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DEPARTMENT OF
ECONOMIC REGULATION

May 17, 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 March 31, 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 March 31, 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 cursive script, 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
March 2010**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
Net Operating Income (a) (b)	\$558,255,985	(\$73,867,916)	\$484,388,069	(\$42,699,134)	\$441,688,935
Average Rate Base	\$7,254,834,051	(\$1,312,886,573)	\$5,941,947,478	\$0	\$5,941,947,478
Average Rate of Return	7.69%		8.15%		7.43%
II. Year End Rate of Return (Jurisdictional)					
Net Operating Income	\$558,255,985	(\$73,867,916)	\$484,388,069	(\$42,699,134)	\$441,688,935
Year End Rate Base	\$7,073,140,300	(\$791,775,678)	\$6,281,364,623	\$0	\$6,281,364,623
Year End Rate of Return	7.89%		7.71%		7.03%

Footnotes

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

III. Required Rates of Return	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	7.29%	6.95%
Mid Point	7.79%	7.41%
High Point	8.29%	7.87%
Pro Forma Adjusted Basis		
Low Point	7.29%	6.95%
Mid Point	7.79%	7.41%
High Point	8.29%	7.87%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.86	(System Per Books Basis)
B. T.I.E. without AFUDC	3.50	(System Per Books Basis)
C. AFUDC to Net Income	19.64%	(System Per Books Basis)
D. Internally Generated Funds	92.69%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	45.40%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	11.23%	(FPSC Adjusted Basis)
	9.77%	(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

5/17/10
Date

PROGRESS ENERGY FLORIDA
Average Rate of Return - Rate Base
March 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	\$11,620,817,572	\$4,681,393,210	\$6,939,424,362	\$35,295,762	\$1,671,136,766	\$140,788,232	\$8,786,645,123	(\$29,932,422)	\$8,756,712,701
Less Recoverable:									
ARO	30,389,022	(19,285,834)	49,674,856	0	0	0	49,674,856	(392,359,621)	(342,684,765)
ECCR	1,318,525	457,759	860,765	0	1,337,101	0	2,197,866	6,647,580	8,845,446
ECRC	398,466,605	4,771,115	393,695,491	0	5,136,732	0	398,832,223	33,916,596	432,748,819
FUEL	32,738,780	29,572,276	3,166,504	0	0	0	3,166,504	100,200,853	103,367,358
NUCLEAR	0	0	0	0	0	0	0	204,718,691	204,718,691
Regulatory Base - System	\$11,157,904,640	\$4,665,877,894	\$6,492,026,746	\$35,295,762	\$1,664,662,933	\$140,788,232	\$8,332,773,674	\$16,943,479	\$8,349,717,153
Regulatory Base - Retail	\$9,963,852,356	\$4,250,871,126	\$5,712,981,230	\$25,873,559	\$1,461,122,531	\$114,809,596	\$7,314,786,915	(\$59,952,864)	\$7,254,834,051
FPSC Adjustments									
CWIP - AFUDC	0	0	0	0	(1,308,020,907)	0	(1,308,020,907)	0	(1,308,020,907)
GAINLOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,699,666)	(7,699,666)
CAPITAL LEASE	(217,509,586)	0	(217,509,586)	0	0	0	(217,509,586)	218,057,309	547,723
NUC. DECOM. UNFUNDED - WHOLESALE	0	(2,286,276)	2,286,276	0	0	0	2,286,276	0	2,286,276
Total FPSC Adjustments	(217,509,586)	(2,286,276)	(215,223,310)	0	(1,308,020,907)	0	(1,523,244,217)	210,357,643	(1,312,886,573)
FPSC Adjusted	\$9,746,342,770	\$4,248,584,850	\$5,497,757,920	\$25,873,559	\$153,101,624	\$114,809,596	\$5,791,542,698	\$150,404,780	\$5,941,947,478

