



April 15, 2014

Mr. Bart Fletcher
Public Utility Supervisor
Surveillance Section
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0820

Dear Mr. Fletcher:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, Inc.'s Earnings Surveillance Report for the twelve months ended February 28, 2014.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended February 28, 2014. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-13-0598-FOF-EI.

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

Sincerely,

Marcia Olivier For Javier Portuondo

Javier Portuondo
Director Rates & Regulatory Strategy

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

**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
FEBRUARY 2014**

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 706,226,540 (a)	\$ (84,709,314) (b)	\$ 621,517,226	\$ (8,227,354)	\$ 613,289,873
Average Rate Base	\$ 10,103,073,867	\$ (1,822,379,075)	\$ 8,280,694,792	\$ -	\$ 8,280,694,792
Average Rate of Return	6.99%		7.51%		7.41%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 704,270,869	\$ (82,753,643)	\$ 621,517,226		
Average Rate Base	\$ 10,260,528,878	\$ (841,250,153)	\$ 9,419,278,725		
Average Rate of Return	6.86%		6.60%		

(a) INCLUDES AFUDC EARNINGS

(b) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.71%	6.61%
Mid Point	7.20%	7.09%
High Point	7.70%	7.57%
Pro Forma Adjusted Basis		
Low Point	6.71%	6.61%
Mid Point	7.20%	7.09%
High Point	7.70%	7.57%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.12	(System Per Books Basis)
B. T.I.E. without AFUDC	4.11	(System Per Books Basis)
C. AFUDC to Net Income	0.57%	(System Per Books Basis)
D. Internally Generated Funds	119.03%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.31%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.06%	(FPSC Adjusted Basis)
F. Return on Common Equity	11.12%	(FPSC Adjusted Basis)
	10.91%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

I am aware that Section 837-06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775-084

Marcia Oliver For Javier Portuondo
Javier Portuondo, Director Rates & Regulatory Strategy

4/15/14
Date

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	13,243,335,183	4,810,288,175	8,433,047,008	123,135,077	323,329,517	8,879,511,602	2,188,159,094	11,067,670,896
Regulatory Base - Retail	12,003,818,052	4,408,470,588	7,595,347,464	106,879,881	264,851,997	7,967,079,342	2,135,994,524	10,103,073,867
FPSC Adjustments								
ARO	(17,644,732)	(25,968,761)	8,324,028			8,324,028	(13,224,968)	(4,900,939)
ECCR	(27,284,309)	(1,640,615)	(25,643,694)		(15,216,381)	(40,860,075)	(1,777,411)	(42,637,486)
ECRC	(1,019,892,837)	(88,802,073)	(931,090,764)		(2,607,259)	(933,698,023)	(25,949,294)	(959,647,317)
FUEL	(28,969,006)	(28,100,142)	(868,864)			(868,864)	304,054,076	303,185,212
CCR							(44,441,763)	(44,441,763)
NUCLEAR					(64,345,353)	(64,345,353)	(395,520,629)	(459,865,982)
CR3 Removal							(1,283,092,911)	(1,283,092,911)
Derivatives							(26,085,975)	(26,085,975)
Employee Related							(1,614,162)	(1,614,162)
Investments Earning a Return							(98,875,260)	(98,875,260)
Jobbing Accounts							(9,049,575)	(9,049,575)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	19,233,715	42,587,726
Rate Case Regulatory Asset							(229,143)	(229,143)
Retention Accounts							1,802,936	1,802,936
CWIP - AFUDC					(36,342,668)	(36,342,668)		(36,342,668)
Imputed Off Balance Sheet Obligations							797,479,887	797,479,887
Capital Lease	(170,865,079)		(170,865,079)			(170,865,079)	170,213,426	(651,653)
Total FPSC Adjustments	(1,264,655,964)	(167,865,602)	(1,096,790,361)		(118,511,661)	(1,215,302,022)	(607,077,053)	(1,822,379,075)
FPSC Adjusted	10,739,162,088	4,240,604,986	6,498,557,103	106,879,881	146,340,336	6,751,777,320	1,528,917,472	8,280,694,792

