



September 13, 2016

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, LLC's Earnings Surveillance Report for the twelve months ended July 31, 2016.

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. 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 me at (727) 820-5653.

Sincerely,

A handwritten signature in blue ink that reads "Marcia Olivier".

Marcia Olivier  
Director Rates & Regulatory Planning

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

**DUKE ENERGY FLORIDA  
RATE OF RETURN REPORT SUMMARY  
July 2016**

**SCHEDULE 1**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. AVERAGE RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 667,016,453 (a)	\$ 14,247,827 (b)	\$ 681,264,280	\$ (28,631,636)	\$ 652,632,644
Average Rate Base	\$ 11,410,681,008	\$ (1,279,246,835)	\$ 10,131,434,173	\$ -	\$ 10,131,434,173
Average Rate of Return	5.85%		6.72%		6.44%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 645,877,917	\$ 35,386,363	\$ 681,264,280		
Average Rate Base	\$ 11,920,108,644	\$ (1,545,728,423)	\$ 10,374,380,221		
Average Rate of Return	5.42%		6.57%		
(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	6.22%	6.28%
Mid Point	6.68%	6.74%
High Point	7.14%	7.20%
Pro Forma Adjusted Basis		
Low Point	6.22%	6.28%
Mid Point	6.68%	6.74%
High Point	7.14%	7.20%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	5.00	(System Per Books Basis)
B. T.I.E without AFUDC	4.90	(System Per Books Basis)
C. AFUDC to Net Income	3.70%	(System Per Books Basis)
D. Internally Generated Funds	131.22%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.28%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.16%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.61%	(FPSC Adjusted Basis)
	10.00%	(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 Olivier*  
Marcia Olivier, Director Rates & Regulatory Planning

*9/13/16*  
Date

DUKE ENERGY FLORIDA  
Average Rate of Return - Rate Base  
July 2016

	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	\$14,542,365,953	\$5,342,179,119	\$9,200,186,834	\$122,267,287	\$773,066,275	\$10,095,520,396	\$2,399,808,597	\$12,495,328,993
Regulatory Base - Retail	\$13,208,219,085	\$4,951,696,815	\$8,256,522,270	\$105,988,621	\$690,891,382	\$9,053,402,273	\$2,357,278,735	\$11,410,681,008
FPSC Adjustments								
ARO	(26,641,161)	(31,200,561)	4,559,400			4,559,400	(3,938,281)	621,120
ECCR	(46,211,180)	(10,677,566)	(35,533,615)		(5,165,154)	(40,698,769)	(4,955,836)	(45,654,605)
ECRC	(179,046,142)	(11,333,160)	(167,712,982)		(1,367,847)	(169,080,828)	(22,234,820)	(191,315,648)
FUEL	(28,969,382)	(28,103,568)	(865,815)			(865,815)	88,138,793	87,272,978
CCR							(16,247,370)	(16,247,370)
NUCLEAR					(526,133)	(526,133)	(246,438,871)	(246,965,004)
CR3 Removal							(1,144,180,706)	(1,144,180,706)
Derivatives							(24,826,917)	(24,826,917)
Employee Related							(306)	(306)
Investments Earning a Return							(171,751,104)	(171,751,104)
Jobbing Accounts							(567,237)	(567,237)
Non-Regulated and Miscellaneous	(45,340,047)	(37,761,437)	(7,578,610)		(426,485)	(8,005,094)	76,974,635	68,969,541
Retention Accounts							1,713,460	1,713,460
CWIP - AFUDC					(364,829,474)	(364,829,474)	770,834,727	(364,829,474)
Imputed Off Balance Sheet Obligations							144,293,680	770,834,727
Capital Lease	(146,613,969)		(146,613,969)			(146,613,969)		(2,320,289)
<b>Total FPSC Adjustments</b>	<b>(472,821,882)</b>	<b>(119,076,293)</b>	<b>(353,745,590)</b>		<b>(372,315,093)</b>	<b>(726,060,682)</b>	<b>(553,186,153)</b>	<b>(1,279,246,835)</b>
<b>FPSC Adjusted</b>	<b>\$12,735,397,203</b>	<b>\$4,832,620,522</b>	<b>\$7,902,776,681</b>	<b>\$105,988,621</b>	<b>\$318,576,290</b>	<b>\$8,327,341,591</b>	<b>\$1,804,092,582</b>	<b>\$10,131,434,174</b>