PROGRESS ENERGY FLORIDA
Average Rate of Return - Income Statement
March 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
Less Recoverable:											
ARO	0	0	0	(148,369)	0	0	0	0	0	(148,369)	148,369
ECR	81,840,497	0	80,028,452	267,024	27,605	594,957	0	0	0	80,909,039	931,458
ECRC	153,764,546	0	61,345,550	42,766,390	4,872,928	17,350,912	0	0	0	128,135,777	27,628,768
FUEL	2,461,498,329	2,570,187,111	0	0	1,688,585	(73,045,376)	0	0	0	2,607,810,520	(116,313,991)
NUCLEAR	373,789,258	5,254,962	112,022,822	373,668	98,903,992	0	0	0	0	216,455,466	157,330,790
SCRC	7,718	0	7,515	0	0	0	0	0	0	7,598	119
Regulatory Base - System	\$2,157,012,058	\$41,091,264	\$665,356,870	\$337,030,304	\$345,294,470	\$89,007,909	\$138,178,886	(\$3,795,996)	\$0	\$1,693,163,607	\$553,846,451
Regulatory Base - Retail	\$1,991,528,522	\$7,453,825	\$600,033,535	\$291,666,416	\$330,577,340	\$40,936,008	\$127,021,456	(\$3,346,559)	\$0	\$1,414,342,029	\$476,916,492
FPSC Adjustments											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,745,102)	0	0	1,058,923	0	0	0	(1,686,179)	1,686,179
FRANCHISE FEE & GROSS REC TAX REVENUE	(28,031,447)	0	0	0	0	(87,191,631)	0	0	0	(87,191,631)	(138,538,817)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(228,055,461)	87,200,884	0	0	0	(138,854,567)	138,854,567
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	881,882	0	0	(2,298,148)	(1,404,266)	1,404,266
INST./PROMOTIONAL ADVERTISING	0	0	(1,870,332)	0	0	769,065	0	0	0	(1,101,267)	1,101,267
INTEREST ON TAX DEFICIENCY	0	0	799,237	0	0	(266,733)	0	0	0	472,504	(472,504)
MISCELLANEOUS INTEREST EXPENSE	0	0	217,010	0	0	(63,712)	0	0	0	133,298	(133,298)
REMOVE ASSOCIATION DUES	0	0	(210,860)	0	0	61,256	0	0	0	(129,602)	129,602
REMOVE ECONOMIC DEVELOPMENT	0	0	(11,387)	0	0	4,392	0	0	0	(6,994)	6,994
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,773,116)	0	0	0	(11,773,116)	11,773,116
SEBRING - RIDER REVENUE	(1,136)	0	0	0	0	(438)	0	0	0	(438)	(698)
DIRECTORS & OFFICERS PREMIUM	0	0	(466,523)	0	0	170,981	0	0	0	(295,561)	295,561
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	8,433,459	0	0	0	8,433,459	(8,433,459)
Total FPSC Adjustments	(228,032,584)	0	(4,417,747)	0	(228,055,461)	(744,804)	0	0	(2,296,148)	(233,504,160)	7,471,577
FPSC Adjusted	\$1,695,225,938	\$7,453,825	\$595,615,788	\$291,666,416	\$104,521,879	\$40,191,203	\$127,021,456	(\$3,346,559)	(\$2,296,148)	\$1,180,837,869	\$484,390,069
Pro Forma Adjustments											
Weather Normalization	(66,514,260)	0	0	0	0	(26,815,128)	0	0	0	(26,815,128)	(42,699,134)
Total Pro Forma Adjustments	(66,514,260)	0	0	0	0	(26,815,128)	0	0	0	(26,815,128)	(42,699,134)
Pro Forma Adjusted	\$1,595,711,678	\$7,453,825	\$595,615,788	\$291,666,416	\$104,521,879	\$13,376,077	\$127,021,456	(\$3,346,559)	(\$2,296,148)	\$1,154,022,743	\$441,690,935

