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April 16, 2010

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

Dear Mr. Slemkewicz:

Pursuant to Commission Rule 25-6.1352, enclosed please find Progress Energy Florida, Inc.'s Rate of Return report for the twelve months ended February 28, 2010.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended February 28, 2010. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with Docket No. 090079-EI, Order No. PSC-10-0131-FOF-EI.

If you have any questions, please feel free to contact Cindy Lee at (727) 820-5535.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Garrett".

Will Garrett  
Controller, Progress Energy Florida

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

**PROGRESS ENERGY FLORIDA  
Rate of Return Report Summary  
February 2010**

Schedule 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income (a) (b)	\$572,416,526	(\$80,782,876)	\$491,633,650	(\$42,699,134)	\$448,934,516
Average Rate Base	\$7,154,703,158	(\$1,389,918,625)	\$5,764,784,533	\$0	\$5,764,784,533
Average Rate of Return	8.00%		8.53%		7.79%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$572,416,526	(\$80,782,876)	\$491,633,650	(\$42,699,134)	\$448,934,516
Year End Rate Base	\$7,035,122,781	(\$871,226,534)	\$6,163,896,248	\$0	\$6,163,896,248
Year End Rate of Return	8.14%		7.98%		7.28%

Footnotes

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

<b>III. Required Rates of Return</b>	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	7.35%	7.20%
Mid Point	7.85%	7.67%
High Point	8.35%	8.14%
Pro Forma Adjusted Basis		
Low Point	7.35%	7.20%
Mid Point	7.85%	7.67%
High Point	8.35%	8.14%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.83	(System Per Books Basis)
B. T.I.E. without AFUDC	3.43	(System Per Books Basis)
C. AFUDC to Net Income	20.73%	(System Per Books Basis)
D. Internally Generated Funds	89.86%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	45.71%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	11.87%	(FPSC Adjusted Basis)
	10.37%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	8.85%	Docket 050078-EI Order PSC-05-0945-S-EI

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

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

  
Will Garrett, Controller, Progress Energy Florida

4-16-10  
Date

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**February 2010**

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work In Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$11,469,412,582	\$4,675,109,022	\$6,794,303,560	\$35,243,655	\$1,749,988,251	\$136,099,366	\$8,715,634,833	(\$48,401,713)	\$8,667,233,120
Less Recoverable:									
ARO	29,834,778	(19,907,110)	49,741,888	0	0	0	49,741,888	(393,693,686)	(343,951,798)
ECCR	1,294,315	436,906	857,410	0	1,305,802	0	2,163,212	6,299,694	8,462,906
ECRC	323,637,021	3,965,647	319,671,374	0	4,772,504	0	324,443,878	39,459,340	363,903,218
FUEL	32,738,780	29,455,659	3,283,121	0	0	0	3,283,121	98,918,745	102,201,866
NUCLEAR	0	0	0	0	0	0	0	198,261,125	198,261,125
<b>Regulatory Base - System</b>	<b>\$11,081,907,687</b>	<b>\$4,661,157,920</b>	<b>\$6,420,749,767</b>	<b>\$35,243,655</b>	<b>\$1,743,909,945</b>	<b>\$136,099,366</b>	<b>\$8,336,002,733</b>	<b>\$2,353,069</b>	<b>\$8,338,355,802</b>
<b>Regulatory Base - Retail</b>	<b>\$9,897,098,099</b>	<b>\$4,335,713,769</b>	<b>\$5,561,384,330</b>	<b>\$25,835,361</b>	<b>\$1,529,727,185</b>	<b>\$110,983,596</b>	<b>\$7,227,930,473</b>	<b>(\$73,227,314)</b>	<b>\$7,154,703,158</b>
<b>FPSC Adjustments</b>									
CWIP - AFUDC	0	0	0	0	(1,384,932,954)	0	(1,384,932,954)	0	(1,384,932,954)
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,827,380)	(7,827,380)
CAPITAL LEASE	(218,086,239)	0	(218,086,239)	0	0	0	(218,086,239)	218,641,671	555,433
NUC. DECOM. UNFUNDED - WHOLESAL	0	(2,286,276)	2,286,276	0	0	0	2,286,276	0	2,286,276
<b>Total FPSC Adjustments</b>	<b>(218,086,239)</b>	<b>(2,286,276)</b>	<b>(215,799,963)</b>	<b>0</b>	<b>(1,384,932,954)</b>	<b>0</b>	<b>(1,600,732,917)</b>	<b>210,814,292</b>	<b>(1,389,918,625)</b>
<b>FPSC Adjusted</b>	<b>\$9,679,011,860</b>	<b>\$4,333,427,493</b>	<b>\$5,345,584,367</b>	<b>\$25,835,361</b>	<b>\$144,794,231</b>	<b>\$110,983,596</b>	<b>\$5,627,197,556</b>	<b>\$137,586,977</b>	<b>\$5,764,784,533</b>

