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Florida Power
CORPORATION

JAMES A. McGEE
SENIOR COUNSEL

October 8, 1996 961216 - EI

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Application of Florida Power Corporation for Authority to Issue and Sell Securities During the Twelve Months Ending December 31, 1997, Pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

Dear Ms. Bayó:

Enclosed for filing are one certified and five uncertified copies of the subject Application.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/kp
Enclosure

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FLORIDA PUBLIC SERVICE COMMISSION

TALLAHASSEE, FLORIDA

APPLICATION OF

FLORIDA POWER CORPORATION

FOR AUTHORITY TO ISSUE AND SELL

SECURITIES DURING THE TWELVE MONTHS ENDING DECEMBER 31, 1997

PURSUANT TO SECTION 366.04, FLORIDA STATUTES,

AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE

Address communications in connection with this Application to:

James P. Fama
Deputy General Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

Dated: October 1, 1996

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	**APPLICATION OF FLORIDA POWER CORPORATION FOR AUTHORITY TO ISSUE AND SELL SECURITIES DURING 1997 PURSUANT TO SECTION 366.04, FLORIDA STATUTES, AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE.**

The Applicant, Florida Power Corporation (herein called the "Company"), respectfully represents to the Florida Public Service Commission (herein called the "Commission"), that it proposes to issue, sell or otherwise incur, and have outstanding, during 1997 not more than $1.1 billion of additional long-term securities and debt obligations, consisting of (i) up to $400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's long-term credit agreements, and (ii) $700 million of other long-term securities and debt obligations. In addition, the Company proposes to issue, sell and have outstanding at any given time during 1997 short-term unsecured securities and debt obligations, including commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not in excess of $400 million, which amount shall be in addition to and in excess of the authority conferred on the Company by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities. The Company hereby applies for requisite authority for these proposed financings, pursuant to Section 366.04, Florida Statutes, by submitting the following information in the manner and form prescribed in Chapter 25-8, Florida Administrative Code, including the required Exhibits A-D and additional Exhibits E-H attached hereto.

CONTENTS OF APPLICATION

(1) The exact name of the Company and address of its principal business office is as follows:

Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33711

(2) The Company was incorporated in Florida in 1899 and reincorporated in Florida in 1943. The Company is continuing its corporate existence pursuant to its Amended Articles of Incorporation, as amended, a copy of which was filed as Exhibit A to the Application Of Florida Power Corporation For Authority To Issue And Sell Securities During The Twelve Months Ending December 31, 1994 (Docket No. 931029-EI) and is incorporated herein by reference. The Company's financial statement schedules which are required under the rules that prescribe the manner and form for this application are filed as exhibits B and C herein.

(3) The name and address of the person authorized to receive notices and communications with respect to this Application is shown on the cover page hereof.

(4) The names, titles and addresses of the principal officers of the Company are contained in Exhibit E attached hereto.

(5) The Company is an operating public utility engaged in the production, transmission, distribution and sale of electricity predominantly within the State of Florida. It provided electric service during 1995 to an average of about 1,272,000 customers in a service

area covering about 20,000 square miles in central and northern Florida and along the west coast of the State. This service area includes the densely populated areas around Orlando, as well as the cities of St. Petersburg and Clearwater. A map indicating the service area of the Company is contained in Exhibit D attached hereto.

(6) At December 31, 1995, the Company's total net winter generating capacity was 7,347 megawatts ("MW"). This capacity was generated by 13 steam units with a capacity of 4,661 MW and 44 combustion turbine peaking units with a capacity of 2,686 MW. In addition, the Company distributed electricity through 344 substations with an installed transformer capacity of 40,998,200 kilovolt amperes ("KVA"). Of this capacity, 28,166,750 KVA was located in transmission substations and 12,959,525 KVA in distribution substations. The Company also had 4,557 circuit miles of transmission lines of which 2,610 circuit miles are operated at 500, 230 or 115 kilovolts ("KV") and the balance at 69 KV. The Company had 23,527 circuit miles of distribution lines which operate at various voltages ranging from 2.4 to 25 KV.

(7) A statement detailing information concerning each class and series of the Company's capital stock and long-term debt is contained in Exhibit F attached hereto.

(8) A summary statement of the proposed transactions which comprise the requested authority to issue and sell $1.1 billion of long-term securities and $400 million of short-term securities is contained in Exhibit G attached hereto. These proposed transactions are subject to periodic review and may change due to market conditions or other events that may affect the Company's business, but at no time will the sum of the transactions exceed the authority requested by this Application.

(8)(a)(1) The kind and the nature of the securities that the Company seeks authority to issue and sell during 1997 are short-term and long-term securities and debt obligations, including, but not limited to, borrowings from banks which are participants in the Company's existing credit facilities. Short-term securities and debt obligations may include notes to be sold in the commercial paper market ("commercial paper") classified as short-term debt for accounting purposes, bank loans, credit agreements or other forms of securities and debt obligations, with maturities less than one year. The long-term securities and debt obligations may take the form of preferred stock, first mortgage bonds, debentures, notes, commercial paper backed by long-term credit agreements, installment contracts, credit agreements or other forms of securities and debt obligations, with maturities greater than one year. Long-term securities may be issued through negotiated underwritten public offerings, public offerings at competitive biddings, private sales or sales through agents, and may be issued in both domestic and foreign markets. Credit agreements may be with banks or other lenders. The Company's commercial paper will be for terms up to but not exceeding nine months from the date of issuance. The commercial paper will not be extendable or renewable nor will it contain any other provision for automatic "roll over," either at the option of the holder or at the option of the Company. The commercial paper will be sold at a discount, including the underwriting discount of the commercial paper dealer, at rates comparable to interest rates being paid in the commercial paper market by borrowers of similar creditworthiness. The Company plans to refund from time to time outstanding commercial paper and short-term borrowings, which mature on a regular basis, with preferred stock, first mortgage bonds, medium-term notes, or other long-term securities and debt obligations.

(8)(a)(2) In connection with borrowing from banks and in support of its commercial paper program, the Company has executed a number of credit agreements, and may extend the terms of these agreements or enter into additional agreements as the need arises. The Company has executed a $200 million 364-day revolving credit facility and a $200 million five-year revolving long-term credit facility with a group of banks under which borrowings may be made from time to time. These facilities were effective November 26, 1991 and January 1, 1992, respectively. The 364-day revolving credit facility has been extended four times, most recently to November 1996, and the five-year facility has been extended three times to its current expiration date in November 2000. To date, no borrowings have been made under these credit agreements. These credit facilities have been and will continue to be used primarily to back up the Company's $400 million commercial paper program, and are extendable at the request of the Company with the consent of the participating banks. The Company is currently in the process of requesting that the 364-day and five-year facilities be extended from November 19, 1996 to November 18, 1997 and from November 30, 2000 to November 30, 2001, respectively. In addition to these two credit facilities, the Company may establish other long-term credit facilities for an additional $200 million. In November 1993, the Commission approved the Company's petition to implement a self-insurance program for storm damage to its transmission and distribution lines in Order No. PSC-93-1522-FOF-EI (the "Petition to Self-Insure"). The Company self-insures against casualties to its transmission and distribution system, and may establish an additional long-term credit facility with a group of banks that would provide a committed source of bank loans to fund, or to back up commercial paper to fund, repairs in the event of any loss. The Company's existing $200 million five-year revolving long-term credit facility, the additional long-term credit facility proposed in the Petition to Self-Insure, and any other long-term credit agreements or amendments thereto that the Company may execute, are hereinafter collectively referred to as the "Long-Term Credit Agreements". For accounting purposes, the Company classifies monies borrowed under, and commercial paper backed by, the Long-Term Credit Agreements as long-term debt. As such, commercial paper could be outstanding from time to time that is backed by the Long-Term Credit Agreements and monies could be borrowed under the Long-Term Credit Agreements, repaid and reborrowed from time to time, but no more than $400 million of such debt, which would be classified as long-term debt, is expected to be outstanding at any one time. In connection therewith, the Company will report any use or change of its Long-Term Credit Agreements during 1997 in its Consummation Report to be filed with the Commission not later than 90 days after the close of the 1997 calendar year.

(8)(b) The maximum principal amount of additional long-term securities and debt obligations proposed to be issued, sold, or otherwise incurred, and outstanding, during 1997 is $1.1 billion, consisting of (i) up to $400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's Long-Term Credit Agreements, and (ii) $700 million of other long-term securities and debt obligations. A statement detailing the financing activity that underlies the calculation of these figures is set forth on Exhibit G. The maximum aggregate principal amount of unsecured short-term borrowings and commercial paper classified as short-term debt for accounting purposes to be outstanding at any given time is $400 million, which amount shall be in addition to and in excess of the authority conferred on the Company by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities.

In connection with certain securities listed on Exhibit G, the Company has or may during 1997 engage in certain continuous offering transactions which involve the issuance and sale of medium-term notes or other long-term securities from time to time. In connection therewith, the Company will report any continuous offering transactions during 1997 which involve the issuance and sale of medium-term notes or other long-term securities in its annual Consummation Report to be filed with the Commission not later than 90 days after the close of the 1997 calendar year.

(8)(c) On September 27, 1996, interest rates for securities comparable to those proposed to be issued by the Company were as follows:

1. The interest rate on 30-year AA-/Aa3 rated first mortgage bonds was about 7.8%.

2. The interest rate on 10-year A+/A1 rated medium-term notes was about 7.25%.

3. The interest rate on five-year A+/A1 rated medium-term notes was about 6.9%.

4. The interest rate (on a bond equivalent basis) for 30-day commercial paper sold through dealers was about 5.4%.

5. The prime interest rate was 8.25%.

The actual interest rates to be paid by the Company during 1997 will be determined by the market conditions at the time of issuance. On September 27, 1996, the dividend rate for A+/A1 rated, perpetual, fixed rate preferred stocks was approximately 7% per annum.

(9) The net proceeds to be received from the sale of the additional securities will be added to the Company's general funds and may be used to provide additional electric facilities

during 1997 pursuant to the Company's construction program, to repay maturing long-term debt or short-term unsecured debt, to refund existing obligations with lower cost debt, or for other corporate purposes. A more detailed statement of the Projected Sources and Uses of Funds during 1997 is included as Exhibit C(1) attached hereto. The Company's construction program is developed from its long-range plan to determine needed construction facilities. While the final 1997 Construction Budget is not yet available, the Company's most recently approved construction expenditures forecast excluding Allowance for Funds Used During Construction ("AFUDC") for 1997 is approximately $331.8 million. A detailed listing of this 1997 construction program excluding AFUDC is found in Exhibit C(2) attached hereto. Included in this construction program are expenditures of $95.6 million for the Polk County combined cycle generation project. The certification of need for the Polk County project was determined by the Commission in 1992. As of July 31, 1996, the Company had expended $83.9 million on the Polk County combined cycle generating project and $4.7 million on the Siemens combustion turbine project. The Polk County and Siemens projects are expected to be completed in 1998 and 1996, respectively. These construction estimates are subject to periodic review and revision to adjust for such factors as changing economic conditions, environmental requirements, regulatory matters and changing customer usage patterns. During 1997, the Company may refund some or all of three series of the Company's first mortgage bonds totaling $250 million, depending on market conditions. Also, the Company is considering the possibility of tender offers for, or the defeasance of, one $150 million series of the Company's first mortgage bonds and one $20 million series of the Company's medium-term notes. Additional detail concerning tender offers for, the defeasance of, or the refunding of these obligations, including principal amounts of the obligations to be refunded, tendered or defeased, the discount or premium if applicable thereto, date of issue, and date of maturity, is contained in Exhibits G and H attached hereto.

(10) Based on the reasons shown in sections (8) and (9) above, the Company submits that the proposed financings are consistent with the proper performance by the Company of service as a public utility, will enable and permit the Company to perform that service, are compatible with the public interest and are reasonably necessary and appropriate for such purposes.

(11) Kenneth E. Armstrong, Vice President and General Counsel of the Company, will pass upon the legality of the securities involved herein. His office address is:

Florida Power Corporation
P. O. Box 14042, ABC
St. Petersburg, Florida 33733

(12) Except for those issuances of securities that are exempt from the registration requirements of the Securities Act of 1933, the issue and sale of the various securities involved herein will require the filing of Registration Statements with the Securities and Exchange Commission. A copy of each Registration Statement will be filed with the Commission with the Company's annual Consummation Report relating to the sale of securities registered thereunder. No other state or federal regulatory body has jurisdiction over the transactions proposed herein, although certain state securities or "blue sky" laws may require the filing of registration statements, consents to service of process or other documents with applicable state securities commissions.

(13) There is no measure of control or ownership exercised by or over the Company by any other public utility. The Company is a wholly owned subsidiary of Florida Progress Corporation, a public utility holding company. Florida Progress Corporation is generally exempt from registration with the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935 and attendant regulation because its utility operations are primarily intrastate.

[THIS PORTION INTENTIONALLY LEFT BLANK]

WHEREFORE, the Company hereby respectfully requests the authority to issue, sell, or otherwise incur, and have outstanding, up to $1.1 billion of additional long-term securities and debt obligations during 1997, consisting of (i) up to $400 million outstanding at any time of commercial paper backed by, or borrowings under, the Company's Long-Term Credit Agreements, and (ii) $700 million of other long-term securities and debt obligations, and to issue, sell and have outstanding at any given time short-term unsecured borrowings and commercial paper classified as short-term debt for accounting purposes, in an aggregate amount not in excess of $400 million, which amount shall be in addition to and in excess of the authority conferred on the Company by Section 366.04 Florida Statutes to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities, to be used for the purposes detailed in sections (8) and (9) herein.

Respectfully submitted this
1st day of October, 1996

FLORIDA POWER CORPORATION

By:
James P. Fama
Deputy General Counsel

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

CERTIFICATION OF APPLICATION

Each of the undersigned, James P. Fama and James V. Smallwood, being first duly sworn, deposes and says that he is the Deputy General Counsel, and the Vice President and Treasurer, respectively, of FLORIDA POWER CORPORATION, the Applicant herein; that he has read the foregoing Application of said Florida Power Corporation and knows the contents thereof; and that the same are true and correct to the best of his knowledge and belief.

James P. Fama
Deputy General Counsel

James V. Smallwood
Vice President and Treasurer

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this 1st day of October, 1996, by James P. Fama and James V. Smallwood, who are personally known to me and who did take an oath.

(Seal)

NOTARY PUBLIC
LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC473016
Personally Known [ ] Other I.D.

Linda Schultz
Signature

Linda Schultz
Printed Name

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

CERTIFICATION OF EXHIBITS

Each of the undersigned, John Scardino, Jr. and James V. Smallwood, being first duly sworn, deposes and says that he is the Vice President and Controller, and the Vice President and Treasurer, respectively, of FLORIDA POWER CORPORATION, the Applicant herein; that he has read the foregoing Petition's exhibits (required Exhibits A, B, C(1), C(2) and D, and additional Exhibits E, F, G and H) of said Florida Power Corporation and knows the contents thereof; and certifies that the same are true and correct to the best of his knowledge and belief.

John Scardino, Jr.
Vice President and Controller

James V. Smallwood
Vice President and Treasurer

STATE OF FLORIDA)
)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this 1st day of October, 1996, by John Scardino, Jr. and James V. Smallwood, who are personally known to me and who did take an oath.

(Seal)

NOTARY PUBLIC
LINDA SCHULTZ
My Comm Exp. 5/17/98
Bonded By Service Ins
No. CC473016

Linda Schultz
Signature

Linda Schultz
Printed Name

EXHIBIT INDEX

Required Exhibits

Exhibit A	Amended Articles of Incorporation, as amended, of the Company. (Filed as Exhibit A to the Application Of Florida Power Corporation For Authority To Issue And Sell Securities During The Twelve Months Ending December 31, 1994 (Docket No. 931029-EI) and incorporated herein by reference).
Exhibit B	The financial statements and accompanying footnotes as they appear in the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and filed with the United States Securities and Exchange Commission ("SEC") on March 20, 1996. The financial statements and accompanying footnotes as they appear in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and filed with the SEC on May 14, 1996. The financial statements and accompanying footnotes as they appear in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996, and filed with the SEC on August 7, 1996.
Exhibit C(1)	Projected Sources and Uses of Funds Statement for 1997.
Exhibit C(2)	Preliminary Construction Expenditures for 1997.
Exhibit D	Map showing the territory served by the Company.

Additional Exhibits

Exhibit E	Principal Officers of the Company
Exhibit F	Financing Activity Detail
Exhibit G	Capital Stock and Funded Debt of the Company as of August 31, 1996.
Exhibit H	Detail of Possible Refundings and Tender Offers.

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)
For the fiscal year ended December 31, 1995

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)
For the transition period from to

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone	I.R.S. Employer Identification Number
1-8349	**FLORIDA PROGRESS CORPORATION** A Florida Corporation One Progress Plaza St. Petersburg, Florida 33701 Telephone (813) 824-6400	59-2147112
1-3274	**FLORIDA POWER CORPORATION** A Florida Corporation 3201 34th Street South St. Petersburg, Florida 33711 Telephone (813) 866-5151	59-0247770

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Florida Progress Corporation: Common Stock without par value and Preferred Stock Purchase Rights	New York Stock Exchange Pacific Stock Exchange
Florida Power Corporation: None	

Securities registered pursuant to Section 12(g) of the Act:

Florida Progress Corporation: None

Florida Power Corporation: Cumulative Preferred Stock, par value $100 per share

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. YES X . NO .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of each registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

FLORIDA POWER
Financial Statements

FLORIDA POWER CORPORATION
Statements of Income
For the years ended December 31, 1995, 1994 and 1993
(In millions)

	1995	1994	1993
OPERATING REVENUES	$2,271.7	$2,080.5	$1,957.6
OPERATING EXPENSES:			
Operation:			
Fuel used in generation	433.7	431.9	460.8
Purchased power	440.7	294.6	209.5
Deferred fuel	(1.7)	(1.5)	(11.8)
Other	358.7	388.8	378.0
	1,231.4	1,113.8	1,036.5
Maintenance	114.1	122.9	136.8
Depreciation	293.7	261.5	240.2
Taxes other than income taxes	176.2	162.8	152.6
Income taxes	129.5	114.7	104.5
	1,944.9	1,775.7	1,670.6
OPERATING INCOME	326.8	304.8	287.0
OTHER INCOME AND DEDUCTIONS:			
Allowance for equity funds used during construction	3.8	6.1	8.9
Miscellaneous other income, net	(2.6)	(6.5)	(1.9)
	1.2	(0.4)	7.0
INTEREST CHARGES			
Interest on long-term debt	93.5	96.3	91.7
Other interest expense	11.0	12.1	14.1
	104.5	108.4	105.8
Allowance for borrowed funds used during construction	(3.5)	(4.8)	(6.7)
	101.0	103.6	99.1
NET INCOME	227.0	200.8	194.9
DIVIDENDS ON PREFERRED STOCK	9.7	10.1	13.4
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	$217.3	$190.7	$181.5

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
December 31, 1995 and 1994

	(Dollars in millions)	
	1995	1994
ASSETS		
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	$5,867.5	$5,603.4
Less: Accumulated depreciation	2,179.7	1,981.6
Accumulated decommissioning for nuclear plant	165.2	135.2
Accumulated dismantlement for fossil plants	104.4	92.4
	3,418.2	3,394.2
Construction work in progress	131.8	222.1
Nuclear fuel, net of amortization of $348.7 in 1995 and $322.8 in 1994	59.1	52.9
	3,609.1	3,669.2
Other property, net	23.0	24.2
	3,632.1	3,693.4
CURRENT ASSETS:		
Cash and equivalents	0.8	-
Accounts receivable, less reserve of $5.2 in 1995 and $2.3 in 1994	200.7	167.3
Inventories at average cost:		
Fuel	40.8	52.6
Materials and supplies	101.3	110.4
Deferred income taxes	32.3	28.8
Other	4.2	7.6
	380.1	366.7
OTHER ASSETS:		
Nuclear plant decommissioning fund	161.1	123.6
Unamortized debt expense, being amortized over term of debt	27.5	29.6
Other	84.1	71.2
	272.7	224.4
	$4,284.9	$4,284.5

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
December 31, 1995 and 1994

	(Dollars in millions)	
	1995	1994
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common stock without par value - 60,000,000 shares authorized, 100 shares outstanding	$992.9	$942.9
Retained earnings	761.1	724.5
	1,754.0	1,667.4
CUMULATIVE PREFERRED STOCK:		
Without sinking funds	113.5	113.5
With sinking funds	25.0	30.0
LONG-TERM DEBT	1,279.1	1,363.8
TOTAL CAPITAL	3,171.6	3,174.7
CURRENT LIABILITIES:		
Accounts payable	89.8	85.0
Accounts payable to associated companies	24.8	21.4
Customers' deposits	85.3	76.9
Income taxes payable	8.9	7.1
Accrued other taxes	12.3	11.3
Accrued interest	32.9	32.6
Other	65.1	36.2
	319.1	270.5
Notes payable	-	55.3
Current portion of long-term debt	30.6	35.4
	349.7	361.2
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	483.8	488.0
Unamortized investment tax credits	100.9	109.3
Other postretirement benefit costs	81.5	65.4
Other	97.4	85.9
	763.6	748.6
COMMITMENTS AND CONTINGENCIES (Note 11)		
	$4,284.9	$4,284.5

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Cash Flows
For the years ended December 31, 1995, 1994 and 1993

	1995	1994	1993
	(In millions)		
OPERATING ACTIVITIES:			
Net income after dividends on preferred stock	$217.3	$190.7	$181.5
Adjustments for noncash items:			
Depreciation and amortization	329.7	294.8	276.5
Deferred income taxes and investment tax credits, net	(29.3)	(0.9)	(25.0)
Increase in accrued other postretirement benefit costs	16.1	19.2	22.2
Allowance for equity funds used during construction	(3.8)	(6.1)	(8.9)
Changes in working capital:			
Accounts receivable	(33.4)	0.9	(18.4)
Inventories	14.2	8.1	10.1
Accounts payable	4.8	(21.2)	35.2
Accounts payable to associated companies	3.4	4.3	(7.9)
Other	43.8	(2.4)	22.4
Other operating activities	8.6	10.9	(8.0)
	571.4	498.3	479.7
INVESTING ACTIVITIES:			
Construction expenditures	(283.4)	(319.5)	(426.4)
Allowance for borrowed funds used during construction	(3.5)	(4.8)	(6.7)
Additions to nonutility property	(2.3)	(2.9)	(7.6)
Acquisition of electric distribution system	-	-	(53.9)
Proceeds from sale of properties	10.8	7.7	6.0
Other investing activities	(11.0)	(12.4)	(18.4)
	(289.4)	(331.9)	(507.0)
FINANCING ACTIVITIES:			
Issuance of long-term debt	-	-	385.0
Repayment of long-term debt	(35.4)	(46.0)	(402.7)
Increase (decrease) in commercial paper with long term support	(54.8)	-	104.0
Redemption of preferred stock	(5.0)	(5.0)	(80.5)
Dividends paid on common stock	(180.7)	(175.7)	(163.5)
Equity contributions from parent	50.0	130.0	60.0
Increase (decrease) in short-term debt	(55.3)	(69.7)	125.0
Other financing activities	-	-	-
	(281.2)	(166.4)	27.3
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	0.8	-	-
Beginning cash and equivalents	-	-	-
ENDING CASH AND EQUIVALENTS	$0.8	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for:			
Interest (net of amount capitalized)	$97.9	$101.5	$93.8
Income taxes (net of refunds)	$157.1	$129.8	$120.3

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Shareholder's Equity
For the years ended December 31, 1995, 1994 and 1993
(Dollars in millions, except share amounts)

	Common Stock	Retained Earnings	Cumulative Preferred Stock Without Sinking Funds	Cumulative Preferred Stock With Sinking Funds
Balance, December 31, 1992	$752.9	$692.0	$133.5	$82.5
Net income after dividends on preferred stock		181.5		
Capital contribution by parent company	60.0			
Cash dividends on common stock		(163.5)		
Preferred stock redeemed - 675,000 shares		(0.5)	(20.0)	(47.5)
Balance, December 31, 1993	812.9	709.5	113.5	35.0
Net income after dividends on preferred stock		190.7		
Capital contribution by parent company	130.0			
Cash dividends on common stock		(175.7)		
Preferred stock redeemed - 50,000 shares				(5.0)
Balance, December 31, 1994	942.9	724.5	113.5	30.0
Net income after dividends on preferred stock		217.3		
Capital contribution by parent company	50.0			
Cash dividends on common stock		(180.7)		
Preferred stock redeemed - 50,000 shares				(5.0)
Balance, December 31, 1995	$992.9	$761.1	$113.5	$25.0

The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION AND FLORIDA POWER CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL - Florida Progress is an exempt holding company under the 1935 Act. Its largest subsidiary, representing 74% of total assets, is Florida Power, a public utility engaged in the generation, purchase, transmission, distribution and sale of electric energy primarily within Florida.

The consolidated financial statements include the financial results of Florida Progress and its majority-owned operations. All significant intercompany balances and transactions have been eliminated. Investments in 20%- to 50%-owned joint ventures are accounted for using the equity method.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

ACCOUNTING FOR REGULATORY ASSETS AND LIABILITIES - Florida Power is regulated by the FPSC and the FERC. The utility follows the accounting practices set forth in Financial Accounting Standard No. 71, "Accounting for the Effects of Certain Types of Regulation" ("FAS 71"). This standard allows utilities to capitalize or defer certain costs or revenues if it is probable that these items will be recovered through the ratemaking process.

At December 31, 1995, Florida Power had $99 million of regulatory assets and $47 million of regulatory liabilities. Florida Power expects to fully recover these assets and refund the liabilities through customer rates under current regulatory practice.

If Florida Power no longer applied FAS 71 due to competition, regulatory changes or other reasons, the utility would make certain adjustments. These adjustments would include the write-off of all or a portion of its regulatory assets and liabilities and the evaluation of property, plant and equipment and the write down, if necessary, of these assets to their fair value.

UTILITY PLANT - Utility plant is stated at the original cost of construction, which includes payroll and related costs such as taxes, pensions and other fringe benefits, general and administrative costs, and an allowance for funds used during construction. Substantially all of the utility plant is pledged as collateral for Florida Power's first mortgage bonds.

The allowance for funds used during construction represents the estimated cost of equity and debt for utility plant under construction. Florida Power is permitted to earn a return on these costs and recover them in the rates charged for utility services while the plant is in service. The average rate used in computing the allowance for funds was 7.8% for 1995 and 1994 and 7.9% for 1993.

UTILITY REVENUES, FUEL AND PURCHASED POWER EXPENSES - Revenues include amounts resulting from fuel, purchased power and energy conservation adjustment clauses, which are designed to permit full recovery of these costs. The adjustment factors are based on projected costs for a six- or 12-month period. The cumulative difference between actual and projected costs is included on the balance sheet as a current asset or current liability. Any difference is billed or refunded to customers during the subsequent period.

Beginning in 1995, the FPSC ordered Florida Power to conduct a three-year test of revenue decoupling for its residential customers. Decoupling eliminates the direct link between KWH sales and revenues. A nonfuel revenue target is determined by multiplying a revenue per customer amount by the total number of residential customers. Monthly residential customer bills are calculated just as they were before decoupling. Differences between target revenues and actual revenues are collected or re-funded over a 12-month period through the conservation clause. The difference between target revenues and actual revenues is included as a current asset or current liability on the balance sheet. The revenue per customer amount is adjusted annually for a growth factor.

Florida Power accrues the nonfuel portion of base revenues for services rendered but unbilled.

The cost of fossil fuel for electric generation is charged to expense as consumed. The cost of nuclear fuel is amortized to expense based on the quantity of heat produced for the generation of electric energy in relation to the quantity of heat expected to be produced over the life of the nuclear fuel core.

EARNED INCOME ON FINANCE LEASES - Earned income, including any residual values expected to be realized, and the related deferred investment tax credits are amortized as revenues over the term of the lease to provide an approximate level return on the net investment. Residual values are determined principally on the basis of independent appraisals.

