



February 8, 2012

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

Dear Mr. Slemkewicz:

Pursuant to Commission Rule 25-6.1352, enclosed please find Progress Energy Florida, Inc.'s Rate of Return report for the twelve months ended December 31, 2011.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended December 31, 2011. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with Docket No. 090079-EI, Order No. PSC-10-0131-FOF-EI.

If you have any questions, please feel free to contact Cindy Lee at (727) 820-5535.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Garrett".

Will Garrett
Controller, Progress Energy Florida

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

090079-EI
6/11/11
11/11

**PROGRESS ENERGY FLORIDA
Rate of Return Report Summary
December 2011**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
Net Operating Income (a) (b)	\$498,772,795	(\$113,496,595)	\$385,276,201	\$167,901,094	\$553,177,295
Average Rate Base	\$9,398,901,101	(\$2,215,277,153)	\$7,183,623,948	\$0	\$7,183,623,948
Average Rate of Return	5.31%		5.36%		7.70%
ii. Year End Rate of Return (Jurisdictional)					
Net Operating Income	\$498,772,795	(\$113,496,595)	\$385,276,201	\$167,901,094	\$553,177,295
Year End Rate Base	\$9,607,255,833	(\$2,341,703,233)	\$7,265,552,600	\$0	\$7,265,552,600
Year End Rate of Return	5.19%		5.30%		7.61%

Footnotes

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

III. Required Rates of Return	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.87%	6.75%
Mid Point	7.32%	7.19%
High Point	7.77%	7.64%
Pro Forma Adjusted Basis		
Low Point	6.87%	6.75%
Mid Point	7.32%	7.19%
High Point	7.77%	7.64%

IV. FINANCIAL INTEGRITY INDICATORS

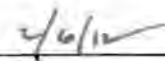
A. T.I.E. with AFUDC	2.12	(System Per Books Basis)
B. T.I.E. without AFUDC	1.94	(System Per Books Basis)
C. AFUDC to Net Income	10.11%	(System Per Books Basis)
D. Internally Generated Funds	58.90%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	47.53%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	6.18%	(FPSC Adjusted Basis)
	11.34%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

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

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



Will Garrett, Controller Progress Energy Florida



Date

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$13,282,796,315	\$4,927,025,802	\$8,355,770,513	\$35,792,305	\$1,052,890,285	\$207,278,570	\$9,651,731,674	\$787,024,627	\$10,438,756,300
Regulatory Base - Retail	12,087,687,521	\$4,558,765,576	\$7,528,921,945	\$26,833,849	947,140,355	\$185,648,439	\$8,688,544,588	710,356,513	\$9,398,901,101
FPSC Adjustments									
ARO	(11,742,813)	(23,453,583)	11,710,770	-	-	-	11,710,770	(11,087,718)	623,052
ECCR	(1,784,460)	(949,030)	(835,430)	-	(5,102,905)	-	(5,938,335)	4,687,487	(1,250,847)
ECRC	(1,170,494,888)	(46,723,653)	(1,123,771,235)	-	(267,889)	-	(1,124,039,125)	(3,766,867)	(1,127,805,992)
FUEL	(32,738,780)	(31,157,578)	(1,581,202)	-	-	-	(1,581,202)	(131,512,135)	(133,093,337)
CCR	-	-	-	-	-	-	-	39,318,727	39,318,727
NUCLEAR	-	-	-	-	-	-	-	(143,787,601)	(143,787,601)
Derivatives	-	-	-	-	-	-	-	(135,315,954)	(135,315,954)
Employee Related	-	-	-	-	-	-	-	736,595	736,595
Investments Earning a Return	-	-	-	-	-	-	-	(41,258,076)	(41,258,076)
Jobbing Accounts	-	-	-	-	-	-	-	(4,748,596)	(4,748,596)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,343,155)	(2,343,155)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,628,258)	(1,628,258)
Retention Accounts	-	-	-	-	-	-	-	15,543,065	15,543,065
CWIP - AFUDC	-	-	-	-	(680,481,087)	-	(680,481,087)	-	(680,481,087)
CAPITAL LEASE	(203,175,950)	-	(203,175,950)	-	-	-	(203,175,950)	203,390,260	214,310
Total FPSC Adjustments	(1,419,936,891)	(102,283,845)	(1,317,653,047)	-	(685,851,881)	-	(2,003,504,928)	(211,772,225)	(2,215,277,153)
FPSC Adjusted	\$10,667,750,630	\$4,456,481,731	\$6,211,268,898	\$26,833,849	\$261,288,474	\$185,648,439	\$6,685,039,660	\$498,584,288	\$7,183,623,948

