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FLORIDA PUBLIC SERVICE  
COMMISSION

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DIVISION OF  
ACCOUNTING & FINANCE

February 15, 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, 2012.

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, 2012. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-12-0104-FOF-EI.

If you have any questions, please feel free to contact Marcia Olivier at (727) 820-5653.

Sincerely,

*Marcia Olivier For Javier Portuondo*

Javier Portuondo  
Director Rates & Regulatory Strategy

dc

Attachment

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

**PROGRESS ENERGY FLORIDA**  
**Rate of Return Report Summary**  
**December 2012**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income (a) (b)	\$591,387,068	(\$150,018,578)	\$441,368,490	\$63,635,121	\$505,003,611
Average Rate Base	\$9,686,610,345	(\$1,591,083,363)	\$8,095,526,982	\$0	\$8,095,526,982
Average Rate of Return	6.11%		5.45%		6.24%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$591,387,068	(\$150,018,578)	\$441,368,490	\$63,635,121	\$505,003,611
Year End Rate Base	\$8,700,761,948	(\$1,052,886,072)	\$7,647,875,876	\$0	\$7,647,875,876
Year End Rate of Return	6.80%		5.77%		6.60%

**Footnotes**

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

<b>III. Required Rates of Return</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.76%	6.54%
Mid Point	7.23%	7.01%
High Point	7.69%	7.47%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.76%	6.37%
Mid Point	7.23%	6.81%
High Point	7.69%	7.26%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.12	(System Per Books Basis)
B. T.I.E. without AFUDC	2.92	(System Per Books Basis)
C. AFUDC to Net Income	14.97%	(System Per Books Basis)
D. Internally Generated Funds	66.13%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	44.34%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.78%	(FPSC Adjusted Basis)
F. Return on Common Equity	6.67%	(FPSC Adjusted Basis)
	8.37%	(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

*Marcia Olvin For Javier Portuondo*  
Javier Portuondo, Director Rates & Regulatory Strategy

*2/14/13*  
Date

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**December 2012**

	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
<b>System Per Books</b>	<b>\$13,553,072,352</b>	<b>\$5,175,790,962</b>	<b>\$8,377,281,390</b>	<b>\$39,248,525</b>	<b>\$1,224,948,232</b>	<b>\$221,285,801</b>	<b>\$9,862,763,949</b>	<b>\$1,027,887,497</b>	<b>\$10,890,651,446</b>
<b>Regulatory Base - Retail</b>	<b>12,162,952,728</b>	<b>\$4,687,845,535</b>	<b>\$7,475,107,193</b>	<b>\$28,109,401</b>	<b>1,054,622,952</b>	<b>\$199,880,171</b>	<b>\$8,757,719,717</b>	<b>928,890,628</b>	<b>\$9,686,610,345</b>
<b>FPSC Adjustments</b>									
ARO	(19,210,615)	(56,437,332)	37,226,717	-	-	-	37,226,717	(36,605,138)	621,578
ECCR	(1,824,312)	(1,211,899)	(612,413)	-	(15,609,767)	-	(16,222,180)	5,876,530	(10,345,650)
ECRC	(1,162,251,993)	(73,566,880)	(1,088,685,113)	-	(445,203)	-	(1,089,130,316)	(23,962,569)	(1,113,092,885)
FUEL	(32,622,980)	(31,608,278)	(1,014,682)	-	-	-	(1,014,682)	35,326,239	34,311,557
CCR	-	-	-	-	-	-	-	(5,841,645)	(5,841,645)
NUCLEAR	-	-	-	-	(329,525,227)	-	(329,525,227)	(119,724,825)	(449,250,052)
Derivatives	-	-	-	-	-	-	-	(104,663,416)	(104,663,416)
Employee Related	-	-	-	-	-	-	-	1,458,344	1,458,344
Investments Earning a Return	-	-	-	-	-	-	-	(57,137,216)	(57,137,216)
Jobbing Accounts	-	-	-	-	-	-	-	(12,199,076)	(12,199,076)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,418,812)	(2,418,812)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(978,324)	(978,324)
Retention Accounts	-	-	-	-	-	-	-	1,103,547	1,103,547
CWIP - AFUDC	-	-	-	-	(474,031,287)	-	(474,031,287)	-	(474,031,287)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	601,516,722	601,516,722
Capital Lease	(194,280,273)	-	(194,280,273)	-	-	-	(194,280,273)	194,143,524	(136,749)
<b>Total FPSC Adjustments</b>	<b>(1,410,190,153)</b>	<b>(162,824,389)</b>	<b>(1,247,365,765)</b>	<b>-</b>	<b>(819,611,483)</b>	<b>-</b>	<b>(2,066,977,248)</b>	<b>475,893,885</b>	<b>(1,591,083,363)</b>
<b>FPSC Adjusted</b>	<b>\$10,752,762,575</b>	<b>\$4,525,021,146</b>	<b>\$6,227,741,428</b>	<b>\$28,109,401</b>	<b>\$235,011,468</b>	<b>\$199,880,171</b>	<b>\$6,690,742,469</b>	<b>\$1,404,784,513</b>	<b>\$8,095,526,982</b>
<b>Pro Forma Adjustments</b>									
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	-	-
<b>Total Pro Forma Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pro Forma Adjusted</b>	<b>\$10,752,762,575</b>	<b>\$4,525,021,146</b>	<b>\$6,227,741,428</b>	<b>\$28,109,401</b>	<b>\$235,011,468</b>	<b>\$199,880,171</b>	<b>\$6,690,742,469</b>	<b>\$1,404,784,513</b>	<b>\$8,095,526,982</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**December 2012**