Footnotes:
(a) The addition of earnings from AFUDC charges would increase the system NOI by \$93,033,847 and Jurisdictional NOI by \$81,330,492

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
Less Recoverable:											
ARO	0	0	0	1,320,072	0	0	0	0	0	1,320,072	(1,320,072)
ECR	7,246,817	0	7,107,656	24,051	2,413	43,048	0	0	0	7,178,069	66,548
ECRC	17,393,324	0	3,273,205	3,728,306	919,595	3,653,882	0	0	0	11,575,088	5,810,236
FUEL	204,170,553	206,861,389	0	0	128,378	(1,095,227)	0	0	0	205,914,540	(1,743,987)
NUCLEAR	17,228,778	552,772	13,046,380	18,176	1,392,353	0	0	0	0	15,009,851	2,217,117
SCRC	(228)	0	(225)	0	0	(0)	0	0	0	(228)	(0)
System Per Books	\$160,409,561	\$1,849,469	\$66,929,960	\$23,826,815	\$29,834,875	\$7,856,689	\$21,810,875	(\$128,833)	\$0	\$136,064,293	\$24,345,268
Excluding AFUDC Earnings and Recoverable	\$159,591,763	\$621,086	\$60,032,872	\$28,679,104	\$28,256,720	\$82,911,592	\$20,649,530	(\$113,579)	\$0	\$276,666,127	(\$117,074,363)
Jurisdictional Per Books											
Excluding AFUDC Earnings and Recoverable											

Current Month

PROGRESS ENERGY FLORIDA
Average Rate of Return - Adjustments
March 2010

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$1,485,843,301)	(\$1,308,020,907)
(1)	GAIN/LOSS ON SALE OF PLANT	F	(8,231,102)	(7,699,666)
(2)	CAPITAL LEASE-EPS	F	(217,509,586)	(217,509,586)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	218,057,309	218,057,309
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	Total		(\$1,491,240,404)	(\$1,312,886,573)

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	(\$3,130,391)	\$1,207,548	(\$2,745,102)	\$1,058,923
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	226,031,447	(87,191,631)	226,031,447	(87,191,631)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(226,055,461)	87,200,894	(226,055,461)	87,200,894
(1)	GAIN/LOSS ON SALE OF PLANT	F	(2,938,974)	1,133,709	(2,286,148)	881,882
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,246,877)	866,733	(1,970,332)	760,055
(1)	INTEREST ON TAX DEFICIENCY	F	872,418	(336,535)	769,237	(296,733)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	859,165	(331,423)	217,010	(83,712)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,387)	4,392	(11,387)	4,392
(2)	RTO START UP COSTS	F	0	0	0	(11,773,116)
(1)	SEBRING - RIDER REVENUE	F	1,136	(438)	1,136	(438)
(2)	DIRECTORS & OFFICERS PREMIUM	F	(466,523)	179,961	(466,523)	179,961
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	20,718,204	0	8,433,459
	Total		(\$7,325,662)	\$23,544,078	(\$6,726,772)	(\$744,804)