PROGRESS ENERGY FLORIDA
Average Rate of Return - Income Statement
December 2011

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$4,369,042,300	\$2,292,711,621	\$879,923,996	\$163,688,171	\$352,660,392	(\$57,889,101)	\$225,965,538	(\$1,323,000)	\$0	\$3,855,737,617	\$513,304,683
Regulatory Base - Retail	\$4,064,231,565	2,160,957,189	823,957,505	132,560,168	\$339,597,543	(\$54,111,054)	\$205,221,902	(\$1,166,357)	\$0	\$3,607,016,895	\$457,214,669
FPSC Adjustments											
ARO				(205,883)		79,420	0	0	0	(126,464)	126,464
ECCR	(99,881,037)		(97,796,536)	(358,254)	(39,816)	(650,541)	0	0	0	(98,845,147)	(1,035,890)
ECRC	(180,583,693)		(53,147,823)	9,199,609	(10,425,876)	(48,685,355)	0	0	0	(103,059,444)	(77,524,249)
FUEL	(1,780,394,739)	(1,806,455,685)		(771,288)	(1,502,245)	10,930,025	0	0	0	(1,797,799,192)	17,404,453
CCR	(306,056,071)	(305,784,652)				(104,700)	0	0	0	(305,889,352)	(166,719)
NUCLEAR	(163,580,660)		(1,619,887)	(109,718,990)	(161,612)	(20,089,926)	0	0	0	(131,590,415)	(31,990,245)
SCRC	742		787			(18)	0	0	0	770	(28)
CORPORATE AIRCRAFT ALLOCATION	0	0	(3,383,075)	0	0	1,305,021	0	0	0	(2,078,054)	2,078,054
FRANCHISE FEE & GROSS REC TAX REVENUE	(205,961,488)	0	0	0	0	(79,449,644)	0	0	0	(79,449,644)	(126,511,844)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(205,149,985)	79,136,607	0	0	0	(126,013,378)	126,013,378
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	4,880,215	0	0	(12,651,237)	(7,771,022)	7,771,022
INST /PROMOTIONAL ADVERTISING	0	0	(2,176,026)	0	0	839,402	0	0	0	(1,336,624)	1,336,624
INTEREST ON TAX DEFICIENCY	0	0	(14,215,373)	0	0	5,483,580	0	0	0	(8,731,793)	8,731,793
MISCELLANEOUS INTEREST EXPENSE	0	0	202,113	0	0	(77,965)	0	0	0	124,148	(124,148)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(212,863)	0	0	82,112	0	0	0	(130,751)	130,751
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,638)	0	0	7,575	0	0	0	(12,063)	12,063
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,600,829)	0	0	0	(16,600,829)	16,600,829
SEBRING - RIDER REVENUE	(443)	0	0	0	0	(171)	0	0	0	(171)	(272)
DIRECTORS & OFFICERS PREMIUM			(3,232,223)			1,246,830				(1,985,393)	1,985,393
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	16,775,898	0	0	0	16,775,898	(16,775,898)
Total FPSC Adjustments	(2,736,457,389)	(2,112,240,337)	(175,600,543)	(101,854,806)	(217,279,534)	(44,892,463)	0	0	(12,651,237)	(2,664,516,920)	(71,936,469)
FPSC Adjusted	\$1,327,774,176	\$48,716,852	\$648,356,962	\$30,705,362	\$122,318,009	(\$99,003,517)	\$205,221,902	(\$1,166,357)	(\$12,651,237)	\$942,497,975	\$385,276,201
Pro Forma Adjustments											
Weather Normalization	(14,656,745)	0	0	0	0	(5,653,840)	0	0	0	(5,653,840)	(9,002,906)
Fuel Replacement Power	288,000,000					10,198,613	100,897,387			111,096,000	176,904,000
Total Pro Forma Adjustments	273,343,255	0	0	0	0	4,544,773	100,897,387	0	0	105,442,160	167,901,094
Pro Forma Adjusted	\$1,601,117,430	\$48,716,852	\$648,356,962	\$30,705,362	\$122,318,009	(\$94,458,744)	\$306,119,289	(\$1,166,357)	(\$12,651,237)	\$1,047,940,136	\$553,177,295
Footnotes:											
(a) The addition of earnings from AFUDC charges would increase the system NOI by			\$46,196,227								
and Jurisdictional NOI by			\$41,558,126								
Current Month											
	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$21,860,293	\$135,007,533	\$77,155,232	(\$13,317,655)	\$25,660,128	(\$10,431,861)	(\$76,202,006)	(\$110,250)	\$0	\$137,761,120	(\$115,900,828)
Jurisdictional Per Books											
Excluding AFUDC Earnings and Recoverable	(180,108,679)	\$101,155,387	\$6,450,619	(20,947,492)	9,956,583	(\$79,015,831)	(\$69,206,662)	(\$97,196)	\$0	(\$1,704,592)	(\$178,404,087)