	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
<b>System Per Books (a)</b>	\$4,664,485,838	\$2,298,562,059	\$1,042,716,296	\$188,023,769	\$345,554,308	\$5,191,819	\$208,115,739	(\$1,052,000)	\$0	\$4,087,111,989	\$577,373,849
<b>Regulatory Base - Retail</b>	\$4,385,433,258	2,202,091,812	969,482,007	131,565,631	\$333,116,882	\$19,518,431	\$186,532,056	(\$942,897)	\$0	\$3,841,363,921	\$544,069,337
<b>FPSC Adjustments</b>											
ARO	-	-	-	(437,539)	-	168,781	-	-	-	(268,758)	268,758
ECCR	(91,839,571)	-	(88,396,096)	(364,927)	(37,567)	(1,173,059)	-	-	-	(89,971,648)	(1,867,923)
ECRC	(195,672,289)	-	(33,975,285)	(29,316,802)	(10,147,056)	(47,151,436)	-	-	-	(120,590,579)	(75,081,710)
FUEL	(1,853,830,188)	(1,866,099,055)	-	(258,561)	(1,584,785)	5,443,786	-	-	-	(1,862,498,615)	8,668,427
CCR	(347,568,472)	(347,289,729)	-	-	-	(107,525)	-	-	-	(347,397,254)	(171,218)
NUCLEAR	(85,951,034)	-	(1,422,833)	(26,113,008)	(95,604)	(22,496,781)	-	-	-	(50,128,227)	(35,822,807)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,618,206)	-	-	1,009,973	-	-	-	(1,608,233)	1,608,233
FRANCHISE FEE & GROSS REC TAX REVENUE	(205,441,964)	-	-	-	-	(79,249,237)	-	-	-	(79,249,237)	(126,192,726)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(204,686,362)	78,957,764	-	-	-	(125,728,598)	125,728,598
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	792,173	-	-	(2,053,591)	(1,261,418)	1,261,418
INST./PROMOTIONAL ADVERTISING	-	-	(270,922)	-	-	104,508	-	-	-	(166,414)	166,414
INTEREST ON TAX DEFICIENCY	-	-	1,306,201	-	-	(503,867)	-	-	-	802,334	(802,334)
MISCELLANEOUS INTEREST EXPENSE	-	-	189,831	-	-	(73,227)	-	-	-	116,604	(116,604)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(667,934)	-	-	257,656	-	-	-	(410,278)	410,278
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,228)	-	-	6,646	-	-	-	(10,582)	10,582
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,544,238)	-	-	-	(11,544,238)	11,544,238
DIRECTORS & OFFICERS PREMIUM	-	-	(1,464,132)	-	-	564,789	-	-	-	(899,343)	899,343
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	13,211,918	-	-	-	13,211,918	(13,211,918)
<b>Total FPSC Adjustments</b>	<b>(2,780,303,517)</b>	<b>(2,213,388,785)</b>	<b>(127,336,777)</b>	<b>(56,490,837)</b>	<b>(216,551,373)</b>	<b>(61,781,310)</b>	-	-	<b>(2,053,588)</b>	<b>(2,677,602,670)</b>	<b>(102,700,847)</b>
<b>FPSC Adjusted</b>	<b>\$1,605,129,741</b>	<b>(\$11,296,973)</b>	<b>\$842,145,230</b>	<b>\$75,074,794</b>	<b>\$116,565,509</b>	<b>(\$42,262,880)</b>	<b>\$186,532,056</b>	<b>(\$942,897)</b>	<b>(\$2,053,588)</b>	<b>\$1,163,761,251</b>	<b>\$441,368,490</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	3,598,080	-	-	-	-	1,387,959	-	-	-	1,387,959	2,210,121
Interest Synchronization	-	-	-	-	-	0	38,575,000	-	-	0	0
Settlement Refund	-	-	(100,000,000)	-	-	-	-	-	-	(61,425,000)	61,425,000
<b>Total Pro Forma Adjustments</b>	<b>3,598,080</b>	-	<b>(100,000,000)</b>	-	-	<b>1,387,959</b>	<b>38,575,000</b>	-	-	<b>(60,037,041)</b>	<b>63,635,121</b>
<b>Pro Forma Adjusted</b>	<b>\$1,608,727,821</b>	<b>(\$11,296,973)</b>	<b>\$742,145,230</b>	<b>\$75,074,794</b>	<b>\$116,565,509</b>	<b>(\$40,874,920)</b>	<b>\$225,107,056</b>	<b>(\$942,897)</b>	<b>(\$2,053,588)</b>	<b>\$1,103,724,210</b>	<b>\$505,003,611</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$54,956,715 and Jurisdictional NOI by \$47,317,731

**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
<b>System Per Books (a)</b>	\$315,333,713	\$160,227,139	\$134,387,929	(\$29,995,649)	\$19,011,804	\$17,558,409	(\$13,410,747)	\$160,750	\$0	\$287,939,634	\$27,394,079
<b>Jurisdictional Per Books</b>											
<b>Excluding AFUDC Earnings and Recoverable</b>	<b>123,267,779</b>	<b>\$511,460</b>	<b>113,865,651</b>	<b>(36,518,418)</b>	<b>3,894,469</b>	<b>\$20,220,369</b>	<b>(\$12,019,918)</b>	<b>\$144,079</b>	<b>\$0</b>	<b>\$90,097,692</b>	<b>\$33,170,087</b>

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Adjustments**  
**December 2012**

Schedule 2  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$621,578	\$621,578
	ECCR	F	(\$10,345,650)	(\$10,345,650)
	ECRC	F	(\$1,203,579,365)	(\$1,113,092,885)
	FUEL	F	\$34,311,557	\$34,311,557
	CCR	F	(\$5,841,645)	(\$5,841,645)
	NUCLEAR	F	(\$482,582,123)	(\$449,250,052)
	Derivatives	F	(\$104,663,416)	(\$104,663,416)
	Employee Related	F	\$1,458,344	\$1,458,344
	Investments Earning a Return	F	(\$57,137,216)	(\$57,137,216)
	Jobbing Accounts	F	(\$12,199,076)	(\$12,199,076)
	Non-Regulated and Miscellaneous	F	(\$2,418,812)	(\$2,418,812)
	Rate Case Regulatory Asset	F	(\$978,324)	(\$978,324)
	Retention Accounts	F	\$1,103,547	\$1,103,547
(1)	CWIP - AFUDC	F	(\$565,855,505)	(\$474,031,287)
(3)	Imputed Off Balance Sheet Obligations	F	660,361,538	601,516,722
(2)	Capital Lease - EPIS	F	(194,280,273)	(194,280,273)
(2)	Capital Lease - Working Capital	F	194,143,524	194,143,524
	<b>Total</b>		<b>(\$1,747,881,316)</b>	<b>(\$1,591,083,363)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$437,539	(\$168,781)	\$437,539	(\$168,781)
	ECCR	F	(3,040,981)	1,173,059	(3,040,981)	1,173,059
	ECRC	F	(195,395,488)	75,373,809	(122,233,146)	47,151,436
	FUEL	F	13,117,942	5,060,246	14,112,213	(5,443,786)
	CCR	F	(278,743)	107,525	(278,743)	107,525
	NUCLEAR	F	(58,199,635)	22,450,509	(58,319,589)	22,496,781
	SCRC	F	173	(67)	173	(67)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,838,933	(\$1,095,118)	\$2,618,206	(\$1,009,973)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(205,441,964)	79,249,237	(205,441,964)	79,249,237
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	204,686,362	(78,957,764)	204,686,362	(78,957,764)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,228,392	(859,602)	2,053,591	(792,173)
(1)	INST./PROMOTIONAL ADVERTISING	F	293,762	(113,319)	270,922	(104,508)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,435,528)	553,755	(1,306,201)	503,867
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(570,523)	220,079	(189,831)	73,227
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	724,244	(279,377)	667,934	(257,656)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,228	(6,646)	17,228	(6,646)
(2)	PARENT DEBT ADJUSTMENT	F	0	13,587,051	0	11,544,238
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,464,132	(564,789)	1,464,132	(564,789)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(14,798,935)	0	(13,211,918)
	<b>Total</b>		<b>(\$238,564,155)</b>	<b>\$100,930,873</b>	<b>(\$164,482,154)</b>	<b>\$61,781,310</b>

