



August 13, 2010

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

FLORIDA PUBLIC SERVICE  
COMMISSION  
10 AUG 16 PM 3:32  
ECONOMIC REGULATION

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 June 30, 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 June 30, 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,



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**  
**June 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)	\$550,135,545	(\$49,218,311)	\$500,917,234	(\$50,767,936)	\$450,149,298
Average Rate Base	\$7,248,819,304	(\$1,064,002,284)	\$6,184,817,020	\$0	\$6,184,817,020
Average Rate of Return	7.59%		8.10%		7.28%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$550,135,545	(\$49,218,311)	\$500,917,234	(\$50,767,936)	\$450,149,298
Year End Rate Base	\$7,001,348,095	(\$557,890,005)	\$6,443,458,090	\$0	\$6,443,458,090
Year End Rate of Return	7.86%		7.77%		6.99%

Footnotes

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

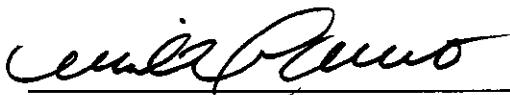
<b>III. Required Rates of Return</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	7.29%	7.05%
Mid Point	7.78%	7.51%
High Point	8.27%	7.98%
<b>Pro Forma Adjusted Basis</b>		
Low Point	7.29%	7.05%
Mid Point	7.78%	7.51%
High Point	8.27%	7.98%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.84	(System Per Books Basis)
B. T.I.E. without AFUDC	3.59	(System Per Books Basis)
C. AFUDC to Net Income	13.96%	(System Per Books Basis)
D. Internally Generated Funds	97.91%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	45.87%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	11.15%	(FPSC Adjusted Basis)
	9.47%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

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

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



Will Garrett, Controller Progress Energy Florida

8/5/10

Date

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**June 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	\$12,123,219,674	\$4,695,580,613	\$7,427,639,061	\$35,453,031	\$1,371,374,371	\$155,347,339	\$8,989,813,803	\$12,837,384	\$9,002,651,187
Less Recoverable:									
ARO	30,436,880	(18,522,840)	48,959,719	0	0	0	48,959,719	(393,083,438)	(344,123,718)
ECCR	1,376,906	523,124	853,782	0	1,430,838	0	2,284,621	7,007,999	9,292,620
ECRC	661,157,623	8,189,445	652,968,178	0	630,158	0	653,598,336	19,212,376	672,810,712
FUEL	32,738,780	29,890,720	2,848,060	0	0	0	2,848,060	119,929,594	122,777,654
NUCLEAR	0	0	0	0	0	0	0	207,022,220	207,022,220
<b>Regulatory Base - System</b>	<b>\$11,397,509,486</b>	<b>\$4,675,500,164</b>	<b>\$6,722,009,322</b>	<b>\$35,453,031</b>	<b>\$1,369,313,375</b>	<b>\$155,347,339</b>	<b>\$8,282,123,068</b>	<b>\$52,748,633</b>	<b>\$8,334,871,700</b>
<b>Regulatory Base - Retail</b>	<b>\$10,198,262,141</b>	<b>\$4,276,119,819</b>	<b>\$5,922,142,322</b>	<b>\$26,171,782</b>	<b>\$1,216,234,998</b>	<b>\$121,988,631</b>	<b>\$7,286,537,733</b>	<b>(\$37,718,429)</b>	<b>\$7,248,819,304</b>
<b>FPSC Adjustments</b>									
CWIP - AFUDC	0	0	0	0	(1,059,492,950)	0	(1,059,492,950)	0	(1,059,492,950)
GAINLOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,315,911)	(7,315,911)
CAPITAL LEASE	(215,536,943)	0	(215,536,943)	0	0	0	(215,536,943)	216,057,244	520,301
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>(215,536,943)</b>	<b>(2,286,276)</b>	<b>(213,250,667)</b>	<b>0</b>	<b>(1,059,492,950)</b>	<b>0</b>	<b>(1,272,743,617)</b>	<b>208,741,333</b>	<b>(1,064,002,284)</b>
<b>FPSC Adjusted</b>	<b>\$9,982,725,198</b>	<b>\$4,273,833,543</b>	<b>\$5,708,891,655</b>	<b>\$26,171,782</b>	<b>\$156,742,048</b>	<b>\$121,988,631</b>	<b>\$6,013,794,116</b>	<b>\$171,022,904</b>	<b>\$6,184,817,020</b>

