interest Rate; Maturity — The Loan shall bear interest at a fixed rate offered by Lender and accepted by Borrower. The Loan shall mature on a date requested by Borrower and agreed to by Lender, which date shall not be later than the last day of the Availability Period.

Procedures — Borrower may borrow under the Commitment by giving Lender notice by 11:00 a.m. New York City time on the same business day of the Loan.

Conditions of Lending — The obligation of Lender to make the Loan is subject to the conditions precedent that Lender shall have received (a) the Note duly executed and delivered by Borrower, (b) a corporate borrowing resolution certified by Borrower's Secretary or Assistant Secretary, (c) an incumbency certificate of Borrower's Secretary or Assistant Secretary setting forth the names, titles and true signatures of Borrower's officers authorized to sign this Agreement and the Note, (d) an opinion of counsel to the Borrower substantially in the form of Exhibit A hereto, and (e) a certificate signed by a duly authorized officer of Borrower, dated the date of the Loan, certifying that (i) since December 31, 1996, there has been no material adverse change in the condition (financial or otherwise), business, operations or prospects of Borrower or any of its subsidiaries or the ability of Borrower to pay its obligations hereunder or under the Note and (ii) no default or Event of Default under this

Agreement or the Note has occurred and is continuing, or would result from the making of the Loan.

Representations and Warranties Borrower hereby represents and warrants that: (a) this Agreement and the Note when delivered will be the legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and (b) the execution, delivery and performance by Borrower of this Agreement and the Note have been authorized by all necessary corporate action and do not and will not contravene Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting Borrower.

Documentary Taxes Borrower shall indemnify Lender against any and all transfer, documentary and stamp taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

Default Events which may cause the acceleration of the maturity of any Loan ("Events of Default") are specified in the Note. Lender may terminate the Commitment upon the occurrence of any Event of Default, but it shall terminate immediately upon the occurrence of any "bankruptcy" or "insolvency" Event of Default.

Governing Law Jurisdiction This Agreement shall be governed by the laws of the State of New York. Borrower consents to the nonexclusive jurisdiction and venue of the state and federal courts located in the City of New York. Service of process by Lender in connection with any dispute hereunder shall be binding on Borrower if sent to Borrower by registered mail at the address specified in the Note. EACH OF BORROWER AND LENDER WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO JURY TRIAL IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

Very truly yours,

THE CHASE MANHATTAN BANK

By _____
Name: Paul V. Farrell
Title: Vice President

Agreed and Accepted:

FLORIDA POWER CORPORATION

By _____
Name: Kenneth E. McDonald
Title: Assistant Treasurer

EXHIBIT A

(Letterhead of counsel to the Borrower)

July 10, 1997

The Chase Manhattan Bank
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

We have acted as counsel to Florida Power Corporation (the "Borrower") in connection with the execution and delivery of that certain Letter Agreement (the "Letter Agreement") dated as of July 10, 1997 between the Borrower and The Chase Manhattan Bank (the "Lender") and the Note (as defined in the Letter Agreement) executed by the Borrower in connection with the Letter Agreement. Except as otherwise defined herein, all terms used herein and defined in the Letter Agreement, the Note or any agreement delivered thereunder shall have the meanings assigned to them therein.

In connection with this opinion, we have examined executed copies of the Facility Documents and such other documents, records, agreements and certificates as we have deemed appropriate. We have also reviewed such matters of law as we have considered relevant for the purpose of this opinion.

Based upon the foregoing, we are of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

2. The execution, delivery and performance by the Borrower of the Facility Documents have been duly authorized by all necessary corporate action and do not and will not contravene the Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting the Borrower.

3. Each Facility Document is, or when delivered under the Letter Agreement will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. To the best of our knowledge (after due inquiry), there are no pending or threatened actions, suits or proceedings against or affecting the Borrower before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of the Borrower or the ability of the Borrower to perform its obligations under the Facility Documents.

Very truly yours,

EXHIBIT (a)-2

CHASE

$200,000,000

Fixed Rate Promissory Note
(Single Loan)

New York, New York July 10, 1997

For value received, the undersigned (the "Borrower") unconditionally promises to pay to the order of THE CHASE MANHATTAN BANK (the "Bank"), at its principal office located at 270 Park Avenue, New York, New York 10017, the principal amount of TWO HUNDRED MILLION DOLLARS, on June 30, 1998.

The Borrower promises to pay interest on the unpaid balance of such principal amount for each day outstanding at a variable rate per annum equal to the Federal Funds Rate, plus 10/100 of 1%; provided that principal not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest for each day overdue at a variable rate per annum equal to: (a) the higher of: (i) the Federal Funds Rate plus 1/2 of 1% or (ii) the Prime Rate; plus (b) 2%. "Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions as published by the Federal Reserve Bank of New York for such day (or for any day that is not a banking day in New York City, for the immediately preceding banking day). "Prime Rate" means, for any day, that rate of interest from time to time announced by the Bank at its principal office as its prime rate, as in effect for such day in accordance with announcements by the Bank of changes in such rate. Interest shall be calculated on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Interest shall be due and payable at maturity (and quarterly, if requested by the Bank). In no case shall the interest on this note exceed the maximum amount which the Bank may charge or collect under applicable law.

This note may be prepaid in whole but not in part, provided that accrued and unpaid interest is paid, together with any compensation payable in accordance with the following. If there is any prepayment (whether by voluntary prepayment, acceleration or otherwise) of principal of this note on a date other than the scheduled maturity date set forth in the first paragraph hereof, then the undersigned will pay the Bank on demand such amount as will be sufficient in the reasonable opinion of the Bank to compensate it for any loss, cost or expense which the Bank determines is attributable thereto. Without limiting the foregoing, such compensation shall include an amount equal to the excess, if any, of: (a) the aggregate amount of interest which otherwise would have accrued on the principal amount so paid for the period from and including the date of payment to but excluding such maturity date at the rate of interest provided herein over (b) the amount of interest the Bank would pay (as determined by the Bank in good faith, such determination to be conclusive) on a deposit placed with the Bank on the date of such payment in an amount comparable to such principal amount and with a maturity comparable to such period.

All payments under this note shall be made in lawful money of the United States of America and in immediately available funds at the Bank's principal office specified above. If the loan evidenced by this note becomes due and payable on a day which is not a banking day in New York City, the maturity of such loan shall be extended to the next succeeding banking day, and interest shall be payable for such extension on such loan at the rate of interest specified in this note. The Bank may (but shall not be obligated to) debit the amount of any payment which is not made when due to any deposit account of the Borrower with the Bank.

If any of the following events of default shall occur: (a) the Borrower fails to pay any liability to the Bank when due and payable; (b) the Borrower shall breach any representation, warranty or covenant in this note or other document delivered in connection with this note (this note and any such document being a "Facility Document") or in any certificate, opinion or financial or other statement delivered in connection with a Facility Document; (c) the Borrower shall fail to pay any other indebtedness when due and payable or if there shall be any default by the Borrower thereunder; (d) the Borrower shall become insolvent (however evidenced) or shall seek any relief under any bankruptcy or similar law of any jurisdiction (or any person shall seek such relief against the Borrower); (e) any Facility Document shall at any time cease to be in full force and effect or its validity or enforceability shall be disputed or contested; THEN, if the Bank shall elect by notice to the Borrower, the unpaid principal amount of this note, together with interest and any other amounts due hereunder shall

become forthwith due and payable; provided that in the case of an event of default under (d) above, such amounts shall automatically become due and payable without any notice or other action by the Bank.

The Borrower waives presentment, notice of dishonor, protest and any other formality with respect to this note.

The Borrower shall reimburse the Bank on demand for all costs, expenses and charges (including, without limitation, fees and charges of external legal counsel for the Bank and costs allocated by its internal legal department) in connection with the preparation, performance or enforcement of this note.

This note shall be binding on the Borrower and its successors and assigns and shall inure to the benefit of the Bank and its successors and assigns; provided that the Borrower may not delegate any obligations hereunder without the prior written consent of the Bank.

THIS NOTE SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. THE BORROWER CONSENTS TO THE NONEXCLUSIVE JURISDICTION AND VENUE OF THE STATE OR FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK. SERVICE OF PROCESS BY THE BANK IN CONNECTION WITH ANY SUCH DISPUTE SHALL BE BINDING ON THE BORROWER IF SENT TO THE BORROWER BY REGISTERED MAIL AT THE ADDRESS SPECIFIED BELOW. THE BORROWER WAIVES ANY RIGHT THE BORROWER MAY HAVE TO JURY TRIAL.

VOID

Address:

3201 34th Street South
St. Petersburg, Florida 33733

FLORIDA POWER CORPORATION

By: K.E. McDonald
Name: Kenneth E. McDonald
Title: Assistant Treasurer

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the tenth day of July, 1997 before me came Kenneth E. McDonald, to me known, who, being duly sworn, did depose and say that he is Assistant Treasurer of Florida Power Corporation, the entity described in the foregoing instrument; and that he signed his name in like order.

Anna Palumbo
Notary Public

ANNA PALUMBO
Notary Public, State of New York
No. 01PA5014761
Qualified in Nassau County
Commission Expires July 6, 1999

EXHIBIT (a)-3

CHASE

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

July 10, 1997

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733

Attention: Kenneth E. McDonald
Assistant Treasurer

Ladies and Gentlemen:

The Chase Manhattan Bank ("Lender") is pleased to confirm that it is prepared to make funds available to Florida Power Corporation ("Borrower") for general corporate purposes, subject to the terms and conditions outlined below.

Commitment — Lender agrees to make a loan (the "Loan") in an aggregate principal amount not to exceed $250,000,000 (the "Commitment"). Borrower may borrow the Loan in a single disbursement to made at any time from the date hereof to but excluding August 31, 1998 (the "Availability Period"), subject to the limitations set forth herein and in a promissory note (the "Note"), which shall evidence the Loan and be substantially in the form attached hereto.

Termination/ Reduction of Commitment — The unused Commitment shall terminate immediately upon disbursement of the Loan. Borrower may upon at least three business days' notice to Lender terminate at any time, or reduce from time to time, the unused amount of the Commitment. All accrued commitment fees shall be payable on the effective date of such termination or reduction.

Commitment Fee — A commitment fee shall accrue on the daily average unused Commitment during the period from the date hereof to the earlier of the date on which (i) the Loan is disbursed and (ii) the Commitment terminates, at a rate per annum equal to 8/100 of 1%, calculated on the basis of a 365/366 day year, for the actual number of days elapsed, and payable on the last business day of each calendar quarter and upon any reduction or termination of the Commitment.

Interest Rate; Maturity — The Loan shall bear interest at a fixed rate offered by Lender and accepted by Borrower. The Loan shall mature on a date requested by Borrower and agreed to by Lender, which date shall not be later than the last day of the Availability Period.

Procedures — Borrower may borrow under the Commitment by giving Lender notice by 11:00 a.m. New York City time on the same business day of the Loan.

Conditions of Lending — The obligation of Lender to make the Loan is subject to the conditions precedent that Lender shall have received (a) the Note duly executed and delivered by Borrower, (b) a corporate borrowing resolution certified by Borrower's Secretary or Assistant Secretary, (c) an incumbency certificate of Borrower's Secretary or Assistant Secretary setting forth the names, titles and true signatures of Borrower's officers authorized to sign this Agreement and the Note, (d) an opinion of counsel to the Borrower substantially in the form of Exhibit A hereto, and (e) a certificate signed by a duly authorized officer of Borrower, dated the date of the Loan, certifying that (i) since December 31, 1996, there has been no material adverse change in the condition (financial or otherwise), business,

operations or prospects of Borrower or any of its subsidiaries or the ability of Borrower to pay its obligations hereunder or under the Note and (ii) no default or Event of Default under this Agreement or the Note has occurred and is continuing, or would result from the making of the Loan.

Representations and Warranties. Borrower hereby represents and warrants that: (a) this Agreement and the Note when delivered will be the legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and (b) the execution, delivery and performance by Borrower of this Agreement and the Note have been authorized by all necessary corporate action and do not and will not contravene Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting Borrower.

Documentary Taxes. Borrower shall indemnify Lender against any and all transfer, documentary and stamp taxes, assessments or charges made by any governmental authority by reason of the execution and delivery of this Agreement or the Note.

Default. Events which may cause the acceleration of the maturity of any Loan ("Events of Default") are specified in the Note. Lender may terminate the Commitment upon the occurrence of any Event of Default, but it shall terminate immediately upon the occurrence of any "bankruptcy" or "insolvency" Event of Default.

Governing Law; Jurisdiction. This Agreement shall be governed by the laws of the State of New York. Borrower consents to the nonexclusive jurisdiction and venue of the state and federal courts located in the City of New York. Service of process by Lender in connection with any dispute hereunder shall be binding on Borrower if sent to Borrower by registered mail at the address specified in the Note. **EACH OF BORROWER AND LENDER WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO JURY TRIAL IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

Very truly yours,

THE CHASE MANHATTAN BANK

By _____
Name: Paul V. Farrell
Title: Vice President

Agreed and Accepted:

FLORIDA POWER CORPORATION

By _____
Name: Kenneth E. McDonald
Title: Assistant Treasurer

EXHIBIT A

(Letterhead of counsel to the Borrower)

July 10, 1997

The Chase Manhattan Bank
270 Park Avenue
New York, New York 10017

Ladies and Gentlemen:

We have acted as counsel to Florida Power Corporation (the "Borrower") in connection with the execution and delivery of that certain Letter Agreement (the "Letter Agreement") dated as of July 10, 1997 between the Borrower and The Chase Manhattan Bank (the "Lender") and the Note (as defined in the Letter Agreement) executed by the Borrower in connection with the Letter Agreement. Except as otherwise defined herein, all terms used herein and defined in the Letter Agreement, the Note or any agreement delivered thereunder shall have the meanings assigned to them therein.

In connection with this opinion, we have examined executed copies of the Facility Documents and such other documents, records, agreements and certificates as we have deemed appropriate. We have also reviewed such matters of law as we have considered relevant for the purpose of this opinion.

Based upon the foregoing, we are of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

2. The execution, delivery and performance by the Borrower of the Facility Documents have been duly authorized by all necessary corporate action and do not and will not contravene the Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting the Borrower.

3. Each Facility Document is, or when delivered under the Letter Agreement will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. To the best of our knowledge (after due inquiry), there are no pending or threatened actions, suits or proceedings against or affecting the Borrower before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of the Borrower or the ability of the Borrower to perform its obligations under the Facility Documents.

Very truly yours,

EXHIBIT (a)-4

CHASE

Fixed Rate Promissory Note
(Single Loan)

$250,000,000

New York, New York July 10, 1997

For value received, the undersigned (the "Borrower") unconditionally promises to pay to the order of THE CHASE MANHATTAN BANK (the "Bank"), at its principal office located at 270 Park Avenue, New York, New York 10017, the principal amount of TWO HUNDRED AND FIFTY MILLION DOLLARS, on August 31, 1998.

The Borrower promises to pay interest on the unpaid balance of such principal amount for each day outstanding at a variable rate per annum equal to the Federal Funds Rate, plus 10/100 of 1%; provided that principal not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest for each day overdue at a variable rate per annum equal to: (a) the higher of: (i) the Federal Funds Rate plus 1/2 of 1% or (ii) the Prime Rate; plus (b) 2%. "Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions as published by the Federal Reserve Bank of New York for such day (or for any day that is not a banking day in New York City, for the immediately preceding banking day). "Prime Rate" means, for any day, the rate of interest from time to time announced by the Bank at its principal office as its prime rate, as in effect for such day in accordance with announcements by the Bank of changes in such rate. Interest shall be calculated on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Interest shall be due and payable at maturity (and quarterly, if requested by the Bank). In no case shall the interest on this note exceed the maximum amount which the Bank may charge or collect under applicable law.

This note may be prepaid in whole but not in part, provided that accrued and unpaid interest is paid, together with any compensation payable in accordance with the following. If there is any payment (whether by voluntary prepayment, acceleration or otherwise) of principal of this note on a date other than the scheduled maturity date set forth in the first paragraph hereof, then the undersigned will pay the Bank on demand such amount as will be sufficient in the reasonable opinion of the Bank to compensate it for any loss, cost or expense which the Bank determines is attributable thereto. Without limiting the foregoing, such compensation shall include an amount equal to the excess, if any, of: (a) the aggregate amount of interest which otherwise would have accrued on the principal amount so paid for the period from and including the date of payment to but excluding such scheduled date at the rate of interest provided herein over (b) the amount of interest the Bank would pay (as determined by the Bank in good faith, such determination to be conclusive) on a deposit placed with the Bank on the date of such payment in an amount comparable to such principal amount and with a maturity comparable to such period.

All payments under this note shall be made in lawful money of the United States of America and in immediately available funds at the Bank's principal office specified above. If the loan evidenced by this note becomes due and payable on a day which is not a banking day in New York City, the maturity of such loan shall be extended to the next succeeding banking day, and interest shall be payable for such extension on such loan at the rate of interest specified in this note. The Bank may (but shall not be obligated to) debit the amount of any payment which is not made when due to any deposit account of the Borrower with the Bank.

If any of the following events of default shall occur: (a) the Borrower fails to pay any liability to the Bank when due and payable; (b) the Borrower shall breach any representation, warranty or covenant in this note or other document delivered in connection with this note (this note and any such document being a "Facility Document") or in any certificate, opinion or financial or other statement delivered in connection with a Facility Document; (c) the Borrower shall fail to pay any other indebtedness when due and payable or if there shall be any default by the Borrower thereunder; (d) the Borrower shall become insolvent (however evidenced) or shall seek any relief under any bankruptcy or similar law of any jurisdiction (or any person shall seek such relief against the Borrower); (e) any Facility Document shall at any time cease to be in full force and effect or its validity or enforceability shall be disputed or contested; THEN, if the Bank shall elect by notice to the Borrower, the unpaid principal amount of this note, together with interest and any other amounts due hereunder shall

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become forthwith due and payable; provided that in the case of an event of default under (d) above, such amounts shall automatically become due and payable without any notice or other action by the Bank.

The Borrower waives presentment, notice of dishonor, protest and any other formality with respect to this note.

The Borrower shall reimburse the Bank on demand for all costs, expenses and charges (including, without limitation, fees and charges of external legal counsel for the Bank and costs allocated by its internal legal department) in connection with the preparation, performance or enforcement of this note.

This note shall be binding on the Borrower and its successors and assigns and shall inure to the benefit of the Bank and its successors and assigns; provided that the Borrower may not delegate any obligations hereunder without the prior written consent of the Bank.

THIS NOTE SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. THE BORROWER CONSENTS TO THE NONEXCLUSIVE JURISDICTION AND VENUE OF THE STATE OR FEDERAL COURTS LOCATED IN THE CITY OF NEW YORK. SERVICE OF PROCESS BY THE BANK IN CONNECTION WITH ANY SUCH DISPUTE SHALL BE BINDING ON THE BORROWER IF SENT TO THE BORROWER BY REGISTERED MAIL AT THE ADDRESS SPECIFIED BELOW. THE BORROWER WAIVES ANY RIGHT THE BORROWER MAY HAVE TO JURY TRIAL.

Address:

3201 34th Street South
St. Petersburg, Florida 33733

FLORIDA POWER CORPORATION

By: _____
Name: Kenneth E. McDonald
Title: Assistant Treasurer

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the tenth day of July, 1997 before me came Kenneth E. McDonald, to me known, who, being duly sworn, did depose and say that he is Assistant Treasurer of Florida Power Corporation, the entity described in the foregoing instrument; and that he signed his name in like order.

_____
Notary Public

ANNA PALUMBO
Notary Public, State of New York
No. 01PA5014761
Qualified in Nassau County 99
Commission Expires July 6, 19__

EXHIBIT (a)-5

Indenture, dated as of August 15, 1992 (the "Indenture"), between the Company and The First National Bank of Chicago, as successor trustee. (Filed as Exhibit (a)-1 to the Company's Consummation Report dated July 8, 1993 as filed with the Commission on July 9, 1993 in Docket No. 921096-EI, and incorporated herein by reference).

EXHIBIT (a)-6

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE NOTES. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE NOTES IN THE OPEN MARKET. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any underwriter, dealer or agent. Neither the delivery of this Prospectus Supplement or the accompanying Prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that the information contained herein or in the accompanying Prospectus is correct as of any date subsequent to the date hereof or thereof or that there has been no change in the affairs of the Company since the date hereof or thereof. Neither this Prospectus Supplement nor the accompanying Prospectus constitutes an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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Prospectus

Prospectus Supplement
(To Prospectus dated July 1, 1997)

Florida Power Corporation

$450,000,000

$15,000,000 6.21% Notes due July 1, 1999
$75,000,000 6.33% Notes due July 1, 2000
$80,000,000 6.47% Notes due July 1, 2001
$30,000,000 6.54% Notes due July 1, 2002
$35,000,000 6.62% Notes due July 1, 2003
$40,000,000 6.69% Notes due July 1, 2004
$45,000,000 6.72% Notes due July 1, 2005
$45,000,000 6.77% Notes due July 1, 2006
$85,000,000 6.81% Notes due July 1, 2007

Interest on the Notes due 1999 (the "1999 Notes"), the Notes due 2000 (the "2000 Notes"), the Notes due 2001 (the "2001 Notes"), the Notes due 2002 (the "2002 Notes"), the Notes due 2003 (the "2003 Notes"), the Notes due 2004 (the "2004 Notes"), the Notes due 2005 (the "2005 Notes"), the Notes due 2006 (the "2006 Notes") and the Notes due 2007 (the "2007 Notes") (collectively, the "Notes") is payable semi-annually in arrears on January 1 and July 1 of each year, commencing January 1, 1998 by Florida Power Corporation (the "Company"). The Notes are not redeemable prior to maturity and will not be subject to any sinking fund. See "Information Regarding Notes."

Each series of Notes will be represented by a Global Security registered in the name of The Depository Trust Company (the "Depositary") or its nominee. Beneficial interests in the Global Securities will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. Except as described in the accompanying Prospectus, Notes in certificated form will not be issued. See "Description of Notes."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discounts(2)	Proceeds to the Company(1)(3)
Per 1999 Note	100%	.250%	99.750%
Per 2000 Note	100%	.350%	99.650%
Per 2001 Note	100%	.450%	99.550%
Per 2002 Note	100%	.500%	99.500%
Per 2003 Note	100%	.550%	99.450%
Per 2004 Note	100%	.600%	99.400%
Per 2005 Note	100%	.600%	99.400%
Per 2006 Note	100%	.600%	99.400%
Per 2007 Note	100%	.625%	99.375%
Total	$450,000,000	$2,313,750	$447,686,250

(1) Plus accrued interest from July 25, 1997.
(2) The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
(3) Before deducting expenses payable by the Company, estimated at $250,000.

The Notes are offered, subject to prior sale, as and if accepted by the Underwriters and subject to approval of certain legal matters by Jones, Day, Reavis & Pogue, counsel to the Underwriters. It is expected that delivery of the Notes will be made on or about July 25, 1997 through the facilities of DTC, against payment therefor in same-day funds.

J.P. Morgan & Co.
PaineWebber Incorporated
First Chicago Capital Markets, Inc.
Chase Securities Inc.
Salomon Brothers Inc
NationsBanc Capital Markets, Inc.

July 22, 1997

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN, OR OTHERWISE AFFECT THE PRICE OF THE NOTES. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE NOTES IN THE OPEN MARKET. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any underwriter, dealer or agent. Neither the delivery of this Prospectus Supplement or the accompanying Prospectus nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that the information contained herein or in the accompanying Prospectus is correct as of any date subsequent to the date hereof or thereof or that there has been no change in the affairs of the Company since the date hereof or thereof. Neither this Prospectus Supplement nor the accompanying Prospectus constitutes an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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Prospectus Supplement

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

With respect to the incorporation of certain documents by reference, see the Prospectus. In particular, the Company's Current Report on Form 8-K dated July 15, 1997 was filed with the Securities and Exchange Commission ("SEC") on July 16, 1997 (File No. 1-3274), and is incorporated herein by reference.

THE COMPANY

Florida Power Corporation, a wholly owned subsidiary of Florida Progress Corporation, was incorporated in Florida in 1899 and has its principal executive office at 3201 34th Street South, St. Petersburg, Florida 33711, telephone number (813) 866-5151. The Company is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily within the State of Florida. The Company's service area, with a population of about 4.5 million, comprises approximately 20,000 square miles in west central Florida and includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. During the twelve months ended December 31, 1996, the Company served an average of approximately 1,290,000 customers. The Company has a system generating capacity of 7,341 megawatts, and its energy mix (on a megawatt hour basis) for the twelve months ended December 31, 1996, was approximately 43% coal, 16% oil, 3% gas, 6% nuclear and 32% purchased power.

RECENT DEVELOPMENTS

The Company recently reported a loss of $43.6 million or $.45 per share for the second quarter of 1997. The loss resulted primarily from the recording of charges associated with the extended outage of the Company's Crystal River nuclear power plant. Excluding the impact of the extended outage, the Company's second quarter 1997 earnings were $56.1 million, or $.58 a share, compared with $53.9 million or $.56 a share for the prior-year quarter. The plant has been off-line since September 1996 to address certain design issues related to the plant's safety systems. The Company expects to return the plant to service by the end of 1997.

Through June 30, 1997, the Company has recognized all of the additional $100 million of operation and maintenance costs it expects to incur in connection with the outage. The Company also recorded in the second quarter a $70 million charge for non-recoverable nuclear outage replacement fuel and purchased power costs ("replacement power costs") incurred through June 30, 1997. The remaining 1997 replacement power costs expected to be incurred from July through December 1997 will be recorded as a regulatory asset and amortized over a four-year period beginning in July 1997. The effect of the amortization on the results of operations is expected to be offset by the suspension of fossil plant dismantlement accruals during the four-year period. This treatment is consistent with the terms of a settlement agreement between the Company and all intervenors involved in the Company's earlier request to the Florida Public Service Commission ("FPSC") seeking to collect replacement power costs associated with the nuclear outage. The settlement agreement was approved by the FPSC on June 26, 1997.

This Prospectus Supplement contains certain forward looking statements, including statements regarding the date by which the Company's nuclear plant will return to service and the total operating and maintenance costs associated with the outage. These statements involve risks and uncertainties that could cause actual results or outcomes to differ materially from expectations. Key factors that have a direct impact on these matters include various factors that could impact the successful execution of the Company's restart plan, such as regulatory approvals, timely completion of scheduled work by the Company and outside contractors and the timely delivery of parts and materials; the actions of the FPSC and other regulatory bodies; and other factors described in the Company's SEC filings.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for the periods indicated:

Twelve Months Ended June 30, 1997 (Unaudited)	Year Ended December 31,				
	1996	1995	1994	1993	1992
3.05	4.80	4.41	3.90	3.83	3.84

For purposes of computing the ratio of earnings to fixed charges, earnings consist of net income plus income taxes and fixed charges. Fixed charges represent gross interest expense including amortization of debt expense, discount or premium.

USE OF PROCEEDS

The net proceeds from the sale of the Notes will be used to repay $450 million of loans that were obtained from The Chase Manhattan Bank to finance the Company's acquisition on July 15, 1997 of the 220 megawatt cogeneration power plant in Polk County, Florida from the Tiger Bay Limited Partnership (the "Tiger Bay Acquisition"). Of such loans, $250 million mature on August 31, 1998 and $200 million mature on June 30, 1998, but may be prepaid at any time without penalty. As of July 22, 1997, such loans had a weighted average interest rate of approximately 5.725%. Chase Securities Inc., one of the Underwriters of the Notes, is an affiliate of The Chase Manhattan Bank. See "Underwriting."

INFORMATION REGARDING NOTES

The Notes will mature on the respective dates and bear interest at the respective rates, payable semi-annually in arrears on the dates, all as set forth on the front cover page of this Prospectus Supplement. The regular record dates for the January 1 and July 1 interest payment dates will be December 15 and June 15, respectively. The Notes are not redeemable prior to maturity and will not be subject to any sinking fund. For other terms applicable to the Notes, see "Description of Notes" in the Prospectus.

UNDERWRITING

Subject to the terms and conditions contained in a Terms Agreement dated July 22, 1997 (the "Terms Agreement"), the Company has agreed to sell to the Underwriters named below, and the Underwriters have severally agreed to purchase, the respective principal amount of Notes set forth opposite their names below. The Terms Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent, and that the Underwriters will be obligated to purchase all of the Notes if any are purchased.

Underwriters	Percent of Each Maturity of Notes	Total Principal Amount of Notes
J.P. Morgan Securities Inc.	45.0%	$202,500,000
PaineWebber Incorporated	20.0	90,000,000
First Chicago Capital Markets, Inc.	15.0	67,500,000
Chase Securities Inc.	7.5	33,750,000
Salomon Brothers Inc	7.5	33,750,000
NationsBanc Capital Markets, Inc.	5.0	22,500,000
Total	100%	$450,000,000

The Underwriters have advised the Company that they propose initially to offer the Notes to the public at the public offering prices set forth on the cover page of this Prospectus Supplement, and to certain dealers at such prices less a concession not in excess of .150% of the principal amount of the 1999 Notes, .250% of the principal amount of the 2000 Notes, .300% of the principal amount of the 2001 Notes, .300% of the principal amount of the 2002 Notes, .350% of the principal amount of the 2003 Notes, .350% of the principal amount of the 2004 Notes, .350% of the principal amount of the 2005 Notes, .350% of the principal amount of the 2006 Notes, and .375% of the principal amount of the 2007 Notes. The Underwriters may allow, and such dealers may reallow, a discount not in excess of .100% of the principal amount of the 1999 Notes, .150% of the principal amount of the 2000 Notes, .250% of the principal amount of the 2001 Notes, .250% of the principal amount of the 2002 Notes, .250% of the principal amount of the 2003 Notes, .250% of the principal amount of the 2004 Notes, .250% of the principal amount of the 2005 Notes, .250% of the principal amount of the 2006 Notes, and .250% of the principal amount of the 2007 Notes. After the initial public offering, the public offering price, concession and discount may be changed.

In the Terms Agreement, the Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Underwriters may be required to make in respect thereof. Each maturity of Notes is a new issue of securities with no established trading market. The Company does not intend to apply for listing of any Notes on any national securities exchange. The Company has been advised by the Underwriters that the Underwriters intend to make a market in the Notes. However, the Underwriters are not obligated to do so and may discontinue market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

In connection with the offering of the Notes, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Underwriters may overallot in connection with the offerings of the Notes, creating a syndicate short position. In addition, the Underwriters may bid for, and purchase, Notes in the open market to cover syndicate shorts or to stabilize the price of the Notes. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels. The Underwriters are not required to engage in any of these activities, and may end any of them at any time.

From time to time in the ordinary course of business, certain of the Underwriters and their affiliates have engaged, and may in the future engage, in general financing and banking transactions and investment banking transactions with the Company and its affiliates. The Chase Manhattan Bank, an affiliate of Chase Securities Inc., one of the Underwriters, made loans to the Company to finance the Tiger Bay Acquisition. See "Use of Proceeds" in this Prospectus Supplement. Because more than ten percent of the net proceeds of the offering will be paid to an affiliate of a member of the National Association of Securities Dealers, Inc. (the "NASD"), the offering is being conducted pursuant to the provisions of Rule 2710(c)(8) of the NASD's Conduct Rules.

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Prospectus

Florida Power Corporation

$850,000,000

Medium-Term Notes, Series B

Due from 9 Months to 30 Years from Date of Issue

Florida Power Corporation, a Florida corporation (the "Company") may offer from time to time its Medium-Term Notes, Series B (the "Notes") in an aggregate principal amount of up to $850,000,000. The Notes will have stated maturities from 9 months to 30 years from the date of issue.

The designations, aggregate principal amount, specific interest rates (or method of calculation), maturities, offering price, sinking fund or other redemption provisions, if any, and other specific terms of Notes will be set forth in Pricing Supplements to this Prospectus. Unless otherwise specified in the applicable Pricing Supplement, the Notes will bear interest at a fixed rate to be determined by the Company at or prior to the sale thereof, with interest payable on February 1 and August 1 of each year and at maturity. See "Description of Notes".

The Notes will be represented by one or more Global Notes (collectively, the "Global Note") registered in the name of a nominee of The Depository Trust Company or another depositary (the "Depositary"), unless the applicable Pricing Supplement specifies that the Notes will be issued in definitive registered form. A beneficial interest in a Global Note will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. A beneficial interest in a Global Note will be exchanged for Notes in definitive form only under the limited circumstances described herein or in the applicable Pricing Supplement. See "Description of Notes — Book-Entry System".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public (1)	Agents' Commissions (2)	Proceeds to Company (2) (3)
Per Note	100%	.125% - .750%	99.875% - 99.250%
Total	$850,000,000	$1,062,500 - $6,375,000	$848,937,500 - $843,625,000

(1) Unless otherwise indicated in the applicable Pricing Supplement, each Note will be issued at 100% of its principal amount.

(2) The Company will pay a commission to J.P. Morgan Securities Inc., PaineWebber Incorporated and First Chicago Capital Markets, Inc. (each, together with any additional or successor agents named in the applicable Pricing Supplement, an "Agent"), in the form of a discount, ranging from .125% to .750% of the price to public of any Note sold through any of them as Agent, depending upon the maturity of such Note. The Company also may sell the Notes to an Agent, as principal, and at prices set forth in the applicable Pricing Supplement, for resale by such Agent at such prices as will be determined by such Agent at the time of such resale. None of the proceeds from a resale of Notes will be received by the Company. The Company has agreed to indemnify each of the Agents against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Plan of Distribution".

(3) Before deduction of estimated expenses of $450,000 payable by the Company.

The Notes are being offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of such Notes, and also may be sold to an Agent or other person, as principal, for resale. The Company reserves the right to sell the Notes directly to investors on its own behalf. The Notes may be sold at the price to the public set forth above to dealers who later resell such Notes to investors. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended. There can be no assurance that the Notes offered hereby will be sold or that there will be a secondary market for the Notes. The Company reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Company or the Agent that solicits any order may reject such order in whole or in part. See "Plan of Distribution".

J.P. Morgan & Co.

PaineWebber Incorporated

First Chicago Capital Markets, Inc.

July 1, 1997

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE NOTES. SPECIFICALLY, THE AGENTS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE NOTES IN THE OPEN MARKET. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION".

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Prospectus or any supplement hereto, in connection with the offer contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or the Agents. This Prospectus and any supplement hereto do not constitute an offer to sell, or solicitation of an offer to buy, the Notes in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus or any supplement hereto nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or thereof, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date hereof or thereof.

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AVAILABLE INFORMATION

The Company and its parent, Florida Progress Corporation, are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Reports, proxy statements and other information filed by the Company and its parent can be inspected and copied at the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549, and the following Regional Offices of the SEC: Seven World Trade Center, 13th Floor, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and copies of such material can be obtained from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The SEC maintains a web site at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the SEC. In addition, reports, proxy material and other information concerning the Company's parent may be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005 and at The Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104.

This Prospectus constitutes a part of Registration Statements on Form S-3 (together with all amendments and exhibits, referred to collectively as the "Registration Statement") filed by the Company with the SEC under the Securities Act of 1933, as amended. This Prospectus does not contain all of the information included in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. Reference is made to the Registration Statement for further information with respect to the Company and the Notes offered hereby.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company with the SEC (File No. 1-3274) are incorporated herein by reference:

1. Annual Report on Form 10-K for the year ended December 31, 1996, as filed with the SEC on March 27, 1997, as amended by Form 10-K/A-1, as filed with the SEC on May 16, 1997.

2. Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, as filed with the SEC on May 15, 1997.

3. Current Reports on Form 8-K dated January 7, January 23, January 29, February 20, March 28, April 15, May 12, May 27, June 19 and June 25, 1997, as filed with the SEC on January 16, January 28, January 29, February 24, April 4, April 21, May 12, May 28, June 23 and June 30, 1997, respectively.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Notes offered hereby shall be deemed to be incorporated by reference in this Prospectus from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein (or in the accompanying Pricing Supplement) or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom a copy of this Prospectus has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Prospectus by reference, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference. Requests for such copies should be directed to: Florida Progress Corporation, Investor Services Department, P.O. Box 14042, St. Petersburg, Florida 33733, or telephone (813) 866-4247 or toll-free (800) 937-2648.

THE COMPANY

Florida Power Corporation, a wholly owned subsidiary of Florida Progress Corporation, was incorporated in Florida in 1899 and has its principal executive office at 3201 34th Street South, St. Petersburg, Florida 33711, telephone number (813) 866-5151. The Company is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily within the State of Florida. The Company's service area, with a population of about 4.5 million, comprises approximately 20,000 square miles in west central Florida and includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. During the twelve months ended December 31, 1996, the Company served an average of approximately 1,290,000 customers. The Company has a system generating capacity of 7,341 megawatts, and its energy mix (on a megawatt hour basis) for the twelve months ended December 31, 1996, was approximately 43% coal, 16% oil, 3% gas, 6% nuclear and 32% purchased power.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for the periods indicated:

Year Ended December 31,				
1996	1995	1994	1993	1992
4.80	4.41	3.90	3.83	3.84

For purposes of computing the ratio of earnings to fixed charges, earnings consist of net income plus income taxes and fixed charges. Fixed charges represent gross interest expense including amortization of debt expense, discount or premium.

USE OF PROCEEDS

Except as may otherwise be set forth in the applicable Pricing Supplement, the net proceeds from the sale of the Notes offered hereby will be used for the repayment of short-term debt and/or for other general corporate purposes. At March 31, 1997, the Company had $255.9 million of short-term debt outstanding with a weighted average interest rate of 5.44%.

DESCRIPTION OF NOTES

The Notes will be issued under an indenture dated as of August 15, 1992 (the "Indenture") between the Company and The First National Bank of Chicago, successor trustee (the "Trustee"). The form of the Indenture is filed as an exhibit to the Registration Statement of which this Prospectus forms a part and is incorporated herein by this reference. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). The following description of certain of the terms of the Notes will apply unless otherwise set forth in the applicable Pricing Supplement. The statements made under this heading relating to the Notes and the Indenture are summaries of the provisions thereof and do not purport to be complete and are subject to, and qualified in their entirety by, reference to the Indenture, including the definitions of certain terms therein. Unless otherwise indicated, parenthetical references below are to the Indenture.

General

The Notes will be offered on a continuing basis and each Note will mature from 9 months to 30 years from its date of issue. The Notes offered hereby will be limited to U.S. $850,000,000 aggregate amount or the equivalent in one or more foreign currencies, currency units or composite currencies (together with the U.S. dollar, each a "currency").

The Notes will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of the Company. Substantially all of the Company's assets are subject to a first and prior lien in favor of holders of the Company's First Mortgage Bonds (the "Bonds"), of which approximately $835 million aggregate principal amount were outstanding on December 31, 1996. Under the terms of the indenture of mortgage relating to the Bonds, additional Bonds of any series may be issued from time to time upon the satisfaction of certain conditions. As of December 31, 1996, under the indenture of mortgage, the bondable value of property additions was approximately $3.0 billion, permitting the issuance of approximately $1.8 billion of additional Bonds; and approximately another

$181.4 million of Bonds could be issued in respect of Bonds previously authenticated which have been canceled or delivered for cancellation.

The Indenture provides that, in addition to the Notes offered hereby, additional debt securities (including both interest bearing and original issue discount securities in both bearer form and certificated or book-entry registered form) may be issued thereunder, without limitation as to the aggregate principal amount. (Section 301). All or a portion of such additional debt securities may also be designated as Medium-Term Notes, Series B, which together with the $850,000,000 principal amount of Medium-Term Notes, Series B offered hereby, and the $30,700,000 principal amount of Medium-Term Notes, Series B issued in April 1993, shall constitute one series of securities established by the Company pursuant to the Indenture. All securities issued under the Indenture, including the Notes offered hereby, are herein collectively referred to as the "Securities". The Indenture does not limit the amount of other debt, secured or unsecured, that may be issued by the Company.

No service charge will be made for any transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 305).

The applicable Pricing Supplement for each Note will state the following: (i) the designation of such Note; (ii) the principal amount of such Note; (iii) the date on which such Note will be issued; (iv) the Stated Maturity of such Note; (v) the rate per annum at which such Note will bear interest (or the method of calculation of such interest); (vi) the offering price of such Note; (vii) the redemption or sinking fund provisions, if any, of such Note; and (viii) additional terms, if any, applicable to such Note.

Unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest at a fixed annual rate (a "Fixed Rate Note") and be denominated in U.S. dollars in denominations of $1,000 or any integral multiple thereof. Unless otherwise specified in the applicable Pricing Supplement, the Notes will initially be represented by one or more global securities registered in the name of a nominee of the Depositary and the denomination of any Note issued in global form will not exceed $200,000,000 without the approval of the Depositary. See "Book-Entry System".

Unless otherwise specified in the applicable Pricing Supplement, interest on each Note will be payable on each Interest Payment Date and at Maturity. Any interest other than at Maturity will be payable to the person in whose name a Note (or any Predecessor Note) is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date, subject to certain exceptions; provided, however, that if a Note is issued between a Regular Record Date and the Interest Payment Date pertaining thereto, the initial interest payment will be made on the Interest Payment Date following the next succeeding Regular Record Date to the holder on such Regular Record Date. Interest payable at Maturity will be paid to the person to whom the principal of the Note is paid.

Fixed Rate Notes

Each Fixed Rate Note will mature on any day from 9 months to 30 years from the date of issue selected by the initial purchaser and agreed to by the Company. Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note will bear interest on the principal amount thereof from its date of issue at the annual rate stated in the applicable Pricing Supplement until the principal thereof is paid or duly made available for payment. Unless otherwise specified in the applicable Pricing Supplement, the "Interest Payment Dates" for Fixed Rate Notes will be on February 1 and August 1 of each year and the "Regular Record Dates" for Fixed Rate Notes will be the January 15 and July 15, respectively, immediately preceding an Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will accrue from and including the date of issue or from and including the next preceding Interest Payment Date to which interest has been duly paid or provided for, as the case may be, to but excluding the next succeeding Interest Payment Date or the date of Maturity, as the case may be. Any payment of principal, premium or interest required to be made on a Fixed Rate Note on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

Floating Rate Notes

The Company may from time to time offer Notes that bear a floating rate of interest, which may include interest rates based on rates for negotiable certificates of deposit, commercial paper or federal funds or on LIBOR, prime or base lending rates or Treasury bill rates. The applicable Pricing Supplement for such a Note will set forth the particular

terms of such Note, including the interest rate basis, the Interest Payment Dates, the Regular Record Dates and the other terms of such Note.

Other Notes

The Company may from time to time offer Notes denominated or payable in a currency other than U.S. dollars. In addition, the Company may from time to time offer Notes the principal amount of which payable on the maturity date or the interest thereon may be determined (i) by reference to the rate of exchange between one or more currencies, (ii) by reference to other indices or (iii) in such other manner as is specified in the applicable Pricing Supplement.

An investment in foreign currency Notes or currency indexed Notes entails significant risks that are not associated with investments in instruments denominated or payable in U.S. dollars and the extent and nature of such risks change continuously. Such Notes are not an appropriate investment for prospective purchasers who are unsophisticated with respect to foreign currency matters. These risks vary depending upon the currency or currencies involved and will be more fully described in the applicable Pricing Supplement.

Book-Entry System

Except as described below, the Notes will be issued in whole or in part in the form of one or more global securities (each a "Global Note") that will be deposited with, or on behalf of, The Depository Trust Company, New York, New York ("DTC") or such other depositary as is designated by the Company (DTC or such other depositary, the "Depositary"), and registered in the name of a nominee of the Depositary.

Upon issuance, all Notes having the same terms, including, but not limited to, the same Interest Payment Dates, rates of interest, Stated Maturity and sinking fund or redemption provisions, if any, will be represented by one or more Global Notes. Notes will not be exchangeable for Notes in certificated form and, except under the circumstances described below, will not otherwise be issuable in certificated form.

So long as the Depositary for a Global Note, or its nominee, is the registered owner of such Global Note, the Depositary or its nominee, as the case may be, will be considered the sole holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered the owners or holders thereof under the Indenture. The laws of some states require that certain purchasers of securities take physical delivery of such securities in certificated form. Such laws may impair the ability to transfer beneficial interests in a Global Note.

If the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, the Company will issue individual Notes in certificated form in exchange for such Global Notes. In addition, the Company may at any time and in its sole discretion determine not to have any Notes represented by one or more Global Notes and, in such event, will issue individual Notes in certificated form in exchange for the Global Notes representing the corresponding Notes. In any such instance, an owner of a beneficial interest in a Note represented by a Global Note will be entitled to physical delivery of individual Notes in certificated form equal in principal amount to the principal amount of Notes so owned and to have such Notes in certificated form registered in its name. Individual Notes in certificated form so issued will be issued as registered Notes in denominations, unless otherwise specified by the Company, of $1,000 and integral multiples thereof.

The following is based solely on information furnished by DTC:

Unless otherwise specified in the applicable Pricing Supplement, DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for each issue of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue, unless otherwise approved by DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency"

registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the SEC.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. A Beneficial Owner will not receive written confirmation from DTC of its purchase, but such Beneficial Owner is expected to receive a written confirmation providing details of the transaction, as well as periodic statements of its holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If the Notes are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Notes. Under its usual procedures, DTC mails a proxy (an "Omnibus Proxy") to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified on a list attached to the Omnibus Proxy).

Principal, interest and any premium payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent with respect to the Notes (the "Paying Agent") or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and any premium to DTC is the responsibility of the Company or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of Notes at any time by giving reasonable notice to the Company or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for such Notes are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for any series of Notes. In that event, Note certificates will be printed and delivered for such Notes.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Company believes to be reliable, but neither the Company, any Agent nor any underwriter takes any responsibility for the accuracy thereof.

The Agents and any underwriters of the Notes may be Direct Participants in DTC.

None of the Company, the Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a Global Note, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Events of Default

The Indenture provides, with respect to any series of Securities outstanding thereunder, that the following will constitute Events of Default: (i) default in the payment of any interest upon any Security of that series or of any related coupon and the continuance of such default for 30 days; (ii) default in the payment of the principal of or any premium on any Security of that series when due, whether at maturity, by acceleration, upon redemption or otherwise; (iii) default in the performance, or breach, of any covenant or agreement of the Company in the Indenture with respect to any Security of that series, and the continuance of such default or breach for a period of 90 days after written notice as provided in the Indenture; (iv) default resulting from the failure of the Company to pay when due (including any applicable grace period) the principal of or interest on, or default resulting in the acceleration of the indebtedness under, any evidence of indebtedness for money borrowed by the Company (including Securities of any other series) or any instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of the Company, involving an interest or principal payment or an amount accelerated in excess of $10,000,000, and such default has not been cured, such indebtedness has not been discharged or such acceleration has not been rescinded or annulled within 90 days after written notice as provided in the Indenture; (v) certain events of bankruptcy, insolvency or reorganization relating to the Company; and (vi) any other Event of Default provided under any applicable supplemental indenture or Board Resolution with respect to the Securities of that series. (Section 501). The Company is required to file with the Trustee, annually, an officers' certificate as to the Company's compliance with all conditions and covenants under the Indenture. (Section 1004). The Indenture provides that the Trustee may withhold notice to the holders of any series of Securities of any default (except payment defaults on any Security of that series) if it considers it in the interest of the holders of the Securities of that series to do so. (Section 601).

If any Event of Default with respect to the Securities of a particular series shall occur and be continuing, then the Trustee or the holders of not less than 25% in principal amount of the Securities of that series then Outstanding may declare the principal of and interest on the Securities of that series then Outstanding to be due and payable immediately. (Section 502).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to the Securities of a particular series shall occur and be continuing, the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Securities of a particular series, unless such holders have offered to the Trustee reasonable security or indemnity against the expenses and liabilities which might be incurred by it in compliance with such request or direction. (Sections 315 of the TIA and 602 of the Indenture). Subject to such provisions for the indemnification of the Trustee, the holders of a majority in principal amount of the Securities of a particular series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee with respect to the Securities of that series. (Section 512).

The holders of a majority in principal amount of the Securities of any series then Outstanding may on behalf of the holders of all the Securities of that series waive any past default and its consequences with respect to the Securities of that series, except a default (i) in the payment of the principal of, or interest (or premium, if any) on any of the Securities of that series, or (ii) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each Security of that series then Outstanding affected thereby. (Section 513).

Modification or Waiver

Modification and amendment of the Indenture may be made by the Company and the Trustee with the consent of the holders of a majority in principal amount of all Outstanding Securities of any series (such modification and amendment shall not, however, affect the rights of the holders of any other series of Securities issued under the Indenture); provided that no such modification or amendment shall, without the consent of the holder of each Outstanding Security of such series affected thereby, among other things: (i) change the Stated Maturity of the principal of or any installment of interest on any such Security; (ii) reduce the principal amount or the rate of interest on or any premium payable upon the redemption of any such Security; or (iii) reduce the above-stated percentage of holders of such Outstanding Securities necessary to modify or amend the Indenture or to consent to any waiver thereunder. (Section 902). Modification and amendment of the Indenture may be made by the Company and the Trustee without the consent of the holders of the Securities to, among other things, (i) add to the covenants and Events of Default of the Company for the benefit of such holders or (ii) make certain other modifications, generally of a ministerial nature. (Section 901).

Defeasance and Covenant Defeasance

Unless otherwise specified in the applicable Pricing Supplement, the Company may elect either (a) to defease and be discharged from any and all obligations with respect to the Notes (except for the obligations with respect to transfer or exchange of the Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency in respect of such Notes and to hold moneys for payment in trust) ("defeasance") (Section 1402) or (b) to be released from its obligations with respect to any covenant, and any omission to comply with such obligations shall not constitute a default or an Event of Default with respect to such Notes ("covenant defeasance") (Section 1403), in either case upon the irrevocable deposit by or on behalf of the Company with the Trustee (or other qualifying trustee), in trust, of an amount, in cash or Government Obligations (as defined) which through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest, if any, on such Notes, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. (Section 1404).

Such a trust may only be established if, among other things, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the holders of such Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance under clause (a) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture. (Section 1404).

The applicable Pricing Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above with respect to any particular series of Notes.

Resignation or Removal of Trustee

The Trustee may resign or be removed with respect to one or more series of Securities and a successor Trustee may be appointed to act with respect to such series. So long as no Event of Default or event which, after notice or lapse of time, or both, would become an Event of Default has occurred and is continuing, if the Company has delivered to the Trustee a resolution of its Board of Directors appointing a successor trustee and such successor has accepted such appointment in accordance with the terms of the Indenture, the Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture. (Section 608).

In the event that two or more persons are acting as Trustee with respect to different series of Securities issued under the Indenture, each such Trustee shall be a Trustee of a trust under such Indenture separate and apart from the trust administered by any other such Trustee (Section 609), and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Trustee.

Concerning the Trustee

The Trustee is one of a number of banks with which the Company and Progress Capital Holdings, Inc. ("PCH"), a subsidiary of Florida Progress Corporation, maintain ordinary banking relationships and from which the Company and PCH have obtained credit facilities and lines of credit. First Chicago Trust Company of New York, an affiliate of the Trustee, is trustee under the Indenture dated January 1, 1944, as supplemented, pursuant to which the Company issues its Bonds. First Chicago Capital Markets, Inc., one of the Agents, also is an affiliate of the Trustee.

PLAN OF DISTRIBUTION

The Notes are offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of the Notes. The Company may also sell Notes directly to investors on its own behalf or to an Agent as principal and may appoint additional agents to solicit and receive offers to purchase the Notes. Unless otherwise agreed by the Company and the Agents, the Company will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. Each Agent will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes in whole or in part. The Company will pay each Agent a commission, in the form of a discount, ranging from .125% to .750% of the price to the public of any Note sold through such Agent, depending on the maturity of such Note.

In addition, the Agents may offer the Notes they have purchased as principal to other dealers. The Agents may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Supplement, such discount allowed to any dealer will not be in excess of 66⅔% of the discount to be received by such Agent from the Company.

Unless otherwise indicated in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity, and may be resold by the Agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial public offering of Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

Unless otherwise specified in the applicable Pricing Supplement, payment of the purchase price of the Notes acquired through the Agents acting as agents is required to be made in funds immediately available in New York, New York.

The Agents may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Company has agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act.

In connection with the offering of the Notes, the Agents may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Agents may overallot in connection with the offering of the Notes, creating a short position. In addition, the Agents may bid for and purchase Notes in the open market to cover short positions or to stabilize the price of the Notes. Finally, the Agents may reclaim selling concessions allowed for distributing the Notes in the offering of the Notes, if the Agents repurchase previously distributed Notes in covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels. The Agents are not required to engage in any of these activities, and may end any of them at any time.

LEGAL MATTERS

Certain matters relating to the legality of the Notes will be passed upon for the Company by Kenneth E. Armstrong, Esq., Vice President and General Counsel of Florida Progress Corporation, acting as counsel for the Company, and for the Agents by Jones, Day, Reavis & Pogue, Chicago, Illinois, except that matters of Florida law will be passed upon only by Kenneth E. Armstrong, Esq. Jones, Day, Reavis & Pogue has from time to time and continues to represent the Company in connection with certain limited matters.

EXPERTS

The financial statements and schedules as of December 31, 1996 and 1995, and for each of the years in the three-year period ended December 31, 1996, included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996, have been incorporated by reference herein and in the Registration Statement in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The statements made herein and in the documents incorporated herein by reference that relate to matters of law or express legal conclusions are made on the authority of Kenneth E. Armstrong, Esq., Vice President and General Counsel of Florida Progress Corporation, as an expert, and are included herein upon the authority of such counsel.

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EXHIBIT (b)-1

Florida Power
CORPORATION

Kenneth E. Armstrong
Vice President and General Counsel

July 10, 1997

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

Re: $200,000,000 Short-Term Loan Commitment to Florida Power Corporation

Ladies and Gentlemen:

I am Vice President and General Counsel of Florida Power Corporation (the "Borrower"). I and members of the legal department of Florida Progress Corporation, the Borrower's parent, have acted as counsel to the Borrower in connection with the execution and delivery of that certain Letter Agreement dated as of July 10, 1997 relating to a loan in the aggregate principal amount not to exceed $200,000,000 (the "Letter Agreement") between the Borrower and The Chase Manhattan Bank (the "Lender") and the Note (as defined in the Letter Agreement) executed by the Borrower in connection with the Letter Agreement. Except as otherwise defined herein, all terms used herein and defined in the Letter Agreement, the Note or any agreement delivered thereunder shall have the meanings assigned to them therein.

In connection with this opinion, I or lawyers under my supervision have examined executed copies of the Facility Documents and such other documents, records, agreements and certificates as we have deemed appropriate. We have also reviewed such matters of law as we have considered relevant for the purpose of this opinion.

I express no opinion as to the laws of any jurisdiction other than the State of Florida. In that regard, I note that the Letter Agreement and Note each provide that they shall be governed by the laws of the State of New York.

Based upon and subject to the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

3201 34th Street South (33711) · P.O. Box 14042 (33733) · St. Petersburg, Florida · (813) 866-5163 · FAX (813) 866-4931
A Florida Progress Company

2. The execution, delivery and performance by the Borrower of the Facility Documents have been duly authorized by all necessary corporate action and do not and will not contravene the Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting the Borrower.

3. Each Facility Document is, or when delivered under the Letter Agreement will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. To the best of my knowledge (after due inquiry), there are no pending or threatened actions, suits or proceedings against or affecting the Borrower before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of the Borrower or the ability of the Borrower to perform its obligations under the Facility Documents.

This opinion may be relied upon by you in connection with the Letter Agreement and the transactions contemplated thereby, but may not be used, circulated, quoted or otherwise relied upon by any other person or for any other purpose without my prior written consent.

Very truly yours,

Kenneth E. Armstrong

Kenneth E. Armstrong

EXHIBIT (b)-2

Florida Power
CORPORATION

Kenneth E. Armstrong
Vice President and General Counsel

July 10, 1997

The Chase Manhattan Bank
270 Park Avenue
New York, NY 10017

Re: $250,000,000 Long-Term Loan Commitment to Florida Power Corporation

Ladies and Gentlemen:

I am Vice President and General Counsel of Florida Power Corporation (the "Borrower"). I and members of the legal department of Florida Progress Corporation, the Borrower's parent, have acted as counsel to the Borrower in connection with the execution and delivery of that certain Letter Agreement dated as of July 10, 1997 relating to a loan in the aggregate principal amount not to exceed $250,000,000 (the "Letter Agreement") between the Borrower and The Chase Manhattan Bank (the "Lender") and the Note (as defined in the Letter Agreement) executed by the Borrower in connection with the Letter Agreement. Except as otherwise defined herein, all terms used herein and defined in the Letter Agreement, the Note or any agreement delivered thereunder shall have the meanings assigned to them therein.

In connection with this opinion, I or lawyers under my supervision have examined executed copies of the Facility Documents and such other documents, records, agreements and certificates as we have deemed appropriate. We have also reviewed such matters of law as we have considered relevant for the purpose of this opinion.

I express no opinion as to the laws of any jurisdiction other than the State of Florida. In that regard, I note that the Letter Agreement and Note each provide that they shall be governed by the laws of the State of New York.

Based upon and subject to the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Florida, has the corporate power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged, and is duly qualified as a foreign corporation and in good standing under the laws of each other jurisdiction in which such qualification is required.

3201 34th Street South (33711) · P.O. Box 14042 (33733) · St. Petersburg, Florida · (813) 866-5163 · FAX (813) 866-4931
A Florida Progress Company

2. The execution, delivery and performance by the Borrower of the Facility Documents have been duly authorized by all necessary corporate action and do not and will not contravene the Borrower's charter or by-laws or any applicable law or any contractual provision binding on or affecting the Borrower.

3. Each Facility Document is, or when delivered under the Letter Agreement will be, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

4. To the best of my knowledge (after due inquiry), there are no pending or threatened actions, suits or proceedings against or affecting the Borrower before any court, governmental agency or arbitrator, which may, in any one case or in the aggregate, materially adversely affect the financial condition, operations, properties or business of the Borrower or the ability of the Borrower to perform its obligations under the Facility Documents.

This opinion may be relied upon by you in connection with the Letter Agreement and the transactions contemplated thereby, but may not be used, circulated, quoted or otherwise relied upon by any other person or for any other purpose without my prior written consent.

Very truly yours,

Kenneth E. Armstrong

EXHIBIT (b)-3

Doc. No. 34

Florida Power
CORPORATION

Kenneth E. Armstrong
Vice President and General Counsel

July 1, 1997

The First National Bank of Chicago
Chicago, IL

Re: $850,000,000 Florida Power Corporation Medium-Term Notes, Series B

Ladies and Gentlemen:

This opinion is being rendered to you pursuant to Section 303 of the Indenture dated as of August 15, 1992 (the "Indenture") between Florida Power Corporation (the "Company") and The First National Bank of Chicago, as successor trustee (the "Trustee"), in connection with the issuance and sale by the Company of $850,000,000 Medium-Term Notes, Series B (the "Notes") pursuant to the Amended and Restated Distribution Agreement dated April 23, 1996 between the Company and J.P. Morgan Securities Inc., PaineWebber Incorporated and First Chicago Capital Markets, Inc. (the "Distribution Agreement").

I am Vice President and General Counsel of the Company. I and members of the legal department of Florida Progress Corporation, the Company's parent, have been designated by the Company's Board of Directors to act as counsel to the Company in connection with the issuance and sale of the Notes. We are generally familiar with the Company's business, properties and corporate proceedings, including proceedings authorizing the execution and delivery of the Indenture and the Distribution Agreement and the issuance of the Notes. We have examined a copy of the Registration Statements on Form S-3 (Nos. 33-50908, 333-02549 and 333-29897) relating to the Notes as filed with the Securities and Exchange Commission on August 17, 1992, April 16, 1996 and June 24, 1997, respectively, and the related Prospectus dated July 1, 1997, in each case including the documents incorporated therein by reference; the Indenture; the Distribution Agreement; a Company Order dated July 1, 1997 from the Company to the Trustee pursuant to Section 303 of the Indenture (the "Company Order"); an Officers' Certificate dated July 1, 1997 pursuant to Sections 301 and 303 of the Indenture; the forms of certificates representing a fixed rate and floating rate Note attached as exhibits to the Company Order (the "Forms of Notes"); the Company's Amended Articles of Incorporation, as amended, certified by the Secretary of State of Florida; a copy of the Company's Bylaws, as amended to date, certified by the Assistant Secretary of the Company; copies of resolutions adopted by the Board of Directors of the Company on July 18, 1991, July 16, 1992, February 7, 1996 and June 16, 1997, certified by the Assistant Secretary of the Company to be true and correct copies thereof (the "Resolutions"); a Designated Officers' Action dated July 1, 1997 adopted pursuant to the Resolutions; and such other documents and records as I have deemed appropriate.

I express no opinion as to the laws of any jurisdiction other than the State of Florida and the federal laws of the United States of America. In that regard, I note that the Indenture and the Distribution Agreement each provide that they shall be governed by, and construed in accordance with, the laws of the State of New York.

On the basis of and subject to the foregoing, it is my opinion that:

1. The Forms of Notes have been established in conformity with the provisions of the Indenture.

2. Upon execution and delivery to the Trustee of the Pricing and Authenticating Instructions as contemplated by the Company Order, the terms of the Notes will have been established in conformity with the provisions of the Indenture.

3. The Notes, when (a) completed by appropriate insertions on the Forms of Notes and executed and delivered by the Company to the Trustee for authentication in accordance with the Indenture, (b) authenticated and delivered by the Trustee in accordance with the Indenture, the Company Order and the Pricing and Authenticating Instructions, and (c) issued by the Company and delivered against payment therefor in accordance with the terms of the Distribution Agreement, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms, except that the enforceability thereof may be subject to applicable laws relating to bankruptcy, insolvency, reorganization and other similar laws of general applicability relating to or affecting creditors' rights generally, and to general equitable principles (whether considered in a proceeding at law or in equity), and except further as enforcement thereof may be limited by (A) requirements that a claim with respect to any Notes denominated other than in U.S. dollars (or a foreign currency or foreign currency unit judgement in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in foreign currency or currency units or payments outside the United States.

4. All laws and, upon execution and delivery to the Trustee of the Pricing and Authentication Instructions, all requirements in respect of the execution and delivery by the Company of the Notes have or will have been complied with, and the authentication and delivery of the Notes by the Trustee in accordance with the Pricing and Authentication Instructions will not violate the terms of the Indenture.

5. The Company has the corporate power to issue the Notes and, upon execution and delivery to the Trustee of the Pricing and Authentication Instructions, will have duly taken all necessary corporate action with respect to such issuance.

6. The issuance of the Notes will not contravene the Amended Articles of Incorporation or Bylaws of the Company, each as amended, or result in any violation of any of the terms or provisions of any law or regulation or of any indenture, mortgage or other agreement known to me by which the Company is bound.

This opinion may be relied upon by you and your counsel in connection with the Indenture and the transactions contemplated thereby, but may not be used, circulated, quoted or otherwise relied upon by any other person or for any other purpose without my prior written consent.

Very truly yours,

Kenneth E. Armstrong
Vice President and General Counsel

p\power.ato\trustop.97

EXHIBIT (c)-1

Registration Statement on Form S-3 (No. 33-50908) as filed with the SEC on August 17, 1992. (Filed as Exhibit (c) to the Company's Consummation Report dated July 8, 1993 as filed with the Commission on July 9, 1993 in Docket No. 921096-EI, and incorporated herein by reference.)

EXHIBIT (c)-2

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As filed with the Securities and Exchange Commission on April 16, 1996

Registration No. 333-02549

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FLORIDA POWER CORPORATION
(Exact name of registrant as specified in its charter)

Florida
(State of Incorporation)

59-0247770
(I.R.S. Employer Identification No.)

3201 34th Street South
St. Petersburg, Florida 33711
Telephone Number (813) 866-5151
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James V. Smallwood
Vice President and Treasurer
Florida Power Corporation
3201 34th Street South
St. Petersburg, FL 33711
(813) 866-5647

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box. [ ]

<PAGE>

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. [ ] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

<TABLE>
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit (2)(3)	Proposed Maximum Aggregate Offering Price (2)(3)	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Medium-Term Notes	$130,700,000	100%	$130,700,000	$45,070

(1) Or its equivalent thereof on the applicable exchange rate at the time of sale), if Notes are issued with principal amounts denominated in one or more foreign currencies, currency units or composite currencies as shall be designated by the Registrant.

(2) Estimated solely for the purpose of calculating the registration fee.

(3) Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus contained herein relates to an aggregate of $200,000,000 principal amount of Notes, consisting of the $130,700,000 principal amount of Notes being registered hereby and the $169,300,000 principal amount of Notes that are as yet unsold that previously were registered under the Company's Registration Statement on Form S-3 (No. 33-56988) that was filed with the Commission on August 17, 1995.

</TABLE>

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

<PAGE>

Legend for left hand margin of cover of prospectus:

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

PROSPECTUS

Subject to Completion
Dated April 16, 1996

FLORIDA POWER CORPORATION
$300,000,000
Medium-Term Notes, Series B
Due from 9 Months to 30 Years from Date of Issue

Florida Power Corporation, a Florida corporation (the "Company") may offer from time to time its Medium-Term Notes, Series B (the "Notes") in an aggregate principal amount of up to $300,000,000. The Notes will have stated maturities from 9 months to 30 years from the date of issue.

The designations, aggregate principal amount, specific interest rates (or method of calculation), maturities, offering price, sinking fund or other redemption provisions, if any, and other specific terms of Notes will be set forth in Pricing Supplements to this Prospectus. Unless otherwise specified in the applicable Pricing Supplement, the Notes will bear interest at a fixed rate to be determined by the Company at or prior to the sale thereof, with interest payable on February 1 and August 1 of each year and at maturity. See "Description of Notes".

The Notes will be represented by a Global Note registered in the name of a nominee of The Depository Trust Company or another depositary (the "Depositary"), unless the applicable Pricing Supplement specifies that the Notes will be issued in definitive registered form. A beneficial interest in a Global Note will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. A beneficial interest in a Global Note will be exchanged for Notes in definitive form only under the limited circumstances described herein or in the applicable Pricing Supplement. See "Description of Notes -- Book-Entry System".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS OR ANY SUPPLEMENT HERETO. ANY

REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

<S>	PRICE TO PUBLIC(1) <C>	AGENTS' COMMISSIONS(2) <C>	PROCEEDS TO COMPANY(2)(3) <C>
Per Note	100%	.125% - .750%	99.250% - 99.875%
Total	$200,000,000	$375,000 - $2,250,000	$197,750,000 - $199,625,000

</TABLE>

(1) Unless otherwise indicated in the applicable Pricing Supplement, each Note will be issued at 100% of its principal amount, less the applicable commission.
(2) The Company will pay a commission to J.P. Morgan Securities Inc., PaineWebber Incorporated and First Chicago Capital Markets, Inc. (each, an "Agent"), in the form of a discount, ranging from .125% to .750% of the price to public of any Note sold through any of them as Agent, depending upon the maturity of such Note. The Company also may sell the Notes to an Agent, as principal, and at prices set forth in the applicable Pricing Supplement, for resale by such Agent at such prices as will be determined by such Agent at the time of such resale. None of the proceeds from a resale of Notes will be received by the Company. See "Plan of Distribution". The Company has agreed to indemnify each of the Agents against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Plan of Distribution".
(3) Before deduction of estimated expenses of $330,000 payable by the Company.

The Notes are being offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of such Notes, and also may be sold to an Agent or other person, as principal, for resale. The Company reserves the right to sell the Notes directly to investors on its own behalf. The Notes may be sold at the price to the public set forth above to dealers who later resell such Notes to investors. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended. There can be no assurance that the Notes offered hereby will be sold or that there will be a secondary market for the Notes. The Company reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Company or the Agent that solicits any order may reject such order in whole or in part. See "Plan of Distribution".

J.P. MORGAN & CO.

PAINEWEBBER INCORPORATED

FIRST CHICAGO CAPITAL MARKETS, INC.

April , 1996.

<PAGE>

AVAILABLE INFORMATION

The Company and its parent, Florida Progress Corporation, are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Reports, proxy statements and other information filed by the Company and its parent can be inspected and copied at the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549, and the following Regional Offices of the SEC: Seven World Trade Center, 13th Floor, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and copies of such material can be obtained from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, reports, proxy material and other information concerning the Company's parent may be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005 and at The Pacific Stock Exchange, 301 Pine Street, San Francisco,

California 94104.

This Prospectus constitutes a part of Registration Statements on Form S-3 (together with all amendments and exhibits, referred to collectively as the "Registration Statement") filed by the Company with the SEC under the Securities Act of 1933, as amended. This Prospectus does not contain all of the information included in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. Reference is made to the Registration Statement for further information with respect to the Company and the Notes offered hereby.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company with the SEC (File No. 1-3274) are incorporated herein by reference:

1. Annual Report on Form 10-K for the year ended December 31, 1995, as filed with the SEC on March 20, 1996.

2. Current Reports on Form 8-K dated January 22, 1996, February 8, 1996 and April 18, 1996, as filed with the SEC on January 24, 1996, February 9, 1996 and April 22, 1996, respectively.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Notes offered hereby shall be deemed to be incorporated by reference in this Prospectus from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein (or in the accompanying Pricing Supplement) or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS REFERRED TO ABOVE WHICH HAVE BEEN OR MAY BE INCORPORATED IN THIS PROSPECTUS BY REFERENCE, OTHER THAN EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO: FLORIDA PROGRESS CORPORATION, INVESTOR SERVICES DEPARTMENT, P.O. BOX 33042, ST. PETERSBURG, FLORIDA 33733, OR TELEPHONE (813) 824-6428 OR TOLL-FREE (800) 352-1121.

THE COMPANY

Florida Power Corporation, a wholly owned subsidiary of Florida Progress Corporation, was incorporated in Florida in 1899 and has its principal executive office at 3201 34th Street South, St. Petersburg, Florida 33711, telephone number (813) 866-5151. The Company is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily within the State of Florida. The Company's service area, with a population of about 4.8 million, comprises approximately 20,000 square miles in west central Florida and includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. During the twelve months ended December 31, 1995, the Company served an average of approximately 1,270,000 customers. The Company has a system generating capacity of 7,347 megawatts, and its energy mix (on a megawatt hour basis) for the twelve months ended December 31, 1995, was approximately 39% coal, 12% oil, 4% gas, 19% nuclear and 26% purchased power.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for the periods indicated:

<TABLE>
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YEAR ENDED DECEMBER 31,				
1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>
4.41	3.98	3.65	3.84	3.87

</TABLE>

For purposes of computing the ratio of earnings to fixed charges, earnings consist of net income plus income taxes and fixed charges. Fixed charges represent gross interest expense including amortization of debt expense, discount or premium.

USE OF PROCEEDS

Except as may otherwise be set forth in the applicable Pricing Supplement, the net proceeds from the sale of the Notes offered hereby will be used for the repayment of short-term debt and/or for other general corporate purposes. At December 31, 1995, the Company had $145.2 million of short-term debt outstanding with a weighted average interest rate of 5.82%.

DESCRIPTION OF NOTES

The Notes will be issued under an Indenture dated as of August 15, 1992 (the "Indenture") between the Company and The First National Bank of Chicago, successor trustee (the "Trustee"). The form of the Indenture is filed as an exhibit to the Registration Statement of which this Prospectus forms a part and is incorporated herein by this reference. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). The following description of certain of the terms of the Notes will apply unless otherwise set forth in the applicable Pricing Supplement. The statements made under this heading relating to the Notes and the Indenture are summaries of the provisions thereof and do not purport to be complete and are subject to, and qualified in their entirety by, reference to the Indenture, including the definitions of certain terms therein. Unless otherwise indicated, parenthetical references below are to the Indenture.

GENERAL

The Notes will be offered on a continuing basis and each Note will mature from 9 months to 30 years from its date of issue. The Notes offered hereby will be limited to U.S. $300,000,000 aggregate amount or the equivalent in one or more foreign currencies, currency units or composite currencies (together with the U.S. dollar, each a "currency").

The Notes will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of the Company. Substantially all of the Company's assets are subject to a first and prior lien in favor of holders of the Company's First Mortgage Bonds (the "Bonds"), of which approximately $851.7 million aggregate principal amount were outstanding on December 31, 1995. Under the terms of the indenture of mortgage relating to the Bonds, additional Bonds of any series may be issued from time to time upon the satisfaction of certain conditions. As of December 31, 1995, under the indenture of mortgage, the bondable value of property additions was approximately $2.9 billion, permitting the issuance of approximately $1.7 billion of additional Bonds; and

approximately another $163 million of Bonds could be issued in respect of Bonds previously authenticated which have been canceled or delivered for cancellation.

The Indenture provides that, in addition to the Notes offered hereby, additional debt securities (including both interest bearing and original issue discount securities in both bearer form and certificated or book-entry registered form) may be issued thereunder, without limitation as to the aggregate principal amount. (Section 301). All or a portion of such additional debt securities may also be designated as Medium-Term Notes, Series B, which together with the $300,000,000 principal amount of Medium-Term Notes, Series B offered hereby, and the $30,700,000 principal amount of Medium-Term Notes, Series B issued in April 1993, shall constitute one series of securities established by the Company pursuant to the Indenture. All securities issued under the Indenture, including the Notes offered hereby, are herein collectively referred to as the "Securities". The Indenture does not limit the amount of other debt, secured or unsecured, that may be issued by the Company.

No service charge will be made for any transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 305).

The applicable Pricing Supplement for each Note will state the following: (i) the designation of such Note; (ii) the principal amount of such Note; (iii) the date on which such Note will be issued; (iv) the Stated Maturity of such Note; (v) the rate per annum at which such Note will bear interest (or the method of calculation of such interest); (vi) the offering price of such Note; (vii) the redemption or sinking fund provisions, if any, of such Note; and (viii) additional terms, if any, applicable to such Note.

Unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest at a fixed annual rate (a "Fixed Rate Note") and be denominated in U.S. dollars in denominations of $1,000 or any integral multiple thereof. Unless otherwise specified in the applicable Pricing Supplement, the Notes will initially be represented by one or more global securities registered in the name of a nominee of the Depositary and the denomination of any Note issued in global form will not exceed $100,000,000 without the approval of the Depositary. See "Book-Entry System".

Unless otherwise specified in the applicable Pricing Supplement, interest on each Note will be payable on each Interest Payment Date and at Maturity. Any interest other than at Maturity will be payable to the person in whose name a Note (or any Predecessor Note) is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date, subject to certain exceptions; provided, however, that if a Note is issued between a Regular Record Date and the Interest Payment Date pertaining thereto, the initial interest payment will be made on the Interest Payment Date following the next succeeding Regular Record Date to the holder on such Regular Record Date. Interest payable at Maturity will be paid to the person to whom the principal of the Note is paid.

FIXED RATE NOTES

Each Fixed Rate Note will mature on any day from 9 months to 30 years from the date of issue selected by the initial purchaser and agreed to by the Company. Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note will bear interest on the principal amount thereof from its date of issue at the annual rate stated in the applicable Pricing Supplement until the principal thereof is paid or duly made available for payment. Unless otherwise specified in the applicable Pricing Supplement, the "Interest Payment Dates" for

Fixed Rate Notes will be on February 1 and August 1 of each year and the "Regular Record Dates" for Fixed Rate Notes will be the January 15 and July 15, respectively, immediately preceding an Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will accrue from and including the date of issue or from and including the next preceding Interest Payment Date to which interest has been duly paid or provided for, as the case may be, to but excluding the next succeeding Interest Payment Date or the date of Maturity, as the case may be. Any payment of principal, premium or interest required to be made on a Fixed Rate Note on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

FLOATING RATE NOTES

The Company may from time to time offer Notes that bear a floating rate of interest, which may include interest rates based on rates for negotiable certificates of deposit, commercial paper or federal funds or on LIBOR, prime or base lending rates or Treasury bill rates. The applicable Pricing Supplement for such a Note will set forth the particular terms of such Note, including the interest rate basis, the Interest Payment Dates, the Regular Record Dates and the other terms of such Note.

OTHER NOTES

The Company may from time to time offer Notes denominated or payable in a currency other than U.S. dollars. In addition, the Company may from time to time offer Notes the principal amount of which payable on the maturity date or the interest thereon may be determined (i) by reference to the rate of exchange between one or more currencies, (ii) by reference to other indices or (iii) in such other manner as is specified in the applicable Pricing Supplement.

An investment in foreign currency Notes or currency indexed Notes entails significant risks that are not associated with investments in instruments denominated or payable in U.S. dollars and the extent and nature of such risks change continuously. Such Notes are not an appropriate investment for prospective purchasers who are unsophisticated with respect to foreign currency matters. These risks vary depending upon the currency or currencies involved and will be more fully described in the applicable Pricing Supplement.

BOOK-ENTRY SYSTEM

Except as described below, the Notes will be issued in whole or in part in the form of one or more global securities (each a "Global Note") that will be deposited with, or on behalf of, The Depository Trust Company, New York, New York ("DTC") or such other depositary as is designated by the Company (DTC or such other depositary, the "Depositary"), and registered in the name of a nominee of the Depositary.

Upon issuance, all Notes having the same terms, including, but not limited to, the same Interest Payment Dates, rates of interest, Stated Maturity and sinking fund or redemption provisions, if any, will be represented by one or more Global Notes. Notes will not be exchangeable for Notes in certificated form and, except under the circumstances described below, will not otherwise be issuable in certificated form.

So long as the Depositary for a Global Note, or its nominee, is the registered

owner of such Global Note, the Depositary or its nominee, as the case may be, will be considered the sole holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered the owners or holders thereof under the Indenture. The laws of some states require that certain purchasers of securities take physical delivery of such securities in certificated form. Such laws may impair the ability to transfer beneficial interests in a Global Note.

If the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, the Company will issue individual Notes in certificated form in exchange for such Global Notes. In addition, the Company may at any time and in its sole discretion determine not to have any Notes represented by one or more Global Notes and, in such event, will issue individual Notes in certificated form in exchange for the Global Notes representing the corresponding Notes. In any such instance, an owner of a beneficial interest in a Note represented by a Global Note will be entitled to physical delivery of individual Notes in certificated form equal in principal amount to the principal amount of the Notes so owned and to have such Notes in certificated form registered in its name. Individual Notes in certificated form so issued will be issued as registered Notes in denominations, unless otherwise specified by the Company, of $1,000 and integral multiples thereof.

The following is based solely on information furnished by DTC:

Unless otherwise specified in the applicable Pricing Supplement, DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for each issue of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue, unless otherwise approved by DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the SEC.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants'

records. A Beneficial Owner will not receive written confirmation from DTC of its purchase, but such Beneficial Owner is expected to receive a written

confirmation providing details of the transaction, as well as periodic statements of its holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If the Notes are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Notes. Under its usual procedures, DTC mails a proxy (an "Omnibus Proxy") to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified on a list attached to the Omnibus Proxy).

Principal, interest and any premium payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent with respect to the Notes (the "Paying Agent") or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and any premium to DTC is the responsibility of the Company or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of Notes at any time by giving reasonable notice to the Company or the Paying Agent. Under such circumstances, in the event

that a successor securities depository is not obtained, certificates for such Notes are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for any series of Notes. In that event, Note certificates will be printed and delivered for such Notes.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Company believes to be reliable, but neither the Company, any Agent nor any underwriter takes any responsibility for the accuracy thereof.

The Agents and any underwriters of the Notes may be Direct Participants in DTC.

NONE OF THE COMPANY, THE TRUSTEE OR ANY PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR ANY ASPECT OF THE RECORDS RELATING TO OR PAYMENTS MADE ON ACCOUNT OF BENEFICIAL INTERESTS IN A GLOBAL NOTE, OR FOR MAINTAINING, SUPERVISING OR REVIEWING ANY RECORDS RELATING TO SUCH BENEFICIAL INTERESTS.

EVENTS OF DEFAULT

The Indenture provides, with respect to any series of Securities outstanding thereunder, that the following will constitute Events of Default: (i) default in the payment of any interest upon any Security of that series or of any

related coupon and the continuance of such default for 30 days; (ii) default in the payment of the principal of or any premium on any Security of that series when due, whether at maturity, by acceleration, upon redemption or otherwise; (iii) default in the performance, or breach, of any covenant or agreement of the Company in the Indenture with respect to any Security of that series, and the continuance of such default or breach for a period of 90 days after written notice as provided in the Indenture; (iv) default resulting from the failure of the Company to pay when due (including any applicable grace period) the principal of or interest on, or default resulting in the acceleration of the indebtedness under, any evidence of indebtedness for money borrowed by the Company (including Securities of any other series) or any instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of the Company, involving an interest or principal payment or an amount accelerated in excess of $10,000,000, and such default has not been cured, such indebtedness has not been discharged or such acceleration has not been rescinded or annulled within 90 days after written notice as provided in the Indenture; (v) certain events of bankruptcy, insolvency or reorganization relating to the Company; and (vi) any other Event of Default provided under any applicable supplemental indenture or Board Resolution with respect to the Securities of that series. (Section 501). The Company is required to file with the Trustee, annually, an officers' certificate as to the Company's compliance with all conditions and covenants under the Indenture. (Section 1004). The Indenture provides that the Trustee may withhold notice to the holders of any series of Securities of any default (except payment defaults on any Security of that series) if it considers it in the interest of the holders of the Securities of that series to do so. (Section 601).

If any Event of Default with respect to the Securities of a particular series shall occur and be continuing, then the Trustee or the holders of not less than 25% in principal amount of the Securities of that series then Outstanding may declare the principal of and interest on the Securities of that series then Outstanding to be due and payable immediately. (Section 502).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to the Securities of a particular series shall occur and be continuing, the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Securities of a particular series, unless such holders have offered to the Trustee reasonable security or indemnity against the expenses and liabilities which might be incurred by it in compliance with such request or direction. (Sections 315 of the TIA and 602 of the Indenture). Subject to such provisions for the indemnification of the Trustee, the holders of a majority in principal amount of the Securities of a particular series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee with respect to the Securities of that series. (Section 512).

The holders of a majority in principal amount of the Securities of any series then Outstanding may on behalf of the holders of all the Securities of that series waive any past default and its consequences with respect to the Securities of that series, except a default (i) in the payment of the principal of, or interest (or premium, if any) on any of the Securities of that series, or (ii) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each Security of that series then Outstanding affected thereby. (Section 513).

MODIFICATION OR WAIVER

Modification and amendment of the Indenture may be made by the Company and the Trustee with the consent of the holders of a majority in principal amount of all Outstanding Securities of any series (such modification and amendment shall not, however, affect the rights of the holders of any other series of Securities issued under the Indenture); provided that no such modification or amendment shall, without the consent of the holder of each Outstanding Security of such series affected thereby, among other things: (i) change the Stated Maturity of the principal of or any installment of interest on any such Security; (ii) reduce the principal amount or the rate of interest on or any premium payable upon the redemption of any such Security; or (iii) reduce the above-stated percentage of holders of such Outstanding Securities necessary to modify or amend the Indenture or to consent to any waiver thereunder. (Section 902). Modification and amendment of the Indenture may be made by the Company and the Trustee without the consent of the holders of the Securities to, among other things, (i) add to the covenants and Events of Default of the Company for the benefit of such holders or (ii) make certain other modifications, generally of a ministerial nature. (Section 901).

DEFEASANCE AND COVENANT DEFEASANCE

Unless otherwise specified in the applicable Pricing Supplement, the Company may elect either (a) to defease and be discharged from any and all obligations with respect to the Notes (except for the obligations with respect to transfer or

exchange of the Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency in respect of such Notes and to hold moneys for payment in trust) ("defeasance") (Section 1402) or (b) to be released from its obligations with respect to any covenant, and any omission to comply with such obligations shall not constitute a default or an Event of Default with respect to such Notes ("covenant defeasance") (Section 1403), in either case upon the irrevocable deposit by or on behalf of the Company with the Trustee (or other qualifying trustee), in trust, of an amount, in cash or Government Obligations (as defined) which through the payment of principal and interest in accordance with their terms will provide money in an amount

sufficient to pay the principal of (and premium, if any) and interest, if any, on such Notes, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. (Section 1404).

Such a trust may only be established if, among other things, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the holders of such Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance under clause (a) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture. (Section 1404).

The applicable Pricing Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above with respect to any particular series of Notes.

RESIGNATION OR REMOVAL OF TRUSTEE

The Trustee may resign or be removed with respect to one or more series of Securities and a successor Trustee may be appointed to act with respect to such series. So long as no Event of Default or event which, after notice or lapse of time, or both, would become an Event of Default has occurred and is continuing, if the Company has delivered to the Trustee a resolution of its Board of Directors appointing a successor trustee and such successor has accepted such appointment in accordance with the terms of the Indenture, the Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture. (Section 608).

In the event that two or more persons are acting as Trustee with respect to different series of Securities issued under the Indenture, each such Trustee shall be a Trustee of a trust under such Indenture separate and apart from the trust administered by any other such Trustee (Section 609), and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Trustee.

CONCERNING THE TRUSTEE

The Trustee is one of a number of banks with which the Company and Progress Capital Holdings, Inc. ("PCH"), a subsidiary of Florida Progress Corporation, maintain ordinary banking relationships and from which the Company and PCH have obtained credit facilities and lines of credit. First Chicago Trust Company of New York, an affiliate of the Trustee, is trustee under the Indenture dated January 1, 1944, as supplemented, pursuant to which the Company issues its Bonds. First Chicago Capital Markets, Inc., one of the Agents, also is an affiliate of the Trustee.

PLAN OF DISTRIBUTION

The Notes are offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of the Notes. The Company may also sell Notes directly to investors on its own behalf or to an Agent as principal and may appoint additional agents to solicit and receive offers to purchase the Notes. Unless otherwise agreed by the Company and the Agents, the Company will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. Each Agent will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes in whole or in part. The Company will pay each Agent a commission, in the form of a discount, ranging from .125% to .750% of the

price to the public of any Note sold through such Agent, depending on the maturity of such Note.

In addition, the Agents may offer the Notes they have purchased as principal to other dealers. The Agents may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Supplement, such discount allowed to any dealer will not be in excess of 66 2/3% of the discount to be received by such Agent from the Company.

Unless otherwise indicated in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity, and may be resold by the Agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial public offering of Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

Unless otherwise specified in the applicable Pricing Supplement, payment of the purchase price of the Notes acquired through the Agents acting as agents is required to be made in funds immediately available in New York, New York.

The Agents may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Company has agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act.

The Notes are a new issue of securities with no established trading market. The Company has been advised by the Agents that they may from time to time make a market in the Notes, but they are not obligated to do so and may discontinue such market-making at any time without notice. Further, each of the Agents may from time to time purchase and sell Notes in the secondary market, but is not obligated to do so. No assurance can be given as to the liquidity of any trading market for the Notes.

LEGAL MATTERS

Certain matters relating to the legality of the Notes will be passed upon for the Company by Kenneth E. Armstrong, Esq., Vice President, General Counsel and Secretary of Florida Progress Corporation, acting as counsel for the Company, and for the Agents by Jones, Day, Reavis & Pogue, Chicago, Illinois, except that matters of Florida law will be passed upon only by Kenneth E. Armstrong, Esq.

EXPERTS

The financial statements and schedules included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, incorporated herein by reference, have been audited by KPMG Peat Marwick LLP, independent certified public accountants, to the extent and for the periods indicated in their reports with respect thereto, and are incorporated herein by reference in reliance upon their reports given on the authority of said firms as experts in accounting and auditing.

The statements made herein and in the documents incorporated herein by reference that relate to matters of law or express legal conclusions are made on the authority of Kenneth E. Armstrong, Esq., Vice President, General Counsel and Secretary of Florida Progress Corporation, as an expert, and are included herein upon the authority of such counsel.

PART II.

Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution.

SEC Registration Fee	$ 45,070
Rating Agency Fees	200,000*
Printing and Engraving	25,000*
Trustee Fees	5,000*
Accounting Fees and Expenses	25,000*
Legal Fees and Blue Sky Expenses	25,000*
Miscellaneous	4,930*
Total	$ 330,000*

*Estimated.

Item 15. Indemnification of Directors and Officers.

The Florida Business Corporation Act, as amended (the "Florida Act"), provides that, in general, a business corporation may indemnify any person who is or was a party to any proceeding (other than an action by, or in the right of, the corporation) by reason of the fact that he or she is or was a director or officer of the corporation, against liability incurred in connection with such proceeding, provided certain standards are met, including that such officer or director acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and provided further that, with respect to any criminal action or proceeding, the officer or director had no reasonable cause to believe his or her conduct was unlawful. In the case of proceedings by or in the right of the corporation, the Florida Act provides that, in general, a corporation may indemnify any person who was or is a party to such proceeding by reason of the fact that he or she is or was a director or officer of the corporation against expenses and amounts paid in settlement actually and reasonably incurred in connection with the defense or settlement of such proceeding, including the appeal thereof, provided that such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the corporation, and provided further that no indemnity shall be made in respect of any claim as to which such person is adjudged liable unless a court of competent jurisdiction determines upon application that such person is fairly and reasonably entitled to indemnity. To the extent that any officers or directors are successful on the merits or otherwise in the defense of any of the proceedings described above, the Florida Act provides that the corporation is required to indemnify such officers or directors against expenses actually and reasonably incurred in connection therewith. However, the Florida Act further provides that, in general, indemnification or advancement of expenses shall not be made to or on behalf of any officer or director if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute: (i) a violation of the criminal law, unless the director or officer had reasonable cause

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS OR ANY SUPPLEMENT HERETO, IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE AGENTS. THIS PROSPECTUS AND ANY SUPPLEMENT HERETO DO NOT CONSTITUTE AN OFFER TO SELL, OR SOLICITATION OF AN OFFER TO BUY, THE NOTES IN ANY JURISDICTION IN WHICH, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY SUPPLEMENT HERETO NOR ANY SALE MADE THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THEREOF, OR THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THEREOF.

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Medium-Term Notes,
Series B

PROSPECTUS

J.P. MORGAN & CO.

PAINEWEBBER INCORPORATED

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to believe his or her conduct was lawful or had no reasonable cause to believe it was unlawful; (ii) a transaction from which the director or officer derived an improper personal benefit; (iii) in the case of a director, a circumstance under which the director has voted for or assented to a distribution made in violation of the Florida Act or the corporation's articles of incorporation; or (iv) willful misconduct or a conscious disregard for the best interest of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder. Article XI of the Company's By-laws provides that the Company shall indemnify any director, officer or employee or any former director, officer or employee to the full extent permitted by law.

The underwriters, if any, will also agree to indemnify the directors and officers of the Company against certain liabilities to the extent set forth in Section 8 of the Distribution Agreement (see Exhibit 1).

The Company has purchased insurance with respect to, among other things, the liabilities that may arise under the statutory provisions referred to above. The directors and officers of the Company also are insured against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended, which might be incurred by them in such capacities and against which they are not indemnified by the Company.

Item 16. Exhibits.

1	Form of Amended and Restated Distribution Agreement.
4*	Indenture dated as of August 15, 1992, between the Company and The First National Bank of Chicago, successor Trustee. (Filed as Exhibit 4(a) to the Company's Registration Statement on Form S-3 (No. 33-50908), as filed with the SEC on August 17, 1992.)
5	Opinion of Kenneth S. Armstrong, Esq. regarding the legality of the Notes to be issued.
12	Statement regarding computation of ratio of earnings to fixed charges.
23.(a)	Consent of KPMG Peat Marwick LLP.
23.(b)	Consent of Kenneth S. Armstrong, Esq. is contained in his opinion filed as Exhibit 5.
24	Powers of Attorney are included on the signature page of this Registration Statement.
25	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The First National Bank of Chicago.

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* Incorporated herein by reference.

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Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 15, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Petersburg, State of Florida, on the 16th day of April, 1996.

FLORIDA POWER CORPORATION

By: /s/ Joseph H. Richardson

Joseph H. Richardson, President
and Chief Operating Officer

KNOW ALL MEN BY THESE PRESENTS that each of the undersigned officers and directors of Florida Power Corporation (the "Company"), a Florida corporation, for himself or herself and not for one another, does hereby constitute and appoint KENNETH B. ARMSTRONG, JAMES V. SHALLENCOD and DOUGLAS E. MENTZ, and each of them, a true and lawful attorney in his or her name, place and stead, in any and all capacities, to sign his or her name to any and all amendments, including post-effective amendments, to this registration statement, and to cause the same to be filed with the Securities and Exchange Commission, granting unto said attorneys and each of them full power and authority to do and perform any act and thing necessary and proper to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and each of the undersigned for himself or herself hereby ratifies and confirms all that said attorneys or any one of them shall lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
(i) /s/ Richard Kerpan Richard Kerpan Principal Executive Officer	Chairman of the Board, Chief Executive Officer and Director	April 16, 1996
(ii) /s/ Jeffrey R. Heinicke Jeffrey R. Heinicke Principal Financial Officer	Senior Vice President and Chief Financial Officer	April 16, 1996
(iii) /s/ John Scardino, Jr. John Scardino, Jr. Principal Accounting Officer	Vice President and Controller	April 16, 1996

<PAGE>

(iv) A majority of the Directors, including (i) above:

Signature	Title	Date
/s/ R. Mark Bostick R. Mark Bostick	Director	April 16, 1996
/s/Jack B. Critchfield Jack B. Critchfield	Director	April 16, 1996
/s/ Allen J. Koessler, Jr. Allen J. Koessler, Jr.	Director	April 16, 1996
/s/ Frank C. Logan Frank C. Logan	Director	April 16, 1996
/s/ Clarence V. McKee Clarence V. McKee	Director	April 16, 1996
/s/ Joseph H. Richardson Joseph H. Richardson	Director	April 16, 1996
/s/ Joan D. Ruffier Joan D. Ruffier	Director	April 16, 1996

/s/ Joan Giles Wittner — Director — April 16, 1996

Joan Giles Wittner

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EXHIBIT INDEX

Exhibit No.	Exhibit
1	Form of Amended and Restated Distribution Agreement.
4*	Indenture, dated as of August 15, 1993, between the Company and The First National Bank of Chicago, successor Trustee. (Filed as Exhibit 4(a) to the Company's Registration Statement on Form S-3 (No. 33-50965), as filed with the SEC on August 17, 1993.)
5	Opinion of Kenneth E. Armstrong, Esq. regarding the legality of the Notes to be issued.
12	Statement regarding computation of ratio of earnings to fixed charges.
23.(a)	Consent of KPMG Peat Marwick LLP, independent certified public accountants.
23.(b)	Consent of Kenneth E. Armstrong, Esq. is contained in his opinion filed as Exhibit 5.
24	Powers of Attorney are included on the signature page of this Registration Statement.
25	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The First National Bank of Chicago.

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* Incorporated herein by reference.

EXHIBIT (c)-3

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As filed with the Securities and Exchange Commission on June 24, 1997

Registration No. 333-29897

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FLORIDA POWER CORPORATION
(Exact name of registrant as specified in its charter)

Florida	59-0247770
(State of Incorporation)	(I.R.S. Employer Identification No.)

3201 34th Street South
St. Petersburg, Florida 33711
Telephone Number (813) 866-5151
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Pamela A. Saari
Assistant Treasurer
Florida Power Corporation
3201 34th Street South
St. Petersburg, FL 33711
(813) 866-5871
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of the Registration Statement.

.....

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, check the following box. [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. [ ] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

<TABLE>
<CAPTION>

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Unit (2)(3)	Proposed Maximum Aggregate Offering Price (2)(3)	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Medium-Term Notes	$850,000,000	100%	$850,000,000	$166,667

(1) Or its equivalent (based on the applicable exchange rate at the time of sale), if Notes are issued with principal amounts denominated in one or more foreign currencies, currency units or composite currencies as shall be designated by the Registrant.
(2) Estimated solely for the purpose of calculating the registration fee.
(3) Pursuant to Rule 429 under the Securities Act of 1933, the Prospectus contained herein relates to an aggregate of $850,000,000 principal amount of Notes, consisting of (a) the $850,000,000 principal amount of Notes being registered hereby, (b) the $160,300,000 principal amount of Notes that are as yet unsold that previously were registered under the Company's Registration Statement on Form S-3 (No. 33-50988) that was filed with the Commission on August 17, 1992, and (c) the $139,700,000 principal amount of Notes that are as yet unsold that previously were registered under the Company's Registration Statement on Form S-3 (No. 333-00540) that was filed with the Commission on April 16, 1996.

</TABLE>

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Legend for left hand margin of cover of prospectus:

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

SUBJECT TO COMPLETION
Dated June 24, 1997

PROSPECTUS

FLORIDA POWER CORPORATION
$850,000,000
Medium-Term Notes, Series B
Due from 9 Months to 30 Years from Date of Issue

Florida Power Corporation, a Florida corporation (the "Company") may offer from time to time its Medium-Term Notes, Series B (the "Notes") in an aggregate principal amount of up to $850,000,000. The Notes will have stated maturities from 9 months to 30 years from the date of issue.

The designations, aggregate principal amount, specific interest rates (or method of calculation), maturities, offering price, sinking fund or other redemption provisions, if any, and other specific terms of Notes will be set forth in Pricing Supplements to this Prospectus. Unless otherwise specified in the applicable Pricing Supplement, the Notes will bear interest at a fixed rate to be determined by the Company at or prior to the sale thereof, with interest payable on February 1 and August 1 of each year and at maturity. See "Description of Notes".

The Notes will be represented by one or more Global Notes (collectively, the "Global Note") registered in the name of a nominee of The Depository Trust Company or another depositary (the "Depositary"), unless the applicable Pricing Supplement specifies that the Notes will be issued in definitive registered form. A beneficial interest in a Global Note will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary and its participants. A beneficial interest in a Global Note will be exchanged for Notes in definitive form only under the limited circumstances described herein or in the applicable Pricing Supplement. See "Description of Notes -- Book-Entry System".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
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	PRICE TO PUBLIC(1)	AGENTS' COMMISSIONS(2)	PROCEEDS TO COMPANY(2)(3)
<S>	<C>	<C>	<C>
Per Note	100%	.125% - .750%	99.875% - 99.250%
Total	$850,000,000	$1,062,500 - $6,375,000	$848,937,500 - $843,625,000

</TABLE>

(1) Unless otherwise indicated in the applicable Pricing Supplement, each Note will be issued at 100% of its principal amount.
(2) The Company will pay a commission to J.P. Morgan Securities Inc., PaineWebber Incorporated and First Chicago Capital Markets, Inc. (each, together with any additional or successor agents named in the applicable Pricing Supplement, an "Agent"), in the form of a discount, ranging from .125% to .750% of the price to public of any Note sold through any of them as Agent, depending upon the maturity of such Note. The Company also may sell the Notes to an Agent, as principal, and at prices set forth in the applicable Pricing Supplement, for resale by such Agent at such prices as will be determined by such Agent at the time of such resale. None of the proceeds from a resale of Notes will be received by the Company. The Company

has agreed to indemnify each of the Agents against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Plan of Distribution".

(3) Before deduction of estimated expenses of $450,000 payable by the Company.

The Notes are being offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of such Notes, and also may be sold to an Agent or other person, as principal, for resale. The Company reserves the right to sell the Notes directly to investors on its own behalf. The Notes may be sold at the price to the public set forth above to dealers who later resell such Notes to investors. Such dealers may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended. There can be no assurance that the Notes offered hereby will be sold or that there will be a secondary market for the Notes. The Company reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Company or the Agent that solicits any order may reject such order in whole or in part. See "Plan of Distribution".

J.P. MORGAN & CO.

[redacted] INCORPORATED

FIRST CHICAGO CAPITAL MARKETS, INC.

, 1997

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE NOTES. SPECIFICALLY, THE AGENTS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE NOTES IN THE OPEN MARKET. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "PLAN OF DISTRIBUTION".

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Prospectus or any supplement hereto, in connection with the offer contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or the Agents. This Prospectus and any supplement hereto do not constitute an offer to sell, or solicitation of an offer to buy, the Notes in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus or any supplement hereto nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or thereof, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date hereof or thereof.

TABLE OF CONTENTS

AVAILABLE INFORMATION

The Company and its parent, Florida Progress Corporation, are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). Reports, proxy statements and other information filed by the Company and its parent can be inspected and copied at the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549, and the following Regional Offices of the SEC: Seven World Trade Center, 13th Floor, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and copies of such material can be obtained from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The SEC maintains a web site at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the SEC. In addition, reports, proxy material and other information concerning the Company's parent may be inspected at the New York Stock Exchange, 20 Broad Street, New York, New York 10005 and at The Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104.

This Prospectus constitutes a part of Registration Statements on Form S-3 (together with all amendments and exhibits, referred to collectively as the "Registration Statement") filed by the Company with the SEC under the Securities Act of 1933, as amended. This Prospectus does not contain all of the information included in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. Reference is made to the Registration Statement for further information with respect to the Company and the Notes offered hereby.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company with the SEC (File No. 1-3274) are incorporated herein by reference:

1. Annual Report on Form 10-K for the year ended December 31, 1996, as filed with the SEC on March 27, 1997, as amended by Form 10-K/A-1, as filed with the SEC on May 16, 1997.

2. Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, as filed with the SEC on May 15, 1997.

3. Current Reports on Form 8-K dated January 7, January 23, January 29, February 20, March 28, April 15, May 12, May 27 and June 19, 1997, as filed with the SEC on January 16, January 28, January 29, February 24, April 4, April 21, May 12, May 28 and June 23, 1997, respectively.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Notes offered hereby shall be deemed to be incorporated by reference in this Prospectus from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein (or in the accompanying Pricing Supplement) or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED, ON THE WRITTEN OR ORAL REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS REFERRED TO ABOVE WHICH HAVE BEEN OR MAY BE INCORPORATED IN THIS PROSPECTUS BY REFERENCE, OTHER THAN EXHIBITS TO SUCH DOCUMENTS, UNLESS SUCH

EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO: FLORIDA PROGRESS CORPORATION, INVESTOR SERVICES DEPARTMENT, P.O. BOX 14042, ST. PETERSBURG, FLORIDA 33733, OR TELEPHONE (813) 866-4247 OR TOLL-FREE (800) 937-2640.

