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March 14, 2012

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 January 31, 2011.

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 January 31, 2011. 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

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OFFICE OF  
ECONOMIC REGULATION

**PROGRESS ENERGY FLORIDA  
Rate of Return Report Summary  
January 2012**

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)	\$500,413,948	(\$115,536,981)	\$384,876,967	\$171,710,598	\$556,587,565
Average Rate Base	\$9,432,491,945	(\$2,220,908,222)	\$7,211,583,724	\$0	\$7,211,583,724
Average Rate of Return	5.31%		5.34%		7.72%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$500,413,948	(\$115,536,981)	\$384,876,967	\$171,710,598	\$556,587,565
Year End Rate Base	\$9,563,660,559	(\$2,341,890,768)	\$7,221,769,791	\$0	\$7,221,769,791
Year End Rate of Return	5.23%		5.33%		7.71%

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	6.83%	6.74%
Mid Point	7.28%	7.19%
High Point	7.73%	7.63%
Pro Forma Adjusted Basis		
Low Point	6.83%	6.74%
Mid Point	7.28%	7.19%
High Point	7.73%	7.63%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	1.71	(System Per Books Basis)
B. T.I.E. without AFUDC	1.53	(System Per Books Basis)
C. AFUDC to Net Income	14.99%	(System Per Books Basis)
D. Internally Generated Funds	36.84%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	47.72%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	6.19%	(FPSC Adjusted Basis)
	11.47%	(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

  
Date

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**January 2012**

	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
<b>System Per Books</b>	\$13,307,960,622	\$4,945,409,214	\$8,362,551,408	\$35,793,772	\$1,068,732,895	\$209,833,018	\$9,676,911,092	\$802,317,658	\$10,479,228,751
<b>Regulatory Base - Retail</b>	<b>12,109,427,090</b>	<b>\$4,574,205,283</b>	<b>\$7,535,221,807</b>	<b>\$26,834,949</b>	<b>960,439,248</b>	<b>\$187,936,322</b>	<b>\$8,710,432,325</b>	<b>722,059,620</b>	<b>\$9,432,491,945</b>
<b>FPSC Adjustments</b>									
ARO	(11,742,813)	(23,470,478)	11,727,665	-	-	-	11,727,665	(11,104,908)	622,757
ECCR	(1,802,488)	(970,605)	(831,884)	-	(5,756,996)	-	(6,588,879)	5,170,467	(1,418,413)
ECRC	(1,172,531,532)	(49,199,101)	(1,123,332,430)	-	(278,321)	-	(1,123,610,751)	(6,367,472)	(1,129,978,223)
FUEL	(32,738,780)	(31,221,853)	(1,516,927)	-	-	-	(1,516,927)	(116,799,322)	(118,316,249)
CCR	-	-	-	-	-	-	-	34,985,957	34,985,957
NUCLEAR	-	-	-	-	-	-	-	(137,319,637)	(137,319,637)
Derivatives	-	-	-	-	-	-	-	(136,576,878)	(136,576,878)
Employee Related	-	-	-	-	-	-	-	806,252	806,252
Investments Earning a Return	-	-	-	-	-	-	-	(41,302,666)	(41,302,666)
Jobbing Accounts	-	-	-	-	-	-	-	(4,762,933)	(4,762,933)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,360,463)	(2,360,463)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,574,097)	(1,574,097)
Retention Accounts	-	-	-	-	-	-	-	13,431,955	13,431,955
CWIP - AFUDC	-	-	-	-	(697,335,460)	-	(697,335,460)	-	(697,335,460)
CAPITAL LEASE	(202,479,506)	-	(202,479,506)	-	-	-	(202,479,506)	202,669,383	189,877
<b>Total FPSC Adjustments</b>	<b>(1,421,295,119)</b>	<b>(104,862,036)</b>	<b>(1,316,433,082)</b>	<b>-</b>	<b>(703,370,776)</b>	<b>-</b>	<b>(2,019,803,859)</b>	<b>(201,104,363)</b>	<b>(2,220,908,222)</b>
<b>FPSC Adjusted</b>	<b>\$10,688,131,971</b>	<b>\$4,469,343,247</b>	<b>\$6,218,788,725</b>	<b>\$26,834,949</b>	<b>\$257,068,471</b>	<b>\$187,936,322</b>	<b>\$6,690,628,467</b>	<b>\$520,955,257</b>	<b>\$7,211,583,724</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**January 2012**