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  
(3) Docket No. 120022-EI

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Rate Base**  
**December 2012**

	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
<b>System Per Books</b>	<b>\$12,915,469,854</b>	<b>\$4,759,664,759</b>	<b>\$8,155,805,095</b>	<b>\$42,212,117</b>	<b>\$459,115,577</b>	<b>\$0</b>	<b>\$8,657,132,788</b>	<b>\$1,027,887,497</b>	<b>\$9,685,020,285</b>
<b>Regulatory Base - Retail</b>	<b>\$11,573,911,630</b>	<b>\$4,222,170,484</b>	<b>\$7,351,741,146</b>	<b>\$30,231,896</b>	<b>389,898,278</b>	<b>\$0</b>	<b>\$7,771,871,320</b>	<b>\$928,890,628</b>	<b>\$8,700,761,948</b>
<b>FPSC Adjustments</b>									
ARO	(19,543,694)	(23,554,891)	4,011,197	-	-	-	4,011,197	(36,605,138)	(32,593,942)
ECCR	(1,823,207)	(1,394,281)	(428,926)	-	(26,650,004)	-	(27,078,930)	5,876,530	(21,202,400)
ECRC	(1,184,468,566)	(86,600,877)	(1,077,867,689)	-	(697,441)	-	(1,078,565,130)	(23,962,569)	(1,102,527,699)
FUEL	(31,233,123)	(30,296,130)	(936,993)	-	-	-	(936,993)	35,326,239	34,389,246
CCR	-	-	-	-	-	-	-	(5,841,645)	(5,841,645)
NUCLEAR	-	-	-	-	(133,066,698)	-	(133,066,698)	(119,724,825)	(252,791,523)
Derivatives	-	-	-	-	-	-	-	(104,663,416)	(104,663,416)
Employee Related	-	-	-	-	-	-	-	1,458,344	1,458,344
Investments Earning a Return	-	-	-	-	-	-	-	(57,137,216)	(57,137,216)
Jobbing Accounts	-	-	-	-	-	-	-	(12,199,076)	(12,199,076)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,418,812)	(2,418,812)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(978,324)	(978,324)
Retention Accounts	-	-	-	-	-	-	-	1,103,547	1,103,547
CWIP - AFUDC	-	-	-	-	(103,553,784)	-	(103,553,784)	-	(103,553,784)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	601,516,722	601,516,722
Capital Lease	(189,589,618)	-	(189,589,618)	-	-	-	(189,589,618)	194,143,524	4,553,906
<b>Total FPSC Adjustments</b>	<b>(1,406,658,208)</b>	<b>(141,846,179)</b>	<b>(1,264,812,029)</b>	<b>-</b>	<b>(263,967,927)</b>	<b>-</b>	<b>(1,528,779,957)</b>	<b>475,893,885</b>	<b>(1,052,886,072)</b>
<b>FPSC Adjusted</b>	<b>\$10,167,253,422</b>	<b>\$4,080,324,305</b>	<b>\$6,086,929,117</b>	<b>\$30,231,896</b>	<b>\$125,930,351</b>	<b>\$0</b>	<b>\$6,243,091,363</b>	<b>\$1,404,784,513</b>	<b>\$7,647,875,876</b>