THE COMPANY

Florida Power Corporation, a wholly owned subsidiary of Florida Progress Corporation, was incorporated in Florida in 1899 and has its principal executive office at 3201 34th Street South, St. Petersburg, Florida 33711, telephone number (813) 866-5151. The Company is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily within the State of Florida. The Company's service area, with a population of about 4.5 million, comprises approximately 20,000 square miles in west central Florida and includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. During the twelve months ended December 31, 1996, the Company served an average of approximately 1,290,000 customers. The Company has a system generating capacity of 7,341 megawatts, and its energy mix (on a megawatt hour basis) for the twelve months ended December 31, 1996, was approximately 43% coal, 16% oil, 3% gas, 6% nuclear and 32% purchased power.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's ratio of earnings to fixed charges for the periods indicated:

YEAR ENDED DECEMBER 31,				
1996	1995	1994	1993	1992
4.80	4.41	3.90	3.83	3.84

For purposes of computing the ratio of earnings to fixed charges, earnings consist of net income plus income taxes and fixed charges. Fixed charges represent gross interest expense including amortization of debt expense, discount or premium.

USE OF PROCEEDS

Except as may otherwise be set forth in the applicable Pricing Supplement, the net proceeds from the sale of the Notes offered hereby will be used for the repayment of short-term debt and/or for other general corporate purposes. At March 31, 1997, the Company had $255.9 million of short-term debt outstanding with a weighted average interest rate of 5.44%.

DESCRIPTION OF NOTES

The Notes will be issued under an indenture dated as of August 15, 1992 (the "Indenture") between the Company and The First National Bank of Chicago, successor trustee (the "Trustee"). The form of the Indenture is filed as an exhibit to the Registration Statement of which this Prospectus forms a part and is incorporated herein by this reference. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended (the "TIA"). The following description of certain of the terms of the Notes will apply unless otherwise set forth in the applicable Pricing Supplement. The statements made under this heading relating to the Notes and the Indenture are summaries of the provisions thereof and do not purport to be complete and are subject to, and qualified in their entirety by, reference to the Indenture, including the definitions of certain terms therein. Unless otherwise indicated, parenthetical references below are to the Indenture.

GENERAL

The Notes will be offered on a continuing basis and each Note will mature from 9 months to 30 years from its date of issue. The Notes offered hereby will be limited to U.S. $850,000,000 aggregate amount or the equivalent in one or more foreign currencies, currency units or composite currencies (together with

the U.S. dollar, each a "currency").

The Notes will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of the Company. Substantially all of the Company's assets are subject to a first and prior lien in favor of holders of the Company's First Mortgage Bonds (the "Bonds"), of which approximately $835 million aggregate principal amount were outstanding on December 31, 1996. Under the terms of the indenture of mortgage relating to the Bonds, additional Bonds of any series may be issued from time to time upon the satisfaction of certain conditions. As of December 31, 1996, under the indenture of mortgage, the bondable value of property additions was approximately $3.0 billion, permitting the issuance of approximately $1.8 billion of additional Bonds; and approximately another

$181.4 million of Bonds could be issued in respect of Bonds previously authenticated which have been canceled or delivered for cancellation.

The Indenture provides that, in addition to the Notes offered hereby, additional debt securities (including both interest bearing and original issue discount securities in both bearer form and certificated or book-entry registered form) may be issued thereunder, without limitation as to the aggregate principal amount. (Section 301). All or a portion of such additional debt securities may also be designated as Medium-Term Notes, Series B, which together with the $850,000,000 principal amount of Medium-Term Notes, Series B offered hereby, and the $30,700,000 principal amount of Medium-Term Notes, Series B issued in April 1993, shall constitute one series of securities established by the Company pursuant to the Indenture. All securities issued under the Indenture, including the Notes offered hereby, are herein collectively referred to as the "Securities". The Indenture does not limit the amount of other debt, secured or unsecured, that may be issued by the Company.

No service charge will be made for any transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. (Section 305).

The applicable Pricing Supplement for each Note will state the following: (i) the designation of such Note; (ii) the principal amount of such Note; (iii) the date on which such Note will be issued; (iv) the Stated Maturity of such Note; (v) the rate per annum at which such Note will bear interest (or the method of calculation of such interest); (vi) the offering price of such Note; (vii) the redemption or sinking fund provisions, if any, of such Note; and (viii) additional terms, if any, applicable to such Note.

Unless otherwise specified in the applicable Pricing Supplement, each Note will bear interest at a fixed annual rate (a "Fixed Rate Note") and be denominated in U.S. dollars in denominations of $1,000 or any integral multiple thereof. Unless otherwise specified in the applicable Pricing Supplement, the Notes will initially be represented by one or more global securities registered in the name of a nominee of the Depositary and the denomination of any Note issued in global form will not exceed $200,000,000 without the approval of the Depositary. See "Book-Entry System".

Unless otherwise specified in the applicable Pricing Supplement, interest on each Note will be payable on each Interest Payment Date and at Maturity. Any interest other than at Maturity will be payable to the person in whose name a Note (or any Predecessor Note) is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date, subject to certain exceptions; provided, however, that if a Note is issued between a Regular Record Date and the Interest Payment Date pertaining thereto, the initial interest payment will be made on the Interest Payment Date following the next succeeding Regular Record Date to the holder on such Regular Record Date. Interest payable at Maturity will be paid to the person to whom the principal of the Note is paid.

FIXED RATE NOTES

Each Fixed Rate Note will mature on any day from 9 months to 30 years from the date of issue selected by the initial purchaser and agreed to by the Company. Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note will bear interest on the principal amount thereof from its date of issue at the annual rate stated in the applicable Pricing Supplement until the principal thereof is paid or duly made available for payment. Unless otherwise specified in the applicable Pricing Supplement, the "Interest Payment Dates" for Fixed Rate Notes will be on February 1 and August 1 of each year and the "Regular Record Dates" for Fixed Rate Notes will be the January 15 and July 15, respectively, immediately preceding an Interest Payment Date. Unless

otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will accrue from and including the date of issue or from and including the next preceding Interest Payment Date to which interest has been duly paid or provided for, as the case may be, to but excluding the next succeeding Interest Payment Date or the date of Maturity, as the case may be. Any payment of principal, premium or interest required to be made on a Fixed Rate Note on a day that is not a Business Day need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on such day and no interest shall accrue as a result of such delayed payment. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

FLOATING RATE NOTES

The Company may from time to time offer Notes that bear a floating rate of interest, which may include interest rates based on rates for negotiable certificates of deposit, commercial paper or federal funds or on LIBOR, prime or base lending rates or Treasury bill rates. The applicable Pricing Supplement for such a Note will set forth the particular

terms of such Note, including the interest rate basis, the Interest Payment Dates, the Regular Record Dates and the other terms of such Note.

OTHER NOTES

The Company may from time to time offer Notes denominated or payable in a currency other than U.S. dollars. In addition, the Company may from time to time offer Notes the principal amount of which payable on the maturity date or the interest thereon may be determined (i) by reference to the rate of exchange between one or more currencies, (ii) by reference to other indices or (iii) in such other manner as is specified in the applicable Pricing Supplement.

An investment in foreign currency Notes or currency indexed Notes entails significant risks that are not associated with investments in instruments denominated or payable in U.S. dollars and the extent and nature of such risks change continuously. Such Notes are not an appropriate investment for prospective purchasers who are unsophisticated with respect to foreign currency matters. These risks vary depending upon the currency or currencies involved and will be more fully described in the applicable Pricing Supplement.

BOOK-ENTRY SYSTEM

Except as described below, the Notes will be issued in whole or in part in the form of one or more global securities (each a "Global Note") that will be deposited with, or on behalf of, The Depository Trust Company, New York, New York ("DTC") or such other depositary as is designated by the Company (DTC or such other depositary, the "Depositary"), and registered in the name of a nominee of the Depositary.

Upon issuance, all Notes having the same terms, including, but not limited to, the same Interest Payment Dates, rates of interest, Stated Maturity and sinking fund or redemption provisions, if any, will be represented by one or more Global Notes. Notes will not be exchangeable for Notes in certificated form and, except under the circumstances described below, will not otherwise be issuable in certificated form.

So long as the Depositary for a Global Note, or its nominee, is the registered owner of such Global Note, the Depositary or its nominee, as the case may be, will be considered the sole holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of beneficial interests in a Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of Notes in certificated form and will not be considered the owners or holders thereof under the Indenture. The laws of some states require that certain purchasers of securities take physical delivery of such securities in certificated form. Such laws may impair the ability to transfer beneficial interests in a Global Note.

If the Depositary is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, the Company will issue individual Notes in certificated form in exchange for such Global Notes. In addition, the Company may at any time and in its sole discretion determine not to have any Notes represented by one or more Global Notes and, in such event, will issue individual Notes in certificated form in exchange for the Global Notes representing the corresponding Notes. In any such instance, an owner of a beneficial interest in a Note represented by a Global Note will be entitled to physical delivery of individual Notes in certificated form equal in principal amount to the principal amount of Notes so owned and to have such Notes in certificated form registered in its name. Individual Notes in certificated form so issued will be issued as registered Notes in denominations, unless otherwise specified by the Company, of $1,000 and integral multiples thereof.

The following is based solely on information furnished by DTC:

Unless otherwise specified in the applicable Pricing Supplement, DTC will act as securities depository for the Notes. The Notes will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Note certificate will be issued for each issue of the Notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue, unless otherwise approved by DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency"

registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the SEC.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. A Beneficial Owner will not receive written confirmation from DTC of its purchase, but such Beneficial Owner is expected to receive a written confirmation providing details of the transaction, as well as periodic statements of its holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If the Notes are redeemable, redemption notices shall be sent to Cede & Co. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Notes. Under its usual procedures, DTC mails a proxy (an "Omnibus Proxy") to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified on a list attached to the Omnibus Proxy).

Principal, interest and any premium payments on the Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the

payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent with respect to the Notes (the "Paying Agent") or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and any premium to DTC is the responsibility of the Company or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to any series of Notes at any time by giving reasonable notice to the Company or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for such Notes are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) for any series of Notes. In that event, Note certificates will be printed and delivered for such Notes.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources (including DTC) that the Company believes to be reliable, but neither the Company, any Agent nor any underwriter takes any responsibility for the accuracy thereof.

The Agents and any underwriters of the Notes may be Direct Participants in DTC.

NONE OF THE COMPANY, THE TRUSTEE OR ANY PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR LIABILITY FOR ANY ASPECT OF THE RECORDS RELATING TO OR PAYMENTS MADE ON ACCOUNT OF BENEFICIAL INTERESTS IN A GLOBAL NOTE, OR FOR MAINTAINING, SUPERVISING OR REVIEWING ANY RECORDS RELATING TO SUCH BENEFICIAL INTERESTS.

EVENTS OF DEFAULT

The Indenture provides, with respect to any series of Securities outstanding thereunder, that the following will constitute Events of Default: (i) default in the payment of any interest upon any Security of that series or of any related coupon and the continuance of such default for 30 days; (ii) default in the payment of the principal of or any premium on any Security of that series when due, whether at maturity, by acceleration, upon redemption or otherwise; (iii) default in the performance, or breach, of any covenant or agreement of the Company in the Indenture with respect to any Security of that series, and the continuance of such default or breach for a period of 90 days after written notice as provided in the Indenture; (iv) default resulting from the failure of the Company to pay when due (including any applicable grace period) the principal of or interest on, or default resulting in the acceleration of the indebtedness under, any evidence of indebtedness for money borrowed by the Company (including Securities of any other series) or any instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of the Company, involving an interest or principal payment or an amount accelerated in excess of $10,000,000, and such default has not been cured, such indebtedness has not been discharged or such acceleration has not been rescinded or annulled within 90 days after written notice as provided in the Indenture; (v) certain events of bankruptcy, insolvency or reorganization relating to the Company; and (vi) any other Event of Default provided under any applicable supplemental indenture or Board Resolution with respect to the Securities of that series. (Section 501). The Company is required to file with the Trustee, annually, an officers' certificate as to the Company's compliance with all conditions and covenants under the Indenture. (Section 1004). The Indenture provides that the Trustee may withhold notice to the holders of any series of Securities of any default (except payment defaults on any Security of that series) if it considers it in the interest of the holders of the Securities of that series to do so. (Section 601).

If any Event of Default with respect to the Securities of a particular series shall occur and be continuing, then the Trustee or the holders of not less than 25% in principal amount of the Securities of that series then Outstanding may declare the principal of and interest on the Securities of that series then Outstanding to be due and payable immediately. (Section 502).

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to the Securities of a particular series shall occur and be continuing, the Trustee shall be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders of the Securities of a particular

series, unless such holders have offered to the Trustee reasonable security or indemnity against the expenses and liabilities which might be incurred by it in compliance with such request or direction. (Sections 315 of the TIA and 602 of the Indenture). Subject to such provisions for the indemnification of the Trustee, the holders of a majority in principal amount of the Securities of a particular series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee with respect to the Securities of that series. (Section 512).

The holders of a majority in principal amount of the Securities of any series then Outstanding may on behalf of the holders of all the Securities of that series waive any past default and its consequences with respect to the Securities of that series, except a default (i) in the payment of the principal of, or interest (or premium, if any) on any of the Securities of that series, or (ii) in respect of a covenant or provision that cannot be modified or amended without the consent of the holder of each Security of that series then Outstanding affected thereby. (Section 513).

MODIFICATION OR WAIVER

Modification and amendment of the Indenture may be made by the Company and the Trustee with the consent of the holders of a majority in principal amount of all Outstanding Securities of any series (such modification and amendment shall not, however, affect the rights of the holders of any other series of Securities issued under the Indenture); provided that no such modification or amendment shall, without the consent of the holder of each Outstanding Security of such series affected thereby, among other things: (i) change the Stated Maturity of the principal of or any installment of interest on any such Security; (ii) reduce the principal amount or the rate of interest on or any premium payable upon the redemption of any such Security; or (iii) reduce the above-stated percentage of holders of such Outstanding Securities necessary to modify or amend the Indenture or to consent to any waiver thereunder. (Section 902). Modification and amendment of the Indenture may be made by the Company and the Trustee without the consent of the holders of the Securities to, among other things, (i) add to the covenants and Events of Default of the Company for the benefit of such holders or (ii) make certain other modifications, generally of a ministerial nature. (Section 901).

DEFEASANCE AND COVENANT DEFEASANCE

Unless otherwise specified in the applicable Pricing Supplement, the Company may elect either (a) to defease and be discharged from any and all obligations with respect to the Notes (except for the obligations with respect to transfer or exchange of the Notes, to replace temporary or mutilated, destroyed, lost or stolen Notes, to maintain an office or agency in respect of such Notes and to hold moneys for payment in trust) ("defeasance") (Section 1402) or (b) to be released from its obligations with respect to any covenant, and any omission to comply with such obligations shall not constitute a default or an Event of Default with respect to such Notes ("covenant defeasance") (Section 1403), in either case upon the irrevocable deposit by or on behalf of the Company with the Trustee (or other qualifying trustee), in trust, of an amount, in cash or Government Obligations (as defined) which through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest, if any, on such Notes, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. (Section 1404).

Such a trust may only be established if, among other things, the Company has delivered to the Trustee an Opinion of Counsel to the effect that the holders of such Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance under clause (a) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture. (Section 1404).

The applicable Pricing Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above with respect to any particular series of Notes.

RESIGNATION OR REMOVAL OF TRUSTEE

The Trustee may resign or be removed with respect to one or more series of Securities and a successor Trustee may be appointed to act with respect to such series. So long as no Event of Default or event which, after notice or lapse of time, or both, would become an Event of Default has occurred and is continuing,

if the Company has delivered to the Trustee a resolution of its Board of Directors appointing a successor trustee and such successor has accepted such appointment in accordance with the terms of the Indenture, the Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture. (Section 608).

In the event that two or more persons are acting as Trustee with respect to different series of Securities issued under the Indenture, each such Trustee shall be a Trustee of a trust under such Indenture separate and apart from the trust administered by any other such Trustee (Section 609), and any action described herein to be taken by the "Trustee" may then be taken by each such Trustee with respect to, and only with respect to, the one or more series of Securities for which it is Trustee.

CONCERNING THE TRUSTEE

The Trustee is one of a number of banks with which the Company and Progress Capital Holdings, Inc. ("PCH"), a subsidiary of Florida Progress Corporation, maintain ordinary banking relationships and from which the Company and PCH have obtained credit facilities and lines of credit. First Chicago Trust Company of New York, an affiliate of the Trustee, is trustee under the Indenture dated January 1, 1944, as supplemented, pursuant to which the Company issues its Bonds. First Chicago Capital Markets, Inc., one of the Agents, also is an affiliate of the Trustee.

PLAN OF DISTRIBUTION

The Notes are offered on a continuing basis by the Company through the Agents, who have agreed to use their best efforts to solicit purchases of the Notes. The Company may also sell Notes directly to investors on its own behalf or to an Agent as principal and may appoint additional agents to solicit and receive offers to purchase the Notes. Unless otherwise agreed by the Company and the Agents, the Company will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. Each Agent will have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes in whole or in part. The Company will pay each Agent a commission, in the form of a discount, ranging from .125% to .750% of the price to the public of any Note sold through such Agent, depending on the maturity of such Note.

In addition, the Agents may offer the Notes they have purchased as principal to other dealers. The Agents may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Pricing Supplement, such discount allowed to any dealer will not be in excess of 66 2/3% of the discount to be received by such Agent from the Company.

Unless otherwise indicated in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission applicable to an agency sale of a Note of identical maturity, and may be resold by the Agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial public offering of Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

Unless otherwise specified in the applicable Pricing Supplement, payment of the purchase price of the Notes acquired through the Agents acting as agents is required to be made in funds immediately available in New York, New York.

The Agents may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"). The Company has agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act.

In connection with the offering of the Notes, the Agents may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Agents may overallot in connection with the offering of the Notes, creating a short position. In addition, the Agents may bid for and purchase Notes in the open market to cover short positions or to stabilize the price of the Notes. Finally, the Agents may reclaim selling concessions allowed for distributing the Notes in the offering of the Notes, if the Agents repurchase previously distributed Notes in covering transactions, stabilization transactions or otherwise. Any of these activities may stabilize or maintain the

market price of the Notes above independent market levels. The Agents are not required to engage in any of these activities, and may end any of them at any time.

LEGAL MATTERS

Certain matters relating to the legality of the Notes will be passed upon for the Company by Kenneth E. Armstrong, Esq., Vice President and General Counsel of Florida Progress Corporation, acting as counsel for the Company, and for the Agents by Jones, Day, Reavis & Pogue, Chicago, Illinois, except that matters of Florida law will be passed upon only by Kenneth E. Armstrong, Esq. Jones, Day, Reavis & Pogue has from time to time and continues to represent the Company in connection with certain limited matters.

EXPERTS

The financial statements and schedules as of December 31, 1996 and 1995, and for each of the years in the three-year period ended December 31, 1996, included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996, have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG Peat Marwick LLP, independent certified public accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The statements made herein and in the documents incorporated herein by reference that relate to matters of law or express legal conclusions are made on the authority of Kenneth B. Armstrong, Esq., Vice President and General Counsel of Florida Progress Corporation, as an expert, and are included herein upon the authority of such counsel.

PART II.

Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution.

SEC Registration Fee	$ 166,667
Rating Agency Fees	200,000*
Printing and Engraving	25,000*
Trustee Fees	5,000*
Accounting Fees and Expenses	25,000*
Legal Fees and Blue Sky Expenses	25,000*
Miscellaneous	3,333*
Total	$ 450,000*

*Estimated.

Item 15. Indemnification of Directors and Officers.

The Florida Business Corporation Act, as amended (the "Florida Act"), provides that, in general, a business corporation may indemnify any person who is or was a party to any proceeding (other than an action by, or in the right of, the corporation) by reason of the fact that he or she is or was a director or officer of the corporation, against liability incurred in connection with such proceeding, provided certain standards are met, including that such officer or director acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and provided further that, with respect to any criminal action or proceeding, the officer or director had no reasonable cause to believe his or her conduct was unlawful. In the case of proceedings by or in the right of the corporation, the Florida Act provides that, in general, a corporation may indemnify any person who was or is a party to such proceeding by reason of the fact that he or she is or was a director or officer of the corporation against expenses and amounts paid in settlement actually and reasonably incurred in connection with the defense or settlement of such proceeding, including the appeal thereof, provided that such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the corporation, and provided further that no indemnity shall be made in respect of any claim as to which such person is adjudged liable unless a court of competent jurisdiction determines upon application that such person is fairly and reasonably entitled to indemnity. To the extent that any officers or directors are successful on the merits or otherwise in the defense of any of the proceedings described above, the Florida Act provides that the corporation is required to indemnify such officers or directors against expenses actually and reasonably incurred in connection therewith. However, the Florida Act further provides that, in general, indemnification or advancement of expenses shall not be made to or on behalf of any officer or director if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute: (i) a violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe it was unlawful; (ii) a transaction from which the director or officer derived an improper personal benefit; (iii) in the case of a director, a circumstance under which the director has voted for or assented to a distribution made in violation of the Florida Act or the corporation's articles of incorporation; or (iv) willful misconduct or a conscious disregard for the best interest of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder. Article XI of the Company's By-laws provides that the Company shall indemnify any director, officer or employee or any former director, officer or employee to the full extent permitted by law.

The underwriters, if any, will also agree to indemnify the directors and officers of the Company against certain liabilities to the extent set forth in Section 8 of the Distribution Agreement (see Exhibit 1).

The Company has purchased insurance with respect to, among other things, the liabilities that may arise under the statutory provisions referred to above. The directors and officers of the Company also are insured against certain liabilities, including certain liabilities arising under the Securities Act of 1933, as amended, which might be incurred by them in such capacities and against which they are not indemnified by the Company.

Item 16. Exhibits.

1*	Form of Amended and Restated Distribution Agreement. (Filed as Exhibit 1 to the Company's Registration Statement on Form S-3 (No. 333-02549) as filed with the SEC on April 16, 1996.)
4*	Indenture dated as of August 15, 1992, between the Company and The First National Bank of Chicago, successor Trustee. (Filed as Exhibit 4(a) to the Company's Registration Statement on Form S-3 (No. 33-50908), as filed with the SEC on August 17, 1992.)
5	Opinion of Kenneth E. Armstrong, Esq. regarding the legality of the Notes to be issued.
12	Statement regarding computation of ratio of earnings to fixed charges.
23.(a)	Consent of KPMG Peat Marwick LLP.
23.(b)	Consent of Kenneth E. Armstrong, Esq. is contained in his opinion filed as Exhibit 5.
24	Powers of Attorney are included on the signature page of this Registration Statement.
25	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The First National Bank of Chicago.

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* Incorporated herein by reference.

Item 17. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of

distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i) and (ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 15, or otherwise, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Petersburg, State of Florida, on the 24th day of June, 1997.

FLORIDA POWER CORPORATION

By: /s/ Joseph M. Richardson

Joseph M. Richardson, President
and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS that each of the undersigned officers and directors of Florida Power Corporation (the "Company"), a Florida corporation, for himself or herself and not for one another, does hereby constitute and appoint KENNETH H. ARMSTRONG, PAMELA A. SAARI and DOUGLAS E. WENTZ, and each of them, a true and lawful attorney in his or her name, place and stead, in any and all capacities, to sign his or her name to any and all amendments, including post-effective amendments, to this registration statement, and to cause the same to be filed with the Securities and Exchange Commission, granting unto said attorneys and each of them full power and authority to do and perform any act and thing necessary and proper to be done in the premises, as fully to all intents and purposes as the undersigned could do if personally present, and each of the undersigned for himself or herself hereby ratifies and confirms all that said attorneys or any one of them shall lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

	Signature	Title	Date
(i)	/s/ Joseph M. Richardson --- Joseph M. Richardson Principal Executive Officer	President and Chief Executive Officer and Director	June 24, 1997
(ii)	/s/ Jeffrey R. Heinicke --- Jeffrey R. Heinicke Principal Financial Officer	Senior Vice President and Chief Financial Officer	June 24, 1997
(iii)	/s/ John Scardino, Jr. --- John Scardino, Jr. Principal Accounting Office	Vice President and Controller	June 24, 1997

(iv) A majority of the Directors, including (i) above:

Signature	Title	Date
/s/Jack B. Critchfield Jack B. Critchfield	Director	June 24, 1997
/s/ W.D. Frederick, Jr. W.D. Frederick, Jr.	Director	June 24, 1997
/s/ Michael P. Graney Michael P. Graney	Director	June 24, 1997
/s/ Richard Korpan Richard Korpan	Chairman of the Board	June 24, 1997
/s/ Frank C. Logan Frank C. Logan	Director	June 24, 1997
/s/ Clarence V. McKee Clarence V. McKee	Director	June 24, 1997
/s/ Vincent J. Maimoli Vincent J. Maimoli	Director	June 24, 1997
/s/ Richard A. Munis Richard A. Munis	Director	June 24, 1997
/s/ Charles B. Reed Charles B. Reed	Director	June 24, 1997
/s/ Joan D. Ruffier Joan D. Ruffier	Director	June 24, 1997
/s/ Robert T. Stuart, Jr. Robert T. Stuart, Jr.	Director	June 24, 1997
/s/ Jean Giles Wittner	Director	June 24, 1997

Jean Giles Wittmer

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EXHIBIT INDEX

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24	Powers of Attorney are included on the signature page of this Registration Statement.
25	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The First National Bank of Chicago.

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* Incorporated herein by reference.

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Exhibit 5

June 24, 1997

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

Re: Issuance and Sale of Medium-Term Notes, Series B.

Ladies and Gentlemen:

As Vice President and General Counsel of Florida Power Corporation (the "Company"), I have acted as counsel to the Company in connection with the proposed issuance and sale of up to $550,000,000 aggregate principal amount of the Company's Medium-Term Notes, Series B (the "New Notes") in one or more issues, and the registration of the New Notes under the Securities Act of 1933, as amended. The New Notes will be issued under the Indenture, dated as of August 15, 1992 (the "Indenture"), between the Company and The First National Bank of Chicago (the "Trustee").

Attorneys under my supervision in the legal department of Florida Progress Corporation, the Company's parent, and I have participated in the preparation of a Registration Statement on Form S-3 relating to the New Notes (the "Registration Statement") that the Company intends to file with the Securities and Exchange Commission on or about June 24, 1997. In connection therewith, I have examined the Registration Statement, including all exhibits thereto, the Company's Amended Articles of Incorporation and Bylaws as amended to date, the resolutions adopted by the Company's Board of Directors on June 16, 1997 relating to the New Notes (the "Resolutions"), Order No. PSC-96-1521-FOF-EI of the Florida Public Service Commission that authorizes the Company to issue additional securities during 1997 and such other documents as I have deemed necessary for the purpose of rendering this opinion.

The opinions expressed below are based on the following assumptions:

(a) The issuance and sale of the New Notes will be carried out (i) on the basis set forth in the Registration Statement, (ii) in conformity with the Resolutions; (iii) in conformity with the appropriate authorizations, consents or exemptions under the securities or "blue sky" laws of the various States of the United States, and (iv) in conformity with the appropriate authorizations, consents or orders of the Florida Public Service Commission;

(b) The Registration Statement will become effective;

(c) The note certificate(s) representing each issue of New Notes will be duly executed and delivered by the proper officers of the Company and duly authenticated by the Trustee as provided in the Indenture and the Resolutions; and

(d) The Company will have prepared and filed with the Securities and Exchange Commission a pricing supplement with respect to each issue of New Notes containing the terms of that issue, and each issue of New Notes will have been sold and delivered to the underwriters, dealers, agents or other purchasers thereof against payment therefor as contemplated by the applicable pricing supplement.

Based upon and subject to the foregoing, I am of the opinion that:

1. Florida Power Corporation is a corporation duly organized and existing under the laws of the State of Florida.

2. The New Notes, when properly authenticated and delivered against payment therefor in accordance with the foregoing assumptions, will be legally issued, valid and binding obligations of the Company.

I hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement and to the reference to me under the headings "Legal Matters" and "Experts" therein.

Very truly youre,

/s/Kenneth E. Armstrong

Kenneth E. Armstrong
Vice President and General Counsel

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<TYPE> EX-12
<DESCRIPTION> EXHIBIT 12 TO FLORIDA POWER FORM S-3
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Exhibit 12

FLORIDA POWER CORPORATION
Statement of Computation of Ratios
(Dollars in Millions)

Ratio of Earnings to Fixed Charges:

	1996	1995	1994	1993	1992
Net Income	$238.4	$227.0	$200.8	$194.9	$186.9
Add:					
Operating Income Taxes	135.8	129.5	114.7	106.5	97.7
Other Income Taxes	(0.1)	0.1	(0.8)	(0.1)	(0.2)
Income Before Taxes	374.1	356.6	314.7	299.3	284.4
Total Interest Charges	98.4	104.5	108.4	105.8	100.2
Total Earnings (A)	$472.5	$461.1	$423.1	$405.1	$384.6
Fixed Charges (B)	$ 98.4	$104.5	$108.4	$105.8	$100.2
Ratio of Earnings to Fixed Charges (A/B)	4.80	4.41	3.90	3.83	3.84

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<TYPE> EX-23.(A)
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EXHIBIT 23.(a)
Independent Auditors' Consent

The Board of Directors
Florida Power Corporation:

We consent to the use of our reports incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

/s/KPMG Peat Marwick LLP

St. Petersburg, Florida
June 20, 1997

</TEXT>
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<TYPE> EX-25
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EXHIBIT 25

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY

THE FIRST NATIONAL BANK OF CHICAGO
(Exact name of trustee as specified in its charter)

A National Banking Association — 36-0899825
(I.R.S. employer identification number)

One First National Plaza, Chicago, Illinois — 60670-0126
(Address of principal executive offices) — (Zip Code)

The First National Bank of Chicago
One First National Plaza, Suite 0206
Chicago, Illinois 60670-0206
Attn: Lynn A. Goldstein, Law Department (312) 732-6919
(Name, address and telephone number of agent for service)

FLORIDA POWER CORPORATION
(Exact name of obligor as specified in its charter)

Florida — 59-0247770
(State or other jurisdiction of incorporation or organization) — (I.R.S. employer identification number)

3201 34th Street South
St. Petersburg, Florida — 33711
(Address of principal executive offices) — (Zip Code)

Medium Term Notes
(Title of Indenture Securities)

Item 1. General Information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of Currency, Washington, D.C., Federal Deposit Insurance Corporation, Washington, D.C., The Board of Governors of the Federal Reserve System, Washington D.C.

(b) Whether it is authorised to exercise corporate trust powers.

The trustee is authorised to exercise corporate trust powers.

Item 2. Affiliations With the Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

No such affiliation exists with the trustee.

Item 16. List of exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the articles of association of the trustee now in effect.*

2. A copy of the certificates of authority of the trustee to commence business.*

3. A copy of the authorisation of the trustee to exercise corporate trust powers.*

4. A copy of the existing by-laws of the trustee.*

5. Not Applicable.

6. The consent of the trustee required by Section 321(b) of the Act.

7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

8. Not Applicable.

9. Not Applicable.

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, The First National Bank of Chicago, a national banking association organized and existing under the laws of the United States of America, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago and State of Illinois, on the 11th day of June, 1997.

The First National Bank of Chicago,
Trustee,

By /s/ Steven M. Wagner

Steven M. Wagner
Vice President
Corporate Trust Services Division

* Exhibit 1, 2, 3 and 4 are herein incorporated by reference to Exhibits bearing identical numbers in Item 12 of the Form T-1 of The First National Bank of Chicago, filed as Exhibit 26 to the Registration Statement on Form S-3 of ITT Corporation, filed with the Securities and Exchange Commission on October 15, 1996 (Registration No. 333-07221).

EXHIBIT 6

THE CONSENT OF THE TRUSTEE REQUIRED
BY SECTION 321(b) OF THE ACT

June 11, 1997

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In connection with the qualification of an indenture between Florida Power Corporation and The First National Bank of Chicago, the undersigned, in accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, hereby consents that the reports of examinations of the undersigned, made by Federal or State authorities authorized to make such examinations, may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

The First National Bank of Chicago

By /s/ Steven M. Wagner

Steven M. Wagner
Vice President
Corporate Trust Services Division

EXHIBIT 7

<TABLE>
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Legal Title of Bank:	The First National Bank of Chicago	Call Date: 03/31/97	ST-BK:	17-1630	FFIEC 031
Address:	One First National Plaza, Ste 0303				Page RC-1
City, State Zip:	Chicago, IL 60670				
FDIC Certificate No.:	0/3/6/1/8				

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for March 31, 1997

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding of the last business day of the quarter.

Schedule RC--Balance Sheet

</TABLE>

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	Dollar Amounts in Thousands		RCFD	C400 BIL MIL THOU	
<S>		<C>	<C>		
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin(1)			0081	3,071,170	1.a.
b. Interest-bearing balances(2)			0071	6,498,314	1.b.
2. Securities					
a. Held-to-maturity securities(from Schedule RC-B, column A)			1754	0	2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	3,901,288	2.b.
3. Federal funds sold and securities purchased under agreements to resell			1350	4,612,975	3.
4. Loans and lease financing receivables:					
a. Loans and leases, net of unearned income (from Schedule RC-C)	RCFD 2122	23,345,201			4.a.
b. LESS: Allowance for loan and lease losses	RCFD 3123	480,968			4.b.
c. LESS: Allocated transfer risk reserve	RCFD 3128	0			4.c.
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)			2125	22,984,220	4.d.
5. Trading assets (from Schedule RD-D)			3545	8,792,158	5.
6. Premises and fixed assets (including capitalized leases)			2145	706,920	6.
7. Other real estate owned (from Schedule RC-M)			2150	6,543	7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	61,951	8.
9. Customers' liability to this bank on acceptances outstanding			2155	488,866	9.
10. Intangible assets (from Schedule RC-M)			2143	291,569	10.
11. Other assets (from Schedule RC-F)			2160	1,775,283	11.
12. Total assets (sum of items 1 through 11)			2170	53,990,685	12.

---

(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.

</TABLE>

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<S> <C> <C> Call Date: 06/31/97 ST-BK: 17-1630 FFIEC 031
Legal Title of Bank: The First National Bank of Chicago Page RC-2
Address: One First National Plaza, Ste 0255
City, State Zip: Chicago, IL 60670
FDIC Certificate No.: 0/2/6/1/0

Schedule RC-Continued

	Dollar Amounts in Thousands		C400 Bil Mil Thou	
<S>	<C>		<C>	<C>
LIABILITIES				
13. Deposits:				
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)		RCON 2200	21,990,056	13.a.
(1) Noninterest-bearing(1)		RCON 6631	8,899,137	13.a.1
(2) Interest-bearing	RCON 6636 12,684,919			13.a.2
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)		RCFN 2200	12,364,660	13.b.
(1) Noninterest bearing	RCFN 6631 287,496			13.b.1
(2) Interest-bearing	RCFN 6636 12,077,164			13.b.2
14. Federal funds purchased and securities sold under agreements to repurchase		RCFD 2800	3,817,421	14
15. a. Demand notes issued to the U.S. Treasury		RCON 2840	63,621	15.a.
b. Trading liabilities(from Schedule RC-D)		RCFD 3548	5,872,031	15b.
16. Other borrowed money:				
a. With original maturity of one year or less		RCFD 2332	2,687,540	16.a.
b. With original maturity of more than one year		RCFD 2333	322,414	16b.
17. Not applicable				
18. Bank's liability on acceptances executed and outstanding		RCFD 2920	488,866	18.
19. Subordinated notes and debentures		RCFD 3200	1,550,000	19.
20. Other liabilities (from Schedule RC-G)		RCFD 2930	1,196,229	20.
21. Total liabilities (sum of items 13 through 20)		RCFD 2948	40,833,637	21.
22. Not applicable				
EQUITY CAPITAL				
23. Perpetual preferred stock and related surplus		RCFD 3838	0	23.
24. Common stock		RCFD 3230	200,000	24.
25. Surplus (exclude all surplus related to preferred stock)		RCFD 3839	2,944,344	25.
26. a. Undivided profits and capital reserves		RCFD 3632	954,889	26.a.
b. Net unrealized holding gains (losses) on available-for-sale securities		RCFD 8434	(1,000)	26.b.
27. Cumulative foreign currency translation adjustments		RCFD 3284	(1,712)	27.
28. Total equity capital (sum of items 23 through 27)		RCFD 3210	4,097,186	28.
29. Total liabilities, limited-life preferred stock, and equity capital (sum of items 21, 22, and 28)		RCFD 3300	53,930,823	29.

Memorandum
To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1996 . . . . . RCFD 6724 . . . . . Number M.1.

1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
4 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
5 = Review of the bank's financial statements by external auditors
6 = Compilation of the bank's financial statements by external auditors
7 = Other audit procedures (excluding tax preparation work)

• Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)

8 • No external audit work

.....

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

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June 24, 1997

VIA EDGAR ELECTRONIC TRANSMISSION

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Acceleration request for Florida Power Corporation
Form S-3 Registration Statement

Ladies and Gentlemen:

Simultaneously herewith, Florida Power Corporation (the "Company") is filing with the Commission by EDGAR electronic transmission a Registration Statement on Form S-3 (the "Registration Statement") relating to the registration of $550,000,000 aggregate principal amount of the Company's Medium-Term Notes, Series B, to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Act").

Pursuant to Rule 461(a) under the Act, the Company hereby requests that the Registration Statement be declared effective at 9:30 a.m. on Tuesday, July 1, 1997, or as soon as possible thereafter. Since the Medium-Term Notes covered by the Registration Statement are being registered "on the shelf" pursuant to Rule 415 and are not yet being issued, no underwriter is joining in this request for acceleration, and the National Association of Securities Dealers, Inc. will not be issuing a statement regarding underwriting compensation arrangements.

If you have any questions with respect to the Registration Statement or the other matters covered by this letter, please do not hesitate to telephone Douglas S. Wentz, Esq. at (813) 866-4274 or, in his absence, Kenneth B. Armstrong, Esq. at (813) 866-5183.

FLORIDA POWER CORPORATION

By: /s/Pamela A. Saari
Pamela A. Saari
Assistant Treasurer

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Florida Power Corporation
[Corporate Logo Omitted]

June 24, 1997

VIA EDGAR ELECTRONIC TRANSMISSION
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Re: Florida Power Corporation Form S-3 Registration Statement

Ladies and Gentlemen:

On behalf of Florida Power Corporation (the "Company"), I enclose herewith for filing with the Commission by EDGAR electronic transmission the Company's Registration Statement on Form S-3 (the "Registration Statement") relating to the registration of $550,000,000 aggregate principal amount of the Company's Medium-Term Notes, Series B, to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Act"). A wire transfer in the amount of $166,667, calculated in accordance with Section 6 and Rule 457(c) under the Act, in payment of the applicable registration fee, was wired yesterday to the appropriate lockbox at Mellon Bank. A letter from the Company's Assistant Treasurer, Pamela A. Saari, requesting acceleration of the effective date of the Registration Statement to Tuesday, July 1, 1997, is being filed simultaneously herewith.

If you have any questions with respect to the Registration Statement or the other matters covered by this letter, please do not hesitate to telephone me at (813) 866-4274 or, in my absence, Kenneth E. Armstrong, Esq. at (813) 866-5153.

Very truly yours,

/s/Douglas E. Wents
Douglas E. Wents
Corporate Counsel and
Assistant Secretary

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</SUBMISSION>

EXHIBIT (c)-4

EXHIBIT 21

Subsidiaries of Florida Progress Corporation

December 31, 1996

Name of Subsidiary *	State of Incorporation
Utility segment:	
Florida Power Corporation	Florida
Diversified segment:	
Progress Capital Holdings, Inc.	Florida
Electric Fuels Corporation	Florida
Marine Equipment Management Corporation	Delaware
Progress Rail Services Corporation	Alabama
Mid-Continent Life Insurance Company	Oklahoma

* Each subsidiary does business under its own name.

Exhibit 23.(a)

The Shareholders
Florida Progress Corporation:

We consent to incorporation by reference in the registration statements No. 33-51573 on Form S-3, No. 33-53939 on Form S-8, No. 33-45044 on Form S-3, No. 33-47623 on Form S-8, No. 33-39153 on Form S-8, No. 2-93111 on Form S-3, No. 33-56873 on Form S-3, No. 333-00547 on Form S-3, No. 333-19037 on Form S-8 and No. 333-07853 on Form S-3 of Florida Progress Corporation of our report dated January 27, 1997, relating to the consolidated balance sheets of Florida Progress Corporation and subsidiaries as of December 31, 1996 and 1995, and the related consolidated statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1996, and all related schedules, which report appears in the December 31, 1996 annual report on Form 10-K of Florida Progress Corporation.

/s/KPMG PEAT MARWICK LLP

KPMG PEAT MARWICK LLP
St. Petersburg, Florida

March 27, 1997

Exhibit 23.(b)

The Shareholders
Florida Power Corporation:

We consent to incorporation by reference in the registration statements No. 33-62210 on Form S-3, No. 33-55273 on Form S-3, No. 33-50908 on Form S-3, and No. 333-02549 on Form S-3 of Florida Power Corporation of our report dated January 27, 1997, relating to the balance sheets of Florida Power Corporation as of December 31, 1996 and 1995, and the related statements of income, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1996, and all related schedules which report appears in the December 31, 1996 annual report on Form 10-K of Florida Power Corporation.

/s/KPMG PEAT MARWICK LLP

KPMG PEAT MARWICK LLP
St. Petersburg, Florida

March 27, 1997

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone	I.R.S. Employer Identification Number
1-8349	**FLORIDA PROGRESS CORPORATION** A Florida Corporation One Progress Plaza St. Petersburg, Florida 33701 Telephone (813) 824-6400	59-2147112
1-3274	**FLORIDA POWER CORPORATION** A Florida Corporation 3201 34th Street South St. Petersburg, Florida 33711 Telephone (813) 866-5151	59-0247770

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Florida Progress Corporation: Common Stock without par value and Preferred Stock Purchase Rights	New York Stock Exchange Pacific Stock Exchange
Florida Power Corporation: None	

Securities registered pursuant to Section 12(g) of the Act:

Florida Progress Corporation: None

Florida Power Corporation: Cumulative Preferred Stock, par value $100 per share

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. YES X . NO .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of each registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of Florida Progress Corporation as of December 31, 1996 was $3,075,692,949 (determined by subtracting the number of shares held by directors and executive officers of Florida Progress Corporation from the total number of shares outstanding, then multiplying the difference times the closing sale price from the New York Stock Exchange Composite Transactions).

The aggregate market value of the voting stock held by non-affiliates of Florida Power Corporation as of February 28, 1997 was $-0-. As of February 28, 1997, there were issued and outstanding 100 shares of Florida Power Corporation's common stock, without par value, all of which were held, beneficially and of record, by Florida Progress Corporation.

The number of shares of Florida Progress Corporation common stock without par value outstanding as of December 31, 1996 was 97,007,182.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for Florida Progress Corporation dated March 10, 1997, relating to the 1997 Annual Meeting of Shareholders, are incorporated by reference in Part III hereof.

This combined Form 10-K represents separate filings by Florida Progress Corporation and Florida Power Corporation. Florida Power Corporation makes no representations as to the information relating to Florida Progress Corporation's diversified operations.

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TABLE OF CONTENTS

GLOSSARY

When used herein, the following terms will have the meanings indicated:

TERM	MEANING
1935 Act	Public Utility Holding Company Act of 1935
Btu	British thermal units
CAAA	Clean Air Act Amendments of 1990
CERCLA or Superfund	Comprehensive Environmental Response Compensation and Liability Act
CR3	Florida Power's nuclear generating plant, Crystal River Unit No. 3
DOE	United States Department of Energy
Echelon	Echelon International Corporation
Electric Fuels	Electric Fuels Corporation
EMF	electromagnetic fields, or electric and magnetic fields
EPA	United States Environmental Protection Agency
FDEP	Florida Department of Environmental Protection
FERC	Federal Energy Regulatory Commission
Financial Statements	Florida Progress' Consolidated Financial Statements and Florida Power's Financial Statements, for the year ended December 31, 1996 contained under Item 8 herein
Florida Power	Florida Power Corporation
Florida Progress	Florida Progress Corporation
FP&L	Florida Power & Light Company
FPSC	Florida Public Service Commission
FPUC	Florida Public Utilities Company
FRCC	Florida Reliability Coordinating Council
Georgia Power	Georgia Power Company
KV	kilovolts
KVA	kilovolt amperes
KWH	kilowatt hours
LTIP	Florida Progress Long-Term Incentive Plan
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Mid-Continent	Mid-Continent Life Insurance Company
MW	megawatts
NERC	North American Electric Reliability Council
NRC	United States Nuclear Regulatory Commission
NWPA	Nuclear Waste Policy Act
PCBs	polychlorinated biphenyls
Progress Capital	Progress Capital Holdings, Inc.
Progress Credit	Progress Credit Corporation
Proxy Statement	The definitive proxy statement dated March 10, 1997, relating to Florida Progress' 1997 Annual Meeting of Shareholders.
PRP	potentially responsible party, as defined in CERCLA
SBUs	Strategic Business Units
SEC	United States Securities and Exchange Commission
SERP	Florida Progress Supplemental Employee Retirement Plan
SOP	Statement of Position issued by American Institute of Certified Public Accountants
Southern	The Southern Company
SNF	spent nuclear fuel
the nuclear plant	Florida Power's nuclear generating plant, Crystal River Unit No. 3
the utility	Florida Power Corporation

PART I

ITEM 1. BUSINESS

FLORIDA PROGRESS

Florida Progress Corporation ("Florida Progress", which term includes consolidated subsidiaries unless otherwise indicated), is a diversified electric utility holding company. Florida Progress' revenues for the year ended December 31, 1996 were $3.2 billion and assets at year end were $5.3 billion. Its principal executive offices are located at One Progress Plaza, St. Petersburg, Florida 33701, telephone number (813) 824-6400. The Florida Progress home page on the Internet's World Wide Web is located at http://www.fpc.com. Florida Progress was incorporated in Florida on January 21, 1982.

Florida Progress defines its principal business segments as utility and diversified operations. Florida Power Corporation ("Florida Power" or "the utility"), Florida Progress' largest subsidiary, is the utility segment and encompasses all regulated public utility operations. See Item 1 "Business Utility Operations - Florida Power". Progress Capital Holdings, Inc. ("Progress Capital") is the downstream holding company for Florida Progress' diversified subsidiaries which consolidates the financing of nonutility operations. The diversified operations segment includes Electric Fuels Corporation ("Electric Fuels"), an energy and transportation company, and Mid-Continent Life Insurance Company ("Mid-Continent"), a life insurance company. See Item 1 "Business Diversified Operations". For information concerning the operating profit and assets attributable to these business segments, see Note 9 to Florida Progress' consolidated financial statements and Florida Power's financial statements for the year ended December 31, 1996 contained herein under Item 8 (the "Financial Statements").

In December 1996, Florida Progress spun off Echelon International Corporation ("Echelon"). Echelon, successor to Progress Credit Corporation ("Progress Credit"), was the Florida Progress subsidiary with lending, leasing and real estate operations. The spin-off was accomplished through a tax-free stock dividend to Florida Progress' shareholders, thus completing a strategy begun in 1991 to exit those businesses.

Florida Progress is a public utility holding company under the Public Utility Holding Company Act of 1935 ("1935 Act"). Florida Progress is exempt from registration with the Securities and Exchange Commission ("SEC") under the 1935 Act and attendant regulation because its utility operations are primarily intrastate.

UTILITY OPERATIONS - FLORIDA POWER

Florida Power was incorporated in Florida in 1899, and is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity. Florida Power has a system generating capacity of 7,341 megawatts ("MW"). In 1996, the utility accounted for 76% of Florida Progress' consolidated revenues, 92% of its earnings from continuing operations and 80% of its assets.

Florida Power provided electric service during 1996 to an average of 1,292,075 customers in west central Florida from its headquarters in St. Petersburg. The service area covers approximately 20,000 square miles and includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. Of Florida Power's 1996 electric revenues billed, approximately 56% were derived from residential sales, 23% from commercial sales, 9% from industrial sales, 5% from other retail sales and 7% from wholesale sales. Important industries in the territory include phosphate and rock mining and processing, electronics design and manufacturing, and citrus and other food processing. Other important commercial activities are tourism, health care, construction and agriculture.

COMPETITION

Florida Power made a number of changes in 1996 to help prepare it for increased competition. In July 1996, the utility reorganized its operations into strategic business units ("SBUs"), making it one of the first electric companies in the country to adopt this operational structure. The three SBUs are Energy Supply, Energy Delivery and Energy Solutions. Each will focus on a targeted segment of the overall utility business.

Energy Supply is responsible for strengthening Florida Power's position as an efficient, low-cost producer of electricity. Energy Delivery oversees the utility's transmission and distribution lines as well as system operations and planning. Its mission is to maintain and improve service reliability in the most cost-effective manner possible. Energy Solutions is focused on customer service, sales and marketing and finding ways to use emerging technology to develop new products and services.

For additional information with respect to Florida Power and competition, see Item 7 "Management's Discussion and Analysis of Financial Condition and Operating Results ("MD&A") - Operating Results - Florida Power Corporation - Utility Competition".

FUEL AND PURCHASED POWER

GENERAL: Florida Power's consumption of various types of fuels depends on several factors, the most important of which are the demand for electricity by Florida Power's customers, the availability of various generating units, the availability and cost of fuel, and the requirements of federal and state regulatory agencies. Florida Power's energy mix for the last three years is presented in the following table:

ENERGY MIX PERCENTAGES

Fuel Type	1996	1995	1994
Coal	43%	39%	45%
Oil	16%	12%	16%
Nuclear*	6%	19%	17%
Gas	3%	4%	1%
Purchased Power	32%	26%	21%

* See "NUCLEAR" below for information regarding outages at Florida Power's nuclear generating plant, which negatively impacted nuclear plant availability in 1996.

Florida Power is permitted to pass the cost of recoverable fuel and purchased power to its customers through fuel adjustment clauses. (See Note 1 to the Financial Statements.)

The future prices for and availability of various fuels discussed in this report cannot be predicted with complete certainty. However, Florida Power believes that its fuel supply contracts, as described below, will be adequate to meet its fuel supply needs.

Florida Power's average fuel costs per million British thermal units ("Btu") for each year of the five-year period ended December 31, 1996, were as follows:

	AVERAGE FUEL COST (per million Btu)				
	1996	1995	1994	1993	1992
Coal	$1.91	$1.93	$1.96	$1.96	$1.97
Oil	2.80	2.70	2.39	2.49	2.53
Nuclear	.50	.49	.55	.54	.57
Gas	2.78	1.98	2.46	4.27	2.54
Weighted Average	2.04	1.69	1.75	1.79	1.86

OIL AND GAS: Oil is purchased under contracts and in the spot market from several suppliers. The cost of Florida Power's oil is determined by world market conditions. Management believes that Florida Power has access to an adequate supply of oil for the reasonably foreseeable future. Florida Power's natural gas supply is purchased under firm contracts and in the spot market from numerous suppliers and is delivered under firm, released firm and interruptible transportation contracts. Florida Power believes that existing contracts for oil are sufficient to cover the requirements when natural gas transmission that is purchased on an interruptible basis is not available.

