Progress Energy

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July 31, 2011

Mr. James L. Kroeker, Chief Accountant
Securities & Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: Work Plan For the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers: Exploring a Possible Method of Incorporation

Dear Mr. Kroeker:

Progress Energy, Inc. is pleased to comment on the Securities and Exchange Commission's ("SEC") Staff Paper entitled "Work Plan For the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers: Exploring a Possible Method of Incorporation" (the "Staff Paper"). Progress Energy, Inc. (Progress Energy, we or the Company) is a Fortune 250 integrated electric company primarily engaged in the regulated utility business in the United States (U.S.), with more than $9 billion in annual revenues. Our wholly-owned regulated subsidiaries, Progress Energy Carolinas and Progress Energy Florida, collectively the Utilities, are primarily engaged in the generation, transmission, distribution and sale of electricity in portions of North Carolina, South Carolina and Florida. The Utilities have more than 21,000 megawatts of regulated electric generation capacity and serve approximately 3.1 million retail electric customers as well as other load-serving entities. As regulated entities, our rates are subject to cost-based regulation by the United States Federal Energy Regulatory Commission, our respective state utility regulatory commissions and the United States Nuclear Regulatory Commission.

**General Comments on a Single Set of Globally Accepted Accounting Standards**

We refer you to our comment letter dated April 20, 2009 submitted to the SEC regarding File Number S7-27-08. In our letter, we indicated that we were not convinced that a change in U.S. accounting standards is necessary or that IFRS would be the preferable standards over current U.S. Generally Accepted Accounting Principles ("GAAP"). We also stated that we would support continued convergence efforts as a way to ultimately achieve a single set of globally accepted accounting standards versus a mandated adoption of International Financial Reporting Standards ("IFRS"). We continue to support this position.

**Overall comments on Proposed Condorsement Approach**

Notwithstanding our views in the preceding paragraph, should the SEC ultimately decide that the current U.S. financial reporting system be transitioned to a system incorporating IFRS, we

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support a gradual transition. The Staff Paper addresses various concerns related to cost, effort and other transition issues of incorporating IFRS into the U.S. financial reporting system by exploring a method of incorporation termed "condorsement." We commend the SEC for their awareness of these concerns and also for exploring alternate methods that address these concerns and would achieve the gradual transition that most companies prefer.

As it is described in the Staff Paper, we would support the condorsement method of incorporation of IFRS into U.S. Such an approach is phased-in and would allow for minimization of costs, effort and other transition burdens. We also believe that the suggested period for this transition of 5-7 years is appropriate. We would further support allowing for prospective application of IFRS where possible. Prospective application within the condorsement method is key to the reduction in both costs and efforts that the SEC proposes to achieve. While the Staff Paper mentions various options as to how prospective application could be applied or defined, we support the option allowing for prospective application of standards to all transactions entered into subsequent to the incorporation effective date. Any approach that involves any level of prior year restatements, coupled with a 5-7 year transition period, could result in companies restating their prior years' financial statements multiple times within the transition period. This would result in not only an increase in costs and difficulties for U.S. companies, but also confusion among the users of financial statements.

As discussed in the Staff Paper, there are many benefits to the condorsement method, including the ongoing, prominent role of the FASB. We see the FASB's continued authority to modify or add to the requirements of IFRS that are incorporated into U.S. GAAP as critical to maintaining the high quality of standards that currently exist in U.S. GAAP for specialized industries. Within our industry, regulatory accounting principles play an important part in the evaluation of utilities operating under cost-based regulation. Regulatory accounting principles serve to reflect the economic effects of regulation in the financial statements and disclosures. Therefore, financial statement users require information in accordance with these principles in order to properly evaluate the financial position and results of operations of a rate-regulated utility. Regulated entities are an important sector of the U.S. investment economy, and we believe any set of accounting standards employed by regulated U.S. entities should incorporate appropriate industry guidance for our sector. Without regulatory accounting principles under IFRS, regulated utilities in the U.S. will experience increased volatility in the income statement going forward that is not justified by the underlying economics of a relatively stable regulated industry.

For the condorsement approach to be operational, we believe the role of the FASB should be more formal and more fully defined than as described in the Staff Paper. The FASB will need formal authority through the development of a framework by which they can evaluate the sufficiency of IFRS for U.S. interests. We are not convinced that the situations where the FASB might consider modifying IFRS would necessarily be "rare", as it is characterized in the Staff Paper. We believe those situations could occur regularly and therefore, the FASB should be expected to take action "when necessary" and not have to take into consideration a predetermined expectation that modifications will be "rare."

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We appreciate the opportunity to express our views and we would be happy to discuss them with the SEC at your convenience.

Sincerely,

Jeffrey M. Stone