**PROGRESS ENERGY FLORIDA**  
**End of Period - Income Statement**  
**December 2012**

	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
<b>System Per Books (a)</b>	<b>\$4,664,485,838</b>	<b>\$2,298,562,059</b>	<b>\$1,042,716,296</b>	<b>\$188,023,769</b>	<b>\$345,554,308</b>	<b>\$5,191,819</b>	<b>\$208,115,739</b>	<b>(\$1,052,000)</b>	<b>\$0</b>	<b>\$4,087,111,989</b>	<b>\$577,373,849</b>
<b>Regulatory Base - Retail</b>	<b>\$4,385,433,258</b>	<b>\$2,202,091,812</b>	<b>969,482,007</b>	<b>132,003,170</b>	<b>\$333,116,882</b>	<b>\$19,518,431</b>	<b>\$186,532,056</b>	<b>(\$942,897)</b>	<b>\$0</b>	<b>\$3,841,801,460</b>	<b>\$543,631,798</b>
<b>FPSC Adjustments</b>											
ARO	-	-	-	(437,539)	-	168,781	-	-	-	(268,758)	268,758
ECCR	(91,839,571)	-	(88,396,096)	(364,927)	(37,567)	(1,173,059)	-	-	-	(89,971,648)	(1,867,923)
ECRC	(195,672,289)	-	(33,975,285)	(29,316,802)	(10,147,056)	(47,151,436)	-	-	-	(120,590,579)	(75,081,710)
FUEL	(1,853,830,188)	(1,866,099,055)	-	(258,561)	(1,584,785)	5,443,786	-	-	-	(1,862,498,615)	8,668,427
CCR	(347,568,472)	(347,289,729)	-	-	-	(107,525)	-	-	-	(347,397,254)	(171,218)
NUCLEAR	(85,951,034)	-	(1,422,833)	(26,113,008)	(95,604)	(22,496,781)	-	-	-	(50,128,227)	(35,822,807)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,618,206)	-	-	1,009,973	-	-	-	(1,608,233)	1,608,233
FRANCHISE FEE & GROSS REC TAX REVENUE	(205,441,964)	-	-	-	-	(79,249,237)	-	-	-	(79,249,237)	(126,192,726)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(204,686,362)	78,957,764	-	-	-	(125,728,598)	125,728,598
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	792,173	-	-	(2,053,591)	(1,261,418)	1,261,418
INST./PROMOTIONAL ADVERTISING	-	-	(270,922)	-	-	104,508	-	-	-	(166,414)	166,414
INTEREST ON TAX DEFICIENCY	-	-	1,306,201	-	-	(503,867)	-	-	-	802,334	(802,334)
MISCELLANEOUS INTEREST EXPENSE	-	-	189,831	-	-	(73,227)	-	-	-	116,604	(116,604)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(667,934)	-	-	257,656	-	-	-	(410,278)	410,278
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,228)	-	-	6,646	-	-	-	(10,582)	10,582
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,544,238)	-	-	-	(11,544,238)	11,544,238
SEBRING - RIDER REVENUE	-	-	-	-	-	-	-	-	-	-	-
DIRECTORS & OFFICERS PREMIUM	-	-	(1,464,132)	-	-	564,789	-	-	-	(899,343)	899,343
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	13,211,918	-	-	-	13,211,918	(13,211,918)
<b>Total FPSC Adjustments</b>	<b>(2,780,303,517)</b>	<b>(2,213,388,785)</b>	<b>(127,336,777)</b>	<b>(56,490,837)</b>	<b>(216,551,373)</b>	<b>(61,781,310)</b>	<b>-</b>	<b>-</b>	<b>(2,053,591)</b>	<b>(2,677,602,673)</b>	<b>(102,700,844)</b>
<b>FPSC Adjusted</b>	<b>\$1,605,129,741</b>	<b>(\$11,296,973)</b>	<b>\$842,145,230</b>	<b>\$75,512,333</b>	<b>\$116,565,509</b>	<b>(\$42,262,880)</b>	<b>\$186,532,056</b>	<b>(\$942,897)</b>	<b>(\$2,053,591)</b>	<b>\$1,164,198,787</b>	<b>\$440,930,954</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$54,956,715 and Jurisdictional NOI by \$47,317,731

**PROGRESS ENERGY FLORIDA**  
**End of Period Rate of Return - Adjustments**  
**December 2012**

**Schedule 3**  
**Page 3 of 3**

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	(\$32,593,942)	(\$32,593,942)
	ECCR	F	(21,202,400)	(21,202,400)
	ECRC	F	(1,203,579,365)	(1,102,527,699)
	FUEL	F	34,389,246	34,389,246
	CCR	F	(5,841,645)	(5,841,645)
	NUCLEAR	F	(266,251,460)	(252,791,523)
	Derivatives	F	(104,663,416)	(104,663,416)
	Employee Related	F	1,458,344	1,458,344
	Investments Earning a Return	F	(57,137,216)	(57,137,216)
	Jobbing Accounts	F	(12,199,076)	(12,199,076)
	Non-Regulated and Miscellaneous	F	(2,418,812)	(2,418,812)
	Rate Case Regulatory Asset	F	(978,324)	(978,324)
	Retention Accounts	F	1,103,547	1,103,547
(1)	CWIP - AFUDC	F	(\$133,908,001)	(103,553,784)
(3)	Imputed Off Balance Sheet Obligations	F	660,361,538	601,516,722
(2)	Capital Lease - EPIS	F	(189,589,618)	(189,589,618)
(2)	Capital Lease - Working Capital	F	194,143,524	194,143,524
	<b>Total</b>		<b>(\$1,138,907,076)</b>	<b>(\$1,052,886,072)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$437,539	(\$168,781)	\$437,539	(\$168,781)
	ECCR	F	(3,040,981)	1,173,059	(3,040,981)	1,173,059
	ECRC	F	(195,395,488)	75,373,809	(122,233,146)	47,151,436
	FUEL	F	13,117,942	5,060,246	14,112,213	(5,443,786)
	CCR	F	(278,743)	107,525	(278,743)	107,525
	NUCLEAR	F	(58,199,635)	22,450,509	(58,319,589)	22,496,781
	SCRC	F	173	(67)	173	(67)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,838,933	(\$1,095,118)	\$2,618,206	(\$1,009,973)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(205,441,964)	79,249,237	(205,441,964)	79,249,237
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	204,686,362	(78,957,764)	204,686,362	(78,957,764)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	2,228,392	(859,602)	2,053,591	(792,173)
(1)	INST./PROMOTIONAL ADVERTISING	F	293,762	(113,319)	270,922	(104,508)
(1)	INTEREST ON TAX DEFICIENCY	F	(1,435,528)	563,755	(1,306,201)	503,867
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(570,523)	220,079	(189,831)	73,227
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	724,244	(279,377)	667,934	(257,656)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,228	(6,646)	17,228	(6,646)
(2)	PARENT DEBT ADJUSTMENT	F	-	13,587,051	-	11,544,238
(2)	STORM COSTS 2004	F	1,464,132	(564,789)	1,464,132	(564,789)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(14,798,935)	-	(13,211,918)
	<b>Total</b>		<b>(\$238,554,155)</b>	<b>\$100,930,873</b>	<b>(\$164,482,154)</b>	<b>\$61,781,310</b>

