

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 for the historical base year and the projected test year.

Type of data shown:

Company: PROGRESS ENERGY FLORIDA INC.

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

Docket No 090079-EI

Line No.	Description	Current Tax		Deferred Tax	
		State	Federal	State	Federal
1	Net Utility Operating Income	\$490,964,080	\$490,964,080		
2	Add Income Tax Accounts	107,285,780	107,285,780		
3	Less Interest Charges (From C-23)	295,420,442	295,420,442		
4					
5	Taxable Income Per Books	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)
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	-	-	-
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 - Whsl	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 whsl 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 Accrual	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)
	Sub-total Temporary Differences	\$115,787,519	\$123,671,510	(\$115,787,519)	(\$123,671,510)

Supporting Schedules:

Recap Schedules:

SCHEDULE C-22

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FLORIDA PUBLIC SERVICE COMMISSION

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

Type of data shown:

Company: PROGRESS ENERGY FLORIDA INC.

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

Docket No. 090079-EI

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Line No.	Description	Current Tax		Deferred Tax	
		State	Federal	State	Federal
1					
2	Total Temporary Differences (from Prior Page)	\$243,651,395	\$252,921,351	(\$243,651,395)	(\$252,921,351)
3					
4	<u>Permanent Adjustments - Operating</u>				
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	<u>(8,308,832)</u>	<u>(8,308,832)</u>	-	-
12					
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					
16	<u>Adjustments to State Income Tax (List)</u>				
17				-	
18	Total adjustments to State Income Tax	<u>-</u>		<u>-</u>	
19	State Income Tax	<u>35,729,434</u>		<u>(13,400,827)</u>	
20					
21	Federal Taxable Income		623,166,594		(239,520,524)
22	Federal Income Tax (35%)		218,108,308		(83,832,184)
23					
24	<u>Adjustments to Federal Income Tax</u>				
25	Tax Rate Differential - 34% to 35%				459,000
26	Amortization of Excess Deferred Tax				<u>(2,007,000)</u>
27	Total Adjustments to Federal Income Tax		<u>-</u>		<u>(1,548,000)</u>
28	Federal Income Tax		<u>218,108,308</u>		<u>(85,380,184)</u>
29					
30	ITC Amortization				<u>(4,546,234)</u>
31					
32					
33	Summary of Income Tax Expense:				
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	<u>\$ 22,328,607</u>	<u>\$ 128,181,890</u>	<u>\$ 150,510,497</u>	

Supporting Schedules:

Recap Schedules:

SCHEDULE C-22

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FLORIDA PUBLIC SERVICE COMMISSION

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

Type of data shown:

Company: PROGRESS ENERGY FLORIDA INC.

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

Docket No. 090079-EI

Line No.	Description	Current Tax			Deferred Tax		
		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	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	

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Supporting Schedules:

Recap Schedules:

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Docket No. 090079-EI		Prior Year Ended 12/31/2009
		XX Historical Year Ended 12/31/2008
		Witness: Toomey

Line No.	Description	Current Tax			Deferred Tax		
		State	Federal	Total	State	Federal	Total
1							
2	Sub-total Temporary Differences (from Prior Page)	(196,340,913)	(275,102,494)		196,340,913	275,102,494	
3							
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	<u>Permanent Adjustments</u>						
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 - Exercised	(4,104)	(4,104)				
26	PSSP - Exercised	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							

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

Docket No. 090079-EI

Line No.	Description	Current Tax			Deferred Tax		
		State	Federal	Total	State	Federal	Total
1	State Taxable Income	199,623,539			274,408,815		
2	State Income Tax (5.5%)	10,979,000	10,979,000		15,092,000	15,092,000	
3	<u>Adjustments to State Income Tax (List)</u>						
4	True-up Tax Expense Prior Years	(578,313)			734,000		
5	FIN 48 Reserves	1,085,492			(1,242,873)		
6	Prior Flow Through Taxes				823,000		
7	FAS 123R				(12,192)		
8	Total adjustments to State Income Tax	<u>507,179</u>			<u>301,935</u>		
9	State Income Tax	<u>11,486,179</u>			<u>15,393,935</u>		
10							
11	Federal Taxable Income		109,136,958			338,824,396	
12	Federal Income Tax (35%)		38,198,000			118,588,539	
13							
14	<u>Adjustments to Federal Income Tax</u>						
15	True-up Tax Expense Prior Years		(7,178,748)			5,830,461	
16	FIN 48 Reserves		6,220,811			(6,962,714)	
17	FAS 123R					(90,626)	
18	Research & Experimentation Credit		(700,000)				
19	Amortization off of Excess Deferred Taxes					(2,076,000)	
20	Prior Flow Through Taxes					5,005,000	
21	Federal Tax Rate Differential Audit Adjustments					151,000	
22	Federal Tax Rate Differential 34% to 35%					457,000	
23	Total Adjustments to Federal Income Tax		<u>(1,657,937)</u>			<u>2,314,121</u>	
24	Federal Income Tax		<u>36,540,063</u>			<u>120,902,660</u>	
25							
26	ITC Amortization					(5,940,000)	
27							
28	Summary of Income Tax Expense:						
29	Current Tax Expense	\$ 36,540,063	\$ 11,486,179	\$ 48,026,242			
30	Deferred Income Taxes	120,902,660	15,393,935	136,296,595			
31	Investment Tax Credits, Net	(5,940,000)		(5,940,000)			
32	Total Income Tax Provision	<u>\$ 151,502,723</u>	<u>\$ 26,880,114</u>	<u>\$ 178,382,837</u>			

Supporting Schedules:

Recap Schedules: