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May 10, 2012

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

RECEIVED  
PUBLIC UTILITY SERVICE  
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REGULATORY SERVICES

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, 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 March 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,

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 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)	\$536,978,234	(\$121,405,232)	\$415,573,002	\$140,577,134	\$556,150,136
Average Rate Base	\$9,365,666,793	(\$2,124,714,780)	\$7,240,952,013	\$0	\$7,240,952,013
Average Rate of Return	5.73%		5.74%		7.68%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$536,978,234	(\$121,405,232)	\$415,573,002	\$140,577,134	\$556,150,136
Year End Rate Base	\$9,539,061,010	(\$2,271,547,824)	\$7,267,513,186	\$0	\$7,267,513,186
Year End Rate of Return	5.63%		5.72%		7.65%

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	6.81%	6.70%
Mid Point	7.26%	7.14%
High Point	7.71%	7.58%
Pro Forma Adjusted Basis		
Low Point	6.81%	6.70%
Mid Point	7.26%	7.14%
High Point	7.71%	7.58%

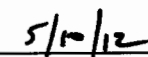
**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	1.76	(System Per Books Basis)
B. T.I.E. without AFUDC	1.58	(System Per Books Basis)
C. AFUDC to Net Income	14.47%	(System Per Books Basis)
D. Internally Generated Funds	62.99%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	47.61%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	7.13%	(FPSC Adjusted Basis)
	11.43%	(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**  
**March 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>	\$13,357,358,284	\$4,980,545,649	\$8,376,812,635	\$35,791,002	\$1,103,315,545	\$214,099,828	\$9,730,019,010	\$816,952,133	\$10,546,971,142
<b>Regulatory Base - Retail</b>	<b>12,017,655,566</b>	<b>\$4,544,820,711</b>	<b>\$7,472,834,855</b>	<b>\$25,633,158</b>	<b>932,945,986</b>	<b>\$193,389,318</b>	<b>\$8,624,803,317</b>	<b>740,863,476</b>	<b>\$9,365,666,793</b>
<b>FPSC Adjustments</b>									
ARO	(11,742,813)	(23,495,962)	11,753,149	-	-	-	11,753,149	(11,130,895)	622,254
ECCR	(1,807,909)	(1,014,146)	(793,764)	-	(7,184,832)	-	(7,978,595)	5,671,312	(2,307,284)
ECRC	(1,172,147,721)	(53,984,230)	(1,118,163,491)	-	(290,484)	-	(1,118,453,974)	(11,664,671)	(1,130,118,645)
FUEL	(32,738,780)	(31,350,401)	(1,388,379)	-	-	-	(1,388,379)	(103,695,115)	(105,083,493)
CCR	-	-	-	-	-	-	-	25,564,539	25,564,539
NUCLEAR	-	-	-	-	-	-	-	(125,848,518)	(125,848,518)
Derivatives	-	-	-	-	-	-	-	(120,270,532)	(120,270,532)
Employee Related	-	-	-	-	-	-	-	1,187,643	1,187,643
Investments Earning a Return	-	-	-	-	-	-	-	(41,312,839)	(41,312,839)
Jobbing Accounts	-	-	-	-	-	-	-	(4,779,704)	(4,779,704)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,391,409)	(2,391,409)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,465,774)	(1,465,774)
Retention Accounts	-	-	-	-	-	-	-	9,491,200	9,491,200
CWIP - AFUDC	-	-	-	-	(685,736,191)	-	(685,736,191)	-	(685,736,191)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	57,595,413	57,595,413
CAPITAL LEASE	(201,118,806)	-	(201,118,806)	-	-	-	(201,118,806)	201,257,368	138,562
<b>Total FPSC Adjustments</b>	<b>(1,419,556,030)</b>	<b>(109,844,739)</b>	<b>(1,309,711,290)</b>	<b>-</b>	<b>(693,211,507)</b>	<b>-</b>	<b>(2,002,922,797)</b>	<b>(121,791,983)</b>	<b>(2,124,714,780)</b>
<b>FPSC Adjusted</b>	<b>\$10,598,099,536</b>	<b>\$4,434,975,972</b>	<b>\$6,163,123,565</b>	<b>\$25,633,158</b>	<b>\$239,734,480</b>	<b>\$193,389,318</b>	<b>\$6,621,880,520</b>	<b>\$619,071,493</b>	<b>\$7,240,952,013</b>