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 2012**

	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	\$4,767,157,537	657,669,241	(\$813,779,810)	\$4,611,046,968	\$3,753,238,636	46.36%	9.50%	4.40%	10.50%	4.87%	11.50%	5.33%
Preferred Stock	33,496,700		(5,024,850)	28,471,850	23,175,138	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,491,809,896		(673,817,682)	3,817,992,215	3,107,718,483	38.39%	5.78%	2.22%	5.78%	2.22%	5.78%	2.22%
Short Term Debt *	232,034,133	(51,903,909)	(27,021,386)	153,108,838	124,625,494	1.54%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,453,652		(32,170,253)	182,283,398	182,283,398	2.25%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,280,766		(192,128)	1,088,638	1,088,638	0.01%						
Investment Tax Credit												
Post '70 Total	3,450,862		(517,665)	2,933,197								
Equity **					1,309,719	0.02%	9.58%	0.00%	10.59%	0.00%	11.59%	0.00%
Debt **					1,077,805	0.01%	5.85%	0.00%	5.85%	0.00%	5.85%	0.00%
Deferred Income Taxes	1,365,618,849	155,326,427	(228,157,434)	1,292,787,842	1,052,286,240	13.00%						
FAS 109 DIT - Net	(218,650,949)		32,799,891	(185,851,058)	(151,276,570)	-1.87%						
<b>Total</b>	<b>\$10,890,651,446</b>	<b>\$761,091,759</b>	<b>(\$1,747,881,316)</b>	<b>\$9,903,861,889</b>	<b>\$8,095,526,982</b>	<b>100.00%</b>		<b>6.76%</b>		<b>7.23%</b>		<b>7.69%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**December 2012**

	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	\$4,798,944,782	856,254,761	(\$512,470,753)	\$5,142,728,790	\$3,411,770,774	44.61%	9.50%	4.24%	10.50%	4.68%	11.50%	5.13%
Preferred Stock	33,496,700		(3,035,451)	30,461,249	20,208,493	0.26%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	5,072,469,946		(459,664,150)	4,612,805,796	3,060,211,153	40.01%	5.12%	2.05%	5.12%	2.05%	5.12%	2.05%
Short Term Debt *	(206,534,473)	450,230,385	(22,083,576)	221,612,336	147,021,265	1.92%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	212,791,573		(19,283,043)	193,508,530	193,508,530	2.53%	2.29%	0.06%	2.29%	0.06%	2.29%	0.06%
Inactive	1,559,969		(141,363)	1,418,606	1,418,606	0.02%						
Investment Tax Credit												
Post '70 Total	3,039,516		(275,439)	2,764,076								
Equity **					969,370	0.01%	12.86%	0.00%	14.21%	0.00%	15.56%	0.00%
Debt **					864,364	0.01%	6.95%	0.00%	6.95%	0.00%	6.95%	0.00%
Deferred Income Taxes	1,408,346,692	163,729,691	(142,460,608)	1,429,615,775	948,430,594	12.40%						
FAS 109 DIT - Net	(226,301,537)		20,507,308	(205,794,229)	(136,527,273)	-1.79%						
<b>Total</b>	<b>\$11,097,813,168</b>	<b>\$1,470,214,837</b>	<b>(\$1,138,907,075)</b>	<b>\$11,429,120,931</b>	<b>\$7,647,875,876</b>	<b>100.00%</b>		<b>6.37%</b>		<b>6.81%</b>		<b>7.26%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 2012**

