STATE AND FEDERAL INCOME TAX CALCULATION

Page 1 of 7

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	Provide the calculation of state and federal income taxes	Type of data she	own:	
		for the historical base year and the projected test year.			
Company: PROGRESS ENERGY FLORIDA INC.				XX Projected Test Year Ended	12/31/2010
				Prior Year Ended	12/31/2009
Docket Nc 090079-EI				Historical Year Ended	12/31/2008
				Witness: Toomey	

		Current	Tax	Deferred	Tax	
Line						
No.	Description	State	Federal	State	Federal	
	1 Net Utility Operating Income	\$490,964,080	\$490,964,080			
	2 Add Income Tax Accounts 3 Less Interest Charges (From C-23) 4 5 Taxable Income Per Books	107,285,780	107,285,780			
		295,420,442	295,420,442			
		302,829,418	302,829,418			
	6					
	7 Temporary Adjustments to Taxable Income (List)					
	8 Add: Book Depreciation	482,066,241	482,066,241	(\$482,066,241)	(\$482,066,241)	
	9 Less: Tax Depreciation State	(665,754,827)		665,754,827		
	10 Less: Tax Depreciation Federal		(657,870,836)		657,870,836	
	11 Less: Book Depreciation on AFUDC Equity Temp	(13,478,824)	(13,478,824)	13,478,824	13,478,824	
	12 AFUDC Debt: M	(18,858,851)	(18,858,851)	18,858,851	18,858,851	
_	13 PEF Nuclear Fuel Amortization per Books	39,641,974	39,641,974	(39,641,974)	(39,641,974)	
3	14 Construction Period Interest	20,064,280	20,064,280	(20,064,280)	(20,064,280)	
	15 Removal Costs	(19,658,000)	(19,658,000)	19,658,000	19,658,000	
	16 CIAC	44,222,218	44,222,218	(44,222,218)	(44,222,218)	
	17 Pension	11,230,004	11,230,004	(11,230,004)	(11,230,004)	
	18 OPEB Liability Change	6,200,055	6,200,055	(6,200,055)	(6,200,055)	
	19 OPEB Liability Change (Temp) NON-TAX portion	(1,674,015)	(1,674,015)	1,674,015	1,674,015	
	20 FAS 112 Accruals	1,203,040	1,203,040	(1,203,040)	(1,203,040)	
	21 SERP Liability Change	1,280,032	1,280,032	(1,280,032)	(1,280,032)	
	22 Accrued Storm Damage Reserve	5,566,000	5,566,000	(5,566,000)	(5,566,000)	
	23 Fuel Under Recovery (PEF)	0	-	•	<u>-</u>	
	24 Reserve for Nuclear Outage (Pillar Years only)	14,600,004	14,600,004	(14,600,004)	(14,600,004)	
	25 PEF Storm Deferral Amortization - Whisi	434,000	434,000	(434,000)	(434,000)	
	26 PEF Storm Reserve Accrual (NEW)	9,355,596	9,355,596	(9,355,596)	(9,355,596)	
	27 PEF OATT adder to amort of existing whal storm	3,663,676	3,663,676	(3,663,676)	(3,663,676)	
	28 PEF Recover Nuclear COL thru CCR	131,691,871	131,691,871	(131,691,871)	(131,691,871)	
	29 PEF Nuclear EOL Last Core Nuclear Fuel Accrual	1,200,000	1,200,000	(1,200,000)	(1,200,000)	
	30 PEF Nuclear EOL M&S Accural	1,100,000	1,100,000	(1,100,000)	(1,100,000)	
	31 PEF CPI on Nuclear Recovery DTA - Levy	48,946,199	48,946,199	(48,946,199)	(48,946,199)	
	32 PEF CPI on Nuclear Recovery DTA - CR3 uprate	9,257,997	9,257,997	(9,257,997)	(9,257,997)	
	33 PEF Amortization of Hines 4 Acq Adj	822,181	822,181	(822,181)	(822,181)	
	34 PEF Interest on Tax Deficiency	2,666,667	2,666,667	(2,666,667)	(2,666,667)	
	Cub total Tampagan Differences	644E 707 540	#402 674 F40	/6445 707 F40	(\$400.674.540)	
	Sub-total Temporary Differences	\$115,787,519	\$123,671,510	(\$115,787,519)	(\$123,671,510)	

Supporting Schedules:

STATE AND FEDERAL INCOME TAX CALCULATION

Page 2 of 7

FLOR	DA PUBLIC SERVICE COMMISSION	Explanation:		of state and federal income taxes ear and the projected test year.	Ту	pe of data show	n:		
Company: PROGRESS ENERGY FLORIDA INC. Docket No 090079-EI			·			х	CX Projected Test Year Prior Year Ended Historical Year Ended	ded	12/31/2010 12/31/2009 12/31/2008
			Current	Tax	Deferred	Tax	Witness: Toome	у	
Line									
No.	Description		State	Federal	State	Federal			
	1								
	2 Total Temporary Differences (from Prior Page)		\$115,787,519	\$123,671,510	(\$115,787,519)	(\$123,671,51	0)		
	Permanent Adjustments - Operating								
	5 Non-Deductible Meals Expense		1,200,000	1,200,000					
	6 PEF Sec. 199 Manufacturers Deduction		(26,000,000)	(26,000,000)					
	7 Book Depreciation of AFUDC Equity Perm		13,478,824	13,478,824					
	8 PEF OPEB/FAS 106 (Medicare D) Reg Amort		(1,660,440)	(1,660,440)					
	9 PEF OPEB/FAS 106 (Medicare D) Perm		(5,202,484)	(5,202,484)					
	10 PEF OPEB/FAS 106 (Medicare D) Perm - NON-TAX		1,852,989	1,852,989					
	11 Total Permanent Adjustments		(16,331,111)	(16,331,111)	-	-			
	12								
	13 State Taxable Income		402,285,826		(115,787,519)				
	14 State Income Tax (5.5%)		22,125,720	22,125,720	(6,368,314)				
	15								
	16 Adjustments to State Income Tax (List)								

388,044,097

135,815,434

135,815,434

21 Federal Taxable Income 22 Federal Income Tax (35%)

20

24 <u>Adjustments to Federal Income Tax</u> 25 Tax Rate Differential - 34% to 35% 26 Amortization of Excess Deferred Tax

18 Total adjustments to State Income Tax

27 Total Adjustments to Federal Income Tax 28 Federal Income Tax 29

34 Current Tax Expense

30 ITC Amortization

19 State Income Tax

313233 Summary of Income Tax Expense:

35 Deferred Income Taxes36 Investment Tax Credits, Net37 Total Income Tax Provision

 State
 Federal

 \$ 22,125,720
 \$ 135,815,434

 (6,368,314)
 (42,532,119)

 (1,754,942)

 \$ 15,757,406
 \$ 91,528,373

22,125,720

Total \$ 157,941,154 (48,900,433) (1,754,942) \$ 107,285,779

(6,368,314)

(6,368,314)

(117,303,196)

(41,056,119)

412,000

(1,888,000)

(42,532,119)

(1,754,942)

STATE AND FEDERAL INCOME TAX CALCULATION

Page 3 of 7

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide the ca

Provide the calculation of state and federal income taxes

Type of data shown:

Company: PROGRESS ENERGY FLORIDA INC.

for the historical base year and the projected test year.