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
March 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
System Per Books	\$12,527,308,589	\$4,746,472,441	\$7,780,836,148	\$35,767,351	\$1,211,355,923	\$163,152,531	\$9,191,111,952	(\$29,932,422)	\$9,161,179,530
Less Recoverable:									
ARO	30,440,791	(17,182,563)	47,623,354	0	0	0	47,623,354	(392,359,621)	(344,736,266)
ECCR	1,429,933	587,492	842,441	0	1,517,668	0	2,360,110	6,647,680	9,007,689
ECRC	1,010,274,255	12,132,294	998,141,961	0	7,970,398	0	1,006,112,359	33,916,596	1,040,028,955
FUEL	32,738,780	30,193,462	2,545,318	0	0	0	2,545,318	100,200,853	102,746,171
NUCLEAR	0	0	0	0	0	0	0	204,718,691	204,718,691
Regulatory Base - System	\$11,452,424,829	\$4,720,741,756	\$6,731,683,073	\$35,767,351	\$1,201,867,857	\$163,152,531	\$8,132,470,811	\$16,943,479	\$8,149,414,280
Regulatory Base - Retail	\$10,206,244,490	\$4,292,966,202	\$5,913,278,288	\$26,219,256	\$1,060,523,669	\$133,071,951	\$7,133,093,164	(\$59,952,864)	\$7,073,140,300
FPSC Adjustments									
CWIP - AFUDC	0	0	0	0	(789,660,260)	0	(789,660,260)	0	(789,660,260)
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,699,666)	(7,699,666)
CAPITAL LEASE	(214,759,337)	0	(214,759,337)	0	0	0	(214,759,337)	218,057,309	3,297,972
NUC. DECOM. UNFUNDED - WHOLESAL	0	(2,286,276)	2,286,276	0	0	0	2,286,276	0	2,286,276
Total FPSC Adjustments	(214,759,337)	(2,286,276)	(212,473,061)	0	(789,660,260)	0	(1,002,133,321)	210,357,643	(791,775,676)
FPSC Adjusted:	\$9,991,485,153	\$4,290,679,926	\$5,700,805,227	\$26,219,256	\$270,863,409	\$133,071,951	\$6,130,959,843	\$150,404,780	\$6,281,364,623

PROGRESS ENERGY FLORIDA
End of Period - Income Statement
March 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
System Per Books (a)	\$5,257,907,404	\$2,720,258,375	\$811,994,168	\$491,938,171	\$352,057,285	\$123,702,470	\$138,178,986	(\$3,795,996)	\$0	\$4,634,333,439	\$623,573,966
Less Recoverable:											
ARO	0	0	0	(148,369)	0	0	0	0	0	(148,369)	148,369
ECCR	81,840,497	0	80,029,452	267,024	27,605	584,957	0	0	0	80,909,039	931,458
ECRC	153,764,546	0	61,345,550	42,766,390	4,672,926	17,350,912	0	0	0	126,135,777	27,628,769
FUEL	2,491,496,329	2,679,167,111	0	0	1,688,585	(73,045,376)	0	0	0	2,607,810,320	(116,313,991)
NUCLEAR	17226778	0	5,254,982	13,046,360	373,669	98,803,992	0	0	0	117,479,004	(100,252,226)
SCRC	7,718	0	7,515	0	9	75	0	0	0	7,598	119
Regulatory Base - System	\$2,513,571,536	\$41,091,264	\$665,356,670	\$436,006,766	\$345,294,470	\$80,007,909	\$138,178,986	(\$3,795,996)	\$0	\$1,702,140,069	\$811,431,467
Regulatory Base - Retail	\$1,891,258,522	\$7,453,825	\$600,033,535	\$291,666,416	\$330,577,340	\$60,936,008	\$127,021,456	(\$3,346,550)	\$0	\$1,414,342,029	\$476,916,492
FPSC Adjustments											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,745,102)	0	0	1,058,923	0	0	0	(1,686,179)	1,686,179
FRANCHISE FEE & GROSS REC TAX REVENUE	(226,031,447)	0	0	0	0	(87,191,631)	0	0	0	(87,191,631)	(138,839,817)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(226,055,461)	87,200,894	0	0	0	(138,854,567)	138,854,567
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	881,882	0	0	(2,286,148)	(1,404,266)	1,404,266
INST./PROMOTIONAL ADVERTISING	0	0	(1,970,332)	0	0	760,055	0	0	0	(1,210,276)	1,210,276
INTEREST ON TAX DEFICIENCY	0	0	769,237	0	0	(296,733)	0	0	0	472,504	(472,504)
MISCELLANEOUS INTEREST EXPENSE	0	0	217,010	0	0	(83,712)	0	0	0	133,298	(133,298)
REMOVE ASSOCIATION/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	(11,387)	0	0	4,392	0	0	0	(6,994)	6,994
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,773,116)	0	0	0	(11,773,116)	11,773,116
SEBRING - RIDER REVENUE	(1,136)	0	0	0	0	(438)	0	0	0	(438)	(698)
DIRECTORS & OFFICERS PREMIUM	0	0	(466,523)	0	0	179,961	0	0	0	(286,561)	286,561
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	8,433,459	0	0	0	8,433,459	(8,433,459)
Total FPSC Adjustments	(226,032,594)	0	(4,417,747)	0	(226,055,461)	(744,804)	0	0	(2,286,148)	(233,504,160)	7,471,577
FPSC Adjusted	\$1,665,225,938	\$7,453,825	\$595,615,788	\$291,666,416	\$104,521,879	\$60,191,203	\$127,021,456	(\$3,346,550)	(\$2,286,148)	\$1,180,837,869	\$484,388,069