DUKE ENERGY FLORIDA  
Average Rate of Return - Income Statement  
July 2016

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books</b>	\$4,700,343,921	\$1,990,587,645	\$607,509,602	\$503,064,585	\$341,900,313	\$111,460,187	\$187,301,962	(\$146,000)		\$3,941,678,293	\$758,665,627
<b>Regulatory Base - Retail</b>	\$4,395,279,433	\$1,928,556,212	\$772,600,391	\$470,769,891	\$329,331,259	\$115,980,660	\$132,296,430	(\$133,327)		\$3,749,401,516	\$645,877,917
<b>FPSC Adjustments</b>											
ECCR	(101,541,001)		(90,676,631)	(5,406,440)		(2,105,397)				(98,188,467)	(3,352,534)
ECRC	(62,157,174)		(34,554,524)	(7,385,837)	(1,310,289)	(7,293,192)				(50,543,842)	(11,613,332)
FUEL	(1,542,282,870)	(1,538,288,371)	(1,061,479)			(1,131,412)				(1,540,481,263)	(1,801,607)
CCR	(392,160,133)	(390,267,841)	(282,355)	(1,609,937)		-				(392,160,133)	-
NUCLEAR	(59,175,857)		(51,212)	(53,976,252)		(1,985,993)				(56,013,456)	(3,162,401)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION			(2,060,035)			794,658				(1,265,376)	1,265,376
FRANCHISE FEE & GROSS RECEIPTS						(78,313,195)				(78,313,195)	(124,702,216)
FRANCHISE FEES & GROSS REC TAX - TOI					(201,366,950)	77,677,301				(123,689,649)	123,689,649
GAIN/LOSS ON DISPOSITION & OTHER						70,622			(183,078)	(112,456)	112,456
INST./PROMOTIONAL ADVERTISING			(4,205,062)			1,622,103				(2,582,960)	2,582,960
MISCELLANEOUS INTEREST EXPENSE			125,225			(48,305)				76,919	(76,919)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)			9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(14,793,602)				(14,793,602)	14,793,602
DIRECTORS & OFFICERS PREMIUM						1,019,251				(1,623,006)	1,623,006
INTEREST SYNCHRONIZATION - FPSC			(2,642,257)			(8,012,719)				(8,012,719)	8,012,719
<b>Total FPSC Adjustments</b>	<b>(2,360,332,446)</b>	<b>(1,928,556,212)</b>	<b>(135,433,989)</b>	<b>(113,962,256)</b>	<b>(202,677,239)</b>	<b>(14,906,034)</b>	<b>\$132,296,430</b>	<b>(\$133,327)</b>	<b>(183,078)</b>	<b>(2,395,718,808)</b>	<b>35,386,363</b>
<b>Pro Forma Adjustments</b>	<b>\$2,034,946,988</b>		<b>\$637,166,402</b>	<b>\$356,807,635</b>	<b>\$126,654,020</b>	<b>\$101,074,626</b>	<b>\$132,296,430</b>	<b>(\$133,327)</b>		<b>\$1,353,692,708</b>	<b>\$681,264,280</b>
<b>Weather Normalization</b>											
	(46,612,350)					(17,980,714)				(17,980,714)	(28,631,636)
<b>Total Pro Forma Adjustments</b>	<b>(46,612,350)</b>										
<b>Pro Forma Adjusted</b>	<b>\$1,988,334,638</b>		<b>\$637,166,402</b>	<b>\$356,807,635</b>	<b>\$126,654,020</b>	<b>\$83,093,912</b>	<b>\$132,296,430</b>	<b>(\$133,327)</b>	<b>(\$183,078)</b>	<b>\$1,335,701,994</b>	<b>\$652,632,644</b>
<b>Current Month</b>											
System Per Books	\$459,259,425	\$182,170,471	\$62,771,518	\$41,235,396	\$32,030,588	5,669,735	37,487,736	(12,167)		\$361,353,277	\$97,906,148
FPSC Adjusted	\$219,297,936	\$46,692,573	\$46,692,573	\$30,520,330	\$10,516,146	19,136,715	21,828,804	(11,111)	(21,159)	\$128,662,299	\$90,635,637

