



May 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 March 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 March 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,

A handwritten signature in cursive script 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
March 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	\$ 686,093,557 (a)	\$ (36,977,229) (b)	\$ 649,116,329	\$ (7,632,761)	\$ 641,483,568
Average Rate Base	\$ 11,384,462,691	\$ (984,515,797)	\$ 10,399,946,894	\$ -	\$ 10,399,946,894
Average Rate of Return	6.03%		6.24%		6.17%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 639,951,530	\$ 9,164,799	\$ 649,116,329		
Average Rate Base	\$ 12,008,958,945	\$ (1,111,908,257)	\$ 10,897,050,688		
Average Rate of Return	5.33%		5.96%		
(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	6.28%	6.05%
Mid Point	6.73%	6.48%
High Point	7.19%	6.92%
Pro Forma Adjusted Basis		
Low Point	6.28%	6.05%
Mid Point	6.73%	6.48%
High Point	7.19%	6.92%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.54	(System Per Books Basis)
B. T.I.E without AFUDC	4.32	(System Per Books Basis)
C. AFUDC to Net Income	8.36%	(System Per Books Basis)
D. Internally Generated Funds	86.27%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.09%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	2.26%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.41%	(FPSC Adjusted Basis)
	9.25%	(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

5/15/17
 Date

DUKE ENERGY FLORIDA

Average Rate of Return - Rate Base

March 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	\$14,927,437,161	\$5,361,365,218	\$9,566,071,943	\$125,455,874	\$1,205,062,152	\$10,896,589,969	\$1,649,946,800	\$12,546,536,769
Regulatory Base - Retail	\$13,560,095,090	\$4,975,687,056	\$8,584,408,034	\$108,752,679	\$1,082,818,116	\$9,775,978,829	\$1,608,483,862	\$11,384,462,691
FPSC Adjustments								
ARO	(23,905,888)	(23,407,473)	(498,415)			(498,415)	1,119,975	621,560
ECCR	(51,465,163)	(14,481,495)	(36,983,668)			(36,983,668)	(13,655,184)	(50,638,852)
ECRC	(176,095,834)	(14,343,007)	(161,752,827)		(332,647)	(162,085,474)	(11,123,989)	(173,209,463)
FUEL	(27,549,928)	(26,900,872)	(649,056)			(649,056)	(9,692,378)	(10,341,434)
CCR							(149,140,247)	(149,140,247)
NUCLEAR					(794,628)	(794,628)	(238,690,029)	(239,484,657)
CR3 Removal							(292,822,213)	(292,822,213)
Derivatives							(3,293,672)	(3,293,672)
Employee Related							33	33
Investments Earning a Return							(181,270,710)	(181,270,710)
Jobbing Accounts							(640,726)	(640,726)
Non-Regulated and Miscellaneous	(48,192,133)	(37,201,925)	(10,990,208)		(21,501)	(11,011,709)	102,742,543	91,730,834
Retention Accounts							1,476,244	1,476,244
CWIP - AFUDC					(720,375,821)	(720,375,821)		(720,375,821)
Imputed Off Balance Sheet Obligations							745,805,234	745,805,234
Capital Lease	(139,464,903)		(139,464,903)			(139,464,903)	136,532,996	(2,931,907)
Total FPSC Adjustments	(466,673,849)	(116,334,772)	(350,339,077)		(721,524,597)	(1,071,863,674)	87,347,877	(984,515,797)
FPSC Adjusted	\$13,093,421,241	\$4,859,352,284	\$8,234,068,957	\$108,752,679	\$361,293,519	\$8,704,115,155	\$1,695,831,739	\$10,399,946,894

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
March 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	\$4,389,894,203	\$1,763,030,008	\$814,532,414	\$490,500,286	\$330,551,327	\$56,766,523	\$228,315,496	(\$138,198)		\$3,683,557,856	\$705,336,347
Regulatory Base - Retail	\$4,118,729,244	\$1,667,139,461	\$777,901,089	\$457,112,660	\$318,304,368	\$51,462,573	\$206,982,959	(\$125,396)		\$3,478,777,714	\$639,951,530
FPSC Adjustments											
ECCR	(108,331,937)		(96,939,508)	(6,480,285)		(1,894,860)				(105,314,653)	(3,017,284)
ECRC	(67,008,846)		(34,753,116)	(13,953,619)	(1,310,280)	(6,554,599)				(56,571,614)	(10,437,232)
FUEL	(1,255,278,494)	(1,253,699,775)	(859,227)			(277,544)				(1,254,836,546)	(441,948)
CCR	(421,119,693)	(413,439,686)	(303,206)	(4,756,027)		(1,010,964)				(419,509,863)	(1,609,810)
NUCLEAR	(55,305,835)		(46,279)	(50,271,057)		(1,924,313)				(52,241,649)	(3,064,186)
Non-Regulated and Miscellaneous				(8,721,474)		3,364,309				(5,357,165)	5,357,165
CORPORATE AIRCRAFT ALLOCATION			(1,940,981)			748,733				(74,841,091)	(119,173,404)
FRANCHISE FEE & GROSS RECEIPTS					(193,750,788)	74,739,366				(119,011,422)	119,011,422
FRANCHISE FEES & GROSS REC TAX - TOI						72,151			(187,040)	(114,889)	114,889
GAIN/LOSS ON DISPOSITION & OTHER						1,542,196				(2,455,721)	2,455,721
INST./PROMOTIONAL ADVERTISING			(3,997,917)			(46,474)				74,004	(74,004)
MISCELLANEOUS INTEREST EXPENSE			120,478			33,640				(53,567)	53,567
REMOVE ASSOC/ORGANIZATION DUES			(87,207)			(15,592,682)				(15,592,682)	15,592,682
PARENT DEBT ADJUSTMENT						474,741				(755,955)	755,955
DIRECTORS & OFFICERS PREMIUM						(2,449,018)				(2,449,018)	2,449,018
INTEREST SYNCHRONIZATION - FPSC			(1,230,696)								
Total FPSC Adjustments	(2,101,059,300)	(1,667,139,461)	(140,037,659)	(84,182,462)	(195,061,068)	(23,616,409)	-	(187,040)	(187,040)	(2,110,224,099)	9,164,799
FPSC Adjusted	\$2,017,669,944	-	\$637,863,430	\$372,930,198	\$123,243,300	\$27,846,164	\$206,982,959	(\$125,396)	(\$187,040)	\$1,368,553,615	\$649,116,329
Pro Forma Adjustments											
Weather Normalization	(12,426,147)					(4,793,386)				(4,793,386)	(7,632,761)
Total Pro Forma Adjustments	(12,426,147)					(4,793,386)				(4,793,386)	(7,632,761)
Pro Forma Adjusted	\$2,005,243,797		\$637,863,430	\$372,930,198	\$123,243,300	\$23,052,778	\$206,982,959	(\$125,396)	(\$187,040)	\$1,363,760,229	\$641,483,568
Current Month											
System Per Books	\$316,516,829	\$117,725,062	\$70,601,539	\$41,518,566	\$23,829,814	(35,942,834)	52,584,704	(9,566)		\$270,307,285	\$46,209,544
FPSC Adjusted	\$149,626,793	\$56,395,397	\$33,165,766	\$33,165,766	\$9,467,206	2,852,036	11,470,915	(8,680)	(8,092)	\$113,334,548	\$36,292,245

(a) The addition of earnings from AFUDC charges would increase the System NOI by 51,351,201 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 46,142,027 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,560	\$621,560
	ECGR	F	(50,638,852)	(50,638,852)
	ECRC	F	(184,083,307)	(173,209,463)
	FUEL	F	(10,391,152)	(10,341,434)
	CCR	F	(151,259,643)	(149,140,247)
	NUCLEAR	F	(236,003,633)	(239,484,657)
	CR3 Removal	F	(292,822,213)	(292,822,213)
	Derivatives	F	(3,293,672)	(3,293,672)
	Employee Related	F	35	33
	Investments Earning a Return	F	(185,734,019)	(181,270,710)
	Jobbing Accounts	F	(672,777)	(640,726)
	Non-Regulated and Miscellaneous	F	91,730,835	91,730,834
	Retention Accounts	F	1,550,515	1,476,244
	CWIP - AFUDC	F	(780,600,630)	(720,375,821)
(1)	Imputed Off Balance Sheet Obligations	F	802,933,987	745,805,234
(3)	Capital Lease - EPIS	F	(149,606,744)	(139,464,903)
(2)	Capital Lease - Working Capital	F	146,461,630	136,532,996
	Total		(\$1,001,808,080)	(\$984,515,797)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECGR	F	(4,912,144)	1,894,860	(4,912,144)	1,894,860
	ECRC	F	(14,440,180)	5,570,299	(16,991,831)	6,554,599
	FUEL	F	(760,875)	293,508	(719,492)	277,544
	CCR	F	(2,620,773)	1,010,963	(2,620,774)	1,010,964
	NUCLEAR	F	(4,988,499)	1,924,313	(4,988,499)	1,924,313
	Non-Regulated and Miscellaneous	F	8,721,474	(3,364,309)	8,721,474	(3,364,309)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,082,128	(803,181)	1,940,981	(748,733)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,014,495)	74,841,091	(194,014,495)	74,841,091
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,750,788	(74,739,366)	193,750,788	(74,739,366)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	201,367	(77,877)	187,040	(72,151)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,288,644	(1,654,344)	3,997,917	(1,542,196)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(129,239)	49,854	(120,478)	46,474
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,548	(36,086)	87,207	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		17,203,060		15,592,682
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,320,192	(509,264)	1,230,696	(474,741)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		3,334,597		2,449,018
	Total		(\$11,408,064)	\$24,939,318	(\$14,451,610)	\$23,616,409

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

DUKE ENERGY FLORIDA
End of Period Rate of Return - Rate Base
March 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 Period End Rate Base
System Per Books								
Regulatory Base - Retail	\$15,542,431,104	\$5,522,043,997	\$10,020,387,107	\$129,925,316	\$1,442,114,932	\$11,592,427,355	\$1,649,946,800	\$13,242,374,155
	\$14,137,986,534	\$5,134,863,987	\$9,003,122,547	\$112,627,059	\$1,284,725,477	\$10,400,475,083	\$1,608,463,862	\$12,008,958,945
FPSC Adjustments								
ARO	(18,605,135)	(16,253,655)	(2,351,480)			(2,351,480)	1,119,975	(1,231,505)
ECCR	(51,356,085)	(17,609,664)	(33,746,421)			(33,746,421)	(13,655,184)	(47,401,605)
ECRC	(175,481,381)	(16,993,640)	(158,487,741)		(218,794)	(158,706,535)	(11,123,989)	(169,830,524)
FUEL	(26,662,769)	(26,176,591)	(486,178)			(486,178)	(9,692,378)	(10,178,556)
CCR							(149,140,247)	(149,140,247)
NUCLEAR					(794,626)	(794,626)	(238,690,029)	(239,484,655)
CR3 Removal							(292,822,213)	(292,822,213)
Derivatives							(3,293,672)	(3,293,672)
Employee Related							33	33
Investments Earning a Return							(181,270,710)	(181,270,710)
Jobbing Accounts							(640,726)	(640,726)
Non-Regulated and Miscellaneous	(46,431,813)	(36,062,222)	(10,369,591)		(16,537)	(10,386,128)	102,742,543	92,356,415
Retention Accounts							1,476,244	1,476,244
CWIP - AFUDC					(857,922,228)	(857,922,228)		(857,922,228)
Imputed Off Balance Sheet Obligations							745,805,234	745,805,234
Capital Lease	(134,862,538)		(134,862,538)			(134,862,538)	136,532,996	1,670,458
Total FPSC Adjustments	(453,399,721)	(113,095,772)	(340,303,949)		(858,952,185)	(1,199,256,134)	87,347,877	(1,111,908,257)
FPSC Adjusted	\$13,684,586,813	\$5,021,768,215	\$8,662,818,598	\$112,627,059	\$425,773,292	\$9,201,218,949	\$1,695,831,739	\$10,897,050,688