	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>	\$4,324,628,232	\$2,265,803,343	\$870,167,084	\$156,253,899	\$349,922,077	(\$26,588,244)	\$195,863,125	(\$1,323,000)	\$0	\$3,810,098,284	\$514,529,947
<b>Regulatory Base - Retail</b>	<b>\$4,029,053,866</b>	<b>2,143,727,055</b>	<b>814,618,669</b>	<b>124,910,166</b>	<b>\$336,889,363</b>	<b>(\$26,016,357)</b>	<b>\$177,882,890</b>	<b>(\$1,166,357)</b>	<b>\$0</b>	<b>\$3,570,845,428</b>	<b>\$458,208,438</b>
<b>FPSC Adjustments</b>											
ARO				(205,883)		79,419	0	0	0	(126,464)	126,464
ECCR	(98,089,715)		(95,964,850)	(360,294)	(39,803)	(665,329)	0	0	0	(97,030,276)	(1,059,439)
ECRC	(179,827,485)		(52,085,041)	9,236,489	(10,124,447)	(48,934,118)	0	0	0	(101,907,117)	(77,920,368)
FUEL	(1,765,233,256)	(1,790,777,760)		(771,288)	(1,490,281)	10,726,193	0	0	0	(1,782,313,137)	17,079,881
CCR	(304,602,103)	(304,313,156)				(111,461)	0	0	0	(304,424,617)	(177,486)
NUCLEAR	(156,568,080)		(1,603,860)	(101,374,436)	(155,772)	(20,612,170)	0	0	0	(123,746,238)	(32,821,842)
SCRC	650		787			(53)	0	0	0	734	(84)
CORPORATE AIRCRAFT ALLOCATION	0	0	(3,378,801)	0	0	1,303,373	0	0	0	(2,075,429)	2,075,429
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,578,408)	0	0	0	0	(78,530,371)	0	0	0	(78,530,371)	(125,048,037)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(202,759,740)	78,214,570	0	0	0	(124,545,170)	124,545,170
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	4,880,099	0	0	(12,650,936)	(7,770,837)	7,770,837
INST./PROMOTIONAL ADVERTISING	0	0	(2,243,105)	0	0	865,278	0	0	0	(1,377,827)	1,377,827
INTEREST ON TAX DEFICIENCY	0	0	(14,376,745)	0	0	5,545,829	0	0	0	(8,830,915)	8,830,915
MISCELLANEOUS INTEREST EXPENSE	0	0	201,844	0	0	(77,861)	0	0	0	123,982	(123,982)
REMOVE ASSOC./ORGANIZATION DUES	0	0	(212,863)	0	0	82,112	0	0	0	(130,751)	130,751
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,619)	0	0	7,568	0	0	0	(12,051)	12,051
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,436,911)	0	0	0	(16,436,911)	16,436,911
SEBRING - RIDER REVENUE	(408)	0	0	0	0	(157)	0	0	0	(157)	(251)
DIRECTORS & OFFICERS PREMIUM			(3,216,334)			1,240,701				(1,975,633)	1,975,633
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	16,541,852	0	0	0	16,541,852	(16,541,852)
<b>Total FPSC Adjustments</b>	<b>(2,707,898,805)</b>	<b>(2,095,090,916)</b>	<b>(172,898,587)</b>	<b>(93,475,413)</b>	<b>(214,570,043)</b>	<b>(45,881,439)</b>	<b>0</b>	<b>0</b>	<b>(12,650,936)</b>	<b>(2,634,567,334)</b>	<b>(73,331,471)</b>
<b>FPSC Adjusted</b>	<b>\$1,321,155,061</b>	<b>\$48,636,139</b>	<b>\$641,720,082</b>	<b>\$31,434,753</b>	<b>\$122,319,319</b>	<b>(\$71,897,797)</b>	<b>\$177,882,890</b>	<b>(\$1,166,357)</b>	<b>(\$12,650,936)</b>	<b>\$936,278,094</b>	<b>\$384,876,967</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(8,454,866)	0	0	0	0	(3,261,465)	0	0	0	(3,261,465)	(5,193,402)
Fuel Replacement Power	288,000,000					10,198,613	100,897,387			111,096,000	176,904,000
<b>Total Pro Forma Adjustments</b>	<b>279,545,134</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,937,148</b>	<b>100,897,387</b>	<b>0</b>	<b>0</b>	<b>107,834,535</b>	<b>171,710,598</b>
<b>Pro Forma Adjusted</b>	<b>\$1,600,700,195</b>	<b>\$48,636,139</b>	<b>\$641,720,082</b>	<b>\$31,434,753</b>	<b>\$122,319,319</b>	<b>(\$64,960,648)</b>	<b>\$278,780,277</b>	<b>(\$1,166,357)</b>	<b>(\$12,650,936)</b>	<b>\$1,044,112,629</b>	<b>\$556,587,565</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$46,962,846 and Jurisdictional NOI by \$42,205,510

