



July 14, 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 May 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 May 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
May 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	\$ 697,629,466 (a)	\$ (41,111,328) (b)	\$ 656,518,139	\$ (12,563,158)	\$ 643,954,981
Average Rate Base	\$ 11,414,970,628	\$ (882,087,689)	\$ 10,532,882,939	\$ -	\$ 10,532,882,939
Average Rate of Return	6.11%		6.23%		6.11%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 646,642,475	\$ 9,875,664	\$ 656,518,139		
Average Rate Base	\$ 11,975,779,280	\$ (966,569,646)	\$ 11,009,209,634		
Average Rate of Return	5.40%		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	6.27%	6.10%
Mid Point	6.71%	6.54%
High Point	7.16%	6.98%
Pro Forma Adjusted Basis		
Low Point	6.27%	6.10%
Mid Point	6.71%	6.54%
High Point	7.16%	6.98%


IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.09	(System Per Books Basis)
B. T.I.E without AFUDC	3.87	(System Per Books Basis)
C. AFUDC to Net Income	9.38%	(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	44.95%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.18%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.42%	(FPSC Adjusted Basis)
	9.16%	(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

DUKE ENERGY FLORIDA

Average Rate of Return - Rate Base

May 2017

Schedule 2

Page 1 of 3

	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	\$15,081,106,212	\$5,386,634,276	\$9,694,471,936	\$126,748,195	\$1,286,907,405	\$11,108,127,536	\$1,492,496,625	\$12,600,624,161
Regulatory Base - Retail	\$13,701,463,558	\$5,001,484,366	\$8,699,979,192	\$109,872,941	\$1,154,479,268	\$9,964,331,401	\$1,450,639,227	\$11,414,970,628
FPSC Adjustments								
ARO	(22,271,777)	(21,086,134)	(1,185,643)			(1,185,643)	1,807,208	621,565
ECCR	(51,343,348)	(15,437,635)	(35,905,713)			(35,905,713)	(13,783,216)	(49,688,929)
ECRC	(175,052,199)	(15,159,250)	(159,892,949)		(302,807)	(160,195,756)	(9,879,455)	(170,075,211)
FUEL	(27,195,065)	(26,604,473)	(590,592)			(590,592)	(35,944,318)	(36,534,910)
CCR							(151,077,294)	(151,077,294)
NUCLEAR					(740,742)	(740,742)	(235,280,766)	(236,021,508)
CR3 Removal							(98,028,100)	(98,028,100)
Derivatives							(1,039,196)	(1,039,196)
Employee Related							159	159
Investments Earning a Return							(182,515,511)	(182,515,511)
Jobbing Accounts							(683,129)	(683,129)
Non-Regulated and Miscellaneous	(47,958,278)	(37,034,616)	(10,923,662)		(21,359)	(10,945,021)	105,494,342	94,549,321
Retention Accounts							1,445,944	1,445,944
CWIP - AFUDC					(786,000,156)	(786,000,156)	736,054,589	(786,000,156)
Imputed Off Balance Sheet Obligations							134,269,102	736,054,589
Capital Lease	(137,364,425)		(137,364,425)			(137,364,425)		(3,095,323)
Total FPSC Adjustments	(461,185,092)	(115,322,108)	(345,862,984)		(787,055,064)	(1,132,928,048)	250,840,359	(882,087,689)
FPSC Adjusted	\$13,240,278,466	\$4,886,162,258	\$8,354,116,208	\$109,872,941	\$367,414,204	\$8,831,403,353	\$1,701,479,586	\$10,532,882,939