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,120	\$621,120
	ECCR	F	(45,654,605)	(45,654,605)
	ECHR	F	(202,365,752)	(191,315,648)
	FUEL	F	87,206,657	87,272,978
	CCR	F	(18,528,824)	(16,247,370)
	NUCLEAR	F	(245,099,964)	(246,965,004)
	CR3 Removal	F	(1,144,180,706)	(1,144,180,706)
	Derivatives	F	(24,826,917)	(24,826,917)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(181,646,233)	(171,751,104)
	Jobbing Accounts	F	(636,680)	(567,237)
	Non-Regulated and Miscellaneous	F	69,144,455	68,969,541
	Retention Accounts	F	1,923,226	1,713,460
	Non-Regulated and Miscellaneous	F	(393,347,455)	(364,829,474)
(1)	CWIP - AFUDC	F	829,880,742	770,834,727
(3)	Imputed Off Balance Sheet Obligations	F	(157,275,688)	(146,613,969)
(2)	Capital Lease - EPIS	F	154,786,668	144,293,680
(2)	Capital Lease - Working Capital	F		
	<b>Total</b>		<b>(\$1,270,000,299)</b>	<b>(\$1,279,246,835)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,457,931)	2,105,397	(5,457,931)	2,105,397
	ECHR	F	(16,426,007)	6,336,332	(18,906,524)	7,293,192
	FUEL	F	(3,027,359)	1,167,804	(2,933,020)	1,131,412
	CCR	F				
	NUCLEAR	F	(5,148,393)	1,985,993	(5,148,393)	1,985,993
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,209,840	(852,446)	2,060,035	(794,658)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,015,411)	78,313,195	(203,015,411)	78,313,195
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,366,950	(77,677,301)	201,366,950	(77,677,301)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	197,102	(76,032)	183,078	(70,622)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,510,853	(1,740,062)	4,205,062	(1,622,103)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(134,331)	51,818	(125,225)	48,305
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		16,321,453		14,793,602
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,834,401	(1,093,370)	2,642,257	(1,019,251)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,710,776		8,012,719
	<b>Total</b>		<b>\$23,521,029</b>	<b>\$16,958,993</b>	<b>\$20,480,329</b>	<b>\$14,906,034</b>

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI  
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI  
(3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

