

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>004</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1998</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>004</u>	1c Effective date of plan <u>01/01/1998</u>	
1b Three-digit plan number (PN) ▶	<u>004</u>				
1c Effective date of plan <u>01/01/1998</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>FLORIDA PROGRESS CORPORATION</u> <u>410 S WILMINGTON ST, PEB 20</u> <u>RALEIGH, NC 27601-1849</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>59-2147112</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>919-546-3275</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>221100</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>59-2147112</u>	2c Sponsor's telephone number <u>919-546-3275</u>	2d Business code (see instructions) <u>221100</u>	
2b Employer Identification Number (EIN) <u>59-2147112</u>					
2c Sponsor's telephone number <u>919-546-3275</u>					
2d Business code (see instructions) <u>221100</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2011	MASCEO S. DESCHAMPS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PROGRESS ENERGY SERVICE COMPANY LLC PO BOX 1551 RALEIGH, NC 27602-1551	3b Administrator's EIN 56-2201051 3c Administrator's telephone number 919-546-3275
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	3885
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2608
b Retired or separated participants receiving benefits.....	6b	780
c Other retired or separated participants entitled to future benefits.....	6c	469
d Subtotal. Add lines 6a , 6b , and 6c	6d	3857
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	105
f Total. Add lines 6d and 6e	6f	3962
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	14
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1C 1G 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>FLORIDA PROGRESS CORPORATION</u>	D Employer Identification Number (EIN) <u>59-2147112</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2010</u>
2	Assets:
a	Market value 2a <u>268890708</u>
b	Actuarial value 2b <u>283388322</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>855</u> <u>149285174</u>
b	For terminated vested participants 3b <u>451</u> <u>13256986</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>11687703</u>
(2)	Vested benefits 3c(2) <u>140616868</u>
(3)	Total active 3c(3) <u>2579</u> <u>152304571</u>
d	Total 3d <u>3885</u> <u>314846731</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.70</u> %
6	Target normal cost 6 <u>11612904</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/18/2011</u>
Signature of actuary	Date
<u>KERRY N. SCHMIDT</u>	<u>11-02628</u>
Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	<u>770-955-2488</u>
Firm name	Telephone number (including area code)
<u>200 GALLERIA PARKWAY NW, SUITE 1900</u> <u>ATLANTA, GA 30339-5945</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II	Beginning of year carryover and prefunding balances	(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8).....	0	0
10	Interest on item 9 using prior year's actual return of <u>19.89</u> %		
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		11959517
b	Interest on (a) using prior year's effective rate of <u>8.11</u> %		969917
c	Total available at beginning of current plan year to add to prefunding balance		12929434
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III	Funding percentages		
14	Funding target attainment percentage.....	14	90.00 %
15	Adjusted funding target attainment percentage.....	15	90.00 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.49 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV	Contributions and liquidity shortfalls						
18 Contributions made to the plan for the plan year by employer(s) and employees:							
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
04/15/2010	2304840	0					
07/15/2010	2304840	0					
10/15/2010	2304840	0					
01/14/2011	2304840	0					
01/28/2011	32000000	0					
09/15/2011	7931267	0					
			Totals ►	18(b)	49150627	18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:			
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	45782938
20 Quarterly contributions and liquidity shortfalls:			
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c	If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	11612904
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	18864540	3174752
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	14787656
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	14787656
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	45782938
38 Interest-adjusted excess contributions for current year (see instructions).....	38	30995282
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010					
A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP				B Three-digit plan number (PN) ▶ 004	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 FLORIDA PROGRESS CORPORATION				D Employer Identification Number (EIN) 59-2147112	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: PROG ENRGY PENSION PLANS MSTR TRUST					
b Name of sponsor of entity listed in (a): PROGRESS ENERGY, INC					
c EIN-PN 56-6035543-001		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 294710293	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP	B Three-digit plan number (PN)	004
C Plan sponsor's name as shown on line 2a of Form 5500 FLORIDA PROGRESS CORPORATION	D Employer Identification Number (EIN) 59-2147112	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	62373	-433
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	15731562	42236107
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	7111635	1324255
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	249552485	294710293
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	272458055	338270222

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	0	0
i Acquisition indebtedness	1i		
j Other liabilities	1j	2855100	1184488
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2855100	1184488

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	269602955	337085734
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	49150627	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		49150627
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		33966167
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		83116794

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	14401644	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		14401644
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	521894	
(2) Contract administrator fees	2i(2)	710477	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		1232371
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		15634015

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		67482779
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: CHERRY BEKAERT & HOLLAND LLP

(2) EIN: 56-0574444

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FLORIDA PROGRESS CORPORATION</u>	D Employer Identification Number (EIN) <u>59-2147112</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<u>1</u>	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<u>3</u>	<u>4</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	<u>6a</u>		
b Enter the amount contributed by the employer to the plan for this plan year	<u>6b</u>		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<u>6c</u>		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☒

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 17.0% Investment-Grade Debt: 26.0% High-Yield Debt: 1.0% Real Estate: 0.0% Other: 56.0%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**RETIREMENT PLAN FOR BARGAINING
UNIT EMPLOYEES OF
FLORIDA PROGRESS CORPORATION**
St. Petersburg, Florida

Financial Statements and Supplemental Schedule

Years Ended December 31, 2010 and 2009

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
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Years Ended December 31, 2010 and 2009

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INDEPENDENT AUDITORS' REPORT

Retirement Board
Retirement Plan for Bargaining Unit Employees
of Florida Progress Corporation
St. Petersburg, Florida

We were engaged to audit the financial statements and supplemental schedule of the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (the Plan) as of and for the years ended December 31, 2010 and 2009 as listed in the foregoing table of contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 4 to the financial statements, which was certified by State Street Bank and Trust Company, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2010 and 2009 that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The supplemental schedules of components of plan interest in Master Trust are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are the responsibility of the Plan's management. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Cherry Bekaert & Holland, L.L.P.

Raleigh, North Carolina
September 15, 2011

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENTS OF NET ASSETS AVAILABLE FOR PENSION BENEFITS
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Plan interest in Master Trust investments	<u>\$ 337,085,734</u>	<u>\$ 269,602,955</u>
NET ASSETS AVAILABLE FOR PENSION BENEFITS	<u><u>\$ 337,085,734</u></u>	<u><u>\$ 269,602,955</u></u>

The accompanying notes are an integral part of the financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PENSION BENEFITS
Years Ended December 31, 2010 and 2009

	2010	2009
Plan interest in Master Trust investment activities		
Net appreciation in fair value of investments	\$ 29,890,442	\$ 37,185,783
Interest	2,200,392	2,148,881
Dividends	699,538	716,032
Other investment income	1,175,795	685,091
	<u>33,966,167</u>	<u>40,735,787</u>
Less investment expenses	710,477	907,436
Increase in net assets from investment activities	<u>33,255,690</u>	<u>39,828,351</u>
Contributions	<u>49,150,627</u>	<u>23,326,248</u>
Deductions		
Benefits paid to participants	14,401,644	14,526,891
Administrative expenses	521,894	545,974
Total deductions	<u>14,923,538</u>	<u>15,072,865</u>
INCREASE IN NET ASSETS AVAILABLE FOR PENSION BENEFITS	67,482,779	48,081,734
Net assets available for pension benefits - beginning of year	<u>269,602,955</u>	<u>221,521,221</u>
NET ASSETS AVAILABLE FOR PENSION BENEFITS - END OF YEAR	<u><u>\$ 337,085,734</u></u>	<u><u>\$ 269,602,955</u></u>

The accompanying notes are an integral part of the financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENT OF ACCUMULATED PENSION BENEFITS
December 31, 2009

Actuarial present value of accumulated pension benefits

Vested benefits

Retired participants and beneficiaries currently receiving payments	\$ 124,648,286
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Other participants	<u>110,896,253</u>
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Total vested benefits	235,544,539
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Non-vested benefits	<u>9,515,766</u>
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**TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED
PENSION BENEFITS (*)**

<u><u>\$ 245,060,305</u></u>

* Prepared by the Plan's actuary as of January 1, 2010.

The accompanying notes are an integral part of the financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
STATEMENT OF CHANGES IN ACCUMULATED PENSION BENEFITS
Year Ended December 31, 2009

Actuarial present value of accumulated pension benefits as of December 31, 2008	\$ 233,053,512
Increase (decrease) during the year attributable to:	
Interest	19,756,631
Benefits accumulated and other	7,912,461
Benefits paid	(14,526,891)
Plan amendments	27,541
Changes in actuarial assumptions or methods	(1,162,949)
Total increase in accumulated pension benefits	<u>12,006,793</u>
 ACTUARIAL PRESENT VALUE OF ACCUMULATED PENSION BENEFITS AS OF DECEMBER 31, 2009 (*)	 <u>\$ 245,060,305</u>

* Prepared by the Plan's actuary as of January 1, 2010.

The accompanying notes are an integral part of the financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 1 – Description of the Plan

The following brief description of the Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General – The Plan is a defined benefit pension plan covering bargaining unit employees of Progress Energy Florida, Inc., a wholly-owned subsidiary of Progress Energy, Inc. (the Company or Plan Sponsor). Employees are eligible for participation as of the first day of the month after employment. The Plan is administered by the Retirement Board, consisting of persons appointed by the Chief Executive Officer of Florida Progress Corporation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Benefits – Plan participants hired prior to 1/1/2003 accrue benefits under a final average pay formula. Normal retirement date for these participants is the first day of the month following the employee's 65th birthday, but the Plan permits a participant to retire with an unreduced benefit at age 60 if the participant has at least 20 years of service at retirement, or at age 55 if the participant has at least 35 years of service at retirement. Participants who are hired on or after 1/1/2003 accrue benefits under a cash balance formula; for these participants, normal retirement date is defined as the later of attainment of age 65 or the fifth anniversary of the date the participant became a member of the Plan. Participants hired prior to 1/1/2003 may be fully vested after completing five years of vesting service. Effective 1/1/2008, as required by the Pension Protection Act, a participant in this plan with a hire date on or after 1/1/2003 may be fully vested after completing three years of vesting service.

Note 2 – Summary of significant accounting policies

Basis of accounting – The foregoing financial statements are prepared on the accrual basis of accounting.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated pension benefits at the date of the financial statements. Actual results could differ from those estimates.

Investments and income recognition – Investments are stated at fair market value as determined by State Street Bank and Trust Company, N.A., (the Trustee). If available, quoted market prices are used to value investments. Securities that have no quoted market price are valued at their estimated fair value. The security transactions are recorded on a trade-date basis. Cost for the sale of securities is based on the average cost as determined by the Trustee. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gain (loss) on the purchase or sale of forward foreign currency contracts is recognized on the settlement date which is not materially different from the trade date. The fair value of the Plan's interest in the Progress Energy Pension Plan's Master Trust (Master Trust) is based on the beginning of year value of the Plan's interest in the trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses (Note 4).

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 2 – Summary of significant accounting policies (continued)

New Accounting Standards Adopted – In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, “Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements,” which amends Accounting Standards Codification (ASC) 820 and amends ASC Subtopic 715-20 to clarify certain existing disclosure requirements and to require a number of additional disclosures, including amounts and reasons for significant transfers between the three levels of the fair value hierarchy, and presentation of certain information in the reconciliation of recurring Level 3 measurements on a gross basis. ASU 2010-06 is effective for the Plan beginning January 1, 2010, with certain disclosures effective for periods beginning January 1, 2011.

Funding policy – The Company contributes the net pension cost as defined by FASB ASC 715, Compensation—Retirement Benefits, calculated by an independent actuary, Buck Consultants. The Company’s contributions have exceeded the minimum funding requirements of ERISA.

Actuarial present value of accumulated pension benefits – Accumulated pension benefits are those future periodic payments that are attributable under the Plan’s provisions to the service employees have rendered. Accumulated pension benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan for participants with an original hire date on or before December 31, 2002 are based on employees’ compensation during their highest 48 consecutive months out of the last 120 months or highest four calendar years out of their entire career. The accumulated pension benefits for active employees are based on their average compensation during the four years ending on the date as of which the benefit information is presented (the valuation date). Benefits under the Plan for participants with an original hire date of January 1, 2003 or later, are based on employees’ compensation paid during a calendar year, multiplied by an appropriate percentage factor, along with interest determined by multiplying the beginning of the year balance of the accumulated pension benefit with an appropriate interest rate as stated in the Plan document. Benefits payable under all circumstances – retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date. A complete description of the accumulated pension benefits and calculation of benefits, including percentage factors and interest rates, are provided in the Plan document.

The actuarial present value of accumulated pension benefits is determined by the Plan’s actuary, Buck Consultants, and is the amount that results from applying actuarial assumptions to adjust the accumulated pension benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, withdrawal or retirement) between the valuation date and the expected date of payment. For the calculation of accumulated pension benefits at December 31, 2009, an actuarial calculation dated January 1, 2010 was obtained from the actuary. The significant actuarial assumptions used in the valuation as of January 1, 2010 were (a) life expectancy based on the RP-2000 2010 PPA Annuitant and Non-Annuitant Mortality Tables, (b) normal retirement date and (c) discount rate of 8.75%. The assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions might be applicable in determining the actuarial present value of accumulated pension benefits.

Payment of benefits – Benefit payments to participants are recorded upon distribution.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 3 – Plan financial information certified by trustee

All investment information disclosed in the foregoing financial statements including investments held at December 31, 2010 and 2009 and net appreciation in fair values of investments, interest, dividends, other investment income and investment expenses for the years ended December 31, 2010 and 2009 were obtained or derived from information supplied to the Plan administrator, the Company, and certified as complete and accurate by the Trustee.

Note 4 – Interest in Master Trust

The Plan's investments are held in the Progress Energy Pension Plan's Master Trust (the "Master Trust") which was established for the investment of the assets of the Plan and another Company sponsored retirement plan. Each participating retirement plan has an undivided interest in the Master Trust. The assets of the Master Trust are held by the Trustee. The trustee maintains separate accounting of all contributions and benefit payments for each participating retirement plan. Investment income and administrative expenses relating to the Master Trust are allocated to the individual plans based upon average monthly balances invested by each plan. At December 31, 2010 and 2009 and for the years then ended, the Plan's interest in the total investments of the Master Trust was approximately 16% and 15%, respectively.

The following investments in the Master Trust and the net appreciation (depreciation) in fair value of the investments, interest, dividend income and other receipts in the Master Trust are certified by the Trustee to be complete and accurate. The fair values of investments for the Master Trust as of December 31 are as follows:

	2010	2009
Common stocks	\$ 456,014,969	\$ 408,115,074
Preferred stocks	1,590,634	2,409,444
Mutual funds	-	1,215,030
Common/Collective trusts	476,244,705	546,685,259
U.S. government securities	172,168,542	44,762,803
Other	166,432,836	223,679,627
Corporate bonds	215,748,445	63,632,187
Partnerships	157,754,908	136,264,014
Mortgages	-	20,739,905
103-12 Investments	120,963,819	101,342,001
Interest bearing cash	119,939,865	115,520,131
Total Investments	<u>\$1,886,858,723</u>	<u>\$1,664,365,475</u>

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 4 – Interest in Master Trust (continued)

Net appreciation (depreciation) in fair value of investments for the Master Trust for the year ended December 31 is as follows:

	2010	2009
Common stocks	\$ 69,871,148	\$ 135,306,582
Preferred stocks	(67,950)	551,338
Mutual funds	(1,402)	785,918
Common/Collective trusts	74,817,053	34,004,081
U.S. government securities	(10,799,824)	(5,072,205)
Other	15,932,952	49,906,143
Corporate bonds	(1,019,050)	10,653,675
Partnerships	5,953,670	(12,835,662)
Mortgages	2,001,789	5,675,356
103-12 Investments	19,621,818	42,732,192
Interest bearing cash	2,116,040	3,936,866
Total Net Appreciation	<u>\$ 178,426,244</u>	<u>\$ 265,644,284</u>

The Master Trust has various forward foreign currency contracts, which represent agreements to exchange currencies of different countries at a specified future date at a specified rate. The Master Trust enters into these contracts to reduce its exposure to fluctuations in foreign exchange rates arising from investments denominated in non-U.S. currencies. Losses may arise due to changes in the value of the currencies or if the counter parties do not perform under the contracts. The fair value of the contracts has been included in investments. At December 31, 2010, the Master Trust had no forward foreign currency contract open.

Forward foreign currency contracts open at December 31, 2010 are as follows:

	Contract Value	Market Value	Unrealized Gain (Loss) on Contract
Twenty one contracts to sell	\$ 13,144,352	\$ 13,045,390	\$ 98,962
Fifty four contracts to purchase	43,535,555	43,587,864	52,309
	<u>\$ 56,679,907</u>	<u>\$ 56,633,254</u>	<u>\$ 151,271</u>

Note 5 – Fair value measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements require the use of market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 5 – Fair value measurements (continued)

GAAP also establishes a fair value hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the reporting date. The three levels are defined as follows:

Level 1 — pricing inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — pricing inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, for the full term of the financial instrument.

Level 3 — pricing inputs include significant inputs generally less observable from objective sources.

The following tables set forth, by level within the fair value hierarchy, the Master Trust's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2010 and 2009. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At December 31, 2010, the Master Trust's financial assets and liabilities classified within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities:				
Common stock	\$ 317,832,204	\$ -	\$ -	\$ 317,832,204
Mutual funds	-	847,282,032	-	847,282,032
Timber	-	-	10,828,481	10,828,481
Private equity	-	-	147,341,733	147,341,733
Hedge funds	-	51,471,954	-	51,471,954
Other equity	7,905,096	-	1,590,634	9,495,730
Corporate debt	-	215,748,445	-	215,748,445
Government debt	143,707,146	30,125,336	-	173,832,482
Municipal debt	-	18,804,618	-	18,804,618
Cash equivalent	-	94,268,487	-	94,268,487
Total investments at fair value	\$ 469,444,446	\$ 1,257,700,872	\$ 159,760,848	\$ 1,886,906,166

	Level 1	Level 2	Level 3	Total
Liabilities				
Options	\$(48,000)	\$ -	\$ -	\$(48,000)
Total investments at fair value	\$(48,000)	\$ -	\$ -	\$(48,000)

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 5 – Fair value measurements (continued)

At December 31, 2009, the Master Trust's financial assets and liabilities classified within the fair value hierarchy were as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equity securities:				
Common stock	\$ 252,889,053	\$ 654,108	\$ -	\$ 253,543,161
Mutual funds	-	901,078,262	-	901,078,262
Timber	-	-	14,692,205	14,692,205
Private equity	-	-	123,812,725	123,812,725
Hedge funds	-	47,668,368	-	47,668,368
Other equity	13,382,447	870,000	2,409,444	16,661,891
Corporate debt	-	64,448,939	-	64,448,939
Government debt	-	146,163,312	-	146,163,312
Municipal debt	-	3,755,447	-	3,755,447
Mortgage-backed securities	-	22,591,078	-	22,591,078
Other fixed income	-	2,996,510	-	2,996,510
Cash equivalent	-	97,753,902	-	97,753,902
Total investments at fair value	\$ 266,271,500	\$1,287,979,926	\$ 140,914,374	\$1,695,165,800

	Level 1	Level 2	Level 3	Total
Liabilities				
Equity securities:				
Other equity	\$ -	\$ (1,400,000)	\$ -	\$ (1,400,000)
Corporate debt	-	(200,000)	-	(200,000)
Government debt	-	(23,857,010)	-	(23,857,010)
Options	(50,875)	(217,167)	-	(268,042)
Total investments at fair value	\$ (50,875)	\$ (25,674,177)	\$ -	\$ (25,725,052)

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 5 – Fair value measurements (continued)

The following table sets forth a reconciliation of changes in the fair value of the Plan's equity securities classified as Level 3 in the fair value hierarchy for the years ended December 31, 2010 and 2009, respectively:

	Timber	Private Equity	Other Equity	Total
Equities, net at January 1, 2010	\$14,692,205	\$123,812,725	\$2,409,444	\$140,914,374
Actual return on plan assets:				
Relating to assets still held at the reporting date	(1,044,104)	7,253,827	(67,950)	6,141,773
Relating to assets sold during the period	(1,919,935)	(87,336)	-	(2,007,271)
Purchases and sales, net	(899,685)	16,362,517	(750,860)	14,711,972
Transfers in (out) of Level 3, net	-	-	-	-
Equities, net at December 31, 2010	\$10,828,481	\$147,341,733	\$1,590,634	\$159,760,848

	Timber	Private Equity	Other Equity	Total
Equities, net at January 1, 2009	\$18,534,932	\$113,774,243	\$ -	\$132,309,175
Actual return on plan assets:				
Relating to assets still held at the reporting date	(3,445,165)	(10,492,202)	436,888	(13,500,479)
Relating to assets sold during the period	-	301,468	-	301,468
Purchases and sales, net	(397,562)	20,229,216	1,972,556	21,804,210
Transfers in (out) of Level 3, net	-	-	-	-
Equities, net at December 31, 2009	\$14,692,205	\$123,812,725	\$2,409,444	\$140,914,374

Note 6 – Securities lending

The Trustee of the Master Trust has an agreement with the custodial bank for the Master Trust authorizing the bank to lend securities held in the Master Trust account to third parties. The bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities. Both the collateral and the securities loaned are marked-to-market on a daily basis so all loaned securities are fully collateralized at all times. In the event the loaned securities are not returned by the borrower, the bank will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Master Trust account with cash equal to the fair value of the loaned securities.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 6 – Securities lending (continued)

The Master Trust and the bank each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned by the Master Trust during 2010 and 2009 was \$251,369 and \$705,558, respectively, net of bank fees of \$135,361 and \$403,738, respectively.

Although the Master Trust's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or the collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

The fair value of securities loaned by the Master Trust is \$171,447,320 at December 31, 2010 and \$118,137,332 at December 31, 2009.

Note 7 – Related-party transactions

Total fees paid to the Plan Sponsor by the Master Trust totaled \$259,813 and \$317,480 for the years ended December 31, 2010 and 2009, respectively. Of these fees, \$56,779 and \$63,466 were allocated to the Plan for the years ended December 31, 2010 and 2009, respectively. These transactions qualify as party-in-interest transactions.

Note 8 – Plan termination policy

The Company expects and intends to maintain the Plan in force indefinitely. The Company has reserved the right to amend or terminate the Plan at anytime, subject to the limitations imposed by ERISA and the Bargaining Unit Memorandum of Agreement. In the event of termination, the Plan's net assets generally will not be available on a pro rata basis to provide participant's benefits. Whether a particular participant's accumulated pension benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC) at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided at all. A complete description of termination priorities is provided in the Plan document.

Note 9 – Tax status

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated December 11, 2008 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. As such, no provision for income taxes has been included in the Plan's financial statements.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

Note 9 – Tax status (continued)

GAAP requires Plan Management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan Management has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Plan Management believes it is no longer subject to income tax examinations for years prior to 2007.

Note 10 – Risks and uncertainties

Investment securities in general, are subject to various risks, such as interest rate, credit and overall market volatility. Due to the levels of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for pension benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Note 11 – Subsequent events

The Plan's management has evaluated subsequent events through September 15, 2011 in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

On January 8, 2011, Duke Energy Corporation (Duke Energy) and Progress Energy entered into an Agreement and Plan of Merger (the Merger Agreement). Pursuant to the Merger Agreement, Progress Energy will be acquired by Duke Energy in a stock-for-stock transaction (the Merger) and continue as a wholly owned subsidiary of Duke Energy.

Under the terms of the Merger Agreement, each share of Progress Energy common stock, including shares in the Progress Energy Common Stock Fund within the Plan, will be cancelled and converted into the right to receive 2.6125 shares of Duke Energy common stock. The Board of Directors of Duke Energy approved a reverse stock split, at a ratio of 1-for-3, which will be subject to completion of the Merger and receipt of the requisite approval of the shareholders of Duke Energy. Accordingly, the adjusted exchange ratio is expected to be 0.87083 of a share of Duke Energy common stock for each Progress Energy common share.

The Merger is subject to customary conditions, including among other things, approval of the shareholders of each company, expiration or termination of the applicable Hart-Scott-Rodino Act waiting period, and the receipt of approvals, to the extent required by various federal and state regulators. The Merger is targeted to close by the end of 2011.

RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES
OF FLORIDA PROGRESS CORPORATION
SCHEDULES OF COMPONENTS OF PLAN INTEREST IN MASTER TRUST
December 31, 2010 and 2009

	2010	2009
Assets		
Investments held in Master Trust	\$ 294,710,293	\$ 249,552,485
Receivables		
Contributions receivable	42,236,107	15,731,562
Due from broker	303,925	6,552,122
Accounts receivable	13,073	35,137
Accrued interest and dividends receivable	1,007,257	524,376
Total receivables	<u>43,560,362</u>	<u>22,843,197</u>
Cash and currency contracts	<u>(433)</u>	<u>62,373</u>
Total assets	<u>338,270,222</u>	<u>272,458,055</u>
Liabilities		
Due to broker	<u>1,184,488</u>	<u>2,855,100</u>
Total liabilities	<u>1,184,488</u>	<u>2,855,100</u>
NET ASSETS HELD IN MASTER TRUST	<u><u>\$ 337,085,734</u></u>	<u><u>\$ 269,602,955</u></u>

Plan Name	Ret Plan for Bargaining Unit Ees of FL Prog Corp
Plan Sponsor's Name	Florida Progress Corporation

Attained Age	YEARS OF CREDITED SERVICE								
	Under 1			1 to 4			5 to 9		
	Average			Average			Average		
	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.
Under 25	87	32,301	252	46	42,997	3,482	2	0	0
25 to 29	42	42,245	447	83	46,331	3,499	58	55,994	4,485
30 to 34	31	50,682	471	63	53,614	4,731	94	59,029	2,571
35 to 39	26	44,750	355	59	53,097	4,588	95	59,323	1,847
40 to 44	29	50,356	536	62	55,431	5,545	78	60,302	3,667
45 to 49	35	55,162	853	53	62,195	7,268	87	63,141	2,813
50 to 54	28	47,271	768	41	58,144	8,311	61	59,064	2,443
55 to 59	19	54,296	874	14	0	0	20	58,690	2,995
60 to 64	17	0	0	8	0	0	11	0	0
65 to 69	5	0	0	2	0	0	6	0	0
70 & up							3	0	0

Attained Age	YEARS OF CREDITED SERVICE											
	25 to 29			30 to 34			35 to 39			40 & up		
	Average			Average			Average			Average		
	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.	No.	Comp.	Cash Bal.
Under 25												
25 to 29												
30 to 34												
35 to 39												
40 to 44	4	0	0									
45 to 49	66	68,880	02	0	0	0						
50 to 54	124	67,519	066	66,687	01	0	0					
55 to 59	61	67,832	045	66,033	016	0	0					
60 to 64	10	0	04	0	014	0	0					
65 to 69	4	0	01	0	01	0	0					
70 & up												

Attachment to 2010 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

Non-Prescribed Funding Assumptions and Methods

Interest rates

Used for calculation of annuity conversion at age 65

Funding: 5.00%

Decrements

Mortality

For annuity conversions
(from cash balance):

1994 Group Annuity Reserve Mortality Table (50/50 blend) projected to
2002 (Rev Ruling 2001-62 mortality).

Attachment to 2010 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name: Ret Plan for Bargaining Unit Ees of FL Prog Corp **EIN:** 59-2147112
Plan Sponsor's Name: Florida Progress Corporation **PN:** 004

Pre-Retirement Decrements and Assumed Salary Increase Rates

Representative values of the assumed annual rates of decrement and salary increase are shown in the tables below.

Age	Disability		Termination		Retirement			Salary Increase
	FAE	Cash Balance	FAE	Cash Balance	FAE < 35 yrs svc	FAE >= 35 yrs svc	Cash Balance	
20	0.070%	0.070%	8.00%	8.00%	-	-	-	9.00%
25	0.080	0.080	7.40	7.40	-	-	-	8.40
30	0.010	0.010	6.85	6.40	-	-	-	7.40
35	0.130	0.130	6.60	5.40	-	-	-	5.80
40	0.170	0.220	6.20	4.55	-	-	-	4.46
45	0.250	0.340	5.40	3.95	-	-	-	3.80
50	0.450	0.600	4.55	3.90	-	-	-	3.33
51	0.575	0.700	4.40	3.95	-	-	-	3.24
52	0.700	0.800	4.25	4.00	-	-	-	3.15
53	0.800	0.900	4.20	4.80	-	-	-	3.15
54	0.900	1.000	4.15	5.60	-	-	-	3.15
55	1.000	1.160	4.10	6.40	10.0%	10.0%	15.0%	3.15
56	1.100	1.320	4.05	7.20	4.0	10.0	10.0	3.15
57	1.200	1.480	4.00	8.00	5.0	30.0	10.0	3.15
58	1.300	1.680	4.00	8.80	5.0	20.0	10.0	3.15
59	1.350	1.940	4.00	9.60	10.0	10.0	15.0	3.15
60	1.400	2.260	4.00	10.40	15.0	10.0	20.0	3.15
61	1.500	2.620	4.00	11.20	15.0	40.0	20.0	3.15
62	1.600	3.080	4.00	12.00	30.0	30.0	30.0	3.15
63	1.650	3.600	4.00	12.00	30.0	15.0	15.0	3.02
64	1.700	4.200	4.00	12.00	20.0	30.0	35.0	2.89
65				12.00	20.0	80.0	30.0	2.75
66				12.00	40.0	80.0	30.0	2.75
67				12.00	40.0	80.0	30.0	2.75
68				12.00	40.0	80.0	30.0	2.75
69				12.00	40.0	80.0	30.0	2.75
70					100.0	100.0	100.0	

The termination rates shown for Cash Balance employees are ultimate rates.

Expenses

Expected administrative and investment expenses of \$1,500,000 were added to Target Normal Cost.

Attachment to 2010 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

Vested Terminated Commencement Assumption

Cash Balance Participants:

It is assumed that upon exit from an active status, 70% of participants commence their benefits as a lump sum immediately, while 30% defer commencement of their benefits to age 65 and at that time elect the following:

- Lump Sum – 50.0%
- 50% Joint and Survivor Annuity – 39.5%
- 100% Joint and Survivor Annuity with Pop Up – 6.0%
- Life Annuity – 4.5%

For current deferred vested participants, it is assumed that participants will commence their benefit immediately if they terminated less than 4 months prior to the valuation date. If they terminated four or more months prior to the valuation date, it is assumed they will defer commencement of their benefit to age 65.

FAE Participants:

Current Year: If eligible to commence prior to age 65 and currently under age 62, it is assumed that 35% will commence their benefits at age 55, 50% will commence their benefits at age 60, and 15% will commence their benefits at age 62. All others are assumed to commence at age 65. It is also assumed that participants will elect the following options equally: Life Annuity, 50% Joint and Survivor Annuity with Pop Up, 75% Joint and Survivor Annuity with Pop Up, and 100% Joint and Survivor Annuity with Pop Up.

Prior Year: It is assumed that all defer commencement of their benefit until their unreduced commencement age.

Commencement Assumptions from Active Status

It is assumed that upon retirement, disability, or death from active status, participants (or beneficiaries) elect the following optional forms:

Cash Balance Non-Disabled Participants:

- Lump Sum – 70.0%
- 50% Joint and Survivor Annuity – 23.7%
- 100% Joint and Survivor Annuity with Pop Up – 3.6%
- Life Annuity – 2.7%

Cash Balance Beneficiaries :

- Lump Sum – 50%
- Life Annuity – 50%

FAE Non-Disabled Participants:

- Life Annuity – 60%
- 50% Joint and Survivor Annuity with Pop Up – 18%
- 75% Joint and Survivor Annuity with Pop Up – 8%
- 100% Joint and Survivor Annuity with Pop Up – 14%

Attachment to 2010 Form 5500

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

FAE Beneficiaries:

- Life Annuity – 100%

All Disabled Participants:

- Life Annuity – 100%

Marital percentage

- 80% of active male members and 40% of active female members are assumed to be married.
- Husbands are assumed to be 2 years older than their wives.

Temporary Employees

All non-vested temporary active employees are assumed to work over 1,000 hours in each future year.

Asset valuation method

The Actuarial Value of Assets is determined using a method that spreads asset gains/(losses) over two years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Actuarial Value of Assets.

The expected return on plan assets is 8.75% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2009 measurement period:	6.69%
2008 measurement period:	6.43%

Attachment to 2010 Form 5500
Schedule SB – Statement of Enrolled Actuary

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

In preparing Schedule SB, the actuary relied on the following information which was provided by other parties:

- (a) Contribution information as provided by the plan administrator.
- (b) Financial information as provided by the trustee and the plan administrator.
- (c) Data on persons covered by the Plan as provided by the plan administrator. While not verifying the data at source, the actuary performed tests for consistency and reasonability.
- (d) Information on the plan provisions as provided by the plan administrator.

The information in (b) and (c) was audited by the independent certified public accountants for the Plan Sponsor.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2010**This Form is Open to Public
Inspection**

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

► **Round off amounts to nearest dollar.**► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Ret Plan for Bargaining Unit Ees of FL Prog Corp		B Three-digit plan number (PN) ► 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Florida Progress Corporation		D Employer Identification Number (EIN) 59-2147112
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ Other		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2010</u>			
2 Assets:			
a Market value.....		2a	268,890,708
b Actuarial value.....		2b	283,388,322
3 Funding target/participant count breakdown		(1) Number of participants (2) Funding Target	
a For retired participants and beneficiaries receiving payment		3a	855 149,285,174
b For terminated vested participants		3b	451 13,256,986
c For active participants:			
(1) Non-vested benefits.....		3c(1)	11,687,703
(2) Vested benefits.....		3c(2)	140,616,868
(3) Total active		3c(3)	2,579 152,304,571
d Total.....		3d	3,885 314,846,731
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....		4b	
5 Effective interest rate		5	6.70 %
6 Target normal cost.....		6	11,612,904

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Kerry N. Schmidt <i>KNS</i>	09/16/2011
Signature of actuary		Date
Kerry N. Schmidt		11-02628
Type or print name of actuary		Most recent enrollment number
Buck Consultants, LLC		(770) 955-2488
200 Galleria Parkway NW, Suite 1900		Telephone number (including area code)
Atlanta GA 30339-5945		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2010
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>19.89</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		11,959,517
b Interest on (a) using prior year's effective rate of <u>8.11</u> %		969,917
c Total available at beginning of current plan year to add to prefunding balance		12,929,434
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	90.00 %
15 Adjusted funding target attainment percentage	15	90.00 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	95.49 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2010	2,304,840				
07/15/2010	2,304,840				
10/15/2010	2,304,840				
01/14/2011	2,304,840				
01/28/2011	32,000,000				
09/15/2011	7,931,267				
Totals ▶			18(b)	49,150,627	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 45,782,938

20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.03 %	2nd segment: 6.73 %	3rd segment: 6.82 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 60
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	11,612,904
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	18,864,540	3,174,752
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	14,787,656
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	14,787,656
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	45,782,938
38 Interest-adjusted excess contributions for current year (see instructions)	38	30,995,282
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Attachment to 2010 Form 5500
Schedule SB, Line 2a – Current Value of Assets

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

The current value of assets used for valuation purposes may differ from that reported on Schedule H of Form 5500 due to payables and other adjustments.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**2010****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or
☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report;
☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here: ☒
- D** Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program;
☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information

1a Name of plan RETIREMENT PLAN FOR BARGAINING UNIT EMPLOYEES OF FLORIDA PROGRESS CORP	1b Three-digit plan number (PN) ▶ 004
	1c Effective date of plan 01/01/1998
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) FLORIDA PROGRESS CORPORATION 410 S WILMINGTON ST, PEB 20 RALEIGH NC 27601-1849	2b Employer Identification Number (EIN) 59-2147112
	2c Sponsor's telephone number 919-546-3275
	2d Business code (see instructions) 221100

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<i>Marcos S. Deschamps</i>	<i>9/30/2011</i>	MASCEO S. DESCHAMPS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<i>Marcos S. Deschamps</i>	<i>9/30/2011</i>	MASCEO S. DESCHAMPS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") PROGRESS ENERGY SERVICE COMPANY LLC PO BOX 1551 RALEIGH NC 27602-1551	3b Administrator's EIN 56-2201051 3c Administrator's telephone number 919-546-3275
--	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	3885
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	2608
b Retired or separated participants receiving benefits.....	6b	780
c Other retired or separated participants entitled to future benefits.....	6c	469
d Subtotal. Add lines 6a , 6b , and 6c	6d	3857
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	105
f Total. Add lines 6d and 6e	6f	3962
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	14

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: <div style="display: flex; justify-content: space-between; width: 100%;"> 1C 1G 3F 3H </div>		

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information - Small Plan)
	(3) ☐ A (Insurance Information)
	(4) ☐ C (Service Provider Information)
(3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(5) ☒ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

1. Effective Date

January 1, 2007

FINAL PAY PLAN - For Members hired prior to January 1, 2003:

2. Eligibility for Participation

First of the month following hire date for employees covered under a collective bargaining agreement.

3. Final Average Earnings

The average annual earnings of a participant during (i) the 48 highest paid consecutive months or (ii) the 4 highest paid calendar years, whichever produces the highest average.

4. Normal and Postponed Retirement Income

Eligibility	Age 65 and fifth anniversary of the date of participation.
-------------	--

Benefits	Annual benefits payable for life equal to (i) less (ii).
----------	--

(i)	1.80% of final average earnings per year of credited service not in excess of 35.
-----	---

(ii)	1-1/7% of Social Security benefit per year of credited service not in excess of 35.
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5. Early Retirement Income

Eligibility	Age 55 and 15 years of continuous service.
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Benefits	Accrued normal retirement income based on credited service at retirement reduced as follows for commencement before age 65:
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Attachment to 2010 Form 5500

Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	Florida Progress Corporation	PN:	004

Early-Retirement Reduction Percentages

Years by Which Benefit Com- mencement Pre- cedes Age 65	Less Than 20 Years of Credited Service	20 - 35 Years of Credited Service
10	60%	65%
9	65	72
8	70	79
7	76	86
6	82	93
5	88	100
4	94	100
3	100	100
2	100	100
1	100	100
0	100	100

No reduction if 35 or more years of credited service

6. Disability Income

Eligibility	One year of continuous service and totally disabled.
-------------	--

Benefits	Annual income, payable for life or for period of continuous service if less than 10 years, equal to 40% of final average earnings minus 40% of Social Security benefit, not greater than projected normal retirement benefit and not less than accrued early retirement benefit.
----------	--

7. Deferred Vested Retirement Income

Eligibility	5 years of continuous service.
-------------	--------------------------------

Benefits	Accrued normal retirement income at termination of employment deferred to age 65 reduced for years surviving spouse coverage in effect during deferral period. Reduced income available commencing at age 55 if participant had completed 15 or more years of continuous service.
----------	---

8. Death Benefit

Eligibility	5 years of continuous service and death in active service or during receipt of disability income before age 65 or death in active service after age 65.
-------------	---

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

Benefits

More than 10 years of
service or over age 65

Immediate benefit equal to a percentage of participant's projected normal retirement income adjusted for greater than 5 year age difference between participant and spouse, but not less than the actuarial equivalent of accrued 50% joint and survivor annuity.

Participant's Age		Percentage
Less than	35	10%
	35-39	15
	40-44	20
	45-49	25
	50-54	30
	55-59	35
	60-64	40

Service between 5 and 10 years

Benefit commencing on the participant's normal retirement date equal to one half of the benefit which would have been payable to the participant in the form of a qualified 50% joint and survivor annuity.

9. Minimum Retirement Income

Minimum retirement income or death benefit payable is equal to amount that would have been payable under the provisions of the Plan in effect prior to December 31, 1983 for participants then in the plan.

10. Maximum Retirement Income

The amount of retirement income is limited so that it does not exceed the limitations of the Internal Revenue Code.

11. Regular Form of Income

Single	Life Annuity.
Married	Actuarially reduced 50% joint and survivor annuity.

12. Optional Forms of Benefit

- (a) Life annuity.
- (b) 10 years certain and life.
- (c) 25%-100% joint and survivor (pop-up) annuity.
- (d) Social Security leveling.
- (e) Lump sum cash out if over \$5,000 but \$7,500 or less.

13. Contributions

Non-contributory.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

CASH BALANCE PLAN - for Members hired on and after January 1, 2003:

14. Eligibility for Participation

First of the month following hire date for employees covered under a collective bargaining agreement.

15. Cash Balance Account

The sum of all pay credits and interests credits awarded throughout the period of participation.

16. Pay Credits

As of each December 31 (or as of a member's date of termination, retirement or death, if earlier), a member's cash balance account is credited with an annual pay credit equal to a percentage of his pay for that year based on his attained age at the beginning of the year as follows:

Age	Credit
Less than 35	3.00%
35 – 39	3.50%
40 – 44	4.25%
45 – 49	5.00%
50 – 54	6.00%
55 and older	7.00%

An additional pay credit is granted for pay in excess of 80% of the Social Security Taxable Wage Base (SSTWB) for that year. The additional pay credit equals the credit percentage determined above times pay in excess of 80% of the SSTWB.

17. Interest Credits

As of each December 31 (or as of a member's date of termination, retirement or death, if earlier), a member's cash balance account is credited with an annual interest credit equal to a percentage of his cash balance account as of the beginning of that year as follows:

Year	Credit
2003	6.00%
2004	6.00%
2005-2007	5.00%
2008-2010	5.50%
2011 and later	4.00%

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

18. Normal and Postponed Retirement Pension

Eligibility	Age 65 and fifth anniversary of the date of participation.
Benefits	A single life annuity of equivalent actuarial value to the cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

19. Early Retirement Pension

Eligibility	Three years of service and election of pension commencement within twelve months of employment termination or attainment of age 55.
Benefits	A single life annuity of equivalent actuarial value to the cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

20. Deferred Vested Pension

Eligibility	Three years of service.
Benefits	A single life annuity determined by accumulating the cash balance account interest credits to Normal Retirement Date then by converting the balance to a single life annuity of equivalent actuarial value. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% (if commencing prior to age 65) and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used.

21. Disability Income

Eligibility	One year of continuous service and totally disabled.
Benefits	Annual income, payable for life or for period of continuous service if less than 10 years, equal to 40% of final average earnings minus 40% of Social Security benefit, not greater than projected normal retirement pension and not less than the deferred vested pension.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

22. Death Benefit

Eligibility	3 years of continuous service and death in active service or during receipt of disability income before age 65 or death in active service after age 65.
-------------	---

Benefits	<p>To a surviving spouse, a single life annuity of equivalent actuarial value to the member's vested cash balance account. For this purpose, the 30-year Treasury bond rate for the month of August prior to the start of the Plan Year plus 0.5% (if commencing prior to age 65) and the mortality assumption of 1994 Group Annuity Mortality (50/50 blend) projected to 2002 are used. Alternatively, the spouse may elect a lump-sum distribution</p> <p>To a beneficiary other than a surviving spouse, a lump-sum distribution equal to the member's cash balance account.</p>
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23. Maximum Retirement Income The amount of retirement income is limited so that it does not exceed the limitations of the Internal Revenue Code.

24. Regular Form of Income

Single	Life Annuity.
Married	50% joint and survivor annuity.

25. Optional Forms of Benefit

- (a) 100% joint and survivor (pop-up) annuity.
- (b) 75% joint and survivor (pop-up) annuity.
- (c) Lump sum.
- (d) Refund annuity with lump-sum death benefit.
- (e) Partial lump sum of 25%, 50% or 75% of option (2) above, with the remainder paid as a life annuity or joint-and-survivor annuity, depending on marital status.

26. Contributions

Non-contributory.

SPECIAL PLAN AMENDMENTS APPLICABLE TO ALL PARTICIPANTS

27. Voluntary Early Retirement Program

Under the Voluntary Early Retirement Program, employees who have attained age 50 with at least 5 years of service as of March 31, 2005 and retire under the program are eligible to receive 5 years of additional service for benefit accrual and retirement eligibility purposes and 5 years added to their age for early retirement benefit calculation purposes.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

Optional Form Conversion Factors

Table 1: Optional Factors for FAP Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option B Ten-Year Certain & Continuous	Option C 100% Contingent Annuitant
55	0.984	0.910
56	0.982	0.906
57	0.979	0.901
58	0.976	0.895
59	0.973	0.890
60	0.969	0.884
61	0.965	0.879
62	0.960	0.873
63	0.955	0.867
64	0.949	0.861
65	0.942	0.856
66	0.935	0.850
67	0.927	0.844
68	0.919	0.838
69	0.910	0.832
70	0.900	0.826
71	0.889	0.820
72	0.877	0.815
73	0.865	0.809
74	0.852	0.804
75	0.837	0.798
76	0.822	0.793
77	0.806	0.787
78	0.789	0.782
79	0.771	0.777
80	0.753	0.772

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

i. Ten-Year Certain and Continuous Option

The factors for Option B are used to convert the life annuity value to the ten-year certain and continuous option based on the Participant's age at commencement.

ii. Contingent Annuitant Option

The factors for Option C are for the 100% contingent annuitant option where the Participant and the Contingent annuitant are the same age. The factor for Option C will be increased (decreased) by .005 for each year that the contingent annuitant is older (younger) than the Participant with an upper limit on the factor of 1.000. The factor for any other percentage contingent annuitant option will be calculated from the adjusted 100% factor as follows.

F = adjusted 100% contingent annuitant factor
Z = alternate contingent annuitant option percentage
(write 50% as .5, 66-2/3 as .66667, etc.)

Alternate percentage contingent annuitant factor =
$$\frac{F}{Z + ((1-Z) F)}$$

iii. Social Security Leveling Option

The social security leveling option benefit will be determined on the 417(e) actuarial equivalent basis using the IRS Interest Rate and the IRS Mortality Tables.

iv. Lump Sum Payment for FAP Participant

The lump sum benefit will be determined as larger of the 417(e) actuarial equivalent of (a) the normal retirement benefit or (b) early commencement life annuity benefit. The actuarial equivalent factor shall be determined on the basis of the IRS Interest Rate and the IRS Mortality Table.

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN:	59-2147112
Plan Sponsor's Name:	Florida Progress Corporation	PN:	004

Table 2: Optional Factors for CB Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option A 50% Designated Beneficiary		Option B 75% Contingent Annuitant with Life Reversion		Option C 100% Contingent Annuitant with Life Reversion	
	A	B	A	B	A	B
20	0.987	0.001	0.979	0.001	0.973	0.001
21	0.986	0.001	0.978	0.001	0.972	0.001
22	0.985	0.001	0.977	0.001	0.971	0.001
23	0.984	0.001	0.976	0.001	0.970	0.001
24	0.983	0.001	0.975	0.001	0.968	0.001
25	0.982	0.001	0.974	0.001	0.966	0.001
26	0.981	0.001	0.973	0.001	0.964	0.001
27	0.980	0.001	0.972	0.001	0.962	0.001
28	0.979	0.001	0.971	0.001	0.960	0.001
29	0.978	0.001	0.969	0.001	0.958	0.001
30	0.977	0.001	0.967	0.001	0.956	0.001
31	0.976	0.001	0.965	0.001	0.954	0.001
32	0.975	0.001	0.963	0.001	0.951	0.001
33	0.974	0.001	0.961	0.001	0.948	0.001
34	0.972	0.001	0.959	0.001	0.944	0.001
35	0.970	0.001	0.956	0.001	0.940	0.001
36	0.968	0.001	0.953	0.001	0.936	0.002
37	0.966	0.001	0.950	0.001	0.932	0.002
38	0.964	0.001	0.946	0.001	0.928	0.002
39	0.962	0.001	0.942	0.001	0.924	0.002
40	0.960	0.001	0.938	0.002	0.919	0.002
41	0.957	0.001	0.934	0.002	0.914	0.002
42	0.954	0.001	0.930	0.002	0.909	0.002
43	0.951	0.001	0.926	0.002	0.904	0.002
44	0.948	0.001	0.922	0.002	0.899	0.003
45	0.945	0.002	0.918	0.002	0.894	0.003
46	0.942	0.002	0.914	0.002	0.889	0.003
47	0.939	0.002	0.910	0.002	0.884	0.003
48	0.936	0.002	0.906	0.003	0.879	0.004
49	0.933	0.002	0.902	0.003	0.874	0.004

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN:	59-2147112
Plan Sponsor's Name:	Florida Progress Corporation	PN:	004

Table 2 (Contd): Conversion Factors for CB Benefits for Normal, Postponed, Early, or Deferred Vested Retirement

Age of Participant	Option A Free		Option B 75% Contingent Annuitant with Life Reversion		Option C 100% Contingent Annuitant with Life Reversion	
	50% Designated Beneficiary					
	A	B	A	B	A	B
50	0.930	0.003	0.898	0.003	0.869	0.004
51	0.927	0.003	0.894	0.004	0.864	0.004
52	0.924	0.003	0.890	0.004	0.859	0.005
53	0.921	0.003	0.886	0.004	0.854	0.005
54	0.918	0.003	0.882	0.005	0.848	0.005
55	0.914	0.003	0.877	0.005	0.842	0.006
56	0.911	0.004	0.872	0.005	0.836	0.006
57	0.908	0.004	0.867	0.005	0.830	0.006
58	0.904	0.004	0.862	0.006	0.824	0.007
59	0.900	0.005	0.857	0.006	0.818	0.007
60	0.896	0.005	0.852	0.006	0.812	0.007
61	0.892	0.005	0.847	0.007	0.806	0.007
62	0.888	0.005	0.842	0.007	0.800	0.008
63	0.884	0.006	0.836	0.007	0.793	0.008
64	0.880	0.006	0.830	0.008	0.786	0.008
65	0.875	0.006	0.824	0.008	0.779	0.009
66	0.871	0.006	0.819	0.008	0.773	0.009
67	0.867	0.007	0.814	0.009	0.767	0.009
68	0.863	0.007	0.809	0.009	0.761	0.010
69	0.859	0.007	0.803	0.009	0.754	0.010
70	0.854	0.008	0.797	0.010	0.747	0.011
71	0.851	0.008	0.793	0.010	0.742	0.011
72	0.848	0.008	0.789	0.011	0.737	0.011
73	0.845	0.009	0.785	0.011	0.732	0.012
74	0.841	0.009	0.780	0.011	0.727	0.012
75	0.837	0.009	0.775	0.012	0.722	0.013

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

1. Fifty Percent Designated Beneficiary Option (Option A)

The plan offers a free fifty percent joint and survivor contingent annuitant option which is equivalent to the life annuity option. The factors listed in Option A are used only for the purposes of converting to other optional joint and survivor options.

2. Seventy Five Percent Survivor Annuity with Life Reversion (Option B)

The factor in column A is reduced/increased by the factor in column B for each full year that the Employee is older/younger than the spouse. The resulting factor cannot exceed 1.000. The resulting factor is then divided by age equivalent fifty percent designated beneficiary option factor calculated from the factors listed in Option A.

3. One Hundred Percent Survivor Annuity with Life Reversion (Option C)

The factor in column A is reduced/increased by the factor in column B for each full year that the Employee is older/younger than the spouse. The resulting factor cannot exceed 1.000. The resulting factor is then divided by age equivalent fifty percent designated beneficiary option factor calculated from the factors listed in Option A.

4. Modified Cash Refund (Option D)

The benefit amount under this form shall be 95% of the life annuity amount

Attachment to 2010 Form 5500
Schedule SB, Part V – Summary of Plan Provisions

Plan Name:	<u>Ret Plan for Bargaining Unit Ees of FL Prog Corp</u>	EIN:	<u>59-2147112</u>
Plan Sponsor's Name:	<u>Florida Progress Corporation</u>	PN:	<u>004</u>

Summary of Changes from the January 1, 2009 Valuation

The following plan amendments have been adopted within the last plan year:

- a) The annual interest credit on each active participant's cash balance account was increased to 5.5% for 2010.

Attachment to Form 5500

2010 Schedule R, Line 18

Funded Percentages of Plans Contributing to the Liabilities of Plan Participants

Plan Name: Retirement Plan for Bargaining Unit Employees of Florida Progress Corporation

EIN: 59-2147112

Plan Sponsor's Name: Florida Progress Corporation

PN: 004

Plan Name	EIN	PN	Funded Percentage
Progress Energy Pension Plan	56-2155481	001	90
Retirement Plan for Bargaining Unit Employees of Florida Progress Corp	59-2147112	004	90

Schedule SB, line 32 - Schedule of Amortization Bases

PN: 004

[illegible]

Attachment to 2010 Form 5500
Schedule SB, line 25 - Change in Method

Plan Name Ret Plan for Bargaining Unit Ees of FL Prog Corp

EIN: 59-2147112

Plan Sponsor's Name Florida Progress Corporation

PN: 004

Describe the change:

The discount rate method used to determine the plans funding target was changed from the full yield curve with a two month lookback at the valuation date to the segment rates with a four month lookback at the valuation date.

Attachment to 2010 Form 5500
Schedule SB, line 24 - Change in Actuarial Assumptions

Plan Name Ret Plan for Bargaining Unit Ees of FL Prog Corp

EIN: 59-2147112

Plan Sponsor's Name Florida Progress Corporation

PN: 004

Describe any change in non-prescribed actuarial assumptions and justify any such change.

The salary scale was updated from a graded table by age averaging 4.25% to a graded table by age averaging 4.50% to better reflect experience.

The commencement assumption for current deferred vested final average earnings (FAE) participants were updated to better reflect experience. The assumptions in the prior year assumed all deferred vested FAE participants deferred commencement of their benefit until their unreduced commencement age.

The future hours worked assumption was updated to assume over 1,000 hours worked in each future year for active temporary employees. The assumption in the prior year assumed certain nonvested temporary employees would not work 1,000 hours per year in future years.

Expected administrative and investment expenses of \$1,500,000 were assumed for the current year compared to \$1,800,000 that was assumed for the prior year.

The changes made to the non-prescribed actuarial assumptions were made to be consistent with Code section 430. As a result, approval is not required for the changes made in the non-prescribed actuarial assumptions because the impact of the changes is less than the threshold for getting an approval.

Attachment to 2009 Form 5500
Schedule SB, Line 22 - Description of Weighted Average Retirement Age

Plan Name:	Ret Plan for Bargaining Unit Ees of FL Prog Corp	EIN: 59-2147112
Plan Sponsor's Name:	Florida Progress Corporation	PN: 004

FAE Less than 35 years of Service

<u>Age</u>	<u>Rate of Retirement</u>	<u>Number of Lives</u>	<u>Number retiring</u>	<u>Weighted average</u>
		1.0000		
55	10%	0.9000	0.1000	5.5000
56	4%	0.8640	0.0360	2.0160
57	5%	0.8208	0.0432	2.4624
58	5%	0.7798	0.0410	2.3780
59	10%	0.7018	0.0780	4.6020
60	15%	0.5965	0.1053	6.3180
61	15%	0.5070	0.0895	5.4595
62	30%	0.3549	0.1521	9.4302
63	30%	0.2484	0.1065	6.7095
64	20%	0.1987	0.0497	3.1808
65	20%	0.1590	0.0397	2.5805
66	40%	0.0954	0.0636	4.1976
67	40%	0.0572	0.0382	2.5594
68	40%	0.0343	0.0229	1.5572
69	40%	0.0206	0.0137	0.9453
70	100%	0.0000	0.0206	1.4420
			1.0000	61.3384

FAE 35 years of Service or more

<u>Age</u>	<u>Rate of Retirement</u>	<u>Number of Lives</u>	<u>Number retiring</u>	<u>Weighted average</u>
54		1.0000		
55	10%	0.9000	0.1000	5.5000
56	10%	0.8100	0.0900	5.0400
57	30%	0.5670	0.2430	13.8510
58	20%	0.4536	0.1134	6.5772
59	10%	0.4082	0.0454	2.6786
60	10%	0.3674	0.0408	2.4480
61	40%	0.2204	0.1470	8.9670
62	30%	0.1543	0.0661	4.0982
63	15%	0.1312	0.0231	1.4553
64	30%	0.0918	0.0394	2.5216
65	80%	0.0184	0.0734	4.7710
66	80%	0.0037	0.0147	0.9702
67	80%	0.0007	0.0030	0.2010
68	80%	0.0001	0.0006	0.0408
69	80%	0.0000	0.0001	0.0069
70	100%	0.0000	0.0000	0.0000
			1.0000	59.1268

Cash Balance

<u>Age</u>	<u>Rate of Retirement</u>	<u>Number of Lives</u>	<u>Number retiring</u>	<u>Weighted average</u>
54		1.0000		
55	15%	0.8500	0.1500	8.2500
56	10%	0.7650	0.0850	4.7600
57	10%	0.6885	0.0765	4.3605
58	10%	0.6197	0.0688	3.9904
59	15%	0.5267	0.0930	5.4870
60	20%	0.4214	0.1053	6.3180
61	20%	0.3371	0.0843	5.1423
62	30%	0.2360	0.1011	6.2682
63	15%	0.2006	0.0354	2.2302
64	35%	0.1304	0.0702	4.4928
65	30%	0.0913	0.0391	2.5415
66	30%	0.0639	0.0274	1.8084
67	30%	0.0447	0.0192	1.2864
68	30%	0.0313	0.0134	0.9112
69	30%	0.0219	0.0094	0.6486
70	100%	0.0000	0.0219	1.5330
			1.0000	60.0285

Average Retirement Age = 60.1646