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Income Statement  
February 2010

System Per Books (a)	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$5,246,261,611	\$2,721,484,745	\$787,346,582	\$510,472,059	\$349,810,162	\$110,741,632	\$128,366,313	(\$4,045,996)	\$0	\$4,614,285,940	\$631,975,670
Less Recoverable:											
ARO	0	0	0	(1,466,441)	0	0	0	0	0	(1,466,441)	1,466,441
ECCR	70,886,865	0	76,144,517	290,890	28,933	561,006	0	0	0	78,993,346	883,319
ECRC	145,242,638	0	56,336,697	48,583,402	3,789,865	2,459,832	0	0	0	122,803,689	22,439,010
FUEL	2,495,674,159	2,978,562,206	0	1,891,707	(71,595,105)	0	0	0	0	2,609,678,807	(114,004,648)
NUCLEAR	369,658,571	0	5,218,659	123,751,903	397,366	100,488,123	0	0	0	229,846,051	160,012,520
SCRC	8,856	0	9,651	0	10	75	0	0	0	9,736	119
Regulatory Base - System	\$2,136,659,682	\$41,912,543	\$687,635,689	\$339,344,345	\$344,014,161	\$69,885,630	\$128,908,481	(\$4,045,996)	\$0	\$1,674,422,782	\$661,168,910
Regulatory Base - Retail	\$1,873,763,618	\$7,398,830	\$593,670,344	\$293,689,853	\$329,434,899	\$53,132,041	\$116,739,918	(\$3,566,980)	\$0	\$1,319,398,726	\$484,364,793
FPSC Adjustments											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,875,087)	0	0	1,109,085	0	0	0	(1,766,002)	1,766,022
FRANCHISE FEE & GROSS REC TAX REVENUE	(225,178,876)	0	0	0	0	(68,662,751)	0	0	0	(68,662,751)	(138,316,124)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(225,094,730)	66,630,292	0	0	0	(138,264,438)	138,264,438
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	892,397	0	0	(2,313,408)	(1,421,011)	1,421,011
INST./PROMOTIONAL ADVERTISING	0	0	(2,034,777)	0	0	784,815	0	0	0	(1,249,862)	1,249,862
INTEREST ON TAX DEFICIENCY	0	0	692,878	0	0	(287,278)	0	0	0	425,601	(425,601)
MISCELLANEOUS INTEREST EXPENSE	0	0	149,900	0	0	(57,824)	0	0	0	92,076	(92,076)
REMOVE ASSOC/Organization DUES	0	0	(210,650)	0	0	81,258	0	0	0	(128,392)	128,392
REMOVE ECONOMIC DEVELOPMENT	0	0	(12,134)	0	0	4,661	0	0	0	(7,473)	7,453
PARENT DEBT ADJUSTMENT	(1,186)	0	0	0	0	(11,748,636)	0	0	0	(11,748,636)	11,748,636
SEBRING - RIDER REVENUE	0	0	0	0	0	(461)	0	0	0	(461)	(735)
DIRECTORS & OFFICERS PREMIUM	0	0	(311,015)	0	0	119,974	0	0	0	(191,041)	191,041
INTEREST SYNCHRONIZATION - FPSC	0	0	(4,560,888)	0	0	8,674,462	0	0	0	8,674,462	(8,674,462)
Total FPSC Adjustments	(225,180,972)	0	(4,560,888)	0	(225,094,730)	(439,906)	0	0	(2,313,408)	(232,446,329)	7,258,857
FPSC Adjusted	\$1,648,583,447	\$7,398,830	\$689,069,399	\$293,689,853	\$104,339,869	\$52,692,135	\$116,739,918	(\$3,566,980)	(\$2,313,408)	\$1,156,949,787	\$491,633,660
Pro Forma Adjustments											
Weather Normalization	(69,514,260)	0	0	0	0	(26,815,126)	0	0	0	(26,815,126)	(42,699,134)
Total Pro Forma Adjustments	(69,514,260)	0	0	0	0	(26,815,126)	0	0	0	(26,815,126)	(42,699,134)
Pro Forma Adjusted	\$1,579,069,187	\$7,398,830	\$689,069,399	\$293,689,853	\$104,339,869	\$25,877,009	\$116,739,918	(\$3,566,980)	(\$2,313,408)	\$1,130,134,671	\$448,934,516