**Current Month**

	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>	\$346,757,823	\$165,482,613	\$55,368,273	\$29,092,229	\$28,616,803	\$13,190,066	\$5,377,122	(\$110,250)	\$0	\$297,016,856	\$49,740,967
<b>Jurisdictional Per Books</b>											
Excluding AFUDC Earnings and Recoverable	123,233,999	\$121,759,555	40,005,199	23,597,614	11,622,507	(\$37,458,878)	\$4,883,502	(\$97,196)	\$0	\$164,312,303	(\$41,078,304)

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Adjustments**  
**January 2012**

Schedule 2  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$622,757	\$622,757
	ECCR	F	(\$1,418,413)	(\$1,418,413)
	ECRC	F	(\$1,218,060,562)	(\$1,129,978,223)
	FUEL	F	(\$118,316,249)	(\$118,316,249)
	CCR	F	\$34,985,957	\$34,985,957
	NUCLEAR	F	(\$137,319,637)	(\$137,319,637)
	Derivatives	F	(\$136,576,878)	(\$136,576,878)
	Employee Related	F	\$806,252	\$806,252
	Investments Earning a Return	F	(\$41,302,666)	(\$41,302,666)
	Jobbing Accounts	F	(\$4,762,933)	(\$4,762,933)
	Non-Regulated and Miscellaneous	F	(\$2,360,463)	(\$2,360,463)
	Rate Case Regulatory Asset	F	(\$1,574,097)	(\$1,574,097)
	Retention Accounts	F	\$13,431,955	\$13,431,955
(1)	CWIP - AFUDC	F	(\$767,152,104)	(\$697,335,460)
(2)	CAPITAL LEASE-EPS	F	(202,479,506)	(202,479,506)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	202,669,383	202,669,383
	<b>Total</b>		<b>(\$2,378,807,204)</b>	<b>(\$2,220,908,222)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$205,883	(\$79,419)	\$205,883	(\$79,419)
	ECCR	F	(1,724,768)	665,329	(1,724,768)	665,329
	ECRC	F	(124,689,549)	48,091,279	(126,854,486)	48,934,118
	FUEL	F	(47,606,824)	18,364,332	27,806,073	(10,726,193)
	CCR	F	(288,947)	111,461	(288,947)	111,461
	NUCLEAR	F	(53,298,774)	20,560,002	(53,434,011)	20,612,170
	SCRC	F	(137)	53	(137)	53
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,657,741	(\$1,410,973)	\$3,378,801	(\$1,303,373)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,578,408)	78,530,371	(203,578,408)	78,530,371
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,759,740	(78,214,570)	202,759,740	(78,214,570)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	12,899,529	(4,975,993)	12,650,936	(4,880,099)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,428,286	(936,711)	2,243,105	(865,278)
(1)	INTEREST ON TAX DEFICIENCY	F	15,800,183	(6,094,921)	14,376,745	(5,545,829)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(141,946)	54,756	(201,844)	77,861
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,863	(82,112)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,619	(7,568)	19,619	(7,568)
(2)	PARENT DEBT ADJUSTMENT	F	0	18,359,110	0	16,436,911
(1)	SEBRING - RIDER REVENUE	F	(408)	157	(408)	157
(2)	DIRECTORS & OFFICERS PREMIUM	F	3,216,334	(1,240,701)	3,216,334	(1,240,701)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(18,478,921)	0	(16,541,852)
	<b>Total</b>		<b>(\$190,092,011)</b>	<b>\$73,208,183</b>	<b>(\$119,212,910)</b>	<b>\$45,881,439</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  
January 2012

