

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: PETITION FOR INCREASE IN
RATES BY PROGRESS ENERGY
FLORIDA, INC.

Docket No. 090079-EI

ATTACHMENT B

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SGA _____
ADM _____
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DOCUMENT NUMBER-DATE
08856 AUG 25 8
FPSC-COMMISSION CLERK

**Progress Energy, Inc.
Moody's Credit Metric Summary**

Comparison to 2007 Actual Results

	Progress Energy, Inc.				Progress Energy Florida		
	2008	2007	B/(W)		2008	2007	B/(W)
Adjusted Leverage							
Adjusted FFO/Interest							
Adjusted FFO/Debt							
<u>Excluding PEF Margin</u>							
Adjusted Leverage							
Adjusted FFO/Debt							

**Comparison of 2008 to Ratings Assessment
Base Case (Excluding PEF Margin)**

Adjusted Leverage
Adjusted FFO/Interest
Adjusted FFO/Debt

DOCUMENT NUMBER-DATE

08856 AUG 25 8

FPSC-COMMISSION CLERK 09RP-STAFFPOD13-70-348

Progress Energy, Inc.
 Moody's Credit Ratio Calculations
 Year Ended 12/31/08

Metric	Item	Amount	Source	Long-Term Assumption
Leverage	Long-term debt, affiliate			
	Long-term debt, net			
	Current portion of long-term debt			
	Short-term debt			
	Capital lease obligations			
	Total "book" debt			
	Pension adjustment			
	Operating lease adjustment			
	Hybrid			
	Total "adjusted" debt			
	Total common stock equity			
	Preferred stock			
	Minority interest			
	Noncurrent income tax liabilities			
	Total "book" equity			
	Capitalized interest adjustment			
	Hybrid			
	Securitization			
	Total "adjusted" equity			
	Total book capitalization			
Total adjusted capitalization				
Book Leverage				
Adjusted Leverage				
FFO/Interest	Cash from operations			
	Less: Changes in working capital			
	Receivables			
	Inventory			
	Prepayments and other current assets			
	Income taxes, net			
	Accounts payable			
	Less: Changes in other ST op. assets & liab			
	Total "book" FFO			
	Pension adjustment			
	Operating lease adjustment			
	Capitalized interest adjustment			
	Hybrid			
	Securitization			
	Total "adjusted" FFO			
	Total interest charges, net			
	Pension adjustment			
	Operating lease adjustment			
	Capitalized interest adjustment			
	Hybrid			
Securitization				
Total "adjusted" interest expense				
FFO/Interest - Book				
FFO/Interest - Adjusted				
FFO/Debt	Book FFO			
	Book Debt			
	Book FFO/Debt			
	Adjusted FFO			
	Adjusted Debt			
	Adjusted FFO/Debt			

Margin



Progress Energy Florida
Moody's Credit Ratio Calculations
Year Ended 12/31/08

Metric	Item	Amount	Source	Long-Term Assumption
Leverage				
FFO/Interest				
FFO/Debt				
Margin				

Progress Energy, Inc.
Moody's Credit Ratio Calculations
Year Ended 12/31/07

Metric	Item	Amount	Source	Long-Term Assumption
Leverage				
FFO/Interest				
FFO/Debt				

Progress Energy Florida
Moody's Credit Ratio Calculations
Year Ended 12/31/07

Metric	Item	Amount	Source	Long-Term Assumption
Leverage				
FFO/Interest				
FFO/Debt				

Progress Energy, Inc.
Adjusted Credit Metrics
(\$ in millions)

	2008		2007	
	S&P	Moody's	S&P	Moody's
Leverage				
Adjusted Debt:				
Long-Term Debt	10,659		8,737	
Current Portion of LTD	-		877	
Short-Term Debt	1,050		201	
Capital Lease Obligations	231		239	
Pension/Postretirement Adjustment	978		398	
Operating Lease Adjustment	184		192	
QUIPS Adjustment	(136)		(136)	
Preferred Stock Adjustment	47		47	
PPA Adjustment	992		1,024	
Asset Retirement Obligations	248		-	
Total Adjusted Debt:	14,253		11,579	
Adjusted Equity:				
Common Stock Equity	8,687		8,422	
Preferred Stock	93		93	
Minority Interest	6		84	
Noncurrent Income Tax Liabilities	-		-	
Capitalized Interest	-		-	
QUIPS Adjustment	136		136	
Preferred Stock Adjustment	(47)		(47)	
Total Adjusted Equity	8,875		8,688	
Total Adjusted Capitalization	23,128		20,267	
Adjusted Leverage	61.6%		57.1%	
FFO/Interest				
Adjusted FFO:				
Cash From Operations	1,218		1,252	
Changes in Working Capital	532		340	
Pension/Postretirement Adjustment	20		32	
Operating Lease Adjustment	16		28	
Capitalized Interest Adjustment	(40)		(17)	
QUIPS Adjustment	11		11	
Preferred Stock Adjustment	-		-	
PPA Adjustment	64		69	
Discontinued Operations	(57)		189	
Total Adjusted FFO	1,764		1,904	
Adjusted Interest:				
Total Interest Expense	639		588	
Pension Adjustment	-		-	
Operating Lease Adjustment	18		14	
Capitalized Interest	40		17	
QUIPS Adjustment	(11)		(11)	
Preferred Stock Adjustment	-		-	
PPA Adjustment	58		65	
Total Adjusted Interest	743		673	
Adjusted FFO/Interest	3.4		3.8	
FFO/Debt				
Total Adjusted FFO	1,764		1,904	
Total Adjusted Debt	14,253		11,579	
Adjusted FFO/Debt	12.4%		16.4%	