	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	\$4,767,157,537	657,669,241	(\$813,779,810)	\$4,611,046,968	\$3,753,238,636	46.36%	9.50%	4.40%	10.50%	4.87%	11.50%	5.33%
Preferred Stock	33,496,700		(5,024,850)	28,471,850	23,175,138	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,491,809,896	0	(673,817,682)	3,817,992,215	3,107,718,483	38.39%	5.78%	2.22%	5.78%	2.22%	5.78%	2.22%
Short Term Debt *	232,034,133	(51,903,909)	(27,021,386)	153,108,838	124,625,494	1.54%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,453,652		(32,170,253)	182,283,398	182,283,398	2.25%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,280,766		(192,128)	1,088,638	1,088,638	0.01%						
Investment Tax Credit												
Post '70 Total	3,450,862		(517,665)	2,933,197								
Equity **					1,309,719	0.02%	9.58%	0.00%	10.59%	0.00%	11.59%	0.00%
Debt **					1,077,805	0.01%	5.85%	0.00%	5.85%	0.00%	5.85%	0.00%
Deferred Income Taxes	1,365,618,849	155,326,427	(228,157,434)	1,292,787,842	1,052,286,240	13.00%						
FAS 109 DIT - Net	(218,650,949)		32,799,891	(185,851,058)	(151,276,570)	-1.87%						
<b>Total</b>	<b>\$10,890,651,446</b>	<b>\$761,091,759</b>	<b>(\$1,747,881,316)</b>	<b>\$9,903,861,889</b>	<b>\$8,095,526,982</b>	<b>100.00%</b>		<b>6.76%</b>		<b>7.23%</b>		<b>7.69%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**December 2012**

	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	\$4,798,944,782	\$856,254,761	(\$512,470,753)	\$5,142,728,790	\$3,411,770,774	46.53%	9.50%	4.42%	10.50%	4.89%	11.50%	5.35%
Preferred Stock	33,496,700		(3,035,451)	30,461,249	20,208,493	0.26%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	5,072,469,946	0	(459,664,150)	4,612,805,796	3,060,211,153	40.01%	5.12%	2.05%	5.12%	2.05%	5.12%	2.05%
Short Term Debt *	(206,534,473)	450,230,385	(22,083,576)	221,612,336	0	0.00%	0.60%	0.00%	0.60%	0.00%	0.60%	0.00%
Customer Deposits				-								
Active	212,791,573		(19,283,043)	193,508,530	193,508,530	2.53%	2.29%	0.06%	2.29%	0.06%	2.29%	0.06%
Inactive	1,559,969		(141,363)	1,418,606	1,418,606	0.02%						
Investment Tax Credit				-								
Post '70 Total	3,039,516		(275,439)	2,764,076								
Equity **				-	969,370	0.01%	12.86%	0.00%	14.21%	0.00%	15.56%	0.00%
Debt **				-	864,364	0.01%	6.95%	0.00%	6.95%	0.00%	6.95%	0.00%
Deferred Income Taxes	1,408,346,692	163,729,691	(142,460,608)	1,429,615,775	948,430,594	12.40%						
FAS 109 DIT - Net	(226,301,537)		20,507,308	(205,794,229)	(136,527,273)	-1.79%						
<b>Total</b>	<b>\$11,097,813,168</b>	<b>\$1,470,214,837</b>	<b>(\$1,138,907,075)</b>	<b>\$11,429,120,931</b>	<b>\$7,647,875,876</b>	<b>100.00%</b>		<b>6.54%</b>		<b>7.01%</b>		<b>7.47%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**PROGRESS ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**December 2012**

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$623,342,441
AFUDC - Debt	\$18,290,877
Income Taxes	\$212,255,558
<b>Total</b>	<b>\$853,888,876</b>
Interest Charges (before deducting AFUDC-Debt)	\$273,516,082
<b>T.I.E. with AFUDC</b>	<b>3.12</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$623,342,441
AFUDC - Equity	(\$36,665,838)
Income Taxes	\$212,255,558
<b>Total</b>	<b>\$798,932,161</b>
Interest Charges (before deducting AFUDC-Debt)	\$273,516,082
<b>T.I.E. without AFUDC</b>	<b>2.92</b>

**C: PERCENT AFUDC TO NET INCOME AVAILABLE  
FOR COMMON SHAREHOLDERS**

AFUDC - Debt	\$18,290,877
Less: DIT	\$0
<b>Subtotal</b>	<b>\$18,290,877</b>
AFUDC - Other	\$36,665,838
<b>Total AFUDC</b>	<b>\$54,956,715</b>
Net Income Available For Common Shareholders	\$367,020,909
<b>Percent AFUDC to Available Net Income</b>	<b>14.97%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS**