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
February 2014

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Losses on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	4,618,131,591	1,971,692,978	823,865,810	347,194,368	329,846,042	(13,863,743)	386,861,890	(1,307,002)		3,844,300,343	773,831,248
Regulatory Base - Retail (b)	4,330,846,066	1,910,093,391	743,460,998	319,396,755	317,849,915	(15,601,199)	352,562,917	(1,187,581)		3,626,575,196	704,270,869
FPSC Adjustments											
ECCR	(104,862,727)		(98,557,226)	(372,000)		(2,288,848)				(101,218,074)	(3,644,653)
ECRC	(165,417,050)		(38,556,019)	(11,768,650)	(9,338,672)	(40,794,494)				(100,457,834)	(64,959,216)
FUEL	(1,519,455,342)	(1,517,455,068)	(1,178,020)			(317,185)				(1,518,950,272)	(505,070)
CCR	(392,695,935)	(392,638,324)	(57,611)			(0)				(392,695,934)	(1)
NUCLEAR	(139,978,000)		(887,774)	(123,130,122)		(6,156,610)				(130,174,506)	(9,803,494)
CORPORATE AIRCRAFT ALLOCATION			(2,850,765)			1,099,683				(1,751,082)	1,751,082
FRANCHISE FEE & GROSS RECEIPTS	(196,630,474)					(75,850,205)				(75,850,205)	(120,780,269)
FRANCHISE FEES & GROSS REC TAX - TOI					(193,394,171)	74,601,802				(118,792,370)	118,792,370
GAIN/LOSS ON DISPOSITION & OTHER						290,298			(752,555)	(462,257)	462,257
INST./PROMOTIONAL ADVERTISING			(127,867)			49,325				(78,542)	78,542
INTEREST ON TAX DEFICIENCY			(331,726)			127,963				(203,763)	203,763
MISCELLANEOUS INTEREST EXPENSE			155,056			(59,813)				95,243	(95,243)
REMOVE ASSOC/ORGANIZATION DUES			(145,171)			56,000				(89,171)	89,171
REMOVE ECONOMIC DEVELOPMENT			(12,531)			4,834				(7,697)	7,697
PARENT DEBT ADJUSTMENT						(9,414,714)				(9,414,714)	9,414,714
DIRECTORS & OFFICERS PREMIUM			(1,812,198)			699,055				(1,113,143)	1,113,143
INTEREST SYNCHRONIZATION - FPSC						14,878,437				14,878,437	(14,878,437)
Total FPSC Adjustments	(2,519,039,528)	(1,910,093,391)	(144,361,851)	(135,270,772)	(202,732,843)	(43,074,474)			(752,555)	(2,436,285,885)	(82,753,643)
FPSC Adjusted	1,811,806,537	0	599,099,147	184,125,983	115,117,072	(88,675,672)	352,562,917	(1,187,581)	(752,555)	1,190,289,311	621,517,226
Pro Forma Adjustments											
Weather Normalization	(13,815,875)					(5,329,474)				(5,588,521)	(6,227,354)
Total Pro Forma Adjustments	(13,815,875)					(5,329,474)				(5,588,521)	(6,227,354)
Pro Forma Adjusted	1,797,990,662	0	599,099,147	184,125,983	115,117,072	(64,005,146)	352,562,917	(1,187,581)	(752,555)	1,184,700,789	613,289,873
Current Month											
System Per Books	376,688,711	153,348,476	60,846,211	54,475,089	27,448,985	(1,213,437)	33,884,881	(217,833)		328,372,373	48,316,338
FPSC Adjusted	136,860,317		44,100,712	28,889,774	9,332,135	(1,105,853)	30,880,648	(197,930)	(33,365)	111,866,120	24,994,197
							1,955,671	pretax			
							1,601,967	pretax			

