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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc.

DOCKET NO. 100437-EI
Submitted for Filing: July 2, 2012

PROGRESS ENERGY FLORIDA, INC.'S
PHASE II AND III STATUS REPORT

Progress Energy Florida, Inc. ("PEF or the "Company"), pursuant to the case scheduling order ("CASR") in this docket, hereby files this Phase II and III status report and states as follows:

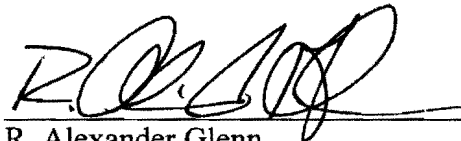
1. On March 14, 2012, the Commission, in order PSC-12-0115-PCO-EI, dismissed Phase I of this proceeding and stayed Phases II and III. Subsequent to that order, the Commission revised the CASR for this docket and set dates on which PEF would provide the Commission periodic written status reports on the decision to repair or retire Crystal River Unit 3 ("CR3") and the ultimate implementation of that decision. This filing is the first of those periodic reports. The Commission has also set a status conference before the pre-hearing officer to take place on August 13, 2012.
2. Since PEF's last status report to the Commission in January, PEF has continued its analysis of repair options for CR3. PEF has worked with two potential vendors for repair work and has received repair proposals from both vendors. After analyzing those proposals, PEF has selected a single vendor that PEF would engage to complete the repair of CR3 should the choice to repair CR3 be made. PEF continues to work with that vendor to further refine the details of the repair proposal and to develop proposed terms and conditions for an engineering, procurement, and construction contract with that vendor.

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3. PEF has also continued to interface with consumer representatives such as the Office of Public Counsel, the Florida Industrial Power Users Group, the Florida Retail Federation, and PCS Phosphate, and has provided those entities several sets of documents and information for them to review to include, among other things, all the information that PEF used to select a proposed vendor and repair option for CR3. PEF and consumer representatives have also conducted several meetings including a June 1, 2012 walk down of CR3 and an extensive briefing on the current state of the repair analysis at the unit site.
4. PEF also has continued to interact with its insurance carrier, Nuclear Electric Insurance Limited (NEIL), on PEF's insurance claims related to CR3, and PEF has continued to provide NEIL with information and various documents that NEIL has requested since PEF's last update to the Commission.
5. In the coming months, PEF expects to finalize the details of the repair options for CR3 and to complete the repair/retire analysis for CR3. PEF will continue to engage consumer representatives in this regard and will also continue to work with NEIL on PEF's pending insurance claims. PEF will further brief the Commission on these and any other significant matters if new information is available at the aforementioned August 13, 2012 status conference.

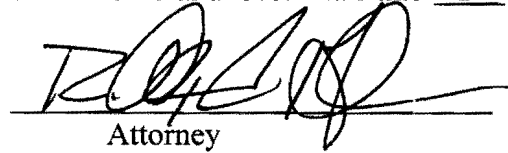
Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 2nd day of July, 2012.



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