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$623,052	\$623,052
	ECCR	F	(\$1,250,847)	(\$1,250,847)
	ECRC	F	(\$1,217,673,916)	(\$1,127,805,992)
	FUEL	F	(\$133,093,337)	(\$133,093,337)
	CCR	F	\$39,318,727	\$39,318,727
	NUCLEAR	F	(\$143,787,601)	(\$143,787,601)
	Derivatives	F	(\$135,315,954)	(\$135,315,954)
	Employee Related	F	\$736,595	\$736,595
	Investments Earning a Return	F	(\$41,258,076)	(\$41,258,076)
	Jobbing Accounts	F	(\$4,748,596)	(\$4,748,596)
	Non-Regulated and Miscellaneous	F	(\$2,343,155)	(\$2,343,155)
	Rate Case Regulatory Asset	F	(\$1,628,258)	(\$1,628,258)
	Retention Accounts	F	\$15,543,065	\$15,543,065
(1)	CWIP - AFUDC	F	(\$748,174,235)	(\$680,481,087)
(2)	CAPITAL LEASE-EPS	F	(203,175,950)	(203,175,950)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	203,390,260	203,390,260
	Total		(\$2,372,838,226)	(\$2,215,277,153)

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$205,683	(\$79,420)	\$205,883	(\$79,420)
	ECCR	F	(1,686,431)	650,541	(1,686,431)	650,541
	ECRC	F	(124,780,692)	48,134,152	(126,209,603)	48,685,355
	FUEL	F	23,013,843	(8,877,590)	28,334,478	(10,930,025)
	CCR	F	(271,418)	104,700	(271,418)	104,700
	NUCLEAR	F	(55,457,537)	21,392,745	(52,080,171)	20,089,926
	SCRC	F	(45)	18	(45)	18
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,662,367	(\$1,412,758)	\$3,383,075	(\$1,305,021)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(205,961,488)	79,449,644	(205,961,488)	79,449,644
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	205,149,985	(79,136,607)	205,149,985	(79,136,607)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	12,896,567	(4,974,851)	12,651,237	(4,880,215)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,356,670	(908,700)	2,176,026	(839,402)
(1)	INTEREST ON TAX DEFICIENCY	F	15,622,834	(6,026,508)	14,215,373	(5,483,580)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(142,385)	54,925	(202,113)	77,965
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,863	(82,112)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,638	(7,575)	19,638	(7,575)
(2)	PARENT DEBT ADJUSTMENT	F	0	18,542,197	0	16,600,829
(1)	SEBRING - RIDER REVENUE	F	(443)	171	(443)	171
(2)	DIRECTORS & OFFICERS PREMIUM	F	3,232,223	(1,246,830)	3,232,223	(1,246,830)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(18,738,367)	0	(16,775,898)
	Total		(\$121,910,993)	\$46,830,996	(\$116,830,932)	\$44,892,463