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustments
February 2014

Notes	Rate Base Adjustments	P=ProFoma F=FPSC	System	Retail
	ARO	F	(4,456,706)	(4,900,939)
	ECRC	F	(42,637,466)	(42,637,486)
	ECRC	F	(1,031,349,809)	(959,647,317)
	FUEL	F	303,118,657	303,185,212
	CCR	F	(44,441,763)	(44,441,763)
	NUCLEAR	F	(464,794,842)	(459,865,982)
	CR3 Removal	F	(1,283,082,911)	(1,283,082,911)
	Derivatives	F	(26,085,975)	(26,085,975)
	Employee Related	F	(1,613,724)	(1,614,162)
	Investments Earning a Return	F	(100,475,316)	(98,875,260)
	Jobbing Accounts	F	(9,049,575)	(9,049,575)
	Non-Regulated and Miscellaneous	F	42,587,726	42,587,726
	Rate Case Regulatory Asset	F	(229,143)	(229,143)
	Retention Accounts	F	2,023,656	1,802,936
(1)	CWIP - AFUDC	F	(50,506,132)	(36,342,668)
(3)	Imputed Off Balance Sheet Obligations	F	858,566,923	797,479,887
(2)	Capital Lease - EPIs	F	(183,290,331)	(170,865,079)
(2)	Capital Lease - Working Capital	F	182,591,290	170,213,426
	Total		(1,853,137,461)	(1,822,379,075)

Notes	Income Statement Adjustments (to NOI)	P=ProFoma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECRC	F	(5,933,501)	2,288,848	(5,933,501)	2,288,848
	ECRC	F	(105,753,710)	40,794,494	(105,753,710)	40,794,494
	FUEL	F	(822,255)	317,185	(822,255)	317,185
	CCR	F	(1)	0	(1)	0
	NUCLEAR	F	(15,960,104)	6,156,610	(15,960,104)	6,156,610
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,850,765	(1,099,683)	2,850,765	(1,099,683)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(196,630,474)	75,850,205	(196,630,474)	75,850,205
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,394,171	(74,601,802)	193,394,171	(74,601,802)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	853,380	(329,191)	752,555	(290,298)
(1)	INST./PROMOTIONAL ADVERTISING	F	127,867	(49,325)	127,867	(49,325)
(1)	INTEREST ON TAX DEFICIENCY	F	331,726	(127,963)	331,726	(127,963)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(155,056)	59,813	(155,056)	59,813
(1)	REMOVE ASSOCIATION/ORGANIZATION DUES	F	145,171	(56,000)	145,171	(56,000)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	12,531	(4,834)	12,531	(4,834)
(2)	PARENT DEBT ADJUSTMENT	F		10,361,325		9,414,714
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,812,198	(699,055)	1,812,198	(699,055)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(14,878,437)		(14,878,437)
	Total		(125,727,291)	43,982,191	(125,828,117)	43,074,474

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI
(3) Docket No. 120022-EI

DUKE ENERGY FLORIDA
End of Period Rate of Return - Rate Base
February 2014

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Period End Rate Base
System Per Books	13,489,270,906	4,976,428,007	8,512,842,899	120,899,000	212,783,752	8,846,525,651	2,188,159,094	11,034,684,745
Regulatory Base - Retail	12,349,523,013	4,508,903,581	7,840,619,432	104,802,922	179,112,000	8,124,534,354	2,135,994,524	10,260,528,878
FPSC Adjustments								
ARO	(16,841,368)	(27,704,055)	10,862,687			10,862,687	(13,224,968)	(2,362,280)
ECCR	(36,035,449)	(1,803,000)	(34,232,449)		(7,808,573)	(42,041,022)	(1,777,411)	(43,818,433)
ECRC	(17,492,425)	(4,908,837)	(12,583,588)		(5,236,726)	(17,820,314)	(25,949,294)	(43,769,608)
FUEL	(28,968,974)	(28,104,214)	(864,759)			(864,759)	304,054,076	303,189,316
CCR							(44,441,763)	(44,441,763)
NUCLEAR					(39,452,448)	(39,452,448)	(395,520,629)	(434,973,077)
CR3 Removal							(1,283,092,911)	(1,283,092,911)
Derivatives							(26,085,975)	(26,085,975)
Employee Related							(1,614,162)	(1,614,162)
Investments Earning a Return							(98,875,260)	(98,875,260)
Jobbing Accounts							(9,049,575)	(9,049,575)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	19,233,715	42,587,726
Rate Case Regulatory Asset							(229,143)	(229,143)
Retention Accounts							1,802,936	1,802,936
CWIP - AFUDC					(1,636,844)	(1,636,844)		(1,636,844)
Imputed Off Balance Sheet Obligations							797,479,887	797,479,887
Capital Lease	(166,574,412)		(166,574,412)			(166,574,412)	170,213,426	3,639,015
Total FPSC Adjustments	(265,912,627)	(85,874,117)	(180,038,510)		(54,134,591)	(234,173,100)	(607,077,053)	(841,250,153)
FPSC Adjusted	12,083,610,387	4,423,029,464	7,660,580,923	104,802,922	124,977,409	7,890,361,253	1,528,917,472	9,419,278,725