	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>	\$13,482,089,978	\$5,092,537,507	\$8,389,552,471	\$35,791,002	\$1,172,788,491	\$227,284,115	\$9,825,416,078	\$802,317,658	\$10,627,733,737
<b>Regulatory Base - Retail</b>	<b>\$12,262,145,759</b>	<b>\$4,708,621,477</b>	<b>\$7,553,524,282</b>	<b>\$26,832,872</b>	<b>1,057,677,440</b>	<b>\$203,566,345</b>	<b>\$8,841,600,939</b>	<b>\$722,059,620</b>	<b>\$9,563,660,559</b>
<b>FPSC Adjustments</b>									
ARO	(11,742,813)	(23,552,632)	11,809,819	-	-	-	11,809,819	(11,104,908)	704,911
ECCR	(1,822,097)	(1,059,688)	(762,409)	-	(10,298,660)	-	(11,061,069)	5,170,467	(5,890,602)
ECRC	(1,175,387,749)	(63,735,734)	(1,111,652,015)	-	(311,830)	-	(1,111,963,845)	(6,367,472)	(1,118,331,317)
FUEL	(32,738,780)	(31,607,499)	(1,131,281)	-	-	-	(1,131,281)	(116,799,322)	(117,930,603)
CCR	-	-	-	-	-	-	-	34,985,957	34,985,957
NUCLEAR	-	-	-	-	-	-	-	(137,319,637)	(137,319,637)
Derivatives	-	-	-	-	-	-	-	(136,576,878)	(136,576,878)
Employee Related	-	-	-	-	-	-	-	806,252	806,252
Investments Earning a Return	-	-	-	-	-	-	-	(41,302,666)	(41,302,666)
Jobbing Accounts	-	-	-	-	-	-	-	(4,762,933)	(4,762,933)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,360,463)	(2,360,463)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,574,097)	(1,574,097)
Retention Accounts	-	-	-	-	-	-	-	13,431,955	13,431,955
CWIP - AFUDC	-	-	-	-	(830,186,738)	-	(830,186,738)	-	(830,186,738)
CAPITAL LEASE	(198,253,291)	-	(198,253,291)	-	-	-	(198,253,291)	202,669,383	4,416,092
<b>Total FPSC Adjustments</b>	<b>(1,419,944,730)</b>	<b>(119,955,553)</b>	<b>(1,299,989,177)</b>	<b>-</b>	<b>(840,797,228)</b>	<b>-</b>	<b>(2,140,786,405)</b>	<b>(201,104,363)</b>	<b>(2,341,890,768)</b>
<b>FPSC Adjusted</b>	<b>\$10,842,201,029</b>	<b>\$4,588,665,924</b>	<b>\$6,253,535,105</b>	<b>\$26,832,872</b>	<b>\$216,880,212</b>	<b>\$203,566,345</b>	<b>\$6,700,814,534</b>	<b>\$520,955,257</b>	<b>\$7,221,769,791</b>