	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	\$4,388,894,203	\$1,763,030,008	\$814,532,414	\$490,500,286	\$330,551,327	\$56,766,523	\$228,315,496	(\$138,198)		\$3,683,557,856	\$705,336,347
Regulatory Base - Retail	\$4,118,729,244	\$1,667,139,461	\$777,901,089	\$457,112,660	\$318,304,368	\$51,462,573	\$206,982,959	(\$125,395)		\$3,478,777,714	\$639,951,530
FPSC Adjustments											
ECCR	(108,331,937)	(96,939,508)	(96,939,508)	(6,480,285)		(1,894,860)				(105,314,653)	(3,017,284)
ECRC	(67,008,846)	(34,753,116)	(34,753,116)	(13,953,619)	(1,310,280)	(6,554,599)				(56,571,614)	(10,437,232)
FUEL	(1,255,278,494)	(1,253,699,775)	(859,227)	(4,756,027)		(277,544)				(1,254,836,548)	(441,948)
CCR	(421,119,693)	(413,439,686)	(303,206)	(50,271,057)		(1,010,964)				(419,509,883)	(1,609,810)
NUCLEAR	(55,305,835)	(46,279)	(46,279)	(8,721,474)		(1,924,313)				(52,241,049)	(3,064,186)
Non-Regulated and Miscellaneous			(1,940,981)			3,364,309				(5,357,165)	5,357,165
CORPORATE AIRCRAFT ALLOCATION						748,733				(1,192,248)	1,192,248
FRANCHISE FEE & GROSS RECEIPTS	(194,014,495)				(193,750,788)	(74,841,091)				(74,841,091)	(119,173,404)
FRANCHISE FEES & GROSS REC TAX - TOI						74,739,366				(119,011,422)	119,011,422
GAIN/LOSS ON DISPOSITION & OTHER						72,151			(187,040)	(114,889)	114,889
INST./PROMOTIONAL ADVERTISING			(3,997,917)			1,542,196				(2,455,721)	2,455,721
MISCELLANEOUS INTEREST EXPENSE			120,478			(46,474)				74,004	(74,004)
REMOVE ASSOC/ORGANIZATION DUES			(87,207)			33,640				(53,567)	53,567
PARENT DEBT ADJUSTMENT						(15,592,682)				(15,592,682)	15,592,682
DIRECTORS & OFFICERS PREMIUM						474,741				(755,955)	755,955
INTEREST SYNCHRONIZATION - FPSC			(1,230,696)			(2,449,018)				(2,449,018)	2,449,018
Total FPSC Adjustments	(2,101,059,300)	(1,667,139,461)	(140,037,659)	(84,182,462)	(195,061,068)	(23,616,409)	-	-	(187,040)	(2,110,224,099)	9,164,799
FPSC Adjusted	\$2,017,669,944	\$637,863,430	\$637,863,430	\$372,930,198	\$123,243,300	\$27,846,164	\$206,982,959	(\$125,396)	(\$187,040)	\$1,368,553,615	\$649,116,329

(a) The addition of earnings from AFUDC charges would increase the System NOI by 51,351,201 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 46,142,027 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$1,231,505)	(\$1,231,505)
	ECCR	F	(47,401,605)	(47,401,605)
	ECRC	F	(180,062,753)	(169,830,524)
	FUEL	F	(10,215,798)	(10,178,556)
	CCR	F	(151,259,643)	(149,140,247)
	NUCLEAR	F	(236,003,631)	(239,484,655)
	CR3 Removal	F	(292,822,213)	(292,822,213)
	Derivatives	F	(3,293,672)	(3,293,672)
	Employee Related	F	35	33
	Investments Earning a Return	F	(185,734,019)	(181,270,710)
	Jobbing Accounts	F	(672,777)	(640,726)
	Non-Regulated and Miscellaneous	F	92,356,415	92,356,415
	Retention Accounts	F	1,550,515	1,476,244
(1)	CWIP - AFUDC	F	(932,098,477)	(857,922,228)
(3)	Imputed Off Balance Sheet Obligations	F	802,933,987	745,805,234
(2)	Capital Lease - EPIS	F	(144,669,697)	(134,862,538)
(2)	Capital Lease - Working Capital	F	146,461,630	136,532,996
	Total		(\$1,142,163,208)	(\$1,111,908,257)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,912,144)	1,894,860	(4,912,144)	1,894,860
	ECRC	F	(14,440,180)	5,570,299	(16,991,831)	6,554,599
	FUEL	F	(760,875)	293,508	(719,492)	277,544
	CCR	F	(2,620,773)	1,010,963	(2,620,774)	1,010,964
	NUCLEAR	F	(4,988,499)	1,924,313	(4,988,499)	1,924,313
	Non-Regulated and Miscellaneous	F	8,721,474	(3,364,309)	8,721,474	(3,364,309)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,082,128	(803,181)	1,940,981	(748,733)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(194,014,495)	74,841,091	(194,014,495)	74,841,091
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	193,750,788	(74,739,366)	193,750,788	(74,739,366)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	201,367	(77,677)	187,040	(72,151)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,288,644	(1,654,344)	3,997,917	(1,542,196)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(129,239)	49,854	(120,478)	46,474
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,548	(36,086)	87,207	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,320,192	17,203,060	1,230,696	15,592,682
(2)	DIRECTORS & OFFICERS PREMIUM	F		(509,264)		(474,741)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		3,334,597		2,449,018
	Total		(\$11,408,064)	\$24,938,318	(\$14,451,610)	\$23,616,409