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

PROGRESS ENERGY FLORIDA
 End of Period Rate of Return - Rate Base
 December 2011

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Period End Rate Base
System Per Books	\$13,460,931,996	\$5,066,838,645	\$8,394,093,351	\$35,791,002	\$1,148,814,516	\$227,329,427	\$9,806,028,296	\$787,024,627	\$10,593,052,923
Regulatory Base - Retail	\$12,243,094,439	\$4,613,072,554	\$7,630,021,885	\$26,832,872	1,036,437,635	\$203,606,929	\$8,896,899,321	\$710,356,513	\$9,607,255,833
FPSC Adjustments									
ARO	(11,742,813)	(23,522,667)	11,779,853	-	-	-	11,779,853	(11,087,718)	692,135
ECCR	(1,817,821)	(1,029,355)	(788,466)	-	(9,898,701)	-	(10,687,167)	4,687,487	(5,999,679)
ECRC	(1,175,328,697)	(61,311,797)	(1,114,016,900)	-	(268,268)	-	(1,114,285,168)	(3,766,867)	(1,118,052,035)
FUEL	(32,738,780)	(31,543,225)	(1,195,555)	-	-	-	(1,195,555)	(131,512,135)	(132,707,690)
CCR	-	-	-	-	-	-	-	39,318,727	39,318,727
NUCLEAR	-	-	-	-	-	-	-	(143,787,601)	(143,787,601)
Derivatives	-	-	-	-	-	-	-	(135,315,954)	(135,315,954)
Employee Related	-	-	-	-	-	-	-	736,595	736,595
Investments Earning a Return	-	-	-	-	-	-	-	(41,258,076)	(41,258,076)
Jobbing Accounts	-	-	-	-	-	-	-	(4,748,596)	(4,748,596)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,343,155)	(2,343,155)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(1,628,258)	(1,628,258)
Retention Accounts	-	-	-	-	-	-	-	15,543,065	15,543,065
CWIP - AFUDC	-	-	-	-	(816,814,860)	-	(816,814,860)	-	(816,814,860)
CAPITAL LEASE	(198,728,112)	-	(198,728,112)	-	-	-	(198,728,112)	203,390,260	4,662,148
Total FPSC Adjustments	(1,420,356,223)	(117,407,044)	(1,302,949,179)	-	(826,981,829)	-	(2,129,931,008)	(211,772,225)	(2,341,703,233)
FPSC Adjusted	\$10,822,738,216	\$4,495,665,510	\$6,327,072,706	\$26,832,872	\$209,455,806	\$203,606,929	\$6,766,968,312	\$498,584,288	\$7,265,552,600

