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DIVISION OF  
ACCOUNTING & FINANCE

December 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 October 31, 2012.

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 October 31, 2012. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-12-0104-FOF-EI.

If you have any questions, please feel free to contact Marcia Olivier at (727) 820-5653.

Sincerely,

A handwritten signature in black ink that reads "Javier Portuondo".

Javier Portuondo  
Director Rates & Regulatory Strategy

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

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

	(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)	\$431,228,481	(\$146,302,238)	\$284,926,244	\$235,927,669	\$520,853,913
Average Rate Base	\$9,658,944,902	(\$1,747,731,821)	\$7,911,213,081	\$120,303,344	\$8,031,516,426
Average Rate of Return	4.46%		3.60%		6.49%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$431,228,481	(\$146,302,238)	\$284,926,244	\$235,927,669	\$520,853,913
Year End Rate Base	\$9,962,045,503	(\$1,941,531,486)	\$8,020,514,017	\$0	\$8,020,514,017
Year End Rate of Return	4.33%		3.55%		6.49%

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	6.78%	6.88%
Mid Point	7.24%	7.37%
High Point	7.71%	7.87%
Pro Forma Adjusted Basis		
Low Point	6.78%	6.68%
Mid Point	7.25%	7.15%
High Point	7.71%	7.63%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	2.28	(System Per Books Basis)
B. T.I.E. without AFUDC	2.09	(System Per Books Basis)
C. AFUDC to Net Income	23.05%	(System Per Books Basis)
D. Internally Generated Funds	91.56%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	44.64%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.56%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	2.62%	(FPSC Adjusted Basis)
	8.87%	(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