NUCLEAR: Florida Power has one nuclear generating plant, Crystal River Unit No. 3 ("CR3" or "the nuclear plant"). After completing a record performance in 1995 by achieving a capacity factor of 100%, CR3 was shut down for much of 1996. Beginning in February 1996, the plant underwent a scheduled refueling outage that lasted until May 1996, when the plant returned to service. In September 1996, an oil pressure problem in the main turbine forced the plant to shut down until repairs could be made. When the repairs were completed in October, Florida Power decided to keep the plant down to address certain backup safety system design issues. The utility expects to be able to restart the plant by year-end 1997. For more information regarding the current outage and recent performance at CR3, see Item 7 "MD&A - Operating Results - Florida Power Corporation - Nuclear Operations."

Nuclear fuel is processed through four distinct stages. Stage I and Stage II involve the mining and milling of the natural uranium ore to produce a concentrate and the conversion of this uranium concentrate into uranium hexafluoride. Stage III and Stage IV entail the enrichment of the uranium hexafluoride, and the fabrication of the enriched uranium hexafluoride into usable fuel assemblies. Florida Power has contracts in place which provide for a supply of enriched uranium and fuel fabrication through 2004.

It will be necessary for Florida Power to enter into future fuel contracts to cover the differences between the total unit lifetime requirements of CR3 and the requirements covered by existing contracts. Although no assurances can be given as to the future availability or costs of such contracts, Florida Power expects that future contract commitments will be obtained at the appropriate time.

Spent nuclear fuel ("SNF") is stored at CR3 pending disposal under a contract with the United States Department of Energy ("DOE"). (See Note 4 to the Financial Statements and Item 3 "Legal Proceedings", paragraph 9.) At the present time, Florida Power has facilities on site for the temporary storage of SNF generated through the year 2010.

COAL: Florida Power anticipates a requirement of approximately 5,400,000 tons of coal in 1997. Current environmental regulations limit sulfur content, at 12,000 Btu per pound, to 1.2% for Crystal River Unit Nos. 1 and 2, and 0.7% for Unit Nos. 4 and 5. Most of the coal is expected to be supplied from the Appalachian coal fields of the United States. Approximately two thirds of the coal is expected to be delivered by rail and the remainder by barge. The coal is being supplied by Electric Fuels pursuant to contracts between Florida Power and Electric Fuels.

For 1997, Electric Fuels has long-term contracts with various sources for approximately 70% of the coal requirements of Florida Power's coal units. These long-term contracts have price adjustment provisions. Electric Fuels expects to acquire the remainder in the spot market and under short-term contracts. Electric Fuels does not anticipate any problem obtaining the remaining Florida Power requirements with short-term contracts and in the spot market. (See Note 11 to the Financial Statements.)

PURCHASED POWER: Florida Power, along with other Florida utilities, buys and sells economy power through the Florida energy brokering system. In addition, Florida Power has long-term contracts for the purchase of approximately 480 MW of purchased power with other utilities, including a contract with The Southern Company ("Southern") for approximately 400 MW. Also, Florida Power has entered into purchased power contracts with certain cogenerators for 1,160 MW of capacity, of which 1,050 MW have been completed and are currently operating. The capacity currently available from cogenerators represents about 12% of Florida Power's total system capacity. (See Item 3 "Legal Proceedings", paragraphs 2 through 8, Item 7 "MD&A - Operating Results - Florida Power Corporation - Fuel and Purchased Power" and Note 11 to the Financial Statements.)

REGULATORY MATTERS AND FRANCHISES

Florida Power is subject to the jurisdiction of the Florida Public Service Commission ("FPSC") with respect to retail rates, customer service, planning, construction of facilities, accounting, issuance of securities and other matters. In addition, Florida Power is subject to regulation by the Federal Energy Regulatory Commission ("FERC") with respect to transmission and sales of wholesale power, accounting and certain other matters. The underlying concept of utility ratemaking is to set rates at a level that allows the utility to collect revenues equal to its cost of providing service plus a reasonable rate of return on its equity.

The FPSC oversees the retail sales of the state's investor-owned utilities. The FPSC authorizes retail "base rates" that are designed to provide a utility with the opportunity to earn a specific rate of return on its "rate base", or average investment in utility plant. These rates are intended to cover all reasonable and prudent expenses of utility operations and to provide investors with a fair rate of return. The FPSC allows utilities to recover fuel, purchased power and conservation costs through an adjustment charge on monthly electric bills. Beginning in 1996, the FPSC ordered Florida Power to conduct a three-year test of revenue decoupling for its residential customers. (See Notes 1 and 5 to the Financial Statements.)

Florida Power is interconnected with 22 municipal electric systems. Florida Power's wholesale customers include Seminole Electric Cooperative, Inc., the Florida Municipal Power Agency and 11 municipalities. During 1996, about 7% of Florida Power's electric revenues were from its wholesale business.

For further information with respect to rates, see Note 5 to the Financial Statements.

Florida Power's CR3 nuclear plant is subject to regulation by the United States Nuclear Regulatory Commission ("NRC"). The NRC's jurisdiction encompasses broad supervisory and regulatory powers over the construction and operation of nuclear reactors, including matters of health and safety, antitrust considerations and environmental impact. Florida Power has a 90.4% ownership interest in CR3. (See Note 4 to the Financial Statements.)

By virtue of state and municipal legislation, Florida Power holds franchises with varying expiration dates to provide electric service in nearly all municipalities in which it distributes electric energy. Approximately 99% of revenues from customers in incorporated areas are covered by franchises. The

general effect of these franchises is to grant Florida Power the right to enter upon and use streets, alleys and other public places for erecting and maintaining poles, wires and other apparatus for the sale and distribution of electric energy. All but one of the existing franchises cover a 30-year period from the date granted, the maximum allowed by Florida law. The one exception is a franchise that covers a 10-year period from the date granted. There are 112 franchises, of which 32 expire before December 31, 2001, 27 expire between January 1, 2002 and December 31, 2011, and 53 expire between January 1, 2012 and December 31, 2026. (For further information concerning these franchise agreements, see Item 7 "MD&A - Operating Results - Florida Power Corporation Utility Competition".)

ENVIRONMENTAL MATTERS

Florida Power is subject to federal, state and local regulations dealing with air and water quality and other environmental matters.

AIR: All of Florida Power's air emission sources meet the air quality standards currently set by the Florida Department of Environmental Protection ("FDEP") and/or the United States Environmental Protection Agency ("EPA").

The Clean Air Act Amendments of 1990 ("CAAA"), under Title IV, Acid Rain Control, require reduction in sulfur dioxide and nitrogen oxide emissions by the year 2000 and set a permanent cap on those emissions. The reductions are to be implemented in two phases. Phase I limitations became effective in 1995 and Phase II limitations are effective by 2000. Florida Power has not been and does not expect to be materially affected by either Phase I or Phase II. Continuous emission monitors were installed on most of Florida Power's units by the end of 1994 as required under Title IV at a total cost of $11 million. To meet Phase II limitations, Florida Power expects to spend about $10 million by 2000 to implement a strategy based primarily on burning cleaner fuels and installing burners that reduce nitrogen oxide emissions on some coal units.

Under Title III of the CAAA, the EPA is studying the emission of hazardous air pollutants and, where appropriate, promulgating emission limitations for specific source categories. Depending on the results of these studies and the EPA's determination of the need for additional limitations, Florida Power could be required to incur additional capital expenditures and operating expenses.

Under Title V of the CAAA, Florida Power is required to pay annual operating fees based on the previous year's emissions. In 1997, these fees are expected to total approximately $775,000 and are expected to increase to approximately $1 million by 2000.

Florida Power's construction program includes approximately $7 million of planned environmental expenditures for air quality projects for the two-year period ending December 31, 1998.

WATER: To help meet the future electricity needs of its customers, Florida Power is building a new power plant complex in Polk County, Florida. Florida Power plans to have the complex's first plant on line in 1998. This plant will use combined cycle technology and be capable of producing up to 470 MW of power. (See Item 2, "Properties - Utility Operations - Planned Generation".) Approximately $26 million was spent through December 31, 1996 on environmental projects related to site development, mainly for water resource related facilities. For the two-year period ending December 31, 1998, Florida Power expects that approximately $1 million will be expended on environmental projects related to site development. In addition, Florida Power's construction program includes approximately $4 million of additional environmental expenditures for water resource projects at other Florida Power facilities for the two-year period ending December 31, 1998.

WASTE MATERIALS: Florida Power is nearing completion of its program to reduce electrical equipment utilising polychlorinated biphenyls ("PCB"). All regulatory compliance dates have been met. All PCB transformers (i.e. those having greater than 500 ppm PCB) have been removed from all of Florida Power's electric generating plants, except for one small plant. Removal of PCB transformers from this final plant will be delayed until Florida Power decides whether and for how long the plant will remain in operation.

STORAGE TANK PROGRAM: The regulation of underground and above-ground storage tanks has expanded to affect virtually every Florida Power storage tank with a capacity of 100 gallons or greater, including vehicular fuel tanks, bulk fuel storage tanks, mineral acid tanks, hazardous material tanks and compression vessels. The FDEP's storage tank regulations require the replacement or upgrading of tanks that are not protected from corrosion, and the installation of release detection and containment capabilities for spills and leaks. These requirements must be met by 1999. Florida Power expects the annual expenditures through 1999 related to compliance with these regulations to be $1 million and $3 million for operating expense and construction, respectively.

Under a FDEP program, revenues from taxes on imported oil either have been or are expected to be used to reimburse Florida Power for the majority of past storage tank contamination cleanup expenditures. In March 1995, the Governor of Florida ordered a moratorium on this FDEP program. However, Florida Power expects to receive reimbursement for cleanup activities completed prior to the moratorium. The expenditures needed to clean up the remaining storage tank contamination are not expected to be material.

With expansion of regulation and the resulting increased monitoring of tank systems and oil filled electrical equipment, further expenditures for contamination cleanup and retrofitting and upgrading equipment are likely, but these expenditures are not expected to be material to Florida Power.

ELECTROMAGNETIC FIELDS: The potential adverse effect of electromagnetic fields, or electric and magnetic fields ("EMF"), upon human health continues to be an important issue in the siting, construction and operation of electric transmission and distribution systems. EMF from a variety of sources, including transmission and distribution lines, has been the subject of many studies and much public discussion in recent years.

Because of its exclusive jurisdiction to regulate EMF associated with electric transmission and distribution lines and substation facilities in Florida, the FDEP has adopted rules which establish certain EMF limits for new transmission lines and substations. The rules also require an annual review of the state of the scientific research into the potential adverse effects of EMF upon human health. The staff of the FDEP provided its progress report to the Environmental Regulation Commission in February 1997; based on its review of the scientific research, the staff recommended that no revision of the current EMF standards be made at that time. The Environmental Regulation Commission adopted the staff's recommendation and made no revision to EMF standards. Florida Power believes that compliance with these EMF rules, which at present essentially maintain the status quo with respect to regulated EMF exposure levels, will not have a material adverse effect on the cost of constructing or maintaining new transmission lines or substations. However, there always is a potential for lawsuits brought by plaintiffs alleging damages caused by EMF.

Florida Power's management monitors and reports to Florida Power's Board of Directors at least annually on developments in research concerning the potential health effects of EMF, EMF mitigation technologies and procedures, and significant actions by principal federal and Florida agencies related to EMF.

OTHER ENVIRONMENTAL MATTERS: Florida Power has received notices from the EPA that it is or could be a potentially responsible party ("PRP") under the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA" or

"Superfund") and the Superfund Amendment and Reauthorization Act and may be liable, together with others, for the costs of cleaning up several contaminated sites identified by the FDEP. In addition to these designated sites, there are other sites where Florida Progress affiliates may be responsible for additional environmental cleanup. For further information concerning certain environmental matters relating to Florida Power, see paragraphs 13 and 14 under Item 3 "Legal Proceedings" and "Contaminated Site Cleanup" in Note 11 to the Financial Statements.

EMPLOYEES

As of December 31, 1996, Florida Power had 4,629 full-time employees. The International Brotherhood of Electrical Workers represents approximately 2,035 of these full-time employees. The current union contract, which was to have expired in December 1996, was extended one year to December 1997. Florida Power's management believes that it will eventually agree on a new contract with Florida Power's union employees.

DIVERSIFIED OPERATIONS

Florida Progress' diversified operations are owned directly or indirectly through Progress Capital, a Florida corporation and wholly owned subsidiary of Florida Progress. Progress Capital holds the capital stock of, and provides funding for, Florida Progress' nonutility subsidiaries, which include the following:

ELECTRIC FUELS - Formed in 1976, Electric Fuels is an energy and transportation company with operations organized into three business units. Electric Fuels' energy and related services business unit supplies coal to Florida Power's Crystal River Energy Complex and other utility and industrial customers. Electric Fuels' inland marine transportation business unit, under the flag of Marine Equipment Management Corporation ("MEMCO"), transports coal and dry-bulk cargoes primarily along the Mississippi and Ohio rivers. The rail services business unit, led by Progress Rail Services Corporation, is one of the largest integrated processors and suppliers of railroad materials in the country. With operations in 14 states, Progress Rail offers a full range of railcar parts, rail and other track material, railcar repair facilities, railcar scrapping and metal recycling as well as railcar sales and leasing.

MID-CONTINENT - Acquired in 1986, Mid-Continent is a life insurance company headquartered in Oklahoma City, Oklahoma. Mid-Continent has been in business since 1909. Its principal product is a death benefit policy which is sold through independent agents. Long-term, Mid Continent does not fit with the strategic direction of Florida Progress. Accordingly, Florida Progress is considering divestiture of the business. Florida Progress expects that it will take three to five years to divest this business. (For information regarding competition in the life insurance industry and Mid-Continent's operating results and plans, see the "COMPETITION" section below and Item 7 "MD&A - Operating Results - Diversified Operations - Mid-Continent Life Insurance Company".)

As of December 31, 1996, Progress Capital and its subsidiaries had 2,624 full-time employees. (For additional information with respect to Progress Capital and its subsidiaries, see Item 7 "MD&A - Operating Results - Diversified Operations".)

COMPETITION

Florida Progress' nonutility subsidiaries compete in their respective marketplaces in terms of price, service reliability, location and other factors. Electric Fuels competes in several distinct markets: its coal operations compete

in the eastern United States utility and industrial coal markets; its marine transportation and barge operations compete in the coal, grain and bulk products transportation markets on the Ohio and lower Mississippi rivers; its marine equipment repair business competes in the inland river and gulf coast repair markets; and its rail operations compete in the railcar repair, parts and associated services markets in the eastern United States and, to a limited extent, in the midwest and west. Factors contributing to Electric Fuels' success in these markets include a competitive cost structure, strategic locations and, in the case of its marine transportation operations, a modern fleet. There are, however, numerous competitors in each of these markets, although no one competitor is dominant in any industry. The business of Electric Fuels and its subsidiaries, taken as a whole, is not subject to significant seasonal fluctuation.

Mid-Continent competes with other insurance companies in all jurisdictions in which it is licensed to do business. Many of Mid-Continent's competitors have more diversified lines of insurance coverage, substantially greater financial resources and direct sales forces. Over the past few years, the life insurance industry has become more competitive, resulting in lower sales of new policies at Mid-Continent.

In an effort to reverse declining sales, Mid-Continent introduced a new insurance product in early 1996. The new policy replaced Mid-Continent's principal product, which was determined to be inadequately priced. In December 1996, cost-reduction measures were taken and restructuring occurred at Mid-Continent in an effort to improve profitability. In 1997, Mid-Continent plans to begin an orderly process to resolve the pricing issue that is expected to involve reducing policy dividends and increasing premiums.

For further information with respect to Florida Progress' nonutility subsidiaries and competition, see Item 7 "MD&A - Operating Results - Diversified Operations".

ENVIRONMENTAL MATTERS

Electric Fuels is subject to federal, state and local regulations which govern air and water quality, waste disposal and other environmental matters. The coal mining business is affected primarily by the Clean Water Act, the Clean Air Act and the Surface Mining Control and Reclamation Act of 1977. The transportation and the railcar and marine repair businesses are primarily affected by the Resource Conservation and Recovery Act, the Emergency Planning and Community Right-To-Know Act and the Clean Water Act.

The Environmental Affairs Department of Electric Fuels reviews existing and emerging environmental regulations, disseminates applicable environmental information throughout the organization and conducts site specific environmental compliance audits. Transactional environmental assessments are performed on new acquisitions to determine the potential environmental liabilities associated with the facilities being considered. Compliance with environmental laws and regulations has not had a material effect on Electric Fuels' capital expenditures, earnings or competitive position, and Electric Fuels does not anticipate making any material capital expenditures for environmental facilities through the end of 1998.

For further information concerning certain environmental matters relating to Florida Progress' diversified operations, see paragraph 15 under Item 3 "Legal Proceedings" and Note 11 to the Financial Statements.

EXECUTIVE OFFICERS

Roy A. Anderson, Senior Vice President, Nuclear Operations of Florida Power, Age 48.

Mr. Anderson became Senior Vice President, Nuclear Operations, effective January 20, 1997. Prior to joining Florida Power, Mr. Anderson was employed by Carolina Power and Light, where he held numerous executive officer positions since 1993 in the areas of nuclear operations, fossil generation, and distribution and customer service. From 1987 to 1993, he was employed by Boston Edison Company where he served as Plant Manager, Vice President and ultimately as Senior Vice President, Nuclear Operations.

Kenneth B. Armstrong, Vice President and General Counsel of Florida Progress and Florida Power, Age 49.

Mr. Armstrong has served as General Counsel of Florida Progress since July 1990 and as Vice President since April 1992. In March 1995, he was appointed Vice President and General Counsel of Florida Power effective April 3, 1995. In addition to these positions, Mr. Armstrong served as Assistant Secretary of Florida Progress from April 1992 to April 1993 and as Secretary from April 1993 to April 1996. He also served as Assistant Secretary of Florida Power from 1987 until April 1993 and as Secretary from April 1993 until April 1996.

Dr. Percy H. Beard, Jr., Senior Vice President, Nuclear Operations of Florida Power, Age 60.

Effective April 1, 1997, Dr. Beard is retiring from the above positions which he held since November 1989.

Janice B. Case, Vice President, Energy SolutionsSM of Florida Power Corporation, Age 44.

Mrs. Case was named Vice President, Energy SolutionsSM effective July 1, 1996. From October 1990 until July 1996, she served as Vice President, Suncoast Florida Region of Florida Power.

Jack B. Critchfield, Chairman of the Board and Chief Executive Officer of Florida Progress, Age 63.

Since December 1, 1991, Dr. Critchfield's principal occupation has been as shown above. Since 1983, he has held numerous executive positions with Florida Progress and its subsidiaries including President, Chief Operating Officer, Group Vice President, President of Electric Fuels and Vice President of the Eastern and Ridge Divisions of Florida Power. He has been a director of Florida Power since 1988 and served as a director from 1975 through 1978 and as Chairman of its Board from 1990 until April 1996. He is a director of Barnett Banks, Inc., Jacksonville.

Michael B. Foley, Jr., Senior Vice President, Energy Delivery of Florida Power, Age 53.

Mr. Foley became Senior Vice President, Energy Delivery, effective July 1, 1996, after serving as Vice President in that position since February 1995. From October 1988 until February 1995, Mr. Foley served as Director of System Planning of Florida Power.

John A. Hancock, Senior Vice President, Energy Supply of Florida Power, Age 56.

Mr. Hancock became Senior Vice President, Energy Supply, effective January 1993. From September 1989, to January 1993, Mr. Hancock was Senior Vice President, Power Operations, of Florida Power.

Jeffrey B. Heinicke, Senior Vice President and Chief Financial Officer of Florida Progress and Florida Power, Age 42.

From December 1990 until appointment to his current positions in 1994, Mr. Heinicke served as Vice President and Treasurer of Florida Progress. Mr. Heinicke also served as Vice President and Treasurer of Florida Power from April 1993 to March 1994, a position he held concurrently with his Vice President and Treasurer position at Florida Progress.

Richard D. Keller, Group Vice President, Energy and Transportation of Florida Progress, and President and Chief Executive Officer, Electric Fuels, Age 43.

Since May 1990, Mr. Keller's principal occupation has been as shown above. He has served as President and Chief Executive Officer of Electric Fuels since February 1988.

Richard Korpan, President and Chief Operating Officer of Florida Progress, and Chairman of the Board and Chief Executive Officer of Florida Power, Age 55.

For more than five years, Mr. Korpan's principal occupation has been President and Chief Operating Officer of Florida Progress. In April 1996, Mr. Korpan also became Chairman of the Board and Chief Executive Officer of Florida Power. He joined Florida Progress in 1989 as Executive Vice President and Chief Financial Officer. Mr. Korpan is a director of SunTrust Bank of Tampa Bay and Acordia Central Florida, Inc.

Joseph H. Richardson, Group Vice President, Utility Group of Florida Progress and President and Chief Operating Officer of Florida Power, Age 47.

Since April 1, 1996, Mr. Richardson's principal occupation has been as shown above. From April 1995 to April 1996, he served as Senior Vice President, Energy Distribution of Florida Power. From October 1993 to April 1995, he served as Senior Vice President, Legal and Administrative Services, and General Counsel of Florida Power. From August 1991 through April 1995, Mr. Richardson also held the position of Senior Vice President of Florida Progress. He was President and Chief Executive Officer of Talquin Corporation, a former subsidiary of Florida Progress from May 1990 until September 1993. He is a director of Echelon.

There are no family relationships between any director or any executive officer of Florida Progress or Florida Power. The executive officers serve at the pleasure of their respective Boards of Directors. Each executive officer is appointed annually.

ITEM 2. PROPERTIES

Florida Progress believes that its physical properties and those of its subsidiaries are adequate to carry on its and their businesses as currently conducted. Florida Progress and its subsidiaries maintain property insurance against loss or damage by fire or other perils to the extent that such property is usually insured. (See Note 11 to the Financial Statements.) Substantially all of Florida Power's utility plant is pledged as collateral for Florida Power's First Mortgage Bonds. Certain river barges and tug/barge units owned or operated by Electric Fuels are subject to liens in favor of certain lenders.

UTILITY OPERATIONS

GENERATION: As of December 31, 1996, the total net winter generating capacity of Florida Power's generating facilities was 7,341 MW. This capacity was generated by 13 steam units with a capacity of 4,661 MW and 44 combustion turbine peaking units with a capacity of 2,680 MW. Florida Power's ability to use its generating units may be adversely impacted by various governmental regulations affecting nuclear operations and other aspects of Florida Power's business. (See "Regulatory Matters and Franchises" and "Environmental Matters" under Item 1

"Business - Utility Operations - Florida Power.") Operation of these generating units may also be substantially curtailed by unanticipated equipment failures or interruption of fuel supplies. On February 5, 1996, Florida Power experienced a new peak of 8,807 MW. Florida Power met this demand through system generating capacity, purchased power and demand-side management programs. Florida Power expects to have sufficient system capacity, access to purchased power and demand-side management capabilities to meet anticipated future demand.

Florida Power's existing generating plants (all located in Florida) and their capacities at December 31, 1996 are as follows:

Plants	Primary Fuel	Location (County)	Steam MW	Peaking MW	Winter Net Maximum Dependable Capacity MW
Crystal River:		Citrus			
Unit #1	Coal		373	-	373
Unit #2	Coal		469	-	469
Unit #3	Uranium		755*	-	755
Unit #4	Coal		717	-	717
Unit #5	Coal		717	-	717
			3,031		3,031
Anclote:		Pasco			
Unit #1	Oil		517	-	517
Unit #2	Oil		517	-	517
Bartow	Oil	Pinellas	449	217	666
Turner	Oil	Volusia	-	200	200
Intercession City	Oil	Osceola	-	744	744
DeBary	Oil	Volusia	-	786	786
Higgins	Oil	Pinellas	-	158	158
Bayboro	Oil	Pinellas	-	232	232
Avon Park	Oil	Highlands	-	64	64
Port St. Joe	Oil	Gulf	-	18	18
Rio Pinar	Oil	Orange	-	18	18
Suwannee River	Oil	Suwannee	147	201	348
University of Fla.	Gas	Alachua	-	42	42
			4,661	2,680	7,341

* Represents 90.4% of total plant capacity. The remaining 9.6% of capacity is owned by other parties. The CR3 nuclear plant was shut down in September 1996 for repairs and remains down to address certain backup safety system design concerns. Florida Power expects to be able to restart CR3 by year-end 1997.

Florida Power and Georgia Power Company ("Georgia Power") are co-owners of a 165-MW advanced combustion turbine located at Florida Power's Intercession City site. The unit went into commercial operation in January 1997. Florida Power operates and maintains the unit for both owners. Georgia Power has the exclusive right to the output of this unit during the months of June through September. Florida Power has that right for the remainder of the year.

PLANNED GENERATION AND ENERGY SALES: Florida Power has agreed to sell between 150 and 400 MW of summer-peaking capacity annually to Georgia Power from 1996 through 1999. Since Florida Power is a winter-peaking utility and Georgia Power is a summer-peaking utility, this transaction benefits both parties. Florida Power's generation strategy includes continuing efforts to sign similar energy agreements with other utilities.

In 1992, the FPSC granted Florida Power a certificate of need to build 470 MW of new generation using combined cycle technology. In September 1994, Florida Power purchased approximately 8,100 acres of mined-out phosphate land for the new power plant site. The site is located in Polk County, Florida, approximately 50 miles east of Tampa. Site development activities were completed in 1996. Commencement of construction of the initial unit began in January 1997. The first power block is a 470-MW combined cycle unit that is expected to come on line in 1998. Florida Power plans to use natural gas to fuel the first phase of the new energy complex in Polk County. (See Item 7 "MD&A - Liquidity and Capital Resources - Florida Power Corporation".)

Florida Power has obtained capacity on the Florida Gas Transmission Company's system for the transportation of natural gas to the planned combined cycle plant in Polk County. The capacity will be released beginning in November 1996 with all capacity available to Florida Power by March 1998. Florida Power has contracted for natural gas and its transportation for a portion of the plant's requirements.

Some of the capacity at the Polk County site will be used to meet the requirements of a wholesale contract signed in 1995, in which Florida Power agreed to sell an additional 455 MWs to Seminole Electric Cooperative, beginning in 1999.

In connection with the construction of new power plants in Florida, the FPSC requires each investor-owned electric utility to engage in a competitive bidding process for the construction of new generation, unless the utility demonstrates on a case-by-case basis that such a process is not in the best interests of the utility's ratepayers. Although this rule could eventually affect Florida Power's ability to construct its own power plants, it will not affect the construction of the gas-fired combined cycle generating unit at Florida Power's site in Polk County, Florida, because as noted above, the FPSC already has granted Florida Power a certificate of need for this unit.

NUCLEAR PLANT AND NUCLEAR INSURANCE: Information regarding nuclear plant and nuclear insurance is contained in Notes 4 and 11 to the Financial Statements.

TRANSMISSION AND DISTRIBUTION: As of December 31, 1996, Florida Power distributed electricity through 353 substations with an installed transformer capacity of 41,822,275 kilovolt amperes ("KVA"). Of this capacity, 28,366,750 KVA is located in transmission substations and 13,155,525 KVA in distribution substations. Florida Power has the second largest transmission network in Florida. Florida Power has 4,600 circuit miles of transmission lines, of which 2,610 circuit miles are operated at 500, 230, or 115 kilovolts ("KV") and the balance at 69 KV. Florida Power has 23,914 circuit miles of distribution lines which operate at various voltages ranging from 2.4 to 25 KV.

Florida Power, along with 12 other electric utilities in the state, formed the Florida Reliability Coordinating Council ("FRCC") which was approved by the North American Electric Reliability Council ("NERC") as the tenth region of NERC. The FRCC will directly address the unique electric reliability needs of the Florida peninsula electric system rather than participating as a subregion of the larger Southeastern Electric Reliability Council.

In response to the FERC orders on open access transmission systems, Florida Power and other major transmission owners in Florida established the Florida Open Access Same-time Information System, which is a single internet location where transmission customers may obtain transmission information and submit requests for service or resell service rights.

DIVERSIFIED OPERATIONS

ELECTRIC FUELS

Electric Fuels owns and/or operates approximately 4,000 railcars, 45 locomotives, 700 river barges and 30 river towboats that are used for the transportation and shipping of coal, steel and other bulk products. Through joint ventures, Electric Fuels has five oceangoing tug/barge units. An Electric Fuels subsidiary, through another joint venture, owns one third of a large bulk products terminal, located on the Mississippi River south of New Orleans, which handles coal and other products. Electric Fuels provides drydocking and repair services to towboats, offshore supply vessels and barges through operations it owns near New Orleans, Louisiana.

Electric Fuels controls, either directly or through subsidiaries, coal reserves located in eastern Kentucky and southwestern Virginia. Electric Fuels owns, in fee, properties that contain estimated proven and probable coal reserves of approximately 170 million tons and controls, through mineral leases, additional estimated proven and probable coal reserves of approximately 55 million tons. Electric Fuels also owns a 50% undivided interest in coal reserves located in West Virginia that currently are being leased to a third party under an agreement that expires in March 1998. The reserves controlled by Electric Fuels include substantial quantities of high quality, low sulfur coal that is appropriate for use at Florida Power's existing generating units. Electric Fuels' total production of coal during 1996 was approximately 3.7 million tons.

In connection with its coal operations, an Electric Fuels subsidiary, through a joint venture, has a 50% ownership interest in the operation of an underground mining complex in southeastern Kentucky and southwestern Virginia. Other Electric Fuels subsidiaries own and operate surface and underground mines, coal processing and loadout facilities and a river terminal facility in eastern Kentucky, a railcar-to-barge loading facility in West Virginia, and three bulk commodity terminals: one on the Ohio River in Cincinnati, Ohio, and two on the Kanawha River near Charleston, West Virginia. Electric Fuels and its subsidiaries employ both company and contract miners in their mining activities.

An Electric Fuels subsidiary owns railroad car repair and parts reconditioning and rail and trackworks facilities in 14 states, including a railcar hydraulic cushioning unit manufacturing and reconditioning facility in Fort Worth, Texas. Electric Fuels subsidiaries are also involved in scrap metal recycling and railcar leasing.

Another subsidiary of Electric Fuels owns and operates a manufacturing facility at the Florida Power Energy Complex in Crystal River, Florida. The manufacturing process utilizes the fly ash generated by the burning of coal as the major raw material in the production of lightweight aggregate used in construction building blocks. Electric Fuels also operates an environmental testing laboratory in Tampa, Florida.

MID-CONTINENT

Mid-Continent owns an office building in Oklahoma City, Oklahoma.

ITEM 3. LEGAL PROCEEDINGS

1. In Re: Fuel And Purchased Power Cost Recovery Clause and Generating Performance Incentive Factor, Florida Public Service Commission, Docket No. 970001-EI.

Review Of Nuclear Outage At Florida Power Corporation's Crystal River Unit 3, Florida Public Service Commission, Docket No. 970261-EI.

On February 19, 1997, the FPSC approved, subject to refund, an increase of approximately $2 per 1,000 kilowatt hours ("kWh") in the monthly retail residential customer bills for replacement fuel costs associated with the extended outage of CR3. This increase covers replacement fuel for the period from September 2, 1996 through March 31, 1997. At a later time, Florida Power plans to request FPSC approval of additional replacement fuel charges for the period from April 1, 1997 to the date the unit eventually restarts, which is expected to occur by year-end 1997.

In conjunction with approving the $2 adjustment, the FPSC instituted an investigation concerning the reasons for the current outage. On February 28, 1997, the FPSC issued an order establishing procedures for this docket. On March 19, 1997, Florida Power filed a preliminary report outlining the specific actions and circumstances that led to the shut-down of CR3 on September 2, 1996, and the reasons why Florida Power determined that it was necessary to keep CR3 down for an extended outage. The schedule also calls for a hearing in June 1997, with a final FPSC decision in August 1997.

Purchased Power Contracts

Florida Power has entered into purchased power contracts with certain cogenerators which provide for capacity and energy payments. Florida Power has interpreted the pricing provision in these contracts to allow it to pay an as-available energy price rather than a higher firm energy price when the avoided unit upon which the contract is based would not have been operated. Four cogenerators filed suit against Florida Power over the level of payments made by Florida Power under the contracts. Florida Power has entered into settlement agreements with three of the four cogenerators, two of which are awaiting certain approvals from the FPSC and others. The settlement agreements generally provide for a mutually agreed upon methodology for computing the energy payments under the contracts, and a reduction of the length of terms of the contracts. Additional details regarding the legal proceedings with these four cogenerators are covered in paragraphs 2-5 below:

2. Pasco Cogen, Ltd. v. Florida Power Corporation, Florida Circuit Court, Sixth Judicial Circuit for Pasco County, Case No. 96-8331-CA-DIV-Y.

In re: Petition for Expedited Approval of Settlement with Pasco Cogen, Ltd., Florida Public Service Commission, Docket No. 961607-EI.

On October 16, 1996, Florida Power was served with a complaint brought by Pasco Cogen, Ltd. ("Pasco") seeking declaratory relief with respect to the pricing provision in its cogeneration contract and unspecified damages for breach of contract and violations of antitrust laws. In October 1996, Florida Power and Pasco resolved their dispute by executing a final settlement agreement, subject to approval by the FPSC and lenders to Pasco. On March 20, 1997, the FPSC's staff issued a primary recommendation in favor of approving the settlement and two alternative recommendations against the settlement. The FPSC is scheduled to make its decision regarding the petition in April 1997.

3. **HCP Lake Power, Inc. v. Florida Power Corporation, Florida Circuit Court, Fifth Judicial Circuit for Lake County, Case No. 96-2354-CA-01.**

In re: Petition for Expedited Approval of Settlement with Lake Cogen, Ltd., Florida Public Service Commission, Docket No. 961677-EQ.

Lake Interest Holdings, Inc. v. Lake Cogen, Ltd., HCP Lake Power, Inc., Lake Investments, L.P. and Florida Power Corporation, Fifth Judicial Circuit for Lake County, Florida, Case No. 97-869-CA-01.

In October 1996, Florida Power was served with a complaint brought by HCP Lake Power, Inc. ("Lake") seeking unspecified damages for breach of contract with respect to the pricing provision in its cogeneration contract. In December 1996, Florida Power and Lake resolved their dispute by executing a final settlement agreement, subject to approval by the FPSC and lenders to Lake. The settlement agreement was executed by HCP Lake Power, Inc., as general partner of Lake Cogen, Ltd. On March 11, 1997, Florida Power was served with a complaint filed by Lake Interest Holdings, Inc., a partner of Lake Cogen, Ltd., alleging among other things that the settlement agreement was signed without authority and is void and of no force and effect, and seeking declaratory relief, attorneys fees and costs. On March 21, 1997, Florida Power moved to dismiss Lake Interest Holdings' claim against Florida Power, to consolidate the two Lake County circuit court cases, and for an order ratifying and enforcing its settlement agreement.

4. **Orlando Cogen (1), Inc. and Orlando Power Generation I Inc., as general partners of and on behalf of Orlando CoGen Limited, L.P. v. Florida Power Corporation, U.S. District Court, Middle District of Florida, Orlando Division, Case No. 96-303-CIV-ORL-22.**

In re: Petition for approval of an early termination amendment to negotiated qualifying facility contract with Orlando CoGen Limited, FPSC Docket No. 970002-EI.

On March 10, 1994, the general partners of Orlando CoGen Limited, L.P. ("OCL") filed suit against Florida Power seeking an order directing Florida Power to pay the capacity payment under its cogeneration contract and unspecified damages under federal and state antitrust laws. In February 1996, the parties executed a final settlement agreement, which was approved by the FPSC and OCL's lenders. In October 1996, Florida Power filed a petition for approval of an early termination amendment to reduce the term of the cogeneration contract from 30 to 20 years, expiring 2013. In January 1997, the FPSC issued a preliminary order denying the petition to reduce the term of the contract, citing among other things that the projected benefits of the early termination were overly sensitive to certain assumptions and would not be realized until too far into the future. Florida Power has requested a hearing on this matter.

5. **Metropolitan Dade County and Montenay Power Corp. v. Florida Power Corporation, Circuit Court of the Eleventh Circuit for Dade County, Florida, Case No 96-09598-CA-30.**

Metropolitan Dade County and Montenay Power Corp. v. Florida Progress Corporation, Florida Power Corporation and Electric Fuels Corporation, U.S. District Court, Southern District, Miami Division, Florida, Case No 96-594-CIV-LENARD.

On February 13, 1996, Metropolitan Dade County ("Dade") and Montenay Power Corp. ("Montenay") filed a complaint in the Circuit Court of the Eleventh Circuit for Dade County, Florida, seeking a declaratory judgment that their interpretation of the energy pricing provision in the cogeneration contract is correct, and damages in excess of $1.3 million for breach of that contract. No court schedule has as yet been set in this case. On May 14, 1996, Dade and Montenay lodged a complaint against Florida Power in the U.S. District Court for the Southern District, Miami Division, based on essentially the same facts as presented in the state court case, but alleging violations of federal antitrust laws and demanding unspecified treble damages. The current schedule established by the court contemplates a trial commencing in December 1997. In March 1997, the plaintiffs amended the federal court case to include Florida Progress and Electric Fuels.

6. **In re: Standard Offer Contract for the purchase of firm capacity and energy from a qualifying facility between Panda-Kathleen, L.P. and Florida Power Corporation, FPSC Docket No. 950110-EI.**

On January 23, 1995, Florida Power petitioned the FPSC for a declaratory statement that Florida Power's standard offer contract is not available to Panda-Kathleen, L.P. ("Panda L.P.") if it constructs a 115 MW cogeneration facility. In May 1996, the FPSC ruled that Panda L.P.'s proposed 115 MW facility does not comply with the 75 MW limitation contained in the FPSC's standard offer rules, and that Florida Power is required to make capacity payments only for 20 years rather than 30 years. In June 1996, Panda L.P. appealed this order to the Florida Supreme Court. Oral arguments were held in February 1997 and the Supreme Court is expected to render a decision in the first half of 1997.

7. **Florida Power Corporation v. Panda-Kathleen Corp., United States District Court for the Middle District of Florida, Tampa, Division, Case No. 95-2165-CIV-T-25-B.**

In late 1995, Panda-Kathleen Corp. ("Panda Corp.") threatened Florida Power with litigation, alleging that Florida Power tortiously interfered with Panda Corp.'s rights by contracting with the City of Lakeland, Florida for certain rights to transport natural gas over an interstate natural gas pipeline. No legal action was taken by Panda Corp., but on December 27, 1995, Florida Power filed a complaint in the U.S. District Court for the Middle District of Florida seeking declaratory and other relief in response to Panda Corp.'s allegations. The current schedule, which the court is expected to revise, calls for a trial in the second quarter of 1997.

8. **In re: Petition for expedited approval of an agreement to purchase the Tiger Bay cogeneration facility and terminate the related purchased power contracts, FPSC Docket No. 970096-EQ.**

On January 22, 1997, Florida Power petitioned the FPSC for approval of an agreement between the Tiger Bay Limited Partnership ("Tiger Bay") and Florida Power. Tiger Bay is Florida Power's largest cogeneration power supplier, representing 220 MW (21%) of the 1050 MW of total capacity that it receives from 16 cogenerators. The agreement provides for the purchase of the Tiger Bay cogeneration facility and related assets by Florida Power, resulting in the termination of five separate purchased power agreements under which Florida Power purchases power produced by the facility. Florida Power has requested authority to recover the purchase price over a period not to exceed five years, through Florida Power's capacity cost recovery clause. Florida Power also requested that it be allowed to recover the cost of fuel consumed by the Tiger Bay facility through Florida Power's fuel and purchased power cost recovery clause. Florida Power has asked the FPSC to expedite its consideration of this petition in order to satisfy the conditions precedent for closing the agreement on or before July 1, 1997. The FPSC has scheduled this matter for hearing in April 1997, with a decision to be rendered in June 1997.

9. **Northern States Power Company, et al., v. United States Department of Energy, Case Number 97-1064, U.S. Court of Appeals, D.C. Circuit.**

On January 31, 1997, Florida Power joined approximately 35 other utilities with nuclear plants in an action brought against DOE under the Nuclear Waste Policy Act ("NWPA") to suspend payments to the Nuclear Waste Fund. Under the NWPA and contracts between utilities (including Florida Power) and DOE, utilities are required to make payments into the Nuclear Waste Fund based on the KWH of electricity generated by and sold from nuclear plants. In exchange, the NWPA and those contracts require DOE to begin accepting utilities' SNF by January 31, 1998. The U.S. Court of Appeals for the District of Columbia Circuit recently confirmed DOE's unconditional statutory and contractual responsibility to take SNF by January 31, 1998. See Indiana Michigan Power Co. v. DOE, 88 F.3d 1272 (D.C. Cir. 1996). In December 1996, DOE announced that it would be unable to meet its court-affirmed obligation to commence disposing of SNF by January 31, 1998 and conceded that a national high-level waste repository will not be available until 2010. The utilities request that, in view of DOE's recent announcement, the court issue a declaration that the utilities are relieved of their reciprocal obligation to pay fees into the Nuclear Waste Fund and are authorized to place those fees into escrow accounts unless and until DOE commences disposing of SNF.

Failure of DOE to accept SNF will not immediately affect Florida Power, which has sufficient on-site temporary storage capacity for SNF through the year 2010. If, however, DOE does not begin accepting SNF, eventually Florida Power will be forced to seek other temporary storage options.

10. **Florida Power Corp. v. United States, United States Court of Federal Claims, Case No. 96-702C.**

In November 1996, Florida Power filed suit against the United States alleging breach of contract and illegal taking of property without just compensation. Florida Power seeks more than $7.5 million in damages, plus interest, and has requested declaratory and injunctive relief.

The suit arises out of several contracts under which the United States provided Florida Power uranium enrichment services at fixed prices. After Florida Power fully paid for all such services under the contracts, the United States, through congressional legislation enacted in 1992, imposed a retroactive price increase on the completed enrichment services contracts in order to fund the decontamination and decommissioning of the United States' gaseous diffusion uranium enrichment facilities. The United States is collecting this increase through an annual "special assessment" levied on all utilities that had enrichment services contracts with the United States. Collection of the special assessments began in 1992 and is scheduled to continue for a fifteen-year period.

To date, Florida Power has paid more than $7.5 million in special assessments. If the payments continue for the full fifteen year period, they will increase the cost of Florida Power's contracts by a total of more than $23 million. In its complaint, Florida Power is seeking (1) an order declaring that all special assessments are unlawful, (2) an injunction prohibiting the United States from collecting future special assessments, and (3) an award of more than $7.5 million, plus interest, as damages for the United States' wrongful acts.

In December 1996, the court granted the parties' joint motion to stay proceedings in this matter until 45 days after the entry of a final judgement in Yankee Atomic Electric Co. v. United States, 33 Fed. Ct. 580 (1995), which is now on appeal to the U.S. Court of Appeals, No. 96-5021-5025. That case is similar to Florida Power's suit. A decision in the Yankee Atomic Electric matter is expected in the second quarter of 1997.

11. **Wanda L. Adams, et. al. v. Florida Power Corporation and Florida Progress Corporation, U.S. District Court, Middle District of Florida, Ocala Division; Case No. 95-123-CIV-OC-10.**

In October 1995, Florida Power and Florida Progress were served with a multi-party lawsuit involving 17 named plaintiffs. Subsequent motions to the case seek to add 39 additional plaintiffs. If successful, the motions would increase the total number to 56 named plaintiffs. The plaintiffs, all former Florida Power employees, generally allege age discrimination in violation of the Age Discrimination in Employment Act and wrongful interference with pension rights in violation of the Employee Retirement Income Security Act as a result of their involuntary terminations. While no dollar amount is requested, each plaintiff seeks back pay, reinstatement or front pay through their projected dates of normal retirement, costs and attorneys' fees.

In November 1995, Florida Power filed its answer, a motion to dismiss Florida Progress, and a counterclaim against the plaintiffs who signed a career transition agreement and general release, promising, among other things, not to sue Florida Power with respect to this matter.

On October 29, 1996, the court approved a joint stipulation whereby it provisionally certified the case as a class action. As a result, a notice was sent to all former employees terminated during Florida Power's recent reduction-in-force who were over the age of forty at the time of their terminations. The notice informed these persons of the existence of the lawsuit and of their 90 day right to "opt-in." A status conference is scheduled for April 22, 1997.

12. **Gulf Power et al v. United States and the Federal Communications Commission, U.S. District Court, Northern District of Florida, Pensacola Division, Case No. 3:96-CV-381-LAC.**

On July 30, 1996, Florida Power, together with six other electric utilities, filed the above-referenced suit against the United States challenging the constitutionality of the pole attachment amendments to the Telecommunications Act of 1996. The suit seeks a declaration that the act's requirements are unconstitutional because they impose a mandatory obligation on utilities to provide access to poles they own or control to cable television and telecommunications service providers without providing just compensation for this use. The suit also seeks a permanent injunction against the Federal Communications Commission preventing it from enforcing the mandatory access provision.

On October 11, 1996, the United States and the Federal Communications Commission filed their answers and asked the court to dismiss the case with prejudice.

13. **Sanford Gasification Plant Site, Sanford, Florida**

The Sanford gasification site is a former manufactured gas plant site located in the city of Sanford, Florida. It began operation in the 1880's and continued through the early 1950's. Originally owned by Southern Utilities Company, the plant was purchased in 1924 by the City of Sanford, then sold again in 1928 to Sanford Gas Company. Sanford Gas Company, which merged into Florida Power in 1944, operated the plant until 1946 when it was sold to South Atlantic Gas Company (now known as Atlanta Gas Light Company). The plant was conveyed three more times, being purchased by the current owner, Florida Public Utilities Company ("FPUC"), in 1965. The FDEP began investigating the site in 1990. FPUC subsequently initiated an action styled FPUC v. Florida Power, Florida Power &

Light, Atlanta Gas Company and City of Sanford, Florida, United States District Court for the Middle District of Florida, Orlando Division, Civil Action No. 92-118-CIV-ORL-19, seeking contribution from former owners or operators of the site, including Florida Power. The complaint alleged that Florida Power's liability was based on prior ownership and operation of the gasification plant between the years 1928 and 1946. This action was dismissed without prejudice in February 1995.

In response to the FDEP, the parties to the action initiated by FPUC had a contamination assessment conducted. The report of this assessment was forwarded to FDEP in February 1994. The FDEP reviewed the report and issued its site prioritization report, scoring the site with regard to the national priorities list. Currently, the site is evaluated at 25.9 with 28.5 as the threshold for listing the site on the national priorities list.

The EPA is performing a supplemental study of nearby Lake Monroe to determine if contamination exists in the water or sediment. If associated contamination is confirmed, the site could score over the 28.5 threshold, thereby causing the EPA to add this site to the EPA's National Priorities List of sites that require cleanup. The EPA is expected to coordinate with the FDEP in scoring the site.

Florida Power cannot at this time reasonably ascertain its share of the costs of cleaning up this site because of variables beyond its control, including: (i) whether the EPA will score nearby Lake Monroe above 28.5, thus placing the site under federal regulations and possibly requiring a more costly cleanup; (ii) whether litigation will ensue to determine the allocation of liability, and if so, among what number of other PRPs; and (iii) the cost of potential cleanup, monitoring or other work. Although estimates of any additional costs are not available, the results of the EPA's additional testing is not expected to have a material effect on Florida Power's financial position, operations or liquidity. This matter is being reported because liability for the cleanup of certain sites is technically joint and several and because the extent to which other parties will ultimately share in the cleanup costs at this site is not yet determinable. For further information regarding contaminated site cleanup, see Note 11 to the Financial Statements.

16. Peak Oil Company, Missouri Electric Works, 62nd Street, AKO Bayside, Bluff Electric and Sidney Mine Superfund Sites.

Florida Power has been notified by the EPA that it is or could be a PRP with respect to each of the above Superfund sites. Based upon the information presently available, Florida Power has no reason to believe that its total liability for the cleanup of these sites will be material or that it will be required to pay a significantly disproportionate share of those costs. However, these matters are being reported because liability for cleanup of certain sites is technically joint and several, and because the extent to which Florida Power may ultimately have to participate in those cleanup costs is not presently determinable.

In 1996, Florida Power settled the Sydney Mine Superfund site litigation. In connection with the settlement, Florida Power paid approximately $56,000 in exchange for a release from liability in connection with the site. For further information regarding contaminated site cleanup, see Note 11 to the Financial Statements.

18. Peak Oil Company and Sellwood Groundwater Superfund Sites.

In 1992, Florida Progress was notified by the EPA that Progress Packaging Corporation ("Progress Packaging") is or could be a PRP in reference to the Sellwood Groundwater site. Florida Progress sold the assets of Progress Packaging in 1988. Based upon the information presently available, Florida

Progress believes that its total liability for the cleanup of this site will not be material. The EPA recently issued Special Notice Letters to newly identified PRPs. To date, Florida Progress has not received such a letter. Florida Progress has been advised orally by the EPA that if Florida Progress did not receive such a letter then Progress Packaging will not be held liable for any damages related to this matter. Florida Progress is currently awaiting written confirmation from the EPA that Progress Packaging was not mailed a letter naming it as a PRP, as none has been received to date. For further information regarding contaminated site cleanup, see Note 11 to the Financial Statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANTS' COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

FLORIDA PROGRESS

Florida Progress' common stock is listed on the New York Stock Exchange and the Pacific Stock Exchange. The high and low price per share of Florida Progress' common stock for each quarterly period and the dividends per common share paid on shares of Florida Progress' common stock during the last two fiscal years appear in Item 8 on the "Quarterly Financial Data" table for Florida Progress at the end of the Notes to the Financial Statements, and is incorporated herein by reference.

In February 1997, Florida Progress' Board announced an increase of about 2% in the common stock quarterly dividend, which on an annual basis would increase the dividend from $2.06 to $2.10 per share. In 1996, Florida Progress' dividend payout ratio from continuing operations was 79% of earnings. Information concerning the Florida Progress dividend payout ratio and dividend policy is set forth in Item 7 "MD&A - Liquidity and Capital Resources".

Florida Progress' Restated Articles of Incorporation, as amended, do not limit the dividends that may be paid on its common stock. However, the primary source for payment of Florida Progress' dividends consists of dividends paid to it by Florida Power. Florida Power's Amended Articles of Incorporation, as amended, and its Indenture dated as of January 1, 1944, as supplemented, under which it issues first mortgage bonds, contain provisions restricting dividends in certain circumstances. At December 31, 1996, Florida Power's ability to pay dividends was not limited by these restrictions.

Florida Progress and Progress Capital have entered into a Second Amended and Restated Guaranty and Support Agreement dated as of August 7, 1996, pursuant to which Florida Progress has unconditionally guaranteed the payment of Progress Capital's debt (as defined in the agreement).

The approximate number of equity security holders of Florida Progress is as follows:

Title of Class	Number of Registered Holders* as of December 31, 1996
Common Stock without par value	54,195

* The computation of registered holders includes record holders as well as individual positions in the Progress Plus Stock Plan.

FLORIDA POWER

All of Florida Power's common stock is owned by Florida Progress, its corporate parent, and as a result there is no established public trading market for the stock. For the past three years, Florida Power has paid quarterly dividends to Florida Progress totaling the amounts shown in the Statements of Shareholder's Equity in the Financial Statements.

Florida Power's Amended Articles of Incorporation, as amended, and its Indenture dated as of January 1, 1944, as supplemented, under which it issues first mortgage bonds, contain provisions restricting dividends in certain circumstances. At December 31, 1996, Florida Power's ability to pay dividends was not limited by these restrictions.

ITEM 6. SELECTED FINANCIAL DATA

	Annual Growth Rates (in percent) 1991-1996	1996	1995	1994	1993	1992	1991
FLORIDA PROGRESS CORPORATION							
Summary of operations (in millions)							
Utility revenues	7.0	$2,395.6	$2,271.7	$2,080.5	$1,957.6	$1,774.1	$1,718.8
Diversified revenues (continuing)	27.5	764.3	736.1	644.8	430.3	281.1	263.8
Income from continuing operations	8.0	250.7	238.9	212.0	196.0	183.8	167.9
Income (loss) from discontinued operations and change in accounting		(26.3)	-	-	0.6	(8.1)	4.2
Net income	6.4	224.4	238.9	212.0	196.6	175.7	172.1
Balance sheet data (in millions):							
Total assets	2.7	$5,348.4	$5,550.4	$5,453.1	$5,338.0	$4,978.8	$4,683.4
Capitalization:							
Short-term capital	(43.8)	$ 39.8	$173.7	$ 99.9	$195.2	$177.6	$60.8
Long-term debt	6.7	1,776.9	1,662.3	1,835.2	1,860.5	1,651.3	1,631.8
Preferred stock	(32.2)	33.5	138.5	143.5	148.5	216.0	231.0
Common stock equity	6.2	1,924.2	2,078.1	1,984.4	1,820.5	1,737.6	1,587.7
Total capitalization	.6	$3,773.6	$4,052.6	$4,063.0	$4,024.7	$3,782.5	$3,511.3
Common stock data:							
Average shares outstanding (in millions)	4.7	96.8	95.7	93.0	88.3	85.4	80.8
Earnings per share:							
Utility	2.2	$2.40	$2.27	$2.05	$2.06	$1.99	$2.03
Diversified (continuing)	7.9	.19	.23	.23	.16	.21	.11
Discontinued operations and change in accounting		(.27)	-	-	.01	(.14)	(.01)
Consolidated	1.6	2.32	2.50	2.28	2.23	2.06	2.13
Dividends per common share	3.0	2.06	2.02	1.99	1.95	1.905	1.843
Dividend payout		88.9%	81.0%	87.7%	87.6%	93.0%	87.0%
Dividend yield		6.4%	5.7%	6.7%	5.9%	5.9%	6.0%
Book value per share of common stock	1.6	$19.84	$21.55	$20.05	$20.60	$19.85	$19.14
Return on common equity		10.9%	11.0%	11.1%	11.1%	10.6%	11.4%
Common stock price per share:							
High		36 3/8	35 3/4	33 5/8	36 3/8	33 1/4	31 1/2
Low		31 5/8	29 3/8	24 3/4	31 1/4	27 7/8	24 3/8
Close	4.8	32 1/4	35 3/8	30	33 5/8	32 5/8	31 1/4
Price earnings ratio (year-end)		13.9	14.2	13.2	15.1	15.8	14.7
Other year-end data:							
Number of employees	(1.9)	7,291	7,174	7,394	7,625	7,301	7,350

[CONTINUED ON NEXT PAGE]

	Annual Growth Rates (in percent) 1991-1996	1996	1995	1994	1993	1992	1991
FLORIDA POWER CORPORATION							
Electric sales (million of kWh)							
Residential	4.5	15,481.4	14,930.0	13,863.4	13,372.6	12,825.8	12,623.9
Commercial	3.8	8,848.0	8,612.1	8,252.1	7,884.8	7,544.1	7,489.2
Industrial	4.1	4,223.7	3,864.4	3,579.6	3,388.8	3,254.5	3,303.0
Total retail sales	4.4	30,784.8	29,409.5	27,675.2	26,528.3	25,414.0	25,179.1
Total electric sales	4.3	33,492.5	32,482.6	30,014.6	28,647.8	27,375.5	27,350.2
Residential service (average annual):							
kWh sales per customer	1.9	13,560	13,282	12,597	12,420	12,214	12,257
Revenue per customer	4.9	$1,138	$1,114	$1,038	$983	$884	$899
Revenue per kWh	2.7	$0.0839	$0.0839	$0.0824	$0.0792	$0.0724	$0.0733
Financial Data:							
Operating revenues	7.0	$2,395.6	$2,271.7	$2,080.5	$1,957.6	$1,774.1	$1,718.8
Net income after dividends on preferred stock	7.2	$ 232.6	$217.3	$190.7	$181.5	$170.2	$164.1
Total assets	3.2	$4,264.0	$4,284.9	$4,284.5	$4,259.5	$3,980.6	$3,643.2
Long-term debt and preferred stock subject to mandatory redemption	1.3	$1,296.4	$1,304.1	$1,393.8	$1,433.6	$1,318.3	$1,213.1
Total capitalization including short-term debt (in millions)	3.4	$3,188.8	$3,202.2	$3,265.4	$3,240.4	$3,029.2	$2,692.2
Capitalization ratios:							
Short-term capital	(10.6)	0.8%	1.0%	2.8%	5.3%	4.4%	1.4%
Long-term debt	(0.3)	40.8%	39.9%	41.7%	43.1%	40.8%	41.6%
Preferred stock	(35.0)	1.0%	4.3%	4.4%	4.6%	7.1%	8.6%
Common stock equity	3.4	57.4%	54.8%	51.1%	47.0%	47.7%	48.6%
Ratio of earnings to fixed charges (SEC method)	4.3	4.80	4.41	3.90	3.83	3.84	3.87
Embedded cost of long-term debt	(1.9)	7.2%	7.2%	7.1%	6.8%	7.5%	7.7%
Embedded cost of preferred stock	(0.7)	6.6%	6.8%	6.8%	6.8%	7.3%	7.3%
Operating Data:							
Net system capacity (MW)	2.2	7,341	7,347	7,295	7,563	7,002	6,623
Net system peak load (MW)	11.9	8,807	7,722	6,955	6,729	6,982	6,056
Capital expenditures (in millions)	(3.9)	$217.3	$283.4	$319.5	$426.4	$472.9	$345.9
Net cash flow to capital expenditures	20.2	175%	125%	103%	63%	52%	66%
Fuel cost per million BTU	1.5	$2.04	$1.69	$1.75	$1.79	$1.86	$1.89
Average number of customers	2.6	1,292,875	1,271,784	1,243,891	1,214,653	1,182,170	1,159,257
Number of full-time employees	(3.6)	4,629	4,658	4,972	5,807	5,806	5,677

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OPERATING RESULTS

Florida Progress' 1996 consolidated earnings from continuing operations were $250.7 million, or $252.4 million before nonrecurring items. This compares with $238.9 million in 1995 and $212 million in 1994. Florida Power earned $232.6 million in 1996, compared with $217.3 million in 1995 and $190.7 million in 1994. Earnings from continuing diversified operations were $19.8 million in 1996, compared with $21.6 million in 1995 and $21.3 million in 1994.

EARNINGS PER SHARE

	1996	1995	1994
Florida Power Corporation	$2.40	$2.27	$2.05
Electric Fuels Corporation	.28	.25	.25
Mid-Continent Life Insurance Co.	.02	.07	.08
Other	(.09)	(.09)	(.10)
Diversified	.21	.23	.23
Continuing operations before nonrecurring items	2.61	2.50	2.28
Provision for loss on coal properties	(.26)	-	-
Gain on sale of business	.24	-	-
Total continuing operations	2.59	2.50	2.28
Discontinued operations	(.27)	-	-
Consolidated	$2.32	$2.50	$2.28

Florida Power's 1996 earnings per share were up 5.7% over 1995 primarily due to continued customer growth. Residential customer growth of about 2% in 1996 continues to have the most significant effect on Florida Power's earnings growth.

Contributing to Florida Power's 1996 earnings growth were lower interest and preferred dividend charges for 1996, compared with 1995. Lower debt balances resulting from improved cash flow and the redemption of preferred stock lowered these costs by $10 million.

The increase in 1995 earnings per share when compared with 1994 was due in part to certain charges in 1994 that related to work-force reductions and the write-off of a proposed natural gas pipeline project. These charges totaled $15.4 million, or $.16 per share, in 1994.

In 1996, Florida Progress made significant strides toward accomplishing its objective of divesting itself of businesses that are not strategically related to its core businesses - Florida Power, the electric utility, and Electric Fuels, its energy and transportation subsidiary.

In December 1996, Florida Progress completed the divestiture of Echelon, formerly Progress Credit, through a tax-free stock dividend. As a part of this transaction, Florida Progress recorded a $26.3-million charge to earnings for the write-down of certain assets of Echelon and other costs associated with the divestiture. Echelon is reported as discontinued operations. (See Note 10 to the Financial Statements.)

In December 1996, Florida Progress sold its 80% interest in Advanced Separation Technologies, Inc. for $56 million and realized an after-tax gain of $23.5 million, or $.24 per share.

Mid-Continent's earnings have declined in each of the last three years primarily due to declining sales of its primary life insurance product and higher death-benefit claims.

In December 1996, Electric Fuels recorded a $25.2-million after-tax charge to earnings to establish a provision for loss on its unprofitable coal properties, now available for sale. The provision was necessary because management did not consider the unfavorable market conditions for low-sulfur coal to be temporary.

The financial return on Florida Power's common equity was 12.9% in 1996, compared with 12.7% in 1995 and 11.9% in 1994. Increases in retail energy sales and tight control over costs are enabling Florida Power to maintain its return on equity and continue its earnings growth. Florida Progress' diversification strategy has centered on growing Electric Fuels. Return on equity from the energy and transportation subsidiary, before its provision for loss on coal properties, was 16% in 1996, 13.8% in 1995 and 14.5% in 1994.

FLORIDA POWER CORPORATION

Utility Competition

In 1996, the FERC issued new rules on transmission service to facilitate competition in wholesale generation on a nationwide basis. The rules give greater flexibility and more choices to wholesale power customers. (See Note 1 to the Financial Statements.)

Florida Power established a Power Marketing organization as part of its response to the new rules issued by federal regulators. The rules are designed to encourage increased competition in the wholesale power market.

In 1995, Florida Power was successful in obtaining a three-year agreement to provide an additional 455 MW of power to Seminole Electric Cooperative, Inc., beginning in 1999. The cooperative is Florida Power's largest wholesale customer. The contract will increase annual wholesale revenues by more than 40% and is projected to expand this market segment to about 8% of total sales in 1999.

A major portion of Florida Power's retail business is covered under terms of franchise agreements with municipalities and counties. In 1996, 15 franchise customers elected early renewal of their 30-year agreements with Florida Power while five amended their existing agreements. The utility believes quality service and competitive rates will continue to be important factors as other franchise agreements come up for renewal. No franchise agreements representing significant revenues are due to expire before the year 2000.

The power generation segment of the electric power business is expected to be the most competitive in a deregulated environment. While Florida Power's total production costs are comparable with the other investor-owned utilities in Florida, the utility is committed to further improving the efficiency of its power plants. In 1998, a new 470-MW natural gas-fired combined-cycle power plant is planned to be in service. It is expected to be one of the most cost-effective plants in the country.

The pace of change in the electric utility industry continued to accelerate in 1996. Today, there are a record number of mergers pending in the industry. Many U.S. electric utilities are merging or forming alliances with utilities overseas or investing in international projects. Several states are pursuing electric utility restructuring plans to provide retail customers with a choice for their energy suppliers.

The momentum for retail competition has not been as strong in Florida as it has been in other states, where some provisions for retail choice have been passed. Competitive electric rates and the comparatively small number of large industrial and commercial customers are the main reasons there has been less incentive for change in Florida. There is proposed federal legislation that could be enacted in the next couple of years that would expedite the development of retail customer choice in all states.

Florida Power is regulated by the FPSC and the FERC. The utility is able to capitalize or defer certain costs or revenues if it is probable these items will be recovered through the ratemaking process. In the future, regulatory changes due to competition or other reasons could result in the write-off of regulatory assets and liabilities.

Florida Power is committed to providing high-quality, cost-competitive service in order to retain customers while, at the same time, developing new products and services that will attract new customers.

Utility Revenues and Sales

Florida Power's operating revenues were $2.4 billion in 1996, compared with $2.3 billion in 1995 and $2.1 billion in 1994. Revenues rose in 1996 and in 1995, primarily because of customer growth and continued improvement in the economy.

The utility's retail KWH sales increased 2.9% in 1996 and 7.8% in 1995. Residential customer growth was about 2% in 1996 and in 1995. Florida Power's annual customer growth rate continues to be twice the national average for electric utilities.

Beginning in 1995, Florida Power was ordered by the FPSC to conduct a three-year test of residential revenue decoupling. This ratemaking concept is designed to eliminate the direct link between KWH sales and revenues. Under revenue decoupling, abnormal weather does not impact earnings from residential sales, which represents the single-largest customer group for Florida Power. A change in customer usage due to extreme heating or cooling conditions will not have a material effect on Florida Power's earnings, whereas customer growth and higher usage due to nonweather-related factors can affect earnings. (See Note 1 to the Financial Statements.)

Under Florida Power's revenue decoupling plan, the utility recorded a regulatory liability of $3.6 million for 1996 and $18.7 million for 1995.

Fuel and Purchased Power

Fuel and purchased power costs primarily are recovered through an adjustment recovery clause established by state and federal regulators. Fluctuations in these costs have little impact year to year on net income, but could become increasingly important in a more competitive environment.

Fuel and purchased power costs increased $152.2 million in 1996. This increase was offset by the deferral of $82.3 million, which is recorded as a regulatory asset. The increase resulted primarily from the need for replacement power due to an extended maintenance outage at the CR3 nuclear plant.

In February 1997, the FPSC approved Florida Power's request to increase fuel rates to recover the deferred costs of replacement power incurred through March 1997. In conjunction with this approval, the FPSC ordered its staff to begin an immediate investigation concerning the reasons for CR3's current outage. The additional revenues generated by the increased fuel rates associated with the extended outage are subject to refund pending the outcome of this investigation. Florida Power estimates that replacement fuel costs related to that outage are approximately $10 million per month, with weather and the availability of alternative energy sources being the principal factors that can affect actual costs. Florida Power expects to file an additional request with the FPSC for replacement power costs that are incurred after March 1997. Management believes it is probable that the FPSC, after completing its investigation, will approve the recovery of replacement power costs incurred during the entire outage. For additional information regarding the FPSC's investigation, see paragraph 1 under Item 3 "Legal Proceedings".

In 1995, fuel and purchased power costs increased $147.7 million over the previous year. This was due to increased purchased power costs and higher system requirements. For 1997, fuel and purchased power costs likely will increase over 1996 because of higher replacement fuel costs associated with the expected unavailability of CR3 for most of 1997.

Florida Power receives 1,050 MW of total capacity from cogeneration facilities. In 1996, Florida Power spent $222 million for purchased power under these contracts. This represented 24% of system fuel and purchased power expenses for the year.

Costs associated with these contracts raised Florida Power's system average cost for generation in 1995 and 1996, and this trend is expected to continue.

Florida Power is continuing to seek ways to mitigate the impact of escalating payments from contracts it was obligated to sign under provisions of the federal Public Utilities Regulatory Policies Act of 1978.

One strategy being pursued is to buy down those contracts that have prices that are projected to be above future market prices. While paying a discounted price today for these future obligations increases costs in the short term, the long-term benefit to ratepayers can be significant.

Florida Power has several purchased power buy-down proposals before state regulators as well as a petition to recover the costs associated with the acquisition of the 220-MW Tiger Bay cogeneration facility and to terminate the purchased power contracts relating to that facility for $445 million. Tiger Bay is Florida Power's largest cogeneration power supplier, representing more than 20% of the 1,050 MW of total capacity Florida Power receives from cogeneration facilities.

Other Utility Expenses

Utility operation and maintenance expenses increased by $19.7 million in 1996. The increase was due primarily to additional costs associated with the extended maintenance outage of CR3 and expenses related to improving service and reliability.

In 1995, operation and maintenance expenses decreased by $18.5 million when compared with the previous year primarily due to companywide cost-reduction efforts. The utility's commitment to cost control has resulted in minimal increases in operation and maintenance costs except for nuclear outage expenses. The utility's goal for 1997 is to limit increases in nonnuclear operation and maintenance costs to less than the national inflation rate.

Recoverable energy conservation program costs decreased by $21.4 million in 1996 and by $20.3 million in 1995 due to a reduction in the credits paid to customers who participate in Florida Power's load management program. The reduction began in April 1995. The change had no significant impact on earnings because Florida Power recovers substantially all of these costs through a clause in electric rates similar to the fuel adjustment clause.

Depreciation expense increased by $30.5 million in 1996 and by $32.2 million in 1995. In 1995, Florida Power began amortizing $23.9 million of accumulated costs for the canceled Lake Tarpon-Kathleen transmission line over a four-year period. However, the utility chose to accelerate amortization and complete the write-off in 1996. Florida Power also wrote off two oil-fired power plants in 1996 that were placed in extended cold shutdown in 1994, increasing depreciation in 1996 by $11.7 million. Other factors contributing to the increase in 1996 were plant additions, primarily distribution facilities. The increase of $32.2 million in 1995 over 1994 was primarily due to increased nuclear decommissioning costs, amortization of accumulated costs for the Lake Tarpon-Kathleen line, and plant additions.

Nuclear Operations

After completing a record performance in 1995 by achieving a capacity factor of 100%, the CR3 nuclear plant was shut down for much of 1996. Beginning in February, the plant underwent a scheduled refueling outage that lasted until May when the nuclear plant returned to service.

In September, an oil pressure problem in the main turbine forced the plant to shut down until repairs could be made. When the repairs were completed in October, Florida Power decided to keep CR3 down to address certain backup safety system design issues.

The primary issue involves an electrical loading problem with one of the plant's two emergency diesel generators that are part of the emergency core cooling system. These generators would be activated in the event there is a loss of off-site power. The utility is assessing several options to address the diesel loading issue and expects to be able to restart the plant by year-end 1997. The NRC established a special panel in late 1996 to provide regulatory oversight to restarting the nuclear plant.

The NRC was critical of the nuclear plant's overall performance in 1996, particularly in the areas of management oversight and engineering. In January 1997, the NRC placed the nuclear plant on its "Watch List" as a plant whose operations will be monitored closely. Florida Power is disappointed with the NRC's action, but remains committed to implementing safe, reliable and cost-effective solutions to resolve the issues.

Florida Power hired two senior nuclear officers and added other personnel to further strengthen the nuclear plant's engineering staff. The utility's nuclear management and staff have developed a thorough corrective action plan that is designed to address those areas identified by regulators as needing improvement. Florida Power's management is confident that its action plan will return CR3 to top performance.

The new nuclear management team is reviewing previous estimates of the operating and maintenance expenses and capital costs associated with the outage. Management believes that it will have sufficient information to provide final estimates of these costs during the second quarter of 1997.

DIVERSIFIED OPERATIONS

For several years, Florida Progress has been executing an orderly withdrawal strategy from those diversified operations no longer related to its core utility and energy and transportation businesses. Two restructuring decisions were made in 1996 that had a significant impact on earnings from diversified operations. The spin-off of Echelon resulted in a $26.3-million after-tax charge to earnings while the sale of Advanced Separation Technologies contributed an after-tax gain of $23.5 million. Another nonrecurring item that affected 1996 diversified earnings was the provision for loss on unprofitable coal properties owned by Electric Fuels. This resulted in an after-tax charge of $25.2 million or $.26 a share.

Electric Fuels Corporation

Electric Fuels, Florida Progress' energy and transportation subsidiary, has three principal business units: energy and related services, inland marine transportation and rail services. Florida Progress continues to build on Electric Fuels' existing operations through internal expansion and by pursuing new market opportunities, primarily with its inland marine transportation and rail services units.

In July 1996, an Electric Fuels subsidiary, Progress Rail Services Corporation ("Progress Rail"), acquired Railcar, Ltd., an Atlanta-based railcar leasing company. In August 1996, Electric Fuels acquired the assets of Mansbach Metal Company, a metal recycling and railcar dismantling, repair, and leasing company based in Ashland, Kentucky. Progress Rail is one of the largest integrated suppliers of rail services in the United States with locations in 14 states. Revenues from rail services in 1996 were $355.5 million, an increase of $33.3 million over 1995. The increase is due to recent acquisitions and increased sales volumes as railroads continue outsourcing portions of their service and repair needs.

Expansion of Electric Fuels' inland marine transportation unit has been achieved primarily through the purchase of river barges. At the end of 1996, the unit operated about 700 inland river barges with a commitment to purchase approximately 200 new high-capacity barges in 1997 and options for additional units in 1998 and beyond if market demand warrants additional expansion. Expansion of the fleet is expected to enable Electric Fuels to increase its market share by focusing on long-term contracts for hauling coal, wood chips, agricultural products and other dry cargoes.

Electric Fuels began purchasing low-sulfur coal properties in the late 1980s as part of a strategy to take advantage of the expected increase in demand for low-sulfur coal. The increase was expected because of more stringent sulfur dioxide emission requirements imposed on electric utilities by the CAAA. The supply of inexpensive low-sulfur coal from mines in the western United States and the low cost of emission allowance credits have kept the price of central Appalachian low-sulfur coal lower than originally projected.

Because these coal market conditions are not considered by management to be temporary, Electric Fuels established a provision for loss on its unprofitable coal properties.

Electric Fuels has a business plan to improve productivity and quality control in its coal operations in 1997. The plan calls for increasing output from Electric Fuels' remaining mines and directing production to higher-profit markets.

Earnings from Electric Fuels in 1996, before the provision for loss on unprofitable coal properties, were $27.1 million, compared with $24 million in 1995 and $22.6 million in 1994. The $3.1-million increase in 1996 was due largely to better results from Electric Fuels' energy and related services operations.

Before the provision for loss on coal properties in 1996, Electric Fuels' earnings yielded a 22% average annual compound earnings growth rate over the last three years and averaged a 14.1% return on equity for the same period. Electric Fuels expects to have a continuation of double-digit earnings growth for the foreseeable future.

Mid-Continent Life Insurance Company

When Mid-Continent was acquired in 1986, it sold a popular, low-priced death-benefit insurance policy. Over the last few years, the insurance industry has become more competitive, resulting in lower sales of new policies at Mid-Continent.

A new management team at Mid-Continent determined that the old product was not adequately priced. In 1996, Mid-Continent replaced its existing principal policy with a new product called "Basic Life." It resembled the old product that had been Mid-Continent's principal policy, but offered more flexibility and guarantees to policyholders at a higher price.

Mid-Continent was hoping to rebuild market share and achieve increased profitability with the "Basic Life" product. Sales of the new policy, however, have not met management's expectations.

In December, Mid-Continent reduced its work force to be able to compete on a more focused and cost-efficient basis. In 1997, Mid-Continent plans to begin an orderly process to resolve the pricing issue that is expected to involve reducing policy dividends and increasing premiums.

Mid-Continent does not fit with the long-term strategic direction of Florida Progress. It is expected to take three to five years for Mid-Continent's business plan to result in sufficient value before Florida Progress can prudently divest this business.

Mid-Continent's earnings in 1996 were $1.9 million, compared with $6.5 million in 1995 and $7.3 million in 1994. Florida Progress does not expect significant future earnings contributions from Mid-Continent.

Other

Florida Progress adopted several new accounting standards during the last three years. (See Note 1 to the Financial Statements.)

Florida Power and a former Florida Progress subsidiary have been notified by the EPA that each is or may be a PRP for the cleanup costs of several contaminated sites. (See Note 11 to the Financial Statements.)

Florida Progress has off-balance sheet risk related to debt of unconsolidated partnerships. (See Note 11 to the Financial Statements.) Even though the inflation rate has been relatively low during the last three years, inflation continues to affect Florida Progress by reducing the purchasing power of the dollar and increasing the cost of replacing assets used in the business. This has a negative effect on Florida Power because regulators generally do not consider this economic loss when setting utility rates. However, such losses are partly offset by the economic gains that result from the repayment of long-term debt with inflated dollars.

LIQUIDITY AND CAPITAL RESOURCES

Cash from operations has been the primary source of capital for Florida Progress. Other sources of capital included proceeds from the sales of properties and businesses, debt financing, issuance of common stock and the orderly withdrawal from Florida Progress' lending and leasing and real estate portfolio.

Florida Progress has been issuing new equity in recent years primarily to fund Florida Power's construction program. Florida Power is forecasting lower construction expenditures in the years ahead. The utility does not expect construction to require any significant increase in equity or debt over the next five years. Because of the reduced equity requirements, Florida Progress' stock purchase plan, the Progress Plus Stock Plan (the "Stock Purchase Plan"), began purchasing shares in the open market instead of issuing new shares beginning in July 1996.

For the first half of 1996 and for all of 1995 and 1994, new equity was issued through the Stock Purchase Plan. During the last three years, Florida Progress raised $103 million of equity capital through the Stock Purchase Plan. In a May 1994 public offering, Florida Progress sold 3.6 million shares of common stock with net proceeds of $92.2 million. In December 1994, Electric Fuels acquired FM Industries, Inc. for 700,000 shares of Florida Progress common stock.

Florida Progress contributed $12.5 million in 1996, $50 million in 1995 and $130 million in 1994 to Florida Power from the proceeds of Florida Progress' public stock offerings and the Stock Purchase Plan. These funds were used to further strengthen Florida Power's financial position.

Florida Progress' capital structure as of December 31, 1996, was 51% common equity, 48.1% debt and .9% preferred stock of Florida Power. Florida Progress' goal is to maintain capital structures for its utility and diversified operations at levels that will enable its subsidiaries to preserve their current credit ratings.

CREDIT RATINGS

	Standard & Poor's	Moody's	Duff & Phelps
Florida Power Corporation			
First mortgage bonds	AA-	Aa3	AA-
Medium-term notes	A+	A1	A+
Commercial paper	A-1+	P-1	D-1+
Progress Capital Holdings, Inc.			
Medium-term notes	A	A2	
Commercial paper	A-1	P-1	

Earnings per share growth over the past three years has allowed Florida Progress to continue its long-standing tradition of increasing the dividend while, at the same time, following the Florida Progress board of director's strategy of lowering the dividend payout ratio. The payout from continuing operations was 79% in 1996 and 81% in 1995. This is down significantly from several years ago.

Florida Progress has increased the dividends paid per share each year for 44 consecutive years. Florida Progress' board realizes, however, that the dividend policy should be evaluated annually, and it does so each February. The board will continue to re-examine the dividend payout policy to ensure that Florida Progress' dividend payout and dividend rate are appropriate, given its business plan and projected earnings growth and the outlook for the electric utility industry.

Florida Progress anticipates sustained earnings growth in the five-year business plan. The level of confidence in earnings growth will continue to be one of several considerations used in setting dividend policy.

In February 1997, Florida Progress' board increased the quarterly cash dividend on Florida Progress common stock by approximately 2%. This board action increased the annual dividend by four cents per share, therefore raising the annual dividend to $2.10 per share.

Florida Power Corporation

Florida Power's construction expenditures in 1996 totaled about $217 million. This was primarily for distribution lines and other facilities related to the utility's growing customer base. Florida Power's five-year construction program totals $1.4 billion for the 1997-2001 forecast period. It includes planned expenditures of $372 million, $307 million, $282 million, $230 million and $269 million for 1997 through 2001. Florida Power expects construction expenditures during this period will be financed with internally generated funds.

Florida Power has agreed to acquire the 220-MW Tiger Bay cogeneration facility and to terminate the purchased power contracts related to that facility for $445 million in 1997, subject to approval by other parties. Tiger Bay is Florida Power's largest cogeneration power supplier. Florida Power plans on financing the Tiger Bay acquisition primarily through debt financing.

The CAAA require electric utilities to reduce sulfur dioxide emissions. Florida Power expects to meet these requirements with minimal capital expenditures.

In 1996, Florida Power's net cash flow to capital expenditures was 175%. In addition to funding its construction commitments with cash from operations, Florida Power receives equity from Florida Progress and accesses the capital markets through the issuance of commercial paper, medium-term notes and first mortgage bonds.

Florida Power has a public $300-million, medium-term note program, providing for the issuance of either fixed or floating interest rate notes, with maturities that may range from nine months to 30 years.

Florida Power's interim financing needs are funded primarily through its commercial paper program. The utility has a 364-day revolving bank credit facility and a five-year facility, $200 million each, which are used to back up commercial paper. (See Note 6 to the Financial Statements.)

Florida Power used additional cash generated by operations to redeem $105 million of preferred stock in 1996 and reduced total debt levels by about $145 million in 1995.

Florida Power's embedded cost of long-term debt was 7.2% as of December 31, 1996 and 1995.

Diversified Operations

Progress Capital, the downstream holding company of Florida Progress, consolidates the collective financial strength of these operations and, with the benefit of a recently amended guaranty and support agreement with Florida Progress, helps to lower the cost of capital of the diversified businesses. Progress Capital funds diversified operations primarily through the issuance of commercial paper and medium-term notes. (See Note 6 to the Financial Statements.)

Progress Capital has a private $300-million, medium-term note program for the issuance of either fixed or floating interest rate notes, with maturities that may range from nine months to 30 years. In 1996, Progress Capital issued $178 million of medium-term notes with maturities ranging from five to 10 years. The proceeds were used mainly to repay $140 million of maturing medium-term notes.

Progress Capital also has two revolving bank credit facilities: a 364-day, $100-million facility and a five-year, $300-million facility. These facilities are used to back up commercial paper. (See Note 6 to the Financial Statements.)

In 1996, total diversified capital expenditures were about $41 million, primarily for operations at Electric Fuels. In 1996, Progress Capital received net proceeds of $53 million from the sale of Advanced Separation Technologies and expended $54 million related to acquisitions made by Electric Fuels or its affiliates.

In 1997, diversified capital expenditures are expected to be about $88 million, with most of these planned expenditures designated for operations of Electric Fuels. The inland marine transportation unit plans to add new barges in 1997 as it continues to take advantage of market opportunities that expand its business.

Electric Fuels' rail services unit is expected to continue to grow by expanding geographically into the midwest and western markets. These expenditures are expected to be funded through cash generated internally and from outside financing sources.

FORWARD-LOOKING STATEMENTS

In this report, Florida Progress has projected the population will grow to 5.1 million in Florida Power's service area by the year 2000, sustained earnings growth of 4% to 5% for Florida Progress over the next five years, and double-digit earnings growth at Electric Fuels. Florida Power has projected that it's CR3 nuclear plant will return to service by year-end 1997. Florida Progress believes that it will take three to five years to rebuild sufficient value in Mid-Continent before that company can be divested at fair value.

Risk Factors

These statements, and any other statements contained in this report that are not historical facts, are forward-looking statements that are based on a series of projections and estimates regarding the economy, the electric utility industry and Florida Progress' other businesses in general, and on key factors which impact Florida Progress directly. The projections and estimates relate to the pricing of services, the actions of regulatory bodies, the success of new products and services, and the effects of competition.

Key factors that have a direct bearing on Florida Progress' ability to attain these projections include continued annual growth in customers, successful cost containment efforts and the efficient operation of Florida Power's existing and future generating units. Also, in developing its forward-looking statements, Florida Progress has made certain assumptions relating to productivity improvements and the favorable outcome of various commercial, legal and regulatory proceedings, and the lack of disruption to its markets.

If Florida Progress' projections and estimates regarding the economy, the electric utility industry and key factors differ materially from what actually occurs, or if various proceedings have unfavorable outcomes, Florida Progress' actual results could vary significantly from the performance projected in the forward-looking statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AUDITORS' REPORT

To the Shareholders of Florida Progress Corporation and Florida Power Corporation:

We have audited the accompanying consolidated balance sheets of Florida Progress Corporation and subsidiaries, and of Florida Power Corporation, as of December 31, 1996 and 1995, and the related consolidated statements of income, cash flows, and shareholders' equity for each of the years in the three-year period ended December 31, 1996. In connection with our audits of the financial statements, we also have audited the financial statement schedules listed in Item 14 therein. These financial statements and financial statement schedules are the responsibility of the respective managements of Florida Progress Corporation and Florida Power Corporation. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Progress Corporation and subsidiaries, and Florida Power Corporation, as of December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1996, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedules when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/KPMG Peat Marwick *LLP*

KPMG Peat Marwick *LLP*
St. Petersburg, Florida

January 27, 1997

FLORIDA PROGRESS CORPORATION
Consolidated Statements of Income
For the years ended December 31, 1996, 1995 and 1994
(In millions, except per share amounts)

	1996	1995	1994
REVENUES:			
Electric utility	$2,393.6	$2,271.7	$2,080.5
Diversified	764.3	736.1	644.8
	3,157.9	3,007.8	2,725.3
EXPENSES:			
Electric utility:			
Fuel	409.7	431.3	425.6
Purchased power	531.6	436.5	294.6
Energy conservation costs	62.6	84.0	104.3
Operation and maintenance	413.4	393.7	412.2
Depreciation	326.2	293.7	261.5
Taxes other than income taxes	183.6	176.2	162.8
	1,925.1	1,815.4	1,661.0
Diversified:			
Cost of sales	642.9	624.6	552.1
Provision for loss on coal properties	40.9	-	-
Other	66.6	58.9	51.1
	750.4	683.5	603.2
INCOME FROM OPERATIONS	482.4	508.9	461.1
INTEREST EXPENSE AND OTHER:			
Interest expense	135.9	139.4	141.5
Allowance for funds used during construction	(7.5)	(7.3)	(10.9)
Preferred dividend requirements of Florida Power	5.8	9.7	10.1
Gain on sale of business	(44.2)	-	-
Other expense (income), net	(4.2)	(9.9)	(2.4)
	85.8	131.9	138.3
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	396.6	377.0	322.8
Income taxes	145.9	138.1	110.8
INCOME FROM CONTINUING OPERATIONS	250.7	238.9	212.0
DISCONTINUED OPERATIONS, NET OF INCOME TAXES	(26.3)	-	-
NET INCOME	$ 224.4	$ 238.9	$ 212.0
AVERAGE SHARES OF COMMON STOCK OUTSTANDING	96.8	95.7	93.0
EARNINGS PER AVERAGE COMMON SHARE:			
Continuing operations	$2.59	$2.50	$2.28
Discontinued operations	(.27)	-	-
	$2.32	$2.50	$2.28

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION
Consolidated Balance Sheets
December 31, 1996 and 1995
(Dollars in millions)

	1996	1995
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	$5,968.6	$5,867.5
Less: Accumulated depreciation	2,335.8	2,179.7
Accumulated decommissioning for nuclear plant	193.3	165.2
Accumulated dismantlement for fossil plants	119.6	104.4
	3,316.9	3,418.2
Construction work in progress	140.3	131.8
Nuclear fuel, net of amortization of $356.7 in 1996 and $348.7 in 1995	59.9	59.1
Net electric utility plant	3,517.1	3,609.1
Other property, net of depreciation of $173.8 in 1996 and $157.3 in 1995	309.3	307.0
	3,826.4	3,916.1
CURRENT ASSETS:		
Cash and equivalents	5.2	4.3
Accounts receivable, net	265.0	307.3
Inventories, primarily at average cost:		
Fuel	67.1	63.0
Utility materials and supplies	95.4	101.3
Diversified materials	125.5	111.0
Underrecovery of fuel costs	82.6	.3
Other	48.2	41.6
	689.0	628.8
DISCONTINUED OPERATIONS:		
Advances to discontinued operations	-	116.0
Net assets of discontinued operations	-	200.8
	-	316.8
OTHER ASSETS:		
Investments:		
Loans receivable, net	68.1	31.5
Marketable securities	217.9	188.2
Nuclear plant decommissioning fund	207.8	161.1
Joint ventures and partnerships	41.9	33.9
Deferred insurance policy acquisition costs	120.9	106.4
Other	176.4	167.6
	833.0	688.7
	$5,348.4	$5,550.4

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION
Consolidated Balance Sheets
December 31, 1996 and 1995
(Dollars in millions)

	1996	1995
CAPITAL AND LIABILITIES		
COMMON STOCK EQUITY:		
Common stock without par value, 250,000,000 shares authorized, 97,007,182 shares outstanding in 1996 and 96,620,627 in 1995	$1,208.3	$1,187.6
Retained earnings	716.5	888.4
Unrealized gain (loss) on securities available for sale	(.6)	2.1
	1,924.2	2,078.1
CUMULATIVE PREFERRED STOCK OF FLORIDA POWER:		
Without sinking funds	33.5	113.5
With sinking funds	-	25.0
LONG-TERM DEBT	1,776.9	1,662.3
TOTAL CAPITAL	3,734.6	3,878.9
CURRENT LIABILITIES:		
Accounts payable	193.2	165.7
Customers' deposits	81.8	85.3
Taxes payable	41.2	17.3
Accrued interest	48.3	46.9
Other	78.5	97.0
	443.0	412.2
Notes payable	4.1	-
Current portion of long-term debt	34.9	173.7
	482.0	585.9
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	475.4	512.0
Unamortized investment tax credits	93.5	101.5
Insurance policy benefit reserves	325.3	265.0
Other postretirement benefit costs	100.0	84.5
Other	137.6	122.6
	1,131.8	1,085.6
COMMITMENTS AND CONTINGENCIES (Note 11)		
	$5,348.4	$5,550.4

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION
Consolidated Statements of Cash Flows
For the years ended December 31, 1996, 1995 and 1994
(In millions)

	1996	1995	1994
OPERATING ACTIVITIES:			
Income from continuing operations	$250.7	$238.9	$212.0
Adjustments for noncash items:			
Depreciation and amortization	366.7	352.7	316.4
Gain on sale of business	(44.2)	-	-
Provision for loss on coal properties	48.9	-	-
Deferred income taxes and investment tax credits, net	(56.6)	(38.0)	(11.7)
Allowance for equity funds used during construction	(4.6)	(3.8)	(6.1)
Increase in accrued postemployment benefit costs	15.5	16.8	20.3
Net change in deferred insurance policy acquisition costs	(14.5)	(14.5)	(10.4)
Net change in insurance policy benefits reserves	60.3	42.5	36.0
Changes in working capital, net of effects from acquisition or sale of businesses:			
Accounts receivable	35.4	(35.2)	(18.0)
Inventories	(10.9)	(29.1)	(10.0)
Overrecovery (underrecovery) of fuel cost	(82.3)	1.5	5.3
Accounts payable	21.6	16.4	(4.0)
Taxes payable	21.0	(7.6)	(13.1)
Other	(13.5)	29.0	15.1
Other operating activities	(14.6)	11.1	15.7
Cash provided by continuing operations	570.9	580.7	547.5
Loss from discontinued operations	(26.3)	-	-
Adjustments for noncash items	17.4	(17.6)	(15.3)
Cash used by discontinued operations	(8.9)	(17.6)	(15.3)
	562.0	563.1	532.2
INVESTING ACTIVITIES:			
Property additions (including allowance for borrowed funds used during construction)	(264.0)	(331.4)	(366.8)
Purchase of loans and securities, net (including issuance of Echelon note)	(70.4)	(20.9)	(31.6)
Acquisition of businesses	(53.8)	(9.2)	(17.1)
Proceeds from sales of properties and businesses	61.1	13.1	9.3
Investing activities of discontinued operations	56.5	69.8	68.9
Other investing activities	(37.0)	(15.0)	(15.6)
	(307.6)	(301.6)	(352.9)
FINANCING ACTIVITIES:			
Issuance of long-term debt	178.0	-	103.9
Repayment of long-term debt	(190.4)	(45.8)	(78.9)
Increase (decrease) in commercial paper with long-term support	(15.3)	1.0	(61.2)
Redemption of preferred stock	(106.4)	(5.0)	(5.0)
Sale of common stock	18.5	38.4	138.0
Equity contributions to discontinued operations	(23.7)	-	-
Dividends paid on common stock	(199.5)	(193.4)	(185.9)
Increase (decrease) in short-term debt	4.1	(55.3)	(75.6)
Financing activities of discontinued operations	85.2	(9.7)	(8.2)
Other financing activities	(4.0)	(1.2)	(1.6)
	(253.5)	(271.0)	(174.5)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	.9	(9.5)	4.8
Beginning cash and equivalents	4.3	13.8	9.0
ENDING CASH AND EQUIVALENTS	$ 5.2	$ 4.3	$ 13.8
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest (net of amount capitalized)	$128.7	$135.5	$135.2
Income taxes (net of refunds)	$189.3	$214.7	$171.5

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION
Consolidated Statements of Shareholders' Equity
For the years ended December 31, 1996, 1995 and 1994
(Dollars in millions, except per share amounts)

	Common Stock	Retained Earnings	Unrealized Gain (Loss) on Securities Available for Sale	Cumulative Preferred Stock of Florida Power Without Sinking Funds	Cumulative Preferred Stock of Florida Power With Sinking Funds
Balance, December 31, 1993	$ 1,068.3	$812.2	$ -	$113.5	$ 35.0
Net income		212.0			
Common stock issued - 5,215,788 shares	138.9				
Common stock issued in pooling of interests - 788,000 shares	.9	4.1			
Cash dividends on common stock ($1.99 per share)		(185.4)			
Unrealized loss on marketable securities available for sale			(6.6)		
Preferred stock redeemed - 50,000 shares					(5.0)
Balance, December 31, 1994	1,148.1	842.9	(6.6)	113.5	30.0
Net income		238.9			
Common stock issued - 1,248,267 shares	39.5				
Cash dividends on common stock ($2.02 per share)		(193.4)			
Unrealized gain on marketable securities available for sale			8.7		
Preferred stock redeemed - 50,000 shares					(5.0)
Balance December 31, 1995	1,187.6	888.4	2.1	113.5	25.0
Net income		224.4			
Common stock issued - 986,995 shares	20.7				
Echelon International stock dividend		(196.5)			
Cash dividends on common stock ($2.06 per share)		(199.5)			
Unrealized loss on marketable securities available for sale			(2.7)		
Preferred stock redeemed - 1,000,000 shares		(2.3)		(80.0)	(25.0)
Balance, December 31, 1996	$1,208.3	$716.5	$ (.6)	$ 33.5	$ -

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Income
For the years ended December, 31 1996, 1995 and 1994
(In millions)

	1996	1995	1994
OPERATING REVENUES:	$2,393.6	$2,271.7	$2,080.5
OPERATING EXPENSES:			
Operation:			
Fuel used in generation	409.7	431.3	425.6
Purchased power	531.6	436.5	294.6
Energy Conservation Cost Recovery	62.6	84.0	104.3
Operations and maintenance	413.4	393.7	412.2
Depreciation	324.2	293.7	261.5
Taxes other than income taxes	183.6	176.2	162.8
Income taxes	135.8	129.5	114.7
	2,060.9	1,944.9	1,775.7
OPERATING INCOME	332.7	326.8	304.8
OTHER INCOME AND DEDUCTIONS:			
Allowance for equity funds used during construction	4.6	3.8	6.1
Miscellaneous other expense, net	(3.4)	(2.6)	(6.5)
	1.2	1.2	(0.4)
INTEREST CHARGES			
Interest on long-term debt	86.6	93.5	96.3
Other interest expense	11.8	11.0	12.1
	98.4	104.5	108.4
Allowance for borrowed funds used during construction	(2.9)	(3.5)	(4.8)
	95.5	101.0	103.6
NET INCOME	238.4	227.0	200.8
DIVIDENDS ON PREFERRED STOCK	5.8	9.7	10.1
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	$232.6	$217.3	$190.7

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
For the years ended December 31, 1996 and 1995
(Dollars in millions)

	1996	1995
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	$5,965.6	$5,867.5
Less - Accumulated depreciation	2,335.8	2,179.7
Accumulated decommissioning for nuclear plant	193.3	165.2
Accumulated dismantlement for fossil plants	119.6	104.4
	3,316.9	3,418.2
Construction work in progress	140.3	131.8
Nuclear fuel, net of amortization of $356.7 in 1996 and $340.7 in 1995	59.9	59.1
	3,517.1	3,609.1
Other property, net	13.3	23.0
	3,530.4	3,632.1
CURRENT ASSETS:		
Cash and equivalents	-	0.8
Accounts receivable, less reserve of $4.1 in 1996 and $5.2 in 1995	174.7	200.7
Inventories at average cost:		
Fuel	47.2	40.8
Materials and supplies	95.4	101.3
Underrecovery of fuel cost	82.6	0.3
Deferred income taxes	35.6	32.3
Other	6.2	3.9
	441.7	380.1
OTHER ASSETS:		
Nuclear plant decommissioning fund	207.8	161.1
Unamortized debt expense, being amortized over term of debt	25.0	27.5
Other	59.1	84.1
	291.9	272.7
	$4,264.0	$4,284.9

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
For the years ended December 31, 1996 and 1995
(Dollars in millions)

	1996	1995
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common stock	$1,004.4	$992.9
Retained earnings	821.1	761.1
	1,825.5	1,754.0
CUMULATIVE PREFERRED STOCK:		
Without sinking funds	33.5	113.5
With sinking funds	-	25.0
LONG-TERM DEBT	1,296.4	1,279.1
TOTAL CAPITAL	3,155.4	3,171.6
CURRENT LIABILITIES:		
Accounts payable	115.5	89.8
Accounts payable to associated companies	21.2	24.8
Customers' deposits	81.7	85.3
Income taxes payable	10.4	8.9
Accrued other taxes	10.0	12.3
Accrued interest	34.8	32.9
Other	47.3	65.1
	320.9	319.1
Notes payable	4.1	-
Current portion of long-term debt	21.3	30.6
	346.3	349.7
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	472.3	483.8
Unamortized investment tax credits	92.8	100.9
Other postretirement benefit costs	96.5	81.5
Other	100.7	97.4
	762.3	763.6
	$4,264.0	$4,284.9

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Cash Flows
For the years ended December 31, 1996, 1995 and 1994
(In millions)

	1996	1995	1994
OPERATING ACTIVITIES:			
Net income after dividends on preferred stock	$252.6	$217.3	$190.7
Adjustments for noncash items:			
Depreciation and amortization	361.1	329.7	294.8
Deferred income taxes and investment tax credits, net	(32.8)	(29.3)	(0.9)
Increase in accrued other postretirement benefit costs	14.9	16.1	19.2
Allowance for equity funds used during construction	(4.6)	(3.8)	(6.1)
Changes in working capital:			
Accounts receivable	16.2	(33.4)	0.9
Inventories	(0.5)	14.2	8.1
Overrecovery (underrecovery) of fuel cost	(82.3)	1.5	5.3
Accounts payable	25.7	4.8	(21.2)
Accounts payable to associated companies	(3.5)	3.4	4.3
Taxes payable	(0.8)	2.8	(14.6)
Other	(12.1)	30.5	6.9
Other operating activities	3.8	8.6	10.9
	497.7	571.4	498.3
INVESTING ACTIVITIES:			
Construction expenditures	(217.3)	(285.4)	(319.5)
Allowance for borrowed funds used during construction	(2.9)	(3.5)	(4.8)
Additions to nonutility property	(2.7)	(2.5)	(2.9)
Proceeds from sale of properties	5.5	10.8	7.7
Other investing activities	(27.6)	(11.0)	(12.4)
	(245.0)	(289.4)	(331.9)
FINANCING ACTIVITIES:			
Repayment of long-term debt	(47.3)	(35.4)	(46.0)
Increase (decrease) in commercial paper with long term support	54.8	(54.8)	-
Redemption of preferred stock	(106.3)	(5.0)	(5.0)
Dividends paid on common stock	(171.3)	(180.7)	(175.7)
Equity contributions from parent	12.5	50.0	130.0
Increase (decrease) in short-term debt	4.1	(55.3)	(69.7)
	(253.5)	(281.2)	(166.4)
NET INCREASE IN CASH AND EQUIVALENTS	(0.8)	0.8	-
Beginning cash and equivalents	0.8	-	-
ENDING CASH AND EQUIVALENTS	$ -	$0.8	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest (net of amount capitalized)	$90.7	$97.9	$101.5
Income taxes (net of refunds)	$166.9	$157.1	$129.8

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Shareholder's Equity
For the years ended December 31, 1996, 1995 and 1994
(Dollars in millions, except share amounts)

			Cumulative Preferred Stock	
	Common Stock	Retained Earnings	Without Sinking Funds	With Sinking Funds
Balance, December 31, 1993	$812.9	$709.5	$113.5	$35.0
Net income after dividends on preferred stock		190.7		
Capital contribution by parent company	130.0			
Cash dividends on common stock		(175.7)		
Preferred stock redeemed - $0,000 shares				(5.0)
Balance, December 31, 1994	942.9	724.5	113.5	30.0
Net income after dividends on preferred stock		217.3		
Capital contribution by parent company	$0.0			
Cash dividends on common stock		(180.7)		
Preferred stock redeemed - $0,000 shares				(5.0)
Balance, December 31, 1995	992.9	761.1	113.5	25.0
Net income after dividends on preferred stock		232.6		
Capital contribution by parent company	12.5			
Cash dividends on common stock		(171.3)		
Preferred stock redemption costs		(1.3)		
Premium on preferred stock redemption	(1.0)			
Preferred stock redeemed - 1,050,000 shares			(80.0)	(25.0)
Balance, December 31, 1996	$1,004.4	$821.1	$33.5	($0.0)

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION AND FLORIDA POWER CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL - Florida Progress is an exempt holding company under the 1935 Act. Its largest subsidiary, representing 80% of total assets, is Florida Power, a public utility engaged in the generation, purchase, transmission, distribution and sale of electric energy primarily within Florida.

The consolidated financial statements include the financial results of Florida Progress and its majority-owned operations. All significant intercompany balances and transactions have been eliminated. Investments in 20%- to 50%-owned joint ventures are accounted for using the equity method.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

REGULATION - Florida Power is regulated by the FPSC and the FERC. The utility follows the accounting practices set forth in Financial Accounting Standard (FAS) No. 71, "Accounting for the Effects of Certain Types of Regulation" FAS 71 as amended. This standard allows utilities to capitalize or defer certain costs or revenues based on management's ongoing assessment that it is probable these items will be recovered through the ratemaking process.

At December 31, 1996, Florida Power had $173.8 million of regulatory assets, including $82.6 million of underrecovery of fuel costs, and $51.8 million of regulatory liabilities. The utility expects to fully recover these assets and refund the liabilities through customer rates under current regulatory practice.

If Florida Power no longer applied FAS No. 71 due to competition, regulatory changes or other reasons, the utility would make certain adjustments. These adjustments would include the write-off of all or a portion of its regulatory assets and liabilities, the evaluation of utility plant, contracts and commitments and the recognition, if necessary, of any losses to reflect market conditions.