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
May 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	\$4,431,968,008	\$1,785,585,613	\$823,070,187	\$497,295,712	\$335,513,575	\$25,059,607	\$260,828,227	(\$132,997)		\$3,727,219,924	\$704,748,084
Regulatory Base - Retail	\$4,170,837,624	\$1,688,918,093	\$784,878,869	\$463,585,182	\$323,150,505	\$23,121,998	\$240,660,963	(\$120,481)		\$3,524,195,149	\$646,642,475
FPSC Adjustments											
ECCR	(108,625,898)		(97,315,152)	(6,468,925)		(1,867,732)				(105,651,809)	(2,974,089)
ECRC	(65,162,811)		(35,330,580)	(11,690,411)	(1,306,643)	(6,494,170)				(54,821,804)	(10,341,007)
FUEL	(1,286,438,173)	(1,286,415,972)	(891,274)			335,245				(1,286,972,001)	533,828
CCR	(413,273,471)	(402,502,121)	(297,557)	(7,926,712)		(982,536)				(411,708,926)	(1,564,545)
NUCLEAR	(54,506,986)		(40,449)	(50,401,749)		(1,567,992)				(62,010,190)	(2,496,796)
Non-Regulated and Miscellaneous			(1,896,215)			4,500,481				(7,166,352)	7,166,352
CORPORATE AIRCRAFT ALLOCATION						731,465				(1,164,750)	1,164,750
FRANCHISE FEE & GROSS RECEIPTS					(197,409,285)	(76,167,198)				(76,167,198)	(121,285,033)
FRANCHISE FEES & GROSS REC TAX - TOI						76,150,632				(121,258,653)	121,258,653
GAINLOSS ON DISPOSITION & OTHER						61,431		(159,251)		(97,820)	97,820
INST./PROMOTIONAL ADVERTISING			(3,515,490)			1,356,100				(2,159,390)	2,159,390
MISCELLANEOUS INTEREST EXPENSE			118,963			(45,890)				73,073	(73,073)
REMOVE ASSOC./ORGANIZATION DUES			(87,208)			33,640				(53,568)	53,568
PARENT DEBT ADJUSTMENT						(15,483,314)				(15,483,314)	15,483,314
DIRECTORS & OFFICERS PREMIUM						470,314				(748,905)	748,905
INTEREST SYNCHRONIZATION - FPSC			(1,219,219)			56,374				56,374	(56,374)
Total FPSC Adjustments	(2,125,459,570)	(1,688,918,093)	(140,474,181)	(88,154,630)	(198,715,928)	(18,913,151)	-	-	(159,251)	(2,135,335,234)	9,875,664
Pro Forma Adjustments	\$2,045,378,054	-	\$644,404,688	\$375,430,552	\$124,434,577	\$4,208,847	\$240,660,963	(\$120,481)	(\$159,251)	\$1,388,859,915	\$656,518,139
Weather Normalization											
	(20,452,841)					(7,889,683)				(7,889,683)	(12,563,158)
Total Pro Forma Adjustments	(20,452,841)					(7,889,683)				(7,889,683)	(12,563,158)
Pro Forma Adjusted	\$2,024,925,213		\$644,404,688	\$375,430,552	\$124,434,577	(\$3,680,836)	\$240,660,963	(\$120,481)	(\$159,251)	\$1,380,970,232	\$643,954,981
Current Month											
System Per Books	\$394,886,001	\$153,439,498	\$64,991,821	\$41,385,416	\$29,367,677	(32,177,555)	63,516,667	(19,132)		\$320,504,412	\$74,381,589
FPSC Adjusted	\$191,175,401		\$50,234,813	\$32,530,373	\$11,087,378	2,664,060	27,728,365	(17,332)	(8,581)	\$124,219,076	\$66,956,325