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Income Statement  
March 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>	\$4,342,176,794	\$2,252,725,652	\$842,543,765	\$165,190,467	\$349,870,324	(\$39,951,600)	\$231,229,626	(\$1,323,000)	\$0	\$3,800,285,234	\$541,891,560
<b>Regulatory Base - Retail</b>	<b>\$4,048,133,334</b>	<b>2,140,521,858</b>	<b>780,169,884</b>	<b>115,824,474</b>	<b>\$336,827,036</b>	<b>(\$29,641,516)</b>	<b>\$207,248,801</b>	<b>(\$1,185,792)</b>	<b>\$0</b>	<b>\$3,549,764,746</b>	<b>\$498,368,588</b>
<b>FPSC Adjustments</b>											
ARO				(576,609)		222,427	0	0	0	(354,182)	354,182
ECCR	(97,082,995)		(94,792,228)	(361,609)	(40,107)	(728,701)	0	0	0	(95,922,646)	(1,160,349)
ECRC	(182,433,463)		(51,364,301)	4,301,587	(10,129,040)	(48,311,981)	0	0	0	(105,503,756)	(76,929,707)
FUEL	(1,782,325,633)	(1,803,786,979)		(771,288)	(1,507,441)	9,157,734	0	0	0	(1,796,907,974)	14,582,341
CCR	(314,090,212)	(313,787,983)				(116,585)	0	0	0	(313,904,568)	(185,644)
NUCLEAR	(142,906,386)		(1,615,139)	(84,472,709)	(147,483)	(21,860,859)	0	0	0	(108,096,190)	(34,810,196)
SCRC	481		787			(118)	0	0	0	669	(188)
CORPORATE AIRCRAFT ALLOCATION	0	0	(3,374,001)	0	0	1,301,521	0	0	0	(2,072,480)	2,072,480
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,852,793)	0	0	0	0	(78,636,215)	0	0	0	(78,636,215)	(125,216,578)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(202,990,385)	78,303,541	0	0	0	(124,686,844)	124,686,844
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	821,445	0	0	(2,129,475)	(1,308,030)	1,308,030
INST./PROMOTIONAL ADVERTISING	0	0	(1,709,505)	0	0	659,442	0	0	0	(1,050,064)	1,050,064
INTEREST ON TAX DEFICIENCY	0	0	(14,700,635)	0	0	5,670,770	0	0	0	(9,029,865)	9,029,865
MISCELLANEOUS INTEREST EXPENSE	0	0	165,865	0	0	(63,982)	0	0	0	101,882	(101,882)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(212,520)	0	0	81,979	0	0	0	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,817)	0	0	7,644	0	0	0	(12,172)	12,172
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,080,772)	0	0	0	(16,080,772)	16,080,772
SEBRING - RIDER REVENUE	(124)	0	0	0	0	(48)	0	0	0	(48)	(76)
DIRECTORS & OFFICERS PREMIUM			(2,800,840)			1,080,424				(1,720,416)	1,720,416
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	15,418,672	0	0	0	15,418,672	(15,418,672)
<b>Total FPSC Adjustments</b>	<b>(2,722,691,124)</b>	<b>(2,117,574,962)</b>	<b>(170,422,334)</b>	<b>(81,880,647)</b>	<b>(214,814,456)</b>	<b>(53,073,664)</b>	<b>0</b>	<b>0</b>	<b>(2,129,475)</b>	<b>(2,639,895,538)</b>	<b>(82,795,586)</b>
<b>FPSC Adjusted</b>	<b>\$1,325,442,210</b>	<b>\$22,946,896</b>	<b>\$609,747,550</b>	<b>\$33,943,827</b>	<b>\$122,012,580</b>	<b>(\$82,715,179)</b>	<b>\$207,248,801</b>	<b>(\$1,185,792)</b>	<b>(\$2,129,475)</b>	<b>\$909,869,208</b>	<b>\$415,573,002</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(12,676,662)	0	0	0	0	(4,890,023)	0	0	0	(4,890,023)	(7,786,640)
CR 3 Extended Cold Shutdown			46,463,534			(17,923,308)				28,540,226	(28,540,226)
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>275,323,338</b>	<b>0</b>	<b>46,463,534</b>	<b>0</b>	<b>0</b>	<b>(12,614,718)</b>	<b>100,897,387</b>	<b>0</b>	<b>0</b>	<b>134,746,203</b>	<b>140,577,134</b>
<b>Pro Forma Adjusted</b>	<b>\$1,600,765,548</b>	<b>\$22,946,896</b>	<b>\$656,211,084</b>	<b>\$33,943,827</b>	<b>\$122,012,580</b>	<b>(\$95,329,897)</b>	<b>\$308,146,188</b>	<b>(\$1,185,792)</b>	<b>(\$2,129,475)</b>	<b>\$1,044,615,411</b>	<b>\$556,150,136</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$45,659,468 and Jurisdictional NOI by \$38,609,646