Footnotes:  
(a) The addition of earnings from AFUDC charges would increase the system NOI by \$100,734,164 and Jurisdictional NOI by \$88,051,733

System Per Books (a)	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$403,386,272	\$200,115,481	\$59,903,086	\$41,567,241	\$29,443,622	\$13,386,811	\$6,546,247	(\$111,421)	\$0	\$350,854,070	\$52,532,202
Less Recoverable:											
ARO	0	0	0	(1,456,456)	0	0	0	0	0	(1,456,456)	1,456,456
ECCR	7,023,828	0	6,893,446	24,725	1,866	39,991	0	0	0	6,960,149	63,860
ECRC	17,548,821	0	3,975,802	4,730,445	902,863	3,082,744	0	0	0	12,671,654	4,876,968
FUEL	195,816,573	197,469,446	0	137,357	(690,582)	0	0	0	0	198,916,222	(1,099,849)
NUCLEAR	16,890,180	0	476,818	12,385,099	26,177	1,547,824	0	0	0	14,415,817	2,464,363
SCRC	1,168	0	0	0	0	451	0	0	0	451	717
System Per Books	\$166,115,000	\$2,646,035	\$46,857,123	\$25,903,427	\$28,376,237	\$9,428,584	\$6,546,247	(\$111,421)	\$0	\$121,346,232	\$44,769,668
Excluding AFUDC Earnings and Recoverable	\$162,418,909	\$666,466	\$43,942,055	\$28,357,653	\$26,935,379	(\$80,514,857)	\$6,017,668	(\$98,229)	\$0	\$266,216,148	(\$102,797,235)
Jurisdictional Per Books											
Excluding AFUDC Earnings and Recoverable											

Current Month

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Adjustments**  
**February 2010**

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$1,574,733,814)	(\$1,384,932,954)
(1)	GAINLOSS ON SALE OF PLANT	F	(8,414,179)	(7,827,380)
(2)	CAPITAL LEASE-EPS	F	(218,086,239)	(218,086,239)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	218,641,671	218,641,671
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	<b>Total</b>		<b>(\$1,580,306,284)</b>	<b>(\$1,389,918,625)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
(2)	CORPORATE AIRCRAFT ALLOCATION	F	(\$3,278,619)	\$1,264,727	(\$2,875,087)	\$1,109,065
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	225,178,876	(86,862,751)	225,178,876	(86,862,751)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(225,094,730)	86,830,292	(225,094,730)	86,830,292
(1)	GAINLOSS ON SALE OF PLANT	F	(2,945,703)	1,136,305	(2,313,408)	892,397
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,320,368)	895,082	(2,034,777)	784,915
(1)	INTEREST ON TAX DEFICIENCY	F	785,817	(303,129)	692,879	(267,278)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	798,792	(308,134)	149,900	(57,824)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(12,134)	4,681	(12,134)	4,681
(2)	RTO START UP COSTS	F	0	0	0	(11,748,636)
(1)	SEBRING - RIDER REVENUE	F	1,196	(461)	1,196	(461)
(2)	DIRECTORS & OFFICERS PREMIUM	F	(311,015)	119,974	(311,015)	119,974
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	19,974,228	0	8,674,462
	<b>Total</b>		<b>(\$7,438,105)</b>	<b>\$22,843,477</b>	<b>(\$6,828,951)</b>	<b>(\$439,906)</b>