Progress Energy Florida
Adjusted Credit Metrics
(\$ in millions)

	2008		2007	
	S&P	Moody's	S&P	Moody's
Leverage				
Adjusted Debt:				
Long-Term Debt	4,182		2,686	
Current Portion of LTD	-		532	
Short-Term Debt	443		-	
Capital Lease Obligations	216		-	
Pension/Postretirement Adjustment	315		48	
Operating Lease Adjustment	28		30	
QUIPS Adjustment	-		-	
Preferred Stock Adjustment	17		17	
PPA Adjustment	736		780	
Asset Retirement Obligations	-		-	
Total Adjusted Debt:	5,937		4,094	
Adjusted Equity:				
Common Stock Equity	3,399		3,002	
Preferred Stock	34		34	
Minority Interest	-		-	
Noncurrent Income Tax Liabilities	-		-	
Capitalized Interest	-		-	
QUIPS Adjustment	-		-	
Preferred Stock Adjustment	(17)		(17)	
Total Adjusted Equity	3,416		3,019	
Total Adjusted Capitalization	9,353		7,113	
Adjusted Leverage	63.5%		57.6%	
FFO/Interest				
Adjusted FFO:				
Cash From Operations	51		799	
Changes in Working Capital	487		(84)	
Pension/Postretirement Adjustment	18		23	
Operating Lease Adjustment	4		18	
Capitalized Interest Adjustment	(28)		(12)	
QUIPS Adjustment	-		-	
Preferred Stock Adjustment	-		(1)	
PPA Adjustment	41		45	
Discontinued Operations	-		-	
Total Adjusted FFO	572		789	
Adjusted Interest:				
Total Interest Expense	208		173	
Pension Adjustment	-		-	
Operating Lease Adjustment	2		5	
Capitalized Interest	28		12	
QUIPS Adjustment	-		-	
Preferred Stock Adjustment	-		1	
PPA Adjustment	43		50	
Total Adjusted Interest	280		240	
Adjusted FFO/Interest	3.0		4.1	
FFO/Debt				
Total Adjusted FFO	572		789	
Total Adjusted Debt	5,937		4,094	
Adjusted FFO/Debt	9.6%		19.3%	

Progress Energy, Inc.
S&P Credit Metric Summary

Comparison to 2007 Actual Results

	Progress Energy, Inc.				Progress Energy Florida		
	2008	2007	B/(W)		2008	2007	B/(W)
Adjusted Leverage	61.6%	57.1%	-4.5%		63.5%	57.6%	-5.9%
Adjusted FFO/Interest	3.4	3.8	(0.4)		3.0	4.1	(1.1)
Adjusted FFO/Debt	12.4%	16.4%	-4.0%		9.6%	19.3%	-9.7%
<u>Excluding PEF Margin</u>							
Adjusted Leverage	61.1%		-4.0%		62.2%		-4.6%
Adjusted FFO/Debt	12.7%		-3.7%		10.2%		-9.1%



PEF Cash Flow with Revised Parent Contribution

(in millions)

Operating Cash Flow

Maintenance Cap Ex

Nuclear Fuel

Cash Flow before Growth Cap Ex

Growth Cap Ex

Reduction in Cap Ex

Net Cash Flow before Financing

Debt

Preferred Stock

Equity - (Dividend to) / Contribution from Parent

Additional Contribution from Parent

Net Cash Flow

Equity Ratio (December BOD):