In April 1996, FERC issued new rules governing open transmission access, stranded cost issues and electronically offering information on transmission capacity. The new rules are designed to provide open access to the nation's interstate transmission network. In July 1996, FERC accepted Florida Power's nondiscriminatory open access transmission tariff that was filed to comply with the new rules. The new FERC rules did not have a material effect on the utility's revenues or earnings.

UTILITY PLANT - Utility plant is stated at the original cost of construction, which includes payroll and related costs such as taxes, pensions and other fringe benefits, general and administrative costs, and an allowance for funds used during construction. Substantially all of the utility plant is pledged as collateral for Florida Power's first mortgage bonds.

The allowance for funds used during construction represents the estimated cost of equity and debt for utility plant under construction. Florida Power is permitted to earn a return on these costs and recover them in the rates charged for utility services while the plant is in service. The average rate used in computing the allowance for funds was 7.8%.

UTILITY REVENUES, FUEL AND PURCHASED POWER EXPENSES - Revenues include amounts resulting from fuel, purchased power and energy conservation adjustment clauses, which are designed to permit full recovery of these costs. The adjustment factors are based on projected costs for a six- or 12-month period. The cumulative difference between actual and billed costs is included on the balance sheet as a current regulatory asset or liability. Any difference is billed or refunded to customers during the subsequent period.

As ordered by the FPSC, Florida Power is conducting a three-year test for residential revenue decoupling, which began in January 1995. Decoupling eliminates the direct link between kilowatt-hour sales and revenues. A nonfuel revenue target is determined by multiplying a revenue per customer amount by the total number of residential customers. The difference between target revenues and actual revenues is included as a current asset or liability on the balance sheet. The revenue per customer amount is adjusted annually for a growth factor.

Florida Power accrues the nonfuel portion of base revenues for services rendered but unbilled.

The cost of nuclear fuel is amortized to expense based on the quantity of heat produced for the generation of electric energy in relation to the quantity of heat expected to be produced over the life of the nuclear fuel core.

INCOME TAXES - Deferred income taxes are provided on all significant temporary differences between the financial and tax basis of assets and liabilities using presently enacted tax rates in accordance with FAS No. 109, "Accounting for Income Taxes."

Deferred investment tax credits, subject to regulatory accounting practices, are amortized to income over the lives of the related properties.

DEPRECIATION AND MAINTENANCE - Florida Progress provides for depreciation of the cost of properties over their estimated useful lives primarily on a straight-line basis. Florida Power's annual provision for depreciation, including a provision for nuclear plant decommissioning costs and fossil plant dismantlement costs, expressed as a percentage of the average balances of depreciable utility plant, was 4.9% for 1996, 5% for 1995 and 4.8% for 1994.

Florida Power charges maintenance expense with the cost of repairs and minor renewals of property. The plant accounts are charged with the cost of renewals and replacements of property units. Accumulated depreciation is charged with the cost, less the net salvage, of property units retired.

Florida Power accrues a reserve for maintenance and refueling expenses anticipated to be incurred during scheduled nuclear plant outages.

INSURANCE PREMIUMS, POLICY ACQUISITION COSTS AND BENEFIT RESERVES - Life insurance premiums are recognized as revenues over the premium-paying periods of the policies.

Florida Progress defers recoverable costs in its insurance operations that directly relate to the production of new business. These costs are amortized over the expected premium-paying period. Benefit reserves are established out of each premium payment to provide for the present value of future insurance policy benefits. Florida Progress reviews the adequacy and recoverability of the deferred acquisition costs and the benefit reserves based on a gross premium reserve analysis of the in-force business.

Significant assumptions used in this analysis include estimates of future premium increases, mortality rates, withdrawal rates, expense rates, and investment yield. The assumptions are based on Florida Progress' actual experience adjusted for the effect of future actions affecting the in-force

business. Although these assumptions are Florida Progress' best estimate of the future experience, actual results may vary in either direction and could significantly impact income in the period of change. Management believes deferred policy acquisition costs are recoverable at December 31, 1996.

ACCOUNTING FOR CERTAIN INVESTMENTS - Florida Progress considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Florida Progress' investments in debt and equity securities are classified and accounted for as follows:

Type of Security	Accounting Treatment
Debt securities held to maturity	Amortized cost
Trading securities	Fair market value with unrealized gains and losses included in earnings
Securities available for sale	Fair market value with unrealized gains and losses, net of taxes, reported separately in shareholders' equity

See Note 2 for securities held to maturity or available for sale. Florida Progress had no investments in assets classified as trading securities at December 31, 1996 and 1995. A decline in the market value of any security available-for-sale or held-to-maturity that falls below cost results in a reduction in carrying amount to fair value if the decline is not considered temporary. The impairment is charged to earnings and a new cost basis for the security is established. Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method. Dividend and interest income are recognized when earned.

ACCOUNTING FOR LONG-LIVED ASSETS - Florida Progress adopted the provisions of FAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," on January 1, 1996. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement in January 1996 did not have a material impact on Florida Progress' financial position, results of operations, or liquidity.

The Financial Accounting Standards Board has a current project addressing the accounting for obligations related to the decommissioning of nuclear power plants. Florida Power records a provision for nuclear decommissioning costs over the expected life of its nuclear plant. Currently, the accumulated provisions for nuclear decommissioning costs are recorded as a reduction of Electric Plant in Service on the balance sheet. One alternative, if adopted, would require Florida Power's 90.4% share of estimated nuclear decommissioning costs totaling $385 million in 1996 dollars to be recorded as a liability, with a corresponding plant asset. There would be no impact on earnings or cash flows.

STOCK-BASED COMPENSATION - Under its Long-Term Incentive Plan ("LTIP"), Florida Progress grants selected executives performance shares, which upon achievement of performance criteria for a three-year performance cycle, result in the award of shares of common stock of Florida Progress, two-thirds of which would be restricted for periods of time. Florida Progress accounts for its LTIP in

accordance with the provisions of Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees." On January 1, 1996, Florida Progress adopted FAS No. 123, "Accounting for Stock-Based Compensation," and Florida Progress elected to continue to apply the accounting provisions of APB No. 25. There was no material difference in earnings as a result of this election.

BUSINESS ACQUISITIONS - Florida Progress and its subsidiaries acquired several businesses in 1996, 1995 and 1994. All acquisitions were accounted for as purchases except the acquisition of FM Industries, Inc., in December 1994, which was accounted for on a pooling of interests basis.

The 1994 Statement of Cash Flows does not reflect the value of the 700,000 shares of common stock issued for the acquisition of FM Industries. The market value of these shares at the date of issuance was $21.1 million.

COMMITMENTS AND CONTINGENCIES - In October 1996, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 96-1, "Environmental Remediation Liabilities." SOP 96-1 was adopted by Florida Progress on January 1, 1997 and requires, among other things, environmental remediation liabilities to be accrued when the criteria of FAS No. 5, "Accounting for Contingencies," have been met. The SOP also provides guidance with respect to the measurement of the remediation liabilities. Such accounting is consistent with Florida Progress' current method of accounting for environmental remediation costs and, therefore, adoption of this new statement did not have a material impact on Florida Progress' financial position, results of operations or liquidity.

NOTE 2 FINANCIAL INSTRUMENTS

Estimated fair value amounts have been determined by Florida Progress using available market information and discounted cash-flow analysis. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates may be different than the amounts that Florida Progress could realize in a current market exchange.

Florida Progress currently has no derivative financial instruments, such as futures, forwards, swaps or options contracts. At December 31, 1996 and 1995, Florida Progress had the following financial instruments with estimated fair values and carrying amounts:

	1996		1995	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
ASSETS:				
Loans receivable:				
Echelon International	$ 32.9	$ 32.9	$ -	$ -
Life insurance business:				
Loans secured by real estate	4.1	4.4	6.0	7.8
Policy loans	11.0	10.1	9.7	11.1
	$ 48.0	$ 47.4	$ 15.7	$ 18.9
Marketable securities:				
Available for sale	$ 352.4	$ 352.4	$ 296.3	$ 296.3
Held to maturity	73.3	76.8	53.0	58.6
CAPITAL AND LIABILITIES:				
Florida Power preferred stock with sinking funds	$ -	$ -	$ 25.0	$ 26.1
Long-term debt:				
Florida Power Corporation	1,317.7	1,335.3	1,309.7	1,352.8
Progress Capital Holdings	494.1	497.1	526.2	532.8

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(In millions)	1996	1995	1994
Components of income tax expense:			
Payable currently:			
Federal	$179.7	$157.3	$109.7
State	23.0	18.8	12.8
	202.7	176.1	122.5
Deferred, net:			
Federal	(41.9)	(27.5)	(1.9)
State	(6.9)	(2.0)	(.2)
	(48.8)	(29.5)	(2.1)
Amortization of investment tax credits, net	(8.0)	(8.5)	(9.6)
	$145.9	$138.1	$110.8

[redacted]

(In millions)	1996	1995	1994
Components of income tax expense:			
Payable currently:			
Federal	$143.6	$136.8	$ 95.3
State	24.9	22.1	17.1
	168.5	158.9	112.4
Deferred, net:			
Federal	(20.9)	(18.9)	7.0
State	(4.0)	(1.9)	.6
	(24.9)	(20.8)	7.6
Amortization of investment tax credits, net	(7.9)	(8.5)	(8.5)
Total income tax expense	135.7	129.6	111.5
Less: Amounts charged or (credited) to non-operating income	(.1)	.1	(3.2)
Amounts charged to operating income	$135.8	$129.5	$114.7

The primary differences between the statutory rates and the effective income tax rates are detailed below:

FLORIDA PROGRESS

	1996	1995	1994
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income tax, net of federal income tax benefits	2.6	2.8	2.5
Amortization of investment tax credits	(2.0)	(2.2)	(2.9)
Other	.6	.1	(1.3)
Effective income tax rates	36.2%	35.7%	33.3%

FLORIDA POWER

	1996	1995	1994
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income tax, net of federal income tax benefits	3.6	3.7	3.7
Amortization of investment tax credits	(2.2)	(2.4)	(2.7)
Other	-	-	(.3)
Effective income tax rates	36.4%	36.3%	35.7%

The following summarizes the components of deferred tax liabilities and assets at December 31, 1996 and 1995:

FLORIDA PROGRESS

(In millions)	1996	1995
Difference in tax basis of property, plant and equipment	$544.1	$550.8
Deferred acquisition costs	35.9	37.2
Investment in partnerships	20.1	20.9
Other	35.6	41.6
Total deferred tax liabilities	$635.7	$650.5
Deferred tax assets:		
Loss reserves not currently deductible	$ 69.5	$ 41.2
Accrued book expenses	90.6	79.2
Unbilled revenues	17.6	20.8
Other	18.2	29.6
Total deferred tax assets	$195.9	$170.8

At December 31, 1996 and 1995, Florida Progress had net noncurrent deferred tax liabilities of $475.4 million and $512 million and net current deferred tax assets of $35.6 million and $32.3 million, respectively. Florida Progress expects the results of future operations will generate sufficient taxable income to allow for the utilization of deferred tax assets.

FLORIDA POWER

(In millions)	1996	1995
Deferred tax liabilities:		
Difference in tax basis of property, plant and equipment	$516.0	$526.0
Deferred book expenses	12.7	19.9
Under recovery of fuel	2.8	2.8
Carrying value of securities over cost	7.7	4.5
Total deferred tax liabilities	$539.2	$553.2
Deferred tax assets:		
Accrued book expenses	$ 76.5	$ 64.4
Unbilled revenues	17.6	20.8
Regulatory liability for deferred income taxes	4.4	13.4
Other	4.0	3.1
Total deferred tax assets	$102.5	$101.7

At December 31, 1996 and 1995, Florida Power had net noncurrent deferred tax liabilities of $472.3 million and $483.8 million and net current deferred tax assets of $35.6 million and $32.3 million, respectively. Florida Power expects the results of future operations will generate sufficient taxable income to allow the utilization of deferred tax assets.

NOTE 4 NUCLEAR OPERATIONS

JOINTLY OWNED PLANT - The following information relates to Florida Power's 90.4% proportionate share of the Crystal River nuclear plant at December 31, 1996 and 1995:

(In millions)	1996	1995
Utility plant in service	$643.6	$656.6
Construction work in progress	14.8	18.3
Unamortized nuclear fuel	59.9	59.1
Accumulated depreciation	309.5	310.9
Accumulated decommissioning	193.3	165.2

Net capital additions/(retirements) for Florida Power were $(16.5) million in 1996 and $7.8 million in 1995, and depreciation expense, exclusive of nuclear decommissioning, was $28.3 million in 1996 and $28.4 million in 1995. Each co-owner provides for its own financing. Florida Power's share of the asset balances and operating costs is included in the appropriate consolidated financial statements. Amounts exclude any allocation of costs related to common facilities.

DECOMMISSIONING COSTS - Florida Power's nuclear plant depreciation expenses include a provision for future decommissioning costs, which are recoverable through rates charged to customers. Florida Power is placing amounts collected in an externally managed trust fund. The recovery from customers, plus income earned on the trust fund, is intended to be sufficient to cover Florida Power's share of the future dismantlement, removal and land restoration costs. Florida Power has a license to operate the nuclear unit through December 3, 2016, and contemplates decommissioning beginning at that time.

In November 1995, the FPSC approved a new site-specific study that estimated total future decommissioning costs at approximately $2.0 billion, which corresponds to $625.4 million in 1996 dollars. Florida Power increased its share of the retail portion of annual decommissioning expense to the FPSC-approved

level of $20.5 million, effective January 1995. Funding of the approved increase occurred during the first quarter of 1996, upon receipt in January 1996 of the FPSC's final order, effective retroactively to January 1995. Florida Power also has adjusted the wholesale portion of this expense in a comparable manner, increasing it to $1.2 million annually.

Under the previous study, Florida Power's share of total annual decommissioning expense, as authorized by the FPSC and the FERC, was $11.9 million for 1994.

FUEL DISPOSAL COSTS - Florida Power has entered into a contract with the DOE for the transportation and disposal of SNF. Disposal costs for nuclear fuel consumed are being collected from customers through the fuel adjustment clause at a rate of $.001 per net nuclear kWh sold and are paid to the DOE quarterly. Florida Power currently is storing SNF on site and has sufficient storage capacity in place or under construction for fuel consumed through the year 2010.

NOTE 5 RATES

Florida Power's retail rates are set by the FPSC. Florida Power's last general rate case was approved in 1992 and allowed a 12% regulatory return on equity with an allowed range between 11% and 13%. The utility's retail regulatory return was 12.3% for 1996.

Under Florida Power's revenue decoupling plan (See Note 1), Florida Power has recorded a regulatory liability of $3.6 million for the 1996 time period and $18.7 million for the 1995 time period.

The extended maintenance outage at the Crystal River nuclear plant requires Florida Power to incur higher replacement power costs. The cost of this replacement power exceeds the amount currently being recovered in Florida Power's rates. As a result, Florida Power has an underrecovery of fuel and purchased power costs of approximately $82.6 million at December 31, 1996. In January 1997, Florida Power petitioned the FPSC for an increase in its rates to recover, over a 12-month period beginning April 1997, the current balance of deferred fuel together with an estimate of under-recoveries through March 1997. The FPSC is scheduled to have hearings in February 1997. Management believes that the FPSC will approve the increase in rates.

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NOTE 6 DEBT

Florida Progress' long-term debt at December 31, 1996 and 1995, is scheduled to mature as follows:

	Interest Rate	1996	1995
Florida Power Corporation:			
(In millions)			
First mortgage bonds:			
Maturing in 1997 and 1999	6.98%	$ 75.0	$ 91.7
Maturing 2002 and 2003	6.58%(a)	280.0	280.0
Maturing 2008	6.88%	80.0	80.0
Maturing 2021 through 2023	7.08%(a)	480.0	480.0
Pollution control revenue bonds:			
Maturing 2014 through 2027	6.99%(a)	240.9	240.9
Notes maturing:			
1996-1997	8.44%(a)	21.3	51.9
1998-2000	6.67%	26.0	26.0
Commercial paper, supported by revolver maturing November 30, 2001	5.53%(a)	200.0	145.2
Discount, net of premium, being amortized over term of bonds		(5.5)	(6.0)
		1,317.7	1,309.7
Progress Capital Holdings:			
Notes maturing:			
1996-1997	9.35%	10.0	150.0
1998-2006	7.01%(a)	306.0	126.0
Commercial paper, supported by revolver maturing November 30, 2001	5.71%(a)	169.4	239.6
Other debt, maturing through 2006	6.81%(a)	10.7	10.7
		1,811.8	1,836.0
Less: Current portion of long-term debt		34.9	173.7
		$1,776.9	$1,662.3

(a) Weighted average interest rate at December 31, 1996.

Florida Progress' consolidated subsidiaries have lines of credit totaling $800 million, which are used to support commercial paper. The lines of credit were not drawn on as of December 31, 1996. Interest rate options under the line of credit arrangements vary from subprime or money market rates to the prime rate. Banks providing lines of credit are compensated through fees. Commitment fees on lines of credit vary between .06 and .10 of 1%.

The lines of credit consist of four revolving bank credit facilities, two each for Florida Power and Progress Capital. The Florida Power facilities, $200 million each, are for terms of 364 days and five years. The Progress Capital facilities consist of $100 million with a 364-day term and $300 million with a five-year term. In 1996, both 364-day facilities were extended to November 1997. In addition, both five-year facilities were extended to November 2001. Based on the duration of the underlying backup credit facilities, $369.4 million of outstanding commercial paper at December 31, 1996, and $384.8 million of outstanding commercial paper at December 31, 1995, are classified as long-term debt. Florida Power had another $4.1 million of outstanding commercial paper at December 31, 1996, which was classified as short-term debt.

Florida Power has a public $300-million, medium-term note program providing for the issuance of either fixed or floating interest rate notes. These notes have maturities ranging from nine months to 30 years. All $300 million is available for issuance.

Florida Power has registered $370 million of first mortgage bonds which are unissued and available for issuance.

Progress Capital has a private $300-million, medium-term note program providing for the issuance of either fixed or floating interest rate notes, with maturities ranging from nine months to 30 years. A balance of $122 million is available for issuance under this program at either fixed or floating rates.

The combined aggregate maturities of long-term debt for 1997 through 2001 are $34.9 million, $15 million, $128.6 million, $2.7 million and $472.4 million, respectively. In addition, about 12% of Florida Power's outstanding first mortgage bonds have an annual 1% sinking fund requirement. These requirements, which total $1 million annually for 1997 through 2000, are expected to be satisfied with property additions.

Florida Progress and Progress Capital entered into an amended guaranty and support agreement in 1996, pursuant to which Florida Progress has unconditionally guaranteed the payment of Progress Capital's debt as defined in the agreement.

NOTE 7 PREFERRED AND PREFERENCE STOCK AND SHAREHOLDER RIGHTS

A summary of outstanding Cumulative Preferred Stock of Florida Power follows:

Dividend Rate	Current Redemption Price	Shares Authorized	Shares Outstanding	Outstanding December 31 1996	Outstanding December 31 1995
				(In millions)	
Without sinking funds, not subject to mandatory redemption:					
4.00%	$101.25	40,000	39,980	$ 4.0	$ 4.0
4.40%	$102.00	75,000	75,000	7.5	7.5
4.58%	$101.00	100,000	99,990	10.0	10.0
4.60%	$103.25	40,000	39,997	4.0	4.0
4.75%	$102.00	80,000	80,000	8.0	8.0
7.40%	$102.40	300,000	-	-	30.0
7.76%	$102.21	500,000	-	-	50.0
			334,967	$ 33.5	$ 113.5
With sinking funds, subject to mandatory redemption:					
7.08%	$102.36	500,000	-	$ -	$ 25.0

The authorized capital stock of Florida Progress includes 10 million shares of preferred stock, without par value, including 2 million shares designated as Series A Junior Participating Preferred Stock. No shares of Florida Progress' preferred stock are issued and outstanding. However, under Florida Progress' Shareholder Rights Agreement, each share of common stock has associated with it approximately two-thirds of one right to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock, subject to adjustment, which is exercisable in the event of certain attempted business combinations. If exercised, the rights would cause substantial dilution of ownership, thus adversely affecting any attempt to acquire Florida Progress on terms not approved by Florida Progress' Board of Directors. The rights have no voting or dividend rights and expire in December 2001, unless redeemed earlier by Florida Progress.

The authorized capital stock of Florida Power includes three classes of preferred stock: 4 million shares of Cumulative Preferred Stock, $100 par value; 5 million shares of Cumulative Preferred Stock, without par value; and 1 million shares of Preference Stock, $100 par value. No shares of Florida Power's Cumulative Preferred Stock, without par value, or Preference Stock are issued and outstanding, while a total of 334,967 shares of the Cumulative Preferred Stock, $100 par value, are issued and outstanding in various series as detailed in the table above.

During 1996, Florida Power redeemed 1,050,000 shares of its Cumulative Preferred Stock. Florida Power also redeemed 50,000 shares in 1995 and 850,000 shares in 1994.

NOTE 8 RETIREMENT BENEFIT PLANS

STAFF REDUCTIONS - Florida Progress recognized pension and other postretirement benefit expenses of $15.5 million in 1994 related to an early retirement option. In addition, in late 1994, Florida Power eliminated approximately 300 positions. As a result, Florida Progress recognized severance costs of $5 million, which was partially offset by a reduction of $1.8 million in related accrued pension and postretirement benefit costs.

PENSION BENEFITS - Florida Progress and certain of its subsidiaries have a noncontributory defined benefit pension plan covering most employees. The benefits are based on length of service, compensation and Social Security benefits. The participating companies make annual contributions to the plan based on an actuarial determination and consideration of tax regulations and funding requirements under federal law. Based on actuarial calculations and the funded status of the pension plan, Florida Progress was not required to contribute to the plan for 1996, 1995 or 1994.

Shown below are the components of the net pension expense calculations for those years:

(In millions)	1996	1995	1994
Service cost	$ 16.2	$ 13.4	$ 17.2
Interest cost	31.3	30.1	29.3
Actual losses (earnings) on plan assets	(88.0)	(124.4)	6.6
Net amortization and deferral	29.5	77.7	(54.3)
Net pension cost (benefit)	(11.0)	(3.2)	(1.2)
Staff reduction cost, net	-	-	10.0
Net pension cost (benefit) recognized	$(11.0)	$ (3.2)	$ 8.8

Florida Power's share of the plan's net pension costs (benefits) for 1996, 1995 and 1994 was $(10.3) million, $(3) million and $9 million, respectively.

The following weighted average actuarial assumptions at January 1 were used in the calculation of pension expense:

	1996	1995	1994
Discount rate	7.25%	8.25%	7.25%
Expected long-term rate of return	9.00%	9.00%	9.00%
Rate of compensation increase	4.50%	5.00%	5.00%

The following summarizes the funded status of the pension plan at December 31, 1996 and 1995:

(In millions)	1996	1995
Accumulated benefit obligation:		
Vested	$326.1	$315.8
Nonvested	31.5	30.6
	357.6	346.4
Effect of projected compensation increases	94.4	94.7
Projected benefit obligation	452.0	441.1
Plan assets at market value, primarily listed stocks and bonds	655.0	585.0
Plan assets in excess of projected benefit obligation	$203.0	$143.9
Consisting of the following components:		
Unrecognized transition asset	$ 30.4	$ 35.4
Unrecognized prior service cost	(6.3)	(6.9)
Unrecognized net actuarial gains	176.4	123.9
(Accrued)/prepaid pension costs	2.5	(8.5)
	$203.0	$143.9

Due to changes in interest rates, Florida Progress used a discount rate of 7.5% to calculate the pension plan's 1996 year-end funded status. The change in the discount rate from 7.25% at December 31, 1995, to 7.5% at December 31, 1996, decreased the projected benefit obligation by $16.5 million and is expected to decrease the annual pension costs by $2.1 million, beginning in 1997.

OTHER POSTRETIREMENT BENEFITS - Florida Progress and some of its subsidiaries provide certain health care and life insurance benefits for retired employees. Employees become eligible for these benefits when they reach normal retirement age while working for Florida Progress.

The net postretirement benefit costs for 1996, 1995 and 1994 are detailed below:

(In millions)	1996	1995	1994
Service cost	$ 5.3	$ 5.1	$ 5.3
Interest cost	12.4	13.5	12.9
Amortization of unrecognized transition obligation	6.1	6.1	6.1
Actual earnings on plan assets	(.3)	(.3)	-
Staff reduction cost	-	-	3.7
	$23.5	$24.4	$28.0

The following summarizes the plan's status, reconciled with amounts recognized in Florida Progress' balance sheet at December 31, 1996 and 1995:

(In millions)	1996	1995
Accumulated postretirement benefit obligation:		
Retirees	$100.4	$ 95.6
Fully eligible active plan participants	3.1	2.6
Other active plan participants	81.2	91.4
Plan assets at fair value	(4.7)	(3.2)
	180.0	187.4
Unrecognized transition obligation	(97.2)	(103.6)
Unrecognized net gains	17.2	1.0
Accrued postretirement benefit cost	$100.0	$ 84.8

Florida Power's share of the plan's net postretirement benefit cost for 1996, 1995 and 1994 was $22.7 million, $23.5 million and $27.1 million, respectively.

The following weighted average actuarial assumptions were used in the calculation of the year-end status of other postretirement benefits:

	1996	1995
Discount rate	7.50%	7.25%
Rate of compensation increase	4.50%	4.50%
Health care cost trend rates:		
Pre-Medicare	9.50%-5.25%	11.50%-5.00%
Post-Medicare	7.50%-5.00%	8.25%-4.75%

The transition obligation is being accrued through 2012. A one-percentage point increase in the assumed health care cost trend rate for each future year would have increased the 1996 current service and interest cost by approximately $3 million and the accumulated postretirement benefit obligation as of December 31, 1996, by about $26.2 million. The change in the discount rate from 7.25% at December 31, 1995, to 7.5% at December 31, 1996, decreased the projected benefit obligation by $6 million and is expected to decrease annual postretirement benefit costs by $.5 million, beginning in 1997.

Due to different retail and wholesale regulatory rate requirements, Florida Power began making quarterly contributions in 1995 to an irrevocable external trust fund for wholesale ratemaking, while continuing to accrue postretirement benefit costs to an unfunded reserve for retail ratemaking. Florida Power contributed approximately $1.3 million in 1996 and $1.4 million in 1995 to the trust fund.

NOTE 9 BUSINESS SEGMENTS

Florida Progress' principal business segments are utility and diversified operations. The utility is engaged in the generation, purchase, transmission, distribution and sale of electric energy. Electric Fuels' operations include bulk commodities transportation, rail products and services and the mining, procurement and transportation of coal to Florida Power and other unaffiliated customers. Other diversified operations include ownership of a life insurance subsidiary.

Florida Progress' business segment information for 1996, 1995 and 1994 is summarized below. No single customer accounted for 10% or more of unaffiliated revenues.

(In millions)	1996	1995	1994
Revenues:			
Utility	$2,393.6	$2,271.7	$2,080.5
Diversified:			
Electric Fuels, combined:			
Coal sales to electric utility	272.1	236.8	249.4
Sales to external customers	609.0	607.0	534.1
Other	155.3	129.1	110.7
	3,430.0	3,244.6	2,974.7
Eliminations	(272.1)	(236.8)	(249.4)
Revenues from external customers	$3,157.9	$3,007.8	$2,725.3
Income from operations:			
Utility	$ 468.5	$ 456.3	$ 419.5
Diversified:			
Electric Fuels recurring, combined	61.4	52.1	41.6
Electric Fuels loss provision	(40.9)	-	-
Other	(6.6)	.5	-
	482.4	508.9	461.1
Interest and other expense	85.8	131.9	138.3
Income from continuing operations before income taxes	$ 396.6	$ 377.0	$ 322.8
Identifiable assets:			
Utility	$4,263.7	$4,284.7	$4,284.0
Diversified:			
Electric Fuels, combined	619.8	573.6	489.4
Other	464.9	692.1	679.7
	$5,348.4	$5,550.4	$5,453.1
Depreciation and amortization:			
Utility	$ 341.1	$ 329.7	$ 294.8
Diversified:			
Electric Fuels, combined	23.5	21.2	19.7
Other	2.1	1.8	1.9
	$ 366.7	$ 352.7	$ 316.4
Capital additions:			
Utility	$ 222.9	$ 289.2	$ 327.2
Diversified:			
Electric Fuels, combined	40.6	40.5	38.1
Other	.5	1.7	1.5
	$ 264.0	$ 331.4	$ 366.8

In December 1996, Electric Fuels revised its assessment that low-sulfur coal market prices were depressed temporarily. Electric Fuels decided to close and dispose of its unprofitable coal operations and recorded a provision for loss of $40.9 million, as shown above.

NOTE 10 DISCONTINUED OPERATIONS

On November 21, 1996, Florida Progress' Board of Directors declared a spin-off distribution to common shareholders of record on December 5, 1996, of the common shares of Echelon International Corporation, which comprised Florida Progress' lending, leasing and real estate operations. Common shares were distributed on the basis of one share of Echelon common stock for every 15 shares of Florida Progress' common stock.

In connection with the spin-off, Florida Progress has presented Echelon as a discontinued operation in the accompanying Consolidated Statements of Income. As of the date of the spin-off, the net assets of Echelon were $194.5 million. This amount has been charged against Florida Progress' retained earnings in the accompanying December 31, 1996 Consolidated Balance Sheet to reflect the distribution of Echelon common shares on December 18, 1996. A summary of net assets distributed is as follows:

(In millions)	
Cash and equivalents	$ 53.8
Assets held for sale	26.8
Leases and loans receivable, net	272.0
Property and equipment, net	126.0
Other assets	39.9
Total assets	518.5
Total liabilities	(324.0)
Net assets distributed	$ 194.5

Summarized income statement information relating to Echelon's results of operations (as reported in discontinued operations) is as follows:

	Year ended December 31,		
(In millions)	1996	1995	1994
Sales and revenues	$63.2	$50.0	$48.8
Loss from operations (net of income tax)	-	-	-
Provision for loss on disposition of assets (net of income tax benefits of $11.3)	(18.0)	-	-
Spin-off transaction costs (net of income tax benefits of $1.8)	(8.3)	-	-
Total discontinued operations	($26.3)	$ -	$ -

Fiscal year 1996 includes results of operations through December 18, 1996. Results of operations include allocated interest expense of $8.7 million, $11.7 million and $12.6 million for 1996, 1995 and 1994, respectively.

NOTE 11 COMMITMENTS AND CONTINGENCIES

FUEL, COAL AND PURCHASED POWER COMMITMENTS - Florida Power has entered into various long-term contracts to provide the fossil and nuclear fuel requirements of its generating plants and to reserve pipeline capacity for natural gas. In most cases, such contracts contain provisions for price escalation, minimum purchase levels and other financial commitments. Estimated annual payments, based on current market prices, for Florida Power's firm commitments for fuel

purchases and transportation costs, excluding delivered coal and purchased power, are $8 million, $28 million, $36 million, $33 million and $29 million for 1997 through 2001, respectively, and $324 million in total thereafter. Additional commitments will be required in the future to supply Florida Power's fuel needs.

Electric Fuels has entered into several contracts with outside parties for the purchase of coal. Electric Fuels also has entered into several operating leases, and rental or royalty agreements, relating to transportation equipment and coal procurement and processing. The annual obligations under these contracts and leases, including transportation costs, are $278.6 million, $131.6 million, $108.5 million, $77.3 million and $75.4 million for 1997 through 2001, respectively, and $85.6 million in total thereafter. The total cost incurred for these commitments was $221.4 million in 1996, $235.2 million in 1995 and $199.2 million in 1994.

Florida Power has long-term contracts for about 480 MW of purchased power with other utilities, including a contract with Southern for approximately 400 MW of purchased power annually through 2010. This represents 4.5% of Florida Power's total current installed system capacity. Florida Power has an option to lower these Southern purchases to approximately 200 MW annually, beginning in 2000, with a three-year notice. The purchased power from Southern is supplied by generating units with a capacity of approximately 3,500 MW and is guaranteed by Southern's entire system, totaling more than 30,000 MW.

As of December 31, 1996, Florida Power had entered into purchased power contracts with certain cogenerators for about 1,160 MW of capacity with expiration dates ranging from 2002 to 2025. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments are subject to the qualifying facilities meeting certain contract performance obligations. In most cases, these contracts account for 100% of the generating capacity of each of the facilities. Of the 1,160 MW under contract, 1,050 MW currently are available to Florida Power. All commitments have been approved by the FPSC. Florida Power does not plan to increase the level of purchased power currently under contract.

The FPSC allows the capacity payments to be recovered through a capacity cost recovery clause, which is similar to, and works in conjunction with, energy payments recovered through the fuel adjustment clause.

Florida Power incurred purchased power capacity costs totaling $284 million in 1996, $260.1 million in 1995 and $138.6 million in 1994. The following table shows minimum expected future capacity payments for purchased power commitments. Because the purchased power commitments have relatively long durations, the total present value of these payments using a 10% discount rate also is presented. These amounts assume that all units are brought into service as contracted and meet contract performance requirements:

Purchased Power Capacity Payments

(In millions)	Utilities	Cogenerators	Total
1997	$ 64	$ 233	$ 297
1998	63	245	308
1999	64	256	320
2000	36	270	306
2001	36	281	317
2002-2025	324	9,293	9,617
Total	$587	$10,578	$11,165
Total net present value			$ 3,350

As part of Florida Power's strategy to mitigate its exposure to these expensive cogeneration contracts, Florida Power has agreed, subject to FPSC approval, to acquire a 220-MW cogeneration facility for $445 million.

The cogeneration purchased power contracts employ separate pricing methodologies for capacity payments and energy payments. Four cogenerators filed suit against Florida Power over the contract payment terms. Florida Power entered into settlement agreements with three of the four cogenerators. One of those agreements already has been finalized and litigation terminated. The other two agreements are awaiting certain approvals from the FPSC and others before being finalized. Management does not expect that the results of these legal actions will have a material impact on Florida Power's financial position, operations or liquidity.

Florida Power was threatened in late 1995 with litigation from another cogeneration developer, which claimed interference involving an effort to obtain a gas transportation contract with a third party. However, no legal action has been taken by the developer.

UTILITY CONSTRUCTION PROGRAM - Substantial commitments have been made in connection with Florida Power's construction program. In 1997, total construction expenditures of $372 million are projected, primarily for electric plant and nuclear fuel.

OFF-BALANCE SHEET RISK - Several of Florida Progress' subsidiaries are general partners in unconsolidated partnerships and joint ventures. Florida Progress or subsidiaries have agreed to support certain loan agreements of the partnerships and joint ventures. These credit risks are not material to the financial statements and Florida Progress considers these credit risks to be minimal, based upon the asset values supporting the partnership liabilities.

INSURANCE - Florida Progress and its subsidiaries utilize various risk management techniques to protect assets from risk of loss, including the purchase of insurance. Risk avoidance, risk transfer and self-insurance techniques are utilized depending on Florida Progress' ability to assume risk, the relative cost and availability of methods for transferring risk to third parties, and the requirements of applicable regulatory bodies.

Florida Power self-insures its transmission and distribution lines against loss due to storm damage and other natural disasters. Pursuant to a regulatory order, Florida Power is accruing $6 million annually to a storm damage reserve and may defer any losses in excess of the reserve.

Under the provisions of the Price Anderson Act, which limits liability for accidents at nuclear power plants, Florida Power, as an owner of a nuclear plant, can be assessed for a portion of any third-party liability claims arising from an accident at any commercial nuclear power plant in the United States. If total third-party claims relating to a single nuclear incident exceed $200 million (the amount of currently available commercial liability insurance), Florida Power could be assessed up to $79.3 million per incident, with a maximum assessment of $10 million per year.

Florida Power is a member of NEIL, an industry mutual insurer, which provides business interruption and extra expense coverage in the event of a major accidental outage at a covered nuclear power plant. Florida Power is subject to a retroactive premium assessment under this policy in the event of adverse loss experience. Florida Power's present maximum share of any such retroactive assessment is $2.5 million per policy year.

Florida Power also maintains nuclear property damage insurance and decontamination and decommissioning liability insurance totaling $2.1 billion. The first layer of $500 million is purchased in the commercial insurance market

with the remaining excess coverage purchased from NEIL. Florida Power is self-insured for any losses that are in excess of this coverage. Under the terms of the NEIL policy agreements, Florida Power could be assessed up to a maximum of $10.3 million in any policy year if losses in excess of NEIL's available surplus are incurred.

Florida Power has never been assessed under these nuclear indemnities or insurance policies.

CONTAMINATED SITE CLEANUP - Florida Progress is subject to regulation with respect to the environmental effects of its operations. Florida Progress' disposal of hazardous waste through third-party vendors can result in costs to clean up facilities found to be contaminated. Federal and state statutes authorize governmental agencies to compel responsible parties to pay for cleanup of these hazardous waste sites.

Florida Power and former subsidiaries of Florida Progress, whose properties were sold in prior years, have been identified by the EPA as PRPs at certain sites. In addition to these designated sites, there are other sites where affiliates may be responsible for additional environmental cleanup, including a coal gasification plant site that Florida Power previously owned and operated. There are five parties that have been identified as potentially responsible for this gas site, including Florida Power. Liability for the cleanup costs of these sites is joint and several.

Florida Progress believes that its subsidiaries will not be required to pay a disproportionate share of the costs for cleanup of these sites. Florida Progress' best estimates indicate that its proportionate share of liability for cleaning up all sites ranges from $3.7 million to $5.4 million. It has reserved $3.7 million against these potential costs. The EPA is expected to further study the coal gasification plant site, which could cause Florida Power to increase its reserve for its portion of liability for cleanup costs. Although estimates of any additional costs are not available, the results of the tests are not expected to have a material effect on Florida Progress' financial position, results of operations or liquidity.

AGE DISCRIMINATION SUIT - Florida Power and Florida Progress have been served with an age discrimination lawsuit involving 56 former Florida Power employees. While no dollar amount was requested, each plaintiff seeks back pay, reinstatement or front pay through their projected dates of normal retirement, costs and attorneys' fees. In October 1996, the court approved an agreement between parties to provisionally certify this case as a class action suit under the Age Discrimination in Employment Act. A notice was sent to eligible former employees informing them of their right to become a party to this provisional class action within 90 days. Estimates of the potential liability associated with this lawsuit cannot be determined until the size of the potential class has been determined.

QUARTERLY FINANCIAL DATA

FLORIDA POWER CORPORATION
(Unaudited)

(In millions, except per share amounts)	Three Months Ended March 31	June 30	September 30	December 31
1996				
OPERATING RESULTS				
Revenues from continuing operations	$ 720.4	$ 773.6	$ 879.0	$ 774.9
Income from continuing operations	48.3	58.7	98.1	45.6
Loss from discontinued operations	-	(25.0)	-	(1.3)
Net income	48.3	33.7	98.1	44.3
DATA PER SHARE				
Earnings:				
Continuing operations	.50	.61	1.01	.47
Discontinued operations	-	(.26)	-	(.01)
Consolidated	.50	.35	1.01	.46
Dividends per common share	.515	.515	.515	.515
Common stock price per share:				
High	36 3/8	34 3/4	35 1/8	34 1/2
Low	33	32 1/2	33 1/2	31 5/8
1995				
OPERATING RESULTS				
Revenues from continuing operations	$ 693.0	$ 731.3	$ 852.4	$ 731.1
Income from continuing operations	46.6	55.2	91.1	46.0
Income (loss) from discontinued operations	-	-	-	-
Net income	46.6	55.2	91.1	46.0
DATA PER SHARE				
Earnings:				
Continuing operations	.49	.58	.95	.48
Discontinued operations	-	-	-	-
Consolidated	.49	.58	.95	.48
Dividends per common share	.505	.505	.505	.505
Common stock price per share:				
High	32 5/8	32 3/8	32 1/2	35 3/4
Low	29 3/8	29 1/2	29 3/4	32 3/8

FLORIDA POWER CORPORATION
(Unaudited)

(In millions)	Three Months Ended March 31	June 30	September 30	December 31
1996				
Operating revenues	$547.3	$588.7	$694.7	$562.9
Net income	$45.2	$56.0	$93.9	$43.3
Earnings on common stock	$42.9	$53.9	$91.1	$42.7
1995				
Operating revenues	$515.9	$550.5	$671.8	$533.5
Net income	$43.3	$53.0	$87.1	$43.6
Earnings on common stock	$40.8	$50.6	$84.7	$41.2

The business of Florida Power is seasonal in nature and comparisons of earnings for the quarters do not give a true indication of overall trends and changes in operations. The divestiture of Echelon is reflected in the loss from discontinued operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANTS

FLORIDA PROGRESS

Information concerning the Directors of Florida Progress is included under the headings "Information as to Nominees" and "Information as to Continuing Directors" in Florida Progress' Proxy Statement and is incorporated herein by reference. Information concerning the executive officers of Florida Progress is set forth in Part I, Item 1 hereof under the heading "Executive Officers". With respect to compliance by Florida Progress' directors and officers, and persons who own more than 10% of Florida Progress' common stock, with the reporting requirements of Section 16(a) of the Securities Act of 1934, there were no reporting delinquencies.

FLORIDA POWER

DIRECTORS

R. Mark Boetick, Age 62, Director since 1992.
Member - Executive Committee, Compliance Committee.

Since January 1989, Mr. Boetick's principal occupation has been President of CONCAR Industries, Inc., a privately held, diversified transportation company. Mr. Boetick is a director of NationsBank, N.A. South.

Jack B. Critchfield, Age 63, Director 1975-1978 and since 1988.
Member - Executive Committee.

Information concerning Dr. Critchfield is set forth in Part I, Item 1 hereof under the heading "Executive Officers."

Allen J. Keesler, Jr., Age 58, Director since 1988.

In April of 1996, Mr. Keesler retired as Group Vice President, Utility Group of Florida Progress, and President and Chief Executive Officer of Florida Power, positions he held since 1988. He is currently President and Chief Executive Officer of E. R. Jahna Industries, Inc., a management consulting company. He serves as director of SouthTrust Corporation and Cameron-Ashley Building Products, Inc.

Richard Korpan, Age 55, Director since 1989. Chairman - Executive Committee effective April 1, 1996.

Information concerning Mr. Korpan is set forth in Part I, Item 1 hereof under the heading "Executive Officers".

Frank C. Logan, Age 61, Director since 1994.
Member - Executive Committee, Chairman - Compliance Committee.

Mr. Logan has practiced law since 1962, primarily in the areas of estate planning, probate, corporate and business law. Since September 1994, Mr. Logan has been a partner in the law firm of Harris, Barrett, Mann & Dew, Clearwater, Florida. Previously, he was with the Clearwater firm of McMullen, Everett, Logan, Marquardt & Cline which became MacFarlane, Ausley, Ferguson & McMullen after a 1993 merger with a Tampa firm.

Clarence V. McKee, Esquire, Age 54, Director since 1988.

Mr. McKee's principal occupation is Chairman and Chief Executive Officer of McKee Communications, Inc., Tampa, Florida, a firm involved in the acquisition and management of television and radio stations. He served as Counsel to Pepper & Corazinni, a Washington, D.C. communications law firm, from 1980 until 1987 when he became a co-owner of WTVT Holdings, Inc., where he held the position of Chairman and Chief Executive Officer until 1992. He is a director of Barnett Banks, Inc., American Heritage Life Insurance Company, and Checkers Drive In Restaurants, Inc.

Joseph H. Richardson, Age 67, Director since 1996.
Member - Executive Committee.

Information concerning Mr. Richardson is set forth in Part I, Item 1 hereof under the heading "Executive Officers."

Jean D. Ruffier, Age 57, Director since 1991.

Ms. Ruffier's principal occupation for more than five years has been as general partner of Sunshine Cafes, Ltd., Orlando, Florida, a food and beverage concession business at major Florida airports. Previously, she practiced public accounting with the firm of Colley, Trumbower & Howell. She also serves on the boards of directors of Cyprus Equity Fund and INVEST, Inc.

Jean Giles Wittner, Age 62, Director since 1977.

Mrs. Wittner's principal occupation is President of Wittner & Co., Wittner Securities, Inc., and Wittner & Associates, Inc., St. Petersburg, Florida, firms involved in real estate management, insurance brokerage and consulting, positions she has held for more than five years. She previously served as President and Chief Executive Officer of a savings association until it was sold in 1986. She serves on the board of Raymond James Bank, F.S.B.

All of the directors except Mr. Bostick, Mr. Logan, Mr. Keesler and Mr. Richardson are directors of Florida Progress. Each director holds office until the next Annual Meeting of Shareholders and until the election and qualification of a successor.

EXECUTIVE OFFICERS

Information concerning the executive officers of Florida Power is set forth in Part I, Item 1 hereof under the heading "Executive Officers" and is incorporated herein by reference.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Based solely on a review of the copies of Section 16(a) forms furnished to Florida Power during 1996, or written representations that no forms were required, Florida Power believes that all persons who at any time during 1996 were officers, directors or greater than 10% beneficial owners of Florida Power's preferred stock, filed their applicable Section 16(a) reports on a timely basis during 1996 and prior fiscal years, except that Florida Power's Vice Presidents, Janice B. Case and Michael B. Foley, Jr., failed to timely file a Form 3 within 10 days of becoming an executive officer. Both of these forms were filed 27 days after they became executive officers.

ITEM 11. EXECUTIVE COMPENSATION

FLORIDA PROGRESS

The information under the headings "Compensation of Directors", "Compensation Committee Interlocks and Insider Participation", "Executive Compensation", "Pension Plan Table" and "Employment Contracts" in Florida Progress' Proxy Statement is incorporated herein by reference.

FLORIDA POWER

COMPENSATION OF DIRECTORS

For 1996, compensation for all directors of Florida Power (excluding employees of Florida Progress or subsidiaries) was $1,500 for attendance at each meeting of the Florida Power Board of Directors. Messrs. Bostick and Logan, and effective April 1, 1996, Mr. Keesler received $20,000 per year as a retainer fee and a meeting fee of $750 for attendance at each committee meeting.

The foregoing retainer fees were paid in accordance with the terms of the Stock Plan for Non-Employee Directors of Florida Progress and Subsidiaries as approved by the shareholders of Florida Progress at the 1996 Annual Meeting of Shareholders. As approved, 75% of the directors' retainer fees was paid in Florida Progress common stock. Only the cash portion of directors' compensation is allowed to be deferred.

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EXECUTIVE COMPENSATION

The following table contains information with respect to compensation awarded, earned or paid during the years 1994-1996 to (i) each person who served as the Chief Executive Officer, and (ii) the other four most highly compensated executive officers of Florida Power (collectively the "Named Executive Officers") in 1996, whose total remuneration paid in 1996 exceeded $100,000.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Annual Compensation(1)			Long-Term Compensation	All Other Compensation(3)
	Year	Salary	Bonus	LTIP Payouts(2)	
ALLEN J. KEESLER, JR. (4)	1996	$155,386	$ 81,500	$207,882(5)	$245,304(6)
Former President and	1995	307,040	240,000	260,419	16,785
Chief Executive Officer	1994	288,011	172,500	178,984	15,837
RICHARD KORPAN	1996	$535,610	$333,500	$339,107(5)	$ 18,900
Chairman and Chief	1995	440,005	257,000	284,109	19,800
Executive Officer	1994	432,311	252,500	286,455	18,060
JOSEPH H. RICHARDSON	1996	$288,804	$214,000	$128,858(5)	$ 16,585(7)
President and Chief	1995	215,009	113,000	110,473	8,835
Operating Officer	1994	212,122	88,500	81,326	4,226
JEFFREY S. KEISKER	1996	$258,456	$169,000	$113,139(5)	$ 8,595
Senior Vice President and	1995	211,300	100,000	N/A	8,325
Chief Financial Officer	1994	176,723	76,000	N/A	7,943
KENNETH E. ARMSTRONG	1996	$212,788	$144,500	$101,748(5)	$ 8,010
Vice President and	1995	197,995	77,000	N/A	8,910
General Counsel	1994	186,459	70,000	N/A	8,436
JOHN A. HANCOCK	1996	$217,385	$115,000	$130,787(5)	$ 8,400
Senior Vice President,	1995	199,992	105,000	109,974	8,550
Energy Supply	1994	197,088	72,500	74,786	8,700

(1) All other annual compensation paid to the Named Executive Officers during 1996, other than salary and annual incentive compensation, does not exceed the minimum amounts required to be reported pursuant to SEC rules.

(2) Unless otherwise noted, the number of shares of restricted Common Stock held by Named Executive Officers as of December 31, 1996 as a result of awards earned under the 1992-1994 and 1993-1995 performance cycles and the value of such shares as of that date, is as follows: Allen J. Keesler, Jr. 5,876 shares, $189,501; Richard Korpan 6,527 shares, $210,486; Joseph H. Richardson 2,548 shares, $82,173; Jeffrey S. Keisker -0-; Kenneth E. Armstrong -0-; and John A. Hancock 2,473 shares, $79,754.

(3) Represents contributions to the Savings Plan of Florida Progress and/or the Executive Optional Deferred Compensation Plan on behalf of the Chief Executive Officer and the Named Executive Officers.

(4) Allen J. Keesler, Jr. retired as President and Chief Executive Officer of Florida Power on April 1, 1996.

(5) Represents the dollar value as of the date of award, of shares of Common Stock of Florida Progress earned under the 1996-1998 performance cycle ("Cycle IV") of the LTIP, two-thirds of which are restricted except that none of the shares awarded Allen J. Keesler, Jr. are restricted. The total number of shares earned are as follows: Allen J. Keesler, Jr. 6,000 shares; Richard Korpan 10,895 shares; Joseph H. Richardson 4,140 shares; Jeffrey B. Heinicke 3,635 shares; Kenneth E. Armstrong 3,269 shares; and John A. Hancock 4,282 shares. The vesting schedule for the restricted stock is 50% on January 1, 1998 and 50% on January 1, 1999. Dividends are payable on the restricted Common Stock to the extent and on the same date as dividends are paid on all other shares of Florida Progress Common Stock. In the event of a change in control of Florida Progress, all restrictions on all shares of restricted stock lapse.

The payouts listed for Richard Korpan, Joseph H. Richardson, Jeffrey B. Heinicke and Kenneth E. Armstrong are the result of (i) the Florida Progress Compensation Committee's determination that the results exceeded the Cycle IV goals, after taking into account the exclusion of a provision for loss on coal properties for Electric Fuels' return-on- equity, (ii) the application of a mathematical formula converting the goal level achieved into the number of performance shares earned and (iii) adding dividend equivalents on shares earned for the period of the performance cycle.

(6) Represents $6,712 in Company Contributions to the Savings Plan of Florida Progress and/or the Executive Optional Deferred Compensation Plan and $240,592 in Nondiscrimination Plan and Supplemental Executive Retirement Plan payments.

(7) Represents $8,835 in Company Contributions to the Savings Plan of Florida Progress and/or the Executive Optional Deferred Compensation Plan and $7,750 of director fees for services as a director of Echelon, a former subsidiary of Florida Progress.