PROGRESS ENERGY FLORIDA
End of Period - Income Statement
December 2011

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$4,369,042,300	\$2,292,711,621	\$879,923,996	\$163,688,171	\$352,660,392	(\$57,889,101)	\$225,965,538	(\$1,323,000)	\$0	\$3,855,737,617	\$513,304,683
Regulatory Base - Retail	\$4,064,231,565	\$2,160,957,189	823,957,505	132,560,168	\$339,597,543	(\$54,111,054)	\$205,221,902	(\$1,166,357)	\$0	\$3,607,016,895	\$457,214,669
FPSC Adjustments											
ARO				(205,883)		79,420	0	0	0	(126,464)	126,464
ECCR	(99,881,037)		(97,796,536)	(358,254)	(39,816)	(650,541)	0	0	0	(98,845,147)	(1,035,890)
ECRC	(180,583,693)		(53,147,823)	9,199,609	(10,425,876)	(48,685,355)	0	0	0	(103,059,444)	(77,524,249)
FUEL	(1,780,394,739)	(1,806,455,685)		(771,288)	(1,502,245)	10,930,025	0	0	0	(1,797,799,192)	17,404,453
CCR	(306,056,071)	(305,784,652)				(104,700)	0	0	0	(305,889,352)	(166,719)
NUCLEAR	(163,580,660)		(1,619,887)	(109,718,990)	(161,612)	(20,089,926)	0	0	0	(131,590,415)	(31,990,245)
SCRC	742		787			(18)	0	0	0	770	(28)
CORPORATE AIRCRAFT ALLOCATION	-	-	(3,383,075)	-	-	1,305,021	0	0	0	(2,078,054)	2,078,054
FRANCHISE FEE & GROSS REC TAX REVENUE	(205,961,488)	0	0	0	0	(79,449,644)	0	0	0	(79,449,644)	(126,511,844)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(205,149,985)	79,136,607	0	0	0	(126,013,378)	126,013,378
GAIN/LOSS ON DISPOSITION & OTHER	0	0	0	0	0	4,880,215	0	0	(12,651,237)	(7,771,022)	7,771,022
INST./PROMOTIONAL ADVERTISING	0	0	(2,176,026)	0	0	839,402	0	0	0	(1,336,624)	1,336,624
INTEREST ON TAX DEFICIENCY	0	0	(14,215,373)	0	0	5,483,580	0	0	0	(8,731,793)	8,731,793
MISCELLANEOUS INTEREST EXPENSE	0	0	202,113	0	0	(77,965)	0	0	0	124,148	(124,148)
REMOVE ASSOC./ORGANIZATION DUES	0	0	(212,863)	0	0	82,112	0	0	0	(130,751)	130,751
REMOVE ECONOMIC DEVELOPMENT	0	0	(19,638)	0	0	7,575	0	0	0	(12,063)	12,063
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(16,600,829)	0	0	0	(16,600,829)	16,600,829
SEBRING - RIDER REVENUE	(443)	0	0	0	0	(171)	0	0	0	(171)	(272)
DIRECTORS & OFFICERS PREMIUM			(3,232,223)			1,246,830				(1,985,393)	1,985,393
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	16,775,898	0	0	0	16,775,898	(16,775,898)
Total FPSC Adjustments	(2,736,457,389)	(2,112,240,337)	(175,600,543)	(101,854,806)	(217,279,534)	(44,892,463)	0	0	(12,651,237)	(2,664,518,920)	(71,938,469)
FPSC Adjusted	\$1,327,774,176	\$48,716,852	\$648,356,962	\$30,705,362	\$122,318,009	(\$99,003,517)	\$205,221,902	(\$1,166,357)	(\$12,651,237)	\$942,497,975	\$385,276,201

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$46,196,227 and Jurisdictional NOI by \$41,558,126

PROGRESS ENERGY FLORIDA
End of Period Rate of Return - Adjustments
December 2011

Schedule 3
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$692,135	\$692,135
	ECCR	F	(5,999,679)	(5,999,679)
	ECRC	F	(1,205,430,099)	(1,118,052,035)
	FUEL	F	(132,707,690)	(132,707,690)
	CCR	F	39,318,727	39,318,727
	NUCLEAR	F	(143,787,601)	(143,787,601)
	Derivatives	F	(155,682,169)	(155,682,169)
	Employee Related	F	763,975	763,975
	Investments Earning a Return	F	(39,312,124)	(39,312,124)
	Jobbing Accounts	F	(2,062,537)	(2,062,537)
	Non-Regulated and Miscellaneous	F	(2,490,863)	(2,490,863)
	Rate Case Regulatory Asset	F	(1,344,362)	(1,344,362)
	Retention Accounts	F	1,668,913	1,668,913
(1)	CWIP - AFUDC	F	(\$901,156,627)	(816,814,860)
(2)	CAPITAL LEASE-EPS	F	(198,728,112)	(198,728,112)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	203,390,260	203,390,260
	Total		(\$2,542,867,853)	(\$2,371,148,022)

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$205,883	(\$79,420)	\$205,883	(\$79,420)
	ECCR	F	(1,686,431)	650,541	(1,686,431)	650,541
	ECRC	F	(124,780,692)	48,134,152	(126,209,603)	48,685,355
	FUEL	F	23,013,843	(8,877,590)	28,334,478	(10,930,025)
	CCR	F	(271,418)	104,700	(271,418)	104,700
	NUCLEAR	F	(55,457,537)	21,392,745	(52,080,171)	20,089,926
	SCRC	F	(45)	18	(45)	18
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$3,662,367	(\$1,412,758)	\$3,383,075	(\$1,305,021)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(205,961,488)	79,449,644	(205,961,488)	79,449,644
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	205,149,985	(79,136,607)	205,149,985	(79,136,607)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	12,896,567	(4,974,851)	12,651,237	(4,880,215)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,355,670	(908,700)	2,176,026	(839,402)
(1)	INTEREST ON TAX DEFICIENCY	F	15,622,834	(6,026,508)	14,215,373	(5,483,580)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(142,385)	54,925	(202,113)	77,965
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	230,436	(88,891)	212,863	(82,112)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	19,638	(7,575)	19,638	(7,575)
(2)	PARENT DEBT ADJUSTMENT	F	0	18,542,197	0	16,600,829
(1)	SEBRING - RIDER REVENUE	F	(443)	171	(443)	171
(2)	STORM COSTS 2004	F	3,232,223	(1,246,830)	3,232,223	(1,246,830)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(18,738,367)	0	(16,775,898)
	Total		(\$121,910,993)	\$46,830,896	(\$116,830,932)	\$44,892,463