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Income Statement  
June 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
\$5,276,480,202	\$2,964,133,381	\$620,457,961	\$459,423,005	\$355,559,146	\$51,800,962	\$221,993,865	(\$3,045,998)	\$0	\$4,617,171,335	\$659,308,987	
<b>Less Recoverable:</b>											
ARO	0	0	0	(181,220)	0	0	0	0	(181,220)	191,220	
ECOR	88,015,577	0	84,688,998	283,115	29,869	387,098	0	0	85,399,180	618,397	
ECRC	178,700,052	0	55,019,965	44,900,470	7,680,485	26,095,879	0	0	134,193,900	42,509,252	
FUEL	2,434,662,064	2,633,147,399	0	1,168,718	(77,016,551)	0	0	0	2,557,289,567	(122,637,503)	
NUCLEAR	402,855,498	0	5,040,134	125,850,266	378,590	104,688,113	0	0	235,955,113	166,700,385	
SCRC	6,591	0	5,815	0	4	288	0	0	6,105	456	
<b>Regulatory Base - System</b>											
\$2,176,437,450	\$60,885,932	\$315,680,355	\$221,993,865	(\$2,945,998)	\$0	\$1,604,508,791	\$571,928,660	\$0	\$1,439,731,870	\$491,527,443	
<b>Regulatory Base - Retail</b>											
\$1,931,259,313	\$27,160,304	\$613,168,640	\$281,176,037	\$332,706,710	(\$16,746,607)	\$203,849,037	(\$2,686,380)	\$0	\$1,439,731,870	\$491,527,443	
<b>FPSC Adjustments</b>											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,785,550)	0	1,074,528	0	0	0	(1,711,024)	1,711,024	
FRANCHISE FEE & GROSS REC TAX REVENUE	(227,249,780)	0	0	(87,661,217)	0	0	0	0	(87,661,217)	(136,587,563)	
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	87,662,412	0	0	0	(139,637,236)	139,637,236	
GAIN/LOSS ON SALE OF PLANT	0	0	0	(227,329,848)	87,662,412	0	0	0	(2,205,153)	1,354,515	
INST PROMOTIONAL ADVERTISING	0	0	(1,920,383)	0	850,838	0	0	0	(1,069,545)	1,179,595	
INTEREST ON TAX DEFICIENCY	0	0	1,027,791	0	(396,470)	0	0	0	631,321	(631,321)	
MISCELLANEOUS INTEREST EXPENSE	0	0	184,021	0	(70,966)	0	0	0	113,055	(113,055)	
REMOVE ASSOC/Organization DUES	0	0	(210,650)	0	81,258	0	0	0	(128,392)	128,392	
REMOVE ECONOMIC DEVELOPMENT	0	0	(11,243)	0	4,337	0	0	0	(6,906)	6,906	
PARENT DEBT ADJUSTMENT	(1,004)	0	0	0	(11,781,362)	0	0	0	(11,781,362)	11,781,362	
SEBRING - RIDER REVENUE	0	0	0	0	(397)	0	0	0	(397)	(619)	
DIRECTORS & OFFICERS PREMIUM	0	0	(933,045)	0	359,922	0	0	0	(573,123)	573,123	
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	6,630,828	0	0	0	6,630,828	(6,630,828)	
Total FPSC Adjustments	(227,249,784)	0	(4,849,980)	0	(227,329,648)	(2,456,716)	0	0	(2,206,163)	9,389,792	
<b>FPSC Adjusted</b>											
\$1,709,009,629	\$27,160,304	\$608,619,660	\$281,176,037	\$105,379,062	(\$16,291,222)	\$203,849,037	(\$2,205,153)	\$0	\$1,203,092,295	\$500,917,234	
<b>Pro Forma Adjustments</b>											
Weather Normalization	(82,850,282)	0	0	0	(31,892,346)	0	0	0	(31,892,346)	(60,787,630)	
Total Pro Forma Adjustments	(82,850,282)	0	0	0	(31,892,346)	0	0	0	(31,892,346)	(60,787,630)	
<b>Pro Forma Adjusted</b>											
\$1,626,159,347	\$27,160,304	\$608,619,660	\$281,176,037	\$105,379,062	(\$60,083,568)	\$203,849,037	(\$2,206,163)	\$0	\$1,171,209,949	\$440,149,298	