The following table contains information with respect to Performance Shares granted in 1996 to each of the Named Executive Officers of Florida Power for the 1996-1998 performance cycle of the LTIP:

	LONG-TERM INCENTIVE PLAN(1) AWARDS IN 1996				
	Number of Performance Shares(2)	Performance Period Covered	Estimated Payout in Shares at End of Period(3)		
Name			Threshold	Target	Maximum
Allen J. Keesler, Jr.	0	1996-1998	0	0	0
Richard Korpan	7,719	1996-1998	3,860	7,719	11,579
Joseph H. Richardson	4,211	1996-1998	2,106	4,211	6,317
Jeffrey B. Heinicke	2,975	1996-1998	1,488	2,975	4,463
Kenneth E. Armstrong	2,414	1996-1998	1,207	2,414	3,621
John A. Hancock	2,470	1996-1998	1,235	2,470	3,705

(1) The LTIP is a Common Stock based incentive plan to reward participants for long-term growth and performance of Florida Progress. It was approved by the Florida Progress shareholders in 1990.

(2) Performance shares granted under the LTIP which, upon achievement of performance criteria established by the Compensation Committee of the Board of Directors of Florida Progress, would result in the payout of shares of Florida Progress Common Stock, two-thirds of which would be restricted for periods of time. Payouts of shares of Florida Progress Common Stock are made for achieving financial goals equal to or exceeding the thresholds established by the Compensation Committee. In the event of a change in control of Florida Progress, 100% of all performance shares granted under the LTIP and then outstanding would automatically be considered earned and would be paid in shares of unrestricted Florida Progress Common Stock together with shares of unrestricted Florida Progress Common Stock payable for dividend equivalents accrued to the change in control on performance shares awarded for performance cycles starting after December 31, 1992. Also, all restrictions on shares of restricted Florida Progress Common Stock previously awarded and then held would lapse.

(3) Grants of performance shares are earned upon achievement of Florida Progress and/or subsidiary financial goals for the three-year performance cycle.

Pension Plan Table

The table below illustrates the estimated annual benefits (computed as a straight life annuity beginning at retirement at age 65) payable under the Florida Progress Corporation Retirement Plan and Nondiscrimination Plan for specified final average compensation and years of service levels. As explained below, the table also provides information about the estimated lifetime annual benefits payable under the Florida Progress Corporation Supplemental Executive Retirement Plan ("SERP").

Estimated Annual Retirement Benefits Payable Under the Retirement Plan and Nondiscrimination Plan

Average Annual Compensation	Service Years						
	5	10	15	20	25	30	35 or more
$ 200,000	$ 18,000	$ 36,000	$ 54,000	$ 72,000	$ 90,000	$108,000	$126,000
300,000	27,000	54,000	81,000	108,000	135,000	162,000	189,000
400,000	36,000	72,000	108,000	144,000	180,000	216,000	252,000
500,000	45,000	90,000	135,000	180,000	225,000	270,000	315,000
600,000	54,000	108,000	162,000	216,000	270,000	324,000	378,000
700,000	63,000	126,000	189,000	252,000	315,000	378,000	441,000
800,000	72,000	144,000	216,000	288,000	360,000	432,000	504,000
900,000	81,000	162,000	243,000	324,000	405,000	486,000	567,000
1,000,000	90,000	180,000	270,000	360,000	450,000	540,000	630,000
1,100,000	99,000	198,000	297,000	396,000	495,000	594,000	693,000

Under the Retirement Plan and the Nondiscrimination Plan, the compensation taken into account in calculating benefits is salary only. The years of credited service that would be used in calculating benefits under the Retirement Plan and the Nondiscrimination Plan for the Named Executive Officers in the summary compensation table are as follows: Mr. Koesler, 33 years of service; Mr. Korpan, 8 years of service; Mr. Richardson, 21 years of service; Mr. Heinicke, 19 years of service; Mr. Armstrong, 10 years of service and Mr. Hancock, 30 years of service. The benefits under the Retirement Plan and the Nondiscrimination Plan are subject to offset by an amount equal to 1 1/7% of a participant's primary Social Security benefit for each year of service (with a maximum offset of 40%).

The Named Executive Officers are also entitled to benefits under the SERP. These benefits are offset by the benefits payable under the Retirement Plan and the Nondiscrimination Plan, as well as 100% of the executive's primary Social Security benefit. The estimated annual SERP benefit for the Named Executive Officers (prior to any offsets) may be determined using the table set forth above for the Retirement Plan and the Nondiscrimination Plan. For these purposes, the current compensation for each executive that would be used in calculating benefits under the SERP is substantially the same as that reported as salary and bonus in the summary compensation table, and the number of years of deemed credited service that would be used in calculating benefits under the SERP for each such executive is as follows: Mr. Korpan 35 years of service; Mr. Richardson 21 years of service; Mr. Heinicke, 19 years of service; Mr. Armstrong, 15 years of service; and Mr. Hancock, 30 years of service.

Accrued benefits may also be paid under each of the Retirement Plan, Nondiscrimination Plan and the SERP if a participant terminates employment before age 65 and meets the requirements for early retirement, disability, death or other termination of employment benefits after becoming vested under the rules of the particular plan.

The SERP also provides for a lump sum benefit payable in the event of a change in control. In most instances, this benefit is equal to the sum of (i) two times the executive's current annual salary and bonus, (ii) the value of the executive's prospective award under the SERP if he were to continue to work until age 65 (including amounts that later would have been payable to any surviving spouse) and (iii) the amount of any federal excise taxes (and income taxes on any reimbursement under this provision) imposed on the executive under Section 4999 of the Internal Revenue Code with respect to all compensation plans and arrangements of Florida Progress.

Mr. Keesler retired effective April 1, 1996, pursuant to the "special early retirement" provisions of the SERP which are separate and in lieu of those mentioned above. Under this arrangement, Mr. Keesler receives until age 62, an annual retirement benefit of $368,753. After age 62, the annual benefit will be reduced by $11,856, the amount of his annual Social Security benefit. After his death, his spouse will receive an annual survivor benefit of $254,931. Approximately 62% of the benefits are payable pursuant to the SERP, with the balance payable under the Retirement and Nondiscrimination Plans. Florida Progress also pays 95% of his medical insurance premiums and 71% of his spouse's.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

FLORIDA PROGRESS

The information included under the headings "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management" in Florida Progress' Proxy Statement is incorporated herein by reference.

FLORIDA POWER

All of Florida Power's common stock is held beneficially and of record by Florida Progress. None of Florida Power's directors or executive officers owns any shares of Florida Power's common or preferred stock. Information concerning shares of Florida Progress common stock that are held by persons known to Florida Progress to be the beneficial owners of more than 5% of Florida Progress' common stock is set forth in the table under the heading "Security Ownership of Certain Beneficial Owners" in the Florida Progress Proxy Statement and is incorporated herein by reference.

The table below sets forth as of December 31, 1996, the number of shares of common stock of Florida Progress owned by Florida Power's directors, Chief Executive Officer and Named Executive Officers individually and the directors and executive officers of Florida Power as a group.

Florida Power Officer or Director Name	Number of Shares Beneficially Owned (1)	Percent of Class (2)
R. M. Bostick	654	
Jack B. Critchfield	38,377	
Allen J. Keesler, Jr.	41,779	
Richard Korpan	17,339	
Frank C. Logan	1,754	
Clarence V. McKee	2,436	
Joan D. Ruffier	3,750	
Jean Giles Wittner	9,444	
Kenneth E. Armstrong	2,335	
Joseph M. Richardson	10,062	
Jeffrey R. Heinicke	2,339	
John A. Hancock	19,184	
All 15 directors, Named Executive Officers and executive officers as a group, including those named above	162,517	.17

(1) As used in this table, "beneficial ownership" means the direct or indirect, sole or shared power to vote, or to direct the voting of, a security and/or investment power with respect to a security.

(2) Unless otherwise noted, less than 1% per individual.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

FLORIDA PROGRESS

The information included under the heading "Certain Relationships and Related Transactions" in Florida Progress' Proxy Statement is incorporated herein by reference.

FLORIDA POWER

With respect to Florida Power, there are no relationships or related transactions required to be reported under this item.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K FOR FLORIDA PROGRESS AND FLORIDA POWER

(a) 1. Financial Statements, notes to Financial Statements and report thereon of KPMG Peat Marwick LLP are found in Item 8 "Financial Statements and Supplementary Data", herein.

2. The following Financial Statement Schedules and reports are included herein:

Florida Progress

II-Valuation and Qualifying Accounts for the years ended December 31, 1996, 1995 and 1994

Florida Power

II-Valuation and Qualifying Accounts for the years ended December 31, 1996, 1995 and 1994

All other schedules are not submitted because they are not applicable or not required or because the required information is included in the financial statements or notes thereto.

3. Exhibits filed herewith:

Number	Exhibit	Florida Progress	Florida Power
4.(a)	Amendment to Shareholder Rights Agreement dated February 20, 1997, between Florida Progress and The First National Bank of Boston.	X	
4.(b)	Form of Certificate representing shares of Florida Progress Common Stock.	X	
10.(a)	Management Incentive Compensation Plan of Florida Progress Corporation, as amended to date.*	X	X
10.(b)	Florida Progress Supplemental Executive Retirement Plan.*	X	X
10.(c)	Executive Optional Deferred Compensation Plan.*	X	X
12	Statement of Computation of Ratios.		X
21	Subsidiaries of Florida Progress.	X	
23.(a)	Consent of Independent Certified Public Accountants to the incorporation by reference of their report on the financial statements into the following registration statements of Florida Progress: Form S-3 (No. 33-51573) (relating to the registration of 4.5 million shares of common stock and filed with the SEC on December 17, 1993); Form S-8 (Nos. 33-53939 and 333-19037)(relating to the Savings Plan for Employees of Florida Progress and filed with the SEC on June 1, 1994 and December 31, 1996, respectively); Form S-3 (Nos. 33-45044 and 333-07853) (relating to the Progress Plus Plan and filed with the SEC on January 13, 1992 and July 10, 1996, respectively); Form S-8 (No. 33-47623) (relating to Florida Progress' Long-Term Incentive Plan and filed with the SEC on May 1, 1992); Form S-8 (No. 33-39153) (also relating to the Long-Term Incentive Plan and filed with the SEC on February 26, 1991); Form S-3 (No. 2-93111)(relating to the acquisition of Better Business Forms and filed with the SEC on September 5, 1984; Form S-3 (No. 33-55373) (relating to the resale of shares by the former shareholders of F.M. Industries, Inc. ("FMI") and filed with the SEC on December 15, 1994); and Form S-3 (No. 333-00547) (also relating to the resale of shares held by the FMI shareholders and filed with the SEC on January 30, 1996).	X	

23.(b)	Consent of Independent Certified Public Accountants to the incorporation by reference of their report on the financial statements into Florida Power's registration statements on Form S-3 (No. 33-62210 and 33-55273)(relating to Florida Power's first mortgage bond shelf) and Form S-3 (Nos. 33-60908 and 333-02549) (relating to Florida Power's medium-term note shelf).		X
27.(a)	Florida Progress Financial Data Schedule	X	
27.(b)	Florida Power Financial Data Schedule		X

4. Exhibits incorporated herein by reference:

Number	Exhibit	Florida Progress	Florida Power
3.(a)	Bylaws of Florida Progress, as amended to date. (Filed as Exhibit 3(a) to the Florida Progress Form 10-K for the year ended December 31, 1995, as filed with the SEC on March 20, 1996.)	X	
3.(b)	Bylaws of Florida Power, as amended to date. (Filed as Exhibit 3.(b) to the Florida Power Form 10-K for the year ended December 31, 1995, as filed with the SEC on March 20, 1996.)		X
3.(c)	Restated Articles of Incorporation, as amended, of Florida Progress. (Filed as Exhibit 3(a) to Florida Progress' Form 10-K for the year ended December 31, 1991, as filed with the SEC on March 30, 1992.)	X	
3.(d)	Amended Articles of Incorporation, as amended, of Florida Power. (Filed as Exhibit 3(a) to the Florida Power Form 10-K for the year ended December 31, 1991, as filed with the SEC (File No. 1-3274) on March 30, 1992).	X	X
4.(c)	Rights Agreement, dated as of November 21, 1991, between Florida Progress and Manufacturers Hanover Trust Company, including as Exhibit A the form of Rights Certificate. (Filed as Exhibit 4(a) to Florida Progress' Form 8-K dated November 21, 1991, as filed with the SEC on November 27, 1991).	X	
4.(d)	Indenture, dated as of January 1, 1944 (the "Indenture"), between Florida Power and Guaranty Trust Company of New York and The Florida National Bank of Jacksonville, as Trustees. (Filed as Exhibit B-18 to Florida Power's Registration Statement on Form A-2 (No. 2-5293) filed with the SEC on January 24, 1944).	X	X

4.(e)	Seventh Supplemental Indenture, dated as of July 1, 1956, between Florida Power and Guaranty Trust Company of New York and The Florida National Bank of Jacksonville, as Trustees, with reference to the modification and amendment of the Indenture. (Filed as Exhibit 4(b) to Florida Power's Registration Statement on Form S-3 (No. 33-16788) filed with the SEC on September 27, 1991).	X	X
4.(f)	Eighth Supplemental Indenture, dated as of July 1, 1958, between Florida Power and Guaranty Trust Company of New York and The Florida National Bank of Jacksonville, as Trustees, with reference to the modification and amendment of the Indenture. (Filed as Exhibit 4(c) to Florida Power's Registration Statement on Form S-3 (No. 33-16788) filed with the SEC on September 27, 1991).	X	X
4.(g)	Sixteenth Supplemental Indenture, dated as of February 1, 1970, between Florida Power and Morgan Guaranty Trust Company of New York and The Florida National Bank of Jacksonville, as Trustees, with reference to the modification and amendment of the Indenture. (Filed as Exhibit 4(d) to Florida Power's Registration Statement on Form S-3 (No. 33-16788) filed with the SEC on September 27, 1991).	X	X
4.(h)	Twenty-Ninth Supplemental Indenture, dated as of September 1, 1982, between Florida Power and Morgan Guaranty Trust Company of New York and Florida National Bank, as Trustees, with reference to the modification and amendment of the Indenture. (Filed as Exhibit 4(c) to Florida Power's Registration Statement on Form S-3 (No. 2-79832) filed with the SEC on September 17, 1982).	X	X
4.(i)	Thirty-Eighth Supplemental Indenture dated as of July 25, 1994, between Florida Power and First Chicago Trust Company of New York, as successor Trustee, Morgan Guaranty Trust Company of New York, as resigning Trustee, and First Union National Bank of Florida, as resigning Co-Trustee, with reference to confirmation of First Chicago Trust Company of New York as successor Trustee under the Indenture. (Filed as exhibit 4.(f) to Florida Power's Registration Statement on Form S-3 (No. 33-55273) as filed with the SEC on August 29, 1994.)	X	X
10.(d)	Second Amended and Restated Guaranty and Support Agreement dated as of August 7, 1996. (Filed as Exhibit 4 to Florida Progress' Form 10-Q for the quarter ended June 30, 1996).	X	
10.(e)	Florida Progress Corporation Long-Term Incentive Plan, approved by Florida Progress' Shareholders on April 19, 1990. (Filed as Exhibit 10(d) to Florida Progress' Form 10-Q for the quarter ended March 31, 1990, as filed with the SEC on May 14, 1990). *	X	X

10.(f)	Stock Plan for Non-Employee Directors of Florida Progress Corporation and Subsidiaries. (Filed as Exhibit 4.(k) to the Florida Progress Registration Statement on Form S-8 (No. 333-03619) as filed with the SEC on April 18, 1996.)*	X	X

X = Exhibit is filed for that respective company.
* = Exhibit constitutes an executive compensation plan or arrangement.

In reliance upon Item 601(b)(4)(iii) of Regulation S-K, certain instruments defining the rights of holders of long-term debt of Florida Progress and its consolidated subsidiaries are not being filed herewith, because the total amount authorized thereunder does not exceed 10% of the total assets of Florida Progress and its subsidiaries on a consolidated basis. Florida Progress hereby agrees to furnish a copy of any such instruments to the SEC upon request.

(b) Reports on Form 8-K:

During the fourth quarter of the year ended December 31, 1996, Florida Progress and Florida Power filed the following reports on Form 8-K:

Form 8-K dated October 17, 1996, reporting under Item 5 "Other Events" a press release and related Investor Information Report reporting Florida Progress' and Florida Power's third quarter 1996 earnings.

Form 8-K dated October 22, 1996, reporting under Item 5 "Other Events" a news release regarding Florida Power's CR3 maintenance outage.

Form 8-K dated November 21, 1996, reporting under Item 5 "Other Events" a press release announcing the approval of the spin-off of Echelon to shareholders. Florida Progress also issued an investor news release dated November 22, 1996 updating Florida Power's CR3 outage.

Form 8-K dated December 5, 1996, reporting under Item 5 "Other Events" an investor news release to provide an update regarding Florida Power's CR3, and another investor news release dated December 12, 1996 announcing several strategic decisions regarding Florida Progress' diversified businesses.

Form 8-K dated December 18, 1996, reporting under Item 5 "Other Events" a news release announcing the spin-off of Echelon.

In addition, Florida Progress and Florida Power filed the following reports on Form 8-K subsequent to the fourth quarter of 1996:

Form 8-K dated January 7, 1997, reporting under Item 5 "Other Events" a press release dated January 7, 1997 announcing the replacements in top nuclear positions at Florida Power, and an investor news release dated January 14, 1997 relating to CR3. Florida Power also issued another news release dated January 14, 1997 regarding its request to recover higher fuel costs.

Form 8-K dated January 23, 1997, reporting under Item 5 "Other Events" a news release and related Investor News report reporting the signing of an agreement to acquire the Tiger Bay Cogeneration facility. Florida Progress also issued a news release reporting 1996 earnings.

Form 8-K dated January 29, 1997, reporting under Item 5 "Other Events" a news release reporting Florida Power's CR3 being added to NRC watch list. Florida Progress also issued an investor news release dated January 29, 1997 relating to CR3.

Form 8-K dated February 20, 1997, reporting under Item 5 "Other Events" the approval by the board of a dividend increase and the approval by the FPSC of an increase in Florida Power's fuel costs.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FLORIDA PROGRESS CORPORATION

March 27, 1997

By: /s/ Jack B. Critchfield
Jack B. Critchfield,
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ Jack B. Critchfield Jack B. Critchfield Principal Executive Officer	Chairman of the Board, Chief Executive Officer and Director	March 27, 1997
/s/ Jeffrey R. Heinicke Jeffrey R. Heinicke Principal Financial Officer	Senior Vice President and Chief Financial Officer	March 27, 1997
/s/ John Scardino, Jr. John Scardino, Jr. Principal Accounting Officer	Vice President and Controller	March 27, 1997
/s/ Willard D. Frederick, Jr. Willard D. Frederick, Jr.	Director	March 27, 1997
/s/ Michael P. Graney Michael P. Graney	Director	March 27, 1997
/s/ Richard Korpan Richard Korpan	Director	March 27, 1997

(Continued)

Signature	Title	Date
/s/ Clarence V. McKee Clarence V. McKee	Director	March 27, 1997
/s/ Vincent J. Naimoli Vincent J. Naimoli	Director	March 27, 1997
/s/ Richard A. Nunis Richard A. Nunis	Director	March 27, 1997
/s/ Charles B. Reed Charles B. Reed	Director	March 27, 1997
/s/ Joan D. Ruffier Joan D. Ruffier	Director	March 27, 1997
/s/ Robert T. Stuart, Jr. Robert T. Stuart, Jr.	Director	March 27, 1997
/s/ Jean Giles Wittner Jean Giles Wittner	Director	March 27, 1997

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FLORIDA POWER CORPORATION

March 27, 1997

By: /s/ Joseph H. Richardson

Joseph H. Richardson, President
and Chief Operating Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title	Date
/s/ Richard Korpan Richard Korpan	Chairman of the Board, Chief Executive Officer and Director	March 27, 1997
/s/ Jeffrey R. Heinicke Jeffrey R. Heinicke Principal Financial Officer	Senior Vice President and Chief Financial Officer	March 27, 1997
/s/ John Scardino, Jr. John Scardino, Jr. Principal Accounting Officer	Vice President and Controller	March 27, 1997
/s/ R. Mark Bostick R. Mark Bostick	Director	March 27, 1997
/s/ Jack B. Critchfield Jack B. Critchfield	Director	March 27, 1997
/s/ Allen J. Keesler, Jr. Allen J. Keesler, Jr.	Director	March 27, 1997

(Continued)

/s/ Frank C. Logan Frank C. Logan	Director	March 27, 1997
/s/ Clarence V. McKee Clarence V. McKee	Director	March 27, 1997
/s/ Joseph H. Richardson Joseph H. Richardson	Director	March 27, 1997
/s/ Joan D. Ruffier Joan D. Ruffier	Director	March 27, 1997
/s/ Jean Giles Wittner Jean Giles Wittner	Director	March 27, 1997

Schedule II

[redacted]
Valuation and Qualifying Accounts
For the Years Ended December 31, 1996, 1995, and 1994
(In millions)

Description	Balance at Beginning of Period	Additions Charged to Expense	Other Deductions	Add (Ded)	Balance at End of Period
FOR THE YEAR ENDED DECEMBER 31, 1996					
Nuclear Refueling Outage Reserve	$14.7	$17.4	$23.4	$ -	$8.7
Insurance policy benefit reserves	$265.0	$60.3	$ -	$ -	$325.3
Reserve for mine closure/reclamation	$0.0	$40.9	$ -	$ -	$40.9
FOR THE YEAR ENDED DECEMBER 31, 1995					
Nuclear Refueling Outage Reserve	$6.4	$12.7	$4.4	$ -	$14.7
Insurance policy benefit reserves	$222.5	$42.5	$ -	$ -	$265.0
FOR THE YEAR ENDED DECEMBER 31, 1994					
Nuclear Refueling Outage Reserve	$11.5	$12.6	$17.7	$ -	$6.4
Insurance policy benefit reserves	$185.5	$36.0	$ -	$ -	$222.5

Schedule II

[illegible]
Valuation and Qualifying Accounts
For the Years Ended December 31, 1996, 1995, and 1994
(In millions)

Description	Balance at Beginning of Period	Additions Charged to Expense	Deductions (See Note)	Balance at End of Period
FOR THE YEAR ENDED DECEMBER 31, 1996				
1996 Nuclear Refueling Outage Reserve (010)	$14.7	$9.2	$23.4	$0.5
1990 Nuclear Refueling Outage Reserve (011)	0.0	8.2	0.0	8.2
	$14.7	$17.4	$23.4	$8.7
FOR THE YEAR ENDED DECEMBER 31, 1995				
1996 Nuclear Refueling Outage Reserve (010)	$6.4	$12.7	$4.4	14.7
	$6.4	$12.7	$4.4	$14.7
FOR THE YEAR ENDED DECEMBER 31, 1994				
1993 Nuclear Midcycle Outage Reserve (09)	($0.7)	$0.7	$0.0	$0.0
1994 Nuclear Refueling Outage Reserve (09)	12.2	5.5	17.7	0.0
1996 Nuclear Refueling Outage Reserve (010)	0.0	6.4	0.0	6.4
	$11.5	$12.6	$17.7	$6.4

Note: Deductions are payments of actual expenditures related to the outage.

Exhibit 12

FLORIDA POWER CORPORATION
Statement of Computation of Ratios
(Dollars In Millions)

Ratio of Earnings to Fixed Charges:

	1996	1995	1994	1993	1992
Net Income	$238.4	$227.0	$200.8	$194.9	$186.9
Add:					
Operating Income Taxes	135.8	129.5	114.7	104.5	97.7
Other Income Taxes	(0.1)	.1	(0.8)	(0.1)	(0.2)
Income Before Taxes	374.1	356.6	314.7	299.3	284.4
Total Interest Charges	98.4	104.5	108.4	105.8	100.2
Total Earnings (A)	$472.5	$461.1	$423.1	$405.1	$384.6
Fixed Charges (B)	$ 98.4	$104.5	$108.4	$105.8	$100.2
Ratio of Earnings to Fixed Charges (A/B)	4.80	4.41	3.90	3.83	3.84

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EXHIBIT (c)-5

FORM U-1

UNIFORM APPLICATION TO REGISTER SECURITIES
State of Oregon

Application to the Director of the Department of Consumer and Business Services, Insurance Division pursuant to § 59.065 of the Oregon Securities Law.

1. Name and address of Issuer and principal office in this state:

   Pamela A. Saari, Assistant Treasurer
   Florida Power Corporation
   3201 34th Street South
   St. Petersburg, Florida 33711

   Issuer's principal office is in Florida, at the above address.

2. Name, address and telephone number of correspondent to whom notices and communications regarding this application may be sent:

   Martha Sjogreen
   Jones, Day, Reavis & Pogue
   599 Lexington Avenue
   New York, NY 10022
   (212) 326-3612

3. Name and address of applicant:

   Florida Power Corporation
   3201 34th Street South
   St. Petersburg, Florida 33711

4. Registration or acceptance for filing is sought for the following described securities in the amounts indicated:

Description of Securities:	$850,000,000 Medium Term Notes Series B
Offering Price or Proposed Offering Price:	100%
Total Offering: No. of Shares or Units:	$850,000,000
Offering in This State: No. of Shares or Units:	$850,000,000

Indicate the maximum commission to be charged: .125% to .750%

5. Amount of filing and examination fees which are enclosed: $500.00

6. A Registration Statement was filed with the Securities and Exchange Commission on June 24, 1997. It is expected to be made effective on or about July 1, 1997.

7. (a) List the states in which it is proposed to offer the securities for sale to the public.

All 50 states, the District of Columbia and Puerto Rico.

(b) List the states, if any, in which the securities are eligible for sale to the public.

None at this time, but all will be on date of effectiveness except Oregon.

(c) List the states, if any, which have refused, by order or otherwise, to authorize the sale of the securities to the public, or have revoked or suspended the right to sell the securities, or in which an application has been withdrawn.

None.

8. Submitted herewith as a part of this application are the following documents:

(a) One copy of the Registration Statement and one copy of the latest Prospectus.

(b) Agent Agreement - To be supplied.

(c) Issuer's Articles of Incorporation as amended to date - To be supplied.

(d) Issuer's By-laws, as amended to date - To be supplied.

(e) Signed copy of opinion of counsel filed with the Registration Statement pursuant to the Securities Act of 1933, in draft form.

(f) Specimen security - to be supplied

(g) Consent to Service of Process and appropriate corporate resolution.

9. The applicant hereby applies for registration or acceptance for filing of the above described securities under the law cited above and in consideration thereof

agrees so long as the registration remains in effect that it will:

(a) Advise the above-named state authority of any change prior to registration in this state in any of the information contained herein or in any of the documents submitted with or as a part of this application.

(b) File with the above-named state authority, within two business days after filing with the Securities and Exchange Commission, (i) any amendments to the Registration Statement designating the changed, revised or added material or information by underlining the same; and (ii) the final Prospectus, or any further amendments or supplements thereto.

(c) Notify the above-named state authority within two business days, (i) upon the receipt of any stop order, denial, order to show cause, suspension or revocation order, injunction or restraining order, or similar order entered or issued by any state or other regulatory authority or by any court, concerning the securities covered by this application or other securities of the issuer currently being offered to the public; and (ii) upon the receipt of any notice of effectiveness of said registration by the Securities and Exchange Commission.

(d) Notify the above-named authority at least two business days prior to the effectiveness of said registration with the Securities and Exchange Commission of (i) any request by the issuer or applicant to any other state or regulatory authority for permission to withdraw any application to register the securities described herein; and (ii) a list of all states in which applications have been filed where the issuer or applicant has received notice from the state authority that the application does not comply with state requirements and cannot or does not intend to comply with such requirements.

(e) Furnish promptly all such additional information and documents in respect to the issuer or the securities covered by this application as may be requested by the above-named state authority prior to registration or acceptance for filing.

FLORIDA POWER CORPORATION

By: Pamela A. Saari

Name: Pamela A. Saari

Title: Assistant Treasurer and
Acting Treasurer

State of Florida

County of Pinellas

The undersigned, Pamela A. Saari, being first duly sworn, deposes and says:

That she has executed the foregoing application for and on behalf of the applicant named therein; that she is the Assistant Treasurer and Acting Treasurer of such applicant and is fully authorized to execute and file such application; that she is familiar with such application; and that to the best of her knowledge, information and belief the statements made in such application are true and the documents submitted therewith are true copies of the originals thereof.

Pamela A. Saari

Name: Pamela A. Saari

Subscribed and sworn to before me on July 1, 1997

Linda Schultz
Notary Public

In and for the County of Pinellas

State of Florida

My Commission Expires: 5-17-98

(Notarial Seal)

LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC473016

NYMAIN02 Doc: 202275_1

State of New York

Department of Law

BUREAU OF SECURITIES AND PUBLIC FINANCING

APPLICATION FOR AN EXEMPTION

UNDER SECTION 359-f(2)

OF THE

GENERAL BUSINESS LAW

Re: Florida Power Company

Medium Term Notes, Series B

Florida Power Corporation, a Florida corporation (the "Company"), now through its Assistant Treasurer, Pamela A. Saari, the Affiant, hereby applies for an exemption under Section 359-f(2) of the General Business Law of the State of New York and states that:

1. The name and address of the petitioning Company are:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

The Company was incorporated under the laws of the State of Florida in 1899 and is not a successor to another entity within the last two years. The Company is an operating public utility engaged in the generation, purchase, transmission, distribution and sale of electricity primarily within the State of Florida.

2. The Affiant, Pamela A. Saari, is Assistant Treasurer of the Company. The Affiant's business address is 3201 34th Street South, St. Petersburg, Florida 33711. The Affiant's residence address is 7602 94 Ave N Largo Fla 33777

3. The names, titles and residence addresses of the officers and directors of the Company are set forth in "Exhibit A" attached hereto and made a part hereof. There are no other principals or controlling persons.

4. To the best of Affiant's knowledge, no officer, director or principal shareholder of the Company has ever been adjudged a bankrupt or made an assignment for the benefit of creditors, or been an officer, director or principal of any entity which was reorganized in bankruptcy, adjudged a bankrupt or which made an assignment for the benefit of creditors.

5. To the best of Affiant's knowledge, no officer, director or principal shareholder of the Company has ever been convicted in a criminal proceeding, or is or has been the subject of any injunction, cease and desist order, suspension or restraining order, revocation of a license to practice a trade, occupation or profession, or denial of an application to renew same, stipulation or consent to desist from any act or practice, or any other disciplinary action by any court or administrative agency, and no such action is proceeding or pending.

6. Up to $850,000,000 of the Company's Medium-Term Notes, Series B will be sold by certain broker-dealers, or by the issuer through such broker-dealers, in order to repay short-term debt or for other general corporate purposes. Some sales may be underwritten.

7. Attached to this Application as "Exhibit B" and made a part hereof are copies of all offering literature to be used in the State of New York in connection with the offering. Further, the Company agrees to file with the Department of Law all subsequent amendments to the offering literature used in New York.

Attached to this Application as "Exhibit C" and made a part hereof is a copy of the latest annual report of the Company.

8. The Company, through the Affiant, relies upon Section 359-f(2)(c) of the New York General Business Law for its exemption. The Company is an operating public utility regulated as to its rates and charges by the State of Florida.

WHEREFORE, it is respectfully requested that the offering for sale of the securities of Florida Power Corporation be exempted under Section 359-f, Subdivision 2 from the provisions contained in Section 359-e, Subdivisions 2, 3, 4, 5 and 6 of the General Business Law.

Florida Power Corporation

By: Pamela A. Saari

Name: Pamela A. Saari
Title: Assistant Treasurer

STATE OF Florida)
) ss:
COUNTY OF Pinellas)

Pamela A. Saari, being duly sworn, deposes and says that she resides at 9600 94th Ave N. Largo FL 33777; that she is the Assistant Treasurer hereunder of Florida Power Corporation, a Florida corporation (the "Company"), the Company described in the foregoing Application for Exemption; that she has executed such Application for Exemption for and on behalf of the Company; that she is fully authorized to execute and file such Application for Exemption; and that to the best of her knowledge, information and belief, the statements made in such Application for Exemption are true.

Pamela A. Saari

Name: Pamela A. Saari
Title: Assistant Treasurer

Sworn to me this 1st day of July, 1997.

Linda Schultz
Notary Public

LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC472016

Exhibit A

Name, Title	Residence Address

FLORIDA POWER CORPORATION - OFFICERS

Joseph H. Richardson
President and Chief Executive Officer
561 Palmetto Road
Belleaire, FL 34616

Roy A. Anderson
Senior Vice President
9373 Wickham Way
Orlando, FL 32836

Kenneth E. Armstrong
Vice President, General Counsel
518 Tallahassee Drive NE
St. Petersburg, FL 33702

Janice S. Case
Senior Vice President
205 Palm Island N.W.
Clearwater, FL 34630

Michael S. Foley
Senior Vice President
12570 4th Street East
Treasure Island, FL

John A. Hancock
Senior Vice President
7532 Bayshore Drive, #305
Treasure Island, FL 33706

Jeffrey R. Heinicke
Senior Vice President and Chief
Financial Officer
7373 Waterslk Drive
Pinellas Park, FL 34666

Kenneth E. Armstrong
Vice President, General Counsel
518 Tallahassee Drive NE
St. Petersburg, FL 33702

Patricia K. Blizzard
Vice President
1544 Manor Way South
St. Petersburg, FL 33705

George L. Campbell
Vice President
1131 Snell Isle Blvd. N.E.
St. Petersburg, FL 33704

Richard R. Champion
Vice President
750 Tallahassee Drive NE
St. Petersburg, FL 33702

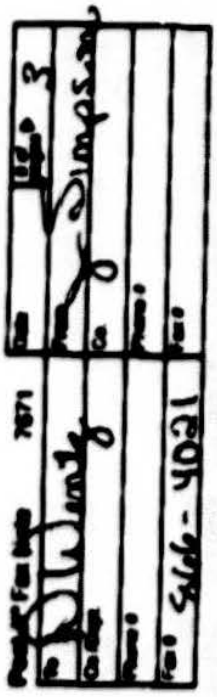
John P. Cowan
Vice President
7640 West Golf Club Street
Crystal River, FL 34429

Pete Dagostino
Vice President
361 Forest Park Circle
Longwood, FL 32779

Wayne C. Forehand
Vice President
1812 SE 31st Lane
Ocala, FL 34471-6745

George E. Marks
Vice President
123 Boca Ciega Drive
Madeira Beach, FL 33708

David L. Miller
Vice President
12361 Windtree Blvd.
Seminole, FL 34642



John Scardino, Jr.
Vice President and Controller
3161 Shoreline Drive
Clearwater, FL 34620

Arthur D. Sclarrotta
Vice President
1104 Lake Ridge Court
Safety Harbor, FL 34695

James V. Smallwood
Vice President and Treasurer
2373 Anthony Avenue
Clearwater, FL 34619

Kathleen M. Haley
Secretary
3048 14th Lane, N.E.
St. Petersburg, FL 33703

Douglas E. Wentz
Assistant Secretary
788 Cattail Court N.E.
St. Petersburg, FL 33703-3166

Kenneth E. McDonald
Assistant Treasurer
127 6th Street East
Tierra Verde, FL 33715

Pamela A. Saari
Assistant Treasurer
9600 94th Avenue North
Seminole, FL 34647

James P. Fama
Deputy General Counsel
1569 Eden Isle Blvd.
St. Petersburg, FL 33704

FLORIDA POWER CORPORATION - DIRECTORS

Jack B. Critchfield
Director
198 Sands Point Drive
Tierra Verde, FL 33715

W. D. (Bill) Frederick, Jr.
Director
105 West New Hampshire
Orlando, FL 32804

Michael P. Graney
Director
2101 Abbotsford Green Drive
Powell, OH 43065

Richard Korpan
Chairman of the Board
4993 Turtle Creek Trail
Oldsmar, FL 34677

Frank C. Logan
Director
100 Sarasota Road
Belleaire, FL 34616

Clarence V. McKee
Director
2525 Bayshore Blvd., Unit A
Tampa, FL 33629-7342

Vincent J. Naimoli
Director
16616 Villa Lenda De Avila
Tampa, FL 33613

Richard A. Nunis
Director
6324 Deacon Circle
Windermere, FL 34786

Charles B. Reed
Director
224 Rosehill Drive, North
Tallahassee, FL 32312

Joseph H. Richardson
Director
561 Palmetto Road
Belleaire, FL 34616

Joan D. Ruffier
Director
1115 Belleaire Circle
Orlando, FL 32804

Robert T. Stuart, Jr.
Director
9330 Hollow Way Road
Dallas, TX 75220

Jean Giles Wittner
Director
1220 Park Street North
St. Petersburg, FL 33710

DESIGNATION UNDER SECTION 352-b OF
ARTICLE 23-A OF THE GENERAL BUSINESS LAW
OF THE STATE OF NEW YORK

TO WHOM IT MAY CONCERN:

Florida Power Corporation, a corporation duly organized in the year 1899, and existing under the laws of the State of Florida, and maintaining an office at 3201 34th Street South, St. Petersburg, Florida 33711 hereby irrevocably designates the Secretary of State of the State of New York as the person upon whom may be served any subpoena, subpoena duces tecum, summons, complaint, notice, order, judgment or other process directed to the aforesaid and issued on any investigation, examination, action or proceedings pending or about to be instituted, under and pursuant to the provisions of Article 23-A of the General Business Law of the State of New York for the uses and purposes therein set forth.

IN WITNESS WHEREOF, the undersigned Florida Power Corporation has caused this instrument to be duly executed by its Assistant Treasurer and the corporate seal affixed hereunto this 1st day of July, 1997.

CORPORATE SEAL
(If no seal, please so indicate)

Pamela A. Saari
Florida Power Corporation

By Pamela A. Saari
Assistant Treasurer

STATE OF Florida)
) SS:
COUNTY OF Pinellas)

On this 1st day of July, 1997, before me personally came Pamela A. Saari to me known, who being by me duly sworn, did depose and say that she resides at 9600 94th Ave. N. Largo, FL 33777; that she is Assistant Treasurer and a principal officer of Florida Power Corporation; that she is authorized to and did execute the foregoing Designation for and on behalf of such corporation.

LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC473916

Linda Schultz
Notary Public

NYMAIN02 Doc: 202353_1

FORM U-2 UNIFORM CONSENT TO SERVICE OF PROCESS

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned Florida Power Corporation, a corporation organized under the laws of Florida, for purposes of complying with the laws of the state of Oregon relating to either the registration or sale of securities, hereby irrevocably appoints the Director of the Department of Insurance and Finance and his successors in such office, its attorney upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of, or in connection with, the sale of securities or out of violation of the aforesaid laws of the state of Oregon; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue with the state of Oregon by service of process upon the officer so designated with the same effect as if the undersigned was organized or created under the laws of that state and had been served lawfully with process in that state.

It is requested that a copy of any notice, process or pleading served hereunder be mailed to:

Pamela A. Saari, Assistant Treasurer
Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

Dated this 1st day of July, 1997

(Seal)

Florida Power Corporation

By: Pamela A. Saari
Pamela A. Saari

Title: Assistant Treasurer

FORM U-2 UNIFORM CONSENT TO SERVICE OF PROCESS

ACKNOWLEDGMENT

STATE OF Florida)

) ss. _____

COUNTY OF Pinellas) _____

On July 1, 1997, before me, Pamela A. Saari the undersigned officer personally appeared and known to me to be the Assistant Treasurer of the above-named company, acknowledged that she, being duly authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the company as an officer.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Pamela A. Saari

Pamela A. Saari,
Assistant Treasurer

LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC473016

Linda Schultz

Notary Public

My Commission expires: 5-17-98

(NOTARIAL SEAL)

EXHIBIT (d)-1

Florida Power Corporation
Medium-Term Notes Due From
9 Months to 30 Years from Date of Issue

AMENDED AND RESTATED
DISTRIBUTION AGREEMENT

April 23, 1996

J. P. Morgan Securities Inc.
PaineWebber Incorporated
First Chicago Capital Markets, Inc.
c/o J. P. Morgan Securities Inc.
60 Wall Street
New York, New York 10260

Ladies and Gentlemen:

This Agreement is entered into for the purpose of amending and restating that certain Distribution Agreement dated August 27, 1992 (the "Original Agreement") between Florida Power Corporation, a Florida corporation (the "Company") and the agents named therein. The Company hereby confirms its agreement with each of you (individually an "Agent" and collectively the "Agents") with respect to the issue and sale by the Company of its Medium-Term Notes described herein, which shall be substantially in the form of Exhibit A hereto (if a fixed-rate note) or Exhibit B (if a floating-rate note), or such other form as the Company and the Agents shall determine (the "Notes"). The Notes are to be issued pursuant to an indenture (the "Indenture") dated as of August 15, 1992 between the Company and The First National Bank of Chicago, successor trustee (the "Trustee"). As of the date hereof, the Company has authorized the issuance and sale of up to U.S. $330,700,000 aggregate principal amount (or its equivalent, based upon the applicable exchange rate at the time of issuance, in such foreign currencies or units of two or more currencies as the Company shall designate at the time of issuance) of Notes through or to the Agents, $30,700,000 of which Notes were previously issued pursuant to the Original Agreement and $300,000,000 of which Notes remain to be issued pursuant to the terms of this Agreement. It is understood, however, that the Company may from time to time authorize the issuance of additional Notes and that such additional Notes may be sold through or to the Agents pursuant to the terms of this Agreement, all as though the issuance of such Notes were authorized as of the date hereof.

This Agreement provides both for (1) the sale of Notes by the Company directly to purchasers, in which case each of the Agents will act as an agent of the Company in soliciting Note purchases (herein referred to as "Agency Transactions"), and (2) for the sale of Notes to an Agent as principal for resale to purchasers as may from time to time be agreed to by the Company and such Agent (herein referred to as "Principal Transactions"). In addition, this

Agreement permits the Company to sell Notes directly to investors on its own behalf in transactions in which none of the Agents has acted as an agent of the Company in soliciting such purchases.

The Company has filed with the Securities and Exchange Commission (the "SEC") two registration statements on Form S-3 (No. 33-50908 and No. 333-02549) for the registration of the Notes under the Securities Act of 1933 (the "1933 Act") and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the SEC under the 1933 Act (the "1933 Act Regulations"). Such registration statements have been declared effective by the SEC and the Indenture has been qualified under the Trust Indenture Act of 1939 (the "1939 Act"). Such registration statements (and any further registration statements which may be filed by the Company for the purpose of registering additional Notes and in connection with which this Agreement is included or incorporated by reference as an exhibit) and the prospectuses constituting a part thereof, and any prospectus supplements relating to the Notes, including all documents incorporated therein by reference, as from time to time amended or supplemented by the filing of documents pursuant to the Securities Exchange Act of 1934 (the "1934 Act") or the 1933 Act or otherwise, are referred to herein as the "Registration Statement" and the "Prospectus," respectively, except that if any revised prospectus shall be provided to any Agent by the Company for use in connection with the offering of the Notes which is not required to be filed by the Company pursuant to Rule 424(b) of the 1933 Act Regulations, the term "Prospectus" shall refer to such revised prospectus from and after the time it is first provided to such Agent for such use.

SECTION 1. Appointment as Agent.

(a) Appointment of Agents. Subject to the terms and conditions stated herein, the Company hereby appoints each Agent as the agent of the Company for the purpose of soliciting purchases of the Notes from the Company by others and agrees that, except as otherwise contemplated herein, whenever the Company determines to sell Notes directly to an Agent as principal for resale to others, it will enter into a Terms Agreement (hereafter defined) relating to such sale in accordance with the provisions of Section 3(b) hereof. Each Agent is authorized to appoint sub-agents or to engage the services of any other broker or dealer in connection with the offer or sale of the Notes.

The Company will not engage any other person or party (a "new agent") to solicit purchases of the Notes, except that the Company may amend this Agreement to appoint a new agent as an additional Agent hereunder on the same terms and conditions (including, without limitation, commission rates) as provided herein for the Agents, provided that the Company shall have given the Agents prior notice of such appointment.

The Company may accept an offer to purchase Notes through a new agent other than an Agent hereunder, provided that (i) the Company shall not have solicited such offer, (ii) the Company and such new agent shall have executed an agreement with respect to such purchase having terms and conditions (including, without limitation, commission rates) substantially the

same as those that would apply to such purchase under this Agreement if such new agent were an Agent (which may be accomplished by incorporating by reference in such agreement the terms and conditions of this Agreement) and (iii) the Company shall notify the Agents prior to the execution of any such agreement and shall provide the Agents with a copy of such agreement promptly following the execution thereof.

The Company reserves the right to sell Notes directly to investors on its own behalf and to contact and solicit potential investors in connection therewith and, in the case of any such sale not resulting from a solicitation made by any Agent, no commission will be payable hereunder to any Agent with respect to such sale.

(b) Best Efforts Solicitations; Right to Reject Offers. Upon receipt of instructions from the Company, each of the Agents agrees to use its best efforts to solicit purchases of such principal amount of the Notes as the Company and such Agent shall agree upon from time to time during the term of this Agreement, it being understood that the Company shall not approve the solicitation of purchases of Notes in excess of the amount which shall be authorized by the Company from time to time or in excess of the principal amount of Notes registered pursuant to the Registration Statement. No Agent will have any responsibility for maintaining records with respect to the aggregate principal amount of Notes sold, or of otherwise monitoring the availability of Notes for sale under the Registration Statement. Each Agent will communicate to the Company, orally or in writing, any offer to purchase Notes, other than those offers rejected by such Agent. Each Agent shall have the right, in its discretion reasonably exercised, to reject any proposed purchase of Notes, as a whole or in part, and any such rejection shall not be deemed a breach of such Agent's agreement contained herein. The Company may accept or reject any proposed purchase of the Notes, in whole or in part.

(c) Solicitations as Agent; Purchases as Principal. In soliciting purchases of the Notes on behalf of the Company, an Agent shall act solely as agent for the Company and not as principal. Each Agent shall make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Notes has been solicited by such Agent and accepted by the Company. Such Agent shall not have any liability to the Company in the event any such purchase is not consummated for any reason and shall not have any obligation to purchase Notes from the Company as principal, but the Agent may agree from time to time to purchase Notes as principal. Any such purchase of Notes by the Agent as principal shall be made pursuant to a Terms Agreement in accordance with Section 3(b) hereof.

(d) Reliance. The Company and each of the Agents agree that any Notes the placement of which that Agent arranges shall be placed by that Agent, and any Notes purchased by any of the Agents shall be purchased, in reliance on the representations, warranties, covenants and agreements of the Company contained herein and on the terms and conditions and in the manner provided herein.

SECTION 2. Representations and Warranties.

(a) The Company represents and warrants to each of the Agents as of the date hereof, as of the date of each acceptance by the Company of an offer for the purchase of Notes (whether in an Agency Transaction or in a Principal Transaction), as of the date of each delivery of Notes (whether in an Agency Transaction or in a Principal Transaction) (the date of each such delivery to an Agent as principal being hereafter referred to as a "Settlement Date"), and as of any time that the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for a change in the interest rates of Notes or similar changes) or there is filed with the SEC any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K relating exclusively to the issuance of debt securities under the Registration Statement, unless any of the Agents shall otherwise specify) (each of the times referenced above being referred to herein as a "Representation Date") as follows:

(i) Due Incorporation and Qualification. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company.

(ii) Registration Statement and Prospectus. At the time the Registration Statement became effective, the Registration Statement complied, and as of the applicable Representation Date will comply, in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the SEC promulgated thereunder. The Registration Statement, at the time it became effective, did not, and at each time thereafter at which any amendment to the Registration Statement becomes effective or any Annual Report on Form 10-K is filed by the Company with the SEC and as of each Representation Date, will not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; the Prospectus, as of the date hereof does not, and as of each Representation Date will not, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by any Agent expressly for use in the Registration Statement or Prospectus.

(iii) Incorporated Documents. The documents incorporated by reference in the Prospectus, at the time they were or hereafter are filed with the SEC, complied or when so filed will comply, as the case may be, in all material respects with the requirements of the 1934 Act and the rules and regulations promulgated thereunder (the "1934 Act Regulations"), and, when read together and with the other information in the Prospectus, did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were or are made, not misleading.

(iv) Accountants. Any accounting firms who certified the financial statements included or incorporated by reference in the Registration Statement or Prospectus are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations.

(v) Financial Statements. The financial statements and any supporting schedules of the Company included or incorporated by reference in the Registration Statement and the Prospectus present fairly the financial position of the Company as of the dates indicated and the results of its operations for the periods specified; and said financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis, except as stated therein and except that the Quarterly Reports on Form 10-Q contain condensed footnotes prepared in accordance with applicable 1934 Act Regulations; and the supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein.

(vi) Authorization and Validity of this Agreement, the Indenture and the Notes. This Agreement has been duly authorized, executed and delivered by the Company and, upon execution and delivery by the Agents, will be a valid and binding agreement of the Company; the Indenture has been duly authorized, executed and delivered by the Company and, assuming the Indenture has been duly authorized, executed and delivered by the Trustee, is a valid and binding obligation of the Company enforceable in accordance with its terms and the Notes have been duly and validly authorized for issuance, offer and sale pursuant to this Agreement and, when issued, authenticated and delivered pursuant to the provisions of this Agreement and the Indenture against payment of the consideration therefor specified in the Prospectus or pursuant to any Terms Agreement, the Notes will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, except as enforcement of the Indenture and the Notes may be limited by bankruptcy, insolvency (including, without limitation, all laws relating to fraudulent transfers), reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally or by general principles of equity, and except further as enforcement thereof may be limited by (i) requirements that a claim with respect to any Notes denominated other than in U.S. dollars (or a foreign currency or currency unit judgment in respect of such claim) be

converted into U.S. dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (ii) governmental authority to limit, delay or prohibit the making of payments outside the United States; the Notes and the Indenture will be substantially in the form heretofore delivered to the Agents and conform in all material respects to all statements relating thereto contained in the Prospectus; and the Notes will be entitled to the benefits provided by the Indenture.

(vii) Material Changes or Material Transactions. Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as may otherwise be stated therein or contemplated thereby, (a) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, and (b) there have been no material transactions entered into by the Company other than those in the ordinary course of business.

(viii) No Defaults; Regulatory Approvals. The Company is not in violation of its Amended Articles of Incorporation or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it or its properties may be bound; the execution and delivery of this Agreement and the Indenture and the consummation of the transactions contemplated herein, therein and pursuant to any applicable Terms Agreement have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it may be bound or to which any of its property or assets is subject, nor will such action result in any violation of the provisions of the Amended Articles of Incorporation or by-laws of the Company or any law, administrative regulation or administrative or court order or decree.

(ix) Legal Proceedings; Contracts. Except as may be set forth in the Registration Statement, there is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened against or affecting, the Company, which might, in the opinion of the Company, result in any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, or might materially and adversely affect the properties or assets thereof or might materially and adversely affect the consummation of this Agreement or any Terms Agreement; and there are no contracts or documents of the Company which are required to be filed as exhibits to the Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed.