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>	\$338,306,842	\$150,767,545	\$52,546,952	(\$33,607,963)	\$27,574,061	\$7,114,453	\$38,960,033	(\$110,250)	\$0	\$243,244,831	\$95,062,011
<b>Jurisdictional Per Books</b>											
Excluding AFUDC Earnings and Recoverable	120,603,571	\$108,163,713	31,342,976	(53,677,855)	11,005,921	(\$23,293,701)	\$34,919,488	(\$98,816)	\$0	\$108,361,726	\$12,241,845

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$622,254	\$622,254
	ECCR	F	(\$2,307,284)	(\$2,307,284)
	ECRC	F	(\$1,205,814,956)	(\$1,130,118,645)
	FUEL	F	(\$105,083,493)	(\$105,083,493)
	CCR	F	\$25,564,539	\$25,564,539
	NUCLEAR	F	(\$125,848,518)	(\$125,848,518)
	Derivatives	F	(\$120,270,532)	(\$120,270,532)
	Employee Related	F	\$1,187,643	\$1,187,643
	Investments Earning a Return	F	(\$41,312,839)	(\$41,312,839)
	Jobbing Accounts	F	(\$4,779,704)	(\$4,779,704)
	Non-Regulated and Miscellaneous	F	(\$2,391,409)	(\$2,391,409)
	Rate Case Regulatory Asset	F	(\$1,465,774)	(\$1,465,774)
	Retention Accounts	F	\$9,491,200	\$9,491,200
(1)	CWIP - AFUDC	F	(\$807,521,646)	(\$685,736,191)
(3)	Imputed Off Balance Sheet Obligations	F	66,036,154	57,595,413
(2)	CAPITAL LEASE-EPS	F	(201,118,806)	(201,118,806)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	201,257,368	201,257,368
	<b>Total</b>		<b>(\$2,313,755,804)</b>	<b>(\$2,124,714,780)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$576,609	(\$222,427)	\$576,609	(\$222,427)
	ECCR	F	(1,889,051)	728,701	(1,889,051)	728,701
	ECRC	F	(132,833,328)	51,240,456	(125,241,689)	48,311,981
	FUEL	F	(35,571,435)	13,721,681	23,740,075	(9,157,734)
	CCR	F	(302,229)	116,585	(302,229)	116,585
	NUCLEAR	F	(56,536,444)	21,808,933	(56,671,055)	21,860,859
	SCRC	F	(306)	118	(306)	118
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,658,446	(\$1,411,245)	\$3,374,001	(\$1,301,521)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,852,793)	78,636,215	(203,852,793)	78,636,215
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,990,385	(78,303,541)	202,990,385	(78,303,541)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,381,896	(918,816)	2,129,475	(821,445)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,853,624	(715,036)	1,709,505	(659,442)
(1)	INTEREST ON TAX DEFICIENCY	F	16,156,141	(6,232,232)	14,700,635	(5,670,770)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(38,868)	14,993	(165,865)	63,982
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,817	(7,644)	19,817	(7,644)
(2)	PARENT DEBT ADJUSTMENT	F	0	17,961,323	0	16,080,772
(1)	SEBRING - RIDER REVENUE	F	(124)	48	(124)	48
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,800,840	(1,080,424)	2,800,840	(1,080,424)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(17,373,693)	0	(15,418,672)
	<b>Total</b>		<b>(\$200,356,384)</b>	<b>\$77,875,105</b>	<b>(\$135,869,249)</b>	<b>\$53,073,664</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  
(3) Docket No. 120022-EI

