



April 13, 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 February 28, 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 February 28, 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,

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
February 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	\$ 675,895,487 (a)	\$ (35,192,250) (b)	\$ 640,703,237	\$ (9,288,707)	\$ 631,414,530
Average Rate Base	\$ 11,364,908,689	\$ (1,037,664,056)	\$ 10,327,244,633	\$ -	\$ 10,327,244,633
Average Rate of Return	5.95%		6.20%		6.11%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 632,878,672	\$ 7,824,565	\$ 640,703,237		
Average Rate Base	\$ 11,987,924,424	\$ (1,287,279,338)	\$ 10,700,645,086		
Average Rate of Return	5.28%		5.99%		

(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%	5.99%
Mid Point	6.66%	6.42%
High Point	7.11%	6.86%
Pro Forma Adjusted Basis		
Low Point	6.21%	5.99%
Mid Point	6.66%	6.42%
High Point	7.11%	6.86%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.58	(System Per Books Basis)
B. T.I.E without AFUDC	4.37	(System Per Books Basis)
C. AFUDC to Net Income	7.79%	(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	41.71%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	3.68%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.49%	(FPSC Adjusted Basis)
	9.30%	(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

4/13/17
 Date

DUKE ENERGY FLORIDA
Average Rate of Return - Rate Base
February 2017

	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	\$14,853,269,923	\$5,350,161,404	\$9,503,108,519	\$124,860,152	\$1,158,102,981	\$10,786,071,652	\$1,729,518,535	\$12,515,590,186
Regulatory Base - Retail	\$13,491,194,649	\$4,984,136,648	\$8,527,058,000	\$108,236,271	\$1,041,337,053	\$9,676,631,325	\$1,688,277,364	\$11,364,908,689
FPSC Adjustments								
ARO	(24,722,943)	(24,569,026)	(153,917)			(153,917)	775,475	621,558
ECCR	(51,470,682)	(13,952,514)	(37,518,168)			(37,518,168)	(13,704,296)	(51,222,464)
ECRC	(176,589,058)	(13,922,885)	(162,666,173)		(347,502)	(163,013,675)	(11,822,914)	(174,836,590)
FUEL	(27,727,360)	(27,049,104)	(678,256)			(678,256)	795,545	117,289
CCR							(145,306,777)	(145,306,777)
NUCLEAR					(794,628)	(794,628)	(240,485,639)	(241,280,266)
CR3 Removal							(392,346,664)	(392,346,664)
Derivatives							(8,028,017)	(8,028,017)
Employee Related							(18)	(18)
Investments Earning a Return							(180,374,835)	(180,374,835)
Jobbing Accounts							(679,365)	(679,365)
Non-Regulated and Miscellaneous	(48,285,992)	(37,273,606)	(11,012,386)		(20,554)	(11,032,940)	101,297,364	90,264,424
Retention Accounts							1,478,530	1,478,530
CWIP - AFUDC					(683,898,452)	(683,898,452)		(683,898,452)
Imputed Off Balance Sheet Obligations							750,680,557	750,680,557
Capital Lease	(140,301,171)		(140,301,171)			(140,301,171)	137,448,205	(2,852,966)
Total FPSC Adjustments	(489,097,207)	(116,767,135)	(352,330,071)		(685,061,136)	(1,037,391,207)	(272,849)	(1,037,664,056)
FPSC Adjusted	\$13,022,097,442	\$4,847,369,513	\$8,174,727,929	\$108,236,271	\$356,275,918	\$8,639,240,118	\$1,688,004,515	\$10,327,244,633