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

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Rate Base**  
**February 2010**

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Period End Rate Base
<b>System Per Books</b>	\$12,495,802,906	\$4,730,302,109	\$7,765,500,797	\$35,766,964	\$1,161,685,972	\$163,128,877	\$9,126,082,611	(\$48,401,713)	\$9,077,680,898
<b>Less Recoverable:</b>									
ARO	30,440,791	(17,364,508)	47,805,299	0	0	0	47,805,299	(393,693,686)	(345,888,387)
ECCR	1,449,866	562,540	887,326	0	1,498,567	0	2,385,893	6,299,694	8,685,587
ECRC	991,819,799	10,040,335	981,779,464	0	8,740,085	0	990,519,549	39,459,340	1,029,979,889
FUEL	32,738,780	30,129,188	2,609,592	0	0	0	2,609,592	98,918,745	101,528,337
NUCLEAR	0	0	0	0	0	0	0	198,261,125	198,261,125
<b>Regulatory Base - System</b>	<b>\$11,439,353,670</b>	<b>\$4,706,934,554</b>	<b>\$6,732,419,116</b>	<b>\$35,766,964</b>	<b>\$1,151,447,320</b>	<b>\$163,128,877</b>	<b>\$8,082,762,277</b>	<b>\$2,353,069</b>	<b>\$8,085,115,347</b>
<b>Regulatory Base - Retail</b>	<b>\$10,289,203,746</b>	<b>\$4,357,687,687</b>	<b>\$5,931,516,059</b>	<b>\$26,218,973</b>	<b>\$1,017,562,405</b>	<b>\$133,052,658</b>	<b>\$7,108,350,096</b>	<b>(\$73,227,314)</b>	<b>\$7,035,122,781</b>
<b>FPSC Adjustments</b>									
CWIP - AFUDC	0	0	0	0	(869,736,089)	0	(869,736,089)	0	(869,736,089)
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,827,380)	(7,827,380)
CAPITAL LEASE	(214,591,012)	0	(214,591,012)	0	0	0	(214,591,012)	218,641,671	4,050,659
NUC. DECOM. UNFUNDED - WHOLESALE	0	(2,286,276)	2,286,276	0	0	0	2,286,276	0	2,286,276
<b>Total FPSC Adjustments</b>	<b>(214,591,012)</b>	<b>(2,286,276)</b>	<b>(212,304,736)</b>	<b>0</b>	<b>(869,736,089)</b>	<b>0</b>	<b>(1,082,040,825)</b>	<b>210,814,292</b>	<b>(871,226,534)</b>
<b>FPSC Adjusted</b>	<b>\$10,074,612,734</b>	<b>\$4,355,401,411</b>	<b>\$5,719,211,323</b>	<b>\$26,218,973</b>	<b>\$147,826,316</b>	<b>\$133,052,658</b>	<b>\$6,026,309,270</b>	<b>\$137,586,977</b>	<b>\$6,163,896,248</b>