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Rate Base**  
**March 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>	\$13,506,264,754	\$5,138,135,755	\$8,368,128,999	\$35,791,002	\$1,255,191,181	\$227,994,242	\$9,887,105,424	\$816,952,133	\$10,704,057,557
<b>Regulatory Base - Retail</b>	<b>\$12,146,212,074</b>	<b>\$4,642,357,968</b>	<b>\$7,503,854,106</b>	<b>\$25,633,158</b>	<b>1,062,770,586</b>	<b>\$205,939,684</b>	<b>\$8,798,197,534</b>	<b>\$740,863,476</b>	<b>\$9,539,061,010</b>
<b>FPSC Adjustments</b>									
ARO	(11,742,813)	(23,503,472)	11,760,659	-	-	-	11,760,659	(11,130,895)	629,764
ECCR	(1,823,207)	(1,120,800)	(702,407)	-	(11,314,145)	-	(12,016,552)	5,671,312	(6,345,240)
ECRC	(1,161,742,131)	(67,772,103)	(1,093,970,028)	-	(365,320)	-	(1,094,335,348)	(11,664,671)	(1,106,000,019)
FUEL	(32,738,780)	(31,736,048)	(1,002,732)	-	-	-	(1,002,732)	(103,695,115)	(104,697,847)
CCR	-	-	-	-	-	-	-	25,564,539	25,564,539
NUCLEAR	-	-	-	-	-	-	-	(125,848,518)	(125,848,518)
Derivatives	-	-	-	-	-	-	-	(120,270,532)	(120,270,532)
Employee Related	-	-	-	-	-	-	-	1,187,643	1,187,643
Investments Earning a Return	-	-	-	-	-	-	-	(41,312,839)	(41,312,839)
Jobbing Accounts	-	-	-	-	-	-	-	(4,779,704)	(4,779,704)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,391,409)	(2,391,409)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,465,774)	(1,465,774)
Retention Accounts	-	-	-	-	-	-	-	9,491,200	9,491,200
CWIP - AFUDC	-	-	-	-	(798,709,630)	-	(798,709,630)	-	(798,709,630)
CAPITAL LEASE	(197,856,825)	-	(197,856,825)	-	-	-	(197,856,825)	201,257,368	3,400,543
<b>Total FPSC Adjustments</b>	<b>(1,405,903,756)</b>	<b>(124,132,423)</b>	<b>(1,281,771,333)</b>	<b>-</b>	<b>(810,389,095)</b>	<b>-</b>	<b>(2,092,160,428)</b>	<b>(179,387,396)</b>	<b>(2,271,547,824)</b>
<b>FPSC Adjusted</b>	<b>\$10,740,308,318</b>	<b>\$4,518,225,545</b>	<b>\$6,222,082,773</b>	<b>\$25,633,158</b>	<b>\$252,381,491</b>	<b>\$205,939,684</b>	<b>\$6,706,037,106</b>	<b>\$561,476,080</b>	<b>\$7,267,513,186</b>

