



March 15, 2017

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 January 31, 2017.

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 January 31, 2017. 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
Director Rates & Regulatory Planning

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

**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
January 2017**

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	\$ 680,123,213 (a)	\$ (32,836,743) (b)	\$ 647,286,470	\$ (17,660,224)	\$ 629,626,246
Average Rate Base	\$ 11,348,660,557	\$ (1,051,163,762)	\$ 10,297,496,795	\$ -	\$ 10,297,496,795
Average Rate of Return	5.99%		6.29%		6.11%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 640,600,581	\$ 6,685,889	\$ 647,286,470		
Average Rate Base	\$ 11,998,104,384	\$ (1,313,918,496)	\$ 10,684,185,888		
Average Rate of Return	5.34%		6.06%		
(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	6.04%	5.91%
Mid Point	6.49%	6.34%
High Point	6.93%	6.77%
Pro Forma Adjusted Basis		
Low Point	6.04%	5.91%
Mid Point	6.49%	6.34%
High Point	6.93%	6.77%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.84	(System Per Books Basis)
B. T.I.E without AFUDC	4.64	(System Per Books Basis)
C. AFUDC to Net Income	7.01%	(System Per Books Basis)
D. Internally Generated Funds	96.78%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	40.57%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	4.42%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.05%	(FPSC Adjusted Basis)
	9.66%	(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, Director Rates & Regulatory Planning


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	\$14,792,676,212	\$5,340,136,156	\$9,452,540,056	\$124,264,430	\$1,100,259,727	\$10,677,064,213	\$1,809,654,446	\$12,486,718,659
Regulatory Base - Retail	\$13,434,214,922	\$4,953,575,080	\$8,480,639,843	\$107,719,864	\$989,863,621	\$9,578,223,328	\$1,770,437,230	\$11,348,660,557
FPSC Adjustments								
ARO	(25,539,999)	(25,764,082)	224,083			224,083	397,472	621,555
ECCR	(51,492,145)	(13,440,436)	(38,051,709)			(38,051,709)	(7,634,358)	(45,686,067)
ECRC	(176,842,618)	(13,496,236)	(163,346,382)		(203,165)	(163,549,547)	(5,769,821)	(169,319,368)
FUEL	(27,904,792)	(27,197,328)	(707,464)			(707,464)	(5,141,448)	(5,848,912)
CCR							(112,157,793)	(112,157,793)
NUCLEAR					(794,628)	(794,628)	(242,280,134)	(243,074,761)
CR3 Removal							(491,429,061)	(491,429,061)
Derivatives							(10,793,445)	(10,793,445)
Employee Related							(57)	(57)
Investments Earning a Return							(178,570,908)	(178,570,908)
Jobbing Accounts							(692,986)	(692,986)
Non-Regulated and Miscellaneous	(48,251,320)	(37,216,564)	(11,034,756)		(78,301)	(11,113,057)	99,767,627	88,654,570
Retention Accounts							1,511,278	1,511,278
CWIP - AFUDC					(637,159,827)	(637,159,827)	755,555,879	(637,159,827)
Imputed Off Balance Sheet Obligations							138,461,961	755,555,879
Capital Lease	(141,235,820)		(141,235,820)			(141,235,820)		(2,773,859)
Total FPSC Adjustments	(471,266,694)	(117,114,646)	(354,152,048)		(638,235,922)	(992,387,970)	(58,775,793)	(1,051,163,762)
FPSC Adjusted	\$12,962,948,229	\$4,836,460,434	\$8,126,487,795	\$107,719,864	\$351,627,699	\$8,585,835,358	\$1,711,661,437	\$10,297,496,795

