



Writer's Direct Dial No. 727-820-5184

JOHN T. BURNETT
Deputy General Counsel

VIA HAND DELIVERY

September 26, 2012

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED - FPSC
12 SEP 26 PM 4: 09
COMMISSION
CLERK

120242-E1

Re: Application of Progress Energy Florida, Inc. for authority to issue and sell securities during the twelve months ending December 31, 2013.

Dear Ms. Cole:

Enclosed for filing is one (1) original certified, one copy and a CD-ROM of Progress Energy Florida, Inc.'s Application for authority to issue and sell securities during the twelve months ending December 31, 2013.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Thank you for your assistance in this matter.

Sincerely,

John T. Burnett
John T. Burnett

JTB/lmr
Enclosures

COM
APD [initials]
APA
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DOCUMENT NUMBER - DATE
06464 SEP 26 12
FPSC-COMMISSION CLERK

DOCKET NO. 120242-E1

FLORIDA PUBLIC SERVICE COMMISSION
TALLAHASSEE, FLORIDA

APPLICATION OF
FLORIDA POWER CORPORATION D/B/A
PROGRESS ENERGY FLORIDA, INC.
FOR AUTHORITY TO ISSUE AND SELL
SECURITIES DURING THE TWELVE MONTHS ENDING DECEMBER 31, 2013
PURSUANT TO SECTION 366.04, FLORIDA STATUTES,
AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE

Address communications in connection with this Application to:

Stephen G. De May
Treasurer
Progress Energy Florida, Inc.
c/o Duke Energy Corporation
550 South Tryon Street
Charlotte, NC 28202

John T. Burnett
Deputy General Counsel
Progress Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701

DOCUMENT NUMBER-DATE

06464 SEP 26 2013

FPSC-COMMISSION CLERK

Dated: September 26, 2012

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF FLORIDA
POWER CORPORATION D/B/A
PROGRESS ENERGY FLORIDA,
INC. FOR AUTHORITY TO ISSUE
AND SELL SECURITIES DURING
THE TWELVE MONTHS ENDING
DECEMBER 31, 2013 PURSUANT
TO SECTION 366.04, FLORIDA
STATUTES, AND CHAPTER 25-8,
FLORIDA ADMINISTRATIVE CODE.

The Applicant, Florida Power Corporation d/b/a Progress Energy Florida, Inc. (herein called the “Company”), respectfully requests authority from the Florida Public Service Commission (herein called the “Commission”) to issue, sell or otherwise incur during 2013 up to \$1.5 billion of any combination of equity securities and long-term debt securities and other long-term obligations (exclusive of bank loans issued under the Company’s long-term credit facilities as mentioned below). Additionally, the Company requests authority to issue, sell or otherwise incur during 2013 and 2014 up to \$1.5 billion outstanding at any time of short-term debt securities and other obligations, which amount shall be in addition to and in excess of the amount the Company is authorized to issue pursuant to Section 366.04, Florida Statutes, which permits the Company to issue short-term securities aggregating to not more than five percent of the par value of the Company’s other outstanding securities. Short-term borrowings under this authority would most likely consist of borrowings under the utility money pool, in which PEF is a participant along with the other utility subsidiaries of Duke Energy Corporation.

In furtherance of this request for authority pursuant to Section 366.04, Florida Statutes, the Company submits the following information in the manner and form described in Chapter 25-8, Florida Administrative Code, including the required Exhibits A – C.

CONTENTS OF APPLICATION

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

Florida Power Corporation d/b/a Progress Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701

(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 (the “Articles of Incorporation”), 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 is an indirect, wholly-owned subsidiary of Duke Energy Corporation (“Duke Energy”). The Company’s financial statements and schedules required under Sections 25-8.003 (1)(a)-(b), Florida Administrative Code, are filed herewith as Exhibits A (6)(i) and (ii) and B(1) and (2), respectively.

(3) The name and address of the persons authorized to receive notices and communications with respect to this Application are as follows:

Stephen G. De May
Treasurer
Progress Energy Florida, Inc.
c/o Duke Energy Corporation
550 South Tryon Street
Charlotte, NC 28202

John T. Burnett
Deputy General Counsel
Progress Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701

(4) (a) A statement detailing information concerning each class and series of the Company's capital stock and long-term debt is contained in Exhibit C to this Application.

(b) The amount held as reacquired securities: The Company does not hold any reacquired securities. From time to time, the Company has redeemed certain outstanding first mortgage bonds and shares of its cumulative preferred stock, but such bonds and shares are canceled upon redemption or reacquisition. Under the Company's Articles of Incorporation, any Shares of Preferred Stock or Preference Stock redeemed or acquired by the Company may thereafter be issued or otherwise disposed of at any time, subject to limitations imposed by law and in the Articles of Incorporation.

