



December 15, 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 October 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 for the twelve months ended October 31, 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,

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
October 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	\$ 690,989,172 (a)	\$ (25,378,820) (b)	\$ 665,610,352	\$ (39,652,222)	\$ 625,958,130
Average Rate Base	\$ 11,349,479,835	\$ (1,149,459,119)	\$ 10,200,020,716	\$ -	\$ 10,200,020,716
Average Rate of Return	6.09%		6.53%		6.14%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 661,458,068	\$ 4,152,284	\$ 665,610,352		
Average Rate Base	\$ 11,872,278,589	\$ (1,443,849,071)	\$ 10,428,429,518		
Average Rate of Return	5.57%		6.38%		
(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	6.20%	6.21%
Mid Point	6.66%	6.66%
High Point	7.12%	7.12%
Pro Forma Adjusted Basis		
Low Point	6.20%	6.21%
Mid Point	6.66%	6.66%
High Point	7.12%	7.12%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	5.29	(System Per Books Basis)
B. T.I.E without AFUDC	5.14	(System Per Books Basis)
C. AFUDC to Net Income	4.86%	(System Per Books Basis)
D. Internally Generated Funds	110.03%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.31%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.25%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.20%	(FPSC Adjusted Basis)
	9.35%	(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

12/15/16
 Date

DUKE ENERGY FLORIDA
Average Rate of Return - Rate Base
October 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	\$14,655,483,338	\$5,339,714,966	\$9,315,768,372	\$122,498,153	\$935,836,189	\$10,374,102,714	\$2,073,452,714	\$12,447,555,429
Regulatory Base - Retail	\$13,308,270,452	\$4,950,773,629	\$8,357,496,824	\$106,188,749	\$840,961,630	\$9,304,647,203	\$2,044,832,632	\$11,349,479,835
FPSC Adjustments								
ARO	(27,211,935)	(29,228,803)	2,016,868			2,016,868	(1,395,321)	621,547
ECCR	(48,821,202)	(11,981,307)	(36,839,895)		(2,613,272)	(39,453,167)	(6,750,482)	(46,203,649)
ECRC	(177,903,242)	(12,373,432)	(165,529,810)		(921,153)	(166,450,963)	(29,857,169)	(196,308,132)
FUEL	(28,437,087)	(27,647,983)	(789,105)			(789,105)	54,536,709	53,747,605
CCR							(9,401,210)	(9,401,210)
NUCLEAR					(687,366)	(687,366)	(244,887,547)	(245,574,913)
CR3 Removal							(864,823,871)	(864,823,871)
Derivatives							(19,918,232)	(19,918,232)
Employee Related							(209)	(209)
Investments Earning a Return							(173,001,557)	(173,001,557)
Jobbing Accounts							(616,920)	(616,920)
Non-Regulated and Miscellaneous	(47,027,143)	(36,279,297)	(10,747,845)		(252,823)	(11,000,669)	92,246,471	81,245,802
Retention Accounts							1,504,606	1,504,606
CWIP - AFUDC					(493,819,524)	(493,819,524)	765,632,965	(493,819,524)
Imputed Off Balance Sheet Obligations							141,499,870	765,632,965
Capital Lease	(144,043,296)		(144,043,296)			(144,043,296)		(2,543,427)
Total FPSC Adjustments	(473,443,905)	(117,510,823)	(355,933,082)		(498,294,138)	(854,227,221)	(295,231,898)	(1,149,459,119)
FPSC Adjusted	\$12,834,826,547	\$4,833,262,806	\$8,001,563,741	\$106,188,749	\$342,667,492	\$8,450,419,982	\$1,749,600,734	\$10,200,020,716