INCOME TAXES - Deferred income taxes are provided on all significant temporary differences between the financial and tax basis of assets and liabilities using presently enacted tax rates in accordance with Financial Accounting Standard No. 109, "Accounting for Income Taxes," which was implemented in 1993.

Deferred investment tax credits, subject to regulatory accounting practices, are amortized to income over the lives of the related properties.

DEPRECIATION AND MAINTENANCE - Florida Progress provides for depreciation of the cost of properties over their estimated useful lives primarily on a straight-line basis. Florida Power's annual provision for depreciation, including a provision for nuclear plant decommissioning costs and fossil plant dismantlement costs, expressed as a percentage of the average balances of depreciable utility plant, was 5% for 1995 and 4.8% for 1994 and 1993.

Florida Power charges maintenance expense with the cost of repairs and minor renewals of property. The plant accounts are charged with the cost of renewals and replacements of property units. Accumulated depreciation is charged with the cost, less the net salvage, of property units retired.

Florida Power accrues a reserve for maintenance and refueling expenses anticipated to be incurred during scheduled nuclear plant outages.

INSURANCE PREMIUMS, POLICY ACQUISITION COSTS AND BENEFIT RESERVES - Life insurance premiums are recognized as revenue over the premium-paying periods of the policies. Florida Progress defers recoverable costs in its insurance operations that directly relate to the production of new business. These costs are amortized over the expected premium-paying period. Reserves are established out of each premium payment to provide for the present value of future insurance policy benefits, using reasonable assumptions for future investment yield, mortality, withdrawals and the risk of adverse deviation.

PROFIT FROM REAL ESTATE SALES - Profit from the sale of real estate is recognized only upon the closing of a sale, the transfer of ownership rights to the purchaser and receipt of an adequate cash down payment.

ACCOUNTING FOR CERTAIN INVESTMENTS - Florida Progress considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Florida Progress' investments in debt and equity securities are classified and accounted for as follows:

TYPE OF SECURITY	ACCOUNTING TREATMENT
Debt securities held to maturity	Amortized cost
Trading securities	Fair market value with unrealized gains and losses included in earnings
Securities available for sale	Fair market value with unrealized gains and losses, net of taxes, reported separately in shareholders' equity

See Note 5 for securities held to maturity or available for sale at 1995 and 1994 year-ends. Florida Progress had no investments in assets classified as trading securities at December 31, 1995 and 1994.

ACCOUNTING FOR DISPOSITION OF LONG-LIVED ASSETS - The Financial Accounting Standards Board ("FASB") has a current project addressing the accounting for obligations related to the decommissioning of nuclear power plants. Florida Power records a provision for nuclear decommissioning costs over the expected life of its nuclear plant. Currently, the accumulated provisions for nuclear decommissioning costs are recorded as a reduction of Electric Plant in Service on the balance sheet. One alternative, if adopted, would require Florida Power's 90.4% share of estimated nuclear decommissioning costs, totaling $366 million in 1995 dollars, to be recorded as a liability, with a corresponding plant asset. There would be no impact on earnings or cash flows. The FASB is expected to reach a decision in 1996.

IMPAIRED LOANS - Effective January 1, 1995, Florida Progress adopted Financial Accounting Standard No. 114, "Accounting by Creditors for Impairment of a Loan," as amended by Financial Accounting Standard No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosure." These standards require Florida Progress to compute present values for impaired loans when determining the allowance for credit losses. At December 31, 1995, approximately $59 million of loans receivable were impaired, and Florida Progress has assigned approximately $5 million of the allowance for loan losses to these loans. Because Florida Progress' allowance is adequate for any such impairment, there was no earnings impact as a result of implementing these standards.

IMPAIRED ASSETS - Florida Progress will be required to adopt Financial Accounting Standard No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of," in 1996. This standard requires that long-lived assets and certain intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through future cash flows from the use and disposition of the asset. The adoption of this standard is not expected to have a material impact on earnings of Florida Progress or Florida Power.

STOCK COMPENSATION - Florida Progress will be required to adopt Financial Accounting Standard No. 123, "Accounting for Stock-Based Compensation," in 1996. This standard allows companies to account for stock issued to employees using a new fair value method, or the method currently in use. Florida Progress has not determined which method it will use, but does not expect a material impact on earnings from the adoption of this standard.

BUSINESS ACQUISITIONS - Florida Progress and its subsidiaries acquired several businesses in 1995, 1994 and 1993. All acquisitions were accounted for as purchases except the acquisition of FN Industries, in December 1994, which was accounted for on a pooling of interests basis. Because the effect of restating data related to the FN Industries acquisition is not material, 1993 results are not restated.

The 1994 Statement of Cash Flows does not reflect the value of the 700,000 shares of common stock issued for the acquisition of FN Industries. The market value of these shares at the date of issuance was $21.1 million.

NOTE 3 DEBT

Florida Progress' long-term debt at December 31, 1995 and 1994, is scheduled to mature as follows:

	Interest Rate	1995	1994
		(In millions)	
Florida Power Corporation:			
First mortgage bonds:			
Maturing through 1999:			
1995	4.76%	$ -	$ 34.4
1997	6.13%	16.7	16.7
1999	6.50%	75.0	75.0
Maturing 2002 and 2003	6.56%(a)	200.0	200.0
Maturing 2008	6.88%	80.0	80.0
Maturing 2021 through 2023	7.90%(a)	400.0	400.0
Pollution control revenue bonds:			
Maturing 2014 through 2027	6.99%(a)	240.9	240.9
Notes maturing:			
1995-1996	8.34%(a)	30.6	31.6
1997-2008	7.46%(a)	47.3	47.3
Commercial paper, supported by revolver maturing November 30, 2000	5.82%(a)	145.2	200.0
Discount, net of premium, being amortized over term of bonds		(6 0)	(6.7)
		1,309.7	1,309.2
Progress Capital Holdings:			
Notes maturing:			
1995-1996	8.25%(a)	140.0	146.0
1997-2004	6.99%(a)	136.0	136.0
Commercial paper, supported by revolver maturing November 30, 2000	5.83%(a)	239.6	183.0
Other debt, maturing through 2006	8.79%(a)	43.8	67.5
		1,869.1	1,912.5
Less: Current portion of long-term debt		183.9	52.9
		$1,685.2	$1,859.6

(a) Weighted average interest rate at December 31, 1995.

Florida Progress' consolidated subsidiaries have lines of credit totaling $800 million, which are used to support commercial paper. The lines of credit were not drawn on as of December 31, 1995. Interest rate options under the line of credit arrangements vary from subprime or money market rates to the prime rate. Banks providing lines of credit are compensated through fees. Commitment fees on lines of credit vary between .06 and .10 of 1%.

The lines of credit consist of four revolving bank credit facilities, two each for Florida Power and Progress Capital. The Florida Power facilities, $200 million each, are for terms of 364 days and five years. The Progress Capital facilities consist of $100 million with a 364-day term and $300 million with a five-year term. In 1995, both 364-day facilities were extended to November 1996. In addition, both five-year facilities were extended to November 2000. Based on the duration of the underlying backup credit facilities, $384.8 million of outstanding commercial paper at December 31, 1995, and $383.8 million of outstanding commercial paper at December 31, 1994, are classified as long-term debt.

Florida Power has a public $200-million, medium-term note program providing for the issuance of either fixed or floating interest rate notes. These notes have maturities ranging from nine months to 30 years. The program has approximately $170 million available for future issuance.

Progress Capital has a private $400-million, medium-term note program providing for the issuance of notes with maturities ranging from nine months to 30 years. A balance of $126 million is available for issuance under this program at either fixed or floating rates.

The combined aggregate maturities of long-term debt for 1996 through 2000 are $183.9 million, $52.8 million, $16.1 million, $129.8 million and $393.8 million, respectively. In addition, about 14% of Florida Power's outstanding first mortgage bonds have an annual 1% sinking fund requirement. These requirements, which total $1.3 million annually for 1996 and 1997 and $1 million annually for 1998 through 2000, are expected to be satisfied with property additions.

Florida Progress has a support agreement with Progress Capital that requires Florida Progress to maintain a minimum net worth at Progress Capital. At December 31, 1995, Progress Capital's net worth was $106.6 million higher than the amount required under this agreement.

NOTE 3 PREFERRED AND PREFERENCE STOCK AND SHAREHOLDER RIGHTS.

A summary of outstanding Cumulative Preferred Stock of Florida Power follows:

Dividend Rate	Current Redemption Price	Shares Authorized	Shares Outstanding	Outstanding December 31 1995	Outstanding December 31 1994
				(In millions)	
Without sinking funds, not subject to mandatory redemption:					
4.00%	$104.25	40,000	39,980	$ 4.0	$ 4.0
4.40%	$102.00	75,000	75,000	7.5	7.5
4.58%	$101.00	100,000	99,990	10.0	10.0
4.60%	$103.25	40,000	39,997	4.0	4.0
4.75%	$102.00	80,000	80,000	8.0	8.0
7.40%	$102.40	300,000	300,000	30.0	30.0
7.76%	$102.21	500,000	500,000	50.0	50.0
				$113.5	$113.5
With sinking funds, subject to mandatory redemption:					
7.08%	$104.72(a)	500,000	250,000	$ 25.0	$ 30.0

(a) $102.36 after November 15, 1996; $100.00 after November 15, 2001.

The authorized capital stock of Florida Progress includes 10 million shares of preferred stock, without par value, including 2 million shares designated as Series A Junior Participating Preferred Stock. No shares of Florida Progress' preferred stock are issued and outstanding. However, under Florida Progress' Shareholder Rights Agreement, each share of common stock has associated with it approximately two-thirds of one right to purchase one one-hundredth of a share of Series A Junior Participating Preferred Stock, subject to adjustment, which is exercisable in the event of certain attempted business combinations. If exercised, the rights would cause substantial dilution of ownership, thus adversely affecting any attempt to acquire Florida Progress on terms not approved by Florida Progress' Board of Directors. The rights have no voting or dividend rights and expire in December 2001, unless redeemed earlier by Florida Progress.

The authorized capital stock of Florida Power includes three classes of preferred stock: 4 million shares of Cumulative Preferred Stock, $100 par value; 5 million shares of Cumulative Preferred Stock, without par value; and 1 million shares of Preference Stock, $100 par value. No shares of Florida Power's Cumulative Preferred Stock, without par value, or Preference Stock are issued and outstanding, while a total of 1.4 million shares of the Cumulative Preferred Stock, $100 par value, are issued and outstanding in various series as detailed in the table above.

Preferred stock redemption requirements for 1997 to 2000 are $2.5 million per year.

NOTE 4 NUCLEAR OPERATIONS

JOINTLY OWNED PLANT - The following information relates to Florida Power's 90.4% proportionate share of the Crystal River Nuclear Plant at December 31, 1995 and 1994:

(In millions)	1995	1994
Utility plant in service	$656.6	$654.1
Construction work in progress	18.3	13.1
Unamortized nuclear fuel	59.1	52.9
Accumulated depreciation	310.9	285.2
Accumulated decommissioning	165.2	135.2

Net capital additions for Florida Power were $7.8 million in 1995 and $21.7 million in 1994, and depreciation expense, exclusive of nuclear decommissioning, was $28.4 million in 1995 and $27.3 million in 1994. Each co-owner provides for its own financing. Florida Power's share of the asset balances and operating costs is included in the appropriate consolidated financial statements. Amounts exclude any allocation of costs related to common facilities.

DECOMMISSIONING COSTS - Florida Power's nuclear plant depreciation expenses include a provision for future decommissioning costs, which are recoverable through rates charged to customers. Florida Power is placing amounts collected in an externally managed trust fund. The recovery from customers, plus income earned on the trust fund, is intended to be sufficient to cover Florida Power's share of the future dismantlement, removal and land restoration costs. Florida Power has a license to operate the nuclear unit through December 3, 2016, and contemplates decommissioning beginning at that time.

In November 1995, the FPSC approved a new site-specific study that estimated total future decommissioning costs at approximately $2.0 billion, which corresponds to $404.6 million in 1995 dollars. Florida Power increased its share of the retail portion of annual decommissioning expense to the FPSC-approved level of $20.5 million, effective January 1995. Florida Power also has adjusted the wholesale portion of this expense in a comparable manner, increasing it to $1.2 million annually.

Under the previous study, Florida Power's share of total annual decommissioning expense, as authorized by the FPSC and the FERC, was $11.9 million for 1994 and 1993.

FUEL DISPOSAL COSTS - Florida Power has entered into a contract with the DOE for the transportation and disposal of SNF. Disposal costs for nuclear fuel consumed are being collected from customers through the fuel adjustment clause at a rate of $.001 per net nuclear KWH sold and are paid to the DOE quarterly. Florida Power currently is storing SNF on site and has sufficient storage capacity in place or under construction for fuel consumed through the year 2010.

NOTE 5 FINANCIAL INSTRUMENTS

Estimated fair value amounts have been determined by Florida Progress using available market information and discounted cash-flow analysis. Judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates may be materially different than the amounts that Florida Progress could realize in a current market exchange. Estimating fair values for loans associated with the airline industry is difficult due to the limited number of transactions. Management, therefore, has estimated a range of values for these loans.

Florida Progress currently has no derivative financial instruments, such as futures, forwards, swaps or options contracts.