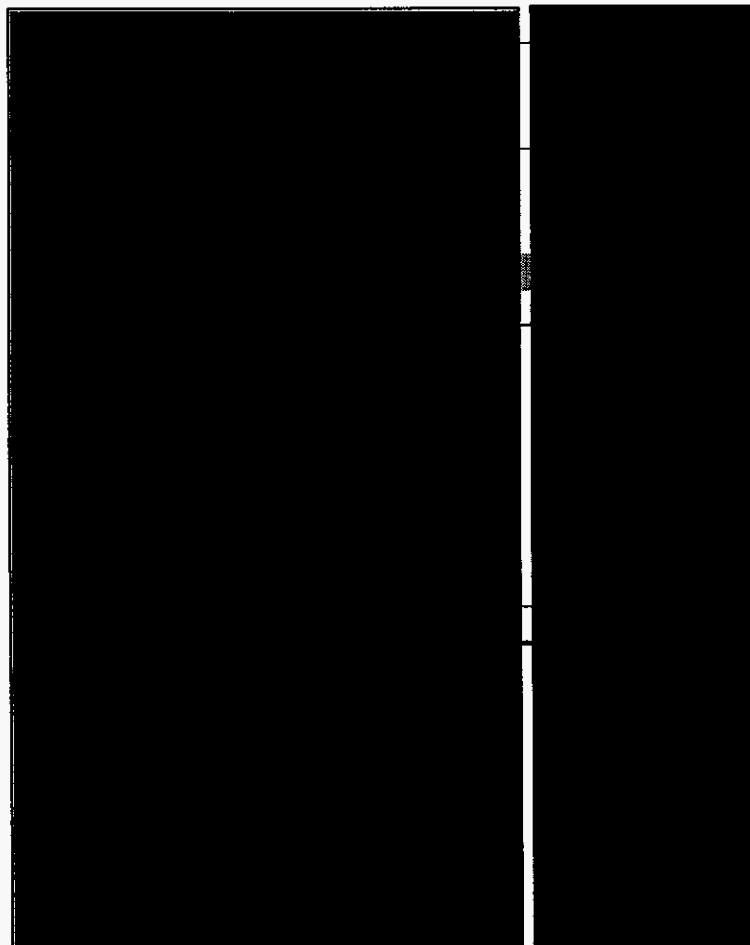
Without equity credit

With equity credit

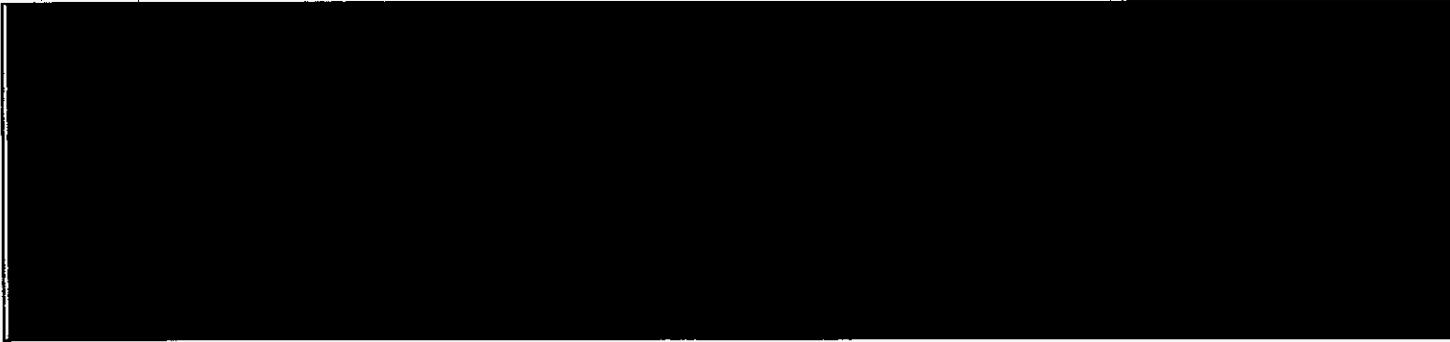
Equity Ratio (February SMC):

Without equity credit

With equity credit



PEF Equity Level – Short Term Actions



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**PROGRESS ENERGY FLORIDA
REDACTED DOCUMENTS**

09RP-STAFFPOD13-70-000007
Through
09RP-STAFFPOD13-70-0000022

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09RP-STAFFPOD13-70-000053
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09RP-STAFFPOD13-70-000074
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09RP-STAFFPOD13-70-000117
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9RP-STAFFPOD13-70-000138
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09RP-STAFFPOD13-70-000159
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09RP-STAFFPOD13-70-000207
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09RP-STAFFPOD13-71-000053
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09RP-STAFFPOD13-71-000056

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09RP-STAFFPOD13-71-000057
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09RP-STAFFPOD13-71-000101
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09RP-STAFFPOD13-71-000128

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09RP-STAFFPOD13-71-000129
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09RP-STAFFPOD13-71-000148

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09RP-STAFFPOD13-71-000149
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09RP-STAFFPOD13-71-000154
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09RP-STAFFPOD13-71-000162
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