	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											
Regulatory Base - Retail	\$4,606,323,558	\$1,889,076,222	\$812,170,407	\$464,359,538	\$341,419,675	\$189,747,992	\$149,485,034	(\$146,000)		\$3,846,112,868	\$754,210,690
	\$4,299,559,977	\$1,806,455,998	\$778,003,559	\$431,707,931	\$328,675,990	\$188,413,208	\$104,978,345	(\$133,120)		\$3,638,101,909	\$661,458,068
FPSC Adjustments											
ECCR	(108,305,566)		(97,074,165)	(5,907,178)		(2,053,819)				(105,035,162)	(3,270,404)
ECRC	(69,271,916)		(35,066,718)	(13,381,295)	(1,318,429)	(7,138,487)				(56,904,928)	(11,366,987)
FUEL	(1,388,199,062)	(1,384,375,533)	(944,989)			(1,110,397)				(1,386,430,919)	(1,768,143)
CCR	(424,885,361)	(422,080,465)	(305,773)			(886,887)				(423,273,125)	(1,412,236)
NUCLEAR	(57,546,116)		(50,076)	(52,658,114)		(1,866,230)				(54,574,420)	(2,971,696)
Non-Regulated and Miscellaneous			(1,938,294)	3,138,275		(1,210,590)				1,927,686	(1,927,686)
CORPORATE AIRCRAFT ALLOCATION						747,697				(1,190,597)	1,190,597
FRANCHISE FEE & GROSS RECEIPTS						(77,225,487)				(77,225,487)	(122,970,201)
FRANCHISE FEES & GROSS REC TAX - TOI				(198,876,644)		76,716,665				(122,159,978)	122,159,978
GAIN/LOSS ON DISPOSITION & OTHER						61,177		(158,592)		(97,415)	97,415
INST./PROMOTIONAL ADVERTISING			(4,644,186)			1,791,495				(2,852,691)	2,852,691
MISCELLANEOUS INTEREST EXPENSE			123,821			(47,764)				76,057	(76,057)
REMOVE ASSOC./ORGANIZATION DUES			(25,662)			9,899				(15,763)	15,763
PARENT DEBT ADJUSTMENT						(15,819,729)				(15,819,729)	15,819,729
DIRECTORS & OFFICERS PREMIUM						493,535				(785,881)	785,881
INTEREST SYNCHRONIZATION - FPSC			(1,279,416)			(6,993,640)				(6,993,640)	6,993,640
Total FPSC Adjustments	(2,247,203,709)	(1,806,455,998)	(141,205,459)	(68,808,311)	(200,195,072)	(34,532,560)	\$104,978,345	-\$	(158,592)	(2,251,355,993)	4,152,284
Pro Forma Adjustments	\$2,052,356,268	\$	\$636,798,100	\$362,899,620	\$128,480,917	\$153,880,647	\$104,978,345	-\$	(\$158,592)	\$1,386,745,916	\$665,610,351
Weather Normalization											
	(64,553,882)					(24,901,660)				(24,901,660)	(39,652,222)
Total Pro Forma Adjustments	(64,553,882)					(24,901,660)				(24,901,660)	(39,652,222)
Pro Forma Adjusted	\$1,987,802,386		\$636,798,100	\$362,899,620	\$128,480,917	\$128,979,987	\$104,978,345	-\$	(\$158,592)	\$1,361,844,256	\$625,958,129
Current Month											
System Per Books	\$368,118,328	\$154,223,996	\$67,253,877	\$39,318,083	\$28,782,885	(15,615,310)	38,214,317	(12,167)		\$312,165,680	\$55,952,648
FPSC Adjusted	\$163,236,919	\$51,980,350	\$50,617,442	\$30,617,442	\$10,309,716	13,736,346	7,654,606	(11,094)	(16,171)	\$114,273,195	\$48,963,724