(x) No Authorization, Approval or Consent Required. No consent, approval, authorization, order or decree of any court, governmental authority or agency or public board or body, other than the Florida Public Service Commission (whose approval has been obtained and is currently in effect), is required for the valid authorization, issuance and delivery of the Notes, the valid authorization, execution, delivery and performance of this Agreement, any Terms Agreement and the Indenture or the consummation by the Company of the transactions contemplated by this Agreement, any Terms Agreement and the Indenture, except such as are required under (a) the 1933 Act, the 1933 Act Regulations, or the 1939 Act (all of which have been obtained and are currently in effect), or (b) the securities or "Blue Sky" laws of the various states.

(xi) Title to Property. The Company holds good and marketable title in fee simple to all real property and good and marketable title to all personal property it owns which is material to the business of the Company, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company; and any real property and buildings held under lease by the Company is held under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property and buildings by the Company.

(xii) Public Utility Holding Company Act. The Company and its parent holding company, Florida Progress Corporation, are each exempt from any provisions imposed upon them as a "subsidiary company" of a "holding company" or as a "holding company", respectively, by the Public Utility Holding Company Act of 1935, as amended, except Section 9(a)(2) thereof.

(xiii) Eligibility to Use Form S-3. The Company meets the requirements for the use of Form S-3 under the 1933 Act.

(xiv) Registration Amount Not Exceeded. Immediately after any sale of Notes by the Company hereunder or under any Terms Agreement, the aggregate amount of Notes which shall have been issued and sold by the Company hereunder or under any Terms Agreement will not exceed the amount of Notes registered under the Registration Statement.

(b) Additional Certifications. Any certificate signed by any director or officer of the Company and delivered to an Agent or to counsel for such Agent in connection with an offering of Notes or the sale of Notes to that Agent as principal shall be deemed a representation and warranty by the Company to such Agent as to the matters covered thereby on the date of such certificate and at each Representation Date subsequent thereto.

SECTION 3. Solicitations as Agent; Purchases as Principal.

(a) Solicitations as Agent. On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, each of the Agents agrees, as an agent of the Company, to use its best efforts to solicit offers to purchase the Notes upon the terms and conditions set forth herein and in the Prospectus. The Agents may act separately or together in connection with any particular sale of Notes; however, the obligations of the Agents hereunder shall, in either case, be several and not joint.

The Company reserves the right, in its sole discretion, to suspend solicitation of purchases of the Notes through any of the Agents, as agent, commencing at any time for any period of time or permanently. Upon receipt of instructions from the Company, an Agent will forthwith suspend solicitation of purchases from the Company until such time as the Company has advised such Agent that such solicitation may be resumed.

The Company agrees to pay each Agent a commission, in the form of a discount, equal to the applicable percentage of the principal amount of each Note sold by the Company as a result of a solicitation made by such Agent as set forth in Schedule A hereto.

The purchase price, interest rate, maturity date and other terms of the Notes shall be agreed upon by the Company and the Agents and set forth in a pricing supplement to the Prospectus to be prepared following each acceptance by the Company of an offer for the purchase of Notes. Except as may be otherwise provided in such supplement to the Prospectus, the Notes will be issued in denominations of U.S. $1,000 or any larger amount that is an integral multiple of U.S. $1,000. All Notes sold through an Agent as agent will be sold at 100% of their principal amount unless otherwise agreed to by the Company and the Agent.

(b) Purchases as Principal. Each sale of Notes to an Agent as principal shall be made in accordance with the terms contained herein and (unless the Company and the Agent shall otherwise agree) pursuant to a separate agreement which will provide for the sale of such Notes to, and the purchase and reoffering thereof by, such Agent. Each such separate agreement (which may be an oral agreement confirmed in writing which shall be substantially in the form of Exhibit C hereto or in the form of an exchange of any standard form of written telecommunication between the Agent and the Company, including an exchange by facsimile transmission) between the Agent and the Company is herein referred to as a "Terms Agreement." Unless the context otherwise requires, each reference contained herein to "this Agreement" shall be deemed to include any applicable Terms Agreement between the Company and any Agent. Each such Terms Agreement shall be with respect to such information (as applicable) as is specified in Exhibit C hereto. The Company reserves the right to enter into Terms Agreements on a competitive bid or negotiated basis.

An Agent's commitment to purchase Notes as principal pursuant to any Terms Agreement or otherwise shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions

herein set forth. Each Terms Agreement shall specify the principal amount of Notes to be purchased by the Agent thereunder, the price to be paid to the Company for such Notes (which, if not so specified in a Terms Agreement, shall be at a discount equivalent to the applicable commission set forth in Schedule A hereto), the time and place of delivery of and payment for such Notes, any provisions relating to rights of, and default by purchasers acting together with such Agent in the reoffering of the Notes, and such other provisions (including further terms of the Notes) as may be mutually agreed upon by the parties to the Terms Agreement. Such Agent may utilize a selling or dealer group in connection with the resale of the Notes purchased. Such Terms Agreement shall also specify the requirements for the officers' certificate, opinions of counsel and comfort letters pursuant to Sections 7(b), 7(c) and 7(d) hereof.

The Agents may offer the Notes they have purchased as principal to other dealers. The Agents may sell Notes to any dealer at a discount and, unless otherwise specified in the applicable Terms Agreement, such discount allowed to any dealer will not be in excess of 66 2/3% of the discount received by such Agent from the Company.

(c) Administrative Procedures. Administrative procedures with respect to the sale of Notes shall be agreed upon from time to time by the Agents and the Company (the "Administrative Procedures"). The initial form of Administrative Procedures is attached hereto as Exhibit D. The Agents and the Company agree to perform the respective duties and obligations specifically provided to be performed by them in the Administrative Procedures.

SECTION 4. Covenants of the Company.

The Company covenants with each of the Agents as follows:

(a) Notice of Certain Events. The Company will notify each Agent immediately (i) of the filing or effectiveness of any amendment to the Registration Statement, (ii) of the transmittal to the SEC for filing of any supplement to the Prospectus or any document to be filed pursuant to the 1934 Act which will be incorporated by reference in the Prospectus or any document filed pursuant to the 1934 Act and incorporated therein by reference, (iii) of the receipt of any comments from the SEC with respect to the Registration Statement or the Prospectus, (iv) of any request by the SEC for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (v) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, and (vi) of the receipt by the Company of any notification with respect to the suspension or qualification of the Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) Notice of Certain Proposed Filings. The Company will give each Agent notice of its intention to file or prepare any additional registration statement with respect to the registration of additional Notes, any amendment to the Registration Statement or any amendment or

supplement to the Prospectus (other than an amendment or supplement providing solely for a change in the interest rates of Notes), whether by the filing of documents pursuant to the 1934 Act, the 1933 Act or otherwise, and will furnish each Agent or counsel thereto with copies of any such amendment or supplement or other documents proposed to be filed or prepared a reasonable time in advance of such proposed filing or preparation, as the case may be, and will not file any such amendment or supplement or other documents in a form to which any such Agent or counsel to the Agents shall reasonably object.

(c) Copies of the Registration Statement and the Prospectus. The Company will deliver to the Agents one signed and as many conformed copies of the Registration Statement (as originally filed) and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the Prospectus) as the Agents may reasonably request. The Company will furnish to each of the Agents as many copies of the Prospectus (as amended or supplemented) as such Agent shall reasonably request so long as the Agent is required to deliver a Prospectus in connection with sales or solicitations of offers to purchase the Notes.

(d) Preparation of Pricing Supplements. The Company will prepare, with respect to any Notes to be sold through or to an Agent pursuant to this Agreement, a pricing supplement (the "Pricing Supplement") with respect to such Notes in a form previously approved by such Agent and will file such Pricing Supplement pursuant to Rule 424(b)(3) (or another appropriate paragraph under Rule 424(b)) under the 1933 Act not later than the close of business of the SEC on the third business day after the date on which such Pricing Supplement is first used (or on such other day as may be required by Rule 424).

(e) Revisions of Prospectus Material Changes. Except as otherwise provided in subsection (f) of this Section, if at any time during the term of this Agreement any event shall occur or condition exist as a result of which it is necessary, in the reasonable opinion of counsel to the Agents or counsel to the Company, to further amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, immediate notice shall be given, and confirmed in writing, to each of the Agents to cease the solicitation of offers to purchase the Notes in such Agent's capacity as agent and to cease sales of any Notes such Agent may then own as principal pursuant to any Terms Agreement, and the Company will promptly prepare and file with the SEC such amendment or supplement, whether by filing documents pursuant to the 1934 Act, the 1933 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement and Prospectus comply with such requirements.

(f) Prospectus Revisions -- Periodic Financial Information. Except as otherwise provided in subsection (f) of this Section, on or prior to the date on which there shall be released to the general public interim financial statement information related to the Company with respect to each of the first three quarters of any fiscal year or preliminary financial statement information with respect to any fiscal year, the Company shall furnish such information to each

of the Agents, confirmed in writing, and shall cause the Prospectus to be amended or supplemented to include or incorporate by reference financial information with respect thereto and corresponding information for the comparable period of the preceding fiscal year, as well as such other information and explanations as shall be necessary for an understanding thereof or as shall be required by the 1933 Act or the 1933 Act Regulations.

(g) Prospectus Revisions -- Audited Financial Information. Except as otherwise provided in subsection (i) of this Section, on or prior to the date on which there shall be released to the general public financial information included in or derived from the audited financial statements of the Company for the preceding fiscal year, the Company shall cause the Registration Statement and the Prospectus to be amended, whether by the filing of documents pursuant to the 1934 Act, the 1933 Act or otherwise, to include or incorporate by reference such audited financial statements and the report or reports, and consent or consents to such inclusion or incorporation by reference, of the independent accountants with respect thereto, as well as such other information and explanations as shall be necessary for an understanding of such financial statements or as shall be required by the 1933 Act or the 1933 Act Regulations.

(h) Earnings Statements. The Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering each twelve month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in such Rule 158) of the Registration Statement with respect to each sale of Notes.

(i) Blue Sky Qualifications. The Company will endeavor, in cooperation with the Agents, to qualify the Notes for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Agents may designate, and will maintain such qualifications in effect for as long as may be required for the distribution of the Notes; provided, however, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Notes have been qualified as above provided. The Company will promptly advise each Agent of the receipt by the Company of any notification with respect to the suspension of the qualification of the Notes for sale in any such state or jurisdiction or for the initiating or threatening of any proceeding for such purpose.

(j) 1934 Act Filings. The Company, during the period when the Prospectus is required to be delivered under the 1933 Act, will file promptly all documents required to be filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the 1934 Act.

(k) Stand-Off Agreement. If required pursuant to the terms of a Terms Agreement, between the date of any Terms Agreement and the Settlement Date with respect to such Terms Agreement, the Company will not, without the prior consent of the Agent party to such Terms Agreement, offer or sell, or enter into any agreement to sell, any debt securities of the Company (other than the Notes that are to be sold pursuant to such Terms Agreement, borrowings under any bank revolving credit facility of the Company and commercial paper in the ordinary course of business).

(l) Suspension of Certain Obligations. The Company shall not be required to comply with the provisions of subsections (e), (f) or (g) of this Section with respect to any Agent during any period from the time (i) such Agent shall have suspended solicitation of purchases of the Notes in its capacity as agent pursuant to a request from the Company and (ii) such Agent shall not then hold any Notes as principal purchased pursuant to any Terms Agreement, to the time the Company shall determine that solicitation of purchases of the Notes should be resumed by that Agent or shall subsequently enter into a new Terms Agreement with that Agent.

(m) Doing Business with Cuba. The Company has complied and will continue to comply with all of the provisions of §517.075 of the Florida Statutes, and all rules and regulations promulgated thereunder, relating to issuers doing business with Cuba.

(n) Use of Proceeds. The Company will apply the proceeds from the Notes in the manner indicated under the caption "Use of Proceeds" in the Prospectus relating to such Notes.

SECTION 5. Conditions of Obligations.

The obligations of each of the Agents to solicit offers to purchase the Notes as agent of the Company, the obligations of any purchasers of the Notes sold through an Agent as agent, and any obligation of any Agent to purchase Notes pursuant to a Terms Agreement or otherwise will be subject to the accuracy of the representations and warranties on the part of the Company herein and to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all of its covenants and agreements herein contained and to the following additional conditions precedent:

(a) Legal Opinions. On the date hereof, each Agent shall have received the following legal opinions, dated as of the date hereof and in form and substance satisfactory to the Agents:

(i) Opinion of Company Counsel. The opinion of Kenneth E. Armstrong, Vice President and General Counsel of Florida Progress Corporation, acting as counsel to the Company, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida.

(ii) The Company has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus.

(iii) To the best of such counsel's knowledge, the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company.

(iv) This Agreement has been duly and validly authorized, executed and delivered by the Company.

(v) The Indenture has been duly and validly authorized, executed and delivered by the Company and (assuming the Indenture has been duly authorized, executed and delivered by the Trustee) constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally, or by general principles of equity, and except further as enforcement thereof may be limited by (A) requirements that a claim with respect to any Notes denominated other than in U.S. dollars (or a foreign currency or foreign currency unit judgment in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in foreign currency or currency units or payments outside the United States.

(vi) The Notes are in due and proper form, have been duly authorized for issuance, offer and sale pursuant to this Agreement and, when issued, authenticated and delivered pursuant to the provisions of this Agreement and the Indenture against payment of the consideration therefor, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally or by general principles of equity, and except further as enforcement thereof may be limited by (A) requirements that a claim with respect to any Notes denominated other than in U.S. dollars (or a foreign currency or foreign currency unit judgment in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in foreign currency or currency units or payments outside the United States, and each holder of Notes will be entitled to the benefits of the Indenture.

(vii) The statements in the Prospectus under the caption "Description of Notes", insofar as they purport to summarize certain provisions of documents specifically referred to therein, are accurate summaries of such provisions.

(viii) The Indenture is qualified under the 1939 Act.

(ix) The Registration Statement is effective under the 1933 Act and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act or proceedings therefor initiated or threatened by the SEC.

(x) At the time the Registration Statement became effective, the Registration Statement complied as to form in all material respects with the

requirements of the 1933 Act, the 1939 Act and the regulations under each of those Acts.

(xi) To the best of such counsel's knowledge, there are no legal or governmental proceedings pending or threatened which are required to be disclosed in the Prospectus, other than those disclosed therein, and all pending legal or governmental proceedings to which the Company is a party or of which any of the Company's property is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business of the Company, are, considered in the aggregate, not material.

(xiii) To the best of such counsel's knowledge, the Company is not in violation of its Amended Articles of Incorporation or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note or lease to which it is a party or by which it or any of them or their properties may be bound. The execution and delivery of this Agreement or of the Indenture, or the consummation by the Company of the transactions contemplated by this Agreement and the Notes and the incurrence of the obligations therein contemplated will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument known to such counsel and to which the Company is a party or by which the Company is or may be bound or to which any of the Company's property or assets is subject, or any law, administrative regulation or administrative or court decree known to such counsel to be applicable to the Company of any court or governmental agency, authority or body or any arbitrator having jurisdiction over the Company; nor will such action result in any violation of the provisions of the Amended Articles of Incorporation or by-laws of the Company.

(xiii) To the best of such counsel's knowledge, there are no contracts, indentures, mortgages, loan agreements, notes, leases or other instruments or documents required to be described or referred to in the Registration Statement or to be filed as exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto, the descriptions thereof or references thereto are correct, and no default exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument so described, referred to, filed or incorporated by reference.

(xiv) No consent, approval, authorization, order or decree of any court or governmental agency or body including the SEC, except for the Florida Public Service Commission (whose approval has been obtained for sales of Notes made during the year in which this opinion is delivered), is required for the consummation by the Company of the transactions contemplated by this Agreement, except such as may be required under (a) the 1933 Act, the 1939

Act, or the 1933 Act Regulations (all of which have been obtained and are currently in effect), or (b) state securities laws.

(xv) Each document filed pursuant to the 1934 Act and incorporated by reference in the Prospectus complied when filed as to form in all material respects with the 1934 Act and the 1934 Act Regulations.

(xvi) Except as otherwise described in the Prospectus, the Company owns in fee all of its properties, plants and material fixed units described or referred to in the Prospectus, except that the titles to certain of the properties are subject to easements, leases, contracts, covenants and similar encumbrances and minor defects of the nature common to properties of the size and character of those of the Company, none of which is of the character as to materially interfere with the use of such properties or the operation of the Company's business. The properties of the Company are subject to liens for current taxes which it is the practice of the Company to pay regularly as and when due. The Company has easements for rights-of-way adequate for the operations and maintenance of its transmission and distribution lines which are not constructed upon public highways.

(xvii) Except as otherwise set forth in the Prospectus, the Company has such valid franchises, operating rights, licenses, permits, consents, approvals, authorizations and/or orders of governmental bodies, political subdivisions or regulatory authorities, free from burdensome restrictions, as are necessary for the acquisition, construction, ownership, maintenance and operation of the properties now owned by it and the conduct of the business now carried on by it as described in the Registration Statement and Prospectus, and the Company is not in default or violation of any thereof and is carrying on its business in accordance therewith and, to the best of the knowledge of such counsel, with all applicable federal, state and other laws and regulations.

(2) Opinion of Counsel to the Agents. The opinion of Jones, Day, Reavis & Pogue, counsel to the Agents, with respect to such matters related to the issuance and sale of the Notes as the Agents may reasonably request, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purposes of enabling them to pass on such matters and to make the statement referred to in subparagraph (3) below.

(3) In giving their opinions required by subsections (a)(1) and (a)(2) of this Section, Kenneth E. Armstrong and Jones, Day, Reavis & Pogue shall each additionally state that nothing has come to their attention that would lead them to believe that the Registration Statement, at the time it became effective (or, in the case of Jones, Day, Reavis & Pogue, at the time Registration Statement No. 333-02549 became effective), and if an amendment to the Registration Statement or an Annual Report on Form 10-K has been filed by the Company with the SEC subsequent to the effectiveness of the Registration Statement, then at the time such amendment became effective or at the time of the most recent such filing, and at the date hereof, or (if such statement is being

delivered in connection with a Terms Agreement pursuant to Section 3(b) hereof) at the date of any Terms Agreement and at the Settlement Date with respect thereto, as the case may be, contains or contained an untrue statement of a material fact or omits or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading or that the Prospectus, as amended or supplemented at the date hereof, or (if such statement is being delivered in connection with a Terms Agreement pursuant to Section 3(b) hereof) at the date of any Terms Agreement and at the Settlement Date with respect thereto, as the case may be, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Officers' Certificate. At the date hereof each of the Agents shall have received a certificate of the President or any Vice President and the chief financial officer, the Treasurer or any Assistant Treasurer of the Company (provided that the Senior Vice President and Chief Financial Officer, the Vice President and Treasurer or an executive officer of Florida Progress Corporation may be substituted for one of the two officers of the Company if approved by the Agents), dated as of the date hereof or any applicable Settlement Date, as the case may be, to the effect that (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus or since the date of any applicable Terms Agreement, there has not been any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, (ii) the other representations and warranties of the Company contained in Section 2 hereof are true and correct with the same force and effect as though expressly made at and as of the date of such certificate, (iii) the Company has performed or complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of such certificate, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or threatened by the SEC.

(c) Comfort Letter.

On the date hereof, each of the Agents shall have received a letter from KPMG Peat Marwick LLP, dated as of the date hereof and in form and substance satisfactory to the Agents, confirming that they are independent certified public accountants within the meaning of the 1933 Act and the 1933 Act Regulations and stating:

(1) that the financial statements and financial schedules audited by them and incorporated by reference in the Registration Statement and Prospectus comply in form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations with respect to registration statements on Form S-3 and the 1934 Act and the 1934 Act Regulations;

(2) that, on the basis of a reading of the latest available unaudited interim financial statements prepared by the Company, inquiries of certain officials of the Company responsible for financial and accounting matters, and the reading of the minutes of the meetings of the Board of Directors and stockholders of the Company since the end

of the most recent fiscal year with respect to which an audit report has been issued and such other inquiries and procedures as may be specified in such letter, nothing has come to their attention which caused them to believe that:

(i) the unaudited interim financial statements included in the Company's Quarterly Reports on Form 10-Q incorporated by reference in the Registration Statement and the Prospectus do not comply in form in all material respects with the applicable accounting requirements of the 1933 Act and the 1933 Act Regulations as they apply to interim financial statements and of the 1934 Act and the 1934 Act Regulations applicable to unaudited financial statements included in Form 10-Q, or that the unaudited interim financial statements were not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements incorporated by reference in the Registration Statement and the Prospectus;

(ii) at a specified date not more than five business days prior to the date of such letter there was any decrease in the capital stock or increase in the long-term debt of the Company or any decrease in net assets of the Company, in each case as compared with the amounts shown in the most recent financial statements included or incorporated by reference in the Registration Statement and the Prospectus; or

(iii) for the period from such latest available balance sheet date to a specified date not more than five business days prior to the date of such letter, there were any decreases, as compared with the corresponding period of the previous year, in the Company's operating revenues, operating income or net income after dividends on preferred stock; except in all cases as set forth in or contemplated by the Registration Statement and the Prospectus, except for such exceptions enumerated in such letter as shall have been agreed to by the Agents and the Company and except for changes occasioned by the declaration or payment of dividends on the stock of the Company or occasioned by sinking fund payments made on the debt securities and preferred stock of the Company;

(3) that, on the basis of a reading of financial schedules prepared by the Company and the ratio of earnings to fixed charges stated or incorporated by reference in the Prospectus, they have found the amounts set forth in such schedules to be in agreement with the accounting and financial records of the Company and have found the ratios to be in agreement; and

(4) that, in addition to their examinations, inspections, inquiries and other procedures referred to above, they have performed such other procedures, specified by you, not constituting an audit, as they have agreed to perform and report on certain amounts, percentages, numerical data and other financial information in the Company's Annual Report on Form 10-K and have compared certain of such amounts, percentages, numerical data and financial information with, and have found such items to be in agreement with, or derived from, the detailed accounting records of the Company.

(d) Other Documents. On the date hereof and on each Settlement Date with respect to any applicable Terms Agreement, counsel to the Agents shall have been furnished with such documents and opinions as such counsel may reasonably require for the purpose of enabling such counsel to pass upon the issuance and sale of Notes as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of Notes as herein contemplated shall be satisfactory in form and substance to the Agents and to counsel to the Agents.

If any condition specified in this Section 5 shall not have been fulfilled when and as required to be fulfilled, this Agreement (or, at the option of the Agent party thereto, any Terms Agreement) may be terminated by such Agent or the Agents, as the case may be, by notice to the Company at any time and any such termination shall be without liability of any party to any other party, except that the covenant regarding provision of an earnings statement set forth in Section 4(h) hereof, the provisions concerning payment of expenses under Section 10 hereof, the indemnity and contribution agreement set forth in Sections 8 and 9 hereof, the provisions concerning the representations, warranties and agreements to survive delivery of Section 11 hereof and the provisions set forth under "Parties" of Section 14 hereof shall remain in effect.

SECTION 6. Delivery of and Payment for Notes Sold Through the Agents.

Delivery of Notes sold through any Agent as an agent shall be made by the Company to such Agent for the account of any purchaser only against payment therefor in immediately available funds. In the event that a purchaser shall fail either to accept delivery of or to make payment for a Note on the date fixed for settlement, the Agent intending to have sold the Note to such purchaser shall promptly notify the Company and deliver the Note to the Company, and, if such Agent has theretofore paid the Company for such Note, the Company will promptly return such funds to such Agent. If such failure occurred for any reason other than default by such Agent in the performance of its obligations hereunder, the Company will reimburse the Agent on an equitable basis for its loss of the use of the funds for the period such funds were credited to the Company's account.

SECTION 7. Additional Covenants of the Company.

The Company covenants and agrees with each of the Agents that:

(a) Reaffirmation of Representations and Warranties. Each acceptance by it of an offer for the purchase of Notes through any Agent, and each delivery of Notes to any Agent pursuant to a Terms Agreement, shall be deemed to be an affirmation that the representations and warranties of the Company contained in this Agreement and in any certificate theretofore delivered to any Agent pursuant hereto are true and correct at the time of such acceptance or sale, as the case may be, and an undertaking that such representations and warranties will be true and correct at the time of delivery to the purchaser or his agent, or to such Agent, of the Note or Notes relating to such acceptance or sale, as the case may be, as though made at and as of each such time (and it is understood that such representations and warranties shall relate to the Registration Statement and Prospectus as amended and supplemented to each such time).

(b) Subsequent Delivery of Certificates. Each time that (i) the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for a change in the interest rates of Notes or similar changes) or there is filed with the SEC any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K relating exclusively to the issuance of the Notes under the Registration Statement, unless the Agents shall otherwise specify) or (ii) (if required pursuant to the terms of a Terms Agreement) the Company sells Notes to any Agent pursuant to a Terms Agreement, the Company shall furnish or cause to be furnished forthwith to each of the Agents (in the case of (i) above) or to the Agent party thereto (in the case of (ii) above) a certificate dated the date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment, or the date of such sale, as the case may be, in form satisfactory to the Agent or Agents receiving such certificate, to the effect that the statements contained in the certificate referred to in Section 5(b) hereof which was last furnished to each of the Agents or to such Agent, as the case may be, are true and correct at the time of such amendment, supplement, filing or sale, as the case may be, as though made at and as of such time (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such time) or, in lieu of such certificate, a certificate of the same tenor as the certificate referred to in said Section 5(b), modified as necessary to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such certificate.

(c) Subsequent Delivery of Legal Opinions. Each time that (i) the Registration Statement or the Prospectus shall be amended or supplemented (other than by an amendment or supplement providing solely for a change in the interest rates of the Notes or similar changes or solely for the inclusion of additional financial information) or there is filed with the SEC any document incorporated by reference into the Prospectus (other than any Current Report on Form 8-K or Quarterly Report on Form 10-Q, unless the Agents shall otherwise specify) or (ii) (if required pursuant to the terms of a Terms Agreement), the Company sells Notes to any Agent pursuant to a Terms Agreement, the Company shall furnish or cause to be furnished forthwith to each of the Agents (in the case of (i) above) or to the Agent party thereto (in the case of (ii) above) and to counsel to the Agents a written opinion of Kenneth E. Armstrong, Vice President and General Counsel of Florida Progress Corporation, acting as counsel to the Company, or other counsel satisfactory to the Agent or Agents receiving the opinion, dated the date of filing with the SEC of such supplement or document, the date of effectiveness of such amendment, or the date of such sale, as the case may be, in form and substance satisfactory to the Agent or Agents receiving the opinion, of the same tenor as the opinion referred to in Section 5(a)(1) hereof, but modified, as necessary, to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such opinion; or, in lieu of such opinion, counsel last furnishing such opinion to each of the Agents or to such Agent, as the case may be, shall furnish such Agent or Agents with a letter to the effect that such Agent or Agents may rely on such last opinion to the same extent as though it was dated the date of such letter authorizing reliance (except that statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to the time of delivery of such letter authorizing reliance).

(d) Subsequent Delivery of Comfort Letters. Each time that (1) the Company files an Annual Report on Form 10-K or a Quarterly Report on Form 10-Q or (2) (if required pursuant

to the terms of a Terms Agreement) the Company sells Notes to any Agent pursuant to a Terms Agreement, the Company shall cause KPMG Peat Marwick LLP forthwith to furnish to each of the Agents or to the Agent party thereto (in the case of (2) above), a letter, dated the date such document is filed with the SEC or the date of such sale, as the case may be, in form satisfactory to the Agent or Agents receiving the letter, confirming that they are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations and containing the statements prescribed in Section 5(c) hereof, modified to take account of the updated financial statements and other information derived from the Company's accounting records, except that:

(i) only in the case of the filing by the Company of an Annual Report on Form 10-K shall the Agents be entitled to require the additional procedures referred to in clause (4) of Section 5(c) and the inclusion by KPMG Peat Marwick LLP in the letter of their findings as a result of performing such additional procedures;

(ii) in the case of the filing by the Company of a Quarterly Report on Form 10-Q, KPMG need only furnish each of the Agents with a letter in compliance with SAS 71, as appropriately modified.

SECTION 8. Indemnification.

(a) Indemnification of the Agent. The Company agrees to indemnify and hold harmless each of the Agents, their officers, directors, employees and agents and each person, if any, who controls any Agent within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, joint or several, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such untrue statement or omission or such alleged untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by such Agent expressly for use in the Registration Statement or the Prospectus;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and

disbursements of counsel chosen by the Agents), reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above.

(b) Indemnification of Company. Each of the Agents severally and not jointly agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Agent expressly for use in the Registration Statement (or any amendment thereto) or the Prospectus (or any amendment or supplement thereto)(it being understood that the only such information furnished to the Company by the Agents is indicated on Schedule B hereto).

(c) General. Each indemnified party shall give prompt notice to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

SECTION 9. Contribution.

In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 8 hereof is for any reason held to be unavailable to or insufficient to hold harmless the indemnified parties although applicable in accordance with its terms, the Company and each of the Agents shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and each of the Agents, as incurred, in such proportions that each Agent is responsible for that portion represented by the percentage that the total commissions and underwriting discounts received by such Agent to the date of such liability bears to the total sales price from the sale of Notes sold to or through such Agent to the date of such liability, and the Company is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls any Agent within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as such Agent, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the

1933 Act shall have the same rights to contribution as the Company.

SECTION 10. Payment of Expenses.

Whether or not the transactions contemplated hereunder are consummated, the Company will pay all expenses incident to the performance of its obligations under this Agreement, including:

(a) The preparation and filing of the Registration Statement and all amendments thereto and the Prospectus and any amendments or supplements thereto;

(b) The preparation, filing and reproduction of this Agreement;

(c) The preparation, printing, issuance and delivery of the Notes, including any fees and expenses relating to the use of book-entry notes;

(d) The reasonable fees and disbursements of the Company's accountants and counsel and of the Trustee and its counsel;

(e) The reasonable fees and disbursements of counsel to the Agents incurred from time to time in connection with the transactions contemplated hereby;

(f) The qualification of the Notes under state securities laws in accordance with the provisions of Section 4(i) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Agents in connection therewith and in connection with the preparation of any Blue Sky Survey and any Legal Investment Survey;

(g) The printing and delivery to the Agents in quantities as hereinabove stated of copies of the Registration Statement and any amendments thereto, and of the Prospectus and any amendments or supplements thereto, and, in addition, the distribution of the Prospectus, at the time of the initial printing thereof or at the time of any reprinting thereof, by the financial printing company printing such Prospectus to the persons designated by any of the Agents;

(h) The preparation, typing or printing, reproducing and delivery to the Agents of copies of the Indenture and all supplements and amendments thereto;

(i) Any fees charged by rating agencies for the rating of the Notes;

(j) The fees and expenses, if any, incurred with respect to any filing with the National Association of Securities Dealers, Inc.;

(k) Any advertising and other out-of-pocket expenses of the Agents incurred with the prior approval of the Company;

(l) The cost of preparing, and providing any CUSIP or other identification numbers for, the Notes; and

(m) The fees and expenses of any Depositary (as defined in the Indenture) and any nominees thereof in connection with the Notes.

SECTION 11. Representations, Warranties and Agreements to Survive Delivery.

All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto or thereto, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Agents or any controlling person of any Agent, or by or on behalf of the Company, and shall survive each delivery of and payment for any of the Notes.

SECTION 12. Termination.

(a) Termination of this Agreement. The obligations of any Agent under this Agreement and the obligations of the Company to such Agent under this Agreement (excluding any Terms Agreement) may be terminated for any reason, at any time by either the Company or such Agent upon the giving of 30 days' written notice of such termination to the Company or such Agent and the other parties hereto.

(b) Termination of a Terms Agreement. The Agent party thereto may terminate a Terms Agreement, immediately upon notice to the Company, at any time prior to the Settlement Date relating thereto (i) if there has been, since the date of such Terms Agreement or since the respective dates as of which information is given in the Registration Statement, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national or international calamity or crisis the effect of which is such as to make it, in the judgment of such Agent, impracticable to market the Notes or enforce contracts for the sale of the Notes, or (iii) if trading in any securities of the Company has been suspended by the SEC or a national securities exchange, or if trading generally on either the American Stock Exchange or the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the SEC or any other governmental authority, or if a banking moratorium shall have been declared by either Federal, New York or Florida authorities or if a banking moratorium shall have been declared by the relevant authorities in the country or countries of origin of any foreign currency or currencies in which the Notes are denominated or payable, or (iv) if the rating assigned by any nationally recognized securities rating agency to any debt securities of the Company as of the date of any applicable Terms Agreement shall have been lowered since that date or if any such rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any debt securities of the Company, or (v) if there shall have come to such Agent's attention any facts that would cause the Agent to believe that the Prospectus, at the time it was required to be delivered to a purchaser of Notes, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) General. In the event of any such termination of this Agreement, neither the Company nor the Agents hereunder will have any liability to the other, except that (i) with respect to Agency Transactions with a Settlement Date on or prior to the date of termination, each of the Agents shall be entitled to any commission earned on such Agency Transactions in accordance with the third paragraph of Section 3(a) hereof, (ii) if at the time of termination (a) any Agent shall own any Notes purchased pursuant to a Terms Agreement with the intention of reselling them or (b) an offer to purchase any of the Notes has been accepted by the Company but the time of delivery to the purchaser or his agent of the Note or Notes relating thereto has not occurred, the covenants set forth in Sections 4 and 7 hereof sh all remain in effect until such Notes are so resold or delivered, as the case may be, and (iii) the covenant set forth in Section 4(h) hereof, the provisions of Section 5 hereof, the indemnity and contribution agreements set forth in Sections 8 and 9 hereof, and the provisions of Sections 10, 11 and 15 hereof shall remain in effect.

SECTION 13. Notices.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Company:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711
Attention: Vice President and Treasurer

If to the Agents:

J. P. Morgan Securities Inc.
60 Wall Street - 3rd Floor
New York, New York 10260
Attention: Medium-Term Note Desk

PaineWebber Incorporated
MTN Program Operations
1285 Avenue of the Americas
New York, New York 10019
Attention: David Zahka

First Chicago Capital Markets, Inc.
One First National Plaza
Mail Suite 0307
Chicago, IL 60670-0307
Attention: Operations Manager,
Medium-Term Notes

or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 13.

SECTION 14. Governing Law.

This Agreement and all the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State. Any suit, action or proceeding brought by the Company against the Agent in connection with or arising under this Agreement shall be brought solely in the state or federal court of appropriate jurisdiction located in the Borough of Manhattan, The City of New York.

SECTION 15. Parties.

This Agreement shall inure to the benefit of and be binding upon each of the Agents and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 8 and 9 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Notes shall be deemed to be a successor by reason merely of such purchase.

If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

FLORIDA POWER CORPORATION

By: _____
James V. Smallwood
Vice President and Treasurer

Accepted and agreed:

J. P. MORGAN SECURITIES INC.

By: _____
Name: Steven Christensen
Title: Vice President

PAINEWEBBER INCORPORATED

By: _____
Name:
Title:

FIRST CHICAGO CAPITAL MARKETS, INC.

By: _____
Name:
Title:

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If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

FLORIDA POWER CORPORATION

By:_____
James V. Smallwood
Vice President and Treasurer

Accepted and agreed:

J. P. MORGAN SECURITIES INC.

By:_____
Name:
Title:

PAINEWEBBER INCORPORATED

By: Thomas R. Osborne
Name: Thomas R. Osborne
Title: First Vice President

FIRST CHICAGO CAPITAL MARKETS, INC.

By:_____
Name:
Title:

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If the foregoing is in accordance with the Agents' understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Agents and the Company in accordance with its terms.

Very truly yours,

FLORIDA POWER CORPORATION

By:_____
James V. Smallwood
Vice President and Treasurer

Accepted and agreed:

J. P. MORGAN SECURITIES INC.

By:_____
Name:
Title:

PAINEWEBBER INCORPORATED

By:_____
Name:
Title:

FIRST CHICAGO CAPITAL MARKETS, INC.

By: Kimberly Kelly
Name: Kimberly Kelly
Title: Vice President

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LIST OF SCHEDULES AND EXHIBITS

Schedule A - Commissions (per Section 3(a) and (b))

Schedule B - Information provided by Agents (per Section 8(b))

Exhibit A - Form of Fixed-Rate Note (per preambles)

[See Item 20 of closing bible.]

Exhibit B - Form of Floating-Rate Note (per preambles)

[See Item 21 of closing bible.]

Exhibit C - Form of Terms Agreement (per Section 3(b))

Exhibit D - Administrative Procedures (per Section 3(c))

[See Item 19 of closing bible.]

SCHEDULE A

As compensation for the services of each of the Agents hereunder, the Company shall pay such Agent, on a discount basis, a commission for the sale of each Note placed by such Agent equal to the principal amount of such Note multiplied by the appropriate percentage set forth below:

MATURITY RANGES	PERCENT OF PRINCIPAL AMOUNT
From 9 months to less than 1 year	.125%
From 1 year to less than 18 months	.150%
From 18 months to less than 2 years	.200%
From 2 years to less than 3 years	.250%
From 3 years to less than 4 years	.350%
From 4 years to less than 5 years	.450%
From 5 years to less than 6 years	.500%
From 6 years to less than 7 years	.550%
From 7 years to less than 10 years	.600%
From 10 years to less than 15 years	.625%
From 15 years to less than 20 years	.675%
From 20 years to 30 years	.750%

SCHEDULE B

The information set forth below constitutes the only information furnished in writing by the Agents pursuant to Section 8(b) hereof expressly for use in the Prospectus dated April 23, 1996 (the "Prospectus") relating to the Notes:

1. The names J. P. Morgan Securities Inc., PaineWebber Incorporated and First Chicago Capital Markets, Inc. contained on the cover page of the Prospectus (each of which names has been provided solely by the respective named Agent);

2. the third and fourth sentences in the second paragraph under the caption "Plan of Distribution" on page nine in the Prospectus; and

3. the second, third and fourth sentences in the fifth paragraph under the caption "Plan of Distribution" on pages nine and ten in the Prospectus.

EXHIBIT A

Form of Fixed-Rate Note

[See Tab 20 of closing bible.]

EXHIBIT B

Form of Floating-Rate Note

[See Tab 21 of closing bible.]

EXHIBIT C

FLORIDA POWER CORPORATION

Medium-Term Notes, Series B

TERMS AGREEMENT

[DATE]

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

Ladies and Gentlemen:

Subject to the terms and conditions set forth herein, the underwriters named below (each an "Underwriter") offer to purchase, severally and not jointly, the principal amount of Medium-Term Notes, Series B (the "Notes") of Florida Power Corporation (the "Company") set forth opposite their respective names at the Purchase Price listed below.

Underwriter	Principal Amount of Notes
	$
	_____
Total . . .	$_____

The following terms shall apply to the Notes to be purchased hereunder:

[Complete as applicable]

Principal amount: $_____
(or principal amount of foreign currency)

Maturity date:

Interest rate:

If Fixed Rate Note, Interest Rate:

If Floating Rate Note:

Interest Rate Basis:

Initial Interest Rate:
Initial Interest Reset Date:
Spread or Spread Multiplier, if any:
Interest Rate Reset Month(s):
Interest Payment Month(s):
Index Maturity:
Maximum Interest Rate, if any:
Minimum Interest Rate, if any:
Interest Rate Reset Period:
Interest Payment Period:
Interest Payment Date:
Calculation Agent:

If redeemable:

Initial redemption date:
Initial redemption percentage:
Annual redemption percentage reduction:

Price to public: _____%

Purchase price: _____%

Settlement date and time (original issue date):

Currency of Denomination:

Denominations (if currency is other than U.S. Dollar):

Currency of Payment:

Additional terms:

The Underwriters are hereby authorized by the Company to utilize a selling or dealer group in connection with the resale of the Notes.

The following will (not) be required by the Underwriters:

Officers' certificate pursuant to Section 7(b) of the Distribution Agreement
Legal opinions pursuant to Section 7(c) of the Distribution Agreement
Comfort letter pursuant to Section 7(d) of the Distribution Agreement
Stand-Off Agreement pursuant to Section 4(k) of the Distribution Agreement

Consistent with the provisions of Section 4(k) of the Amended and Restated Distribution Agreement dated as of April 23, 1996 (the "Distribution Agreement") between the Company and the Agents named therein, which Agents include [name lead Underwriter under this Terms Agreement], the Company will not, from the date hereof until the Settlement Date listed above, without the prior consent of _____, offer or sell, or enter into any agreement to sell, debt securities of the Company, other than the Notes and the other debt securities permitted to be sold pursuant to such Section 4(k). [If applicable].

The sale of the Notes to the Underwriters is being made pursuant to the terms of Section 3(b) of the Distribution Agreement. The provisions of the Distribution Agreement are hereby incorporated by reference herein and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein.

_____ has advised the Company that it has been authorized by each of the other Underwriters to execute this Terms Agreement on their behalf.

The information set forth on Attachment A hereto constitutes information furnished in writing by or on behalf of the Underwriters pursuant to Section 8(b) of the Distribution Agreement.

Please accept this offer by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

[List Managing Underwriters]

By: (List lead underwriter)

By:_____
Name:
Title:

Accepted and agreed:

FLORIDA POWER CORPORATION

By:_____
Name:
Title:

EXHIBIT D

Administrative Procedures

[See Tab 19 of closing bible.]

EXHIBIT (d)-2

Doc. No. 44

FLORIDA POWER CORPORATION

Medium-Term Notes, Series B

TERMS AGREEMENT

July 22, 1997

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

Ladies and Gentlemen:

Subject to the terms and conditions set forth herein, the underwriters named below (each an "Underwriter") offer to purchase, severally and not jointly, the principal amount of Medium-Term Notes, Series B (the "Notes") of Florida Power Corporation (the "Company") set forth opposite their respective names at the Purchase Price listed below.

Underwriter	Percent of each maturity of Notes	Total Principal Amount of Notes
J.P. Morgan Securities Inc.	45.0%	$202,500,000
PaineWebber Incorporated	20.0%	90,000,000
First Chicago Capital Markets, Inc.	15.0%	67,500,000
Chase Securities Inc.	7.5%	33,750,000
Salomon Brothers Inc	7.5%	33,750,000
NationsBanc Capital Markets, Inc.	5.0%	22,500,000
Total	100.0%	$450,000,000

The following terms shall apply to the Notes to be purchased hereunder:

Title, including principal amount, interest rate and maturity date:

$15,000,000 6.21% Medium-Term Notes, Series B, due July 1, 1999 (the "1999 Notes")
$75,000,000 6.33% Medium-Term Notes, Series B, due July 1, 2000 (the "2000 Notes")
$80,000,000 6.47% Medium-Term Notes, Series B, due July 1, 2001 (the "2001 Notes")
$30,000,000 6.54% Medium-Term Notes, Series B, due July 1, 2002 (the "2002 Notes")
$35,000,000 6.62% Medium-Term Notes, Series B, due July 1, 2003 (the "2003 Notes")
$40,000,000 6.69% Medium-Term Notes, Series B, due July 1, 2004 (the "2004 Notes")
$45,000,000 6.72% Medium-Term Notes, Series B, due July 1, 2005 (the "2005 Notes")
$45,000,000 6.77% Medium-Term Notes, Series B, due July 1, 2006 (the "2006 Notes")
$85,000,000 6.81% Medium-Term Notes, Series B, due July 1, 2007 (the "2007 Notes")

Interest and Principal Payment Dates: January 1 and July 1, commencing January 1, 1998

Regular Record Dates for January 1 and July 1 payment dates: December 15 and June 15, respectively.

Redemption Terms: Not applicable.

Price to public: 100% plus accrued interest, if any, from July 25, 1997

	Purchase price (Proceeds to the Company)
Per 1999 Note	99.750%
Per 2000 Note	99.650%
Per 2001 Note	99.550%
Per 2002 Note	99.500%
Per 2003 Note	99.450%
Per 2004 Note	99.400%
Per 2005 Note	99.400%
Per 2006 Note	99.400%
Per 2007 Note	99.375%

Settlement date and time (original issue date): July 25, 1997

Currency of Denomination: U.S. Dollars

Currency of Payment: U.S. Dollars

The Underwriters will initially offer the Notes to the public at 100% of the principal amount thereof, and to certain dealers at such price less a concession not in excess of the percent of the principal amount of each Note as indicated below. The Underwriters also may allow, and such dealers may reallow, a discount not in excess of the percent of the principal amount of each Note as indicated below.

	Concession	Reallowance
Per 1999 Note	.150%	.100%
Per 2000 Note	.250%	.150%
Per 2001 Note	.300%	.250%
Per 2002 Note	.300%	.250%
Per 2003 Note	.350%	.250%
Per 2004 Note	.350%	.250%
Per 2005 Note	.350%	.250%
Per 2006 Note	.350%	.250%
Per 2007 Note	.375%	.250%

The Underwriters are obligated to purchase all of the Notes if any are purchased.

The Underwriters are hereby authorized by the Company to utilize a selling or dealer group in connection with the resale of the Notes.

The following will be required by the Underwriters:

Officers' certificate pursuant to Section 7(b) of the Distribution Agreement
Legal opinions pursuant to Section 7(c) of the Distribution Agreement
Comfort letter pursuant to Section 7(d) of the Distribution Agreement
Opinion of Jones, Day, Reavis & Pogue, counsel to the Underwriters

Consistent with the provisions of Section 4(k) of the Amended and Restated Distribution Agreement dated as of April 23, 1996 (the "Distribution Agreement") between the Company and the Agents named therein, which Agents include J.P. Morgan Securities Inc., PaineWebber Incorporated, First Chicago Capital Markets, Inc., Salomon Brothers Inc, Chase Securities Inc. and NationsBanc Capital Markets, Inc. (the "Underwriters"), the Company will not, from the date hereof until the Settlement Date listed above, without the prior consent of the Underwriters, offer or sell, or enter into any agreement to sell, debt securities of the Company, other than the Notes and the other debt securities permitted to be sold pursuant to such Section 4(k).

The sale of the Notes to the Underwriters is being made pursuant to the terms of Section 3(b) of the Distribution Agreement. The provisions of the Distribution Agreement are hereby incorporated by reference herein and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein.

J.P. Morgan Securities Inc. has advised the Company that it has been authorized by each of the other Underwriters to execute this Terms Agreement on their behalf.

It is understood and agreed that the Underwriters propose to offer the Notes for sale as set forth in the Registration Statement and Prospectus (as such terms are defined in the Distribution Agreement), in each case as amended by the Prospectus Supplement dated July 22, 1997 relating to the Notes. The information set forth on Exhibit A hereto constitutes information furnished in writing by or on behalf of the Underwriters pursuant to Section 8(b) of the Distribution Agreement.

Please accept this offer by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

J.P. Morgan Securities Inc.
PaineWebber Incorporated
First Chicago Capital Markets, Inc.
Salomon Brothers Inc
Chase Securities Inc.
NationsBanc Capital Markets, Inc.

By: J. P. Morgan Securities Inc.

By: [signature]
Name: Steven Christensen
Title: Vice President

Accepted and agreed:

FLORIDA POWER CORPORATION

By:______________________________
Name: Pamela A. Saari
Title: Assistant Treasurer

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Please accept this offer by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

J.P. Morgan Securities Inc.
PaineWebber Incorporated
First Chicago Capital Markets, Inc.
Salomon Brothers Inc
Chase Securities Inc.
NationsBanc Capital Markets, Inc.

By: J. P. Morgan Securities Inc.

By: _____
Name:
Title:

Accepted and agreed:

FLORIDA POWER CORPORATION

By: Pamela A Saari
Name: Pamela A. Saari
Title: Assistant Treasurer

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EXHIBIT A

The information set forth below constitutes the only information furnished in writing by the Agents pursuant to Section 8(b) of the Distribution Agreement expressly for use in the Prospectus dated July 1, 1997 (the "Prospectus"), the preliminary Prospectus Supplement dated July 17, 1997 (the "Preliminary Prospectus Supplement") and the final Prospectus Supplement dated July 22, 1997 (the "Prospectus Supplement") relating to the notes:

Prospectus

1. The names J.P. Morgan & Co., PaineWebber Incorporated and First Chicago Capital Markets, Inc. contained on the cover page of the Prospectus (each of which names has been provided solely by the respective Agent).

2. The third and sixth paragraphs under the caption "Plan of Distribution" on page ten of the Prospectus.

Preliminary Prospectus Supplement and Prospectus Supplement

1. The names J.P. Morgan & Co., PaineWebber Incorporated, First Chicago Capital Markets, Inc., Chase Securities Inc., Salomon Brothers Inc and NationsBanc Capital Markets, Inc. contained on the cover page of each of the Preliminary Prospectus Supplement and the Prospectus Supplement (each of which names has been provided solely by the respective Agent).

2. All of the text in the second paragraph (i.e, the first paragraph following the table), the third sentence in the third paragraph, and all of the text in the last two paragraphs under the heading "Underwriting" on pages S-4 and S-5 of each of the Preliminary Prospectus Supplement and the Prospectus Supplement.

EXHIBIT (e)

Statement as to Underwriters' and finders' fees, if any.

1. The name and address of each Underwriter of the MTNs, the respective amount underwritten and the amount of the underwriters' fees is set forth below:

Name and address	Percent of each maturity of MTNs underwritten	Total principal amount of MTNs
J.P. Morgan Securities Inc. 60 Wall Street New York, NY 10260	45.0%	$ 202,500,000
PaineWebber Incorporated 1285 Avenue of the Americas New York, NY 10019	20.0	90,000,000
First Chicago Capital Markets, Inc. One First National Plaza Mail Suite 0595 Chicago, IL 60670-0595	15.0	67,500,000
Chase Securities Inc. 270 Park Avenue, 8th Floor New York, NY 10017	7.5	33,750,000
Salomon Brothers Inc Seven World Trade Center New York, NY 10048	7.5	33,750,000
NationsBanc Capital Markets, Inc. 600 Peachtree Street NE Atlanta, GA 30308-2213	5.0	22,500,000
	100%	$450,000,000

The MTNs were sold with a price to the public of 100% of the principal amount thereof. The total underwriting discounts/commissions aggregated $2,313,750, with the underwriting discount per maturity of MTN as set forth on the table in the body of this Consummation Report. This resulted in proceeds to the Company of $447,686,250, before deducting other expenses estimated at $250,000.

2. Except for the Underwriters, no other person received or is entitled to a finder's fee for services in connection with the negotiation or consummation of the issuance and sale of the MTNs or for services in securing underwriters or purchasers.

3. There is no affiliation, direct or indirect, through directors, officers or stockholders, or through the ownership of securities or otherwise, between the Company and the Underwriters, (i) except as may result from the ownership by the Underwriters or certain of their officers from time to time of shares of common stock of the Company's parent, Florida Progress Corporation, and (ii) except that, from time to time in the ordinary course of business, certain of the Underwriters and their affiliates have engaged, and may in the future engage, in general financing and banking transactions and investment banking transactions with the Company and its affiliates. As indicated in the body of this Consummation Report, the Chase Manhattan Bank, an affiliate of Chase Securities Inc., one of the Underwriters, made loans to the Company to finance the Tiger Bay Transaction.

4. No finder's fee was paid in respect of the sale of the MTNs.