Footnotes:  
(a) The addition of earnings from AFUDC charges would increase the system NOI by \$66,091,973 and Jurisdictional NOI by \$58,608,102

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
\$498,646,924	\$252,002,755	\$75,359,504	\$32,851,838	\$27,896,642	(\$22,591,540)	\$55,970,274	(\$128,833)	\$0	\$421,381,440	\$75,265,485	
<b>Less Recoverable:</b>											
ARO	0	0	0	65,828	0	0	0	0	65,828	(65,828)	
ECOR	8,748,980	0	9,292,124	25,215	3,271	(221,401)	0	0	9,099,209	(352,549)	
ECRC	21,094,016	0	5,489,997	4,527,609	1,144,777	3,869,830	0	0	15,031,662	6,162,133	
FUEL	240,597,038	241,955,287	0	160,652	(589,851)	0	0	0	241,526,288	(939,251)	
NUCLEAR	17,211,120	0	(137,159)	12,755,429	14,444	1,786,120	0	0	14,398,834	2,812,286	
SCRC	(81)	0	(61)	0	(0)	0	0	0	(61)	(0)	
<b>System Per Books Excluding AFUDC Earnings and Recoverable</b>											
\$208,303,151	\$10,947,463	\$50,714,934	\$15,457,659	\$26,576,297	(\$27,346,238)	\$65,979,274	(\$128,833)	\$0	\$141,269,461	\$67,649,690	
<b>Jurisdictional Per Books Excluding AFUDC Earnings and Recoverable</b>											
\$197,351,919	\$6,979,368	\$56,429,836	\$14,865,911	\$26,900,839	(\$23,607,636)	\$61,469,119	(\$113,579)	\$0	\$100,710,047	\$66,639,872	

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

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$1,180,713,306)	(\$1,059,492,950)
(1)	GAIN/LOSS ON SALE OF PLANT	F	(7,666,991)	(7,315,911)
(2)	CAPITAL LEASE-EPS	F	(215,536,943)	(215,536,943)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	216,057,244	216,057,244
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	<b>Total</b>		<b>(\$1,185,573,720)</b>	<b>(\$1,064,002,284)</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	(\$3,176,516)	\$1,225,341	(\$2,785,550)	\$1,074,526
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	227,248,780	(87,661,217)	227,248,780	(87,661,217)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(227,329,648)	87,692,412	(227,329,648)	87,692,412
(1)	GAIN/LOSS ON SALE OF PLANT	F	(2,920,053)	1,126,410	(2,205,153)	850,638
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,189,918)	844,761	(1,920,383)	740,788
(1)	INTEREST ON TAX DEFICIENCY	F	1,150,735	(443,896)	1,027,791	(396,470)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	242,497	(93,543)	184,021	(70,986)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,243)	4,337	(11,243)	4,337
(2)	PARENT DEBT ADJUSTMENT	F	0	(19,348,483)	0	11,761,362
(1)	SEBRING - RIDER REVENUE	F	1,004	(387)	1,004	(387)
(2)	DIRECTORS & OFFICERS PREMIUM	F	(933,045)	359,922	(933,045)	359,922
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	21,732,193	0	6,630,828
	<b>Total</b>		<b>(\$8,157,623)</b>	<b>\$5,530,513</b>	<b>(\$6,934,077)</b>	<b>\$21,067,010</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**  
**June 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>	\$12,992,883,252	\$4,762,928,249	\$8,229,955,003	\$35,771,455	\$848,733,536	\$168,750,657	\$9,283,210,652	\$12,837,384	\$9,296,048,036
<b>Less Recoverable:</b>									
ARO	30,389,944	(16,649,670)	47,039,614	0	0	0	47,039,614	(393,083,436)	(346,043,823)
ECRC	1,429,933	663,137	766,796	0	1,599,461	0	2,366,257	7,007,989	9,374,256
ECRC	1,257,440,254	19,218,904	1,238,221,350	0	289,107	0	1,238,510,457	19,212,376	1,257,722,833
FUEL	32,738,780	30,386,285	2,352,495	0	0	0	2,352,495	119,929,594	122,282,089
NUCLEAR	0	0	0	0	0	0	0	207,022,220	207,022,220
<b>Regulatory Base - System</b>	<b>\$11,670,884,341</b>	<b>\$4,729,309,592</b>	<b>\$6,941,574,748</b>	<b>\$35,771,455</b>	<b>\$846,844,968</b>	<b>\$168,750,657</b>	<b>\$7,992,941,829</b>	<b>\$52,748,633</b>	<b>\$8,045,690,461</b>
<b>Regulatory Base - Retail</b>	<b>\$10,443,393,037</b>	<b>\$4,312,542,098</b>	<b>\$6,130,850,939</b>	<b>\$26,406,846</b>	<b>\$749,277,188</b>	<b>\$132,531,551</b>	<b>\$7,039,066,524</b>	<b>(\$37,718,429)</b>	<b>\$7,001,348,095</b>
<b>FPSC Adjustments</b>									
CWIP - AFUDC	0	0	0	0	(556,575,582)	0	(556,575,582)	0	(556,575,582)
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	0	0	(7,315,911)	(7,315,911)
CAPITAL LEASE	(212,342,032)	0	(212,342,032)	0	0	0	(212,342,032)	216,057,244	3,715,212
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>(212,342,032)</b>	<b>(2,286,276)</b>	<b>(210,055,756)</b>	<b>0</b>	<b>(556,575,582)</b>	<b>0</b>	<b>(766,631,338)</b>	<b>208,741,333</b>	<b>(557,890,005)</b>
<b>FPSC Adjusted</b>	<b>\$10,231,051,005</b>	<b>\$4,310,255,822</b>	<b>\$5,920,795,193</b>	<b>\$26,406,846</b>	<b>\$192,701,606</b>	<b>\$132,531,551</b>	<b>\$6,272,435,186</b>	<b>\$171,022,904</b>	<b>\$6,443,458,090</b>

**PROGRESS ENERGY FLORIDA**  
End of Period - Income Statement  
June 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
<b>Less Recoverable:</b>											
ARO	0	0	0	(191,220)	0	0	0	0	0	(191,220)	191,220
ECOR	86,015,577	0	84,698,998	283,115	29,969	387,098	0	0	0	85,399,180	616,397
ECRC	176,703,052	0	55,016,965	44,800,470	7,680,485	26,695,879	0	0	0	134,193,800	42,509,252
FUEL	2,434,662,064	2,633,147,399	0	0	1,168,719	(77,016,551)	0	0	0	2,657,299,567	(122,637,503)
NUCLEAR	1721119.92	0	5,040,134	12,755,429	376,580	104,688,113	0	0	0	122,860,256	(105,649,136)
SCRC	6,561	0	5,815	0	4	288	0	0	0	6,105	456
<b>Regulatory Base - System</b>	<b>\$2,561,881,828</b>	<b>\$50,865,992</b>	<b>\$675,696,049</b>	<b>\$428,775,212</b>	<b>\$346,282,390</b>	<b>(\$2,953,864)</b>	<b>\$221,863,865</b>	<b>(\$3,045,996)</b>	<b>\$0</b>	<b>\$1,717,603,648</b>	<b>\$844,278,181</b>
<b>Regulatory Base - Retail</b>	<b>\$1,931,259,313</b>	<b>\$27,160,304</b>	<b>\$613,168,640</b>	<b>\$281,176,037</b>	<b>\$332,708,710</b>	<b>(\$15,745,507)</b>	<b>\$203,949,037</b>	<b>(\$2,685,350)</b>	<b>\$0</b>	<b>\$1,439,731,870</b>	<b>\$491,527,443</b>
<b>FPSC Adjustments</b>											
CORPORATE AIRCRAFT ALLOCATION	0	0	(2,785,550)	0	0	1,074,526	0	0	0	(1,711,024)	1,711,024
FRANCHISE FEE & GROSS REC TAX REVENUE	(227,248,780)	0	0	0	0	(87,661,217)	0	0	0	(87,661,217)	(139,587,563)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(227,329,648)	87,692,412	0	0	0	(139,637,236)	139,637,236
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	850,638	0	0	(2,205,153)	(1,354,515)	1,354,515
INST/PROMOTIONAL ADVERTISING	0	0	(1,920,383)	0	0	740,788	0	0	0	(1,179,595)	1,179,595
INTEREST ON TAX DEFICIENCY	0	0	1,027,791	0	0	(396,470)	0	0	0	631,321	(631,321)
MISCELLANEOUS INTEREST EXPENSE	0	0	184,021	0	0	(70,986)	0	0	0	113,035	(113,035)
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	(11,243)	0	0	4,337	0	0	0	(6,906)	6,906
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,761,362)	0	0	0	(11,761,362)	11,761,362
SEBRING - RIDER REVENUE	(1,004)	0	0	0	0	(387)	0	0	0	(387)	(616)
DIRECTORS & OFFICERS PREMIUM	0	0	(933,045)	0	0	359,922	0	0	0	(573,123)	573,123
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	6,630,828	0	0	0	6,630,828	(6,630,828)
<b>Total FPSC Adjustments</b>	<b>(227,249,784)</b>	<b>0</b>	<b>(4,649,060)</b>	<b>0</b>	<b>(227,329,648)</b>	<b>(2,455,745)</b>	<b>0</b>	<b>0</b>	<b>(2,205,153)</b>	<b>(236,639,575)</b>	<b>9,389,792</b>
<b>FPSC Adjusted</b>	<b>\$1,704,009,528</b>	<b>\$27,160,304</b>	<b>\$608,519,580</b>	<b>\$281,176,037</b>	<b>\$105,379,062</b>	<b>(\$18,201,222)</b>	<b>\$203,949,037</b>	<b>(\$2,685,350)</b>	<b>(\$2,205,153)</b>	<b>\$1,203,092,295</b>	<b>\$500,917,234</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$66,081,973 and Jurisdictional NOI by \$58,608,102