(a) The addition of earnings from AFUDC charges would increase the System NOI by 32,862,707 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 29,531,104 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,547	\$621,547
	ECCR	F	(46,203,649)	(46,203,649)
	ECRC	F	(207,747,771)	(196,308,132)
	FUEL	F	53,687,159	53,747,605
	CCR	F	(12,854,124)	(9,401,210)
	NUCLEAR	F	(243,102,011)	(245,574,913)
	CR3 Removal	F	(864,823,871)	(864,823,871)
	Derivatives	F	(19,918,232)	(19,918,232)
	Employee Related	F	(235)	(209)
	Investments Earning a Return	F	(182,922,899)	(173,001,557)
	Jobbing Accounts	F	(692,445)	(616,920)
	Non-Regulated and Miscellaneous	F	81,245,802	81,245,802
	Retention Accounts	F	1,688,804	1,504,606
(1)	CWIP - AFUDC	F	(533,283,775)	(493,819,524)
(3)	Imputed Off Balance Sheet Obligations	F	824,280,524	765,632,965
(2)	Capital Lease - EPIS	F	(154,518,077)	(144,043,296)
(2)	Capital Lease - Working Capital	F	151,789,693	141,499,870
	Total		(\$1,152,753,558)	(\$1,149,459,119)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,324,224)	2,053,819	(5,324,224)	2,053,819
	ECRC	F	(14,713,774)	5,675,838	(18,505,474)	7,138,487
	FUEL	F	(3,010,194)	1,161,182	(2,878,540)	1,110,397
	CCR	F	(2,299,123)	886,887	(2,299,123)	886,887
	NUCLEAR	F	(4,837,926)	1,866,230	(4,837,926)	1,866,230
	Non-Regulated and Miscellaneous	F	(3,138,275)	1,210,590	(3,138,275)	1,210,590
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,079,246	(802,069)	1,938,294	(747,697)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(200,195,688)	77,225,487	(200,195,688)	77,225,487
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,876,644	(76,716,665)	198,876,644	(76,716,665)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	170,740	(65,863)	158,592	(61,177)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,981,910	(1,921,772)	4,644,186	(1,791,495)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(132,825)	51,237	(123,821)	47,764
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F	1,372,455	17,453,557	1,279,416	15,819,729
(2)	DIRECTORS & OFFICERS PREMIUM	F		(529,425)		(493,535)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,443,998		6,993,640
	Total		(\$26,143,506)	\$35,982,412	(\$30,380,277)	\$34,532,560

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	\$14,830,773,514	\$5,289,914,684	\$9,540,858,830	\$123,005,711	\$1,291,099,073	\$10,954,963,613	\$2,073,452,714	\$13,028,416,328
Regulatory Base - Retail	\$13,463,870,540	\$4,906,832,484	\$8,557,038,056	\$106,628,730	\$1,163,779,170	\$9,827,445,957	\$2,044,832,632	\$11,872,278,589
FPSC Adjustments								
ARO	(20,331,619)	(17,661,629)	(2,669,991)			(2,669,991)	(1,395,321)	(4,065,312)
ECCR	(51,481,772)	(15,039,247)	(36,442,525)			(36,442,525)	(6,750,482)	(43,193,007)
ECRC	(174,268,433)	(14,681,496)	(159,586,937)		(402,053)	(159,988,990)	(29,857,169)	(189,846,160)
FUEL	(26,662,769)	(26,138,155)	(524,614)			(524,614)	54,536,709	54,012,095
CCR							(9,401,210)	(9,401,210)
NUCLEAR					(794,652)	(794,652)	(244,887,547)	(245,682,199)
CR3 Removal							(864,823,871)	(864,823,871)
Derivatives							(19,918,232)	(19,918,232)
Employee Related							(209)	(209)
Investments Earning a Return							(173,001,557)	(173,001,557)
Jobbing Accounts							(616,920)	(616,920)
Non-Regulated and Miscellaneous	(48,323,774)	(37,314,743)	(11,009,032)			(11,009,032)	92,246,471	81,237,439
Retention Accounts					(800,600,664)	(800,600,664)	1,504,606	1,504,606
CWIP - AFUDC							765,632,965	(800,600,664)
Imputed Off Balance Sheet Obligations							141,498,870	765,632,965
Capital Lease	(136,586,705)		(136,586,705)			(136,586,705)		4,913,165
Total FPSC Adjustments	(457,655,073)	(110,835,269)	(346,819,804)		(801,797,369)	(1,148,617,173)	(295,231,898)	(1,443,849,071)
FPSC Adjusted	\$13,006,215,467	\$4,795,997,214	\$8,210,218,252	\$106,628,730	\$361,981,801	\$8,678,828,784	\$1,749,600,734	\$10,428,429,518

	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	\$4,600,323,558	\$1,899,076,222	\$812,170,407	\$464,359,538	\$341,419,675	\$189,747,992	\$149,465,034	(\$146,000)		\$3,846,112,868	\$754,210,680
Regulatory Base - Retail	\$4,289,599,977	\$1,806,455,999	\$778,003,559	\$431,707,931	\$328,675,990	\$188,413,208	\$104,978,345	(\$133,120)		\$3,638,101,909	\$661,458,068
FPSC Adjustments											
ECRC	(108,305,566)		(97,074,165)	(5,907,178)		(2,053,819)				(105,035,162)	(3,270,404)
ECRC	(69,271,916)		(35,066,718)	(13,381,295)	(1,318,429)	(7,138,487)				(56,904,928)	(11,366,987)
FUEL	(1,388,199,062)	(1,384,375,533)	(944,989)			(1,110,397)				(1,386,430,919)	(1,768,143)
CCR	(424,685,361)	(422,080,465)	(305,773)			(886,887)				(423,273,125)	(1,412,236)
NUCLEAR	(57,546,116)		(50,076)	(52,658,114)		(1,866,230)				(54,574,420)	(2,971,686)
Non-Regulated and Miscellaneous				3,138,275		(1,210,590)				1,927,686	(1,927,686)
CORPORATE AIRCRAFT ALLOCATION			(1,938,294)			747,697				(1,190,597)	1,190,597
FRANCHISE FEE & GROSS RECEIPTS	(200,195,688)				(198,876,644)	(77,225,487)				(77,225,487)	(122,970,201)
FRANCHISE FEES & GROSS REC TAX - TOI						61,177			(158,592)	(97,415)	97,415
GAINLOSS ON DISPOSITION & OTHER			(4,644,186)			1,791,495				(2,852,691)	2,852,691
INST./PROMOTIONAL ADVERTISING			123,821			(47,764)				76,057	(76,057)
MISCELLANEOUS INTEREST EXPENSE			(25,682)			9,899				(15,763)	15,763
REMOVE ASSOC/ORGANIZATION DUES						(15,819,729)				(15,819,729)	15,819,729
PARENT DEBT ADJUSTMENT						493,535				(785,881)	785,881
DIRECTORS & OFFICERS PREMIUM			(1,279,416)			(6,993,640)				(6,993,640)	6,993,640
INTEREST SYNCHRONIZATION - FPSC											
Total FPSC Adjustments	(2,247,203,709)	(1,806,455,999)	(141,205,459)	(68,808,311)	(200,195,072)	(34,532,560)			(158,592)	(2,251,355,993)	4,182,284
FPSC Adjusted	\$2,052,356,268	\$1,806,455,999	\$636,798,100	\$362,899,620	\$128,480,917	\$153,880,647	\$104,978,345	(\$133,120)	(\$158,592)	\$1,386,745,916	\$665,610,351

(a) The addition of earnings from AFUDC charges would increase the System NOI by 32,862,707 pretax
 (b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 29,531,104 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$4,065,312)	(\$4,065,312)
	ECCR	F	(43,193,007)	(43,193,007)
	ECRC	F	(201,989,028)	(189,846,160)
	FUEL	F	53,971,909	54,012,095
	CCR	F	(12,854,124)	(9,401,210)
	NUCLEAR	F	(243,217,515)	(245,682,199)
	CR3 Removal	F	(864,823,871)	(864,823,871)
	Derivatives	F	(19,918,232)	(19,918,232)
	Employee Related	F	(235)	(209)
	Investments Earning a Return	F	(182,922,899)	(173,001,557)
	Jobbing Accounts	F	(692,445)	(616,920)
	Non-Regulated and Miscellaneous	F	81,237,439	81,237,439
	Retention Accounts	F	1,688,804	1,504,606
(1)	CWIP - AFUDC	F	(866,482,529)	(800,600,664)
(3)	Imputed Off Balance Sheet Obligations	F	824,280,524	765,632,965
(2)	Capital Lease - EPIS	F	(146,519,245)	(136,586,705)
(2)	Capital Lease - Working Capital	F	151,789,693	141,499,870
	Total		(\$1,473,710,071)	(\$1,443,849,071)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,324,224)	2,053,819	(5,324,224)	2,053,819
	ECRC	F	(14,713,774)	5,675,838	(18,505,474)	7,138,487
	FUEL	F	(3,010,194)	1,161,182	(2,878,540)	1,110,397
	CCR	F	(2,299,123)	886,887	(2,299,123)	886,887
	NUCLEAR	F	(4,837,926)	1,866,230	(4,837,926)	1,866,230
	Non-Regulated and Miscellaneous	F	(3,138,275)	1,210,590	(3,138,275)	1,210,590
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,079,246	(802,069)	1,938,294	(747,697)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(200,195,688)	77,225,487	(200,195,688)	77,225,487
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,876,644	(76,716,665)	198,876,644	(76,716,665)
(3)	GAIN/LOSS ON DISPOSITION & OTHER	F	170,740	(65,863)	158,592	(61,177)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,981,910	(1,921,772)	4,844,186	(1,791,495)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(132,825)	51,237	(123,821)	47,764
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F	1,372,455	17,453,557	1,279,416	15,819,729
(2)	DIRECTORS & OFFICERS PREMIUM	F		(529,425)		(493,535)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,443,998		6,993,640
	Total		(\$26,143,506)	\$35,982,412	(\$30,380,277)	\$34,532,560

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

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
October 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	\$5,052,352,913		\$4,598,639,153		(\$668,313,161)		\$735,953,968		\$4,666,279,960		45.75%		9.50%	4.35%	10.50%	4.80%	11.50%	5.26%
Long Term Debt	4,253,098,161		3,871,159,450		(562,589,654)				3,308,569,796		32.44%		5.52%	1.79%	5.52%	1.79%	5.52%	1.79%
Short Term Debt	586,615,385		533,935,876		(77,586,080)		(14,127,392)		442,212,403		4.34%		0.58%	0.03%	0.58%	0.03%	0.58%	0.03%
Customer Deposits																		
Active	218,367,944		218,367,944		(31,735,078)				186,632,867		1.83%		2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,510,224		1,510,224		(219,478)				1,290,745		0.01%							
Investment Tax Credits	1,180,694		1,074,664		(156,179)				918,485		0.01%							
Deferred Income Taxes	2,548,682,094		2,319,804,152		(337,133,572)		(221,883,232)		1,760,787,348		17.26%							
FAS 109 DIT - Net	(214,251,985)		(195,011,628)		28,340,740				(166,670,888)		-1.63%							
Total	\$12,447,555,430		\$11,349,479,835		(\$1,649,402,463)		\$499,943,344		\$10,200,020,716		100.00%			6.20%		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
October 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	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,869,685,135	\$4,713,304,466			(\$740,388,701)	\$776,670,456	\$4,749,586,221	45.54%	9.50%	4.33%	10.50%	4.78%	11.50%	5.24%				
Long Term Debt	4,690,938,268	4,540,297,715			(713,211,963)		3,827,085,752	36.70%	5.01%	1.84%	5.01%	1.84%	5.01%	1.84%				
Short Term Debt	56,935,000	55,106,641			(8,656,418)	(35,075,570)	11,374,653	0.11%	0.58%		0.58%		0.58%					
Customer Deposits																		
Active	215,765,537	215,765,537			(33,893,496)		181,872,041	1.74%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%				
Inactive	1,535,399	1,535,399			(241,188)		1,294,211	0.01%										
Investment Tax Credits	2,625,017	2,540,719			(399,108)		2,141,611	0.02%										
Deferred Income Taxes	2,640,745,400	2,555,942,888			(401,499,892)	(320,488,916)	1,833,954,080	17.59%										
FAS 109 DIT - Net	(219,255,756)	(212,214,775)			33,335,725		(178,879,050)	-1.72%										
Total	\$12,258,973,999	\$11,872,278,589			(\$1,864,955,042)	\$421,105,970	\$10,428,429,518	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	\$5,052,352,913	\$4,598,639,153			(\$668,313,161)	\$735,953,968	\$4,666,279,960	45.75%	9.50%	4.35%	10.50%	4.80%	11.50%	4.80%	5.26%			
Long Term Debt	4,253,098,161	3,871,159,450			(562,589,654)		3,308,569,796	32.44%	5.52%	1.79%	5.52%	1.79%	5.52%	1.79%	1.79%			
Short Term Debt	586,615,385	533,935,876			(77,596,080)	(14,127,392)	442,212,403	4.34%	0.58%	0.03%	0.58%	0.03%	0.58%	0.03%	0.03%			
Customer Deposits																		
Active	218,367,944	218,367,944			(31,735,078)		186,632,867	1.83%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%	0.04%			
Inactive	1,510,224	1,510,224			(219,478)		1,290,745	0.01%										
Investment Tax Credits	1,180,694	1,074,664			(156,179)		918,485	0.01%										
Deferred Income Taxes	2,548,682,094	2,319,804,152			(337,133,572)	(221,883,232)	1,760,787,348	17.26%										
FAS 109 DIT - Net	(214,251,985)	(195,011,628)			28,340,740		(166,670,888)	-1.63%										
Total	\$12,447,555,430	\$11,349,479,835			(\$1,649,402,463)	\$499,943,344	\$10,200,020,716	100.00%						6.20%	6.66%	7.12%		