(a) The addition of earnings from AFUDC charges would increase the System NOI by 56,835,613 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 50,985,991 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,566	\$621,565
	ECCR	F	(49,688,929)	(49,688,929)
	ECRC	F	(181,459,177)	(170,075,211)
	FUEL	F	(36,580,149)	(36,534,910)
	CCR	F	(153,433,630)	(151,077,294)
	NUCLEAR	F	(232,107,873)	(236,021,508)
	CR3 Removal	F	(98,028,100)	(98,028,100)
	Derivatives	F	(1,039,196)	(1,039,196)
	Employee Related	F	159	159
	Investments Earning a Return	F	(187,096,399)	(182,515,511)
	Jobbing Accounts	F	(717,554)	(683,129)
	Non-Regulated and Miscellaneous	F	94,549,321	94,549,321
	Retention Accounts	F	1,519,595	1,445,944
(1)	CWIP - AFUDC	F	(852,322,696)	(786,000,156)
(3)	Imputed Off Balance Sheet Obligations	F	792,436,442	736,054,589
(2)	Capital Lease - EPIS	F	(147,353,520)	(137,364,425)
(2)	Capital Lease - Working Capital	F	144,033,107	134,269,102
	Total		(\$906,667,024)	(\$882,087,689)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,841,820)	1,867,732	(4,841,821)	1,867,732
	ECRC	F	(14,179,912)	5,469,901	(16,835,177)	6,494,170
	FUEL	F	918,816	(354,433)	869,073	(335,245)
	CCR	F	(2,547,080)	982,536	(2,547,081)	982,536
	NUCLEAR	F	(4,064,789)	1,567,992	(4,064,788)	1,567,992
	Non-Regulated and Miscellaneous	F	11,666,833	(4,500,481)	11,666,833	(4,500,481)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,034,107	(784,657)	1,896,215	(731,465)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,452,231)	76,167,198	(197,452,231)	76,167,198
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	197,409,285	(76,150,632)	197,409,285	(76,150,632)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	171,450	(66,137)	159,251	(61,431)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,771,135	(1,454,715)	3,515,490	(1,356,100)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(127,514)	49,227	(118,963)	45,890
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,549	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		17,082,397		15,483,314
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,307,880	(504,515)	1,219,219	(470,314)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		461,014		(56,374)
	Total		(\$5,840,391)	\$19,796,342	(\$9,037,487)	\$18,913,151

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	\$15,684,318,154	\$5,526,885,858	\$10,157,432,296	\$130,505,307	\$1,458,621,652	\$11,746,559,255	\$1,492,496,625	\$13,239,055,880
Regulatory Base - Retail	\$14,244,249,255	\$5,137,951,166	\$9,106,298,089	\$113,129,831	\$1,305,712,133	\$10,525,140,053	\$1,450,639,227	\$11,975,779,280
FPSC Adjustments								
ARO	(18,605,135)	(16,376,557)	(2,228,578)			(2,228,578)	1,607,208	(421,370)
ECCR	(51,093,360)	(18,417,350)	(32,676,010)			(32,676,010)	(13,783,216)	(46,459,226)
ECRC	(170,578,966)	(17,520,189)	(153,058,777)		(211,668)	(153,270,445)	(9,879,455)	(163,149,900)
FUEL	(26,662,769)	(26,176,730)	(486,039)			(486,039)	(35,944,318)	(36,430,357)
CCR							(151,077,294)	(151,077,294)
NUCLEAR					(94,118)	(94,118)	(235,280,766)	(235,374,884)
CR3 Removal							(98,028,100)	(98,028,100)
Derivatives							(1,039,196)	(1,039,196)
Employee Related							159	159
Investments Earning a Return							(182,515,511)	(182,515,511)
Jobbing Accounts							(683,129)	(683,129)
Non-Regulated and Miscellaneous	(46,064,170)	(35,879,542)	(10,184,628)			(10,184,628)	105,494,342	95,309,714
Retention Accounts					(886,932,887)	(886,932,887)	1,445,944	1,445,944
CWIP - AFUDC								
Imputed Off Balance Sheet Obligations							736,054,589	736,054,589
Capital Lease	(131,537,300)		(131,537,300)			(131,537,300)	134,269,102	2,731,802
Total FPSC Adjustments	(444,541,700)	(114,370,368)	(330,171,332)		(887,238,673)	(1,217,410,005)	250,840,359	(966,569,646)
FPSC Adjusted	\$13,799,707,555	\$5,023,580,798	\$8,776,126,757	\$113,129,831	\$418,473,460	\$9,307,730,048	\$1,701,479,586	\$11,009,209,634