	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
<b>System Per Books</b>	\$14,775,046,371	\$5,316,652,998	\$9,458,393,373	\$123,005,711	\$1,079,030,891	\$10,660,429,974	\$2,399,808,597	\$13,060,238,571
<b>Regulatory Base - Retail</b>	\$13,410,231,774	\$4,929,610,079	\$8,480,621,695	\$106,628,730	\$975,579,483	\$9,562,829,909	\$2,357,278,735	\$11,920,108,644
<b>FPSC Adjustments</b>								
ARO	(29,226,857)	(31,027,227)	1,800,370			1,800,370	(3,938,281)	(2,137,911)
ECCR	(51,481,770)	(13,489,620)	(37,992,150)			(37,992,150)	(4,955,836)	(42,947,986)
ECRC	(174,854,474)	(13,317,091)	(161,537,384)		(398,711)	(161,936,094)	(22,234,820)	(184,170,914)
FUEL	(28,969,382)	(28,103,629)	(865,753)			(865,753)	88,138,793	87,273,040
CCR							(16,247,370)	(16,247,370)
NUCLEAR					(794,626)	(794,626)	(246,438,871)	(247,233,496)
CR3 Removal							(1,144,180,706)	(1,144,180,706)
Derivatives							(24,826,917)	(24,826,917)
Employee Related							(306)	(306)
Investments Earning a Return							(171,751,104)	(171,751,104)
Jobbing Accounts							(567,237)	(567,237)
Non-Regulated and Miscellaneous	(48,323,774)	(37,078,371)	(11,245,403)		(77,748)	(11,323,151)	76,974,635	65,651,484
Retention Accounts							1,713,460	1,713,460
CWIP - AFUDC					(639,345,511)	(639,345,511)	770,834,727	(639,345,511)
Imputed Off Balance Sheet Obligations							144,293,680	770,834,727
Capital Lease	(142,085,355)		(142,085,355)			(142,085,355)		2,208,325
<b>Total FPSC Adjustments</b>	<b>(474,941,613)</b>	<b>(123,015,939)</b>	<b>(351,925,674)</b>	<b>\$106,628,730</b>	<b>\$334,962,887</b>	<b>\$8,570,287,638</b>	<b>\$1,804,092,582</b>	<b>(1,545,728,423)</b>
<b>FPSC Adjusted</b>	<b>\$12,935,290,161</b>	<b>\$4,806,594,140</b>	<b>\$8,128,696,021</b>	<b>\$106,628,730</b>	<b>\$334,962,887</b>	<b>\$8,570,287,638</b>	<b>\$1,804,092,582</b>	<b>\$10,374,380,221</b>