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
October 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	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,869,685,135	\$4,713,304,466			(\$740,388,701)	\$776,670,456	\$4,749,586,221	45.54%	9.50%	4.33%	10.50%	4.78%	11.50%	5.24%				
Long Term Debt	4,690,938,268	4,540,297,715			(713,211,963)		3,827,085,752	36.70%	5.01%	1.84%	5.01%	1.84%	5.01%	1.84%				
Short Term Debt	56,935,000	55,106,641			(8,656,418)	(35,075,570)	11,374,653	0.11%	0.58%		0.58%		0.58%					
Customer Deposits																		
Active	215,765,537	215,765,537			(33,893,496)		181,872,041	1.74%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%				
Inactive	1,535,399	1,535,399			(241,188)		1,294,211	0.01%										
Investment Tax Credits	2,625,017	2,540,719			(399,108)		2,141,611	0.02%										
Deferred Income Taxes	2,640,745,400	2,555,942,888			(401,499,892)	(320,488,916)	1,833,954,080	17.59%										
FAS 109 DIT - Net	(219,255,756)	(212,214,775)			33,335,725		(178,879,050)	-1.72%										
Total	\$12,258,973,999	\$11,872,278,589			(\$1,864,955,042)	\$421,105,970	\$10,428,429,518	100.00%				6.21%				6.66%		7.12%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 772,380,583
AFUDC - DEBT	\$ 11,534,830
INCOME TAXES	\$ 353,316,008
TOTAL	\$ 1,137,231,422
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 215,046,383
TIE WITH AFUDC	<u>5.29</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 772,380,583
AFUDC - EQUITY	(21,327,877)
INCOME TAXES	353,316,008
TOTAL	\$ 1,104,368,715
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 215,046,383
TIE WITHOUT AFUDC	<u>5.14</u>

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

AFUDC DEBT	\$ 11,534,830
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 7,085,269
AFUDC -EQUITY	\$ 21,327,877
TOTAL	\$ 28,413,146
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 584,340,258
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>4.86%</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>
--	-------------------------

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	\$ 4,666,279,960
Long Term Debt	\$ 3,308,569,796
Short Term Debt	\$ 442,212,403
TOTAL	<u>\$ 8,417,062,159</u>

% LONG TERM DEBT TO TOTAL	39.31%
% SHORT TERM DEBT TO TOTAL	5.25%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.14%</u>	<u>6.53%</u>
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>1.86%</u>	<u>1.86%</u>
TOTAL	<u>4.28%</u>	<u>4.67%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.75%</u>	<u>45.75%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.35%</u>	<u>10.20%</u>