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
March 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	\$4,976,234,854		\$4,507,244,043		(\$504,777,042)		\$712,701,002		\$4,715,168,003		45.34%		9.50%	4.31%	10.50%	11.50%	5.21%	
Long Term Debt	4,622,240,026		4,186,611,853		(468,868,676)				3,717,743,176		35.75%		5.37%	1.92%	5.37%	5.37%	1.92%	
Short Term Debt	309,748,775		280,556,156		(31,420,155)		(53,813,625)		195,322,376		1.88%		0.69%	0.01%	0.69%	0.69%	0.01%	
Customer Deposits																		
Active	214,742,274		214,742,274		(24,049,501)				190,692,773		1.83%		2.27%	0.04%	2.27%	2.27%	0.04%	
Inactive	1,588,004		1,588,004		(177,844)				1,410,160		0.01%							
Investment Tax Credits	2,069,773		1,874,705		(209,953)				1,664,752		0.02%							
Deferred Income Taxes	2,639,529,306		2,390,763,919		(267,747,370)		(368,429,964)		1,754,586,585		16.87%							
FAS 109 DIT - Net	(219,616,240)		(198,918,262)		22,277,332				(176,640,930)		-1.70%							
Total	\$12,546,536,772		\$11,384,462,691		(\$1,274,973,210)		\$290,457,413		\$10,399,946,894		100.00%			6.28%		6.73%		7.19%

* 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	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Retail	Ratio	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	\$4,984,096,596	\$4,577,163,453			(\$488,081,864)	\$674,914,949		\$4,763,996,538	43.72%	43.72%	9.50%	4.15%	10.50%	4.59%	11.50%	5.03%			
Long Term Debt	5,581,795,814	5,126,062,729			(546,613,263)		4,579,449,466	42.02%	42.02%	4.45%	1.87%	4.45%	1.87%	4.45%	4.45%	1.87%			
Short Term Debt	(293,442,010)	(269,483,550)			28,736,145	(23,302,390)	(264,049,795)	(2.42%)	(2.42%)	0.69%	(0.02%)	0.69%	(0.02%)	0.69%	0.69%	(0.02%)			
Customer Deposits																			
Active	208,044,674	208,044,674			(22,184,664)		185,860,010	1.71%	1.71%	2.35%	0.04%	2.35%	0.04%	2.35%	2.35%	0.04%			
Inactive	1,859,982	1,859,982			(198,338)		1,661,644	0.02%	0.02%										
Investment Tax Credits	2,571,986	2,361,993			(251,869)		2,110,124	0.02%	0.02%										
Deferred Income Taxes	2,803,368,376	2,574,483,666			(274,527,838)	(482,955,871)	1,816,999,957	16.67%	16.67%										
FAS 109 DIT - Net	(230,340,452)	(211,534,002)			22,556,745		(188,977,257)	-1.73%	-1.73%										
Total	\$13,057,954,966	\$12,008,958,945			(\$1,280,564,945)	\$168,656,688	\$10,897,050,688	100.00%	100.00%	6.05%	6.05%	6.48%	6.48%	6.92%	6.92%	6.92%	6.92%	6.92%	6.92%