DUKE ENERGY FLORIDA
End of Period Rate of Return - Income Statement
February 2014

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	4,618,131,591	1,971,692,978	823,865,810	347,194,368	329,846,042	13,853,743	386,961,890	(1,307,002)		3,844,300,343	779,831,248
Regulatory Base - Retail (b)	4,330,846,066	1,910,093,391	743,460,998	319,396,755	317,849,915	(15,601,199)	352,562,917	(1,187,581)		3,626,575,196	704,270,669
FPSC Adjustments											
ECCR	(104,862,727)		(98,557,226)	(372,000)		(2,288,848)				(101,218,074)	(3,644,653)
ECRC	(165,417,050)		(38,556,019)	(11,768,650)	(9,338,672)	(40,794,494)				(100,457,834)	(64,959,216)
FUEL	(1,519,455,342)	(1,517,455,068)	(1,178,020)			(317,185)				(1,518,950,272)	(505,070)
CCR	(392,695,935)	(392,638,324)	(57,611)			(0)				(392,695,934)	(1)
NUCLEAR	(139,978,000)		(887,774)	(123,130,122)		(6,156,610)				(130,174,506)	(9,803,494)
CORPORATE AIRCRAFT ALLOCATION			(2,850,765)			1,099,683				(1,751,082)	1,751,082
FRANCHISE FEE & GROSS RECEIPTS	(196,630,474)					(75,850,205)				(75,850,205)	(120,780,269)
FRANCHISE FEES & GROSS REC TAX - TOI					(193,394,171)	74,601,802				(118,792,370)	18,792,370
GAIN/LOSS ON DISPOSITION & OTHER						290,298				(462,257)	462,257
INST/PROMOTIONAL ADVERTISING			(127,867)			49,325				(78,542)	78,542
INTEREST ON TAX DEFICIENCY			(331,726)			127,963				(203,763)	203,763
MISCELLANEOUS INTEREST EXPENSE			155,056			(59,813)				95,243	(95,243)
REMOVE ASSOC/ORGANIZATION DUES			(145,171)			56,000				(89,171)	89,171
REMOVE ECONOMIC DEVELOPMENT			(12,531)			4,834				(7,697)	7,697
PARENT DEBT ADJUSTMENT						(9,414,714)				(9,414,714)	9,414,714
DIRECTORS & OFFICERS PREMIUM			(1,812,198)			699,055				(1,113,143)	1,113,143
INTEREST SYNCHRONIZATION - FPSC						14,878,437				14,878,437	(14,878,437)
Total FPSC Adjustments	(2,519,039,528)	(1,910,093,391)	(144,361,851)	(135,270,772)	(202,732,843)	(43,074,474)				(752,555)	(82,753,643)
FPSC Adjusted	1,811,806,537	0	599,099,147	184,125,983	115,117,072	(58,675,672)	352,562,917	(1,187,581)	(752,555)	1,190,289,311	621,517,226
(a) The addition of earnings from AFUDC charges would increase the System NOI by							1,955,671	pretax			
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by							1,601,967	pretax			