PROGRESS ENERGY FLORIDA  
End of Period - Income Statement  
February 2010

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books (a)</b>	\$5,246,261,611	\$2,721,494,748	\$797,346,982	\$510,472,099	\$349,910,162	\$110,741,632	\$128,366,313	(\$4,045,996)	\$0	\$4,614,285,940	\$631,975,670
<b>Less Recoverable:</b>											
ARO	0	0	0	(1,468,441)	0	0	0	0	0	(1,468,441)	1,468,441
EOCR	79,886,665	0	78,144,517	260,890	26,933	561,006	0	0	0	78,993,346	893,319
EORC	145,242,698	0	56,338,567	48,583,402	3,789,985	11,631,903	2,459,832	0	0	122,803,689	22,439,010
FUEL	2,495,674,158	2,679,582,206	0	0	1,691,707	(71,595,105)	0	0	0	2,609,678,807	(114,004,649)
NUCLEAR	16880180	0	5,218,659	12,365,099	387,366	100,488,123	0	0	0	118,459,247	(101,579,067)
SORC	9,856	0	9,651	0	10	75	0	0	0	9,736	119
<b>Regulatory Base - System</b>	<b>\$2,508,568,053</b>	<b>\$41,912,543</b>	<b>\$657,635,589</b>	<b>\$450,731,149</b>	<b>\$344,014,161</b>	<b>\$69,855,630</b>	<b>\$125,906,481</b>	<b>(\$4,045,996)</b>	<b>\$0</b>	<b>\$1,685,809,556</b>	<b>\$822,768,497</b>
<b>Regulatory Base - Retail</b>	<b>\$1,873,763,516</b>	<b>\$7,398,880</b>	<b>\$593,670,284</b>	<b>\$293,589,853</b>	<b>\$329,434,699</b>	<b>\$53,132,041</b>	<b>\$115,739,918</b>	<b>(\$3,566,950)</b>	<b>\$0</b>	<b>\$1,389,398,726</b>	<b>\$484,364,793</b>
<b>FPSC Adjustments</b>											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,875,087)	0	0	1,109,065	0	0	0	(1,766,022)	1,766,022
FRANCHISE FEE & GROSS REC TAX REVENUE	(225,178,876)	0	0	0	0	(86,862,751)	0	0	0	(86,862,751)	(138,316,124)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(225,094,730)	86,830,292	0	0	0	(138,264,438)	138,264,438
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	892,397	0	0	(2,313,408)	(1,421,011)	1,421,011
INST./PROMOTIONAL ADVERTISING	0	0	(2,034,777)	0	0	784,915	0	0	0	(1,249,862)	1,249,862
INTEREST ON TAX DEFICIENCY	0	0	692,879	0	0	(267,278)	0	0	0	425,601	(425,601)
MISCELLANEOUS INTEREST EXPENSE	0	0	149,900	0	0	(57,824)	0	0	0	92,076	(92,076)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(210,650)	0	0	81,258	0	0	0	(129,392)	129,392
REMOVE DEFERRED TAX AFUDC DEBT	0	0	0	0	0	0	0	0	0	0	0
REMOVE ECONOMIC DEVELOPMENT	0	0	(12,134)	0	0	4,681	0	0	0	(7,453)	7,453
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,748,636)	0	0	0	(11,748,636)	11,748,636
SEBRING - RIDER REVENUE	(1,196)	0	0	0	0	(461)	0	0	0	(461)	(735)
DIRECTORS & OFFICERS PREMIUM	0	0	(311,015)	0	0	119,974	0	0	0	(191,041)	191,041
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	8,674,462	0	0	0	8,674,462	(8,674,462)
<b>Total FPSC Adjustments</b>	<b>(225,180,072)</b>	<b>0</b>	<b>(4,600,885)</b>	<b>0</b>	<b>(225,094,730)</b>	<b>(439,906)</b>	<b>0</b>	<b>0</b>	<b>(2,313,408)</b>	<b>(232,448,929)</b>	<b>7,268,857</b>
<b>FPSC Adjusted</b>	<b>\$1,648,583,447</b>	<b>\$7,398,880</b>	<b>\$589,069,399</b>	<b>\$293,589,853</b>	<b>\$104,339,969</b>	<b>\$52,692,135</b>	<b>\$115,739,918</b>	<b>(\$3,566,950)</b>	<b>(\$2,313,408)</b>	<b>\$1,156,949,797</b>	<b>\$491,633,650</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$100,734,164 and Jurisdictional NOI by \$68,051,733

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Adjustments**  
**February 2010**