At December 31, 1995 and 1994, Florida Progress had the following financial instruments with estimated fair values compared with the carrying amounts:

(In millions)	1995 Carrying Amount	1995 Fair Value	1994 Carrying Amount	1994 Fair Value
ASSETS:				
Loans receivable:				
Commercial finance business:				
Real estate	$106.8	$106.6	$118.4	$117.1
Airline	46.8	14 to 44	58.4	14 to 43
Life insurance business:				
Loans secured by real estate	6.0	7.8	7.8	8.6
Policy loans	10.2	11.1	10.4	8.5
	169.8	139.5 to 169.5	195.0	148.2 to 177.2
Allowance for loan losses	(31.1)	-	(32.6)	-
Total loans receivable	$138.7	$139.5 to 169.5	$162.4	$148.2 to 177.2
Marketable securities:				
Available for sale:				
Nuclear plant decommissioning fund	$161.1	$161.1	$123.6	$123.6
Progress Capital	135.2	135.2	93.3	93.3
Held to maturity	53.0	58.6	55.0	51.8
CAPITAL AND LIABILITIES:				
Florida Power preferred stock with sinking funds	$ 25.0	$ 26.1	$ 30.0	$ 29.6
Long-term debt:				
Florida Power	1,309.7	1,352.8	1,399.2	1,298.5
Progress Capital	559.4	566.2	513.3	504.0

NOTE 6 LEASES AND LOANS RECEIVABLE AND CONCENTRATION OF CREDIT RISK

At December 31, 1995 and 1994, investments in leases and loans receivable were as follows:

(In millions)	1995	1994
Finance leases:		
Rentals receivable	$214.0	$238.1
Unguaranteed residual values	109.7	153.5
Unearned income	(62.5)	(78.7)
Deferred investment tax credits	(14.7)	(20.5)
Total finance leases	246.5	292.4
Loans receivable:		
Commercial finance business	153.6	176.8
Life insurance business	16.2	18.2
Total loans receivable	169.8	195.0
Allowance for losses	(32.5)	(34.1)
	383.8	453.3
Less: Current portion	43.0	15.3
	$340.8	$438.0

Rentals receivable from finance leases represent unpaid rentals less principal and interest on nonrecourse third-party debt. Progress Credit's share of rentals receivable is subordinate to the debt holders who have security interests in the leased properties.

Finance leases consist primarily of leveraged investments in aircraft. The majority of the aircraft leases have remaining terms of 10 to 15 years, with a maximum of 23 years. Net contractual maturities of rentals receivable under these contracts are $12.6 million, $11.1 million, $10.4 million, $13.7 million and $13.1 million for 1996 through 2000, respectively, and $153.1 million in total thereafter.

Progress Credit's commercial finance loans are secured by first mortgage liens on the related commercial real estate or by security interests in aircraft, aircraft engines or spare parts. These loans are further collateralized, where applicable, by an assignment to Progress Credit of the borrowers' lease agreements, and, in some cases, third-party guaranties.

At December 31, 1995 and 1994, Progress Credit's portfolio included investments in the airline and commercial real estate industries as follows:

(In millions)	1995	1994
Airline industry:		
Finance leases	$205.3	$254.2
Loans receivable	46.8	58.4
Joint ventures	36.3	37.6
Equipment on operating leases	6.2	7.4
	$294.6	$357.6
Commercial real estate industry:		
Finance leases	$ 15.4	$ 16.2
Loans receivable	106.8	118.4
	$122.2	$134.6

New transactions are not being initiated unless they facilitate Progress Credit's orderly withdrawal strategy. Due to conditions in the airline industry and the real estate market, Progress Credit has experienced delinquencies in ongoing lease and loan payments as well as loan principal maturities. Progress Credit has negotiated the restructuring of certain transactions. Although most of the outstanding real estate and aircraft loans mature during the next five years, Progress Credit expects that some of the borrowers may not be able to retire the loans at maturity. Progress Credit will pursue its options for any nonperforming assets, including restructuring, remedial actions and remarketing.

As of December 31, 1995, Progress Credit's portfolio includes $90.2 million in loans and leases performing under restructured agreements. All restructured assets are performing in accordance with their new terms and the restructurings will not materially reduce Progress Credit's future annual revenue.

During 1995, 1994 and 1993, Progress Credit provided $5.5 million, $9.9 million and $5.9 million, respectively, for possible loan and lease losses and had write-offs totaling $7.1 million, $.8 million and $4.2 million, respectively. Florida Progress believes Progress Credit's existing reserve of $32 million is adequate to cover its planned orderly withdrawal from these businesses, assuming no significant further deterioration in the airline and real estate industries.

Leases and loans generally are placed on nonaccrual status when management believes the collectibility of interest or principal is unlikely. There were no assets on nonaccrual status at December 31, 1995 and 1994.

NOTE 7 BUSINESS SEGMENTS

Florida Progress' principal business segments are utility and diversified operations. The utility is engaged in the generation, purchase, transmission, distribution and sale of electric energy. Electric Fuels' operations include bulk commodities transportation, rail products and services and the mining, procurement and transportation of coal to Florida Power and other unaffiliated customers. Other diversified operations include activities in leveraged leasing, commercial finance, life insurance, real estate and technology development.

Florida Progress' business segment information for 1995, 1994 and 1993 is summarized below. No single customer accounted for 10% or more of unaffiliated revenues.

(In millions)	1995	1994	1993
Revenues:			
Utility	$2,271.7	$2,080.5	$1,957.6
Diversified:			
Electric Fuels:			
Coal sales to electric utility	236.8	249.4	244.9
Sales to unaffiliated customers	607.0	534.1	335.8
Other diversified	179.1	159.4	157.7
	3,294.6	3,023.4	2,696.0
Eliminations	(239.0)	(251.9)	(247.0)
Revenues from external customers	$3,055.6	$2,771.5	$2,449.0
Income from operations:			
Utility	$ 456.3	$ 419.5	$ 391.5
Diversified:			
Electric Fuels	52.1	41.6	30.3
Other diversified	15.2	14.9	20.8
	523.6	476.0	442.6
Interest and other expense	148.3	154.3	136.4
Income before income taxes	$ 375.3	$ 321.7	$ 306.2
Identifiable assets:			
Utility	$4,284.7	$4,284.0	$4,254.2
Diversified:			
Electric Fuels	573.6	489.4	397.2
Other diversified	932.8	945.3	987.4
	$5,791.1	$5,718.7	$5,638.8
Depreciation and amortization:			
Utility	$ 329.7	$ 294.8	$ 276.5
Diversified:			
Electric Fuels	21.2	19.7	16.4
Other diversified	8.2	7.2	7.0
	$ 359.1	$ 321.7	$ 299.9
Capital additions:			
Utility	$ 289.2	$ 327.2	$ 440.7
Diversified:			
Electric Fuels	40.5	38.1	19.5
Other diversified	5.7	2.8	2.2
	$ 335.4	$ 368.1	$ 462.4

NOTE 8 INCOME TAXES

FLORIDA PROGRESS

(In millions)	1995	1994	1993
Components of income tax expense:			
Payable currently:			
Federal	$192.5	$127.7	$140.7
State	23.9	14.3	18.8
	216.4	142.0	159.5
Deferred, net:			
Federal	(63.9)	(20.6)	(39.2)
State	(7.6)	(2.1)	(5.1)
Effect of change in tax rate on deferred assets/liabilities	-	-	4.7
	(71.5)	(22.7)	(39.6)
Amortization of investment tax credits, net	(8.5)	(9.6)	(9.5)
	$136.4	$109.7	$110.4

FLORIDA POWER

(In millions)	1995	1994	1993
Components of income tax expense:			
Payable currently:			
Federal	$136.8	$ 95.3	$110.2
State	22.1	17.1	19.1
	158.9	112.4	129.3
Deferred, net:			
Federal	(18.9)	7.0	(13.9)
State	(1.9)	.6	(2.6)
	(20.8)	7.6	(16.5)
Amortization of investment tax credits, net	(8.5)	(8.5)	(8.5)
Total income tax expense	129.6	111.5	104.3
Less: Amounts charged or (credited) to non-operating income	.1	(3.2)	(.2)
Amounts charged to operating income	$129.5	$114.7	$104.5

The primary differences between the statutory rates and the effective income tax rates are detailed below:

FLORIDA PROGRESS

	1995	1994	1993
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income tax, net of federal income tax benefits	2.7	2.4	2.8
Amortization of investment tax credits	(2.5)	(3.1)	(3.0)
Effect of change in tax rate on deferred assets/liabilities	-	-	1.5
Other	.2	(1.2)	(1.8)
Effective income tax rates	35.4%	33.1%	34.5%

FLORIDA POWER

	1995	1994	1993
Federal statutory income tax rate	35.0%	35.0%	35.0%
State income tax, net of federal income tax benefits	3.7	3.7	3.6
Amortization of investment tax credits	(2.4)	(2.7)	(2.8)
Other	-	(.3)	(.7)
Effective income tax rates	36.3%	35.7%	35.1%

The following summarizes the components of deferred tax liabilities and assets at December 31, 1995 and 1994:

FLORIDA PROGRESS

(In millions)	1995	1994
Deferred tax liabilities:		
Difference in tax basis of property, plant and equipment	$565.5	$564.8
Difference in accounting for leveraged leases	184.3	226.6
Other	110.9	88.0
Total deferred tax liabilities	$860.7	$879.4
Deferred tax assets:		
Accrued book expenses	$144.9	$114.1
Unbilled revenues	20.8	17.7
Other	33.0	32.4
Total deferred tax assets	$198.7	$164.2

At December 31, 1995 and 1994, Florida Progress had net noncurrent deferred tax liabilities of $694.3 million and $744.1 million and net current deferred tax assets of $32.3 million and $28.9 million, respectively. Florida Progress expects the results of future operations will generate sufficient taxable income to allow for the utilization of deferred tax assets.

FLORIDA POWER

(In millions)	1995	1994
Deferred tax liabilities:		
Difference in tax basis of property, plant and equipment	$526.0	$527.9
Deferred book expenses	19.9	10.4
Under recovery of fuel	2.8	.7
Carrying value of securities over cost	4.5	-
Total deferred tax liabilities	$553.2	$539.0
Deferred tax assets:		
Accrued book expenses	$ 64.4	$ 50.5
Unbilled revenues	20.8	17.7
Regulatory liability for deferred income taxes	13.4	8.3
Other	3.1	3.3
Total deferred tax assets	$101.7	$ 79.8

At December 31, 1995 and 1994, Florida Power had net noncurrent deferred tax liabilities of $483.8 million and $488.0 million and net current deferred tax assets of $32.3 million and $28.9 million, respectively. Florida Power expects the results of future operations will generate sufficient taxable income to allow the utilization of deferred tax assets.

NOTE 9 RETIREMENT BENEFIT PLANS

STAFF REDUCTIONS - Florida Power recognized pension and other postretirement benefit expenses of $5.6 million in 1993 and $15.5 million in 1994 related to an early retirement option. In addition, in late 1994, Florida Power eliminated approximately 300 positions. As a result, Florida Power recognized severance costs of $5 million, which were partially offset by a reduction of $1.8 million in related accrued pension and postretirement benefit costs.

PENSION BENEFITS - Florida Progress and certain of its subsidiaries have a noncontributory defined benefit pension plan covering most employees. The benefits are based on length of service, compensation and Social Security benefits. The participating companies make annual contributions to the plan based on an actuarial determination and consideration of tax regulations and funding requirements under federal law. Based on actuarial calculations and the funded status of the pension plan, Florida Progress was not required to contribute to the plan for 1995, 1994 or 1993.

Shown below are the components of the net pension expense calculations for those years:

(In millions)	1995	1994	1993
Service cost	$ 13.4	$17.2	$16.3
Interest cost	30.1	29.3	27.5
Actual losses (earnings) on plan assets	(124.4)	6.6	(60.7)
Net amortization and deferral	77.7	(54.3)	17.9
Net pension cost (benefit)	(3.2)	(1.2)	1.0
Staff reduction cost, net	-	10.0	.1
Net pension cost (benefit) recognized	$ (3.2)	$ 8.8	$ 1.1

Florida Power's share of the plan's net pension costs (benefits) for 1995, 1994 and 1993 was $(3) million, $9 million and $1 million, respectively.

The following weighted average actuarial assumptions at January 1 were used in the calculation of pension expense:

	1995	1994	1993
Discount rate	8.25%	7.25%	7.75%
Expected long-term rate of return	9.00%	9.00%	9.00%
Rate of compensation increase	5.00%	5.00%	5.50%

The following summarizes the funded status of the pension plan at December 31, 1995 and 1994:

(In millions)	1995	1994
Accumulated benefit obligation:		
Vested	$315.8	$267.8
Nonvested	30.6	34.7
	346.4	302.5
Effect of projected compensation increases	94.7	82.6
Projected benefit obligation	441.1	385.1
Plan assets at market value, primarily listed stocks and bonds	585.0	480.0
Plan assets in excess of projected benefit obligation	$143.9	$ 94.9
Consisting of the following components:		
Unrecognized transition asset	$ 35.4	$ 40.3
Unrecognized prior service cost	(6.9)	(7.5)
Effect of changes in assumptions and difference between actual and estimated experience	123.9	73.8
Accrued pension costs	(8.5)	(11.7)
	$143.9	$ 94.9

Due to changes in interest rates, Florida Progress used a discount rate of 7.25% and a 4.5% weighted average rate of compensation increase to calculate the pension plan's 1995 year-end funded status. The change in the discount rate from 8.25% at December 31, 1994, to 7.25% at December 31, 1995, increased the projected benefit obligation by $60 million and is expected to increase the annual pension costs by $8 million, beginning in 1996. The change in the weighted average rate of compensation increase from 5% at December 31, 1994, to 4.5% at December 31, 1995, decreased the projected benefit obligation by $17 million and is expected to decrease the annual pension costs by $4 million, beginning in 1996.

OTHER POSTRETIREMENT BENEFITS - Florida Progress and some of its subsidiaries provide certain health care and life insurance benefits for retired employees. Employees become eligible for these benefits when they reach normal retirement age while working for Florida Progress.

The net postretirement benefit costs for 1995, 1994 and 1993 are detailed below:

(In millions)	1995	1994	1993
Service cost	$ 5.1	$ 5.3	$ 5.6
Interest cost	13.5	12.9	11.8
Amortization of unrecognized transition obligation	6.1	6.1	6.5
Actual earnings on plan assets	(.3)	-	-
Staff reduction cost	-	3.7	5.5
	$24.4	$28.0	$29.4

Florida Power's share of the plan's net postretirement benefit cost for 1995, 1994 and 1993 was $23.5 million, $27.1 million and $28.2 million, respectively.