DUKE ENERGY FLORIDA
End of Period Rate of Return - Adjustments
February 2014

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(2,362,280)	(2,362,280)
	ECCR	F	(43,818,433)	(43,818,433)
	ECRC	F	(45,224,910)	(43,769,608)
	FUEL	F	303,123,076	303,189,316
	CCR	F	(44,441,763)	(44,441,763)
	NUCLEAR	F	(437,995,138)	(434,973,077)
	CR3 Removal	F	(1,283,082,911)	(1,283,082,911)
	Derivatives	F	(26,085,975)	(26,085,975)
	Employee Related	F	(1,613,724)	(1,614,162)
	Investments Earning a Return	F	(100,475,316)	(99,875,260)
	Jobbing Accounts	F	(9,049,575)	(9,049,575)
	Non-Regulated and Miscellaneous	F	42,587,726	42,587,726
	Rate Case Regulatory Asset	F	(229,143)	(229,143)
	Retention Accounts	F	2,023,656	1,802,936
(1)	CWIP - AFUDC	F	(2,253,866)	(1,636,844)
(3)	Imputed Off Balance Sheet Obligations	F	858,566,923	797,479,887
(2)	Capital Lease - EPIS	F	(178,687,647)	(166,574,412)
(2)	Capital Lease - Working Capital	F	182,591,290	170,213,426
	Total		(786,438,032)	(841,250,153)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,933,501)	2,288,848	(5,933,501)	2,288,848
	ECRC	F	(105,753,710)	40,794,494	(105,753,710)	40,794,494
	FUEL	F	(822,255)	317,185	(822,255)	317,185
	CCR	F	(1)	0	(1)	0
	NUCLEAR	F	(15,960,104)	6,156,610	(15,960,104)	6,156,610
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,850,765	(1,099,683)	2,850,765	(1,099,683)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(196,630,474)	75,850,205	(196,630,474)	75,850,205
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,394,171	(74,601,802)	193,394,171	(74,601,802)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	853,390	(329,191)	762,555	(290,298)
(1)	INST./PROMOTIONAL ADVERTISING	F	127,867	(49,325)	127,867	(49,325)
(1)	INTEREST ON TAX DEFICIENCY	F	331,726	(127,963)	331,726	(127,963)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(155,056)	59,813	(155,056)	59,813
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	145,171	(56,000)	145,171	(56,000)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	12,531	(4,834)	12,531	(4,834)
(2)	PARENT DEBT ADJUSTMENT	F		10,361,325		9,414,714
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,812,198	(699,055)	1,812,198	(699,055)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	(125,727,391)	43,982,191	(125,828,117)	43,074,474
	Total		(125,727,391)	43,982,191	(125,828,117)	43,074,474

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-POF-EI
(3) Docket No. 120022-EI

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point			
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Retail	Ratio	Ratio	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost
Common Equity	4,838,807,572	4,408,775,424	(1,177,808,725)	856,789,760	4,087,756,459	49.36%	9.50%	10.50%	11.50%	5.18%	5.68%									
Preferred Stock	2,576,669	2,347,677	(627,184)		1,720,493	0.02%														
Long Term Debt	4,683,485,630	4,267,257,178	(1,140,001,985)		3,127,255,193	37.77%	5.23%	5.23%	5.23%	1.98%	1.98%									
Short Term Debt *	(21,881,114)	(19,936,507)	5,326,058	18,676,260	4,065,811	0.05%	1.22%	1.22%	1.22%	0.00%	0.00%									
Customer Deposits																				
Active	212,288,618	212,288,618	(56,713,115)		155,575,503	1.88%	2.28%	2.28%	2.28%	0.04%	0.04%									
Inactive	1,546,006	1,546,006	(413,017)		1,132,989	0.01%														
Investment Tax Credits **	2,172,453	1,979,384	(528,794)		1,450,589	0.02%														
Deferred Income Taxes	1,570,420,668	1,430,855,008	(382,254,334)	1,201,103	1,049,801,777	12.68%														
FAS 109 DIT - Net	(221,745,807)	(202,036,922)	53,974,898		(148,064,023)	(1.79%)														
Total	11,067,670,696	10,103,073,867	(2,699,046,198)	876,667,123	8,280,694,792	100.00%						6.71%							7.20%	7.70%
* Daily Weighted Average																				
** Cost Rates Calculated Per IRS Ruling																				