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
January 2017

	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	\$4,442,827,945	\$1,792,573,891	\$823,407,696	\$485,129,985	\$331,437,343	\$76,451,577	\$220,007,964	(\$146,000)		\$3,728,862,456	\$713,965,489
	\$4,156,930,954	\$1,693,255,714	\$787,788,252	\$451,849,741	\$319,162,324	\$68,185,813	\$196,221,222	(\$132,692)		\$3,516,330,374	\$640,600,581
FPSC Adjustments											
ECRC	(109,484,094)		(98,220,697)	(6,484,439)		(1,843,483)				(106,548,619)	(2,935,475)
ECRC	(69,062,143)		(35,583,365)	(14,553,573)	(1,317,691)	(6,792,098)				(58,246,728)	(10,815,415)
FUEL	(1,272,061,847)	(1,268,360,618)	(862,516)			(1,095,033)				(1,270,318,168)	(1,743,679)
CCR	(429,468,265)	(424,895,095)	(309,217)	(1,585,342)		(1,033,274)				(427,822,929)	(1,645,336)
NUCLEAR	(56,108,056)		(47,399)	(51,287,794)		(1,841,132)				(53,176,324)	(2,931,732)
Non-Regulated and Miscellaneous			(1,927,287)	(8,664,561)		3,342,355				(5,322,207)	5,322,207
CORPORATE AIRCRAFT ALLOCATION				743,451		743,451				(1,183,836)	1,183,836
FRANCHISE FEE & GROSS RECEIPTS					(193,904,790)	(75,034,325)				(75,034,325)	(119,481,099)
FRANCHISE FEES & GROSS REC TAX - TOI						74,798,773				(119,106,017)	119,106,017
GAIN/LOSS ON DISPOSITION & OTHER						83,059			(215,317)	(132,259)	132,259
INST./PROMOTIONAL ADVERTISING			(4,134,454)			1,594,866				(2,539,588)	2,539,588
MISCELLANEOUS INTEREST EXPENSE			122,044			(47,078)				74,966	(74,966)
REMOVE ASSOC./ORGANIZATION DUES			(87,206)			33,640				(53,566)	53,566
PARENT DEBT ADJUSTMENT			(1,242,174)			(15,726,706)				(15,726,706)	15,726,706
DIRECTORS & OFFICERS PREMIUM						479,168				(763,005)	763,005
INTEREST SYNCHRONIZATION - FPSC						(1,486,407)				(1,486,407)	1,486,407
Total FPSC Adjustments	(2,130,699,829)	(1,693,255,714)	(142,292,271)	(82,575,710)	(195,222,481)	(23,824,226)	\$196,221,222	-	(215,317)	(2,137,385,719)	6,685,889
FPSC Adjusted	\$2,026,231,125	-	\$645,495,981	\$369,274,031	\$123,939,844	\$44,361,587	\$196,221,222	(\$132,692)	(\$215,317)	\$1,378,944,655	\$647,286,470
Pro Forma Adjustments											
Weather Normalization	(28,750,874)									(11,090,650)	(17,660,224)
Total Pro Forma Adjustments	(28,750,874)									(11,090,650)	(17,660,224)
Pro Forma Adjusted	\$1,997,480,251	\$645,495,981	\$645,495,981	\$369,274,031	\$123,939,844	\$33,270,936	\$196,221,222	(\$132,692)	(\$215,317)	\$1,367,854,005	\$629,626,246
Current Month											
System Per Books	\$316,139,480	\$119,684,282	\$54,728,088	\$40,370,933	\$26,775,662	20,875,680				\$262,434,645	\$53,704,835
FPSC Adjusted	\$148,329,704	\$43,009,515	\$43,009,515	\$31,375,109	\$12,050,077	4,831,294	13,903,221		(8,092)	\$105,161,123	\$43,168,581