	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	\$4,431,968,008	\$1,785,585,613	\$823,070,187	\$497,295,712	\$335,513,575	\$25,059,507	\$260,828,227	(\$132,997)		\$3,727,219,824	\$704,748,084
Regulatory Base - Retail	\$4,170,837,624	\$1,688,918,093	\$784,878,869	\$463,585,162	\$323,150,505	\$23,121,998	\$240,660,983	(\$120,481)		\$3,524,195,149	\$646,642,475
FPSC Adjustments											
ECCR	(108,625,898)		(97,315,152)	(6,468,925)		(1,667,732)				(105,651,809)	(2,974,089)
ECRC	(65,162,811)		(35,330,580)	(11,690,411)	(1,306,643)	(6,494,170)				(54,821,804)	(10,341,007)
FUEL	(1,286,438,173)	(1,266,415,972)	(891,274)			335,245				(1,286,972,001)	533,828
CCR	(413,273,471)	(402,502,121)	(297,557)	(7,926,712)		(982,536)				(411,708,926)	(1,564,545)
NUCLEAR	(54,506,986)		(40,449)	(50,401,749)		(1,567,992)				(52,010,190)	(2,496,796)
Non-Regulated and Miscellaneous				(11,666,833)		4,500,481				(7,166,352)	7,166,352
CORPORATE AIRCRAFT ALLOCATION			(1,896,215)			731,465				(1,164,750)	1,164,750
FRANCHISE FEE & GROSS RECEIPTS					(197,409,285)	(76,167,198)				(76,167,198)	(121,285,033)
FRANCHISE FEES & GROSS REC TAX - TOI						76,150,632				(121,258,653)	121,258,653
GAIN/LOSS ON DISPOSITION & OTHER						61,431			(159,251)	(97,820)	97,820
INST./PROMOTIONAL ADVERTISING			(3,515,490)			1,356,100				(2,159,390)	2,159,390
MISCELLANEOUS INTEREST EXPENSE			118,963			(45,890)				73,073	(73,073)
REMOVE ASSOC/ORGANIZATION DUES			(87,208)			33,640				(53,568)	53,568
PARENT DEBT ADJUSTMENT						(15,483,314)				(15,483,314)	15,483,314
DIRECTORS & OFFICERS PREMIUM						470,314				(748,905)	748,905
INTEREST SYNCHRONIZATION - FPSC			(1,219,219)			56,374				56,374	(56,374)
Total FPSC Adjustments	(2,125,459,570)	(1,686,918,093)	(140,474,181)	(86,154,630)	(198,715,928)	(18,913,151)	-	-	(169,251)	(2,135,335,234)	9,875,664
FPSC Adjusted	\$2,045,378,054	\$644,404,688	\$644,404,688	\$375,430,532	\$124,434,577	\$4,208,847	\$240,660,983	(\$120,481)	(\$159,251)	\$1,388,859,915	\$656,518,139

(a) The addition of earnings from AFUDC charges would increase the System NOI by 56,835,613 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 50,986,991 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$421,370)	(\$421,370)
	ECCR	F	(46,459,226)	(46,459,226)
	ECRC	F	(177,833,430)	(163,149,900)
	FUEL	F	(36,467,588)	(36,430,357)
	CCR	F	(153,433,630)	(151,077,294)
	NUCLEAR	F	(231,411,717)	(235,374,884)
	CR3 Removal	F	(98,028,100)	(98,028,100)
	Derivatives	F	(1,039,196)	(1,039,196)
	Employee Related	F	159	159
	Investments Earning a Return	F	(187,096,399)	(182,515,511)
	Jobbing Accounts	F	(717,554)	(683,129)
	Non-Regulated and Miscellaneous	F	95,309,713	95,309,714
	Retention Accounts	F	1,519,595	1,445,944
(1)	CWIP - AFUDC	F	(959,947,180)	(886,932,887)
(3)	Imputed Off Balance Sheet Obligations	F	792,436,442	736,054,589
(2)	Capital Lease - EPIS	F	(141,102,649)	(131,537,300)
(2)	Capital Lease - Working Capital	F	144,033,107	134,269,102
	Total		(\$1,000,659,014)	(\$966,569,546)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,841,820)	1,867,732	(4,841,821)	1,867,732
	ECRC	F	(14,179,912)	5,469,901	(16,835,177)	6,494,170
	FUEL	F	918,816	(354,433)	869,073	(335,245)
	CCR	F	(2,547,080)	982,536	(2,547,081)	982,536
	NUCLEAR	F	(4,064,789)	1,567,992	(4,064,788)	1,567,992
	Non-Regulated and Miscellaneous	F	11,666,833	(4,500,481)	11,666,833	(4,500,481)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,034,107	(784,657)	1,896,215	(731,465)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,452,231)	76,167,198	(197,452,231)	76,167,198
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	197,409,285	(76,150,632)	197,409,285	(76,150,632)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	171,450	(66,137)	159,251	(61,431)
(1)	INST.PROMOTIONAL ADVERTISING	F	3,771,135	(1,454,715)	3,515,490	(1,356,100)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(127,614)	49,227	(118,963)	45,890
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,549	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		17,082,397		15,483,314
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,307,880	(504,515)	1,219,219	(470,314)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		461,014		(56,374)
	Total		(\$5,840,391)	\$19,796,342	(\$9,037,487)	\$18,913,151