DUKE ENERGY FLORIDA

Average Rate of Return - Income Statement

February 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	\$4,406,410,247	\$1,779,064,433	\$824,602,598	\$486,751,135	\$332,337,922	\$38,966,588	\$244,321,227	(\$140,799)		\$3,705,903,103	\$700,507,144
Regulatory Base - Retail	\$4,127,736,410	\$1,677,533,415	\$788,865,558	\$453,418,010	\$319,993,018	\$35,099,717	\$220,075,873	(\$127,952)		\$3,494,857,737	\$632,878,672
FPSC Adjustments											
ECCR	(108,987,382)		(97,434,549)	(6,481,653)		(1,956,208)				(105,872,410)	(3,114,972)
ECRC	(68,097,607)		(35,577,408)	(13,791,705)	(1,314,122)	(6,717,594)				(57,400,829)	(10,696,778)
FUEL	(1,261,783,016)	(1,258,025,356)	(861,681)			(1,117,124)				(1,260,004,161)	(1,778,855)
CCR	(425,636,876)	(419,508,059)	(306,459)	(3,170,685)		(1,022,883)				(424,008,086)	(1,628,790)
NUCLEAR	(55,706,524)		(46,493)	(50,775,667)		(1,884,143)				(52,706,303)	(3,000,220)
Non-Regulated and Miscellaneous			(1,927,221)	(8,693,018)		3,353,332				(5,339,686)	5,339,686
CORPORATE AIRCRAFT ALLOCATION						743,426				(1,183,796)	1,183,796
FRANCHISE FEE & GROSS RECEIPTS	(194,465,724)				(194,089,019)	(75,015,153)				(75,015,153)	(119,450,571)
FRANCHISE FEES & GROSS REC TAX - TOI						77,605			(201,179)	(123,574)	123,574
GAIN/LOSS ON DISPOSITION & OTHER						1,635,059				(2,603,590)	2,603,590
INST/PROMOTIONAL ADVERTISING			(4,238,648)			(46,751)				74,444	(74,444)
MISCELLANEOUS INTEREST EXPENSE			121,196			33,640				(53,567)	53,567
REMOVE ASSOC/ORGANIZATION DUES			(87,206)			(15,687,540)				(15,687,540)	15,687,540
PARENT DEBT ADJUSTMENT						476,955				(759,480)	759,480
DIRECTORS & OFFICERS PREMIUM			(1,236,435)			(2,598,785)				(2,598,785)	2,598,785
INTEREST SYNCHRONIZATION - FPSC											
Total FPSC Adjustments	(2,114,677,129)	(1,677,533,415)	(141,594,905)	(82,912,728)	(195,403,141)	(24,856,327)	\$220,075,873	-\$127,952	(\$201,179)	(\$1,372,356,044)	\$640,703,237
FPSC Adjusted	\$2,013,059,281	-	\$647,270,651	\$370,505,282	\$124,589,878	\$10,243,390	\$220,075,873	-\$127,952	(\$201,179)	\$1,372,356,044	\$640,703,237
Pro Forma Adjustments											
Weather Normalization	(15,122,030)					(5,833,323)				(5,833,323)	(9,288,707)
Total Pro Forma Adjustments	(15,122,030)					(5,833,323)				(5,833,323)	(9,288,707)
Pro Forma Adjusted	\$1,997,937,251		\$647,270,651	\$370,505,282	\$124,589,878	\$4,410,067	\$220,075,873	-\$127,952	(\$201,179)	\$1,366,522,721	\$631,414,531
Current Month											
System Per Books	\$297,634,165	\$124,149,605	\$58,783,700	\$40,549,859	\$26,409,985	(35,599,875)	44,897,495	(19,132)		\$259,171,637	\$38,462,528
FPSC Adjusted	\$128,060,950		\$46,699,290	\$31,459,992	\$11,183,410	1,181,262	7,406,532	(17,373)	(8,092)	\$97,905,021	\$30,155,929