(a) The addition of earnings from AFUDC charges would increase the System NOI by 43,930,456 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 39,522,632 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,555	\$621,555
	ECRC	F	(45,686,067)	(45,686,067)
	ECRC	F	(180,344,599)	(169,319,368)
	FUEL	F	(5,903,104)	(5,848,912)
	CCR	F	(114,743,638)	(112,157,793)
	NUCLEAR	F	(240,008,401)	(243,074,761)
	CR3 Removal	F	(491,429,061)	(491,429,061)
	Derivatives	F	(10,793,445)	(10,793,445)
	Employee Related	F	(63)	(57)
	Investments Earning a Return	F	(183,912,862)	(178,570,908)
	Jobbing Accounts	F	(734,060)	(692,986)
	Non-Regulated and Miscellaneous	F	88,654,570	88,654,570
	Retention Accounts	F	1,606,255	1,511,278
(1)	CWIP - AFUDC	F	(689,586,725)	(637,159,827)
(3)	Imputed Off Balance Sheet Obligations	F	813,431,533	755,555,879
(2)	Capital Lease - EPIS	F	(151,506,442)	(141,235,820)
(2)	Capital Lease - Working Capital	F	148,530,869	138,461,961
	Total		(\$1,061,803,685)	(\$1,051,163,762)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECRC	F	(4,776,958)	1,843,483	(4,778,958)	1,843,483
	ECRC	F	(14,987,095)	5,781,272	(17,607,514)	6,792,098
	FUEL	F	(3,005,218)	1,159,263	(2,838,713)	1,095,033
	CCR	F	(2,678,610)	1,033,274	(2,678,610)	1,033,274
	NUCLEAR	F	(4,772,864)	1,841,132	(4,772,864)	1,841,132
	Non-Regulated and Miscellaneous	F	8,664,561	(3,342,355)	8,664,561	(3,342,355)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,067,439	(797,515)	1,927,287	(743,451)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,515,424)	75,034,325	(194,515,424)	75,034,325
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,904,790	(74,798,773)	193,904,790	(74,798,773)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	231,811	(89,421)	215,317	(83,059)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,435,110	(1,710,844)	4,134,454	(1,594,866)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(130,919)	50,502	(122,044)	47,078
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,548	(36,086)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,332,504	17,350,926	1,242,174	15,726,706
(2)	DIRECTORS & OFFICERS PREMIUM	F		(514,013)		(479,168)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		2,309,952		1,486,407
	Total		(\$14,139,325)	\$25,115,123	(\$17,138,337)	\$23,824,226

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	\$15,314,711,829	\$5,469,589,436	\$9,845,122,393	\$129,925,316	\$1,419,668,535	\$11,394,716,243	\$1,809,654,446	\$13,204,370,689
Regulatory Base - Retail	\$13,935,375,390	\$5,087,834,726	\$8,847,540,664	\$112,627,059	\$1,267,499,431	\$10,227,667,154	\$1,770,437,230	\$11,998,104,384
FPSC Adjustments								
ARO	(18,605,135)	(16,157,323)	(2,447,812)			(2,447,812)	397,472	(2,050,340)
ECCR	(51,481,773)	(16,660,248)	(34,821,525)			(34,821,525)	(7,634,358)	(42,455,883)
ECRC	(177,021,243)	(16,204,671)	(160,816,572)		1,841,426	(158,975,146)	(5,769,821)	(164,744,967)
FUEL	(26,662,769)	(26,176,665)	(486,104)			(486,104)	(5,141,448)	(5,627,553)
CCR							(112,157,793)	(112,157,793)
NUCLEAR					(794,626)	(794,626)	(242,280,134)	(243,074,759)
CR3 Removal							(491,429,061)	(491,429,061)
Derivatives							(10,793,445)	(10,793,445)
Employee Related							(57)	(57)
Investments Earning a Return							(178,570,908)	(178,570,908)
Jobbing Accounts							(692,986)	(692,986)
Non-Regulated and Miscellaneous	(48,920,915)	(37,570,244)	(11,350,671)		(10,763)	(11,361,434)	99,767,627	88,406,193
Retention Accounts							1,511,278	1,511,278
CWIP - AFUDC					(910,757,657)	(910,757,657)	755,555,879	(910,757,657)
Imputed Off Balance Sheet Obligations							138,461,961	755,555,879
Capital Lease	(135,498,399)		(135,498,399)			(135,498,399)		2,963,563
Total FPSC Adjustments	(458,190,234)	(112,769,151)	(345,421,083)		(909,721,620)	(1,255,142,703)	(58,775,793)	(1,313,918,496)
FPSC Adjusted	\$13,477,185,157	\$4,975,065,575	\$8,502,119,582	\$112,627,059	\$357,777,810	\$8,972,524,451	\$1,711,661,437	\$10,684,195,888