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

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$621,483,988)	(\$556,575,582)
(1)	GAIN/LOSS ON SALE OF PLANT	F	(7,666,991)	(7,315,911)
(2)	CAPITAL LEASE	F	216,057,244	216,057,244
(2)	CAPITAL LEASE	F	212,793,039	212,793,039
(1)	NUC. DECOM. UNFUNDED - WHOLESAL	F	2,286,276	2,286,276
	<b>Total</b>		<b>(\$198,014,420)</b>	<b>(\$132,754,934)</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	(\$3,176,516)	\$1,225,341	(\$2,785,560)	\$1,074,526
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	227,248,780	(87,661,217)	227,248,780	(87,661,217)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(227,329,648)	87,692,412	(227,329,648)	87,692,412
(1)	GAIN/LOSS ON SALE OF PLANT	F	(2,920,053)	1,126,410	(2,205,153)	850,638
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,189,918)	844,761	(1,920,383)	740,788
(1)	INTEREST ON TAX DEFICIENCY	F	1,150,735	(443,896)	1,027,791	(396,470)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	242,497	(93,543)	184,021	(70,986)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,243)	4,337	(11,243)	4,337
(2)	PARENT DEBT ADJUSTMENT	F	0	(19,348,483)	0	11,761,362
(1)	SEBRING - RIDER REVENUE	F	1,004	(387)	1,004	(387)
(2)	STORM COSTS 2004	F	(933,045)	359,922	(933,045)	359,922
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	21,732,193	0	6,630,828
	<b>Total</b>		<b>(\$8,157,623)</b>	<b>\$5,530,513</b>	<b>(\$6,934,077)</b>	<b>\$21,067,010</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**  
**June 2010**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,397,792,864	\$459,818,354	(\$915,134,137)	\$3,942,477,081	\$3,035,744,812	49.08% ***	9.50%	4.66%	10.50%	5.15%	11.50%	5.64%
Preferred Stock	33,496,700	(6,310,504)	(6,310,504)	27,186,196	20,933,629	0.34%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,204,244,722	(59,009,462)	(780,928,346)	3,364,306,914	2,590,548,291	41.89%	5.85%	2.45%	5.85%	2.45%	5.85%	2.45%
Short Term Debt *	189,563,348	(189,563,348)	-	-	-	0.00%	0.41%	0.00%	0.41%	0.00%	0.41%	0.00%
Customer Deposits												
Active	195,584,935		(36,846,599)	158,738,337	158,738,337	2.57%	6.25%	0.16%	6.25%	0.16%	6.25%	0.16%
Inactive	1,266,739		(242,411)	1,044,328	1,044,328	0.02%						
Investment Tax Credit												
Post '70 Total	7,363,018		(1,387,132)	5,975,886								
Equity **					2,490,651	0.04%	9.44%	0.00%	10.43%	0.00%	11.42%	0.00%
Debt **					2,110,838	0.03%	5.83%	0.00%	5.83%	0.00%	5.83%	0.00%
Deferred Income Taxes	691,785,172	89,353,410	(147,160,106)	633,978,476	488,169,450	7.89%						
FAS 109 DIT - Net	(183,957,194)		34,656,027	(149,301,166)	(114,963,317)	-1.86%						
<b>Total</b>	<b>\$9,537,160,305</b>	<b>\$300,598,954</b>	<b>(\$1,853,353,207)</b>	<b>\$7,984,406,052</b>	<b>\$6,184,817,020</b>	<b>100.00%</b>		<b>7.29%</b>		<b>7.78%</b>		<b>8.27%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

49.81%

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

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,659,582,651	(\$3,887,835)	(\$676,582,460)	\$3,979,112,356	\$2,989,651,144	46.40% ***	9.50%	4.41%	10.50%	4.87%	11.50%	5.34%
Preferred Stock	33,496,700		(4,867,862)	28,628,838	21,509,882	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,320,495,462		(627,870,074)	3,692,625,388	2,774,403,115	43.06%	5.70%	2.45%	5.70%	2.45%	5.70%	2.45%
Short Term Debt *	7,430,611	(7,430,611)	-	0	0	0.00%	0.41%	0.00%	0.41%	0.00%	0.41%	0.00%
Customer Deposits												
Active	203,403,801		(29,559,378)	173,844,423	173,844,423	2.70%	6.25%	0.17%	6.25%	0.17%	6.25%	0.17%
Inactive	1,084,052		(157,538)	926,514	926,514	0.01%						
Investment Tax Credit												
Post 70 Total	6,187,514		(899,192)	5,288,322								
Equity **					2,067,952	0.03%	10.46%	0.00%	11.56%	0.00%	12.65%	0.00%
Debt **					1,905,356	0.03%	6.30%	0.00%	6.30%	0.00%	6.30%	0.00%
Deferred Income Taxes	856,911,025	85,795,674	(136,997,557)	805,709,141	605,358,442	9.39%						
FAS 109 DIT - Net	(196,541,114)		28,562,068	(167,979,047)	(126,208,736)	-1.96%						
<b>Total</b>	<b>\$9,892,050,702</b>	<b>\$74,477,228</b>	<b>(\$1,448,371,994)</b>	<b>\$8,518,155,935</b>	<b>\$6,443,458,090</b>	<b>100.00%</b>		<b>7.05%</b>		<b>7.51%</b>		<b>7.98%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

51.67%

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

	System Per Books	Specific Adjustments	Pro Ratio Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,397,792,864	\$459,818,354	(\$915,134,137)	\$3,942,477,081	\$3,035,744,812	49.08% ***	9.50%	4.66%	10.50%	5.15%	11.50%	5.64%
Preferred Stock	33,496,700		(6,310,504)	27,186,196	20,933,629	0.34%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,204,244,722	(59,009,462)	(780,928,346)	3,364,306,914	2,590,548,291	41.89%	5.85%	2.45%	5.85%	2.45%	5.85%	2.45%
Short Term Debt *	189,563,348	(189,563,348)	-	-	-	0.00%	0.41%	0.00%	0.41%	0.00%	0.41%	0.00%
Customer Deposits												
Active	195,584,935		(36,846,599)	158,738,337	158,738,337	2.57%	6.25%	0.16%	6.25%	0.16%	6.25%	0.16%
Inactive	1,286,739		(242,411)	1,044,328	1,044,328	0.02%						
Investment Tax Credit												
Post '70 Total	7,363,018		(1,387,132)	5,975,886								
Equity **					2,490,651	0.04%	9.44%	0.00%	10.43%	0.00%	11.42%	0.00%
Debt **					2,110,838	0.03%	5.83%	0.00%	5.83%	0.00%	5.83%	0.00%
Deferred Income Taxes	691,785,172	89,353,410	(147,160,106)	633,978,476	488,169,450	7.89%						
FAS 109 DIT - Net	(183,957,194)		34,656,027	(149,301,166)	(114,963,317)	-1.86%						
<b>Total</b>	<b>\$9,537,160,305</b>	<b>\$300,598,954</b>	<b>(\$1,853,353,207)</b>	<b>\$7,984,406,052</b>	<b>\$6,184,817,020</b>	<b>100.00%</b>		<b>7.29%</b>		<b>7.78%</b>		<b>8.27%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