(c) The amount pledged by the applicant: From time to time, the Company issues first mortgage bonds that are secured by the lien of its Indenture, dated as of January 1, 1944 with The Bank of New York Mellon (formerly JPMorgan Chase Bank, N.A.) as successor trustee, as supplemented by supplemental indentures (the "Mortgage"). The Mortgage constitutes a first mortgage lien, subject only to permitted encumbrances and liens, on substantially all of the fixed properties owned by the Company except miscellaneous properties that are specifically excepted. After-acquired property is covered by the lien of the Mortgage, subject to existing liens at the time such property is acquired.

(d) The amount owned by affiliated corporations: All of the Company's outstanding common stock (100 shares) is owned by the Company's parent, Florida Progress

Corporation. The Company has no other stock or debt owned by affiliated corporations. See section (10) hereof.

(e) The amount held in any fund: None.

(5) The Company seeks authority to issue and sell and/or exchange equity securities and issue, sell, exchange and/or assume short-term or long-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by the Application. The Company ultimately may issue any combination of the types of securities described below, subject to the aggregate dollar limitations requested in this Application.

(a)(1) The kind and the nature of the securities that the Company seeks authority to issue and sell during 2013 (and 2014 with respect to short-term debt securities and obligations) are equity securities and short-term and long-term debt securities and other obligations, including, but not limited to, borrowings from banks which are participants in credit facilities the Company may establish from time to time, uncommitted bank facilities and affiliate loans which are available through the utility money pool. The Company also seeks authority to enter into interest rate derivative contracts intended to reduce financial risk associated with its existing and future debt obligations.

The equity securities that the Company may issue include cumulative preferred stock, preference stock, or warrants, options or rights to acquire such securities, or other equity securities, with such par values, terms and conditions and relative rights and preferences as are deemed appropriate by the Company and permitted by its Articles of Incorporation, as they may be amended from time to time.

Short-term debt securities and obligations may include loans from affiliates (via the moneypool or other means) and bank loans, credit agreements or other forms of securities and debt obligations, with maturities of less than one year.

The long-term debt securities and obligations may take the form of first mortgage bonds, debentures, medium-term notes or other notes, loans from affiliates and bank loans, installment contracts, credit agreements, securitization of storm cost and other receivables or other forms of securities and debt obligations, whether secured or unsecured, with maturities greater than one year. In addition, the Company may enter into options, rights, interest rate swaps or other derivative instruments. The Company also may enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the State of Florida or pledge debt securities or issue guarantees in connection with such political subdivisions' issuance, for the ultimate benefit of the Company, of pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes, or other "private activity bonds" with maturities ranging from one to forty years, or bond anticipation notes. Such obligations may or may not bear interest exempt from federal tax.

The Company also may enter into nuclear fuel leases and various agreements that provide financial or performance assurances to third parties. These agreements include guarantees, standby letters of credit and surety bonds. Specific purposes of the agreements include supporting payments of trade payables, securing performance under contracts and lease obligations, providing workers' compensation coverage, obtaining licenses, permits and rights of way and supporting other payments that are subject to contingencies.

The manner of issuance and sale of securities will be dependent upon the

type of securities being offered, the type of transaction in which the securities are being issued and sold and market conditions at the time of the issuance and sale. 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.

(a)(2) Contemplated to be included as long-term or short-term debt securities, as appropriate, are borrowings from banks and other lenders under the Company's credit facilities, as those may be entered into and amended from time to time. The Company currently has a \$750 million borrowing sublimit under Duke Energy's \$6.0 billion master credit facility with a group of banks. The master credit facility allows Duke Energy to increase Progress Energy Florida's borrowing sublimit to as much as \$1.0 billion; such an increase may be done to increase liquidity and financial flexibility for PEF. Borrowings under the facility are available for general corporate purposes. The current five-year facility will expire on November 18, 2016.

(b) The maximum principal amount of short-term securities and obligations proposed to be issued, sold, or otherwise incurred during 2013 and 2014 is \$1.5 billion outstanding at any time, including bank loans or money pool borrowings, which amount shall be in addition to and in excess of the amount the Company is authorized to issue pursuant to Section 366.04, Florida Statutes, which permits the Company to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities. The maximum principal amount of equity securities, long-term debt securities and other long-term obligations (exclusive of bank loans issued under the Company's long-term credit facilities as mentioned above) proposed to be issued, sold, or otherwise incurred during 2013 is \$1.5 billion.

In connection with this Application, the Company confirms that the capital raised pursuant to this Application will be used in connection with the regulated activities of the Company and not the unregulated activities of its unregulated affiliates.

The Company will file a consummation report with the Commission in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the close of the 2013 calendar year to report any securities issued during that year.