	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	\$4,442,827,945	\$1,792,573,891	\$923,407,696	\$485,129,885	\$331,437,343	\$76,451,577	\$220,007,964	(\$146,000)		\$3,728,862,456	\$713,965,489
Regulatory Base - Retail	\$4,156,930,954	\$1,693,255,714	\$787,788,252	\$451,849,741	\$319,162,324	\$68,185,813	\$196,221,222	(\$132,682)		\$3,516,330,374	\$640,600,581
FPSC Adjustments											
ECCR	(109,484,094)		(98,220,697)	(6,484,439)		(1,843,483)				(106,548,619)	(2,935,475)
ECRC	(69,062,143)		(35,583,365)	(14,553,573)	(1,317,691)	(6,792,098)				(58,246,728)	(10,815,415)
FUEL	(1,272,061,847)	(1,268,360,618)	(862,516)			(1,095,033)				(1,270,318,168)	(1,743,679)
CCR	(429,468,265)	(424,895,095)	(309,217)	(1,585,342)		(1,033,274)				(427,822,929)	(1,645,336)
NUCLEAR	(56,108,056)		(47,399)	(51,287,794)		(1,841,132)				(53,176,324)	(2,931,732)
Non-Regulated and Miscellaneous				(9,664,561)		3,342,355				(5,322,207)	5,322,207
CORPORATE AIRCRAFT ALLOCATION			(1,927,287)			743,451				(1,183,836)	1,183,836
FRANCHISE FEE & GROSS RECEIPTS					(193,904,790)	(75,034,325)				(75,034,325)	(119,481,099)
FRANCHISE FEES & GROSS REC TAX - TOI						74,798,773				(119,106,017)	119,106,017
GAIN/LOSS ON DISPOSITION & OTHER						83,059			(215,317)	(132,259)	132,259
INST./PROMOTIONAL ADVERTISING			(4,134,454)			1,594,866				(2,539,588)	2,539,588
MISCELLANEOUS INTEREST EXPENSE			122,044			(47,078)				74,966	(74,966)
REMOVE ASSOC/ORGANIZATION DUES			(87,206)			33,640				(53,566)	53,566
PARENT DEBT ADJUSTMENT						(15,726,706)				(15,726,706)	15,726,706
DIRECTORS & OFFICERS PREMIUM						479,168				(763,005)	763,005
INTEREST SYNCHRONIZATION - FPSC			(1,242,174)			(1,486,407)				(1,486,407)	1,486,407
Total FPSC Adjustments	(2,130,689,829)	(1,693,255,714)	(142,292,271)	(82,575,710)	(195,222,481)	(23,824,226)			(215,317)	(2,137,365,719)	6,685,889
FPSC Adjusted	\$2,026,231,125	\$645,495,981	\$645,495,981	\$369,274,031	\$123,938,844	\$44,361,587	\$196,221,222	(\$132,682)	(\$215,317)	\$1,378,944,655	\$647,286,470

(a) The addition of earnings from AFUDC charges would increase the System NOI by 43,930,456 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 39,522,632 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$2,050,340)	(\$2,050,340)
	ECCR	F	(42,455,883)	(42,455,883)
	ECRC	F	(173,652,857)	(164,744,967)
	FUEL	F	(5,664,788)	(5,627,553)
	CCR	F	(114,743,638)	(112,157,793)
	NUCLEAR	F	(240,008,399)	(243,074,759)
	CR3 Removal	F	(491,429,061)	(491,429,061)
	Derivatives	F	(10,793,445)	(10,793,445)
	Employee Related	F	(63)	(57)
	Investments Earning a Return	F	(183,912,862)	(178,570,908)
	Jobbing Accounts	F	(734,060)	(692,986)
	Non-Regulated and Miscellaneous	F	88,406,193	88,406,193
	Retention Accounts	F	1,606,255	1,511,278
(1)	CWIP - AFUDC	F	(990,340,442)	(910,757,657)
(3)	Imputed Off Balance Sheet Obligations	F	813,431,533	755,555,879
(2)	Capital Lease - EPIS	F	(145,351,797)	(135,498,399)
(2)	Capital Lease - Working Capital	F	148,530,869	138,461,961
	Total		(\$1,349,162,785)	(\$1,313,918,496)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,778,958)	1,843,483	(4,778,958)	1,843,483
	ECRC	F	(14,987,095)	5,781,272	(17,607,514)	6,792,098
	FUEL	F	(3,005,218)	1,159,263	(2,838,713)	1,095,033
	CCR	F	(2,678,610)	1,033,274	(2,678,610)	1,033,274
	NUCLEAR	F	(4,772,864)	1,841,132	(4,772,864)	1,841,132
	Non-Regulated and Miscellaneous	F	8,664,561	(3,342,355)	8,664,561	(3,342,355)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,067,439	(797,515)	1,927,287	(743,451)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,515,424)	75,034,325	(194,515,424)	75,034,325
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,904,790	(74,798,773)	193,904,790	(74,798,773)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	231,811	(89,421)	215,317	(83,059)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,435,110	(1,710,844)	4,134,454	(1,594,866)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(130,919)	50,502	(122,044)	47,078
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,548	(36,086)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,332,504	17,350,926	15,726,706	15,726,706
(2)	DIRECTORS & OFFICERS PREMIUM	F		(514,013)	1,242,174	(479,168)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		2,309,952		1,486,407
	Total		(\$14,139,325)	\$25,115,123	(\$17,138,337)	\$23,824,226