(a) The addition of earnings from AFUDC charges would increase the System NOI by 47,840,324 pretax
 (b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 43,016,815 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,558	\$621,558
	ECCR	F	(51,222,464)	(51,222,464)
	ECRC	F	(185,634,018)	(174,836,590)
	FUEL	F	65,335	117,289
	CCR	F	(147,488,162)	(145,306,777)
	NUCLEAR	F	(238,008,072)	(241,280,266)
	CR3 Removal	F	(392,346,664)	(392,346,664)
	Derivatives	F	(8,028,017)	(8,028,017)
	Employee Related	F	(19)	(18)
	Investments Earning a Return	F	(184,794,188)	(180,374,835)
	Jobbing Accounts	F	(713,372)	(679,365)
	Non-Regulated and Miscellaneous	F	90,264,424	90,264,424
	Retention Accounts	F	1,552,707	1,478,530
(1)	CWIP - AFUDC	F	(740,690,257)	(683,898,452)
(3)	Imputed Off Balance Sheet Obligations	F	808,182,760	750,680,557
(2)	Capital Lease - EPIS	F	(150,503,826)	(140,301,171)
(2)	Capital Lease - Working Capital	F	147,443,393	137,448,205
	Total		(\$1,051,298,882)	(\$1,037,664,056)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,071,180)	1,956,208	(5,071,180)	1,956,208
	ECRC	F	(14,791,645)	5,705,877	(17,414,372)	6,717,594
	FUEL	F	(3,071,256)	1,184,737	(2,895,979)	1,117,124
	CCR	F	(2,651,673)	1,022,883	(2,651,673)	1,022,883
	NUCLEAR	F	(4,884,363)	1,884,143	(4,884,363)	1,884,143
	Non-Regulated and Miscellaneous	F	8,693,018	(3,353,332)	8,693,018	(3,353,332)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,067,368	(797,487)	1,927,221	(743,426)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,465,724)	75,015,153	(194,465,724)	75,015,153
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,089,019	(74,869,839)	194,089,019	(74,869,839)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	216,589	(83,549)	201,179	(77,605)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,546,882	(1,753,960)	4,238,649	(1,635,059)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(130,009)	50,151	(121,196)	46,751
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,548	(36,066)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,326,348	17,307,715	1,236,435	15,687,540
(2)	DIRECTORS & OFFICERS PREMIUM	F		(511,639)		(476,955)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		3,541,031		2,598,785
	Total		(\$14,033,079)	\$26,262,006	(\$17,031,762)	\$24,856,327

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								
Regulatory Base - Retail	\$15,348,858,182	\$5,491,748,462	\$9,857,109,720	\$129,925,316	\$1,488,516,839	\$11,475,551,875	\$1,729,518,535	\$13,205,070,409
	\$13,967,171,733	\$5,107,481,436	\$8,859,690,297	\$112,627,059	\$1,327,329,703	\$10,299,647,059	\$1,688,277,364	\$11,987,924,424
FPSC Adjustments								
ARO	(18,605,135)	(16,203,968)	(2,401,167)			(2,401,167)	775,475	(1,625,692)
ECCR	(51,335,221)	(17,050,734)	(34,284,487)			(34,284,487)	(13,704,296)	(47,988,783)
ECRC	(176,424,154)	(16,612,722)	(159,811,432)		(220,164)	(160,031,596)	(11,822,914)	(171,854,511)
FUEL	(26,662,769)	(26,176,674)	(486,095)			(486,095)	795,545	309,450
CCR							(145,306,777)	(145,306,777)
NUCLEAR					(794,626)	(794,626)	(240,485,639)	(241,280,264)
CR3 Removal							(392,346,664)	(392,346,664)
Derivatives							(8,028,017)	(8,028,017)
Employee Related							(18)	(18)
Investments Earning a Return							(180,374,835)	(180,374,835)
Jobbing Accounts							(679,365)	(679,365)
Non-Regulated and Miscellaneous	(48,102,531)	(37,671,502)	(10,431,029)		(10,763)	(10,441,792)	101,297,364	90,855,572
Retention Accounts							1,478,530	1,478,530
CWIP - AFUDC					(944,058,601)	(944,058,601)		(944,058,601)
Imputed Off Balance Sheet Obligations							750,680,557	750,680,557
Capital Lease	(134,508,124)		(134,508,124)			(134,508,124)	137,448,205	2,940,081
	(455,637,934)	(113,715,600)	(341,922,334)		(945,084,154)	(1,287,006,489)	(272,849)	(1,287,279,339)
Total FPSC Adjustments								
FPSC Adjusted	\$13,511,533,799	\$4,993,765,836	\$8,517,767,963	\$112,627,059	\$382,245,549	\$9,012,640,571	\$1,688,004,515	\$10,700,645,086