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$974,684,724)	(\$869,736,089)
(1)	GAIN/LOSS ON SALE OF PLANT	F	(8,414,179)	(7,827,380)
(2)	CAPITAL LEASE	F	218,641,671	218,641,671
(2)	CAPITAL LEASE	F	215,094,551	215,094,551
(1)	NUC. DECOM. UNFUNDED - WHOLESAL	F	2,286,276	2,286,276
	<b>Total</b>		<b>(\$547,076,404)</b>	<b>(\$441,540,970)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
(2)	CORPORATE AIRCRAFT ALLOCATION	F	(\$3,278,619)	\$1,264,727	(\$2,875,087)	\$1,109,065
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	225,178,876	(86,862,751)	225,178,876	(86,862,751)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(225,094,730)	86,830,292	(225,094,730)	86,830,292
(1)	GAIN/LOSS ON SALE OF PLANT	F	(2,945,703)	1,136,305	(2,313,408)	892,397
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,320,368)	895,082	(2,034,777)	784,915
(1)	INTEREST ON TAX DEFICIENCY	F	785,817	(303,129)	692,879	(267,278)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	798,792	(308,134)	149,900	(57,824)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(12,134)	4,681	(12,134)	4,681
(2)	RTO START UP COSTS	F	0	0	0	(11,748,636)
(1)	SEBRING - RIDER REVENUE	F	1,196	(461)	1,196	(461)
(2)	STORM COSTS 2004	F	(311,015)	119,974	(311,015)	119,974
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	19,974,228	0	8,674,462
	<b>Total</b>		<b>(\$7,438,105)</b>	<b>\$22,843,477</b>	<b>(\$6,826,951)</b>	<b>(\$439,906)</b>

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



**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**Pro Forma Adjusted Basis**  
**February 2010**

	System Per Books	Specific Adjustments	System Adjusted	Pro Rata Adjustments	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,098,694,214	\$663,530,079	\$4,762,224,293	(\$1,911,295,403)	\$2,850,928,890	49.45% ***	9.50%	4.70%	10.50%	5.19%	11.50%	5.69%
Preferred Stock	33,496,700	0	33,496,700	(13,443,737)	20,052,963	0.35%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,122,152,832	(84,299,310)	4,037,853,522	(1,620,572,741)	2,417,280,781	41.93%	5.78%	2.42%	5.78%	2.42%	5.78%	2.42%
Short Term Debt *	381,142,164	(381,142,164)	0	-	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			0	-	0							
Active	191,735,157	0	191,735,157	-	191,735,157	3.33%	6.24%	0.21%	6.24%	0.21%	6.24%	0.21%
Inactive	1,297,705	0	1,297,705	-	1,297,705	0.02%						
Investment Tax Credit			0	-	0							
Post 70 Total	8,532,196		8,532,196	(3,424,355)								
Equity **			0	-	2,773,032	0.05%	9.46%	0.00%	10.46%	0.01%	11.45%	0.01%
Debt **			0	-	2,334,810	0.04%	5.78%	0.00%	5.78%	0.00%	5.78%	0.00%
Deferred Income Taxes	615,676,257	17,070,319	632,746,576	(253,949,740)	378,796,836	6.57%						
FAS 109 DIT - Net	(170,143,055)	2,407,920	(167,735,435)	67,319,796	(100,415,639)	-1.74%						
<b>Total</b>	<b>\$9,282,584,169</b>	<b>\$217,566,544</b>	<b>\$9,500,150,713</b>	<b>(\$3,735,366,180)</b>	<b>\$5,764,784,533</b>	<b>100.00%</b>		<b>7.35%</b>		<b>7.85%</b>		<b>8.35%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