Projected Test Year Ended 12/31/2010

XX Prior Year Ended Historical Year Ended Witness: Toomey 12/31/2009 12/31/2008

Docket No. 090079-EI

		Current	Tax	Deferred	i Tax	
ine No.	Description	State	Federal	State	Federal	
VO .	1 Net Utility Operating Income	\$496,528,158	\$496,528,158		1 000.0.	
	2 Add Income Tax Accounts	150,510,497	150,510,497			
	3 Less Interest Charges (from C-23)	232,755,147	232,755,147			
	A	202,700,777	202,100,111			
	5 Taxable Income Per Books	414,283,509	414,283,509			
	6	,	,			
	7 Temporary Adjustments to Taxable Income (List)					
	8 Add: Book Depreciation	341,607,517	341,607,517	(\$341,607,517)	(\$341,607,517)	
	9 Less: Tax Depreciation State	(506,910,153)	,	506,910,153	· · · · · ·	
	10 Less: Tax Depreciation Federal	, , , ,	(497,640,197)		497,640,197	
	11 Less: Book Depreciation on AFUDC Equity Temp	(9,470,811)	(9,470,811)	9,470,811	9,470,811	
	12 AFUDC Debt: M	(33,460,395)	(33,460,395)	33,460,395	33,460,395	
	13 PEF Nuclear Fuel Amortization per Books	21,187,640	21,187,640	(21,187,640)	(21,187,640)	
	14 Construction Period Interest	82,341,941	82,341,941	(82,341,941)	(82,341,941)	
	15 Removal Costs	(19,658,000)	(19,658,000)	19,658,000	19,658,000	
	16 CIAC	44,222,218	44,222,218	(44,222,218)	(44,222,218)	
	17 Pension	2,688,847	2,688,847	(2,688,847)	(2,688,847)	
	18 OPEB Liability Change	6,256,788	6,256,788	(6,256,788)	(6,256,788)	
	19 OPEB Liability Change (Temp) NON-TAX portion	(1,689,333)	(1,689,333)	1,689,333	1,689,333	
	20 FAS 112 Accruals	1,101,570	1,101,570	(1,101,570)	(1,101,570)	
	21 SERP Liability Change	1,246,663	1,246,663	(1,246,663)	(1,246,663)	
	22 Accrued Storm Damage Reserve	5,566,000	5,566,000	(5,566,000)	(5,566,000)	
	23 Fuel Under Recovery (PEF)	146,154,866	146,154,866	(146,154,866)	(146,154,866)	
	24 Reserve for Nuclear Outage (Pillar Years only)	(14,076,210)	(14,076,210)	14,076,210	14,076,210	
	25 PEF Storm Deferral Amortization - Whlsl	434,000	434,000	(434,000)	(434,000)	
	26 PEF Storm Reserve Accrual (NEW)	0	-	-	-	
	27 PEF OATT adder to amort of existing what storm	2,374,963	2,374,963	(2,374,963)	(2,374,963)	
	28 PEF Recover Nuclear COL thru CCR	139,412,460	139,412,460	(139,412,460)	(139,412,460)	
	29 PEF Nuclear EOL Last Core Nuclear Fuel Accrual	1,100,000	1,100,000	(1,100,000)	(1,100,000)	
	30 PEF Nuclear EOL M&S Accural	1,500,000	1,500,000	(1,500,000)	(1,500,000)	
	31 PEF CPI on Nuclear Recovery DTA - Levy	20,926,118	20,926,118	(20,926,118)	(20,926,118)	
	32 PEF CPI on Nuclear Recovery DTA - CR3 uprate	8,860,025	8,860,025	(8,860,025)	(8,860,025)	
	33 PEF Amortization of Hines 4 Acq Adj	822,181	822,181	(822,181)	(822,181)	
	34 PEF Interest on Tax Deficiency	1,112,500	1,112,500	(1,112,500)	(1,112,500)	
	Sub-total Temporary Differences	\$243,651,395	\$252,921,351	(\$243,651,395)	(\$252,921,351)	

Supporting Schedules:

STATE AND FEDERAL INCOME TAX CALCULATION

Page 4 of 7

FLORIDA PUBLIC SERVICE COMMISSION	Explanation:	Provide the calculation of state and federal income taxes	Type of data shown:
		for the historical base year and the projected test year.	
Company BROCRESS ENERGY ELORIDA INC			6

Company: PROGRESS ENERGY FLORIDA INC.

