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DIVISION OF
ACCOUNTING & FINANCE

March 17, 2014

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, Inc.'s Earnings Surveillance Report for the twelve months ended January 31, 2014.

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, 2014. 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 Marcia Olivier at (727) 820-5653.

Sincerely,

Javier Portuondo
Director Rates & Regulatory Strategy

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

**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
JANUARY 2014**

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	\$ 709,018,242 (a)	\$ (104,479,940) (b)	\$ 604,538,302	\$ (10,051,089)	\$ 594,487,213
Average Rate Base	\$ 10,078,817,778	\$ (1,996,268,606)	\$ 8,082,549,172	\$ -	\$ 8,082,549,172
Average Rate of Return	7.03%		7.48%		7.36%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 701,051,379	\$ (96,513,077)	\$ 604,538,302		
Average Rate Base	\$ 10,189,129,953	\$ (1,914,360,463)	\$ 8,274,769,489		
Average Rate of Return	6.88%		7.31%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

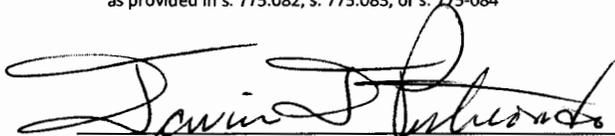
III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.73%	6.71%
Mid Point	7.23%	7.20%
High Point	7.73%	7.70%
Pro Forma Adjusted Basis		
Low Point	6.73%	6.71%
Mid Point	7.23%	7.20%
High Point	7.73%	7.70%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.85	(System Per Books Basis)
B. T.I.E. without AFUDC	3.80	(System Per Books Basis)
C. AFUDC to Net Income	2.29%	(System Per Books Basis)
D. Internally Generated Funds	119.03%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.32%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-0.06%	(FPSC Adjusted Basis)
F. Return on Common Equity	11.00%	(FPSC Adjusted Basis)
	10.75%	(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


Javier Portuondo, Director Rates & Regulatory Strategy

3-17-14
Date

DUKE ENERGY FLORIDA
Average Rate of Return - Rate Base
January 2014

	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	\$13,201,506,060	\$4,792,891,196	\$8,408,614,864	\$125,369,615	\$336,806,921	\$8,870,791,400	\$2,178,130,454	\$11,048,921,853
Regulatory Base - Retail	\$11,950,861,011	\$4,381,051,664	\$7,569,809,347	\$108,955,427	\$275,494,863	\$7,954,259,637	\$2,124,558,141	\$10,078,817,778
FPSC Adjustments								
ARO	(17,852,604)	(25,638,887)	7,786,283			7,786,283	(11,382,573)	(3,596,290)
ECCR	(25,571,718)	(1,611,538)	(23,960,180)		(15,740,173)	(39,700,353)	(1,426,716)	(41,127,069)
ECRC	(1,200,360,643)	(102,796,115)	(1,097,564,528)		(2,262,077)	(1,099,826,604)	(24,727,074)	(1,124,553,679)
FUEL	(28,968,974)	(28,100,142)	(868,832)			(868,832)	297,724,251	296,855,419
CCR							(43,735,145)	(43,735,145)
NUCLEAR					(69,143,737)	(69,143,737)	(393,144,327)	(462,288,064)
CR3 Removal							(1,289,626,890)	(1,289,626,890)
Derivatives							(30,183,848)	(30,183,848)
Employee Related							(1,552,752)	(1,552,752)
Investments Earning a Return							(94,410,798)	(94,410,798)
Jobbing Accounts							(10,702,054)	(10,702,054)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	18,901,560	42,255,571
Rate Case Regulatory Asset							(274,972)	(274,972)
Retention Accounts							1,644,630	1,644,630
CWIP - AFUDC					(40,838,239)	(40,838,239)		(40,838,239)
Imputed Off Balance Sheet Obligations							806,474,013	806,474,013
Capital Lease	(171,609,306)		(171,609,306)			(171,609,306)	171,000,868	(608,439)
Total FPSC Adjustments	(1,444,363,245)	(181,500,693)	(1,262,862,552)		(127,984,226)	(1,390,846,778)	(605,421,828)	(1,996,268,606)
FPSC Adjusted	\$10,506,497,766	\$4,199,550,971	\$6,306,946,795	\$108,955,427	\$147,510,637	\$6,563,412,859	\$1,519,136,313	\$8,082,549,172