  
Javier Portuondo, Director Rates & Regulatory Strategy

12-14-12  
Date

PROGRESS ENERGY FLORIDA  
Average Rate of Return - Rate Base  
October 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>	\$13,549,184,611	\$5,188,570,747	\$8,360,613,864	\$38,260,662	\$1,248,120,316	\$233,926,990	\$9,880,921,830	\$949,239,338	\$10,830,161,168
<b>Regulatory Base - Retail</b>	12,170,696,932	\$4,705,411,070	\$7,465,285,862	\$27,401,903	1,074,027,040	\$211,298,540	\$8,778,013,345	880,931,557	\$9,658,944,902
<b>FPSC Adjustments</b>									
ARO	(5,909,019)	(60,156,676)	54,247,657	-	-	-	54,247,657	(53,626,079)	621,578
ECCR	(1,821,610)	(1,167,768)	(653,842)	-	(13,189,749)	-	(13,843,591)	6,354,712	(7,488,879)
ECRC	(1,161,692,764)	(69,179,473)	(1,092,513,291)	-	(382,767)	-	(1,092,896,057)	(23,410,425)	(1,116,306,483)
FUEL	(32,738,780)	(31,672,961)	(1,065,819)	-	-	-	(1,065,819)	(9,362,120)	(10,427,939)
CCR	-	-	-	-	-	-	-	1,541,681	1,541,681
NUCLEAR	-	-	-	-	(338,615,301)	-	(338,615,301)	(101,903,514)	(440,518,815)
Derivatives	-	-	-	-	-	-	-	(112,900,757)	(112,900,757)
Employee Related	-	-	-	-	-	-	-	1,468,025	1,468,025
Investments Earning a Return	-	-	-	-	-	-	-	(50,514,024)	(50,514,024)
Jobbing Accounts	-	-	-	-	-	-	-	(9,230,846)	(9,230,846)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,432,541)	(2,432,541)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,086,646)	(1,086,646)
Retention Accounts	-	-	-	-	-	-	-	1,246,378	1,246,378
CWIP - AFUDC	-	-	-	-	(482,848,654)	-	(482,848,654)	-	(482,848,654)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	481,213,377	481,213,377
Capital Lease	(195,750,721)	-	(195,750,721)	-	-	-	(195,750,721)	195,683,444	(67,277)
<b>Total FPSC Adjustments</b>	<b>(1,397,912,894)</b>	<b>(162,176,877)</b>	<b>(1,235,736,017)</b>	<b>-</b>	<b>(835,036,470)</b>	<b>-</b>	<b>(2,070,772,487)</b>	<b>323,040,666</b>	<b>(1,747,731,821)</b>
<b>FPSC Adjusted</b>	<b>\$10,772,784,038</b>	<b>\$4,543,234,193</b>	<b>\$6,229,549,845</b>	<b>\$27,401,903</b>	<b>\$238,990,570</b>	<b>\$211,298,540</b>	<b>\$6,707,240,858</b>	<b>\$1,203,972,224</b>	<b>\$7,911,213,081</b>
<b>Pro Forma Adjustments</b>									
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	120,303,344	120,303,344
<b>Total Pro Forma Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,303,344</b>	<b>120,303,344</b>
<b>Pro Forma Adjusted</b>	<b>\$10,772,784,038</b>	<b>\$4,543,234,193</b>	<b>\$6,229,549,845</b>	<b>\$27,401,903</b>	<b>\$238,990,570</b>	<b>\$211,298,540</b>	<b>\$6,707,240,858</b>	<b>\$1,324,275,568</b>	<b>\$8,031,516,426</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**October 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>	\$4,346,006,695	\$2,247,349,980	\$983,584,937	\$209,189,985	\$346,342,392	(\$13,175,399)	\$137,849,806	(\$1,323,000)	\$0	\$3,909,818,701	\$436,187,894
<b>Regulatory Base - Retail</b>	\$4,059,662,327	2,164,705,523	915,381,822	155,585,380	\$333,676,374	(\$18,658,286)	\$123,553,403	(\$1,185,792)	\$0	\$3,673,058,425	\$386,603,902
<b>FPSC Adjustments</b>											