(c) The company's current estimate of the potential range of interest rates for securities proposed to be issued by the Company were as follows:

- | | | |
|----|--|---------------|
| 1. | 10-year to 30-year BBB+ rated senior unsecured debt: | 3.00% – 6.00% |
| 2. | 10-year to 30-year A rated first mortgage bonds: | 2.50% – 5.50% |
| 3. | Borrowings through the Duke Energy utility money pool: | 0.50% – 2.00% |

The actual rates to be paid by the Company on securities issued will be determined by the market conditions at the time of issuance.

(6) 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 2013 pursuant to the Company's construction program, to repay maturing long-term debt or short-term debt, to refund, retire or redeem existing obligations, or for other corporate purposes.

A more detailed statement of the Projected Sources and Uses of Funds during 2013 is included as Exhibit B(1) attached hereto. The Company's construction program is developed from its long-range plan to determine needed capital investments. While the final 2013 Construction Budget is not yet available, the Company's most recently approved construction expenditures forecast for 2013, excluding Allowance for Funds Used During Construction ("AFUDC"), for 2013 is approximately \$1.02 billion, as further described in Exhibit B(2) attached hereto. These construction estimates are subject to periodic review and revision to adjust for changes in such factors as economic conditions, environmental requirements, regulatory matters and customer usage patterns.

(7) Based on the reasons shown in sections (5) and (6) above, the Company submits that the proposed financings are consistent with proper performance by the Company of its 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.

(8) John T. Burnett, Deputy General Counsel for the Company, or his duly appointed successor, will pass upon the legality of the securities involved herein. His office address is:

Progress Energy Florida, Inc.
299 First Avenue North
St. Petersburg, FL 33701

(9) 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 United States Securities and Exchange Commission (“SEC”), 100 F Street, NE, Washington, D.C. 20549. A copy of each Registration Statement that has been or will be filed with the SEC will be included in 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 or process or other documents with applicable state securities commissions, including in particular the Florida Division of Securities, 200 E. Gaines Street, Tallahassee, FL 32399; the Nevada Department of State, Securities Division, 555 East Washington Avenue, Suite 5200, Las Vegas, NV 89101; the New York State Office of the Attorney General, Investor Protection Bureau, 120 Broadway, 23rd Floor, New York, NY 10271; and the Oregon Department of Consumer & Business Services, Division of Finance and Corporate Securities, 350 Winter St. NE, Room 410, Salem, OR 97301.

(10) The Company does not exercise control or ownership over any other public utility, nor does any other public utility exercise control or ownership over the Company. The Company is an indirect wholly owned subsidiary of Duke Energy, which also directly or indirectly owns the public utility subsidiaries listed below:

Duke Energy Carolinas, LLC

Carolina Power & Light Company (d/b/a Progress Energy Carolinas, Inc.)

Duke Energy Indiana, Inc.

Duke Energy Ohio, Inc.

Duke Energy Kentucky, Inc.

(11) The following Exhibits are filed herewith and made a part hereof:

- | | |
|-------------------|--|
| Exhibit A (6)(i) | 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, 2011, and filed with the SEC on February 29, 2012.* |
| Exhibit A (6)(ii) | 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, 2012, and filed with the SEC on August 8, 2012.* |
| Exhibit B(1) | Projected Sources and Uses of Funds Statement for 2013. |
| Exhibit B(2) | Preliminary Construction Expenditures for 2013. |
| Exhibit C | Capital Stock and Long-Term Debt of the Company as of June 30, 2012. |

WHEREFORE, the Company hereby respectfully requests that the Commission enter its Order approving this Application for authority to issue and sell securities during the twelve months ending December 31, 2013 and, more specifically, to order that:

- (a) The request of Progress Energy Florida, Inc. to issue and sell securities during the twelve months ending December 31, 2013, pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code (the "Application"), is granted.
- (b) Progress Energy Florida, Inc. is authorized to issue, sell, or otherwise incur during 2013 up to \$1.5 billion of any combination of equity securities and long-term debt securities and other long-term obligations (exclusive of bank loans issued under the Company's long-term credit facilities as mentioned above). Additionally, the Company requests authority to issue, sell or otherwise incur during 2013 and

* Pursuant to Rule 25-8.010, Florida Administrative Code, Exhibits A(6)(i) and (ii) are omitted from the filed Application and incorporated herein by reference.

2014 up to \$1.5 billion outstanding at any time of short-term debt securities and other obligations, which amount shall be in addition to and in excess of the amount the Company is authorized to issue pursuant to Section 366.04, Florida Statutes, which permits the Company to issue short-term securities aggregating to not more than five percent of the par value of the Company's other outstanding securities.

- (c) The kind and nature of the securities that Progress Energy Florida, Inc. is authorized to issue during 2013 (and 2014 with respect to short-term debt securities and obligations) are equity securities and short-term and long-term debt securities and other obligations, as set forth in the Company's Application.
- (d) Progress Energy Florida, Inc. shall file a Consummation Report in accordance with Rule 25-8.009, Florida Administrative Code, within 90 days after the close of the 2013 calendar year.