The following summarizes the plan's status, reconciled with amounts recognized in Florida Progress' balance sheet at December 31, 1995 and 1994:

(In millions)	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	$ 96.6	$ 92.7
Fully eligible active plan participants	2.6	1.5
Other active plan participants	91.4	74.2
Plan assets at fair value	(3.2)	(1.5)
	187.4	166.9
Unrecognized transition obligation	(103.6)	(107.8)
Unrecognized net gains	1.0	8.7
Accrued postretirement benefit cost	$ 84.8	$ 67.8

The following weighted average actuarial assumptions were used in the calculation of the year-end status of other postretirement benefits:

	1995	1994
Discount rate	7.25%	8.50%
Rate of compensation increase	4.50%	5.00%
Health care cost trend rates:		
Pre-Medicare	11.50%-5.00%	12.25%-5.75%
Post-Medicare	8.25%-4.75%	9.00%-5.50%

The transition obligation is being accrued through 2012. A one-percentage point increase in the assumed health care cost trend rate for each future year would have increased the 1995 current service and interest cost by approximately $3 million and the accumulated postretirement benefit obligation as of December 31, 1995, by about $28 million. The change in the discount rate from 8.5% at December 31, 1994, to 7.25% at December 31, 1995, increased the projected benefit obligation by $28 million and is expected to increase annual postretirement benefit costs by $2 million, beginning in 1996.

Due to different retail and wholesale regulatory rate requirements, Florida Power began making quarterly contributions in 1994 to an irrevocable external trust fund for wholesale ratemaking, while continuing to accrue post-retirement benefit costs to an unfunded reserve for retail ratemaking. Florida Power contributed approximately $1.4 million in 1995 and $1.6 million in 1994 to the trust fund.

NOTE 10 RATES AND REGULATION

RETAIL RATES - Florida Power's currently approved retail rates provide the opportunity to earn a regulatory return on equity of 12%, with an allowed range between 11% and 13%. The utility's retail regulatory return on equity was 12.5% for 1995.

WHOLESALE RATES - In 1995, the FERC approved Florida Power's two 1995 settlement agreements. The new rates, effective January 1, 1995, are designed to increase annual revenues by approximately $9.5 million primarily to recover additional purchased power capacity costs. In 1994, the FERC approved Florida Power's 1994 and 1993 settlement agreements with its wholesale customers that provide for rates designed to increase annual revenues by $9.8 million and $5.7 million, respectively.

In March 1995, the FERC proposed new rules that will require the electric industry to provide open access to the nation's interstate transmission network. Each utility under FERC jurisdiction will be required to file a nondiscriminatory open access transmission tariff, making its transmission system available to all wholesale buyers and sellers of electric energy. In October 1995, the FERC accepted Florida Power's revised comparability tariff for implementation, subject to refund, effective November 1995. Florida Power expects that the FERC will hold hearings to review the proposed tariff by the end of the second quarter 1996. Florida Power expects that the new tariff will not have a material effect on Florida Power's revenues or earnings.

NOTE 11 COMMITMENTS AND CONTINGENCIES

FUEL, COAL AND PURCHASED POWER COMMITMENTS - Florida Power has entered into various long-term contracts to provide the fossil and nuclear fuel requirements of its generating plants and to reserve pipeline capacity for natural gas. In most cases, such contracts contain provisions for price escalation, minimum purchase levels and other financial commitments. Estimated annual payments, based on current market prices, for Florida Power's firm commitments for fuel purchases and transportation costs, excluding delivered coal and purchased power, are $4 million, $11 million, $18 million, $18 million and $17 million for 1996 through 2000, respectively, and $182 million in total thereafter. Additional commitments will be required in the future to supply Florida Power's fuel needs.

Electric Fuels has entered into several contracts with outside parties for the purchase of coal. Electric Fuels also has entered into several operating leases, and rental or royalty agreements, relating to transportation equipment and coal procurement and processing. The annual obligations under these contracts and leases, including transportation costs, are $231.2 million, $176.3 million, $104.5 million, $83.2 million and $67.7 million for 1996 through 2000, respectively, and $126.6 million in total thereafter. The total cost incurred for these commitments was $235.2 million in 1995, $199.2 million in 1994 and $213.2 million in 1993.

Florida Power has long-term contracts for about 480 MWs of purchased power with other utilities, including a contract with The Southern Company ("Southern") for approximately 400 MWs of purchased power annually through 2010. This represents 4.6% of Florida Power's total current system capacity. Florida Power has an option to lower these Southern purchases to approximately 200 MWs annually, beginning in 2000, with a three-year notice. The purchased power from Southern is supplied by generating units with a capacity of approximately 3,500 MWs and is guaranteed by Southern's entire system, totaling more than 30,000 MWs.

As of December 31, 1995, Florida Power had entered into purchased power contracts with certain cogenerators for 1,164 MWs of capacity with expiration dates ranging from 2002 to 2025. The purchased power contracts provide for capacity and energy payments. Energy payments are based on the actual power taken under these contracts. Capacity payments are subject to the qualifying facilities meeting certain contract obligations. In most cases, these contracts account for 100% of the generating capacity of each of the facilities. Of the 1,164 MWs under contract, 1,049 MWs are currently available. All commitments have been approved by the FPSC. Florida Power does not plan to increase the level of purchased power currently under contract.

Florida Power incurred purchased power capacity costs totaling $260.1 million in 1995, $138.6 million in 1994 and $74.3 million in 1993. The following table shows minimum expected future capacity payments for purchased power commitments. Because the purchased power commitments have relatively long durations, the total present value of these payments using a 10% discount rate also is presented. These amounts assume that all units are brought into service as contracted and meet contract performance requirements:

Purchased Power Capacity Payments

(In millions)	Utilities	Cogenerators	Total
1996	$ 64	$ 221	$ 285
1997	67	238	305
1998	65	250	315
1999	66	262	328
2000	37	276	313
2001-2025	359	9,745	10,104
Total	$658	$10,992	$11,650
Total net present value			$ 3,372

The FPSC allows these capacity payments to be recovered through a capacity cost recovery clause, which is similar to, and works in conjunction with, energy payments recovered through the fuel adjustment clause.

The cogeneration purchased power contracts employ separate pricing methodologies for capacity payments and energy payments. Two cogenerators had filed suit against Florida Power in state court and a third in federal court challenging the energy pricing methodology.

Another cogenerator entered into a standard offer cogeneration contract with Florida Power and subsequently indicated its intention to build a 115 MW facility. The FPSC's rules limit standard offer cogeneration projects to 75 MWs, and Florida Power filed a petition seeking an FPSC ruling that Florida Power's standard offer contract is not available if the cogenerator constructs a larger facility. Florida Power also has filed a lawsuit in federal court in connection with this dispute.

Management does not expect the results of these legal actions will have a material impact on earnings.

UTILITY CONSTRUCTION PROGRAM - Substantial commitments have been made in connection with Florida Power's construction program. In 1996, total construction expenditures of $265 million are projected, primarily for electric plant and nuclear fuel.

OFF-BALANCE SHEET RISK - Several of Florida Progress' subsidiaries are general partners in unconsolidated partnerships and joint ventures. Florida Progress or subsidiaries have agreed to support certain loan agreements of the partnerships and joint ventures. The debt support agreements totaled $33.4 million and $31.9 million at December 31, 1995 and 1994, respectively, of which $26.1 million and $24.9 million were guaranties, and $7.3 million and $7 million were stand-by letters of credit, respectively. If the other partners fail to perform their obligations and if the partnership assets, consisting primarily of land and buildings, were worthless, those subsidiaries could be liable for an additional $37.4 million as of December 31, 1995, which represents partnership liabilities in excess of amounts mentioned earlier. Florida Progress considers these credit risks to be minimal, based upon the asset values supporting the partnership liabilities.

INSURANCE - Florida Progress and its subsidiaries utilize various risk management techniques to protect assets from risk of loss, including the purchase of insurance. Risk avoidance, risk transfer and self-insurance techniques are utilized depending on Florida Progress' ability to assume risk, the relative cost and availability of methods for transferring risk to third parties, and the requirements of applicable regulatory bodies.

Florida Power self-insures its transmission and distribution lines against loss due to storm damage and other natural disasters. Florida Power is accruing $6 million annually to a storm damage reserve and may defer any losses in excess of the reserve.

Under the provisions of the Price Anderson Act, which limits liability for accidents at nuclear power plants, Florida Power, as an owner of a nuclear plant, can be assessed for a portion of any third-party liability claims arising from an accident at any commercial nuclear power plant in the United States. If total third-party claims relating to a single nuclear incident exceed $200 million (the amount of currently available commercial liability insurance), Florida Power could be assessed up to $79.3 million per incident, with a maximum assessment of $10 million per year.

Florida Power is a member of the Nuclear Electric Insurance, Ltd. ("NEIL"), an industry mutual insurer, which provides business interruption and extra expense coverage in the event of a major accidental outage at a covered nuclear power plant. Florida Power is subject to a retroactive premium assessment under this policy in the event of adverse loss experience. Florida Power's present maximum share of any such retroactive assessment is $2.6 million per policy year.

Florida Power also maintains nuclear property damage insurance and decontamination and decommissioning liability insurance totaling $2.1 billion. The first layer of $500 million is purchased in the commercial insurance market with the remaining excess coverage purchased from NEIL. Florida Power is self-insured for any losses that are in excess of this coverage. Under the terms of the NEIL policy agreements, Florida Power could be assessed up to $8.1 million in any policy year if a loss in excess of NEIL's available surplus is incurred. In the event of multiple losses in any policy year, Florida Power's retroactive premium could total up to $15.9 million.

Florida Power has never been assessed under these nuclear indemnities or insurance policies.

CONTAMINATED SITE CLEANUP - Florida Progress is subject to regulation with respect to the environmental effects of its operations. Florida Progress' disposal of hazardous waste through third-party vendors can result in costs to clean up facilities found to be contaminated. Federal and state statutes authorize governmental agencies to compel responsible parties to pay for cleanup of certain abandoned or uncontrolled hazardous waste sites.

Florida Power and former subsidiaries of Florida Progress, whose properties were sold in prior years, have been identified by the EPA as PRPs at certain sites. In addition to these designated sites, there are other sites where Florida Progress affiliates may be responsible for additional environmental cleanup, including a coal gasification plant site that Florida Power previously owned and operated. There are five parties which have been identified as potentially responsible for this gas site, including Florida Power. Liability for the cleanup costs of these sites is joint and several.

Florida Progress believes that its subsidiaries will not be required to pay a disproportionate share of the costs for cleanup of these sites. Florida Progress' best estimates indicate that its proportionate share of liability for cleaning up all sites ranges from $2.5 million to $4.5 million. It has reserved $2.8 million against these potential costs. Further study of the coal gasification plant site could lead to increasing Florida Power's liability for cleanup costs. It is too early to predict the outcome of the study. Estimates of these additional costs are not available, but are not expected to have a material effect on Florida Progress' financial position, operations or liquidity.

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission File No.	Exact name of Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone	I.R.S. Employer Identification Number
1-8349	**FLORIDA PROGRESS CORPORATION** A Florida Corporation One Progress Plaza St. Petersburg, Florida 33701 Telephone (813) 824-6400	59-2147112
1-3274	**FLORIDA POWER CORPORATION** A Florida Corporation 3201 34th Street South St. Petersburg, Florida 33711 Telephone (813) 866-5151	59-0247770

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Registrant	Description of Class	Shares Outstanding at March 31, 1996
Florida Progress Corporation	Common Stock, without par value	96,720,259
Florida Power Corporation	Common Stock, without par value	100 (all of which were held, beneficially and of record, by Florida Progress Corporation)

This combined Form 10-Q represents separate filings by Florida Progress Corporation and Florida Power Corporation. Florida Power makes no representations as to the information relating to Florida Progress' diversified operations.

FLORIDA POWER CORPORATION
FINANCIAL STATEMENTS

FLORIDA POWER CORPORATION
Statements of Income
(In millions)

	Three Months Ended March 31, 1996	1995
	(Unaudited)	
OPERATING REVENUES:		
Residential	$328.5	$283.7
Commercial	115.1	109.4
Industrial	47.8	43.1
Sales for resale	43.0	26.0
Other	12.9	53.7
	$547.3	515.9
OPERATING EXPENSES:		
Operation:		
Fuel used in generation	114.5	78.6
Purchased power	122.9	103.3
Deferred fuel	(28.5)	7.4
Other	88.2	87.4
	297.1	276.7
Maintenance	30.8	33.0
Depreciation	77.6	70.7
Taxes other than income taxes	47.2	42.9
Income taxes:		
Currently payable	30.2	33.3
Deferred, net	(3.0)	(7.2)
Investment tax credits, net	(2.0)	(2.1)
	25.2	24.0
	477.9	447.3
OPERATING INCOME	69.4	68.6
OTHER INCOME AND DEDUCTIONS:		
Allowance for equity funds used during construction	0.9	1.2
Miscellaneous other expense, net	(0.5)	(0.5)
	0.4	0.7
INTEREST CHARGES		
Interest on long-term debt	22.1	24.2
Other interest expense	3.3	2.8
	25.4	27.0
Allowance for borrowed funds used during construction	(0.8)	(1.0)
	24.6	26.0
NET INCOME	45.2	43.3
DIVIDENDS ON PREFERRED STOCK	2.3	2.5
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	$42.9	$40.8

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
(In millions)

	March 31, 1996	December 31, 1995
ASSETS	(Unaudited)	
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	$5,885.6	$5,867.5
Less - Accumulated depreciation	2,238.8	2,179.7
Accumulated decommissioning for nuclear plant	172.3	165.2
Accumulated dismantlement for fossil plants	108.3	104.4
	3,366.2	3,418.2
Construction work in progress	165.2	131.8
Nuclear fuel, net of amortization of $350.7 in 1996 and $340.7 in 1995	66.3	59.1
	3,597.7	3,609.1
Other property, net	16.1	23.0
	3,613.8	3,632.1
CURRENT ASSETS:		
Cash and equivalents	3.5	0.8
Accounts receivable, net	192.1	200.7
Inventories at average cost:		
Fuel	26.1	40.8
Materials and supplies	98.4	101.3
Underrecovery of fuel cost	19.3	0.3
Deferred income taxes	32.4	32.3
Other	4.0	3.9
	375.8	380.1
OTHER ASSETS:		
Nuclear plant decommissioning fund	176.5	161.1
Unamortized debt expense, being amortized over term of debt	26.7	27.5
Other	78.2	84.1
	281.4	272.7
	$4,271.0	$4,284.9