ARO	-	-	-	(786,956)	-	303,568	-	-	-	(483,388)	483,388
ECCR	(92,285,719)	-	(89,157,701)	(364,442)	(37,938)	(1,051,415)	-	-	-	(90,611,496)	(1,674,223)
ECRC	(192,342,301)	-	(36,873,304)	(22,321,185)	(10,144,467)	(47,448,540)	-	-	-	(116,787,497)	(75,554,804)
FUEL	(1,833,658,017)	(1,846,212,446)	-	(341,939)	(1,562,011)	5,577,320	-	-	-	(1,842,539,076)	8,881,059
CCR	(335,727,366)	(335,447,788)	-	-	-	(107,847)	-	-	-	(335,555,635)	(171,731)
NUCLEAR	(98,663,603)	-	(1,425,541)	(39,493,648)	(107,360)	(22,233,494)	-	-	-	(63,260,043)	(35,403,560)
SCRC	168	-	787	-	-	(239)	-	-	-	548	(380)
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,900,106)	-	-	1,118,716	-	-	-	(1,781,390)	1,781,390
FRANCHISE FEE & GROSS REC TAX REVENUE	(204,100,570)	-	-	-	-	(78,731,795)	-	-	-	(78,731,795)	(125,368,775)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(203,295,473)	78,421,229	-	-	-	(124,874,244)	124,874,244
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	838,707	-	-	(2,174,223)	(1,335,516)	1,335,516
INST./PROMOTIONAL ADVERTISING	-	-	(800,769)	-	-	308,896	-	-	-	(491,872)	491,872
INTEREST ON TAX DEFICIENCY	-	-	1,276,796	-	-	(492,524)	-	-	-	784,272	(784,272)
MISCELLANEOUS INTEREST EXPENSE	-	-	188,130	-	-	(72,571)	-	-	-	115,559	(115,559)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(212,520)	-	-	81,979	-	-	-	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	-	-	(19,289)	-	-	7,441	-	-	-	(11,848)	11,848
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(12,662,009)	-	-	-	(12,662,009)	12,662,009
DIRECTORS & OFFICERS PREMIUM	-	-	(1,794,280)	-	-	692,144	-	-	-	(1,102,137)	1,102,137
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,358,355	-	-	-	14,358,355	(14,358,355)
<b>Total FPSC Adjustments</b>	<b>(2,756,777,408)</b>	<b>(2,181,660,233)</b>	<b>(131,717,797)</b>	<b>(63,308,170)</b>	<b>(215,147,251)</b>	<b>(61,092,079)</b>	<b>-</b>	<b>-</b>	<b>(2,174,220)</b>	<b>(2,655,099,750)</b>	<b>(101,677,658)</b>
<b>FPSC Adjusted</b>	<b>\$1,302,884,919</b>	<b>(\$16,954,710)</b>	<b>\$783,664,026</b>	<b>\$92,277,210</b>	<b>\$118,529,124</b>	<b>(\$79,750,365)</b>	<b>\$123,553,403</b>	<b>(\$1,185,792)</b>	<b>(\$2,174,220)</b>	<b>\$1,017,958,675</b>	<b>\$284,926,244</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(5,707,477)	-	-	-	-	(2,201,659)	-	-	-	(2,201,659)	(3,505,818)
Interest Synchronization	-	-	-	-	-	(1,104,487)	-	-	-	(1,104,487)	1,104,487
Settlement Refund	288,000,000	-	(100,000,000)	-	-	-	149,671,000	-	-	49,671,000	238,329,000
<b>Total Pro Forma Adjustments</b>	<b>282,292,523</b>	<b>-</b>	<b>(100,000,000)</b>	<b>-</b>	<b>-</b>	<b>(3,306,146)</b>	<b>149,671,000</b>	<b>-</b>	<b>-</b>	<b>46,364,854</b>	<b>235,927,669</b>
<b>Pro Forma Adjusted</b>	<b>\$1,585,177,442</b>	<b>(\$16,954,710)</b>	<b>\$683,664,026</b>	<b>\$92,277,210</b>	<b>\$118,529,124</b>	<b>(\$83,056,511)</b>	<b>\$273,224,403</b>	<b>(\$1,185,792)</b>	<b>(\$2,174,220)</b>	<b>\$1,064,323,529</b>	<b>\$520,853,913</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$51,858,895 and Jurisdictional NOI by \$44,624,580