	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	\$4,406,410,247	\$1,779,064,433	\$824,602,598	\$486,751,135	\$332,337,922	\$38,966,588	\$244,321,227	(\$140,799)		\$3,705,903,103	\$700,507,144
Regulatory Base - Retail	\$4,127,736,410	\$1,677,533,415	\$788,865,556	\$453,418,010	\$319,993,018	\$35,099,717	\$220,075,873	(\$127,852)		\$3,494,857,737	\$632,678,672
FPSC Adjustments											
ECCR	(108,987,382)		(97,434,549)	(6,481,653)		(1,956,208)				(105,872,410)	(3,114,972)
ECRC	(68,097,607)		(35,577,408)	(13,791,705)	(1,314,122)	(6,717,594)				(57,400,829)	(10,696,778)
FUEL	(1,261,783,016)	(1,258,025,356)	(861,681)			(1,117,124)				(1,260,004,161)	(1,778,855)
CCR	(425,636,876)	(419,508,059)	(306,459)	(3,170,685)		(1,022,883)				(424,008,086)	(1,628,790)
NUCLEAR	(55,706,524)		(46,493)	(50,775,667)		(1,884,143)				(52,706,303)	(3,000,220)
Non-Regulated and Miscellaneous				(8,693,018)		3,353,332				(5,339,686)	5,339,686
CORPORATE AIRCRAFT ALLOCATION			(1,927,221)			743,426				(1,183,796)	1,183,796
FRANCHISE FEE & GROSS RECEIPTS					(194,089,019)	(75,015,153)				(75,015,153)	(119,450,571)
FRANCHISE FEES & GROSS REC TAX - TOI						74,869,839				(119,219,180)	119,219,180
GAIN/LOSS ON DISPOSITION & OTHER						77,605			(201,179)	(123,574)	123,574
INST./PROMOTIONAL ADVERTISING			(4,238,649)			1,635,059				(2,603,590)	2,603,590
MISCELLANEOUS INTEREST EXPENSE			121,196			(46,751)				74,444	(74,444)
REMOVE ASSOC/Organization DUES			(87,206)			33,640				(53,567)	53,567
PARENT DEBT ADJUSTMENT						(15,687,540)				(15,687,540)	15,687,540
DIRECTORS & OFFICERS PREMIUM						476,955				(759,480)	759,480
INTEREST SYNCHRONIZATION - FPSC			(1,236,435)			(2,598,785)				(2,598,785)	2,598,785
Total FPSC Adjustments	(2,114,677,128)	(1,677,533,415)	(141,594,905)	(82,912,728)	(195,403,141)	(24,856,327)			(201,179)	(2,122,501,884)	7,824,585
FPSC Adjusted	\$2,013,059,281	\$647,270,651	\$647,270,651	\$370,505,282	\$124,589,878	\$10,243,390	\$220,075,873	(\$127,852)	(\$201,179)	\$1,372,356,044	\$640,703,237

(a) The addition of earnings from AFUDC charges would increase the System NOI by 47,840,324 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 43,016,815 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$1,625,692)	(\$1,625,692)
	ECCR	F	(47,988,783)	(47,988,783)
	ECRC	F	(181,255,159)	(171,854,511)
	FUEL	F	272,215	309,450
	CCR	F	(147,488,162)	(145,306,777)
	NUCLEAR	F	(238,008,070)	(241,280,264)
	CR3 Removal	F	(392,346,664)	(392,346,664)
	Derivatives	F	(8,028,017)	(8,028,017)
	Employee Related	F	(19)	(18)
	Investments Earning a Return	F	(184,794,188)	(180,374,835)
	Jobbing Accounts	F	(713,372)	(679,365)
	Non-Regulated and Miscellaneous	F	90,855,572	90,855,572
	Retention Accounts	F	1,552,707	1,478,530
(1)	CWIP - AFUDC	F	(1,026,721,375)	(944,058,601)
(3)	Imputed Off Balance Sheet Obligations	F	808,182,760	750,680,557
(2)	Capital Lease - EPIS	F	(144,289,510)	(134,508,124)
(2)	Capital Lease - Working Capital	F	147,443,393	137,448,205
	Total		(\$1,324,952,364)	(\$1,287,279,338)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,071,180)	1,956,208	(5,071,180)	1,956,208
	ECRC	F	(14,791,645)	5,705,877	(17,414,372)	6,717,594
	FUEL	F	(3,071,256)	1,184,737	(2,895,979)	1,117,124
	CCR	F	(2,651,673)	1,022,883	(2,651,673)	1,022,883
	NUCLEAR	F	(4,884,363)	1,884,143	(4,884,363)	1,884,143
	Non-Regulated and Miscellaneous	F	8,693,018	(3,353,332)	8,693,018	(3,353,332)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,067,368	(797,487)	1,927,221	(743,426)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,465,724)	75,015,153	(194,465,724)	75,015,153
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,089,019	(74,869,839)	194,089,019	(74,869,839)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	216,589	(83,549)	201,179	(77,605)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,546,882	(1,753,960)	4,238,649	(1,635,059)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(130,009)	50,151	(121,196)	46,751
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,548	(36,086)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,326,348	17,307,715	1,236,435	15,687,540
(2)	DIRECTORS & OFFICERS PREMIUM	F		(511,639)		(476,955)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		3,541,031		2,598,785
	Total		(\$14,033,079)	\$26,262,006	(\$17,031,762)	\$24,856,327