Net Income	\$368,532,769
Common Dividends	(\$170,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC Equity	(\$36,665,838)
Depreciation & Amortization	\$196,812,972
Deferred Income Taxes	\$207,572,628
Investment Tax Credits	(\$1,052,000)
Nuclear Refueling	(\$17,974,152)
Other - Incl Nuclear Decommissioning	(\$23,961,937)
<b>Funds Provided from Operations</b>	<b>\$521,752,581</b>
Other Funds Provided - Incl Change in Working Capital	\$12,969,932
<b>Total Funds Provided</b>	<b>\$534,722,513</b>
Construction Expenditures (excluding AFUDC)	\$808,599,641
<b>Percentage Internally Generated Funds</b>	<b>66.13%</b>

**E: SHORT TERM DEBT / LONG TERM DEBT AS  
PERCENT OF TOTAL INVESTOR CAPITAL - FPSC**

Common Equity	\$3,753,238,636
Preferred Stock	\$23,175,138
Long Term Debt - Fixed Rate	\$3,107,718,483
Short Term Debt	\$124,625,494
<b>Total</b>	<b>\$7,008,767,751</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>44.34%</b>
<b>% Short Term Debt</b>	<b>1.78%</b>

**FPSC ADJUSTED AVERAGE  
JURISDICTIONAL AND PRO FORMA**

<b>F: RETURN ON COMMON EQUITY</b>	<b>Pro Forma</b>	<b>FPSC</b>
Average Earned Rate of Return	6.24%	5.45%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.22%	2.22%
Short Term Debt	0.01%	0.01%
Customer Deposits	0.12%	0.12%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.36%</b>	<b>2.36%</b>
<b>Total</b>	<b>3.88%</b>	<b>3.09%</b>
<b>Divided by Common Equity Ratio</b>	<b>46.36%</b>	<b>46.36%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>8.37%</b>	<b>6.67%</b>

**PROGRESS ENERGY FLORIDA**  
**AFUDC Rate Computation Report**  
**Calculation of Jurisdictional Capital Structure**  
**December 2012**

Schedule A & B  
(combined)

		System Per Books	AFUDC Adjustments to System	AFUDC Adjusted System	Specific Adjustments	Pro Rata Adjustments	Adjusted System Per Books	Adjusted Retail	Ratio	Cost Rate	Weighted Cost
Common Equity	(1)	\$4,767,157,537	\$0	\$4,767,157,537	\$657,669,241	(\$813,865,040)	\$4,610,961,738	\$3,753,640,752	46.37%	10.50%	4.87%
Preferred Stock	(2)	33,496,700	0	33,496,700	0	(5,025,376)	28,471,324	23,177,621	0.29%	4.51%	0.01%
Long Term Debt - Fixed	(2)	4,491,809,896	0	4,491,809,896	0	(673,888,253)	3,817,921,643	3,108,051,439	38.39%	5.12%	1.97%
Short Term Debt	(3)	232,034,133	10,441,574	242,475,707	(63,565,688)	(26,841,154)	152,068,865	123,794,540	1.53%	0.60%	0.01%
Customer Deposits						0	0				
Active	(4)	214,453,652	0	214,453,652	0	(32,173,623)	182,280,029	182,280,029	2.25%	5.36%	0.12%
Inactive	(4)	1,280,766	0	1,280,766	0	(192,148)	1,088,618	1,088,618	0.01%		
Investment Tax Credit						0	0				
Post '70 Total	(5)	3,450,862	0	3,450,862		(517,719)	2,933,143				
Equity	(5)					0	0	1,309,860	0.02%		
Debt	(5)					0	0	1,077,921	0.01%		
Deferred Income Taxes	(6)	1,365,618,849	0	1,365,618,849	155,326,427	(228,181,330)	1,292,763,947	1,052,398,980	13.00%		
FAS 109 DIT - Net	(6)	(218,650,949)	0	(218,650,949)	0	32,803,326	(185,847,623)	(151,292,778)	-1.87%		
<b>Total</b>		<b>\$10,890,651,446</b>	<b>\$10,441,574</b>	<b>\$10,901,093,020</b>	<b>\$749,429,980</b>	<b>(\$1,747,881,316)</b>	<b>\$9,902,641,684</b>	<b>\$8,095,526,982</b>	<b>100.00%</b>		<b>6.98%</b>

Footnotes:

- (1) Common Equity cost rate is mid-point authorized in Order No. PSC-12-0104-FOF-EI, issued March 8, 2012.
- (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.
- (6) Balances are 13 month average and cost rates are zero.