Docket No. 090079-EI

Projected Test Year Ended	12/31/2010
XX Prior Year Ended	12/31/2009
Historical Year Ended	12/31/2008
Witness: Toomey	

					Witne	ss: Toomey
		Current	Tax	Deferred	Tax	
Line No.	Description	State	Federal	State	Federal	
	1	0040 054 005	0050 004 054	(\$0.40.054.005)	(0000 004 004)	
	2 Total Temporary Differences (from Prior Page)	\$243,651,395	\$252,921,351	(\$243,651,395)	(\$252,921,351)	
	Permanent Adjustments - Operating					
	5 Non-Deductible Meals Expense	1,200,000	1,200,000			
	6 PEF Sec. 199 Manufacturers Deduction	(14,000,000)	(14,000,000)			
	7 Book Depreciation of AFUDC Equity Perm	9,470,811	9,470,811			
	8 PEF OPEB/FAS 106 (Medicare D) Reg Amort	(1,708,649)	(1,708,649)			
	9 PEF OPEB/FAS 106 (Medicare D) Perm	(5,112,780)	(5,112,780)			
	10 PEF OPEB/FAS 106 (Medicare D) Perm - NON-TAX	1,841,786	1,841,786			
	11 Total Permanent Adjustments	(8,308,832)	(8,308,832)			
	12	(0,000,002)	(0,000,002)			
	13 State Taxable Income	649,626,072		(243,651,395)		
	14 State Income Tax (5.5%)	35,729,434	35,729,434	(13,400,827)		
	15	55,725,15	55,125,151	(10,100,027)		
	16 Adjustments to State Income Tax (List)					
	17			-		
	18 Total adjustments to State Income Tax	-				
	19 State Income Tax	35,729,434		(13,400,827)		
	20					
	21 Federal Taxable Income		623,166,594		(239,520,524)	
	22 Federal Income Tax (35%)		218,108,308		(83,832,184)	
	23					
	24 Adjustments to Federal Income Tax					
	25 Tax Rate Differential - 34% to 35%				459,000	
	26 Amortization of Excess Deferred Tax				(2,007,000)	
	27 Total Adjustments to Federal Income Tax		-	_	(1,548,000)	
	28 Federal Income Tax	_	218,108,308		(85,380,184)	
	29			_	<u> </u>	
	30 ITC Amortization				(4,546,234)	
	31					
	32					
	33 Summary of Income Tax Expense:	<u>State</u>	Federal	<u>Total</u>		
	34 Current Tax Expense	\$ 35,729,434 \$	218,108,308	\$ 253,837,742		
	35 Deferred Income Taxes	(13,400,827)	(85,380,184)	(98,781,011)		
	36 Investment Tax Credits, Net		(4,546,234)	(4,546,234)		
	37 Total Income Tax Provision	\$ 22,328,607 \$	128,181,890	\$ 150,510,497		

Supporting Schedules:

Type of data shown:

SCHEDULE C-22

STATE AND FEDERAL INCOME TAX CALCULATION

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FLORIDA PUBLIC SERVICE COMMISSION

Explanation:

Provide the calculation of state and federal income taxes

Company: PROGRESS ENERGY FLORIDA INC.

Docket No. 090079-EI

for the historical base year and the projected test year.

Projected Test Year Ended 12/31/2010

12/31/2009

Prior Year Ended XX Historical Year Ended

12/31/2008

Witness: Toomey

							Witness: Toomey	
		Current Tax		•	Deferred Tax		_	
Line								
No. Description	State	Federal	Total	State	Federal	Total		
1 Net Utility Operating Income	499,115,849	499,115,849						
2 Add Income Tax Accounts	178,382,837	178,382,837						
3 Less Interest Charges (From C-23)	208,127,075	208,127,075		•	-			
4 5 T - 11 1 D D D 1								
5 Taxable Income Per Books	469,371,611	469,371,611						
6								
7 Temporary Adjustments to Taxable Income (List)								
8 Add: Book Depreciation Excluding AFUDC Equity	298,828,949	298,828,949		(298,828,949)	(298,828,949)			
9 Less: Tax Depreciation	(418,710,691)	(497,472,272)		418,710,691	497,472,272			
10 AFUDC Debt	(28,237,751)	(28,237,751)		28,237,751	28,237,751			
11 Amortization of Nuclear Fuel per Books	24,393,284	24,393,284		(24,393,284)	(24,393,284)			
12 Construction Period Interest Capitalized per Tax	83,190,456	83,190,456		(83,190,456)	(83,190,456)			
13 Contribution in Aid of Construction	21,589,763	21,589,763		(21,589,763)	(21,589,763)			
14 Cost of Removal	(36,972,577)	(36,972,577)		36,972,577	36,972,577			
15 Pension	(70,431,456)	(70,431,456)		70,431,456	70,431,456			
16 OPEB Accrual per Book in Excess of Tax	7,963,174	7,963,174		(7,963,174)	(7,963,174)			
17 Amortization of Reacquired Debt per Book	3,886,921	3,886,921		(3,886,921)	(3,886,921)			
18 Storm Damage Accrual per Book	75,387,438	75,387,438		(75,387,438)	(75,387,438)			
19 Reserve for Obsolete Inventory	(280,671)	(280,671)		280,671	280,671			
21 Reserve for Nuclear Outage	12,278,852	12,278,852		(12,278,852)	(12,278,852)			
22 Storm Costs Deducted per Tax	(22,185,719)	(22,185,719)		22,185,719	22,185,719			
23 Deferred Compensation	3,583,593	3,583,593		(3,583,593)	(3,583,593)		•	
24 Under Recovered Fuel Costs	(132,665,572)	(132,665,572)		132,665,572	132,665,572			
25 Unbilled Revenue Recovery Clauses	3,503,008	3,503,008		(3,503,008)	(3,503,008)			
26 Under Recovered Environmental Costs	(13,810,908)	(13,810,908)		13,810,908	13,810,908			
27 Under Recovered Nuclear Costs	(5,752,156)	(5,752,156)		5,752,156	5,752,156			
28 Reserve for Environmental Clean Up	(10,430,633)	(10,430,633)		10,430,633	10,430,633			
29 Accrued Environmental Costs	8,531,783	8,531,783		(8,531,783)	(8,531,783)			
30 Sub-total Temporary Differences	(196,340,913)	(275,102,494)		196,340,913	275,102,494			

Supporting Schedules:

Docket No. 090079-El

STATE AND FEDERAL INCOME TAX CALCULATION

Page 6 of 7

FLORIDA PUBLIC SERVICE COMMISSION

Explanation:

Provide the calculation of state and federal income taxes

Type of data shown:

Company: PROGRESS ENERGY FLORIDA INC.

for the historical base year and the projected test year.

Projected Test Year Ended 12/31/2010

Prior Year Ended XX Historical Year Ended 12/31/2009 12/31/2008

	• .					Witness: Toor	ney
		Current Tax			Deferred Tax		
Line Description	C+-+-	Fada1	T-4-1	C+-+-	Endon	T	
No. Description	State	Federal	Total	State	Federal	Total	
2 Sub-total Temporary Differences (from Prior Page)	(196,340,913)	(275,102,494)		196,340,913	275,102,494		
3	(130,340,313)	(275, 102,454)		190,540,515	275, 102,494		
4							
5 Amort of Interest on Tax Deficiency per Books	(6,008,679)	(6,008,679)		6,008,679	6,008,679		
6 Reserve for Last Core Nuclear Fuel	1,100,004	1,100,004		(1,100,004)	(1,100,004)		
7 Reserve for End of Life Materials & Supplies	1,500,000	1,500,000		(1,500,000)	(1,500,000)		
8 Non-qualified Nuclear Decommissioning Fund Earnings	533,365	533,365		(533,365)	(533,365)		
9 Research & Experimentation Deduction	(17,603,722)	(17,603,722)		17,603,722	17,603,722		
10 OPC Fuel Refund	(9,368,829)	(9,368,829)		9,368,829	9,368,829		
11 Excess Tax Gain(Loss) on Disposition of Property	(47,153,892)	(47,153,892)		47,153,892	47,153,892		
12 Miscellaneous Other	(1,066,149)	(1,812,149)		1,066,149	1,812,149		
13 Total Temporary Differences	(274,408,815)	(353,916,396)		274,408,815	353,916,396		
14							
15							
16 Permanent Adjustments							
17 Non-deductible Meals	1,211,260	1,211,260					
18 Book Depreciation AFUDC Equity	7,675,956	7,675,956					
19 FAS 106 Medicare Subsidy	(4,997,116)	(4,997,116)					
21 Special Deduction Preferred Stock	(60,000)	(60,000)					
22 Manufacturing Deduction	(3,300,000)	(3,300,000)					
23 Restricted Stock Dividends	(680,312)	(680,312)					
24 Restricted Stock Vestings	(8,148)	(8,148)					
25 NQSO - Excercised	(4,104)	(4,104)					
26 PSSP - Excercised	2,214,589	2,214,589					
27 Restricted Stock Units Tax	381,368	381,368					
28 Interest Expense	2,227,250	2,227,250					
29 Total Permanent Adjustments	4,660,743	4,660,743					
30							