**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>	\$415,660,027	\$215,476,192	\$73,649,026	\$32,848,388	\$27,486,760	\$5,388,322	\$12,786,157	(\$110,250)	\$0	\$367,524,595	\$48,135,432
<b>Jurisdictional Per Books</b>											
<b>Excluding AFUDC Earnings and Recoverable</b>	<b>135,226,781</b>	<b>\$2,427,820</b>	<b>54,428,894</b>	<b>23,030,132</b>	<b>6,824,669</b>	<b>\$4,237,026</b>	<b>\$11,460,105</b>	<b>(\$98,816)</b>	<b>\$0</b>	<b>\$102,309,830</b>	<b>\$32,916,951</b>

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

Schedule 2  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$621,578	\$621,578
	ECCR	F	(\$7,488,879)	(\$7,488,879)
	ECRC	F	(\$1,203,027,222)	(\$1,116,306,483)
	FUEL	F	(\$10,427,939)	(\$10,427,939)
	CCR	F	\$1,541,681	\$1,541,681
	NUCLEAR	F	(\$474,770,364)	(\$440,518,815)
	Derivatives	F	(\$112,900,757)	(\$112,900,757)
	Employee Related	F	\$1,468,025	\$1,468,025
	Investments Earning a Return	F	(\$50,514,024)	(\$50,514,024)
	Jobbing Accounts	F	(\$9,230,846)	(\$9,230,846)
	Non-Regulated and Miscellaneous	F	(\$2,432,541)	(\$2,432,541)
	Rate Case Regulatory Asset	F	(\$1,086,646)	(\$1,086,646)
	Retention Accounts	F	\$1,246,378	\$1,246,378
(1)	CWIP - AFUDC	F	(\$576,609,070)	(\$482,848,654)
(3)	Imputed Off Balance Sheet Obligations	F	528,289,231	481,213,377
(2)	Capital Lease - EPIS	F	(195,750,721)	(195,750,721)
(2)	Capital Lease - Working Capital	F	195,683,444	195,683,444
	<b>Total</b>		<b>(\$1,916,388,671)</b>	<b>(\$1,747,731,821)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$786,956	(\$303,568)	\$786,956	(\$303,568)
	ECCR	F	(2,725,637)	1,051,415	(2,725,637)	1,051,415
	ECRC	F	(185,067,295)	71,389,709	(123,003,344)	47,448,540
	FUEL	F	13,117,942	5,060,246	14,458,379	(5,577,320)
	CCR	F	(279,578)	107,847	(279,578)	107,847
	NUCLEAR	F	(57,519,808)	22,188,266	(57,637,054)	22,233,494
	SCRC	F	(619)	239	(619)	239
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,144,599	(\$1,213,029)	\$2,900,106	(\$1,118,716)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(204,100,570)	78,731,795	(204,100,570)	78,731,795
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,295,473	(78,421,229)	203,295,473	(78,421,229)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,373,628	(915,627)	2,174,223	(638,707)
(1)	INST./PROMOTIONAL ADVERTISING	F	868,277	(334,938)	800,769	(308,896)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,403,211)	541,289	(1,276,796)	492,524
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(478,521)	184,589	(188,130)	72,571
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,289	(7,441)	19,289	(7,441)
(2)	PARENT DEBT ADJUSTMENT	F	0	14,902,617	0	12,662,009
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,794,280	(692,144)	1,794,280	(692,144)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(16,090,653)	0	(14,358,355)
	<b>Total</b>		<b>(\$226,944,360)</b>	<b>\$96,090,493</b>	<b>(\$162,769,734)</b>	<b>\$61,092,079</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  
October 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
System Per Books	\$13,817,018,552	\$5,287,750,242	\$8,529,268,309	\$42,212,117	\$1,416,632,240	\$261,815,803	\$10,249,928,470	\$949,239,338	\$11,199,167,808
Regulatory Base - Retail	\$12,404,969,436	\$4,813,455,977	\$7,591,513,459	\$30,231,896	1,222,879,004	\$236,489,586	\$9,081,113,945	\$880,931,557	\$9,962,045,503
<b>FPSC Adjustments</b>									
ARO	(105,462,817)	(52,137,233)	(53,325,584)	-	-	-	(53,325,584)	(53,626,079)	(106,951,663)
ECCR	(1,823,207)	(1,333,508)	(489,699)	-	(21,708,171)	-	(22,197,870)	6,354,712	(15,843,159)
ECRC	(1,162,616,547)	(82,244,790)	(1,080,371,757)	-	(562,722)	-	(1,080,934,479)	(23,410,425)	(1,104,344,904)
FUEL	(32,738,780)	(31,756,617)	(982,163)	-	-	-	(982,163)	(9,362,120)	(10,344,283)
CCR	-	-	-	-	-	-	-	1,541,681	1,541,681
NUCLEAR	-	-	-	-	(369,677,952)	-	(369,677,952)	(101,903,514)	(471,581,466)
Derivatives	-	-	-	-	-	-	-	(112,900,757)	(112,900,757)
Employee Related	-	-	-	-	-	-	-	1,468,025	1,468,025
Investments Earning a Return	-	-	-	-	-	-	-	(50,514,024)	(50,514,024)
Jobbing Accounts	-	-	-	-	-	-	-	(9,230,846)	(9,230,846)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,432,541)	(2,432,541)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,086,646)	(1,086,646)
Retention Accounts	-	-	-	-	-	-	-	1,246,378	1,246,378
CWIP - AFUDC	-	-	-	-	(547,409,048)	-	(547,409,048)	-	(547,409,048)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	481,213,377	481,213,377
Capital Lease	(190,045,056)	-	(190,045,056)	-	-	-	(190,045,056)	195,683,444	5,638,388
<b>Total FPSC Adjustments</b>	<b>(1,492,686,407)</b>	<b>(167,472,148)</b>	<b>(1,325,214,259)</b>	<b>-</b>	<b>(939,357,893)</b>	<b>-</b>	<b>(2,264,572,153)</b>	<b>323,040,666</b>	<b>(1,941,531,486)</b>
<b>FPSC Adjusted</b>	<b>\$10,912,283,029</b>	<b>\$4,645,983,829</b>	<b>\$6,266,299,200</b>	<b>\$30,231,896</b>	<b>\$283,521,111</b>	<b>\$236,489,586</b>	<b>\$6,816,541,793</b>	<b>\$1,203,972,224</b>	<b>\$8,020,514,017</b>