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
(In millions)

	March 31, 1996	December 31, 1995
CAPITAL AND LIABILITIES	(Unaudited)	
COMMON STOCK EQUITY:		
Common stock	$1,005.4	$992.9
Retained earnings	757.1	761.1
	1,762.5	1,754.0
CUMULATIVE PREFERRED STOCK:		
Without sinking funds	113.5	113.5
With sinking funds	25.0	25.0
LONG-TERM DEBT	1,178.9	1,279.1
TOTAL CAPITAL	3,079.9	3,171.6
CURRENT LIABILITIES:		
Accounts payable	90.0	89.8
Accounts payable to affiliated companies	21.0	24.8
Customers' deposits	87.3	85.3
Income taxes payable	34.2	8.9
Accrued other taxes	32.6	12.3
Accrued interest	37.7	32.9
Other	63.4	65.1
	366.2	319.1
Current portion of long-term debt	50.6	30.6
	416.8	349.7
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	482.7	483.8
Unamortized investment tax credits	98.9	100.9
Other postretirement benefit costs	83.0	81.5
Other	109.7	97.4
	774.3	763.6
	$4,271.0	$4,284.9

The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Cash Flows
(In millions)

	Three Months Ended March 31, 1996	1995
	(Unaudited)	
OPERATING ACTIVITIES:		
Net income after dividends on preferred stock	$42.9	$40.8
Adjustments for noncash items:		
Depreciation and amortization	82.0	79.8
Deferred income taxes and investment tax credits, net	(5.0)	(9.3)
Increase in accrued other postretirement benefit costs	1.5	4.1
Allowance for equity funds used during construction	(0.9)	(1.2)
Changes in working capital:		
Accounts receivable	8.6	9.8
Inventories	17.6	(2.2)
Underrecovery of fuel cost	(19.0)	4.7
Accounts payable	0.2	(8.8)
Accounts payable to affiliated companies	(3.8)	(1.7)
Income taxes payable	25.3	28.8
Accrued other taxes	20.3	14.0
Other	5.0	0.1
Other operating activities	14.8	4.5
	189.5	163.4
INVESTING ACTIVITIES:		
Construction expenditures	(58.6)	(59.2)
Allowance for borrowed funds used during construction	(0.8)	(1.0)
Additions to nonutility property	(0.6)	(0.7)
Proceeds from sale of properties	1.2	3.4
Other investing activities	(13.3)	(2.8)
	(72.1)	(60.3)
FINANCING ACTIVITIES:		
Decrease in commercial paper with long-term support	(80.3)	(13.0)
Dividends paid to parent	(46.9)	(44.3)
Equity contributions from parent	12.5	12.5
Decrease in short-term debt	-	(55.3)
	(114.7)	(100.1)
NET INCREASE IN CASH AND EQUIVALENTS	2.7	3.0
Beginning cash and equivalents	0.8	-
ENDING CASH AND EQUIVALENTS	$3.5	$3.0
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest (net of amount capitalized)	$18.9	$20.3
Income taxes (net of refunds)	$4.8	$4.3

The accompanying notes are an integral part of these financial statements.

1) As ordered by the Florida Public Service Commission ("FPSC"), Florida Power Corporation ("Florida Power") is in its second year of conducting a three-year test for residential revenue decoupling which began in January 1995. The difference between target revenues and actual revenues is included as a current asset or current liability on the balance sheet. Revenue decoupling reduced residential billed revenues by $0.1 million and $14.3 million for the three months ended March 31, 1995 and 1996, respectively.

2) Effective January 1, 1996, Florida Progress Corporation ("Florida Progress") adopted Financial Accounting Standards ("FAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This standard requires that long-lived assets and certain intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through future cash flows from the use and disposition of the asset. The adoption of this standard has had no impact on earnings. (As used herein, the term Florida Progress includes its consolidated subsidiaries unless otherwise indicated.)

Effective January 1, 1996, Florida Progress adopted FAS No. 123, "Accounting for Stock-Based Compensation." Under its Long-Term Incentive Plan, Florida Progress grants selected executives performance shares, which, upon achievement of performance criteria for a three-year performance cycle, result in the award of shares of common stock of Florida Progress, two-thirds of which would be restricted for periods of time. Florida Progress accounts for the fair value of common stock shares awarded under this plan after December 31, 1995 as recommended in FAS No. 123. Shares awarded for performance cycles previous to the implementation of FAS 123 are accounted for in accordance with Accounting Principles Board Opinion No. 25. There was no impact on earnings as a result of implementing this standard.

3) CONTINGENCIES

PURCHASED POWER - Florida Power's cogeneration purchased power contracts employ separate pricing methodologies for capacity payments and energy payments. Two cogenerators have filed suit against Florida Power in state court and a third in federal court challenging the energy pricing methodology.

Another cogenerator entered into a standard offer cogeneration contract with Florida Power and subsequently indicated its intention to build a 115 megawatt ("MW") facility. The FPSC's rules limit standard offer cogeneration projects to 75 MWs and limit the maximum term for capacity payments to the life of the avoided unit, which is 20 years for this project. Florida Power filed a petition seeking a FPSC ruling that (i) Florida Power's standard offer contract is not available if the cogenerator constructs a facility with greater than 75 MWs and (ii) the 20-year term be affirmed. On April 30, 1996, the FPSC ruled in favor of Florida Power's petition by affirming that its standard offer contract is not available to the cogenerator if it constructs a 115 MW facility and that the FPSC rules limit the term for making capacity payments to 20 years. After this ruling is issued in a written order to be released on or about May 13, 1996, this cogenerator has 15 days to request FPSC reconsideration of the decision. Florida Power also has filed a lawsuit in federal court in connection with this dispute.

Management does not expect that the results of these actions will have a material impact on earnings.

INSURANCE - Florida Progress and its subsidiaries utilize various risk management techniques to protect assets from risk of loss, including the purchase of insurance. Risk avoidance, risk transfer and self-insurance techniques are utilized depending on Florida Progress' ability to assume risk, the relative cost and availability of methods for transferring risk to third parties, and the requirements of applicable regulatory bodies.

Florida Power self-insures its transmission and distribution lines against loss due to storm damage and other natural disasters. Florida Power is accruing $6 million annually to a storm damage reserve and may defer any losses in excess of the reserve.

Under the provisions of the Price Anderson Act, which limits liability for accidents at nuclear power plants, Florida Power, as an owner of a nuclear plant, can be assessed for a portion of any third-party liability claims arising from an accident at any commercial nuclear power plant in the United States. If total third-party claims relating to a single nuclear incident exceed $200 million (the amount of currently available commercial liability insurance), Florida Power could be assessed up to $79.3 million per incident, with a maximum assessment of $10 million per year.

Florida Power is a member of the Nuclear Electric Insurance, Ltd. ("NEIL"), an industry mutual insurer, which provides business interruption and extra expense coverage in the event of a major accidental outage at a covered nuclear power plant. Florida Power is subject to a retroactive premium assessment under this policy in the event of adverse loss experience. Florida Power's present maximum share of any such retroactive assessment is $2.6 million per policy year.

Florida Power also maintains nuclear property damage insurance and decontamination and decommissioning liability insurance totaling $2.1 billion. The first layer of $500 million is purchased in the commercial insurance market with the remaining excess coverage purchased from NEIL. Florida Power is self-insured for any losses that are in excess of this coverage. Under the terms of the NEIL policy agreements, Florida Power could be assessed up to $8.1 million in any policy year if a loss in excess of NEIL's available surplus is incurred. In the event of multiple losses in any policy year, Florida Power's retroactive premium could total up to $15.9 million.

Florida Power has never been assessed under these nuclear indemnities or insurance policies.

CONTAMINATED SITE CLEANUP - Florida Progress is subject to regulation with respect to the environmental effects of its operations. Florida Progress' disposal of hazardous waste through third-party vendors can result in costs to clean up facilities found to be contaminated. Federal and state statutes authorize governmental agencies to compel responsible parties to pay for cleanup of certain abandoned or uncontrolled hazardous waste sites.

Florida Power and former subsidiaries of Florida Progress, whose properties were sold in prior years, have been identified by the United States Environmental Protection Agency ("EPA") as potentially responsible parties at certain sites. In addition to these designated sites, there are other sites where Florida Progress affiliates may be responsible for additional environmental cleanup, including a coal gasification plant site that Florida Power previously owned and operated. There are five parties which have been identified as potentially responsible for this gas site, including Florida Power. Liability for the cleanup costs of these sites is joint and several.

Florida Progress believes that its subsidiaries will not be required to pay a disproportionate share of the costs for cleanup of these sites. Florida Progress' best estimates indicate that its proportionate share of liability for cleaning up all sites ranges from $2.5 million to $4.5 million. Florida Progress has reserved $2.8 million against these potential costs. Further study of the coal gasification plant site by the EPA is expected to be completed in the third quarter 1996 and could cause Florida Power to increase its reserve for its portion of liability for cleanup costs. Although estimates of any additional costs are not available, the results of the tests are not expected to have a material effect on Florida Power's financial position, operations or liquidity.

4) In the opinion of management, the accompanying financial statements include all adjustments deemed necessary to summarize fairly and reflect the financial position and results of operations of Florida Progress and Florida Power for the interim periods presented. Results for the first quarter are not necessarily indicative of results for the full year. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto in the combined Form 10-K of Florida Progress and Florida Power for the year ended December 31, 1995 (the "1995 Form 10-K").

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OPERATING RESULTS

Florida Progress' earnings per share for the three-month period ended March 31, 1996, were $.50 compared to $.49 for the same period in 1995. This increase resulted from higher earnings at Florida Power, Florida Progress' largest operating unit, which reported earnings of $.44 per share compared to $.43 per share for the same period last year. The increase at Florida Power was due primarily to higher average customer usage and continuing cost-control efforts. Diversified earnings per share of $.06 for the quarter remained constant compared to last year.

Florida Power - Operating Revenues

Florida Power's operating revenues were $31.4 million, or 6.1 percent, higher for the three month period ended March 31, 1996, compared to the same period in 1995. Increased kilowatt hour ("KWH") sales due to colder than normal weather and customer growth were the primary factors contributing to the increase. However, residential revenue decoupling adjustments partially offset increased KWH sales, by reducing billed revenues $14.3 million for the first quarter of 1996. Revenue decoupling did not have a material impact on Florida Power's revenues or net income for the three months ended March 31, 1995. (See Note 1 to the Financial Statements.)

Florida Power - Operating Expenses

Fuel and purchased power costs, including deferred fuel expense, were $19.6 million, or 10.4 percent, higher for the quarter ended March 31, 1996 compared to the same period in 1995 due primarily to higher system requirements, increased capacity payments and nuclear outages. Florida Power recovers substantially all of its fuel and purchased power costs through a FPSC ordered fuel adjustment clause, thereby eliminating any significant impact on net income.

Other operation and maintenance expenses for the three months ended March 31, 1996, were $1.4 million lower than the same period last year due primarily to savings from cost-control initiatives partially offset by increased costs associated with nuclear outages.

Florida Power - Other Operating Results

On April 16, 1996, Florida Power and Ridge Generating Station, L.P. ("Ridge") entered into a settlement agreement resolving a dispute over the energy payments to be made under a 1991 agreement for the sale to Florida Power of approximately 40 MWs from Ridge's cogeneration facility. The settlement agreement provides for the resolution of the pricing dispute, including a reduction in the fuel cost component of the firm energy price rate and its associated escalation rate. The settlement agreement also provides for Ridge to curtail the output of its facility during certain off-peak periods. Florida Power expects a net savings of approximately $13 million over the life of the contract. The parties to the

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission File No.	Exact name of Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone	I.R.S. Employer Identification Number
1-8349	FLORIDA PROGRESS CORPORATION A Florida Corporation One Progress Plaza St. Petersburg, Florida 33701 Telephone (813) 824-6400	59-2147112
1-3274	FLORIDA POWER CORPORATION A Florida Corporation 3201 34th Street South St. Petersburg, Florida 33711 Telephone (813) 866-5151	59-0247770

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No ______

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Registrant	Description of Class	Shares Outstanding at June 30, 1996
Florida Progress Corporation	Common Stock, without par value	97,003,453
Florida Power Corporation	Common Stock, without par value	100 (all of which were held, beneficially and of record, by Florida Progress Corporation)

This combined Form 10-Q represents separate filings by Florida Progress Corporation and Florida Power Corporation. Florida Power makes no representations as to the information relating to Florida Progress' diversified operations.