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

PROGRESS ENERGY FLORIDA
Average Rate of Return - Capital Structure
Pro Forma Adjusted Basis
December 2011

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,762,273,628	(\$3,609,072)	(\$1,078,239,511)	\$3,680,425,045	\$3,255,583,649	45.32% ***	9.50%	4.31%	10.50%	4.76%	11.50%	5.21%
Preferred Stock	33,496,700		(7,589,832)	25,906,868	22,916,368	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,341,449,844		(983,705,134)	3,357,744,710	2,970,151,176	41.35%	5.84%	2.41%	5.84%	2.41%	5.84%	2.41%
Short Term Debt *	98,004,973	(98,004,973)	-	-	-	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	213,813,537		(48,446,828)	165,366,709	165,366,709	2.30%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,159,552		(262,737)	896,816	896,816	0.01%						
Investment Tax Credit												
Post '70 Total	4,753,016		(1,076,960)	3,676,056								
Equity **					1,706,090	0.02%	7.57%	0.00%	8.36%	0.00%	9.16%	0.00%
Debt **					1,545,629	0.02%	4.67%	0.00%	4.67%	0.00%	4.67%	0.00%
Deferred Income Taxes	1,193,653,640	131,449,934	(300,247,898)	1,024,855,676	906,553,819	12.62%						
FAS 109 DIT - Net	(206,239,517)		46,730,673	(159,508,844)	(141,096,308)	-1.96%						
Total	\$10,442,365,372	\$29,835,888	(\$2,372,838,226)	\$8,099,363,035	\$7,183,623,948	100.00%		6.87%		7.32%		7.77%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

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

40.84%

PROGRESS ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
December 2011

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,702,420,154	(\$3,148,981)	(\$1,129,651,430)	\$3,569,619,743	\$3,220,514,783	44.33% ***	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Preferred Stock	33,496,700		(8,052,226)	25,444,474	22,956,032	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,420,602,049		(1,062,662,537)	3,357,939,512	3,029,536,650	41.70%	5.73%	2.39%	5.73%	2.39%	5.73%	2.39%
Short Term Debt *	241,118,378	(241,118,378)	-	0	0	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	215,580,227		(51,823,039)	163,757,188	163,757,188	2.25%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,271,383		(305,626)	965,757	965,757	0.01%						
Investment Tax Credit												
Post '70 Total	4,091,516		(983,554)	3,107,962								
Equity **					1,449,817	0.02%	7.17%	0.00%	7.92%	0.00%	8.67%	0.00%
Debt **					1,354,189	0.02%	4.34%	0.00%	4.34%	0.00%	4.34%	0.00%
Deferred Income Taxes	1,266,297,117	149,346,509	(340,304,653)	1,075,338,973	970,171,981	13.35%						
FAS 109 DIT - Net	(211,803,732)		50,915,212	(160,888,520)	(145,153,796)	-2.00%						
Total	\$10,673,073,791	(\$94,920,850)	(\$2,542,867,853)	\$8,035,285,088	\$7,265,552,600	100.00%		6.75%		7.19%		7.64%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

*** Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure) 39.94%

PROGRESS ENERGY FLORIDA
Average Rate of Return - Capital Structure
FPSC Adjusted Basis
December 2011