**PROGRESS ENERGY FLORIDA**  
**End of Period - Income Statement**  
**October 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>	\$4,346,006,595	\$2,247,349,980	\$983,584,937	\$209,189,985	\$346,342,392	(\$13,175,399)	\$137,849,806	(\$1,323,000)	\$0	\$3,909,818,701	\$436,187,894
<b>Regulatory Base - Retail</b>	\$4,059,662,327	\$2,164,705,523	915,381,822	156,372,336	\$333,676,374	(\$18,658,286)	\$123,553,403	(\$1,185,792)	\$0	\$3,673,845,381	\$385,816,946
<b>FPSC Adjustments</b>											
ARO	-	-	-	(786,956)	-	303,568	-	-	-	(483,388)	483,388
ECCR	(92,285,719)	-	(89,157,701)	(364,442)	(37,938)	(1,051,415)	-	-	-	(90,611,496)	(1,674,223)
ECRC	(192,342,301)	-	(36,873,304)	(22,321,185)	(10,144,467)	(47,448,540)	-	-	-	(116,787,497)	(75,554,804)
FUEL	(1,833,658,017)	(1,846,212,446)	-	(341,939)	(1,562,011)	5,577,320	-	-	-	(1,842,539,076)	8,881,059
CCR	(335,727,366)	(335,447,788)	-	-	-	(107,847)	-	-	-	(335,555,635)	(171,731)
NUCLEAR	(98,663,603)	-	(1,425,541)	(39,493,648)	(107,360)	(22,233,494)	-	-	-	(63,260,043)	(35,403,560)
SCRC	168	-	787	-	-	(239)	-	-	-	548	(380)
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,900,106)	-	-	1,118,716	-	-	-	(1,781,390)	1,781,390
FRANCHISE FEE & GROSS REC TAX REVENUE	(204,100,570)	-	-	-	-	(78,731,795)	-	-	-	(78,731,795)	(125,368,775)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(203,295,473)	78,421,229	-	-	-	(124,874,244)	124,874,244
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	838,707	-	-	(2,174,223)	(1,335,516)	1,335,516
INST./PROMOTIONAL ADVERTISING	-	-	(800,769)	-	-	308,896	-	-	-	(491,872)	491,872
INTEREST ON TAX DEFICIENCY	-	-	1,276,796	-	-	(492,524)	-	-	-	784,272	(784,272)
MISCELLANEOUS INTEREST EXPENSE	-	-	188,130	-	-	(72,571)	-	-	-	115,559	(115,559)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(212,520)	-	-	81,979	-	-	-	(130,540)	130,540
REMOVE ECONOMIC DEVELOPMENT	-	-	(19,289)	-	-	7,441	-	-	-	(11,848)	11,848
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(12,662,009)	-	-	-	(12,662,009)	12,662,009
SEBRING - RIDER REVENUE	-	-	-	-	-	-	-	-	-	-	-
DIRECTORS & OFFICERS PREMIUM	-	-	(1,794,280)	-	-	692,144	-	-	-	(1,102,137)	1,102,137
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,358,355	-	-	-	14,358,355	(14,358,355)
<b>Total FPSC Adjustments</b>	<b>(2,756,777,408)</b>	<b>(2,181,660,233)</b>	<b>(131,717,797)</b>	<b>(63,308,170)</b>	<b>(215,147,251)</b>	<b>(61,092,079)</b>	<b>-</b>	<b>-</b>	<b>(2,174,223)</b>	<b>(2,655,099,753)</b>	<b>(101,677,655)</b>
<b>FPSC Adjusted</b>	<b>\$1,302,884,919</b>	<b>(\$16,954,710)</b>	<b>\$783,664,026</b>	<b>\$93,064,166</b>	<b>\$118,529,124</b>	<b>(\$79,750,365)</b>	<b>\$123,553,403</b>	<b>(\$1,185,792)</b>	<b>(\$2,174,223)</b>	<b>\$1,018,745,628</b>	<b>\$284,139,291</b>

Footnotes:

- (a) The addition of earnings from AFUDC charges would increase the system NOI by \$51,858,895 and Jurisdictional NOI by \$44,624,580