Supporting Schedules:

Type of data shown:

SCHEDULE C-22

FLORIDA PUBLIC SERVICE COMMISSION

32 Total Income Tax Provision

Supporting Schedules:

STATE AND FEDERAL INCOME TAX CALCULATION

Provide the calculation of state and federal income taxes for the historical base year and the projected test year.

Explanation:

Page 7 of 7

Company: PRO	OGRESS ENERGY FLORIDA INC. 0079-EI				·			Projected Test Year Ended Prior Year Ended XX Historical Year Ended Witness: Toomey	12/31/2010 12/31/2009 12/31/2008
-			Current Tax			Deferred Tax			
Line				 					
No.	Description	State	Federal	Total	State	Federal	Total		
1 State Tax	able Income	199,623,539			274,408,815				
2 State Inco	ome Tax (5.5%)	10,979,000	10,979,000		15,092,000	15,092,000			
3 Adjustmer	nts to State Income Tax (List)								
4 True-up T	ax Expense Prior Years	(578,313)			734,000			4	
5 FIN 48 Re	eserves	1,085,492			(1,242,873)				
6 Prior Flow	/ Through Taxes				823,000				
7 FAS 123F	₹				(12,192)				
8 Total adju	stments to State Income Tax	507,179			301,935				
9 State Inco	ome Tax	11,486,179			15,393,935				
10									
11 Federal T	axable Income		109,136,958			338,824,396			
→ 12 Federal In	ncome Tax (35%)		38,198,000			118,588,539			
G 13									
14 Adjustmer	nts to Federal Income Tax								
15 True-up T	ax Expense Prior Years		(7,178,748)			5,830,461			
16 FIN 48 Re	eserves	•	6,220,811			(6,962,714)			
17 FAS 123F	₹					(90,626)			
18 Research	& Experimentation Credit		(700,000)						
19 Amortizati	ion off of Excess Deferred Taxes					(2,076,000)			
20 Prior Flow	/ Through Taxes					5,005,000			
21 Federal T	ax Rate Differential Audit Adjustments					151,000			
22 Federal T	ax Rate Differential 34% to 35%					457,000			
23 Total Adju	stments to Federal Income Tax		(1,657,937)		_	2,314,121			
24 Federal In	ncome Tax	_	36,540,063		_	120,902,660			
25			~		_				
26 ITC Amor	tization					(5,940,000)			
27									
28 Summary	of Income Tax Expense:	<u>Federal</u>	<u>State</u>	<u>Total</u>					
29 Current Ta	•	\$ 36,540,063	11,486,179 \$	48,026,242					
	Income Taxes	120,902,660	15,393,935	136,296,595					
31 Investmer	nt Tax Credits, Net	(5,940,000)		(5,940,000)					

\$ 151,502,723 \$ 26,880,114 \$ 178,382,837