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,762,273,628	(\$3,609,072)	(\$1,078,239,511)	\$3,680,425,045	\$3,255,583,649	45.32% ***	9.50%	4.31%	10.50%	4.76%	11.50%	5.21%
Preferred Stock	33,496,700		(7,589,832)	25,906,868	22,916,368	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,341,449,844	0	(983,705,134)	3,357,744,710	2,970,151,176	41.35%	5.84%	2.41%	5.84%	2.41%	5.84%	2.41%
Short Term Debt *	98,004,973	(98,004,973)	-	-	-	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits												
Active	213,813,537		(48,446,828)	165,366,709	165,366,709	2.30%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,159,552		(262,737)	896,816	896,816	0.01%						
Investment Tax Credit												
Post '70 Total	4,753,016		(1,076,960)	3,676,056								
Equity **					1,706,090	0.02%	7.57%	0.00%	8.36%	0.00%	9.16%	0.00%
Debt **					1,545,629	0.02%	4.67%	0.00%	4.67%	0.00%	4.67%	0.00%
Deferred Income Taxes	1,193,653,640	131,449,934	(300,247,898)	1,024,855,676	906,553,819	12.62%						
FAS 109 DIT - Net	(206,239,517)		46,730,673	(159,508,844)	(141,096,308)	-1.96%						
Total	\$10,442,365,372	\$29,835,888	(\$2,372,838,226)	\$8,099,363,035	\$7,183,623,948	100.00%		6.87%		7.32%		7.77%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

***Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure) 40.84%

PROGRESS ENERGY FLORIDA
End of Period - Capital Structure
Adjusted Basis
December 2011

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,702,420,154	(\$3,148,981)	(\$1,129,651,430)	\$3,569,619,743	\$3,220,514,783	44.33% ***	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Preferred Stock	33,496,700		(8,052,226)	25,444,474	22,956,032	0.32%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,420,602,049	0	(1,062,662,537)	3,357,939,512	3,029,536,650	41.70%	5.73%	2.39%	5.73%	2.39%	5.73%	2.39%
Short Term Debt *	241,118,378	(241,118,378)	-	-	0	0.00%	0.59%	0.00%	0.59%	0.00%	0.59%	0.00%
Customer Deposits				-								
Active	215,580,227		(51,823,039)	163,757,188	163,757,188	2.25%	6.27%	0.14%	6.27%	0.14%	6.27%	0.14%
Inactive	1,271,383		(305,626)	965,757	965,757	0.01%						
Investment Tax Credit				-								
Post '70 Total	4,091,516		(983,554)	3,107,962								
Equity **				-	1,449,817	0.02%	7.17%	0.00%	7.92%	0.00%	8.67%	0.00%
Debt **				-	1,354,189	0.02%	4.34%	0.00%	4.34%	0.00%	4.34%	0.00%
Deferred Income Taxes	1,266,297,117	149,346,509	(340,304,653)	1,075,338,973	970,171,981	13.35%						
FAS 109 DIT - Net	(211,803,732)		50,915,212	(160,888,520)	(145,153,796)	-2.00%						
Total	\$10,673,073,791	(\$94,920,850)	(\$2,542,867,853)	\$8,035,285,088	\$7,265,552,600	100.00%		6.75%		7.19%		7.64%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

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

39.99%

PROGRESS ENERGY FLORIDA
Financial Integrity Indicators
December 2011

Schedule 5

A: TIMES INTEREST EARNED WITH AFUDC

Earnings Before Interest	\$344,125,240
AFUDC - Debt	\$14,646,487
Income Taxes	\$179,449,126
Total	\$538,220,853
Interest Charges (before deducting AFUDC-Debt)	\$253,423,402
T.I.E. with AFUDC	2.12

B: TIMES INTEREST EARNED WITHOUT AFUDC

Earnings Before Interest	\$344,125,240
AFUDC - Equity	(\$31,549,740)
Income Taxes	\$179,449,126
Total	\$492,024,626
Interest Charges (before deducting AFUDC-Debt)	\$253,423,402
T.I.E. without AFUDC	1.94

C: PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC - Debt	\$14,646,487
Less: DIT	\$0
Subtotal	\$14,646,487
AFUDC - Other	\$31,549,740
Total AFUDC	\$46,196,227
Net Income Available For Common Shareholders	\$312,886,147
Percent AFUDC to Available Net Income	14.76%