**PROGRESS ENERGY FLORIDA**  
**End of Period - Income Statement**  
**January 2012**

	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>	\$4,324,628,232	\$2,265,803,343	\$870,167,084	\$156,253,899	\$349,922,077	(\$26,588,244)	\$195,863,125	(\$1,323,000)	\$0	\$3,810,098,284	\$514,529,947
<b>Regulatory Base - Retail</b>	<b>\$4,029,053,866</b>	<b>\$2,143,727,055</b>	<b>814,618,669</b>	<b>124,910,166</b>	<b>\$336,889,363</b>	<b>(\$26,016,357)</b>	<b>\$177,882,890</b>	<b>(\$1,166,357)</b>	<b>\$0</b>	<b>\$3,570,845,428</b>	<b>\$458,208,438</b>
<b>FPSC Adjustments</b>											
ARO				(205,883)		79,419	0	0	0	(126,464)	126,464
ECCR	(98,089,715)		(95,964,850)	(360,294)	(39,803)	(665,329)	0	0	0	(97,030,276)	(1,059,439)
ECRC	(179,827,485)		(52,085,041)	9,236,489	(10,124,447)	(48,934,118)	0	0	0	(101,907,117)	(77,920,368)
FUEL	(1,765,233,256)	(1,790,777,760)		(771,288)	(1,490,281)	10,726,193	0	0	0	(1,782,313,137)	17,079,881
CCR	(304,602,103)	(304,313,156)				(111,461)	0	0	0	(304,424,617)	(177,486)
NUCLEAR	(156,568,080)		(1,603,860)	(101,374,436)	(155,772)	(20,612,170)	0	0	0	(123,746,238)	(32,821,842)
SCRC	650		787			(53)	0	0	0	734	(84)
CORPORATE AIRCRAFT ALLOCATION	-	-	(3,378,801)	-	-	1,303,373	0	0	0	(2,075,429)	2,075,429
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,578,408)	0	0	0	0	(78,530,371)	0	0	0	(78,530,371)	(125,048,037)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(202,759,740)	78,214,570	0	0	0	(124,545,170)	124,545,170
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	4,880,099	0	0	(12,650,936)	(7,770,837)	7,770,837
INST./PROMOTIONAL ADVERTISING	0	0	(2,243,105)	0	0	885,278	0	0	0	(1,377,827)	1,377,827
INTEREST ON TAX DEFICIENCY	0	0	(14,376,745)	0	0	5,545,829	0	0	0	(8,830,915)	8,830,915
MISCELLANEOUS INTEREST EXPENSE	0	0	201,844	0	0	(77,861)	0	0	0	123,982	(123,982)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(212,863)	0	0	82,112	0	0	0	(130,751)	130,751
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,619)	0	0	7,568	0	0	0	(12,051)	12,051
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,436,911)	0	0	0	(16,436,911)	16,436,911
SEBRING - RIDER REVENUE	(408)	0	0	0	0	(157)	0	0	0	(157)	(251)
DIRECTORS & OFFICERS PREMIUM			(3,216,334)			1,240,701				(1,975,633)	1,975,633
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	16,541,852	0	0	0	16,541,852	(16,541,852)
<b>Total FPSC Adjustments</b>	<b>(2,707,898,805)</b>	<b>(2,095,090,916)</b>	<b>(172,898,587)</b>	<b>(93,475,413)</b>	<b>(214,570,043)</b>	<b>(45,881,439)</b>	<b>0</b>	<b>0</b>	<b>(12,650,936)</b>	<b>(2,634,567,334)</b>	<b>(73,331,471)</b>
<b>FPSC Adjusted</b>	<b>\$1,321,155,061</b>	<b>\$48,636,139</b>	<b>\$641,720,082</b>	<b>\$31,434,753</b>	<b>\$122,319,319</b>	<b>(\$71,897,797)</b>	<b>\$177,882,890</b>	<b>(\$1,166,357)</b>	<b>(\$12,650,936)</b>	<b>\$936,278,094</b>	<b>\$384,876,967</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$46,962,846 and Jurisdictional NOI by \$42,205,510

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Adjustments**  
**January 2012**