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

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

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	(\$106,951,663)	(\$106,951,663)
	ECCR	F	(15,843,159)	(15,843,159)
	ECRC	F	(1,203,027,222)	(1,104,344,904)
	FUEL	F	(10,344,283)	(10,344,283)
	CCR	F	1,541,681	1,541,681
	NUCLEAR	F	(508,975,058)	(471,581,466)
	Derivatives	F	(112,900,757)	(112,900,757)
	Employee Related	F	1,468,025	1,468,025
	Investments Earning a Return	F	(50,514,024)	(50,514,024)
	Jobbing Accounts	F	(9,230,846)	(9,230,846)
	Non-Regulated and Miscellaneous	F	(2,432,541)	(2,432,541)
	Rate Case Regulatory Asset	F	(1,086,646)	(1,086,646)
	Retention Accounts	F	1,246,378	1,246,378
(1)	CWIP - AFUDC	F	(\$649,316,898)	(547,409,048)
(3)	Imputed Off Balance Sheet Obligations	F	528,289,231	481,213,377
(2)	Capital Lease - EPIS	F	(190,045,056)	(190,045,056)
(2)	Capital Lease - Working Capital	F	195,683,444	195,683,444
	<b>Total</b>		<b>(\$2,132,439,392)</b>	<b>(\$1,941,531,486)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$786,956	(\$303,568)	\$786,956	(\$303,568)
	ECCR	F	(2,725,637)	1,051,415	(2,725,637)	1,051,415
	ECRC	F	(185,067,295)	71,389,709	(123,003,344)	47,448,540
	FUEL	F	13,117,942	5,060,246	14,458,379	(5,577,320)
	CCR	F	(279,578)	107,847	(279,578)	107,847
	NUCLEAR	F	(57,519,808)	22,188,266	(57,637,054)	22,233,494
	SCRC	F	(619)	239	(619)	239
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,144,599	(\$1,213,029)	\$2,900,106	(\$1,118,716)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(204,100,570)	78,731,795	(204,100,570)	78,731,795
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,295,473	(78,421,229)	203,295,473	(78,421,229)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,373,628	(915,627)	2,174,223	(838,707)
(1)	INST./PROMOTIONAL ADVERTISING	F	868,277	(334,938)	800,769	(308,896)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,403,211)	541,289	(1,276,796)	492,524
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(478,521)	184,589	(188,130)	72,571
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,520	(81,979)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,289	(7,441)	19,289	(7,441)
(2)	PARENT DEBT ADJUSTMENT	F	-	14,902,617	-	12,662,009
(2)	STORM COSTS 2004	F	1,794,280	(692,144)	1,794,280	(692,144)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(16,090,653)	-	(14,358,355)
	<b>Total</b>		<b>(\$225,944,360)</b>	<b>\$96,090,493</b>	<b>(\$162,769,734)</b>	<b>\$61,092,079</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**  
**October 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	\$4,763,069,213	525,448,341	(\$888,773,212)	\$4,399,744,343	\$3,713,752,226	46.24%	9.50%	4.39%	10.50%	4.86%	11.50%	5.32%
Preferred Stock	33,496,700		(5,629,360)	27,867,340	23,522,366	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,415,461,552		(742,049,904)	3,673,411,648	3,100,666,680	38.61%	5.83%	2.25%	5.83%	2.25%	5.83%	2.25%
Short Term Debt *	264,736,312	(110,680,641)	(25,890,158)	128,165,513	108,182,413	1.35%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,912,617		(36,117,603)	178,795,014	178,795,014	2.23%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,225,781		(206,001)	1,019,780	1,019,780	0.01%						
Investment Tax Credit												
Post '70 Total	3,650,516		(613,495)	3,037,020								
Equity **					1,401,080	0.02%	8.95%	0.00%	9.89%	0.00%	10.83%	0.00%
Debt **					1,162,420	0.01%	5.51%	0.00%	5.51%	0.00%	5.51%	0.00%
Deferred Income Taxes	1,350,006,122	152,316,773	(252,476,111)	1,249,846,784	1,054,975,225	13.14%						
FAS 109 DIT - Net	(216,397,645)		36,367,172	(180,030,473)	(151,960,777)	-1.89%						
<b>Total</b>	<b>\$10,830,161,168</b>	<b>\$567,084,472</b>	<b>(\$1,915,388,671)</b>	<b>\$9,481,856,969</b>	<b>\$8,031,516,426</b>	<b>100.00%</b>		<b>6.78%</b>		<b>7.25%</b>		<b>7.71%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**October 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	\$4,879,372,035	856,120,103	(\$1,012,477,984)	\$4,723,014,154	\$3,791,599,406	47.27%	9.50%	4.49%	10.50%	4.96%	11.50%	5.44%
Preferred Stock	33,496,700		(5,913,123)	27,583,577	22,143,883	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,429,547,665		(781,941,529)	3,647,606,136	2,928,270,128	36.51%	5.82%	2.12%	5.82%	2.12%	5.82%	2.12%