FLORIDA POWER CORPORATION
Statements of Income
(In millions)

	Three Months Ended June 30, 1996	Three Months Ended June 30, 1995	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
	(Unaudited)		(Unaudited)	
OPERATING REVENUES:				
Residential	$297.1	$301.2	$625.6	$584.9
Commercial	131.7	130.1	246.8	239.5
Industrial	51.9	48.4	99.7	91.5
Sales for resale	37.1	28.8	80.1	54.8
Other	70.9	42.0	83.8	95.7
	588.7	550.5	1,136.0	1,066.4
OPERATING EXPENSES:				
Operation:				
Fuel used in generation	114.3	113.1	228.8	191.7
Purchased power	137.7	107.5	260.6	210.8
Deferred fuel	(22.5)	(8.6)	(51.0)	(1.2)
Other	83.2	85.7	171.4	173.1
	312.7	297.7	609.8	574.4
Maintenance	30.6	28.1	61.4	61.1
Depreciation	89.2	70.8	166.8	141.5
Taxes other than income taxes	45.2	44.9	92.4	87.8
Income taxes:				
Currently payable	43.8	38.8	74.0	72.1
Deferred, net	(9.9)	(6.4)	(12.9)	(13.6)
Investment tax credits, net	(2.0)	(2.1)	(4.0)	(4.2)
	31.9	30.3	57.1	54.3
	509.6	471.8	987.5	919.1
OPERATING INCOME	79.1	78.7	148.5	147.3
OTHER INCOME AND DEDUCTIONS:				
Allowance for equity funds used during construction	1.0	0.9	1.9	2.1
Miscellaneous other expense, net	(0.4)	(0.5)	(1.0)	(1.0)
	0.6	0.4	0.9	1.1
INTEREST CHARGES				
Interest on long-term debt	21.8	23.9	43.9	48.1
Other interest expense	2.8	2.9	6.1	5.7
	24.6	26.8	50.0	53.8
Allowance for borrowed funds used during construction	(0.9)	(0.7)	(1.7)	(1.7)
	23.7	26.1	48.3	52.1
NET INCOME	56.0	53.0	101.1	96.3
DIVIDENDS ON PREFERRED STOCK	2.1	2.4	4.4	4.9
NET INCOME AFTER DIVIDENDS ON PREFERRED STOCK	$53.9	$50.6	$96.7	$91.4

Note: The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
(In millions)

	June 30, 1996	December 31, 1995
ASSETS	(Unaudited)	
PROPERTY, PLANT AND EQUIPMENT:		
Electric utility plant in service and held for future use	$5,892.2	$5,867.5
Less - Accumulated depreciation	2,276.4	2,179.7
Accumulated decommissioning for nuclear plant	178.3	165.2
Accumulated dismantlement for fossil plants	112.5	104.4
	3,325.0	3,418.2
Construction work in progress	174.3	131.8
Nuclear fuel, net of amortization of $352.6 in 1996 and $348.7 in 1995	64.0	59.1
	3,563.3	3,609.1
Other property, net	14.6	23.0
	3,577.9	3,632.1
CURRENT ASSETS:		
Cash and equivalents	5.2	0.8
Accounts receivable, less reserve of $5.0 in 1996 and $8.2 in 1995	211.4	200.7
Inventories at average cost:		
Fuel	49.7	40.8
Materials and supplies	96.7	101.3
Underrecovery of fuel cost	57.6	0.3
Deferred income taxes	32.5	32.3
Other	4.6	3.9
	457.7	380.1
OTHER ASSETS:		
Nuclear plant decommissioning fund	183.3	161.1
Unamortized debt expense, being amortized over term of debt	26.1	27.5
Other	72.6	84.1
	282.0	272.7
	$4,317.6	$4,284.9

Note: The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Balance Sheets
(In millions)

	June 30, 1996	December 31, 1995
CAPITALIZATION AND LIABILITIES	(Unaudited)	
CAPITALIZATION:		
Common stock	$1,004.4	$992.9
Retained earnings	775.6	761.1
	1,780.0	1,754.0
CUMULATIVE PREFERRED STOCK:		
Without sinking funds	33.5	113.5
With sinking funds	25.0	25.0
LONG-TERM DEBT	1,288.1	1,279.1
TOTAL CAPITAL	3,126.6	3,171.6
CURRENT LIABILITIES:		
Accounts payable	96.1	89.8
Accounts payable to associated companies	22.7	24.8
Customers' deposits	88.6	85.3
Income taxes payable	20.2	8.9
Accrued other taxes	50.2	12.3
Accrued interest	31.7	32.9
Other	54.1	65.1
	363.6	319.1
Current portion of long-term debt	50.7	30.6
	414.3	349.7
DEFERRED CREDITS AND OTHER LIABILITIES:		
Deferred income taxes	474.7	483.8
Unamortized investment tax credits	96.9	100.9
Other postretirement benefit costs	84.6	81.5
Other	120.5	97.4
	776.7	763.6
	$4,317.6	$4,284.9

Note: The accompanying notes are an integral part of these financial statements.

FLORIDA POWER CORPORATION
Statements of Cash Flows
(In millions)

	Six Months Ended June 30, 1996	1995
	(Unaudited)	
OPERATING ACTIVITIES:		
Net income after dividends on preferred stock	$96.7	$91.4
Adjustments for noncash items:		
Depreciation and amortization	175.4	159.6
Deferred income taxes and investment tax credits, net	(16.9)	(17.8)
Increase in accrued other postretirement benefit costs	3.0	7.9
Allowance for equity funds used during construction	(1.9)	(2.1)
Changes in working capital:		
Accounts receivable	(10.7)	(39.7)
Inventories	(4.3)	(11.8)
Overrecovery (underrecovery) of fuel cost	(57.3)	(6.6)
Accounts payable	6.3	4.9
Accounts payable to associated companies	(2.0)	1.1
Income taxes payable	11.3	3.2
Accrued other taxes	37.9	32.7
Other	(9.7)	14.8
Other operating activities	25.8	4.6
	253.6	242.2
INVESTING ACTIVITIES:		
Construction expenditures	(111.3)	(125.3)
Allowance for borrowed funds used during construction	(1.7)	(1.7)
Additions to nonutility property	(1.1)	(0.9)
Proceeds from sale of properties	3.8	6.0
Other investing activities	(18.1)	(5.5)
	(128.4)	(127.4)
FINANCING ACTIVITIES:		
Repayment of long-term debt	(0.4)	(19.2)
Increase (decrease) in commercial paper with long term support	29.4	-
Redemption of preferred stock	(80.9)	-
Dividends paid on common stock	(81.4)	(88.8)
Equity contributions from parent	12.5	12.5
Decrease in short-term debt	-	(14.2)
	(120.8)	(109.7)
NET INCREASE IN CASH AND EQUIVALENTS	4.4	5.1
Beginning cash and equivalents	0.8	-
ENDING CASH AND EQUIVALENTS	$5.2	$5.1
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest (net of amount capitalized)	$47.9	$48.5
Income taxes (net of refunds)	$62.4	$68.6

Note: The accompanying notes are an integral part of these financial statements.

FLORIDA PROGRESS CORPORATION AND FLORIDA POWER CORPORATION
NOTES TO FINANCIAL STATEMENTS

1) On July 1, 1996, Florida Progress Corporation ("Florida Progress") announced its plan to spin-off Progress Credit Corporation ("Progress Credit"), Florida Progress' lending, leasing and real estate business, to shareholders through a tax-free stock dividend. The dividend distribution is expected to occur before the end of 1996.

The accompanying financial statements account for Progress Credit as discontinued operations. Accordingly, the results and balances related to this segment have been segregated from the ongoing operations of Florida Progress in the accompanying financial statements for all periods presented. For each of the periods presented, the accompanying financial statements reflect the conversion of a portion of Progress Credit intercompany debt to equity and the removal of the corresponding interest from the results of operations of Progress Credit. In anticipation of the spin-off of Progress Credit, Florida Progress has recorded a $25 million charge to earnings in the second quarter of 1996 comprised of the following:

	(In millions)
Writedown of assets to be disposed of by Progress Credit (net of income tax benefits of $11.3 million)	$ 18.0
Costs associated with the spin-off (net of income tax benefits of $4.4 million)	7.0
Total	$ 25.0

Progress Credit revenues were $27.6 million and $23.0 million for the six months ended June 30, 1996 and 1995, respectively. The following amounts are included as discontinued operations on the Florida Progress balance sheet as of June 30, 1996 and December 31, 1995:

In millions	June 30, 1996	December 31, 1995
Leases and loans receivable, net	$ 318.9	$ 351.7
Property and equipment, net	141.3	148.3
Other assets	53.7	57.6
Total assets	513.9	557.6
Less: Advances from parent	127.1	116.0
Less: Other liabilities	206.2	240.8
Net assets	$ 180.6	$ 200.8

2) As ordered by the Florida Public Service Commission ("FPSC"), Florida Power Corporation ("Florida Power") is in its second year of conducting a three-year test for residential revenue decoupling which began in January 1995. The difference between target revenues and actual revenues is included as a current asset or current liability on the balance sheet. Revenue decoupling reduced residential billed revenues by $21.9 million and $16.6 million for the six months ended June 30, 1996 and 1995, respectively.

3) CONTINGENCIES

PURCHASED POWER - Florida Power's cogeneration purchased power contracts employ separate pricing methodologies for capacity payments and energy payments. Two cogenerators have filed suit against Florida Power in state court and a third in both state and federal court challenging the energy pricing methodology.

Another cogenerator entered into a standard offer cogeneration contract with Florida Power and subsequently indicated its intention to build a 115 megawatt ("MW") facility. On May 20, 1996, the FPSC issued an order ruling against the cogenerator on two of the three material issues related to the contract. First, the FPSC held that the cogenerator's proposed 115 MW facility does not comply with the 75 MW limitation contained in the FPSC's standard offer rules. Second, the FPSC held that under its rules, Florida Power is required to make capacity payments for 20 years rather than for 30 years as argued by the cogenerator. On a third issue, the FPSC ruled against Florida Power by extending for 18 months the "milestone" dates contained in the standard offer contract, including the construction commencement date and the commercial in-service date. The cogenerator appealed this order to the Florida Supreme Court. It is expected that the Supreme Court will render a decision in the first half of 1997.

Management does not expect that the results of these actions will have a material impact on earnings.

INSURANCE - Florida Progress and its subsidiaries utilize various risk management techniques to protect assets from risk of loss, including the purchase of insurance. Risk avoidance, risk transfer and self-insurance techniques are utilized depending on Florida Progress' ability to assume risk, the relative cost and availability of methods for transferring risk to third parties, and the requirements of applicable regulatory bodies.

Florida Power self-insures its transmission and distribution lines against loss due to storm damage and other natural disasters. Florida Power is accruing $6 million annually to a storm damage reserve and may defer any losses in excess of the reserve.

Under the provisions of the Price Anderson Act, which limits liability for accidents at nuclear power plants, Florida Power, as an owner of a nuclear plant, can be assessed for a portion of any third-party liability claims arising from an accident at any commercial nuclear power plant in the United States. If total third-party claims relating to a single nuclear incident exceed $200 million (the amount of currently available commercial liability insurance), Florida Power could be assessed up to $79.3 million per incident, with a maximum assessment of $10 million per year.

Florida Power is a member of the Nuclear Electric Insurance, Ltd. ("NEIL"), an industry mutual insurer, which provides business interruption and extra expense coverage in the event of a major accidental outage at a covered nuclear power plant. Florida Power is subject to a retroactive premium assessment under this policy in the event of adverse loss experience. Florida Power's present maximum share of any such retroactive assessment is $2.6 million per policy year.

Florida Power also maintains nuclear property damage insurance and decontamination and decommissioning liability insurance totaling $2.1 billion. The first layer of $500 million is purchased in the commercial insurance market with the remaining excess coverage purchased from NEIL. Florida Power is self-insured for any losses that are in excess of this coverage. Under the terms of the NEIL policy agreements, Florida Power could be assessed up to $8.1 million in any policy year if a loss in excess of NEIL's available surplus is incurred. In the event of multiple losses in any policy year, Florida Power's retroactive premium could total up to $15.9 million.

Florida Power has never been assessed under these nuclear indemnities or insurance policies.

CONTAMINATED SITE CLEANUP - Florida Progress is subject to regulation with respect to the environmental effects of its operations. Florida Progress' disposal of hazardous waste through third-party vendors can result in costs to clean up facilities found to be contaminated. Federal and state statutes authorize governmental agencies to compel responsible parties to pay for cleanup of certain abandoned or uncontrolled hazardous waste sites.

Florida Power and former subsidiaries of Florida Progress, whose properties were sold in prior years, have been identified by the United States Environmental Protection Agency ("EPA") as potentially responsible parties at certain sites. In addition to these designated sites, there are other sites where Florida Progress affiliates may be responsible for additional environmental cleanup, including a coal gasification plant site that Florida Power previously owned and operated. There are five parties which have been identified as potentially responsible for this gas site, including Florida Power. Liability for the cleanup costs of these sites is joint and several.

Florida Progress believes that its subsidiaries will not be required to pay a disproportionate share of the costs for cleanup of these sites. Florida Progress' best estimates indicate that its proportionate share of liability for cleaning up all sites ranges from \$2.5 million to \$4.5 million. Florida Progress has reserved \$2.8 million against these potential costs. Further study of the coal gasification plant site by the EPA is expected to be completed in the fourth quarter 1996 and could cause Florida Power to increase its reserve for its portion of liability for cleanup costs. Although estimates of any additional costs are not available, the results of the tests are not expected to have a material effect on Florida Power's financial position, operations or liquidity.

4) In the opinion of management, the accompanying financial statements include all adjustments deemed necessary to summarize fairly and reflect the financial position and results of operations of Florida Progress and Florida Power for the interim periods presented. Results for these interim periods are not necessarily indicative of results for the full year. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto in the combined Form 10-K of Florida Progress and Florida Power for the year ended December 31, 1995 (the "1995 Form 10-K") and the combined Form 10-Q of Florida Progress and Florida Power for the quarter ended March 31, 1996 (the "first quarter 1996 Form 10-Q").

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OPERATING RESULTS

Florida Progress' earnings per share from continuing operations for the six months ended June 30, 1996, were \$1.11 compared to \$1.07 for the same period in 1995. This increase resulted from Florida Power, Florida Progress' largest operating unit, which reported earnings of \$1.00 per share compared to \$.96 per share for the same period last year, primarily due to stronger sales and the impact of cost containment efforts. Earnings per share from continuing operations were \$.61 for the current quarter, or \$.03 higher than last year's comparable quarter. The increase at Florida Power was due primarily to customer growth, higher industrial kilowatt hour ("KWH") sales largely from phosphate mining, and increased wholesale KWH sales from weather-related increases in customer demand, partially offset by residential revenue decoupling adjustments. Diversified earnings per share from continuing operations remained constant compared to last year with improved results in the marine and rail services operations at Electric Fuels Corporation ("Electric Fuels"), offset by unfavorable results at Mid-Continent Life Insurance Company ("Mid-Continent").

Exhibit C(1)

FLORIDA POWER CORPORATION
PROJECTED SOURCES AND USES OF FUNDS
(In Millions)

	12 Months Ending December 31, 1997
OPERATING ACTIVITIES	$ 582.5
INVESTING ACTIVITIES:	
Construction Expenditures	(331.8)
Allowance for Funds Used During Construction/Debt	(3.7)
Other Property Additions	(3.2)
Other Investing Activities	(20.2)
Total	(358.9)
FINANCING ACTIVITIES:	
Long-Term Debt Repayments[1]	(21.3)
Dividends Paid on Common Stock	(187.6)
Increase (Decrease) in Short-Term Debt	(14.1)
Total	(223.0)
TOTAL INCREASE (DECREASE) IN CASH	$ 0.6

NOTE: The possible refunding and tender offer activity has not been scheduled in this worksheet. If this activity had been scheduled, it would have been presented under the category of Financing Activities as an additional source line and an additional use line of equal amounts, but opposite signs. The net effect on total Financing Activities would be zero.