* 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	\$4,976,234,854	\$4,507,244,043			(\$504,777,042)	\$712,701,002		\$4,715,168,003		45.34%		9.50%	4.31%	10.50%	11.50%	5.21%		
Long Term Debt	4,622,240,026	4,186,611,853			(468,888,676)		3,717,743,176		35.75%		5.37%	1.92%	5.37%	5.37%	5.37%	1.92%		
Short Term Debt	309,748,775	280,556,156			(31,420,155)	(53,813,625)	195,322,376		1.88%		0.69%	0.01%	0.69%	0.69%	0.01%			
Customer Deposits																		
Active	214,742,274	214,742,274			(24,049,501)		190,692,773		1.83%		2.27%	0.04%	2.27%	2.27%	0.04%			
Inactive	1,588,004	1,588,004			(177,844)		1,410,160		0.01%		0.01%							
Investment Tax Credits	2,069,773	1,874,705			(209,953)		1,664,752		0.02%									
Deferred Income Taxes	2,639,529,306	2,390,763,919			(267,747,370)	(368,429,964)	1,754,586,585		16.87%									
FAS 109 DIT - Net	(219,616,240)	(198,918,262)			22,277,332		(176,640,930)		-1.70%									
Total	\$12,546,536,772	\$11,384,462,691			(\$1,274,973,210)	\$290,457,413	\$10,399,946,894		100.00%			6.28%		6.73%		7.19%		

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

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

	System Per		Retail Per		Pro Rate		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	\$4,984,096,596	\$4,577,163,453	(\$488,081,864)	\$674,914,949	\$4,763,996,538	43.72%	9.50%	4.15%	10.50%	11.50%	4.59%	5.03%						
Long Term Debt	5,581,795,914	5,126,082,729	(546,613,263)		4,579,449,466	42.02%	4.45%	1.87%	4.45%	4.45%	1.87%	1.87%						
Short Term Debt	(293,442,010)	(269,483,550)	28,736,145	(23,302,390)	(264,049,795)	(2.42%)	0.69%	(0.02%)	0.69%	0.69%	(0.02%)	(0.02%)						
Customer Deposits																		
Active	208,044,674	208,044,674	(22,184,664)		185,860,010	1.71%	2.35%	0.04%	2.35%	2.35%	0.04%	0.04%						
Inactive	1,859,982	1,859,982	(198,338)		1,661,644	0.02%												
Investment Tax Credits	2,571,986	2,361,993	(251,869)		2,110,124	0.02%												
Deferred Income Taxes	2,803,366,376	2,574,483,666	(274,527,838)	(482,955,871)	1,816,999,957	16.67%												
FAS 109 DIT - Net	(230,340,452)	(211,534,002)	22,556,745		(188,977,257)	-1.73%												
Total	\$13,057,954,966	\$12,008,958,945	(\$1,280,564,945)	\$168,656,688	\$10,897,050,688	100.00%	6.05%	6.48%	\$10,897,050,688	100.00%	6.05%	6.48%	\$10,897,050,688	100.00%	6.05%	6.48%	\$10,897,050,688	100.00%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 749,925,138
AFUDC - DEBT	\$ 18,065,002
INCOME TAXES	\$ 287,224,977
TOTAL	\$ 1,055,215,117
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 232,318,674
TIE WITH AFUDC	<u>4.54</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 749,925,138
AFUDC - EQUITY	(33,286,199)
INCOME TAXES	287,224,977
TOTAL	\$ 1,003,863,916
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 232,318,674
TIE WITHOUT AFUDC	<u>4.32</u>

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

AFUDC DEBT	\$ 18,065,002
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 11,096,427
AFUDC - EQUITY	\$ 33,286,199
TOTAL	\$ 44,382,627
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 530,581,882
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>8.36%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 531,041,649
COMMON DIVIDENDS	\$ (775,000,000)
AFUDC (EQUITY)	\$ (33,286,200)
DEPRECIATION & AMORTIZATION	\$ 490,119,369
DEFERRED INCOME TAXES	\$ 241,221,797
INVESTMENT TAX CREDITS	\$ (138,198)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 36,683,592
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	993,400,596
TOTAL FUNDS PROVIDED	\$ 1,484,042,605

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 1,720,191,889
PERCENTAGE INTERNALLY GENERATED FUNDS	86.27%
*Updated quarterly as of March 2017	

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

Common Equity	\$ 4,715,168,003
Long Term Debt	\$ 3,717,743,176
Short Term Debt	\$ 195,322,376
TOTAL	\$ 8,628,233,555
% LONG TERM DEBT TO TOTAL	43.09%
% SHORT TERM DEBT TO TOTAL	2.28%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.17%	6.24%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.92%	1.92%
SHORT TERM DEBT	0.01%	0.01%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.97%	1.97%
TOTAL	4.19%	4.27%
DIVIDED BY COMMON EQUITY RATIO	45.34%	45.34%
JURISDICTIONAL RETURN ON COMMON EQUITY	9.25%	9.41%