Short Term Debt *	118,508,070	143,814,188	(46,307,362)	216,014,896	173,415,096	2.16%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	212,928,996		(37,588,042)	175,340,954	175,340,954	2.19%	2.29%	0.05%	2.29%	0.05%	2.29%	0.05%
Inactive	1,385,931		(244,656)	1,141,274	1,141,274	0.01%						
Investment Tax Credit												
Post '70 Total	2,989,016		(527,647)	2,461,369								
Equity **					1,117,743	0.01%	9.27%	0.00%	10.25%	0.00%	11.22%	0.00%
Debt **					858,226	0.01%	5.70%	0.00%	5.70%	0.00%	5.70%	0.00%
Deferred Income Taxes	1,464,401,907	160,532,476	(286,847,275)	1,338,087,109	1,074,206,031	13.39%						
FAS 109 DIT - Net	(223,239,989)		39,408,227	(183,831,762)	(147,578,724)	-1.84%						
<b>Total</b>	<b>\$10,919,390,331</b>	<b>\$1,160,466,768</b>	<b>(\$2,132,439,392)</b>	<b>\$9,947,417,706</b>	<b>\$8,020,514,017</b>	<b>100.00%</b>		<b>6.68%</b>		<b>7.15%</b>		<b>7.63%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**October 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	\$4,763,069,213	525,448,341	(\$888,773,212)	\$4,399,744,343	\$3,656,850,317	46.22%	9.50%	4.39%	10.50%	4.85%	11.50%	5.32%
Preferred Stock	33,496,700		(5,629,360)	27,867,340	23,161,957	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,415,461,552	0	(742,049,904)	3,673,411,648	3,053,158,434	38.59%	5.83%	2.25%	5.83%	2.25%	5.83%	2.25%
Short Term Debt *	264,736,312	(110,680,641)	(25,890,158)	128,165,513	106,524,848	1.35%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,912,617		(36,117,603)	178,795,014	178,795,014	2.26%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,225,781		(206,001)	1,019,780	1,019,780	0.01%						
Investment Tax Credit												
Post '70 Total	3,650,516		(613,495)	3,037,020								
Equity **					1,379,612	0.02%	9.09%	0.00%	10.05%	0.00%	11.00%	0.00%
Debt **					1,144,609	0.01%	5.60%	0.00%	5.60%	0.00%	5.60%	0.00%
Deferred Income Taxes	1,350,006,122	152,316,773	(252,476,111)	1,249,846,784	1,038,810,952	13.13%						
FAS 109 DIT - Net	(216,397,645)		36,367,172	(180,030,473)	(149,632,442)	-1.89%						
<b>Total</b>	<b>\$10,830,161,168</b>	<b>\$567,084,472</b>	<b>(\$1,915,388,671)</b>	<b>\$9,481,856,969</b>	<b>\$7,911,213,081</b>	<b>100.00%</b>		<b>6.78%</b>		<b>7.24%</b>		<b>7.71%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**October 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	\$4,879,372,035	\$856,120,103	(\$1,012,477,984)	\$4,723,014,154	\$3,791,599,406	49.44%	9.50%	4.70%	10.50%	5.19%	11.50%	5.69%
Preferred Stock	33,496,700		(5,913,123)	27,583,577	22,143,883	0.28%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,429,547,665	0	(781,941,529)	3,647,606,136	2,928,270,128	36.51%	5.82%	2.12%	5.82%	2.12%	5.82%	2.12%
Short Term Debt *	118,508,070	143,814,188	(46,307,362)	216,014,896	0	0.00%	0.60%	0.00%	0.60%	0.00%	0.60%	0.00%
Customer Deposits				-								
Active	212,928,996		(37,588,042)	175,340,954	175,340,954	2.19%	2.29%	0.05%	2.29%	0.05%	2.29%	0.05%
Inactive	1,385,931		(244,656)	1,141,274	1,141,274	0.01%						
Investment Tax Credit				-								
Post '70 Total	2,989,016		(527,647)	2,461,369								
Equity **				-	1,117,743	0.01%	9.27%	0.00%	10.25%	0.00%	11.22%	0.00%
Debt **				-	858,226	0.01%	5.70%	0.00%	5.70%	0.00%	5.70%	0.00%
Deferred Income Taxes	1,464,401,907	160,532,476	(286,847,275)	1,338,087,109	1,074,206,031	13.39%						
FAS 109 DIT - Net	(223,239,989)		39,408,227	(183,831,762)	(147,578,724)	-1.84%						
<b>Total</b>	<b>\$10,919,390,331</b>	<b>\$1,160,466,768</b>	<b>(\$2,132,439,392)</b>	<b>\$9,947,417,706</b>	<b>\$8,020,514,017</b>	<b>100.00%</b>		<b>6.88%</b>		<b>7.37%</b>		<b>7.87%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$482,234,570
AFUDC - Debt	\$17,312,997
Income Taxes	\$121,951,966
<b>Total</b>	<b>\$621,499,533</b>
Interest Charges (before deducting AFUDC-Debt)	\$273,078,959
<b>T.I.E. with AFUDC</b>	<b>2.28</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$482,234,570
AFUDC - Equity	(\$34,545,899)
Income Taxes	\$121,951,966
<b>Total</b>	<b>\$569,640,638</b>
Interest Charges (before deducting AFUDC-Debt)	\$273,078,959
<b>T.I.E. without AFUDC</b>	<b>2.09</b>