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
February 2017

	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	\$4,992,824,572		\$4,525,686,581		(\$583,699,346)		\$717,996,443		\$4,659,983,677		45.12%		9.50%	4.29%	10.50%	4.74%	11.50%	5.19%
Long Term Debt	4,507,970,904		4,086,196,727		(527,016,247)				3,559,180,480		34.46%		5.40%	1.86%	5.40%	1.86%	5.40%	1.86%
Short Term Debt	399,467,160		362,092,267		(46,700,764)		(1,139,214)		314,252,289		3.04%		0.58%	0.02%	0.58%	0.02%	0.58%	0.02%
Customer Deposits																		
Active	215,403,994		215,403,994		(27,781,679)				187,622,316		1.82%		2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,570,014		1,570,014		(202,492)				1,367,522		0.01%							
Investment Tax Credits	1,991,557		1,714,579		(221,137)				1,493,442		0.01%							
Deferred Income Taxes	2,614,721,086		2,370,082,898		(305,680,876)		(288,734,900)		1,775,667,122		17.19%							
FAS 109 DJT - Net	(218,259,100)		(197,838,371)		25,516,157				(172,322,214)		-1.67%							
Total	\$12,515,590,187		\$11,364,908,689		(\$1,465,786,395)		\$428,122,329		\$10,327,244,633		100.00%			6.21%		6.66%		7.11%

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

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
February 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	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,952,863,521	\$4,583,511,797			(\$609,030,264)	\$680,123,254		\$4,654,604,787	43.50%	9.50%	4.13%	4.57%	10.50%	4.57%	11.50%	5.00%		
Long Term Debt	5,582,514,659	5,166,207,728			(686,455,495)		4,479,752,233	41.86%	4.36%	1.83%	1.83%	1.83%	4.36%	1.83%	4.36%	1.83%		
Short Term Debt	(330,281,688)	(305,651,469)			40,613,181	44,422,480	(220,615,808)	(2.06%)	0.58%	(0.01%)	(0.01%)	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)		
Customer Deposits																		
Active	208,424,636	208,424,636			(27,694,248)		180,730,388	1.69%	2.38%	0.04%	0.04%	0.04%	2.38%	0.04%	2.38%	0.04%		
Inactive	1,843,977	1,843,977			(245,017)		1,598,960	0.01%										
Investment Tax Credits	2,581,552	2,389,037			(317,441)		2,071,595	0.02%										
Deferred Income Taxes	2,747,462,039	2,542,574,536			(337,842,447)	(418,939,724)	1,785,792,365	16.69%										
FAS 109 DIT - Net	(228,409,049)	(211,375,817)			28,086,383		(183,289,433)	-1.71%										
Total	\$12,936,999,646	\$11,987,924,424			(\$1,592,885,347)	\$305,606,009	\$10,700,645,086	100.00%		5.99%		6.42%		6.42%		6.86%		