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. 130209-EI, Order No. PSC 13-0598-FOF-EI

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
May 2017

	System Per		Retail Per		Pro Rate Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
	Books	Books	Books	Books					Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,945,930,109	\$4,472,476,207	(\$463,050,844)	\$702,060,113	\$4,711,485,475	44.73%	9.50%	4.25%	10.50%	11.50%	4.70%	5.14%		
Long Term Debt	4,849,842,868	4,385,587,009	(454,054,907)	(674,891)	3,931,532,102	37.33%	5.29%	1.97%	5.29%	5.29%	1.97%	1.97%		
Short Term Debt	127,736,626	115,508,915	(11,959,035)		102,874,989	0.98%	0.21%	0.00%	0.21%	0.21%	0.00%	0.00%		
Customer Deposits														
Active	213,086,373	213,086,373	(22,061,565)		191,024,808	1.81%	2.26%	0.04%	2.26%	2.26%	0.04%	0.04%		
Inactive	1,623,390	1,623,390	(168,075)		1,455,315	0.01%								
Investment Tax Credits	2,427,540	2,195,161	(227,273)		1,967,889	0.02%								
Deferred Income Taxes	2,682,502,671	2,425,717,530	(251,142,879)	(401,641,741)	1,772,932,910	16.83%								
FAS 109 DIT - Net	(222,525,416)	(201,223,957)	20,833,408		(180,390,549)	-1.71%								
Total	\$12,600,624,161	\$11,414,970,628	(\$1,181,831,170)	\$299,743,481	\$10,532,882,939	100.00%		6.27%			6.71%	7.16%		

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

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
May 2017

	System Per		Retail Per		Pro Rata	Specific	Adjusted		Cap	Low-Point		Mid-Point		High-Point	
	Books		Books				Ratio	Cost Rate		Weighted Cost	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate
Common Equity	\$5,081,716,880		\$4,569,310,032		(\$407,973,513)	\$660,794,522	\$4,822,131,041	43.80%	9.50%	4.16%	10.50%	11.50%	5.04%		
Long Term Debt	5,582,981,153		5,020,030,118		(448,216,319)		4,571,813,799	41.53%	4.59%	1.91%	4.59%	4.59%	1.91%		
Short Term Debt	(218,771,165)		(196,711,722)		17,563,521	(50,258,980)	(229,407,181)	(2.08%)	0.21%	(0.00%)	0.21%	0.21%	(0.00%)		
Customer Deposits															
Active	206,729,366		206,729,366		(18,457,952)		188,271,414	1.71%	2.33%	0.04%	2.33%	2.33%	0.04%		
Inactive	1,967,315		1,967,315		(175,653)		1,791,662	0.02%							
Investment Tax Credits	2,552,854		2,295,441		(204,950)		2,090,491	0.02%							
Deferred Income Taxes	2,872,587,302		2,582,934,525		(230,618,817)	(507,840,745)	1,844,474,964	16.75%							
FAS 109 DIT - Net	(234,412,397)		(210,775,795)		18,819,240		(191,956,555)	-1.74%							
Total	\$13,295,351,308		\$11,975,779,280		(\$1,069,254,443)	\$102,694,797	\$11,009,209,634	100.00%		6.10%		6.54%	6.98%		