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$93,033,847 and Jurisdictional NOI by \$81,339,492

PROGRESS ENERGY FLORIDA
End of Period Rate of Return - Adjustments
March 2010

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$886,269,472)	(\$789,660,260)
(1)	GAIN/LOSS ON SALE OF PLANT	F	(8,231,102)	(7,699,666)
(2)	CAPITAL LEASE	F	218,057,309	218,057,309
(2)	CAPITAL LEASE	F	215,250,857	215,250,857
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	Total		(\$458,906,133)	(\$361,765,484)

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	(\$3,130,391)	\$1,207,548	(\$2,745,102)	\$1,058,923
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	226,031,447	(87,191,631)	226,031,447	(87,191,631)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(226,055,461)	87,200,894	(226,055,461)	87,200,894
(1)	GAIN/LOSS ON SALE OF PLANT	F	(2,938,974)	1,133,709	(2,286,148)	881,882
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,246,877)	866,733	(1,970,332)	760,055
(1)	INTEREST ON TAX DEFICIENCY	F	872,418	(336,535)	769,237	(296,733)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	859,165	(331,423)	217,010	(83,712)
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,387)	4,392	(11,387)	4,392
(2)	RTO START UP COSTS	F	0	0	0	(11,773,116)
(1)	SEBRING - RIDER REVENUE	F	1,136	(438)	1,136	(438)
(2)	STORM COSTS 2004	F	(466,523)	179,961	(466,523)	179,961
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	20,718,204	0	8,433,459
	Total		(\$7,325,662)	\$23,544,078	(\$6,726,772)	(\$744,804)

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
March 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	\$4,185,359,633	\$663,530,000	\$4,848,889,633	(\$1,912,659,618)	\$2,936,230,015	49.42% ***	9.50%	4.69%	10.50%	5.19%	11.50%	5.68%
Preferred Stock	33,496,700	0	33,496,700	(13,212,878)	20,283,822	0.34%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,143,826,092	(84,299,231)	4,059,526,861	(1,601,293,014)	2,458,233,847	41.37%	5.75%	2.38%	5.75%	2.38%	5.75%	2.38%
Short Term Debt *	325,300,013	(325,300,013)	0	-	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			0	-	0							
Active	192,623,076	0	192,623,076	-	192,623,076	3.24%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,311,335	0	1,311,335	-	1,311,335	0.02%						
Investment Tax Credit			0	-	0							
Post '70 Total	8,211,056		8,211,056	(3,238,877)								
Equity **			0	-	2,714,866	0.05%	9.46%	0.00%	10.46%	0.00%	11.45%	0.01%
Debt **			0	-	2,257,313	0.04%	5.75%	0.00%	5.75%	0.00%	5.75%	0.00%
Deferred Income Taxes	633,520,991	82,590,393	716,111,384	(282,472,366)	433,639,018	7.30%						
FAS 109 DIT - Net	(173,968,056)		(173,968,056)	68,622,242	(105,345,815)	-1.77%						
Total	\$9,349,680,840	\$336,521,149	\$9,686,201,989	(\$3,744,254,511)	\$5,941,947,478	100.00%		7.29%		7.79%		8.29%

* 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
March 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	\$4,586,545,041	\$0	\$4,586,545,041	(\$1,707,888,083)	\$2,878,656,958	45.83% ***	9.50%	4.35%	10.50%	4.81%	11.50%	5.27%
Preferred Stock	33,496,700	0	33,496,700	(12,473,139)	21,023,561	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,400,905,965	0	4,400,905,965	(1,638,761,810)	2,762,144,155	43.97%	5.42%	2.38%	5.42%	2.38%	5.42%	2.38%
Short Term Debt *	6,760,157	(6,760,157)	0	(0)	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			0	-	-							
Active	199,292,946	0	199,292,946	-	199,292,946	3.17%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,541,244	0	1,541,244	-	1,541,244	0.02%						
Investment Tax Credit			0	-	-							
Post 70 Total	6,574,013		6,574,013	(2,447,960)								
Equity **			0	-	2,113,141	0.03%	9.46%	0.00%	10.45%	0.00%	11.45%	0.00%
Debt **			0	-	2,012,912	0.03%	5.42%	0.00%	5.42%	0.00%	5.42%	0.00%
Deferred Income Taxes	778,925,040	73,286,169	852,211,209	(317,337,202)	534,874,008	8.52%						
FAS 109 DIT - Net	(191,664,114)		(191,664,114)	71,369,812	(120,294,302)	-1.92%						
Total	\$9,822,376,993	\$66,526,012	\$9,888,903,005	(\$3,607,538,382)	\$6,281,364,623	100.00%		6.95%		7.41%		7.87%

* 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

50.84%

PROGRESS ENERGY FLORIDA
Average Rate of Return - Capital Structure
FPSC Adjusted Basis
March 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	\$4,185,359,633	\$663,530,000	\$4,848,889,633	(\$1,912,659,618)	\$2,936,230,015	49.42% ***	9.50%	4.69%	10.50%	5.19%	11.50%	5.68%
Preferred Stock	33,496,700	0	\$33,496,700	(\$13,212,878)	\$20,283,822	0.34%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,143,826,092	(84,299,231)	\$4,059,526,861	(\$1,601,293,014)	\$2,458,233,847	41.37%	5.75%	2.38%	5.75%	2.38%	5.75%	2.38%
Short Term Debt *	325,300,013	(325,300,013)	\$0	\$0	\$0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits			\$0	\$0	\$0							
Active	192,623,076	0	\$192,623,076	\$0	\$192,623,076	3.24%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,311,335	0	\$1,311,335	\$0	\$1,311,335	0.02%						
Investment Tax Credit			\$0	\$0	\$0							
Post 70 Total	8,211,056		\$8,211,056	(\$3,238,877)								
Equity **			\$0	\$0	\$2,714,866	0.05%	9.46%	0.00%	10.46%	0.00%	11.45%	0.01%
Debt **			\$0	\$0	\$2,257,313	0.04%	5.75%	0.00%	5.75%	0.00%	5.75%	0.00%
Deferred Income Taxes	633,520,991	82,590,393	\$716,111,384	(\$282,472,366)	\$433,639,018	7.30%						
FAS 109 DIT - Net	(173,968,056)		(\$173,968,056)	\$68,622,242	(\$105,345,815)	-1.77%						
Total	\$9,349,680,840	\$336,521,149	\$9,686,201,989	(\$3,744,254,511)	\$5,941,947,478	100.00%		7.29%		7.79%		8.29%

* 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

54.23%

PROGRESS ENERGY FLORIDA
End of Period - Capital Structure
Adjusted Basis
March 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	\$4,586,545,041	\$0	\$4,586,545,041	(\$1,707,888,083)	\$2,878,656,958	45.83% ***	9.50%	4.35%	10.50%	4.81%	11.50%	5.27%
Preferred Stock	33,496,700		33,496,700	(\$12,473,139)	21,023,561	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,400,905,965	0	4,400,905,965	(\$1,638,761,810)	2,762,144,155	43.97%	5.42%	2.38%	5.42%	2.38%	5.42%	2.38%
Short Term Debt *	6,760,157	(6,760,157)	0	(\$0)	0	0.00%	0.73%	0.00%	0.73%	0.00%	0.73%	0.00%
Customer Deposits												
Active	199,292,946		199,292,946	-	199,292,946	3.17%	6.25%	0.20%	6.25%	0.20%	6.25%	0.20%
Inactive	1,541,244		1,541,244	-	1,541,244	0.02%						
Investment Tax Credit												
Post '70 Total	6,574,013		6,574,013	(2,447,960)								
Equity **												
Debt **												
Deferred Income Taxes	778,925,040	73,286,169	852,211,209	(317,337,202)	534,874,008	8.52%	5.42%	0.00%	5.42%	0.00%	5.42%	0.00%
FAS 109 DIT - Net	(191,664,114)		(191,664,114)	71,369,812	(120,294,302)	-1.92%						
Total	\$9,822,376,993		\$9,888,903,005	(\$3,607,538,382)	\$6,281,364,623	100.00%		6.95%		7.41%		7.87%

* 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

50.84%

PROGRESS ENERGY FLORIDA
Financial Integrity Indicators
March 2010

A: TIMES INTEREST EARNED WITH AFUDC

Earnings Before Interest	\$707,547,324
AFUDC - Debt	\$23,079,552
Income Taxes	\$255,899,262
Total	\$986,526,138
Interest Charges (before deducting AFUDC-Debt)	\$255,468,723
T.I.E. with AFUDC	3.86

B: TIMES INTEREST EARNED WITHOUT AFUDC

Earnings Before Interest	\$707,547,324
AFUDC - Equity	(\$69,954,295)
Income Taxes	\$255,899,262
Total	\$893,492,291
Interest Charges (before deducting AFUDC-Debt)	\$255,468,723
T.I.E. without AFUDC	3.50

C: PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC - Debt	\$23,079,552
Less: DIT	\$0
Subtotal	\$23,079,552
AFUDC - Other	\$69,954,295
Total AFUDC	\$93,033,847
Net Income Available For Common Shareholders	\$473,615,153
Percent AFUDC to Available Net Income	19.64%

D: PERCENT INTERNALLY GENERATED FUNDS

Net Income	\$475,127,014
Common Dividends	\$0
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$93,033,847)
Depreciation & Amortization	\$475,384,490
Deferred Income Taxes	\$114,702,201
Investment Tax Credits	(\$3,795,996)
Deferred Fuel (Net)	(\$45,353,777)
Nuclear Fuel Amortization	\$13,516,130
Nuclear Refueling	\$14,610,982
Other - Incl Nuclear Decommissioning	(\$47,288,461)
Funds Provided from Operations	\$902,356,875
Other Funds Provided - Incl Change in Working Capital	\$317,434,459
Total Funds Provided	\$1,219,791,334
Construction Expenditures (excluding AFUDC)	\$1,315,954,677
Percentage Internally Generated Funds	92.69%

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

Common Equity	\$2,936,230,015
Preferred Stock	\$20,283,822
Long Term Debt - Fixed Rate	\$2,458,233,847
Short Term Debt	\$0
Total	\$5,414,747,684

% Long Term Debt - Fixed Rate	45.40%
% Short Term Debt	0.00%

FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PRO FORMA

F: RETURN ON COMMON EQUITY	Pro Forma	FPSC
Average Earned Rate of Return	7.43%	8.15%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.02%	0.02%
Long Term Debt - Fixed Rate	2.38%	2.38%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.20%	0.20%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
Subtotal	2.60%	2.60%
Total	4.83%	5.55%
Divided by Common Equity Ratio	49.42%	49.42%
Jurisdictional Return on Common Equity	9.77%	11.23%