**Schedule 3**  
**Page 3 of 3**

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$704,911	\$704,911
	ECCR	F	(5,890,602)	(5,890,602)
	ECRC	F	(1,205,545,591)	(1,118,331,317)
	FUEL	F	(117,930,603)	(117,930,603)
	CCR	F	34,985,957	34,985,957
	NUCLEAR	F	(137,319,637)	(137,319,637)
	Derivatives	F	(166,825,954)	(166,825,954)
	Employee Related	F	737,025	737,025
	Investments Earning a Return	F	(40,260,547)	(40,260,547)
	Jobbing Accounts	F	(2,128,760)	(2,128,760)
	Non-Regulated and Miscellaneous	F	(2,477,418)	(2,477,418)
	Rate Case Regulatory Asset	F	(1,245,707)	(1,245,707)
	Retention Accounts	F	1,733,934	1,733,934
(1)	CWIP - AFUDC	F	(\$916,271,327)	(830,186,738)
(2)	CAPITAL LEASE-EPS	F	(198,253,291)	(198,253,291)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	202,669,383	202,669,383
	<b>Total</b>		<b>(\$2,553,318,226)</b>	<b>(\$2,380,019,362)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$205,883	(\$79,419)	\$205,883	(\$79,419)
	ECCR	F	(1,724,768)	665,329	(1,724,768)	665,329
	ECRC	F	(124,669,549)	48,091,279	(126,854,486)	48,934,118
	FUEL	F	(47,606,824)	18,364,332	27,806,073	(10,726,193)
	CCR	F	(288,947)	111,461	(288,947)	111,461
	NUCLEAR	F	(53,298,774)	20,560,002	(53,434,011)	20,612,170
	SCRC	F	(137)	53	(137)	53
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,657,741	(\$1,410,973)	\$3,378,801	(\$1,303,373)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,578,408)	78,530,371	(203,578,408)	78,530,371
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,759,740	(78,214,570)	202,759,740	(78,214,570)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	12,899,529	(4,975,993)	12,650,936	(4,880,099)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,428,286	(936,711)	2,243,105	(865,278)
(1)	INTEREST ON TAX DEFICIENCY	F	15,800,183	(6,094,921)	14,376,745	(5,545,829)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(141,946)	54,756	(201,844)	77,961
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,863	(82,112)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,619	(7,568)	19,619	(7,568)
(2)	PARENT DEBT ADJUSTMENT	F	0	18,359,110	0	16,436,911
(1)	SEBRING - RIDER REVENUE	F	(408)	157	(408)	157
(2)	STORM COSTS 2004	F	3,216,334	(1,240,701)	3,216,334	(1,240,701)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(18,478,921)	0	(16,541,852)
	<b>Total</b>		<b>(\$190,092,011)</b>	<b>\$73,208,183</b>	<b>(\$119,212,910)</b>	<b>\$45,881,439</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**  
**January 2012**

	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	\$4,746,875,808	(\$3,495,534)	(\$1,075,188,879)	\$3,668,191,396	\$3,250,974,333	45.08% ***	9.50%	4.28%	10.50%	4.73%	11.50%	5.18%
Preferred Stock	33,496,700		(7,592,746)	25,903,954	22,957,660	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,359,566,950		(988,189,357)	3,371,377,593	2,987,919,888	41.43%	5.80%	2.40%	5.80%	2.40%	5.80%	2.40%
Short Term Debt *	118,995,620	(118,995,620)	-	-	-	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	214,273,413		(48,569,665)	165,703,748	165,703,748	2.30%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,156,413		(262,126)	894,287	894,287	0.01%						
Investment Tax Credit												
Post '70 Total	4,642,766		(1,052,382)	3,590,383								
Equity **					1,663,678	0.02%	7.55%	0.00%	8.35%	0.00%	9.14%	0.00%
Debt **					1,518,338	0.02%	4.63%	0.00%	4.63%	0.00%	4.63%	0.00%
Deferred Income Taxes	1,211,014,798	134,283,124	(304,940,629)	1,040,357,293	922,027,913	12.79%						
FAS 109 DIT - Net	(207,298,183)		46,988,579	(160,309,603)	(142,076,121)	-1.97%						
<b>Total</b>	<b>\$10,482,724,284</b>	<b>\$11,791,970</b>	<b>(\$2,378,807,204)</b>	<b>\$8,115,709,051</b>	<b>\$7,211,583,724</b>	<b>100.00%</b>		<b>6.83%</b>		<b>7.28%</b>		<b>7.73%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