**PROGRESS ENERGY FLORIDA**  
**End of Period - Income Statement**  
**March 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>	\$4,342,176,794	\$2,252,725,652	\$842,543,765	\$165,190,467	\$349,870,324	(\$39,951,600)	\$231,229,626	(\$1,323,000)	\$0	\$3,800,285,234	\$541,891,560
<b>Regulatory Base - Retail</b>	<b>\$4,048,133,334</b>	<b>\$2,140,521,858</b>	<b>780,169,884</b>	<b>115,824,474</b>	<b>\$336,827,036</b>	<b>(\$29,641,516)</b>	<b>\$207,248,801</b>	<b>(\$1,185,792)</b>	<b>\$0</b>	<b>\$3,549,764,746</b>	<b>\$498,368,588</b>
<b>FPSC Adjustments</b>											
ARO				(576,609)		222,427	0	0	0	(354,182)	354,182
ECCR	(97,082,995)		(94,792,228)	(361,609)	(40,107)	(728,701)	0	0	0	(95,922,646)	(1,160,349)
ECRC	(182,433,463)		(51,364,301)	4,301,567	(10,129,040)	(48,311,981)	0	0	0	(105,503,756)	(76,929,707)
FUEL	(1,782,325,633)	(1,803,786,979)		(771,288)	(1,507,441)	9,157,734	0	0	0	(1,796,907,974)	14,582,341
CCR	(314,090,212)	(313,787,983)				(116,585)	0	0	0	(313,904,568)	(185,644)
NUCLEAR	(142,906,386)		(1,615,139)	(84,472,709)	(147,483)	(21,860,859)	0	0	0	(108,096,190)	(34,810,196)
SCRC	481		787			(118)	0	0	0	669	(188)
CORPORATE AIRCRAFT ALLOCATION	-	-	(3,374,001)	-	-	1,301,521	0	0	0	(2,072,480)	2,072,480
FRANCHISE FEE & GROSS REC TAX REVENUE	(203,852,793)	0	0	0	0	(78,636,215)	0	0	0	(78,636,215)	(125,216,578)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(202,990,385)	78,303,541	0	0	0	(124,686,844)	124,686,844
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	821,445	0	0	(2,129,475)	(1,308,030)	1,308,030
INST./PROMOTIONAL ADVERTISING	0	0	(1,709,505)	0	0	659,442	0	0	0	(1,050,064)	1,050,064
INTEREST ON TAX DEFICIENCY	0	0	(14,700,835)	0	0	5,670,770	0	0	0	(9,029,865)	9,029,865
MISCELLANEOUS INTEREST EXPENSE	0	0	165,865	0	0	(63,982)	0	0	0	101,882	(101,882)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(212,520)	0	0	81,979	0	0	0	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,817)	0	0	7,644	0	0	0	(12,172)	12,172
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,080,772)	0	0	0	(16,080,772)	16,080,772
SEBRING - RIDER REVENUE	(124)	0	0	0	0	(48)	0	0	0	(48)	(76)
DIRECTORS & OFFICERS PREMIUM			(2,800,840)			1,080,424				(1,720,416)	1,720,416
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	15,418,672	0	0	0	15,418,672	(15,418,672)
<b>Total FPSC Adjustments</b>	<b>(2,722,691,124)</b>	<b>(2,117,574,962)</b>	<b>(170,422,334)</b>	<b>(81,880,647)</b>	<b>(214,814,456)</b>	<b>(53,073,664)</b>	<b>0</b>	<b>0</b>	<b>(2,129,475)</b>	<b>(2,639,895,538)</b>	<b>(82,795,586)</b>
<b>FPSC Adjusted</b>	<b>\$1,325,442,210</b>	<b>\$22,946,896</b>	<b>\$609,747,550</b>	<b>\$33,943,827</b>	<b>\$122,012,580</b>	<b>(\$82,715,179)</b>	<b>\$207,248,801</b>	<b>(\$1,185,792)</b>	<b>(\$2,129,475)</b>	<b>\$909,869,208</b>	<b>\$415,573,002</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$45,659,468 and Jurisdictional NOI by \$38,809,646