		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	(a)	\$4,555,373,849	\$1,939,030,282	\$833,931,686	\$330,583,241	\$327,995,047	(\$87,957,210)	\$452,079,118	(\$1,307,003)		\$3,794,355,160	\$761,018,689
Regulatory Base - Retail	(b)	\$4,273,947,673	\$1,864,919,790	\$755,589,964	\$302,418,510	\$315,864,062	(\$80,992,955)	\$416,284,504	(\$1,187,582)		\$3,572,896,294	\$701,051,379
FPSC Adjustments												
ECCR		(101,238,892)		(95,137,358)	(390,000)		(2,310,315)				(97,837,674)	(3,401,218)
ECRC		(171,253,253)		(38,536,193)	(10,422,478)	(9,325,965)	(45,695,805)				(103,980,442)	(67,272,811)
FUEL		(1,484,865,767)	(1,482,508,343)	(1,165,529)			(482,121)				(1,484,155,994)	(709,773)
CCR		(385,026,048)	(382,411,447)	(28,805)			(1,045,955)				(383,486,206)	(1,539,842)
NUCLEAR		(142,856,000)		(987,546)	(111,304,271)		(12,363,212)				(124,655,029)	(18,200,971)
CORPORATE AIRCRAFT ALLOCATION				(2,889,965)			1,168,991				(1,720,974)	1,720,974
FRANCHISE FEE & GROSS RECEIPTS		(193,296,500)					(78,188,434)				(78,188,434)	(115,108,066)
FRANCHISE FEES & GROSS REC TAX - TOI						(190,043,876)	76,872,748				(113,171,128)	113,171,128
GAIN/LOSS ON DISPOSITION & OTHER							336,953			(833,011)	(496,058)	496,058
INST./PROMOTIONAL ADVERTISING				(120,488)			48,737				(71,751)	71,751
INTEREST ON TAX DEFICIENCY				(331,726)			134,183				(197,543)	197,543
MISCELLANEOUS INTEREST EXPENSE				156,627			(63,356)				93,271	(93,271)
REMOVE ASSOC/ORGANIZATION DUES				(150,819)			61,006				(89,813)	89,813
REMOVE ECONOMIC DEVELOPMENT				(12,993)			5,256				(7,737)	7,737
PARENT DEBT ADJUSTMENT							(9,299,807)				(9,299,807)	9,299,807
DIRECTORS & OFFICERS PREMIUM				(1,853,148)			749,598				(1,103,550)	1,103,550
INTEREST SYNCHRONIZATION - FPSC							16,345,485				16,345,485	(16,345,485)
Total FPSC Adjustments		(2,478,536,460)	(1,864,919,790)	(141,057,944)	(122,116,749)	(199,369,841)	(53,726,048)			(833,011)	(2,382,023,383)	(96,513,077)
FPSC Adjusted		\$1,795,411,213	\$0	\$614,532,020	\$180,301,761	\$116,494,221	(\$134,719,003)	\$416,284,504	(\$1,187,582)	(\$833,011)	\$1,190,872,911	\$604,538,302
Pro Forma Adjustments												
Weather Normalization		(16,878,403)					(6,827,314)				(6,827,314)	(10,051,089)
Total Pro Forma Adjustments		(16,878,403)					(6,827,314)				(6,827,314)	(10,051,089)
Pro Forma Adjusted		\$1,778,532,810	\$0	\$614,532,020	\$180,301,761	\$116,494,221	(\$141,546,317)	\$416,284,504	(\$1,187,582)	(\$833,011)	\$1,184,045,597	\$594,487,213
Current Month												
System Per Books		\$378,154,331	\$151,984,255	\$72,118,083	\$38,086,318	\$27,195,476	(\$8,673,819)	\$44,581,365	(\$95,575)		\$325,291,678	\$52,862,654
FPSC Adjusted		\$158,455,474		\$53,143,815	\$14,091,938	\$10,724,283	(\$8,066,652)	\$41,460,669	(\$88,885)	(\$35,183)	\$111,229,985	\$47,225,489

(a) The addition of earnings from AFUDC charges would increase the System NOI by \$ 7,966,863
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by \$ 6,516,582