40.64%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**January 2012**

	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	\$4,694,046,282	(\$3,057,827)	(\$1,130,246,612)	\$3,560,741,842	\$3,189,181,484	44.37% ***	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Preferred Stock	33,496,700		(8,070,694)	25,426,006	22,772,824	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,421,181,077		(1,065,239,231)	3,355,941,846	3,005,752,192	41.62%	5.72%	2.38%	5.72%	2.38%	5.72%	2.38%
Short Term Debt *	281,443,349	(259,471,921)	(5,293,795)	16,677,633	0	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	215,193,963		(51,848,827)	163,345,136	163,345,136	2.26%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,347,829		(324,746)	1,023,083	1,023,083	0.01%						
Investment Tax Credit												
Post '70 Total	3,981,266		(959,246)	3,022,020								
Equity **					1,398,219	0.02%	7.21%	0.00%	7.97%	0.00%	8.72%	0.00%
Debt **					1,308,456	0.02%	4.36%	0.00%	4.36%	0.00%	4.36%	0.00%
Deferred Income Taxes	1,272,351,071	149,875,799	(342,671,298)	1,079,555,572	966,904,874	13.39%						
FAS 109 DIT - Net	(213,066,446)		51,336,223	(161,730,223)	(144,853,813)	-2.01%						
<b>Total</b>	<b>\$10,709,975,091</b>	<b>(\$112,653,950)</b>	<b>(\$2,553,318,226)</b>	<b>\$8,044,002,915</b>	<b>\$7,221,769,791</b>	<b>100.00%</b>		<b>6.74%</b>		<b>7.19%</b>		<b>7.63%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

\*\*\*Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure) 39.84%

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**January 2012**

	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	\$4,746,875,808	(\$3,495,534)	(\$1,075,188,879)	\$3,668,191,396	\$3,250,974,333	45.08% ***	9.50%	4.28%	10.50%	4.73%	11.50%	5.18%
Preferred Stock	33,496,700		(7,592,746)	25,903,954	22,957,660	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,359,566,950	0	(988,189,357)	3,371,377,593	2,987,919,888	41.43%	5.80%	2.40%	5.80%	2.40%	5.80%	2.40%
Short Term Debt *	118,995,620	(118,995,620)	-	-	-	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	214,273,413		(48,569,665)	165,703,748	165,703,748	2.30%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,156,413		(262,126)	894,287	894,287	0.01%						
Investment Tax Credit												
Post '70 Total	4,642,766		(1,052,382)	3,590,383								
Equity **					1,663,678	0.02%	7.55%	0.00%	8.35%	0.00%	9.14%	0.00%
Debt **					1,518,338	0.02%	4.63%	0.00%	4.63%	0.00%	4.63%	0.00%
Deferred Income Taxes	1,211,014,798	134,283,124	(304,940,629)	1,040,357,293	922,027,913	12.79%						
FAS 109 DIT - Net	(207,298,183)		46,988,579	(160,309,603)	(142,076,121)	-1.97%						
<b>Total</b>	<b>\$10,482,724,284</b>	<b>\$11,791,970</b>	<b>(\$2,378,807,204)</b>	<b>\$8,115,709,051</b>	<b>\$7,211,583,724</b>	<b>100.00%</b>		<b>6.83%</b>		<b>7.28%</b>		<b>7.73%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

40.64%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**January 2012**

	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	\$4,694,046,282	(\$3,057,827)	(\$1,130,246,612)	\$3,560,741,842	\$3,189,181,484	44.37% ***	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Preferred Stock	33,496,700		(8,070,694)	25,426,006	22,772,824	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,421,181,077	0	(1,065,239,231)	3,355,941,846	3,005,752,192	41.62%	5.72%	2.38%	5.72%	2.38%	5.72%	2.38%
Short Term Debt *	281,443,349	(259,471,921)	(5,293,795)	16,677,633	0	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits				-								
Active	215,193,963		(51,848,827)	163,345,136	163,345,136	2.26%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,347,829		(324,746)	1,023,083	1,023,083	0.01%						
Investment Tax Credit				-								
Post '70 Total	3,981,266		(959,246)	3,022,020								
Equity **				-	1,398,219	0.02%	7.21%	0.00%	7.97%	0.00%	8.72%	0.00%
Debt **				-	1,308,456	0.02%	4.36%	0.00%	4.36%	0.00%	4.36%	0.00%
Deferred Income Taxes	1,272,351,071	149,875,799	(342,671,298)	1,079,555,572	966,904,874	13.39%						
FAS 109 DIT - Net	(213,066,446)		51,336,223	(161,730,223)	(144,853,813)	-2.01%						
<b>Total</b>	<b>\$10,709,975,091</b>	<b>(\$112,653,950)</b>	<b>(\$2,553,318,226)</b>	<b>\$8,044,002,915</b>	<b>\$7,221,769,791</b>	<b>100.00%</b>		<b>6.74%</b>		<b>7.19%</b>		<b>7.63%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

39.89%

**PROGRESS ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**January 2012**

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$237,996,347
AFUDC - Debt	\$14,804,421
Income Taxes	\$180,534,532
<b>Total</b>	<b>\$433,335,300</b>
Interest Charges (before deducting AFUDC-Debt)	\$252,800,768
<b>T.I.E. with AFUDC</b>	<b>1.71</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$237,996,347
AFUDC - Equity	(\$32,158,426)
Income Taxes	\$180,534,532
<b>Total</b>	<b>\$386,372,454</b>
Interest Charges (before deducting AFUDC-Debt)	\$252,800,768
<b>T.I.E. without AFUDC</b>	<b>1.53</b>

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

AFUDC - Debt	\$14,804,421
Less: DIT	\$0
<b>Subtotal</b>	<b>\$14,804,421</b>
AFUDC - Other	\$32,158,426
<b>Total AFUDC</b>	<b>\$46,962,846</b>
Net Income Available For Common Shareholders	\$313,250,528
<b>Percent AFUDC to Available Net Income</b>	<b>14.99%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$314,762,388
Common Dividends	(\$550,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$46,962,846)
Depreciation & Amortization	\$167,406,047
Deferred Income Taxes	\$205,400,980
Investment Tax Credits	(\$1,323,000)
Deferred Fuel (Net)	(\$152,110,898)
Nuclear Fuel Amortization	\$7,090
Nuclear Refueling	\$4,794,037
Other - Incl Nuclear Decommissioning	\$290,181,866
<b>Funds Provided from Operations</b>	<b>\$230,643,803</b>

Other Funds Provided - Incl Change in Working Capital	\$64,420,137
<b>Total Funds Provided</b>	<b>\$295,063,940</b>

Construction Expenditures (excluding AFUDC)	\$801,010,398
---	---------------

**Percentage Internally Generated Funds 36.84%**

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

Common Equity	\$3,250,974,333
Preferred Stock	\$22,957,660
Long Term Debt - Fixed Rate	\$2,987,919,888
Short Term Debt	\$0
<b>Total</b>	<b>\$6,261,851,881</b>

**% Long Term Debt - Fixed Rate 47.72%**

**% 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	7.72%	5.34%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.40%	2.40%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.14%	0.14%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.55%</b>	<b>2.55%</b>
<b>Total</b>	<b>5.17%</b>	<b>2.79%</b>
<b>Divided by Common Equity Ratio</b>	<b>45.08%</b>	<b>45.08%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>11.47%</b>	<b>6.19%</b>