* 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	\$4,992,824,572	\$4,525,686,581			(\$583,699,346)	\$717,996,443	\$4,659,983,677	45.12%	9.50%	4.29%	10.50%	4.74%	11.50%	5.19%				
Long Term Debt	4,507,970,904	4,086,196,727			(527,016,247)		3,559,180,480	34.46%	5.40%	1.86%	5.40%	1.86%	5.40%	1.86%				
Short Term Debt	399,467,160	362,082,267			(46,700,764)	(1,139,214)	314,252,289	3.04%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%				
Customer Deposits																		
Active	215,403,994	215,403,994			(27,781,679)		187,622,316	1.82%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%				
Inactive	1,570,014	1,570,014			(202,492)		1,367,522	0.01%										
Investment Tax Credits	1,891,557	1,714,579			(221,137)		1,493,442	0.01%										
Deferred Income Taxes	2,614,721,086	2,370,082,898			(305,680,876)	(288,734,900)	1,775,667,122	17.19%										
FAS 109 DIT - Net	(218,259,100)	(197,838,371)			25,516,157		(172,322,214)	-1.67%										
Total	\$12,515,590,187	\$11,364,908,689			(\$1,465,786,385)	\$428,122,329	\$10,327,244,633	100.00%	6.21%	6.66%	7.11%							

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

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

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point			
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Ratio	Retail	Ratio	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost
Common Equity	\$4,952,863,521	\$4,583,511,797			(\$609,030,264)	\$680,123,254		43.50%	\$4,654,604,787		9.50%	4.13%	10.50%	11.50%	4.57%	4.36%	10.50%	11.50%	5.00%	5.00%
Long Term Debt	5,582,514,659	5,166,207,728			(686,455,495)			41.86%	4,479,752,233		4.36%	1.83%	4.36%	4.36%	1.83%	4.36%	4.36%	4.36%	1.83%	1.83%
Short Term Debt	(330,281,688)	(305,651,469)			40,613,181	44,422,480		(2.06%)	(220,615,808)		0.58%	(0.01%)	0.58%	0.58%	(0.01%)	0.58%	0.58%	0.58%	(0.01%)	(0.01%)
Customer Deposits																				
Active	208,424,636	208,424,636			(27,694,248)			1.69%	180,730,388		2.38%	0.04%	2.38%	2.38%	0.04%	2.38%	2.38%	2.38%	0.04%	0.04%
Inactive	1,843,977	1,843,977			(245,017)			0.01%	1,598,960		0.01%									
Investment Tax Credits	2,581,552	2,389,037			(317,441)			0.02%	2,071,595											
Deferred Income Taxes	2,747,462,039	2,542,574,536			(337,842,447)	(418,939,724)		16.69%	1,785,792,365											
FAS 109 DIT - Net	(228,409,049)	(211,375,817)			28,066,383			-1.71%	(183,289,433)											
Total	\$12,936,999,646	\$11,987,924,424			(\$1,592,885,347)	\$305,606,009		100.00%	\$10,700,645,086			5.99%			6.42%				6.86%	6.86%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 741,836,611
AFUDC - DEBT	\$ 16,827,831
INCOME TAXES	\$ 284,528,881
TOTAL	\$ 1,043,193,324
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 227,540,798
TIE WITH AFUDC	<u>4.58</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 741,836,611
AFUDC - EQUITY	(31,012,492)
INCOME TAXES	284,528,881
TOTAL	\$ 995,353,000
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 227,540,798
TIE WITHOUT AFUDC	<u>4.37</u>

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

AFUDC DEBT	\$ 16,827,831
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 10,336,495
AFUDC -EQUITY	\$ 31,012,492
TOTAL	\$ 41,348,988
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 530,877,379
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>7.79%</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
PERCENT OF TOTAL INVESTOR CAPITAL**

Common Equity	\$ 4,659,983,677
Long Term Debt	\$ 3,559,180,480
Short Term Debt	\$ 314,252,289
TOTAL	\$ <u>8,533,416,446</u>

% LONG TERM DEBT TO TOTAL	41.71%
% SHORT TERM DEBT TO TOTAL	3.68%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.11%</u>	<u>6.20%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.86%	1.86%
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>1.92%</u>	<u>1.92%</u>
TOTAL	<u>4.19%</u>	<u>4.28%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.12%</u>	<u>45.12%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.30%</u>	<u>9.49%</u>