[illegible]

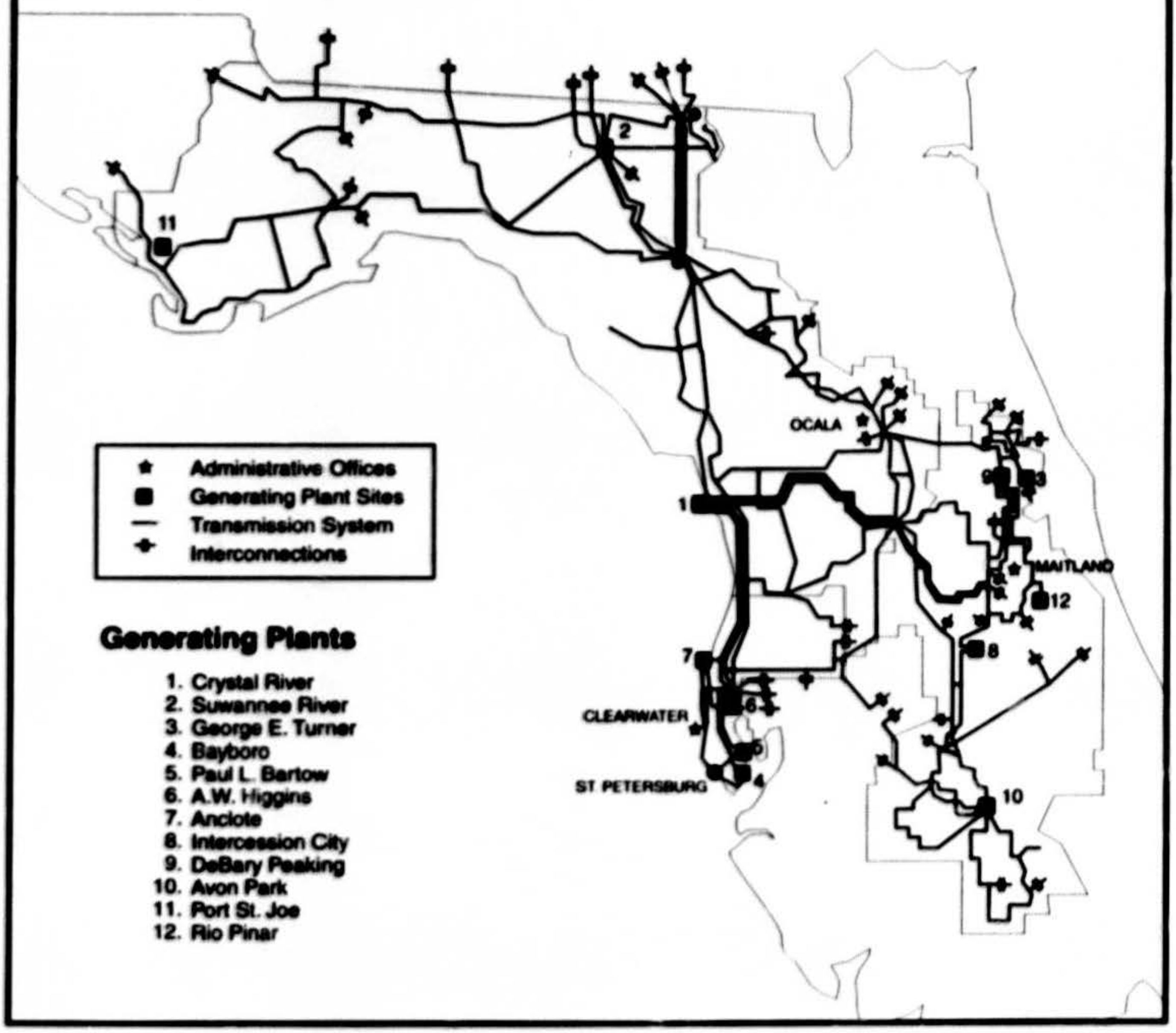
[1] The Company currently has outstanding $20.0 million of the 8.55% Series Medium-Term Notes due January 15, 1997, as well as, $1.3 million of the 6.67% Series Medium-Term Notes due in two installments on April 1, 1997 and October 1, 1997.

Exhibit C(2)

FLORIDA POWER CORPORATION
PRELIMINARY CONSTRUCTION EXPENDITURES FOR 1997
(In Millions)

ACCT. PREFIX	BUDGET CLASSIFICATION	PRELIMINARY BUDGET
	PRODUCTION PLANT	
701	Nuclear Production	$ 5.0
702/703	Fossil/Other Production	12.8
702	New Steam Generation	95.6
703	New Peaker Generation	0.0
	TOTAL PRODUCTION PLANT	113.4
	TRANSMISSION & SUBSTATIONS	
704	Transmission Lines	17.0
705	Transmission Substations	12.9
710	Distribution Substations	17.3
	TOTAL TRANSMISSION & SUBSTATIONS	47.2
	DISTRIBUTION LINES & SERVICES	
706	Overhead Lines	49.2
707	Consumer Meters	5.6
708	Overhead Services	2.3
709	O/H & Pad Mounted Transformers	11.4
711	Underground Lines & Services	35.1
735	Energy Conservation	0.2
	TOTAL DISTRIBUTION LINES & SERVICES	103.8
	GENERAL PLANT	
712	Office Equipment	1.1
713	Fleet Equipment	3.8
714	Telecommunications Equipment	2.6
715	Tools and Work Equipment	.1
716	Stores, Shop & Misc. Equipment	.3
717	Laboratory Equipment	.4
718	Land and Structures	1.7
745	Computer Hardware and Software	20.4
	TOTAL GENERAL PLANT	30.4
	SUB-TOTAL ELECTRIC PLANT	294.8
120	Nuclear Fuel	37.0
	TOTAL LESS AFUDC	$ 331.8

System Map



Generating Plants

1. Crystal River
2. Suwannee River
3. George E. Turner
4. Bayboro
5. Paul L. Bartow
6. A.W. Higgins
7. Anclote
8. Intercession City
9. DeBary Peaking
10. Avon Park
11. Port St. Joe
12. Rio Pinar

Exhibit E

FLORIDA POWER CORPORATION

PRINCIPAL OFFICERS OF THE COMPANY

Name	Title	Address
R. Korpan	Chairman of the Board and Chief Executive Officer	3201 34th Street South St. Petersburg, Florida 33711
J.H. Richardson	President and Chief Operating Officer	3201 34th Street South St. Petersburg, Florida 33711
P. M. Beard, Jr.	Senior Vice President Nuclear Operations	3201 34th Street South St. Petersburg, Florida 33711
M.B. Foley, Jr.	Senior Vice President Energy Delivery	3201 34th Street South St. Petersburg, Florida 33711
J. A. Hancock	Senior Vice President Energy Supply	3201 34th Street South St. Petersburg, Florida 33711
J. R. Heinicka	Senior Vice President & Chief Financial Officer	3201 34th Street South St. Petersburg, Florida 33711
K.E. Armstrong	Vice President and General Counsel	3201 34th Street South St. Petersburg, Florida 33711
P.A. Blizzard	Vice President Human Resources	3201 34th Street South St. Petersburg, Florida 33711
G.L. Campbell	Vice President Public Affairs	3201 34th Street South St. Petersburg, Florida 33711
J.B. Case	Vice President Energy Solutions	3201 34th Street South St. Petersburg, Florida 33711
D. L. Miller	Vice President Corporate Services	3201 34th Street South St. Petersburg, Florida 33711
J. Scardino, Jr.	Vice President and Controller	3201 34th Street South St. Petersburg, Florida 33711

Exhibit E
(CONTINUED)

A.D. Sciarrotta	**Vice President Information Technology**	**3201 34th Street South St. Petersburg, Florida 33711**
J. V. Smallwood	**Vice President and Treasurer**	**3201 34th Street South St. Petersburg, Florida 33711**

[illegible]

Exhibit F

FLORIDA POWER CORPORATION
CAPITAL STOCK AND LONG-TERM DEBT
As Of August 31, 1996

Title of Class	Shares Authorized	Shares Outstanding	Amount Outstanding
Common Stock without par value	60,000,000	100[1]	N/A
Cumulative Preferred Stock (Par Value $100):			
4.00% Series	40,000	39,980	$ 3,998,000
4.40% Series	75,000	75,000	7,500,000
4.60% Series	40,000	39,997	3,999,700
4.75% Series	80,000	80,000	8,000,000
4.58% Series	100,000	99,990	9,999,000
7.08% Series with sinking fund	250,000	250,000[2]	25,000,000
Total Cumulative Preferred Stock Outstanding			$ 58,496,700

First Mortgage Bonds:	Amount Outstanding
6-1/2% Series, due 1999	75,000,000
7-3/8% Series, due 2002	50,000,000
7-1/4% Series, due 2002	50,000,000
6-1/8% Series, due 2003	70,000,000
6% Series, due 2003	110,000,000
6-7/8% Series, due 2008	80,000,000
8-5/8% Series, due 2021	150,000,000
8% Series, due 2022	150,000,000
7% Series, due 2023	100,000,000
Total First Mortgage Bonds Outstanding	$ 835,000,000

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[1] All of the Company's outstanding shares of common stock are owned beneficially and of record by the Company's parent, Florida Progress Corporation.

[2] All outstanding shares of this series have been called for redemption on November 16, 1996.

Exhibit F

FLORIDA POWER CORPORATION
CAPITAL STOCK AND LONG-TERM DEBT
As Of August 31, 1996

		Amount Outstanding
Pollution Control Revenue Bonds:		
7.20% Pinellas, due 2014	$	32,200,000
6.35% Citrus, due 2022		90,000,000
6.35% Pasco, due 2022		10,115,000
6-5/8% Citrus, due 2027		108,550,000
Total Pollution Control Revenue Bonds Outstanding		240,865,000
Medium-Term Notes:		
8.55%, due 1997		20,000,000
6.67%, due 2008		27,850,000
Total Medium-Term Notes Outstanding		47,850,000
Commercial Paper (backed by long-term credit agreement)		100,800,000
Total Long-Term Debt Outstanding:	$	1,224,515,000

With respect to the requirement of paragraphs (d), (e), (f) and (g) of Rule 25-8.002(7), Florida Administrative Code, the Company holds no stock or funded debt as reacquired securities, has pledged no stock or debt, has no stock or debt owned by affiliated corporations (except for the 100 shares of common stock owned by the Company's parent, Florida Progress Corporation), and does not hold any stock or debt in any fund.

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Exhibit G

FLORIDA POWER CORPORATION
FPSC APPLICATION FOR AUTHORITY
TO ISSUE AND SELL SECURITIES DURING 1997

(In Millions)

TOTAL LONG-TERM FINANCING AUTHORITY REQUIRED	**$ 1,100.0**
TOTAL SHORT-TERM FINANCING AUTHORITY REQUIRED	**$ 400.0**

POSSIBLE LONG-TERM FINANCING ACTIVITY DETAIL (1)

Five-year, long-term revolving credit agreement (or CP backed thereby)		$ 200.0
Long-term credit agreement (or CP backed thereby) for self insurance or other general corporate purposes		200.0
Issue FMBs, MTNs, or other securities and debt obligations to refund the following FMBs:		
7-3/8% Series FMBs due 2002	50.0	
7-1/4% Series FMBs due 2002	50.0	
8-5/8% Series FMBs due 2021	150.0	
		250.0
Issue FMBs, MTNs, or other securities and debt obligations for tender offers for, the defeasance of, or otherwise refunding the following:		
8% Series FMBs due 2022	150.0	
		150.0
Issue FMBs, MTNs or other securities and debt obligations to pay off year-end 1997 CP (2)		292.1
Rounding to simplify reporting		7.9
TOTAL LONG-TERM FINANCING AUTHORITY REQUIRED		**$ 1,100.0**

Exhibit G

FLORIDA POWER CORPORATION
FPSC APPLICATION FOR AUTHORITY
TO ISSUE AND SELL SECURITIES DURING 1997
(In Millions)

POSSIBLE SHORT-TERM FINANCING ACTIVITY DETAIL (1)(3)

364-day, short-term revolving credit agreement (or CP backed thereby)	$	200.0
Other securities and debt obligations, such as borrowing from banks		200.0
TOTAL SHORT-TERM FINANCING AUTHORITY REQUIRED	**$**	**400.0**

1) These proposed transactions are subject to periodic review and may change due to market conditions or other events that may affect Company business, but at no time will the sum of the transactions exceed the authority requested by this application.

2) The Company assumes that a change in market conditions or the Company's current assumptions would warrant replacing CP at its year-end 1997 balance.

3) This short-term financing shall be in addition to and in excess of the authority conferred on the Company by Section 366.04, Florida Statutes, to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities.

FMB = First Mortgage Bond

MTN = Medium-Term Note

CP = Commercial Paper

PS = Preferred Stock

[illegible]

Exhibit H

FLORIDA POWER CORPORATION
DETAIL OF POSSIBLE REFUNDINGS AND TENDER OFFERS
(In Millions)

Series	Issue Date	Premium at 01/01/97		Principal Amount
REFUNDINGS				
7-3/8% Series FMBs due 2002	06/01/72	101.54%	$	50.0
7-1/4% Series FMBs due 2002	11/01/72	101.43%		50.0
8-5/8% Series FMBs due 2021	11/06/91	105.54%		150.0
Total of Possible Refundings			$	250.0
TENDER OFFERS OR DEFEASANCE				
8% Series FMBs due 2022	12/15/92	(1)	$	150.0
Total of Possible Tender Offers or Defeasance			$	150.0

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(1) This series is not redeemable at the Company's option in 1997, but the Company may effect a tender offer for, or the defeasance of the series at a yet to be determined price.

FMB = First Mortgage Bond

MTN = Medium-Term Note

PS = Preferred Stock

[illegible]