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Respectfully submitted this
26th day of September, 2012

PROGRESS ENERGY FLORIDA, INC.

By: 
Stephen G. De May
Treasurer

*[Signature page for Progress Energy Florida, Inc.'s 2013 Application for
Authority to Issue and Sell Securities]*

GENCO836

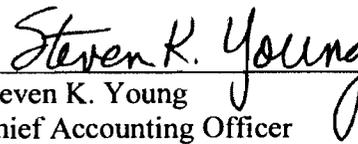
STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

CERTIFICATION OF APPLICATION AND EXHIBITS

Each of the undersigned, Stephen G. De May and Steven K. Young, being first duly sworn, deposes and says that they are the Treasurer and Chief Accounting Officer, respectively, of Progress Energy Florida, Inc., the Applicant herein; that they have read the foregoing Application and exhibits of said Progress Energy Florida, Inc. and knows the contents thereof; and certifies that the same are true and correct to the best of their knowledge and belief.



Stephen G. De May
Treasurer



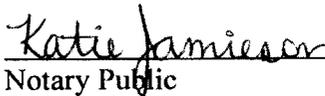
Steven K. Young
Chief Accounting Officer

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

The foregoing instrument was acknowledged before me this 25 day of September, 2012, by Stephn G. De May and Steven K. Young, who are personally known to me and who did take an oath.

[SEAL]





Katie Jamieson
Notary Public

Katie Jamieson

Printed Name

My Commission Expires:

June 14, 2016

Exhibit B(1)

PROGRESS ENERGY FLORIDA, INC.
 PRELIMINARY PROJECTION OF SOURCES AND USES OF FUNDS
 (In Millions)

		12 Months Ending December 31, 2013
OPERATING ACTIVITIES	\$	<u>1,015</u>
INVESTING ACTIVITIES:		
Construction Expenditures		(1,070)
Other Investing Activities		<u>-</u>
Total		<u>(1,070)</u>
FINANCING ACTIVITIES:		
Issuance of Long-Term Debt		-
Retirement of Long-Term Debt		(425)
Increase in Short-Term Debt		315
Dividends Paid to Parent		-
Preferred Dividends		<u>(2)</u>
Total		<u>(112)</u>
TOTAL INCREASE (DECREASE) IN NET CASH	\$	<u>(167)</u>

Exhibit B(2)

PROGRESS ENERGY FLORIDA, INC.
PRELIMINARY CONSTRUCTION EXPENDITURES FOR 2013
(In Millions)

<u>BUDGET CLASSIFICATION</u>	<u>PRELIMINARY BUDGET</u>
EXPANSION	\$ 400
MAINTENANCE	545
ENVIRONMENTAL	75
TOTAL DIRECT CAPITAL EXPENDITURES	\$ 1,020
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	50
TOTAL CAPITAL EXPENDITURES	\$ 1,070

Exhibit C

PROGRESS ENERGY FLORIDA, INC.
 CAPITAL STOCK AND LONG-TERM DEBT
 As Of June 30, 2012

<u>Title of Class</u>	<u>Shares Authorized</u>	<u>Shares Outstanding</u>	<u>Amount Outstanding</u>
Common Stock without par value	60,000,000	100 ¹	N/A
Cumulative Preferred Stock (Par Value \$100):	4,000,000		
4.00% Series		39,980	\$ 3,998,000
4.40% Series		75,000	7,500,000
4.58% Series		99,990	9,999,000
4.60% Series		39,997	3,999,700
4.75% Series		80,000	<u>8,000,000</u>
Total Cumulative Preferred Stock Outstanding			\$ <u>33,496,700</u>
First Mortgage Bonds:			
4.80% Series, due 2013			\$ 425,000,000
5.10% Series, due 2015			300,000,000
5.80% Series, due 2017			250,000,000
5.65% Series, due 2018			500,000,000
4.55% Series, due 2020			250,000,000
3.10% Series, due 2021			300,000,000
5.90% Series, due 2033			225,000,000
6.35% Series, due 2037			500,000,000
6.40% Series, due 2038			1,000,000,000
5.65% Series, due 2040			350,000,000
Citrus County 2002, Series - A, Due 2027			108,550,000
Citrus County 2002, Series - B, Due 2022			100,115,000
Citrus County 2002, Series - C, Due 2018			<u>32,200,000</u>
Total First Mortgage Bonds Outstanding			<u>\$4,340,865,000</u>

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

Senior Unsecured Notes:

Total Senior Unsecured Notes Outstanding \$ -

Medium-Term Notes:

6.75%, due 2028 150,000,000

Total Medium-Term Notes Outstanding \$ 150,000,000

Total Long-Term Debt Outstanding: \$4,490,865,000