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustments
January 2014

Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
ARO	F	(\$3,596,290)	(\$3,596,290)
ECCR	F	(41,127,069)	(41,127,069)
ECRC	F	(1,124,553,679)	(1,124,553,679)
FUEL	F	296,788,867	296,855,419
CCR	F	(43,735,145)	(43,735,145)
NUCLEAR	F	(467,584,481)	(462,288,064)
CR3 Removal	F	(1,289,626,890)	(1,289,626,890)
Derivatives	F	(30,183,848)	(30,183,848)
Employee Related	F	(1,552,703)	(1,552,752)
Investments Earning a Return	F	(95,482,481)	(94,410,798)
Jobbing Accounts	F	(10,702,054)	(10,702,054)
Non-Regulated and Miscellaneous	F	42,255,571	42,255,571
Rate Case Regulatory Asset	F	(274,972)	(274,972)
Retention Accounts	F	1,845,969	1,644,630
CWIP - AFUDC	F	(56,819,657)	(40,838,239)
Imputed Off Balance Sheet Obligations	F	868,250,000	806,474,013
Capital Lease - EPIS	F	(184,088,678)	(171,609,306)
Capital Lease - Working Capital	F	183,435,994	171,000,868
Total		(\$1,956,751,545)	(\$1,996,268,606)

Income Statement Adjustments (to NOI)	P=ProFor ma F=FPSC	System		Retail	
		Amount	Income Tax Effect	Amount	Income Tax Effect
ECCR	F	(5,711,012)	2,310,104	(5,711,534)	2,310,315
ECRC	F	(112,968,617)	45,695,805	(112,968,617)	45,695,805
FUEL	F	(1,191,895)	482,121	(1,191,895)	482,121
CCR	F	(2,585,796)	1,045,955	(2,585,796)	1,045,955
NUCLEAR	F	(30,564,183)	12,363,212	(30,564,183)	12,363,212
CORPORATE AIRCRAFT ALLOCATION	F	2,889,965	(1,168,991)	2,889,965	(1,168,991)
FRANCHISE FEE & GROSS RECEIPTS	F	(193,296,500)	78,188,434	(193,296,500)	78,188,434
FRANCHISE FEES & GROSS REC TAX - TOI	F	190,043,876	(76,872,748)	190,043,876	(76,872,748)
GAIN/LOSS ON DISPOSITION & OTHER	F	944,616	(382,097)	833,011	(336,953)
INST./PROMOTIONAL ADVERTISING	F	120,488	(48,737)	120,488	(48,737)
INTEREST ON TAX DEFICIENCY	F	331,726	(134,183)	331,726	(134,183)
MISCELLANEOUS INTEREST EXPENSE	F	(156,627)	63,356	(156,627)	63,356
REMOVE ASSOC/ORGANIZATION DUES	F	150,819	(61,006)	150,819	(61,006)
REMOVE ECONOMIC DEVELOPMENT	F	12,993	(5,256)	12,993	(5,256)
PARENT DEBT ADJUSTMENT	F		10,234,864		9,299,807
DIRECTORS & OFFICERS PREMIUM	F	1,853,148	(749,598)	1,853,148	(749,598)
INTEREST SYNCHRONIZATION - FPSC	F		(16,345,485)		(16,345,485)
Total		(\$150,126,999)	\$54,615,750	(\$150,239,125)	\$53,726,048