53.76%

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

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,659,582,651	(\$3,887,835)	(\$676,582,460)	\$3,979,112,356	\$2,989,651,144	46.40% ***	9.50%	4.41%	10.50%	4.87%	11.50%	5.34%
Preferred Stock	33,496,700		(4,867,862)	28,628,838	21,509,882	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,320,495,462	0	(627,870,074)	3,692,625,388	2,774,403,115	43.06%	5.70%	2.45%	5.70%	2.45%	5.70%	2.45%
Short Term Debt *	7,430,611	(7,430,611)	-	0	0	0.00%	0.41%	0.00%	0.41%	0.00%	0.41%	0.00%
Customer Deposits												
Active	203,403,801		(29,559,378)	173,844,423	173,844,423	2.70%	6.25%	0.17%	6.25%	0.17%	6.25%	0.17%
Inactive	1,084,052		(157,538)	926,514	926,514	0.01%						
Investment Tax Credit												
Post 70 Total	6,187,514		(899,192)	5,288,322								
Equity **												
Debt **												
Deferred Income Taxes	856,911,025		(136,997,557)	805,709,141	2,067,952	0.03%	10.46%	0.00%	11.56%	0.00%	12.65%	0.00%
FAS 109 DIT - Net	(196,541,114)		28,562,068	(167,979,047)	1,905,356	0.03%	6.30%	0.00%	6.30%	0.00%	6.30%	0.00%
					(126,208,738)	-1.96%						
<b>Total</b>	<b>\$9,892,050,702</b>	<b>\$74,477,228</b>	<b>(\$1,448,371,994)</b>	<b>\$8,518,155,935</b>	<b>\$6,443,458,090</b>	<b>100.00%</b>		<b>7.05%</b>		<b>7.51%</b>		<b>7.98%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

51.67%

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

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$719,206,662
AFUDC - Debt	\$16,545,527
Income Taxes	\$267,126,531
<b>Total</b>	<b>\$1,002,878,720</b>
Interest Charges (before deducting AFUDC-Debt)	\$260,872,944
<b>T.I.E. with AFUDC</b>	<b>3.84</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$719,206,662
AFUDC - Equity	(\$49,536,446)
Income Taxes	\$267,126,531
<b>Total</b>	<b>\$936,796,747</b>
Interest Charges (before deducting AFUDC-Debt)	\$260,872,944
<b>T.I.E. without AFUDC</b>	<b>3.59</b>

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

AFUDC - Debt	\$16,545,527
Less: DIT	\$0
<b>Subtotal</b>	<b>\$16,545,527</b>
AFUDC - Other	\$49,536,446
<b>Total AFUDC</b>	<b>\$66,081,973</b>
Net Income Available For Common Shareholders	\$473,367,384
<b>Percent AFUDC to Available Net Income</b>	<b>13.96%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$474,879,245
Common Dividends	(\$50,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$66,081,973)
Depreciation & Amortization	\$484,484,797
Deferred Income Taxes	\$209,939,392
Investment Tax Credits	(\$3,045,996)
Deferred Fuel (Net)	(\$91,906,253)
Nuclear Fuel Amortization	\$6,497,441
Nuclear Refueling	\$13,550,447
Other - Incl Nuclear Decommissioning	(\$29,443,444)
<b>Funds Provided from Operations</b>	<b>\$947,361,795</b>
Other Funds Provided - Incl Change in Working Capital	\$304,553,157
<b>Total Funds Provided</b>	<b>\$1,251,914,952</b>
Construction Expenditures (excluding AFUDC)	\$1,278,676,312
<b>Percentage Internally Generated Funds</b>	<b>97.91%</b>

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

Common Equity	\$3,035,744,812
Preferred Stock	\$20,933,629
Long Term Debt - Fixed Rate	\$2,590,548,291
Short Term Debt	\$0
<b>Total</b>	<b>\$5,647,226,733</b>

<b>% Long Term Debt - Fixed Rate</b>	<b>45.87%</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	7.28%	8.10%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.02%	0.02%
Long Term Debt - Fixed Rate	2.45%	2.45%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.16%	0.16%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.63%</b>	<b>2.63%</b>
<b>Total</b>	<b>4.65%</b>	<b>6.47%</b>
<b>Divided by Common Equity Ratio</b>	<b>49.08%</b>	<b>49.08%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>9.47%</b>	<b>11.15%</b>