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

AFUDC - Debt	\$17,312,997
Less: DIT	\$0
<b>Subtotal</b>	<b>\$17,312,997</b>
AFUDC - Other	\$34,545,899
<b>Total AFUDC</b>	<b>\$51,858,895</b>
Net Income Available For Common Shareholders	\$224,956,748
<b>Percent AFUDC to Available Net Income</b>	<b>23.05%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$226,468,608
Common Dividends	(\$205,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$36,897,044)
Depreciation & Amortization	\$220,248,958
Deferred Income Taxes	\$136,789,824
Investment Tax Credits	(\$1,323,000)
Deferred Fuel (Net)	(\$143,304,290)
Nuclear Fuel Amortization	\$0
Nuclear Refueling	(\$17,407,139)
Other - Incl Nuclear Decommissioning	\$287,717,075
<b>Funds Provided from Operations</b>	<b>\$465,781,132</b>
Other Funds Provided - Incl Change in Working Capital	\$231,246,374
<b>Total Funds Provided</b>	<b>\$697,027,506</b>
Construction Expenditures (excluding AFUDC)	\$761,256,268
<b>Percentage Internally Generated Funds</b>	<b>91.56%</b>

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

Common Equity	\$3,656,850,317
Preferred Stock	\$23,161,957
Long Term Debt - Fixed Rate	\$3,053,158,434
Short Term Debt	\$106,524,848
<b>Total</b>	<b>\$6,839,695,557</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>44.64%</b>
<b>% Short Term Debt</b>	<b>1.56%</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	6.49%	3.60%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.25%	2.25%
Short Term Debt	0.01%	0.01%
Customer Deposits	0.12%	0.12%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.39%</b>	<b>2.39%</b>
<b>Total</b>	<b>4.10%</b>	<b>1.21%</b>
<b>Divided by Common Equity Ratio</b>	<b>46.24%</b>	<b>46.22%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>8.87%</b>	<b>2.62%</b>