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	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,011,059,033	\$4,546,235,917			(\$714,175,301)	\$723,391,123	\$4,555,451,738	44.24%	9.50%	4.20%	10.50%	4.65%	11.50%	5.09%				
Long Term Debt	4,393,616,983	3,986,067,456			(626,177,563)		3,359,889,894	32.63%	5.46%	1.78%	5.46%	1.78%	5.46%	1.78%				
Short Term Debt	486,950,444	441,781,185			(69,400,096)	(6,440,262)	365,940,826	3.55%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%				
Customer Deposits																		
Active	216,249,795	216,249,795			(33,971,018)		182,278,777	1.77%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%				
Inactive	1,551,637	1,551,637			(243,749)		1,307,888	0.01%										
Investment Tax Credits	1,714,477	1,555,443			(244,347)		1,311,096	0.01%										
Deferred Income Taxes	2,592,583,292	2,352,096,673			(369,494,540)	14,664,190	1,997,266,323	19.40%										
FAS 109 DIT - Net	(217,006,999)	(196,877,548)			30,927,801	(165,949,746)		-1.61%										
Total	\$12,486,718,660	\$11,348,660,557			(\$1,782,778,813)	\$731,615,050	\$10,297,496,795	100.00%			6.04%			6.49%				6.93%

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

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

January 2017

	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	\$4,953,174,169	\$4,575,318,718	\$4,575,318,718	\$4,575,318,718	(\$649,256,204)	\$678,082,456	\$4,604,144,971	43.09%	9.50%	4.09%	10.50%	4.52%	11.50%	4.96%				
Long Term Debt	5,581,998,135	5,156,172,523	5,156,172,523	5,156,172,523	(731,681,704)		4,424,490,819	41.41%	4.29%	1.78%	4.29%	1.78%	4.29%	1.78%				
Short Term Debt	(249,865,234)	(230,804,135)	(230,804,135)	(230,804,135)	32,752,039	113,559,040	(84,493,056)	(0.79%)	0.58%		0.58%		0.58%					
Customer Deposits																		
Active	209,416,124	209,416,124	209,416,124	209,416,124	(29,716,994)		179,699,130	1.68%	2.39%	0.04%	2.39%	0.04%	2.39%	0.04%				
Inactive	1,798,375	1,798,375	1,798,375	1,798,375	(255,197)		1,543,178	0.01%										
Investment Tax Credits	2,600,684	2,402,289	2,402,289	2,402,289	(340,895)		2,061,395	0.02%										
Deferred Income Taxes	2,696,908,757	2,491,173,679	2,491,173,679	2,491,173,679	(353,507,606)	(402,980,526)	1,734,685,548	16.24%										
FAS 109 DIT - Net	(224,499,229)	(207,373,190)	(207,373,190)	(207,373,190)	29,427,093		(177,946,097)	-1.67%										
Total	\$12,971,531,781	\$11,998,104,384	\$11,998,104,384	\$11,998,104,384	(\$1,702,579,466)	\$388,660,971	\$10,684,185,888	100.00%		5.91%		6.34%		6.77%				