\*\*\*Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

Docket No. 050078-EI, Order No. 05-0945-S-EI, Paragraph No. 13

49.81%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**February 2010**

	System Per Books	Specific Adjustments	System Adjusted	Pro Rata Adjustments	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,573,374,302	\$0	\$4,573,374,302	(\$1,650,172,856)	\$2,923,201,446	47.42% ***	9.50%	4.51%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	33,496,700	0	33,496,700	(12,086,337)	21,410,363	0.35%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,125,158,950	0	4,125,158,950	(1,488,447,015)	2,636,711,935	42.78%	5.77%	2.47%	5.77%	2.47%	5.77%	2.47%
Short Term Debt *	259,035,868	(259,035,868)	0	-	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			0	-	-							
Active	197,598,890	0	197,598,890	-	197,598,890	3.21%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,518,971	0	1,518,971	-	1,518,971	0.02%						
Investment Tax Credit			0	-	-							
Post '70 Total	6,702,846		6,702,846	(2,418,532)								
Equity **			0	-	2,260,331	0.04%	9.46%	0.00%	10.45%	0.00%	11.45%	0.00%
Debt **			0	-	2,023,982	0.03%	5.77%	0.00%	5.77%	0.00%	5.77%	0.00%
Deferred Income Taxes	755,148,395	27,905,014	783,053,409	(282,542,691)	500,510,718	8.12%						
FAS 109 DIT - Net	(189,897,851)	59,750	(189,838,101)	68,497,713	(121,340,388)	-1.97%						
<b>Total</b>	<b>\$9,762,137,069</b>	<b>(\$231,071,104)</b>	<b>\$9,531,065,966</b>	<b>(\$3,367,169,718)</b>	<b>\$6,163,896,248</b>	<b>100.00%</b>		<b>7.20%</b>		<b>7.67%</b>		<b>8.14%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

\*\*\* Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

Docket No. 050078-EI, Order No. 05-0945-S-EI, Paragraph No. 13

52.37%

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**February 2010**

	System Per Books	Specific Adjustments	System Adjusted	Pro Rata Adjustments	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,098,694,214	\$663,530,079	\$4,762,224,293	(\$1,911,295,403)	\$2,850,928,890	49.45% ***	9.50%	4.70%	10.50%	5.19%	11.50%	5.69%
Preferred Stock	33,496,700	0	\$33,496,700	(\$13,443,737)	\$20,052,963	0.35%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,122,152,832	(84,299,310)	\$4,037,853,522	(\$1,620,572,741)	\$2,417,280,781	41.93%	5.78%	2.42%	5.78%	2.42%	5.78%	2.42%
Short Term Debt *	381,142,164	(381,142,164)	\$0	\$0	\$0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			\$0	\$0	\$0							
Active	191,735,157	0	\$191,735,157	\$0	\$191,735,157	3.33%	6.24%	0.21%	6.24%	0.21%	6.24%	0.21%
Inactive	1,297,705	0	\$1,297,705	\$0	\$1,297,705	0.02%						
Investment Tax Credit			\$0	\$0	\$0							
Post '70 Total	8,532,196		\$8,532,196	(\$3,424,355)								
Equity **			\$0	\$0	\$2,773,032	0.05%	9.46%	0.00%	10.46%	0.01%	11.45%	0.01%
Debt **			\$0	\$0	\$2,334,810	0.04%	5.78%	0.00%	5.78%	0.00%	5.78%	0.00%
Deferred Income Taxes	615,676,257	17,070,319	\$632,746,576	(\$253,949,740)	\$378,796,836	6.57%						
FAS 109 DIT - Net	(170,143,055)	2,407,620	(\$167,735,435)	\$67,319,796	(\$100,415,639)	-1.74%						
<b>Total</b>	<b>\$9,282,584,169</b>	<b>\$217,566,544</b>	<b>\$9,500,150,713</b>	<b>(\$3,735,366,180)</b>	<b>\$5,764,784,533</b>	<b>100.00%</b>		<b>7.35%</b>		<b>7.85%</b>		<b>8.35%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