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
February 2014

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	4,873,048,882	4,418,007,558	(684,590,779)	803,774,747	4,537,191,525	48.17%	9.50%	4.58%	4,537,191,525	48.17%	10.50%	5.06%	11.50%	5.54%				
Long Term Debt	4,653,074,081	4,218,573,825	(653,687,597)	(59,366,321)	3,564,886,228	37.85%	5.26%	1.99%	3,564,886,228	37.85%	5.26%	1.99%	5.26%	1.99%				
Short Term Debt *	27,284,000	24,736,242	(3,832,996)		(38,463,074)	(0.41%)	1.22%	(0.00%)		(0.41%)	1.22%	(0.00%)	1.22%	(0.00%)				
Customer Deposits																		
Active	210,220,951	210,220,951	(32,574,712)		177,646,239	1.89%	2.30%	0.04%	177,646,239	1.89%	2.30%	0.04%	2.30%	0.04%				
Inactive	1,808,630	1,808,630	(280,256)		1,528,374	0.02%			1,528,374	0.02%								
Investment Tax Credits **	1,514,680	1,373,240	(212,790)		1,160,450	0.01%			1,160,450	0.01%								
Deferred Income Taxes	1,745,084,825	1,582,130,230	(245,158,423)	4,258,000	1,341,229,807	14.24%			1,341,229,807	14.24%								
FAS 109 DIT - Net	(216,542,345)	(196,321,798)	30,420,974		(165,900,824)	(1.76%)			(165,900,824)	(1.76%)								
Total	11,295,493,702	10,260,528,878	(1,589,916,579)	748,666,426	9,419,278,725	100.00%			9,419,278,725	100.00%		6.61%		7.09%				7.57%
<p>* Daily Weighted Average</p> <p>** Cost Rates Calculated Per IRS Ruling</p>																		

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS

SCHEDULE 5

Company : Duke Energy Florida
Year 2014

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 519,615,747
AFUDC - DEBT	943,631
INCOME TAXES	204,268,139
TOTAL	\$ 724,827,517
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	\$ 176,030,179
TIE WITH AFUDC	<u>4.12</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 519,615,747
AFUDC - EQUITY	(1,012,040)
INCOME TAXES	204,268,139
TOTAL	\$ 722,871,846
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	\$ 176,030,179
TIE WITHOUT AFUDC	<u>4.11</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$ 943,631
LESS: DIT	-
SUBTOTAL	\$ 943,631
AFUDC - EQUITY	\$ 1,012,040
TOTAL	\$ 1,955,671
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 344,529,199
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.57%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 324,709,797
COMMON DIVIDENDS	(325,000,000)
AFUDC (EQUITY)	(274,570)
DEPRECIATION & AMORTIZATION	(8,416,472)
DEFERRED INCOME TAXES	334,621,795
INVESTMENT TAX CREDITS	369,786,809
DEFERRED FUEL NET	(1,307,003)
OTHER - INC NUCLEAR DECOMMISSIONING	74,338,880
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	320,768,398
TOTAL FUNDS PROVIDED	\$ 1,089,227,634

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 915,077,130
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PERCENTAGE INTERNALLY GENERATED FUNDS **119.03%**
*Updated quarterly as of December 2013

E. SHORT TERM DEBT/LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

Common Equity	\$ 4,087,756,459
Preferred Stock	1,720,493
Long Term Debt	3,127,255,193
Short Term Debt	4,065,811
TOTAL	<u>\$ 7,220,797,956</u>

% LONG TERM DEBT TO TOTAL **43.31%**
% SHORT TERM DEBT TO TOTAL **0.06%**

F. FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PROFORMA RETURN ON COMMON EQUITY

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>7.41%</u>	<u>7.51%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.98%	1.98%
SHORT TERM DEBT	0.00%	0.00%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>2.02%</u>	<u>2.02%</u>
TOTAL	<u>5.39%</u>	<u>5.49%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>49.36%</u>	<u>49.36%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.91%</u>	<u>11.12%</u>