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Technical Director Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, Connecticut 06856-5116

File Reference No. 1830-100

Re: FASB-proposed Accounting Standards Update, Fair Value Measurements and Disclosures (Topic 820): Amendments for Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS

Submitted via email to director@fasb.org

Progress Energy, Inc., a North Carolina corporation (Progress Energy, 'we'or the 'Company'), submits herewith its comments to the Financial Accounting Standards Board ('the FASB') on the above referenced Proposed Update to amend its Fair Value Measurement and Disclosure Requirements.

We appreciate the opportunity to comment on the Proposed Update and support the FASB's dedication to converge U.S. GAAP with International Financial Reporting Standards (IFRS'). Regarding the Proposed Update, we are concerned that certain of the proposed changes will add complexity to the disclosure requirements without providing incremental benefit to the users of the financial statements. Therefore, we do not support the issuance of the Proposed Update as currently written. For convenience of reference, each question is reprinted in bold, numbered to correspond with the Proposed Update, and is followed by the response of the Company. The questions from the Proposed Update on which the Company has no comment have been omitted.

Question 7: The Board has decided to require a reporting entity to disclose a measurement uncertainty analysis that takes into account the effect of correlation between unobservable inputs for recurring fair value measurements categorized within Level 3 of the fair value hierarchy unless another Topic specifies that such a disclosure is not required for a particular asset or liability (for example, the Board has decided in its project on the accounting for financial instruments that a measurement uncertainty analysis disclosure would not be required for investments in unquoted equity instruments). Do you think that proposal is appropriate? If not, why not?

P.O. Box 1551 PEB 18A Raleigh, NC 27602 We do not agree with the proposal that a reporting entity should be required to disclose a measurement uncertainty analysis, as we do not believe it will not provide meaningful information on the reliability of most Level 3 fair value measurements.

We believe that the strong opposition to this proposed disclosure requirement was addressed in the comment letters received by the FASB for the previous exposure draft on fair value in August 2009. We appreciate the FASB's consideration in removing the measurement uncertainty disclosures in the Accounting Standards Update 2010-06 released earlier this year. We believe those arguments remain valid and we continue to oppose the proposed measurement uncertainty analysis disclosure requirements.

Disclosing the specific facts and circumstances related to the various classes of Level 3 measurements is not practical and we believe the cost of providing the proposed measurement uncertainty analysis disclosures exceeds any benefit. Providing disclosure of a range of potential values may suggest that fair value is an insufficiently reliable measurement. Also, disclosing a range of other "acceptable" values that could reasonably have been recorded by the Company as of the measurement date could be misleading. The following example is useful to illustrate these concepts. The unobservable inputs used in Level 3 commodity derivative measurements are generally modeled from Level 2 inputs and reflect market relationships and historical correlations. The primary input to the valuation model for these instruments is the forward commodity price curve. Generally, the forward prices in excess of two or three years are not observable and thus must be modeled using the observable prices and historical correlations and trends as the basis. We believe the majority of Level 3 measurements are reliable estimates, particularly for commodity derivatives, and that the range of fair values that would result from using alternative inputs would not provide additional meaningful information not already reflected in the existing disclosure requirements.

We encourage the FASB to carefully weigh the benefits of requiring the proposed disclosures for measurement uncertainty analysis against the costs of preparing them. If the decision is made by the FASB to include the uncertainty analysis disclosures in the final standard, they should only be required on an annual basis. In our opinion, no such sensitivity disclosures should be required.

Question 8: Are there alternative disclosures to the proposed measurement uncertainty analysis that you believe might provide users of financial statements with information about the measurement uncertainty inherent in fair value measurements categorized within Level 3 of the fair value hierarchy that the Board should consider instead? If so, please provide a description of those disclosures and the reasons why you think that information would be more useful and more cost-beneficial.

As discussed above in our response to Question 7, we believe that additional disclosures are not necessary to support measurement uncertainty inherent in fair value measurements categorized within Level 3 of the fair value hierarchy. Therefore, we do not recommend any alternatives to the proposed measurement uncertainty analysis.

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Thank you for this opportunity to submit our views on the Proposed Update. We support your efforts with the IASB and believe that convergence of U.S. GAAP and IFRS would provide the best set of accounting standards. We would be happy to discuss any of our responses with the FASB as part of their ongoing assessment of this matter.

Sincerely,

Jeffrey M. Stone