* 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	\$5,011,059,033	\$4,546,235,917			(\$714,175,301)	\$723,391,123	\$4,555,451,738	44.24%	9.50%	4.20%	10.50%	4.65%	11.50%	5.09%				
Long Term Debt	4,393,616,983	3,986,067,456			(626,177,563)		3,359,889,894	32.63%	5.46%	1.78%	5.46%	1.78%	5.46%	1.78%				
Short Term Debt	486,950,444	441,781,185			(69,400,096)	(6,440,262)	365,940,826	3.55%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%				
Customer Deposits																		
Active	216,249,795	216,249,795			(33,971,018)		182,278,777	1.77%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%				
Inactive	1,551,637	1,551,637			(243,749)		1,307,888	0.01%										
Investment Tax Credits	1,714,477	1,555,443			(244,347)		1,311,096	0.01%										
Deferred Income Taxes	2,592,583,292	2,352,096,673			(369,494,540)	14,664,190	1,997,266,323	19.40%										
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Total	\$12,486,718,660	\$11,348,660,557			(\$1,782,778,813)	\$731,615,050	\$10,297,496,795	100.00%				6.04%		6.49%		6.93%		

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
January 2017

	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	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,953,174,169	\$4,575,318,718	(\$649,256,204)	\$678,082,456	\$4,604,144,971	43.09%	9.50%	4.09%	10.50%	4.52%	11.50%	4.96%							
Long Term Debt	5,581,998,135	5,156,172,523	(731,681,704)	4,424,490,819	41.41%	4.29%	1.78%	4.29%	4.29%	1.78%	4.29%	1.78%							
Short Term Debt	(249,865,234)	(230,804,135)	32,752,039	113,559,040	(0.79%)	0.58%	0.58%												
Customer Deposits																			
Active	209,416,124	209,416,124	(29,716,994)	179,699,130	1.68%	2.39%	0.04%	0.04%	2.39%	0.04%	2.39%	0.04%							
Inactive	1,798,375	1,798,375	(255,197)	1,543,178	0.01%														
Investment Tax Credits	2,600,684	2,402,289	(340,895)	2,061,395	0.02%														
Deferred Income Taxes	2,696,908,757	2,491,173,679	(353,507,606)	(402,980,526)	16.24%														
FAS 109 DIT - Net	(224,499,229)	(207,373,190)	29,427,093	(177,946,097)	-1.67%														
Total	\$12,971,531,781	\$11,998,104,384	(\$1,702,579,466)	\$388,660,971	100.00%	5.91%	6.34%	6.77%											

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 725,561,782
AFUDC - DEBT	\$ 15,452,647
INCOME TAXES	\$ 322,475,772
TOTAL	\$ 1,063,490,201
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 219,612,304
TIE WITH AFUDC	<u>4.84</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 725,561,782
AFUDC - EQUITY (28,477,809)	(28,477,809)
INCOME TAXES	322,475,772
TOTAL	\$ 1,019,559,745
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 219,612,304
TIE WITHOUT AFUDC	<u>4.64</u>

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

AFUDC DEBT	\$ 15,452,647
X (1 - INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 9,491,788
AFUDC - EQUITY	\$ 28,477,809
TOTAL	\$ 37,969,597
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 542,009,627
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>7.01%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 551,019,299
COMMON DIVIDENDS	\$ (775,000,000)
AFUDC (EQUITY)	\$ (25,959,745)
DEPRECIATION & AMORTIZATION	\$ 481,384,367
DEFERRED INCOME TAXES	\$ 224,499,961
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 23,939,248
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,022,871,868
TOTAL FUNDS PROVIDED	<u>\$ 1,502,608,998</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,552,660,044</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	96.78%
*Updated quarterly as of December 2016	

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

Common Equity	\$ 4,555,451,738
Long Term Debt	\$ 3,359,889,894
Short Term Debt	\$ 365,940,826
TOTAL	<u>\$ 8,281,282,458</u>
% LONG TERM DEBT TO TOTAL	40.57%
% SHORT TERM DEBT TO TOTAL	4.42%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.11%	6.29%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.78%	1.78%
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>1.84%</u>	<u>1.84%</u>
TOTAL	4.27%	4.45%
DIVIDED BY COMMON EQUITY RATIO	44.24%	44.24%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.66%</u>	<u>10.05%</u>