D: PERCENT INTERNALLY GENERATED FUNDS

Net Income	\$314,398,007
Common Dividends	(\$510,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$46,196,227)
Depreciation & Amortization	\$174,380,006
Deferred Income Taxes	\$235,792,766
Investment Tax Credits	(\$1,323,000)
Deferred Fuel (Net)	(\$145,261,862)
Nuclear Fuel Amortization	\$7,090
Nuclear Refueling	\$5,225,187
Other - Incl Nuclear Decommissioning	\$218,711,754
Funds Provided from Operations	\$244,221,860
Other Funds Provided - Incl Change in Working Capital	\$99,903,189
Total Funds Provided	\$344,125,049
Construction Expenditures (excluding AFUDC)	\$792,511,798
Percentage Internally Generated Funds	43.42%

E: SHORT TERM DEBT / LONG TERM DEBT AS

PERCENT OF TOTAL INVESTOR CAPITAL - FPSC	
Common Equity	\$3,255,583,649
Preferred Stock	\$22,916,368
Long Term Debt - Fixed Rate	\$2,970,151,176
Short Term Debt	\$0
Total	\$6,248,651,194
% Long Term Debt - Fixed Rate	47.53%
% Short Term Debt	0.00%

FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PRO FORMA

F: RETURN ON COMMON EQUITY	Pro Forma	FPSC
Average Earned Rate of Return	7.70%	5.36%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.41%	2.41%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.14%	0.14%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
Subtotal	2.56%	2.56%
Total	5.14%	2.80%
Divided by Common Equity Ratio	45.32%	45.32%
Jurisdictional Return on Common Equity	11.34%	6.18%

PROGRESS ENERGY FLORIDA
 AFUDC Rate Computation Report
 Calculation of Jurisdictional Capital Structure
 December 2011

Schedule A & B
 (combined)

		System Per Books	AFUDC Adjustments to System	AFUDC Adjusted System	Specific Adjustments	Adjusted System Per Books	Pro Rata Adjustments	Adjusted Retail	Ratio	Cost Rate	Weighted Cost
Common Equity	(1)	\$4,762,273,628	\$0	\$4,762,273,628	(\$3,609,072)	\$4,758,664,556	(\$416,120,262)	\$4,342,544,294	45.44%	10.50%	4.77%
Preferred Stock	(2)	33,496,700	0	33,496,700	0	33,496,700	(2,929,111)	30,567,589	0.32%	4.51%	0.01%
Long Term Debt - Fixed	(2)	4,341,449,844	0	4,341,449,844	0	4,341,449,844	(379,637,023)	3,961,812,821	41.46%	5.84%	2.42%
Short Term Debt	(3)	98,004,973	(8,653,242)	89,351,731	(89,351,731)	0	(0)	0	0.00%	0.59%	0.00%
Customer Deposits						0	0				
Active	(4)	213,813,537	0	213,813,537	0	213,813,537	(18,696,873)	195,116,664	2.04%	6.22%	0.13%
Inactive	(4)	1,159,552	0	1,159,552	0	1,159,552	(101,397)	1,058,155	0.01%		
Investment Tax Credit						0	0				
Post '70 Total	(5)	4,753,016	0	4,753,016		4,753,016	(415,626)				
Equity	(5)					0	0	2,275,712	0.02%		
Debt	(5)					0	0	2,061,677	0.02%		
Deferred Income Taxes	(4)	1,193,653,640	0	1,193,653,640	131,449,934	1,325,103,573	(115,873,359)	1,209,230,214	12.65%		
FAS 109 DIT - Net	(4)	(206,239,517)	0	(206,239,517)	0	(206,239,517)	18,034,564	(188,204,953)	-1.97%		
Total		\$10,442,365,372	(\$8,653,242)	\$10,433,712,130	\$38,489,130	\$10,472,201,261	(\$915,739,086)	\$9,556,462,174	100.00%		7.33%

Footnotes:

- (1) Common Equity cost rate is mid-point authorized in Docket No. 910890-EI.
- (2) Cost rates are year end.
- (3) Balances and cost rates are daily weighted average for 13 months.
- (4) Balances and cost rates are 13 month average
- (5) Post '70 ITC credits assigned a zero-cost rate per FPSC Order No. 19282, Docket No. 880157-EI.