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$629,764	\$629,764
	ECCR	F	(6,345,240)	(6,345,240)
	ECRC	F	(11,664,871)	(1,106,000,019)
	FUEL	F	(104,697,847)	(104,697,847)
	CCR	F	25,564,539	25,564,539
	NUCLEAR	F	(125,848,518)	(125,848,518)
	Derivatives	F	(145,631,031)	(145,631,031)
	Employee Related	F	3,831,271	3,831,271
	Investments Earning a Return	F	(42,278,639)	(42,278,639)
	Jobbing Accounts	F	(2,589,535)	(2,589,535)
	Non-Regulated and Miscellaneous	F	(2,486,536)	(2,486,536)
	Rate Case Regulatory Asset	F	(1,137,385)	(1,137,385)
	Retention Accounts	F	1,327,197	1,327,197
(1)	CWIP - AFUDC	F	(\$942,919,139)	(798,709,630)
(3)	Imputed Off Balance Sheet Obligations	F	66,036,154	57,595,413
(2)	CAPITAL LEASE-EPS	F	(197,856,825)	(197,856,825)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	201,257,368	201,257,368
	<b>Total</b>		<b>(\$1,284,809,073)</b>	<b>(\$2,243,375,653)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$576,609	(\$222,427)	\$576,609	(\$222,427)
	ECCR	F	(1,889,051)	728,701	(1,889,051)	728,701
	ECRC	F	(132,833,328)	51,240,456	(125,241,689)	48,311,981
	FUEL	F	(35,571,435)	13,721,681	23,740,075	(9,157,734)
	CCR	F	(302,229)	116,585	(302,229)	116,585
	NUCLEAR	F	(56,536,444)	21,808,933	(56,671,055)	21,860,859
	SCRC	F	(306)	118	(306)	118
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,658,446	(\$1,411,245)	\$3,374,001	(\$1,301,521)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(203,852,793)	78,636,215	(203,852,793)	78,636,215
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,990,385	(78,303,541)	202,990,385	(78,303,541)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,381,896	(918,816)	2,129,475	(821,445)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,853,624	(715,036)	1,709,505	(659,442)
(1)	INTEREST ON TAX DEFICIENCY	F	16,156,141	(6,232,232)	14,700,635	(5,670,770)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(38,868)	14,993	(165,865)	63,982
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,817	(7,644)	19,817	(7,644)
(2)	PARENT DEBT ADJUSTMENT	F	0	17,961,323	0	16,080,772
(1)	SEBRING - RIDER REVENUE	F	(124)	48	(124)	48
(2)	STORM COSTS 2004	F	2,800,840	(1,080,424)	2,800,840	(1,080,424)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(17,373,693)	0	(15,418,672)
	<b>Total</b>		<b>(\$200,356,384)</b>	<b>\$77,875,105</b>	<b>(\$135,869,249)</b>	<b>\$53,073,664</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**  
**March 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	\$4,719,733,143	\$62,727,712	(\$1,045,197,528)	\$3,737,263,327	\$3,261,245,033	45.04% ***	9.50%	4.28%	10.50%	4.73%	11.50%	5.18%
Preferred Stock	33,496,700		(7,320,639)	26,176,061	22,841,995	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,376,746,302		(956,529,401)	3,420,216,902	2,984,581,070	41.22%	5.76%	2.37%	5.76%	2.37%	5.76%	2.37%
Short Term Debt *	165,403,400	(165,403,400)	-	-	-	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%
Customer Deposits												
Active	215,129,993		(47,016,242)	168,113,751	168,113,751	2.32%	6.27%	0.15%	6.27%	0.15%	6.27%	0.15%
Inactive	1,152,782		(251,938)	900,844	900,844	0.01%						
Investment Tax Credit												
Post '70 Total	4,422,266		(966,478)	3,455,788								
Equity **					1,579,851	0.02%	7.82%	0.00%	8.64%	0.00%	9.46%	0.00%
Debt **					1,435,770	0.02%	4.75%	0.00%	4.75%	0.00%	4.75%	0.00%
Deferred Income Taxes	1,243,630,895	139,339,020	(302,245,388)	1,080,724,527	943,071,758	13.02%						
FAS 109 DIT - Net	(209,435,897)		45,771,808	(163,664,089)	(142,818,060)	-1.97%						
<b>Total</b>	<b>\$10,550,279,584</b>	<b>\$36,663,332</b>	<b>(\$2,313,755,804)</b>	<b>\$8,273,187,112</b>	<b>\$7,240,952,013</b>	<b>100.00%</b>		<b>6.81%</b>		<b>7.26%</b>		<b>7.71%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