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books</b>	\$4,700,343,921	\$1,990,587,645	\$807,509,602	\$503,064,585	\$341,900,313	\$111,460,187	\$187,301,962	(\$146,000)		\$3,941,678,293	\$758,665,627
<b>Regulatory Base - Retail</b>	\$4,395,279,433	\$1,928,556,212	\$772,600,391	\$470,769,891	\$329,331,259	\$115,980,660	\$132,296,430	(\$133,327)		\$3,749,401,516	\$645,877,917
<b>FPSC Adjustments</b>											
ECCR	(101,541,001)		(90,676,631)	(5,406,440)		(2,105,397)				(98,188,467)	(3,352,534)
ECRC	(62,157,174)		(34,554,524)	(7,385,837)	(1,310,289)	(7,293,192)				(50,543,842)	(11,613,332)
FUEL	(1,542,282,870)	(1,538,288,371)	(1,061,479)			(1,131,412)				(1,540,481,263)	(1,801,607)
CCR	(392,160,133)	(390,267,841)	(282,355)	(1,609,937)		-				(392,160,133)	-
NUCLEAR	(59,175,857)		(51,212)	(53,976,252)		(1,985,993)				(56,013,456)	(3,162,401)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION			(2,060,035)			794,658				(1,265,376)	1,265,376
FRANCHISE FEE & GROSS RECEIPTS						(78,313,195)				(78,313,195)	(124,702,216)
FRANCHISE FEES & GROSS REC TAX - TOI					(201,366,950)	77,677,301			(183,078)	(123,689,649)	123,689,649
GAIN/LOSS ON DISPOSITION & OTHER						70,622				(112,456)	112,456
INST./PROMOTIONAL ADVERTISING			(4,205,062)			1,622,103				(2,582,960)	2,582,960
MISCELLANEOUS INTEREST EXPENSE			125,225	(48,305)		(8,305)				76,919	(76,919)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)	9,898		9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(14,793,602)				(14,793,602)	14,793,602
DIRECTORS & OFFICERS PREMIUM						1,019,251				(1,623,006)	1,623,006
INTEREST SYNCHRONIZATION - FPSC			(2,642,257)			(8,012,719)				(8,012,719)	8,012,719
<b>Total FPSC Adjustments</b>	<b>(2,360,332,446)</b>	<b>(1,928,556,212)</b>	<b>(135,433,989)</b>	<b>(113,962,256)</b>	<b>(202,677,239)</b>	<b>(14,906,034)</b>	<b>\$132,296,430</b>	<b>(\$133,327)</b>	<b>(183,078)</b>	<b>(2,395,716,808)</b>	<b>35,396,363</b>
<b>FPSC Adjusted</b>	<b>\$2,034,946,988</b>	<b>\$1,928,556,212</b>	<b>\$637,166,402</b>	<b>\$356,807,635</b>	<b>\$126,654,020</b>	<b>\$101,074,626</b>	<b>\$132,296,430</b>	<b>(\$133,327)</b>	<b>(\$183,078)</b>	<b>\$1,353,682,708</b>	<b>\$681,264,280</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 23,652,762 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 21,138,536 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$2,137,911)	(\$2,137,911)
	ECCR	F	(42,947,986)	(42,947,986)
	ECRC	F	(198,413,617)	(184,170,914)
	FUEL	F	87,206,723	87,273,040
	CCR	F	(18,528,824)	(16,247,370)
	NUCLEAR	F	(245,389,023)	(247,233,496)
	CRJ Removal	F	(1,144,180,706)	(1,144,180,706)
	Derivatives	F	(24,826,917)	(24,826,917)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(181,646,233)	(171,751,104)
	Jobbing Accounts	F	(636,680)	(567,237)
	Non-Regulated and Miscellaneous	F	65,651,484	65,651,484
	Retention Accounts	F	1,923,226	1,713,460
(1)	CWIP - AFUDC	F	(692,002,940)	(639,345,511)
(3)	Imputed Off Balance Sheet Obligations	F	829,890,742	770,834,727
(2)	Capital Lease - EPIS	F	(152,417,754)	(142,085,355)
(2)	Capital Lease - Working Capital	F	154,786,668	144,293,680
	<b>Total</b>		<b>(\$1,563,680,091)</b>	<b>(\$1,545,728,423)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,457,931)	2,105,397	(5,457,931)	2,105,397
	ECRC	F	(16,426,007)	6,336,332	(18,906,524)	7,293,192
	FUEL	F	(3,027,359)	1,167,804	(2,933,020)	1,131,412
	CCR	F				
	NUCLEAR	F	(5,148,393)	1,985,993	(5,148,393)	1,985,993
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,209,840	(852,446)	2,060,035	(794,658)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,015,411)	78,313,195	(203,015,411)	78,313,195
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,366,950	(77,677,301)	201,366,950	(77,677,301)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	197,102	(76,032)	189,078	(70,622)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,510,853	(1,740,062)	4,205,062	(1,622,103)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(134,331)	51,818	(125,225)	48,305
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		16,321,453		14,793,602
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,834,401	(1,093,370)	2,642,257	(1,019,251)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,710,776		8,012,719
	<b>Total</b>		<b>\$23,521,029</b>	<b>\$16,958,993</b>	<b>\$20,480,329</b>	<b>\$14,906,034</b>

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-E  
 (2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI  
 (3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI



	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	\$5,095,569,573	\$4,645,298,380			(\$734,985,447)	\$743,149,447	\$4,653,462,380	45.93%	9.50%	4.36%	10.50%	11.50%	5.28%					
Long Term Debt	4,287,828,522	3,908,933,555			(618,476,800)		3,290,456,755	32.48%	5.51%	1.79%	5.51%	5.51%	1.79%					
Short Term Debt	594,510,154	541,976,126			(85,752,202)	(24,139,520)	432,084,404	4.26%	0.58%	0.02%	0.58%	0.58%	0.02%					
Customer Deposits																		
Active	219,189,770	219,189,770			(34,680,504)		184,509,265	1.82%	2.30%	0.04%	2.30%	2.30%	0.04%					
Inactive	1,538,129	1,538,129			(243,365)		1,294,764	0.01%										
Investment Tax Credits	647,847	590,599			(93,445)		497,154											
Deferred Income Taxes	2,508,743,833	2,287,058,099			(361,861,453)	(192,843,245)	1,732,353,401	17.10%										
FAS 109 DIT - Net	(212,698,832)	(193,903,650)			30,679,700	(163,223,950)	(163,223,950)	-1.61%										
<b>Total</b>	<b>\$12,495,328,994</b>	<b>\$11,410,681,008</b>			<b>(\$1,805,413,517)</b>	<b>\$526,166,682</b>	<b>\$10,131,434,174</b>	<b>100.00%</b>		<b>6.22%</b>		<b>6.68%</b>					<b>7.14%</b>	

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books		Books		Adjustments		Adjustments		Retail		Ratio		Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,825,562,966		\$4,792,435,992		(\$633,830,287)		\$796,827,167		\$4,755,432,862		45.84%		9.50%	4.35%	10.50%	4.81%	11.50%	5.27%
Long Term Debt	4,097,834,657		4,069,703,451		(708,082,906)				3,361,620,545		32.40%		5.76%	1.87%	5.76%	1.87%	5.76%	1.87%
Short Term Debt	464,921,000		461,729,366		(80,335,748)		(61,008,120)		320,385,498		3.09%		0.58%	0.02%	0.58%	0.02%	0.58%	0.02%
Customer Deposits																		
Active	217,532,790		217,532,790		(37,848,274)				179,684,516		1.73%		2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,219,017		1,219,017		(212,095)				1,006,921		0.01%							
Investment Tax Credits	2,661,517		2,643,245		(459,895)				2,183,350		0.02%							
Deferred Income Taxes	2,606,625,156		2,588,730,947		(450,410,246)		(207,581,820)		1,930,738,881		18.61%							
FAS 109 DIT - Net	(215,364,609)		(213,886,154)		37,213,800				(176,672,354)		-1.70%							
<b>Total</b>	<b>\$12,000,992,493</b>		<b>\$11,920,108,644</b>		<b>(\$2,073,965,650)</b>		<b>\$528,237,227</b>		<b>\$10,374,380,221</b>		<b>100.00%</b>			<b>6.28%</b>		<b>6.74%</b>		<b>7.20%</b>

\* Daily Weighted Average  
 \*\* Cost Rates Calculated Per IRS Ruling

	System Per		Retail Per		Pro Rate		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books		Books		Adjustments		Adjustments		Retail		Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	\$5,095,569,573		\$4,645,298,380		(\$734,985,447)		\$743,149,447		\$4,653,462,380		45.93%	9.50%	4.36%	10.50%	4.82%	11.50%	5.28%	
Long Term Debt	4,287,828,522		3,908,933,555		(618,476,800)				3,290,456,755		32.48%	5.51%	1.79%	5.51%	1.79%	5.51%	1.79%	
Short Term Debt	594,510,154		541,976,126		(85,752,202)		(24,139,520)		432,084,404		4.26%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%	
Customer Deposits																		
Active	219,189,770		219,189,770		(34,680,504)				184,509,265		1.82%	2.30%	0.04%	2.30%	0.04%	2.30%	0.04%	
Inactive	1,538,129		1,538,129		(243,365)				1,294,764		0.01%							
Investment Tax Credits	647,847		590,599		(93,445)				497,154									
Deferred Income Taxes	2,508,743,833		2,287,058,099		(361,861,453)		(192,843,245)		1,732,353,401		17.10%							
FAS 109 DIT - Net	(212,698,832)		(193,903,650)		30,679,700				(163,223,950)		-1.61%							
<b>Total</b>	<b>\$12,495,328,994</b>		<b>\$11,410,661,006</b>		<b>(\$1,805,413,517)</b>		<b>\$526,166,682</b>		<b>\$10,131,434,174</b>		<b>100.00%</b>		<b>6.22%</b>		<b>6.68%</b>		<b>7.14%</b>	