\*\*\*Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

Docket No. 050078-EI, Order No. 05-0945-S-EI, Paragraph No. 13

53.91%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**February 2010**

	System Per Books	Specific Adjustments	System Adjusted	Pro Rate Adjustments	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,573,374,302	\$0	\$4,573,374,302	(\$1,650,172,856)	\$2,923,201,446	47.42% ***	9.50%	4.51%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	33,496,700		33,496,700	(\$12,086,337)	21,410,363	0.35%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,125,158,950	0	4,125,158,950	(\$1,488,447,015)	2,636,711,935	42.78%	5.77%	2.47%	5.77%	2.47%	5.77%	2.47%
Short Term Debt *	259,035,868	(259,035,868)	0	\$0	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits												
Active	197,598,890		197,598,890	-	197,598,890	3.21%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,518,971		1,518,971	-	1,518,971	0.02%						
Investment Tax Credit												
Post '70 Total	6,702,846		6,702,846	(2,418,532)								
Equity **					2,260,331	0.04%	9.46%	0.00%	10.45%	0.00%	11.45%	0.00%
Debt **					2,023,982	0.03%	5.77%	0.00%	5.77%	0.00%	5.77%	0.00%
Deferred Income Taxes	755,148,395	27,905,014	783,053,409	(282,542,691)	500,510,718	8.12%						
FAS 109 DIT - Net	(189,897,851)	59,750	(189,838,101)	68,497,713	(121,340,388)	-1.97%						
<b>Total</b>	<b>\$9,762,137,069</b>	<b>(\$231,071,104)</b>	<b>\$9,531,065,966</b>	<b>(\$3,367,169,718)</b>	<b>\$6,163,896,248</b>	<b>100.00%</b>		<b>7.20%</b>		<b>7.67%</b>		<b>8.14%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

\*\*\*Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

Docket No. 050078-EI, Order No. 05-0945-S-EI, Paragraph No. 13

52.37%

**PROGRESS ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**February 2010**

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$718,470,448
AFUDC - Debt	\$24,240,811
Income Taxes	\$235,017,701
<b>Total</b>	<b>\$977,728,960</b>
Interest Charges (before deducting AFUDC-Debt)	\$255,342,364
<b>T.I.E. with AFUDC</b>	<b>3.83</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$718,470,448
AFUDC - Equity	(\$76,493,353)
Income Taxes	\$235,017,701
<b>Total</b>	<b>\$876,994,796</b>
Interest Charges (before deducting AFUDC-Debt)	\$255,342,364
<b>T.I.E. without AFUDC</b>	<b>3.43</b>

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

AFUDC - Debt	\$24,240,811
Less: DIT	\$0
<b>Subtotal</b>	<b>\$24,240,811</b>
AFUDC - Other	\$76,493,353
<b>Total AFUDC</b>	<b>\$100,734,164</b>
Net Income Available For Common Shareholders	\$485,857,035
<b>Percent AFUDC to Available Net Income</b>	<b>20.73%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$487,368,895
Common Dividends	\$0
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$100,734,164)
Depreciation & Amortization	\$485,638,793
Deferred Income Taxes	\$101,259,796
Investment Tax Credits	(\$4,045,996)
Deferred Fuel (Net)	(\$49,246,124)
Nuclear Fuel Amortization	\$15,912,094
Nuclear Refueling	\$14,862,400
Other - Incl Nuclear Decommissioning	(\$26,505,698)
<b>Funds Provided from Operations</b>	<b>\$922,998,135</b>
Other Funds Provided - Incl Change in Working Capital	\$334,670,981
<b>Total Funds Provided</b>	<b>\$1,257,669,116</b>
Construction Expenditures (excluding AFUDC)	\$1,399,546,688
<b>Percentage Internally Generated Funds</b>	<b>89.86%</b>

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

Common Equity	\$2,850,928,890
Preferred Stock	\$20,052,963
Long Term Debt - Fixed Rate	\$2,417,280,781
Short Term Debt	\$0
<b>Total</b>	<b>\$5,288,262,634</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>45.71%</b>
<b>% Short Term Debt</b>	<b>0.00%</b>

**FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PRO FORMA**

<b>F: RETURN ON COMMON EQUITY</b>	<b>Pro Forma</b>	<b>FPSC</b>
Average Earned Rate of Return	7.79%	8.53%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.02%	0.02%
Long Term Debt - Fixed Rate	2.42%	2.42%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.21%	0.21%
Investment Tax Credit (at Midpoint)		
Equity	0.01%	0.01%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.66%</b>	<b>2.66%</b>
<b>Total</b>	<b>5.13%</b>	<b>5.87%</b>
<b>Divided by Common Equity Ratio</b>	<b>49.45%</b>	<b>49.45%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>10.37%</b>	<b>11.87%</b>