40.62%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**March 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	\$4,700,510,346	\$855,479,188	(\$620,865,125)	\$4,935,124,410	\$3,484,508,608	47.95% ***	9.50%	4.55%	10.50%	5.03%	11.50%	5.51%
Preferred Stock	33,496,700		(3,743,156)	29,753,544	21,007,876	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,422,306,265		(494,179,428)	3,928,126,837	2,773,504,909	38.16%	5.70%	2.18%	5.70%	2.18%	5.70%	2.18%
Short Term Debt *	354,615,682	(354,615,682)	-	0	0	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%
Customer Deposits												
Active	215,823,887		(24,117,670)	191,706,216	191,706,216	2.64%	6.27%	0.17%	6.27%	0.17%	6.27%	0.17%
Inactive	1,429,542		(159,747)	1,269,795	1,269,795	0.02%						
Investment Tax Credit												
Post '70 Total	3,760,766		(420,254)	3,340,511								
Equity **					1,316,790	0.02%	11.72%	0.00%	12.95%	0.00%	14.18%	0.00%
Debt **					1,041,822	0.01%	7.06%	0.00%	7.06%	0.00%	7.06%	0.00%
Deferred Income Taxes	1,329,073,356	151,388,426	(165,437,153)	1,315,024,629	928,490,198	12.78%						
FAS 109 DIT - Net	(215,786,205)		24,113,460	(191,672,745)	(135,333,028)	-1.86%						
<b>Total</b>	<b>\$10,845,230,338</b>	<b>\$652,251,932</b>	<b>(\$1,284,809,073)</b>	<b>\$10,212,673,198</b>	<b>\$7,267,513,186</b>	<b>100.00%</b>		<b>6.91%</b>		<b>7.39%</b>		<b>7.87%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

\*\*\*Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure) 43.21%

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**March 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	\$4,719,733,143	\$62,727,712	(\$1,045,197,528)	\$3,737,263,327	\$3,261,245,033	45.04% ***	9.50%	4.28%	10.50%	4.73%	11.50%	5.18%
Preferred Stock	33,496,700		(7,320,639)	26,176,061	22,841,995	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,376,746,302	0	(956,529,401)	3,420,216,902	2,984,581,070	41.22%	5.76%	2.37%	5.76%	2.37%	5.76%	2.37%
Short Term Debt *	165,403,400	(165,403,400)	-	-	-	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%
Customer Deposits												
Active	215,129,993		(47,016,242)	168,113,751	168,113,751	2.32%	6.27%	0.15%	6.27%	0.15%	6.27%	0.15%
Inactive	1,152,782		(251,938)	900,844	900,844	0.01%						
Investment Tax Credit												
Post '70 Total	4,422,266		(966,478)	3,455,788								
Equity **					1,579,851	0.02%	7.82%	0.00%	8.64%	0.00%	9.46%	0.00%
Debt **					1,435,770	0.02%	4.75%	0.00%	4.75%	0.00%	4.75%	0.00%
Deferred Income Taxes	1,243,630,895	139,339,020	(302,245,388)	1,080,724,527	943,071,758	13.02%						
FAS 109 DIT - Net	(209,435,897)		45,771,808	(163,664,089)	(142,818,060)	-1.97%						
<b>Total</b>	<b>\$10,550,279,584</b>	<b>\$36,663,332</b>	<b>(\$2,313,755,804)</b>	<b>\$8,273,187,112</b>	<b>\$7,240,952,013</b>	<b>100.00%</b>		<b>6.81%</b>		<b>7.26%</b>		<b>7.71%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