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
FPSC Adjusted Basis  
July 2016

	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	Ratio	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,825,562,966	\$4,792,435,982	(\$833,830,287)	\$796,827,167	\$4,755,432,862	45.84%	9.50%	4.35%	10.50%	11.50%	4.81%	5.27%						
Long Term Debt	4,097,834,657	4,069,703,451	(708,082,906)	(61,008,120)	3,361,620,545	32.40%	5.76%	1.87%	5.76%	5.76%	1.87%	1.87%						
Short Term Debt	464,921,000	461,729,366	(80,335,748)		320,385,498	3.09%	0.58%	0.02%	0.58%	0.58%	0.02%	0.02%						
Customer Deposits																		
Active	217,532,790	217,532,790	(37,848,274)		179,684,516	1.73%	2.32%	0.04%	2.32%	2.32%	0.04%	0.04%						
Inactive	1,219,017	1,219,017	(212,095)		1,006,921	0.01%												
Investment Tax Credits	2,661,517	2,643,245	(459,895)		2,183,350	0.02%												
Deferred Income Taxes	2,606,625,156	2,588,730,947	(450,410,246)	(207,581,820)	1,930,738,881	18.61%												
FAS 109 DIT - Net	(215,364,609)	(213,886,154)	37,213,800		(176,672,354)	-1.70%												
<b>Total</b>	<b>\$12,000,992,493</b>	<b>\$11,920,108,644</b>	<b>(\$2,073,965,650)</b>	<b>\$528,237,227</b>	<b>\$10,374,380,221</b>	<b>100.00%</b>								<b>6.28%</b>			<b>6.74%</b>	<b>7.20%</b>

\* Daily Weighted Average  
\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 736,342,822
AFUDC - DEBT	\$ 8,294,835
INCOME TAXES	\$ 337,069,035
TOTAL	\$ 1,081,706,692
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 216,128,290
TIE WITH AFUDC	<u>5.00</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 736,342,822
AFUDC - EQUITY	(15,357,927)
INCOME TAXES	337,069,035
TOTAL	\$ 1,058,053,930
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 216,128,290
TIE WITHOUT AFUDC	<u>4.90</u>

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

AFUDC DEBT	\$ 8,294,835
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 5,095,102
AFUDC - EQUITY	\$ 15,357,927
TOTAL	\$ 20,453,030
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 553,258,934
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.70%</u>

**D. PERCENT INTERNALLY GENERATED FUNDS\***

NET INCOME	\$ 602,689,480
COMMON DIVIDENDS	\$ (1,000,000,000)
AFUDC (EQUITY)	\$ (13,773,720)
DEPRECIATION & AMORTIZATION	\$ 510,085,816
DEFERRED INCOME TAXES	\$ 224,101,291
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (1,315,844)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,244,336,796
TOTAL FUNDS PROVIDED	<u>\$ 1,565,977,819</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,193,379,045</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	<b>131.22%</b>
*Updated quarterly as of June 2016	

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

Common Equity	\$ 4,653,462,380
Long Term Debt	\$ 3,290,456,755
Short Term Debt	\$ 432,084,404
TOTAL	<u>\$ 8,376,003,539</u>
% LONG TERM DEBT TO TOTAL	<b>39.28%</b>
% SHORT TERM DEBT TO TOTAL	<b>5.16%</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.44%</u>	<u>6.72%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.79%	1.79%
SHORT TERM DEBT	0.02%	0.02%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>1.85%</u>	<u>1.85%</u>
TOTAL	<u>4.59%</u>	<u>4.87%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.93%</u>	<u>45.93%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.00%</u>	<u>10.61%</u>