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

DUKE ENERGY FLORIDA
Average - Capital Structure
FPSC Adjusted Basis
May 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	\$4,945,930,109	\$4,472,476,207	(\$463,050,844)	\$702,060,113	\$4,711,485,475	44.73%	9.50%	4.25%	10.50%	4.70%	11.50%	5.14%						
Long Term Debt	4,849,842,868	4,385,567,009	(454,054,907)	3,931,532,102	37.33%	5.29%	1.97%	5.29%	1.97%	5.29%	1.97%	1.97%						
Short Term Debt	127,736,626	115,508,915	(11,959,035)	(674,891)	102,874,989	0.98%	0.21%	0.00%	0.21%	0.00%	0.21%	0.00%						
Customer Deposits																		
Active	213,086,373	213,086,373	(22,061,565)	191,024,808	1.81%	2.26%	0.04%	2.26%	0.04%	2.26%	0.04%	0.04%						
Inactive	1,623,390	1,623,390	(168,075)	1,455,315	0.01%													
Investment Tax Credits	2,427,540	2,195,161	(227,273)	1,967,889	0.02%													
Deferred Income Taxes	2,682,502,671	2,425,717,530	(251,142,879)	(401,641,741)	1,772,932,910	16.83%												
FAS 109 DIT - Net	(222,525,416)	(201,223,957)	20,833,408	(180,390,549)	-1.71%													
Total	\$12,600,624,161	\$11,414,970,628	(\$1,181,831,170)	\$299,743,481	\$10,532,882,939	100.00%	6.27%	6.27%	6.71%	6.71%	7.16%	7.16%						

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
May 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	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,081,716,880	\$4,569,310,032	(\$407,973,513)	\$660,794,522	\$4,822,131,041	43.80%	9.50%	4.16%	10.50%	11.50%	4.60%	11.50%	5.04%					
Long Term Debt	5,582,981,153	5,020,030,118	(448,216,319)	4,571,813,799	41.53%	4.59%	1.91%	4.59%	4.59%	4.59%	1.91%	4.59%	1.91%					
Short Term Debt	(218,771,165)	(196,711,722)	17,563,521	(50,258,980)	(2.08%)	0.21%	(0.00%)	0.21%	0.21%	0.21%	(0.00%)	0.21%	(0.00%)					
Customer Deposits																		
Active	206,729,366	206,729,366	(18,457,952)	188,271,414	1.71%	2.33%	0.04%	2.33%	2.33%	2.33%	0.04%	2.33%	0.04%					
Inactive	1,967,315	1,967,315	(175,653)	1,791,662	0.02%													
Investment Tax Credits	2,552,854	2,295,441	(204,950)	2,090,491	0.02%													
Deferred Income Taxes	2,872,587,302	2,582,934,525	(230,618,817)	(507,840,745)	16.75%													
FAS 109 DIT - Net	(234,412,397)	(210,775,795)	18,819,240	(191,956,555)	-1.74%													
Total	\$13,295,351,308	\$11,975,779,280	(\$1,069,264,443)	\$102,694,797	\$11,009,209,634	100.00%	6.10%	6.54%	6.98%									

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 758,364,494
AFUDC - DEBT	\$ 19,994,597
INCOME TAXES	\$ 281,877,751
TOTAL	\$ 1,060,236,842
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 258,974,421
TIE WITH AFUDC	<u>4.09</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 758,364,494
AFUDC - EQUITY (36,841,016)	(36,841,016)
INCOME TAXES	281,877,751
TOTAL	\$ 1,003,401,229
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 258,974,421
TIE WITHOUT AFUDC	<u>3.87</u>

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

AFUDC DEBT	\$ 19,994,597
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 12,281,681
AFUDC -EQUITY	\$ 36,841,016
TOTAL	\$ 49,122,697
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 523,700,056
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>9.38%</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	<u>\$ 1,484,042,605</u>

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

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

Common Equity	\$ 4,711,485,475
Long Term Debt	\$ 3,931,532,102
Short Term Debt	\$ 102,874,989
TOTAL	<u>\$ 8,745,892,566</u>

% LONG TERM DEBT TO TOTAL	44.95%
% SHORT TERM DEBT TO TOTAL	1.18%

**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>6.23%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.97%	1.97%
SHORT TERM DEBT	0.00%	0.00%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>2.02%</u>	<u>2.02%</u>
TOTAL	<u>4.10%</u>	<u>4.22%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.73%</u>	<u>44.73%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.16%</u>	<u>9.42%</u>