



November 14, 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 September 30, 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 for the twelve months ended September 30, 2016. 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 black 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
September 2016

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	\$ 654,692,833 (a)	\$ 7,966,642 (b)	\$ 662,659,475	\$ (37,129,842)	\$ 625,529,633
Average Rate Base	\$ 11,363,132,394	\$ (1,187,237,610)	\$ 10,175,894,784	\$ -	\$ 10,175,894,784
Average Rate of Return	5.76%		6.51%		6.15%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 628,172,257	\$ 34,487,218	\$ 662,659,475		
Average Rate Base	\$ 11,889,304,996	\$ (1,478,154,852)	\$ 10,411,150,144		
Average Rate of Return	5.28%		6.36%		
(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	6.21%	6.16%
Mid Point	6.66%	6.61%
High Point	7.12%	7.06%
Pro Forma Adjusted Basis		
Low Point	6.21%	6.16%
Mid Point	6.66%	6.61%
High Point	7.12%	7.06%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	5.09	(System Per Books Basis)
B. T.I.E. without AFUDC	4.95	(System Per Books Basis)
C. AFUDC to Net Income	4.76%	(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	39.16%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.40%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.17%	(FPSC Adjusted Basis)
	9.37%	(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

11/14/16
 Date

DUKE ENERGY FLORIDA
Average Rate of Return - Rate Base
September 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	\$14,617,802,978	\$5,340,078,984	\$9,277,723,994	\$122,434,708	\$878,644,327	\$10,278,803,030	\$2,177,143,193	\$12,455,946,223
Regulatory Base - Retail	\$13,274,875,419	\$4,950,666,720	\$8,324,208,699	\$106,133,751	\$786,350,638	\$9,218,693,089	\$2,144,439,305	\$11,363,132,394
FPSC Adjustments								
ARO	(27,249,760)	(30,266,297)	3,016,537			3,016,537	(2,394,992)	621,544
ECCR	(47,989,910)	(11,554,062)	(36,435,848)		(3,488,470)	(39,924,318)	(6,268,621)	(46,192,939)
ECRC	(178,109,139)	(12,014,007)	(166,095,132)		(1,194,888)	(167,290,020)	(27,324,535)	(194,614,555)
FUEL	(28,614,519)	(27,799,159)	(815,360)			(815,360)	68,090,679	67,275,319
CCR							(11,126,044)	(11,126,044)
NUCLEAR					(633,904)	(633,904)	(243,867,445)	(244,501,349)
CR3 Removal							(962,364,536)	(962,364,536)
Derivatives							(21,860,225)	(21,860,225)
Employee Related							(257)	(257)
Investments Earning a Return							(172,653,538)	(172,653,538)
Jobbing Accounts							(601,703)	(601,703)
Non-Regulated and Miscellaneous	(46,469,201)	(36,009,921)	(10,459,279)		(312,704)	(10,771,983)	91,436,523	80,664,540
Retention Accounts							1,578,992	1,578,992
CWIP - AFUDC					(448,361,497)	(448,361,497)	767,366,886	(448,361,497)
Imputed Off Balance Sheet Obligations							142,485,167	767,366,886
Capital Lease	(144,953,414)		(144,953,414)			(144,953,414)		(2,468,247)
Total FPSC Adjustments	(473,385,943)	(117,643,446)	(355,742,497)	0	(453,991,463)	(809,733,960)	(377,503,649)	(1,187,237,610)
FPSC Adjusted	\$12,801,489,476	\$4,833,023,274	\$7,968,466,202	\$106,133,751	\$334,359,175	\$8,408,959,129	\$1,766,935,655	\$10,175,894,784

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
September 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
System Per Books	\$4,636,162,694	\$1,921,164,648	\$813,138,984	\$507,846,527	\$341,669,826	\$160,233,253	\$166,724,857	(\$146,000)	-	\$3,910,632,095	\$725,530,598
Regulatory Base - Retail	\$4,332,546,573	\$1,843,556,829	\$779,039,491	\$475,291,996	\$328,976,526	\$159,930,282	\$117,712,383	(\$133,191)	-	\$3,704,374,316	\$628,172,257
FPSC Adjustments											
ECCR	(106,278,994)	-	(95,186,811)	(5,785,910)	-	(2,046,895)	-	-	-	(103,019,616)	(3,259,378)
ECRC	(66,441,250)	-	(35,109,829)	(11,384,750)	(1,317,125)	(7,186,347)	-	-	-	(54,998,052)	(11,443,198)
FUEL	(1,434,910,632)	(1,431,035,731)	(980,474)	-	-	(1,116,525)	-	-	-	(1,433,132,730)	(1,777,902)
CCR	(414,889,343)	(412,521,098)	(298,720)	-	-	(798,319)	-	-	-	(413,618,138)	(1,271,206)
NUCLEAR	(58,087,303)	-	(50,471)	(53,101,031)	-	(1,903,985)	-	-	-	(55,065,487)	(3,031,816)
Non-Regulated and Miscellaneous	-	-	-	(45,583,791)	-	17,583,947	-	-	-	(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,014,996)	-	-	777,285	-	-	-	(1,237,711)	1,237,711
FRANCHISE FEE & GROSS RECEIPTS	(201,122,064)	-	-	-	(199,673,174)	(77,582,836)	-	-	-	(77,582,836)	(123,539,228)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	-	77,023,927	-	-	-	(122,649,247)	122,649,247
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	65,514	-	-	(169,835)	(104,321)	104,321
INST./PROMOTIONAL ADVERTISING	-	-	(4,921,043)	-	-	1,898,292	-	-	-	(3,022,751)	3,022,751
MISCELLANEOUS INTEREST EXPENSE	-	-	124,309	-	-	(47,952)	-	-	-	76,357	(76,357)
REMOVE ASSOC./ORGANIZATION DUES	-	-	(25,662)	-	-	9,899	-	-	-	(15,763)	15,763
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(15,747,715)	-	-	-	(15,747,715)	15,747,715
DIRECTORS & OFFICERS PREMIUM	-	-	(1,295,168)	-	-	499,611	-	-	-	(795,557)	795,557
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(7,313,393)	-	-	-	(7,313,393)	7,313,393
Total FPSC Adjustments	(2,281,729,586)	(1,843,556,829)	(139,758,866)	(115,855,482)	(200,990,299)	(15,885,493)	\$117,712,383	(\$133,191)	(\$169,835)	(2,316,216,804)	\$34,487,218
Pro Forma Adjustments	\$2,050,816,986	\$	\$639,280,625	\$359,436,514	\$127,986,227	\$144,044,789	\$117,712,383	(\$133,191)	(\$169,835)	\$1,388,157,512	\$662,659,475
Weather Normalization	(60,447,443)	-	-	-	-	(23,317,601)	-	-	-	(23,317,601)	(37,129,842)
Total Pro Forma Adjustments	(60,447,443)	-	-	-	-	(23,317,601)	-	-	-	(23,317,601)	(37,129,842)
Pro Forma Adjusted	\$1,990,369,543	\$	\$639,280,625	\$359,436,514	\$127,986,227	\$120,727,188	\$117,712,383	(\$133,191)	(\$169,835)	\$1,364,839,910	\$625,529,633
Current Month											
System Per Books	\$432,152,771	\$178,638,270	\$73,877,388	\$38,653,670	\$31,484,623	6,624,958	29,059,215	(12,167)	0	\$358,325,957	\$73,826,814
FPSC Adjusted	\$197,336,457	\$55,547,808	\$55,547,808	\$31,037,791	\$10,791,592	19,467,996	14,328,895	(11,100)	(20,496)	\$131,142,485	\$66,193,972

(a) The addition of earnings from AFUDC charges would increase the System NOI by 29,558,108 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 26,520,576 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,544	\$621,544
	ECRC	F	(46,192,939)	(46,192,939)
	ECRC	F	(205,893,132)	(194,614,555)
	FUEL	F	67,212,863	67,275,319
	CCR	F	(14,188,472)	(11,126,044)
	NUCLEAR	F	(242,224,023)	(244,501,349)
	CR3 Removal	F	(962,364,536)	(962,364,536)
	Derivatives	F	(21,860,225)	(21,860,225)
	Employee Related	F	(289)	(257)
	Investments Earning a Return	F	(182,567,983)	(172,653,538)
	Jobbing Accounts	F	(675,365)	(601,703)
	Non-Regulated and Miscellaneous	F	80,664,540	80,664,540
	Retention Accounts	F	1,772,296	1,578,992
(1)	CWIP - AFUDC	F	(484,003,252)	(448,361,497)
(3)	Imputed Off Balance Sheet Obligations	F	826,147,263	767,366,886
(2)	Capital Lease - EPIS	F	(155,494,378)	(144,953,414)
(2)	Capital Lease - Working Capital	F	152,846,641	142,485,167
	Total		(\$1,186,199,446)	(\$1,187,237,610)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECRC	F	(5,306,273)	2,046,895	(5,306,273)	2,046,895
	ECRC	F	(15,999,768)	6,171,911	(18,829,545)	7,186,347
	FUEL	F	(3,016,273)	1,163,527	(2,894,427)	1,116,525
	CCR	F	(2,069,525)	798,319	(2,069,525)	798,319
	NUCLEAR	F	(4,935,801)	1,903,985	(4,935,801)	1,903,985
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,161,526	(833,809)	2,014,996	(777,285)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(201,122,064)	77,582,836	(201,122,064)	77,582,836
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,673,174	(77,023,927)	199,673,174	(77,023,927)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	182,845	(70,532)	169,835	(65,514)
(1)	INST./PROMOTIONAL ADVERTISING	F	5,278,900	(2,036,336)	4,921,043	(1,898,292)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(133,349)	51,439	(124,309)	47,952
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F		17,374,105		15,747,715
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,389,353	(535,943)	1,295,168	(499,611)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,840,678		7,313,393
	Total		\$21,714,062	\$17,838,583	\$18,601,725	\$15,885,493

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
System Per Books	\$14,907,428,315	\$5,269,026,011	\$9,538,402,304	\$123,005,711	\$1,201,044,271	\$10,862,452,286	\$2,177,143,193	\$13,039,595,479
Regulatory Base - Retail	\$13,442,979,944	\$4,888,364,402	\$8,554,615,542	\$106,628,730	\$1,083,621,419	\$9,744,865,691	\$2,144,439,305	\$11,889,304,986
FPSC Adjustments								
ARO	(20,331,619)	(17,594,716)	(2,736,903)			(2,736,903)	(2,394,992)	(5,131,896)
ECCR	(51,481,772)	(14,498,913)	(36,982,859)		0	(36,982,859)	(6,268,621)	(43,251,480)
ECRC	(173,010,991)	(14,154,325)	(158,856,665)		(398,161)	(159,254,826)	(27,324,535)	(186,579,360)
FUEL	(26,662,769)	(26,137,412)	(525,358)			(525,358)	68,090,679	67,565,322
CCR							(11,126,044)	(11,126,044)
NUCLEAR					(794,626)	(794,626)	(243,867,445)	(244,662,071)
CR3 Removal							(962,364,536)	(962,364,536)
Derivatives							(21,860,225)	(21,860,225)
Employee Related							(257)	(257)
Investments Earning a Return							(172,653,538)	(172,653,538)
Jobbing Accounts							(601,703)	(601,703)
Non-Regulated and Miscellaneous	(48,323,774)	(37,236,315)	(11,087,460)		0	(11,087,460)	91,436,523	80,349,064
Retention Accounts							1,578,992	1,578,992
CWIP - AFUDC					(751,757,932)	(751,757,932)	767,366,886	(751,757,932)
Imputed Off Balance Sheet Obligations							142,485,167	767,366,886
Capital Lease	(137,511,240)		(137,511,240)			(137,511,240)		4,973,927
Total FPSC Adjustments	(457,322,166)	(109,621,681)	(347,700,485)		(752,950,718)	(1,100,651,203)	(377,503,649)	(1,478,154,852)
FPSC Adjusted	\$12,985,657,778	\$4,778,742,721	\$8,206,915,057	\$106,628,730	\$330,670,701	\$8,644,214,488	\$1,766,935,655	\$10,411,150,144

	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	\$4,636,162,694	\$1,921,164,648	\$813,139,984	\$507,846,527	\$341,669,826	\$160,233,253	\$166,724,857	(\$146,000)	-	\$3,910,632,095	\$725,530,598
Regulatory Base - Retail	\$4,332,546,573	\$1,843,556,829	\$779,039,491	\$475,291,996	\$328,976,526	\$159,930,282	\$117,712,383	(\$133,191)	-	\$3,704,374,316	\$628,172,257
FPSC Adjustments											
ECCR	(106,278,994)	-	(95,186,811)	(5,785,910)	-	(2,046,895)	-	-	-	(103,019,616)	(3,259,378)
ECRC	(66,441,250)	-	(35,109,829)	(11,384,750)	(1,317,125)	(7,186,347)	-	-	-	(54,998,052)	(11,443,198)
FUEL	(1,434,910,632)	(1,431,035,731)	(980,474)	-	-	(1,116,525)	-	-	-	(1,433,132,730)	(1,777,902)
CCR	(414,889,343)	(412,521,098)	(298,720)	-	-	(799,319)	-	-	-	(413,616,138)	(1,271,206)
NUCLEAR	(58,087,303)	-	(50,471)	(53,101,031)	-	(1,903,985)	-	-	-	(55,055,487)	(3,031,616)
Non-Regulated and Miscellaneous	-	-	-	(45,583,791)	-	17,583,947	-	-	-	(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,014,996)	-	-	777,285	-	-	-	(1,237,711)	1,237,711
FRANCHISE FEE & GROSS RECEIPTS	(201,122,064)	-	-	-	(199,673,174)	(77,023,927)	-	-	-	(77,582,836)	(123,539,228)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	-	77,023,927	-	-	-	(122,649,247)	122,649,247
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	65,514	-	-	(169,835)	(104,321)	104,321
INST./PROMOTIONAL ADVERTISING	-	-	(4,921,043)	-	-	1,898,292	-	-	-	(3,022,751)	3,022,751
MISCELLANEOUS INTEREST EXPENSE	-	-	124,309	-	-	(47,952)	-	-	-	76,357	(76,357)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(25,662)	-	-	9,899	-	-	-	(15,763)	15,763
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(15,747,715)	-	-	-	(15,747,715)	15,747,715
DIRECTORS & OFFICERS PREMIUM	-	-	(1,295,168)	-	-	499,611	-	-	-	(795,557)	795,557
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(7,313,393)	-	-	-	(7,313,393)	7,313,393
Total FPSC Adjustments	(2,281,729,586)	(1,843,556,829)	(139,759,866)	(115,855,482)	(200,990,299)	(15,985,493)	\$117,712,383	(\$133,191)	(169,835)	(2,316,216,804)	34,487,218
FPSC Adjusted	\$2,050,816,986	\$	\$639,280,625	\$359,436,514	\$127,986,227	\$144,044,789	\$117,712,383	(\$133,191)	(169,835)	\$1,388,157,512	\$662,659,475

(a) The addition of earnings from AFUDC charges would increase the System NOI by 29,558,108 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 26,520,576 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$5,131,896)	(\$5,131,896)
	ECCR	F	(43,251,480)	(43,251,480)
	ECRC	F	(200,167,702)	(186,579,360)
	FUEL	F	67,525,079	67,565,322
	CCR	F	(14,188,472)	(11,126,044)
	NUCLEAR	F	(242,397,056)	(244,662,071)
	CR3 Removal	F	(962,364,536)	(962,364,536)
	Derivatives	F	(21,860,225)	(21,860,225)
	Employee Related	F	(289)	(257)
	Investments Earning a Return	F	(182,567,983)	(172,653,538)
	Jobbing Accounts	F	(675,365)	(601,703)
	Non-Regulated and Miscellaneous	F	80,349,064	80,349,064
	Retention Accounts	F	1,772,296	1,578,992
(1)	CWIP - AFUDC	F	(813,819,892)	(751,757,932)
(3)	Imputed Off Balance Sheet Obligations	F	826,147,263	767,366,886
(2)	Capital Lease - EPIS	F	(147,511,012)	(137,511,240)
(2)	Capital Lease - Working Capital	F	152,846,641	142,485,167
	Total		(\$1,505,295,564)	(\$1,478,154,852)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,306,273)	2,046,895	(5,306,273)	2,046,895
	ECRC	F	(15,999,768)	6,171,911	(18,629,545)	7,186,347
	FUEL	F	(3,016,273)	1,163,527	(2,894,427)	1,116,525
	CCR	F	(2,069,525)	798,319	(2,069,525)	798,319
	NUCLEAR	F	(4,935,801)	1,903,985	(4,935,801)	1,903,985
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,161,526	(833,809)	2,014,996	(777,285)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(201,122,064)	77,582,836	(201,122,064)	77,582,836
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,673,174	(77,023,927)	199,673,174	(77,023,927)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	182,845	(70,532)	169,835	(65,514)
(1)	INST./PROMOTIONAL ADVERTISING	F	5,278,900	(2,036,336)	4,921,043	(1,898,292)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(133,349)	51,439	(124,309)	47,952
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F	1,389,353	17,374,105	1,295,168	15,747,715
(2)	DIRECTORS & OFFICERS PREMIUM	F		(535,943)		(499,611)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,840,678		7,313,393
	Total		\$21,714,062	\$17,838,583	\$18,601,725	\$15,885,493

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		Adjustments		Adjustments		Retail		Ratio		Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,063,607,210		\$4,611,358,928		(\$687,735,493)		\$738,352,307		\$4,661,975,741		45.81%		9.50%	4.35%	10.50%	4.81%	11.50%	5.27%
Long Term Debt	4,249,505,705		3,869,967,645		(577,164,812)				3,292,802,833		32.96%		5.52%	1.79%	5.52%	1.79%	5.52%	1.79%
Short Term Debt	601,104,000		547,417,322		(81,641,513)		(11,667,587)		454,108,221		4.46%		0.58%	0.03%	0.58%	0.03%	0.58%	0.03%
Customer Deposits																		
Active	218,736,187		218,736,187		(32,622,193)				186,113,995		1.83%		2.30%	0.04%	2.30%	0.04%	2.30%	0.04%
Inactive	1,497,482		1,497,482		(223,334)				1,274,149		0.01%							
Investment Tax Credits	1,003,078		913,490		(136,237)				777,252		0.01%							
Deferred Income Taxes	2,534,163,987		2,307,829,032		(344,188,332)		(219,231,115)		1,744,409,585		17.14%							
FAS 109 DIT - Net	(213,671,426)		(194,587,692)		29,020,700				(165,566,992)		-1.63%							
Total	\$12,455,946,224		\$11,363,132,394		(\$1,694,691,215)		\$507,453,605		\$10,175,894,784		100.00%			6.21%		6.66%		7.12%

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

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

September 2016

	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	\$4,832,048,052		\$4,711,254,422		(\$793,626,496)		\$782,346,046		\$4,699,973,973		45.14%		9.50%	4.29%	10.50%	4.74%	11.50%	5.19%
Long Term Debt	4,690,481,665		4,573,226,973		(770,375,312)				3,802,851,661		36.53%		5.00%	1.83%	5.00%	1.83%	5.00%	1.83%
Short Term Debt	62,897,000		61,324,674		(10,330,345)		51,268,010		102,262,338		0.98%		0.58%	0.01%	0.58%	0.01%	0.58%	0.01%
Customer Deposits																		
Active	216,325,572		216,325,572		(36,440,763)				179,884,809		1.73%		2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,381,503		1,381,503		(232,719)				1,148,784		0.01%							
Investment Tax Credits	2,637,184		2,571,258		(433,137)				2,138,121		0.02%							
Deferred Income Taxes	2,600,532,338		2,535,523,104		(427,117,310)		(308,975,891)		1,799,429,903		17.28%							
FAS 109 DIT - Net	(217,745,814)		(212,302,510)		35,763,065				(176,539,445)		-1.70%							
Total	\$12,188,557,500		\$11,889,304,996		(\$2,002,793,017)		\$524,638,165		\$10,411,150,144		100.00%			6.16%		6.61%		7.06%

* 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	\$5,063,607,210		\$4,611,358,928		(\$687,735,493)		\$738,352,307		\$4,661,975,741		45.81%		9.50%	4.35%	10.50%	4.81%	11.50%	5.27%
Long Term Debt	4,249,505,705		3,889,967,645		(577,164,812)				3,292,802,833		32.36%		5.52%	1.79%	5.52%	1.79%	5.52%	1.79%
Short Term Debt	601,104,000		547,417,322		(81,641,513)		(11,667,587)		454,108,221		4.46%		0.58%	0.03%	0.58%	0.03%	0.58%	0.03%
Customer Deposits																		
Active	218,736,187		218,736,187		(32,622,193)				186,113,995		1.83%		2.30%	0.04%	2.30%	0.04%	2.30%	0.04%
Inactive	1,497,482		1,497,482		(223,334)				1,274,149		0.01%							
Investment Tax Credits	1,003,078		913,490		(136,237)				777,252		0.01%							
Deferred Income Taxes	2,534,163,987		2,307,829,032		(344,188,332)		(219,231,115)		1,744,409,585		17.14%							
FAS 109 DIT - Net	(213,671,426)		(194,587,692)		29,020,700				(165,566,992)		-1.63%							
Total	\$12,455,946,224		\$11,363,132,394		(\$1,694,691,215)		\$507,453,605		\$10,175,894,784		100.00%			6.21%		6.66%		7.12%

* 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	\$4,832,048,052		\$4,711,254,422		(\$793,626,496)		\$782,346,046		\$4,699,973,973		45.14%		9.50%	4.29%	10.50%	4.74%	11.50%	5.19%
Long Term Debt	4,690,481,665		4,573,226,973		(770,375,312)				3,802,851,661		36.53%		5.00%	1.83%	5.00%	1.83%	5.00%	1.83%
Short Term Debt	62,897,000		61,324,674		(10,330,345)		51,268,010		102,262,338		0.98%		0.58%	0.01%	0.58%	0.01%	0.58%	0.01%
Customer Deposits											0		0	0	0	0	0	0
Active	216,325,572		216,325,572		(36,440,763)				179,884,809		1.73%		2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,381,503		1,381,503		(232,719)				1,148,784		0.01%							
Investment Tax Credits	2,637,184		2,571,258		(433,137)				2,138,121		0.02%							
Deferred Income Taxes	2,600,532,338		2,535,523,104		(427,117,310)		(308,975,891)		1,799,429,903		17.28%							
FAS 109 DIT - Net	(217,745,814)		(212,302,510)		35,763,065				(176,539,445)		-1.70%							
Total	\$12,188,557,500		\$11,889,304,996		(\$2,002,793,017)		\$524,638,165		\$10,411,150,144		100.00%			6.16%		6.61%		7.06%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 723,305,956
AFUDC - DEBT	\$ 10,372,294
INCOME TAXES	\$ 360,228,078
TOTAL	\$ 1,093,906,328
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 214,807,507
TIE WITH AFUDC	<u>5.09</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 723,305,956
AFUDC - EQUITY	(19,185,814)
INCOME TAXES	360,228,078
TOTAL	\$ 1,064,348,220
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 214,807,507
TIE WITHOUT AFUDC	<u>4.95</u>

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

AFUDC DEBT	\$ 10,372,294
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 6,371,192
AFUDC -EQUITY	\$ 19,185,814
TOTAL	\$ 25,556,995
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 537,300,269
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>4.76%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 592,386,430
COMMON DIVIDENDS	\$ (775,000,000)
AFUDC (EQUITY)	\$ (19,186,064)
DEPRECIATION & AMORTIZATION	\$ 518,504,229
DEFERRED INCOME TAXES	\$ 143,234,326
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 32,201,710
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,139,015,681
TOTAL FUNDS PROVIDED	<u>\$ 1,631,010,311</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,482,386,781</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	110.03%
*Updated quarterly as of September 2016	

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

Common Equity	\$ 4,661,975,741
Long Term Debt	\$ 3,292,802,833
Short Term Debt	\$ 454,108,221
TOTAL	<u>\$ 8,408,886,796</u>

% LONG TERM DEBT TO TOTAL	39.16%
% SHORT TERM DEBT TO TOTAL	5.40%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.15%	6.51%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.79%	1.79%
SHORT TERM DEBT	0.03%	0.03%
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>4.29%</u>	<u>4.66%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.81%</u>	<u>45.81%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.37%</u>	<u>10.17%</u>