40.62%

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**March 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	\$4,700,510,346	(\$2,990,812)	(\$567,290,982)	\$4,130,228,552	\$3,189,670,702	43.89% ***	9.50%	4.17%	10.50%	4.61%	11.50%	5.05%
Preferred Stock	33,496,700		(4,045,194)	29,451,506	22,744,651	0.31%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,422,306,265	0	(534,055,142)	3,888,251,123	3,002,797,674	41.32%	5.70%	2.36%	5.70%	2.36%	5.70%	2.36%
Short Term Debt *	354,615,682	(354,615,682)	-	0	0	0.00%	0.65%	0.00%	0.65%	0.00%	0.65%	0.00%
Customer Deposits				-								
Active	215,823,887		(26,063,744)	189,760,143	189,760,143	2.61%	6.27%	0.16%	6.27%	0.16%	6.27%	0.16%
Inactive	1,429,542		(172,637)	1,256,905	1,256,905	0.02%						
Investment Tax Credit				-								
Post '70 Total	3,760,766		(454,165)	3,306,601								
Equity **				-	1,319,864	0.02%	10.58%	0.00%	11.69%	0.00%	12.79%	0.00%
Debt **				-	1,233,740	0.02%	6.37%	0.00%	6.37%	0.00%	6.37%	0.00%
Deferred Income Taxes	1,329,073,356	151,388,426	(178,786,402)	1,301,675,379	1,005,250,864	13.83%						
FAS 109 DIT - Net	(215,786,205)		26,059,193	(189,727,012)	(146,521,357)	-2.02%						
<b>Total</b>	<b>\$10,845,230,338</b>	<b>(\$206,218,068)</b>	<b>(\$1,284,809,073)</b>	<b>\$9,354,203,198</b>	<b>\$7,267,513,186</b>	<b>100.00%</b>		<b>6.70%</b>		<b>7.14%</b>		<b>7.58%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

39.59%

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

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$236,398,492
AFUDC - Debt	\$15,177,379
Income Taxes	\$191,520,073
<b>Total</b>	<b>\$443,095,944</b>
Interest Charges (before deducting AFUDC-Debt)	\$251,575,871
<b>T.I.E. with AFUDC</b>	<b>1.76</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$236,398,492
AFUDC - Equity	(\$30,482,089)
Income Taxes	\$191,520,073
<b>Total</b>	<b>\$397,436,476</b>
Interest Charges (before deducting AFUDC-Debt)	\$251,575,871
<b>T.I.E. without AFUDC</b>	<b>1.58</b>

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

AFUDC - Debt	\$15,177,379
Less: DIT	\$0
<b>Subtotal</b>	<b>\$15,177,379</b>
AFUDC - Other	\$30,482,089
<b>Total AFUDC</b>	<b>\$45,659,468</b>
Net Income Available For Common Shareholders	\$339,115,676
<b>Percent AFUDC to Available Net Income</b>	<b>13.46%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$340,627,536
Common Dividends	(\$290,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$45,659,468)
Depreciation & Amortization	\$176,575,787
Deferred Income Taxes	\$229,073,910
Investment Tax Credits	(\$1,323,000)
Deferred Fuel (Net)	(\$199,450,830)
Nuclear Fuel Amortization	\$7,090
Nuclear Refueling	(\$14,803,602)
Other - Incl Nuclear Decommissioning	\$229,562,095
<b>Funds Provided from Operations</b>	<b>\$423,097,658</b>
Other Funds Provided - Incl Change in Working Capital	(\$9,485,604)
<b>Total Funds Provided</b>	<b>\$413,612,054</b>
Construction Expenditures (excluding AFUDC)	\$770,267,857
<b>Percentage Internally Generated Funds</b>	<b>53.70%</b>

**E: SHORT TERM DEBT / LONG TERM DEBT AS**

<b>PERCENT OF TOTAL INVESTOR CAPITAL - FPSC</b>	
Common Equity	\$3,261,245,033
Preferred Stock	\$22,841,995
Long Term Debt - Fixed Rate	\$2,984,581,070
Short Term Debt	\$0
<b>Total</b>	<b>\$6,268,668,098</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>47.61%</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	7.68%	5.74%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.37%	2.37%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.15%	0.15%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.53%</b>	<b>2.53%</b>
<b>Total</b>	<b>5.15%</b>	<b>3.21%</b>
<b>Divided by Common Equity Ratio</b>	<b>45.04%</b>	<b>45.04%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>11.43%</b>	<b>7.13%</b>