	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	\$13,488,944,754	\$4,980,677,008	\$8,508,267,746	\$120,899,000	\$230,458,968	\$8,859,625,714	\$2,178,130,454	\$11,037,756,168
Regulatory Base - Retail	\$12,213,311,073	\$4,449,947,729	\$7,763,363,344	\$104,802,922	\$196,405,546	\$8,064,571,811	\$2,124,558,141	\$10,189,129,953
FPSC Adjustments								
ARO	(16,841,368)	(27,362,730)	10,521,363			10,521,363	(11,382,573)	(861,210)
ECCR	(36,035,449)	(1,777,000)	(34,258,449)		(7,808,573)	(42,067,022)	(1,426,716)	(43,493,738)
ECRC	(1,194,083,118)	(114,137,088)	(1,079,946,030)		(5,236,726)	(1,085,182,756)	(24,727,074)	(1,109,909,830)
FUEL	(28,968,974)	(28,099,570)	(869,404)			(869,404)	297,724,251	296,854,848
CCR							(43,735,145)	(43,735,145)
NUCLEAR					(45,363,176)	(45,363,176)	(393,144,327)	(438,507,503)
CR3 Removal							(1,289,626,890)	(1,289,626,890)
Derivatives							(30,183,848)	(30,183,848)
Employee Related							(1,552,752)	(1,552,752)
Investments Earning a Return							(94,410,798)	(94,410,798)
Jobbing Accounts							(10,702,054)	(10,702,054)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	18,901,560	42,255,571
Rate Case Regulatory Asset							(274,972)	(274,972)
Retention Accounts							1,644,630	1,644,630
CWIP - AFUDC					(2,216,866)	(2,216,866)		(2,216,866)
Imputed Off Balance Sheet Obligations							806,474,013	806,474,013
Capital Lease	(167,114,786)		(167,114,786)			(167,114,786)	171,000,868	3,886,082
Total FPSC Adjustments	(1,443,043,694)	(194,730,400)	(1,248,313,294)		(60,625,341)	(1,308,938,635)	(605,421,828)	(1,914,360,463)
FPSC Adjusted	\$10,770,267,379	\$4,255,217,329	\$6,515,050,050	\$104,802,922	\$135,780,204	\$6,755,633,176	\$1,519,136,313	\$8,274,769,489

DUKE ENERGY FLORIDA
End of Period Rate of Return - Income Statement
January 2014

	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	\$4,555,373,849	\$1,939,030,282	\$833,931,686	\$330,583,241	\$327,995,047	(\$87,957,210)	\$452,079,118	(\$1,307,003)		\$3,794,355,160	\$761,018,689
Regulatory Base - Retail	\$4,273,947,673	\$1,864,919,790	\$755,589,964	\$302,418,510	\$315,864,062	(\$80,992,955)	\$416,284,504	(\$1,187,582)		\$3,572,896,294	\$701,051,379
FPSC Adjustments											
ECCR	(101,238,892)		(95,137,358)	(390,000)		(2,310,315)				(97,837,674)	(3,401,218)
ECRC	(171,253,253)		(38,536,193)	(10,422,478)	(9,325,965)	(45,695,805)				(103,980,442)	(67,272,811)
FUEL	(1,484,865,767)	(1,482,508,343)	(1,165,529)			(482,121)				(1,484,155,994)	(709,773)
CCR	(385,026,048)	(382,411,447)	(28,805)			(1,045,955)				(383,486,206)	(1,539,842)
NUCLEAR	(142,856,000)		(987,546)	(111,304,271)		(12,363,212)				(124,655,029)	(18,200,971)
CORPORATE AIRCRAFT ALLOCATION			(2,889,965)			1,168,991				(1,720,974)	1,720,974
FRANCHISE FEE & GROSS RECEIPTS	(193,296,500)					(78,188,434)				(78,188,434)	(115,108,066)
FRANCHISE FEES & GROSS REC TAX - TOI					(190,043,876)	76,872,748				(113,171,128)	113,171,128
GAIN/LOSS ON DISPOSITION & OTHER						336,953		(833,011)		(496,058)	496,058
INST./PROMOTIONAL ADVERTISING			(120,488)			48,737				(71,751)	71,751
INTEREST ON TAX DEFICIENCY			(331,726)			134,183				(197,543)	197,543
MISCELLANEOUS INTEREST EXPENSE			156,627			(63,356)				93,271	(93,271)
REMOVE ASSOC/ORGANIZATION DUES			(150,819)			61,006				(89,813)	89,813
REMOVE ECONOMIC DEVELOPMENT			(12,993)			5,256				(7,737)	7,737
PARENT DEBT ADJUSTMENT						(9,299,807)				(9,299,807)	9,299,807
DIRECTORS & OFFICERS PREMIUM			(1,853,148)			749,598				(1,103,550)	1,103,550
INTEREST SYNCHRONIZATION - FPSC						16,345,485				16,345,485	(16,345,485)
Total FPSC Adjustments	(2,478,536,460)	(1,864,919,790)	(141,057,944)	(122,116,749)	(199,369,841)	(53,726,048)			(833,011)	(2,382,023,383)	(96,513,077)
FPSC Adjusted	\$1,795,411,213	\$0	\$614,532,020	\$180,301,761	\$116,494,221	(\$134,719,003)	\$416,284,504	(\$1,187,582)	(\$833,011)	\$1,190,872,911	\$604,538,302

Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
ARO	F	(\$861,210)	(\$861,210)
ECCR	F	(43,493,738)	(43,493,738)
ECRC	F	(1,193,106,675)	(1,109,909,830)
FUEL	F	296,854,848	296,854,848
CCR	F	(43,735,145)	(43,735,145)
NUCLEAR	F	(441,982,327)	(438,507,503)
CR3 Removal	F	(1,289,626,890)	(1,289,626,890)
Derivatives	F	(30,183,848)	(30,183,848)
Employee Related	F	(1,552,703)	(1,552,752)
Investments Earning a Return	F	(95,482,481)	(94,410,798)
Jobbing Accounts	F	(10,702,054)	(10,702,054)
Non-Regulated and Miscellaneous	F	42,255,571	42,255,571
Rate Case Regulatory Asset	F	(274,972)	(274,972)
Retention Accounts	F	1,845,969	1,644,630
CWIP - AFUDC	F	(3,051,670)	(2,216,866)
Imputed Off Balance Sheet Obligations	F	868,250,000	806,474,013
Capital Lease - EPIS	F	(179,267,317)	(167,114,786)
Capital Lease - Working Capital	F	183,435,994	171,000,868
Total		(\$1,940,678,648)	(\$1,914,360,463)

Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
		Amount	Income Tax Effect	Amount	Income Tax Effect
ECCR	F	(5,711,012)	2,310,104	(5,711,534)	2,310,315
ECRC	F	(112,968,617)	45,695,805	(112,968,617)	45,695,805
FUEL	F	(1,191,895)	482,121	(1,191,895)	482,121
CCR	F	(2,585,796)	1,045,955	(2,585,796)	1,045,955
NUCLEAR	F	(30,564,183)	12,363,212	(30,564,183)	12,363,212
CORPORATE AIRCRAFT ALLOCATION	F	2,889,965	(1,168,991)	2,889,965	(1,168,991)
FRANCHISE FEE & GROSS RECEIPTS	F	(193,296,500)	78,188,434	(193,296,500)	78,188,434
FRANCHISE FEES & GROSS REC TAX - TOI	F	190,043,876	(76,872,748)	190,043,876	(76,872,748)
GAIN/LOSS ON DISPOSITION & OTHER	F	944,616	(382,097)	833,011	(336,953)
INST./PROMOTIONAL ADVERTISING	F	120,488	(48,737)	120,488	(48,737)
INTEREST ON TAX DEFICIENCY	F	331,726	(134,183)	331,726	(134,183)
MISCELLANEOUS INTEREST EXPENSE	F	(156,627)	63,356	(156,627)	63,356
REMOVE ASSOC/ORGANIZATION DUES	F	150,819	(61,006)	150,819	(61,006)
REMOVE ECONOMIC DEVELOPMENT	F	12,993	(5,256)	12,993	(5,256)
PARENT DEBT ADJUSTMENT	F		10,234,864		9,299,807
DIRECTORS & OFFICERS PREMIUM	F	1,853,148	(749,598)	1,853,148	(749,598)
INTEREST SYNCHRONIZATION - FPSC	F		(16,345,485)		(16,345,485)
Total		(\$150,126,999)	\$54,615,750	(\$150,239,125)	\$53,726,048

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
January 2014

	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	\$4,837,089,804	\$4,404,000,743	(\$1,262,810,260)	\$866,427,813	\$4,007,618,297	49.58%	9.50%	4.71%	10.50%	5.21%	11.50%	5.70%
Preferred Stock	5,153,338	4,691,934	(1,345,373)		3,346,561	0.04%						
Long Term Debt	4,715,784,560	4,293,556,570	(1,231,141,320)		3,062,415,250	37.89%	5.23%	1.98%	5.23%	1.98%	5.23%	1.98%
Short Term Debt	(47,428,821)	(43,182,279)	12,382,156	26,490,304	(4,309,819)	(0.05%)	1.22%	(0.00%)	1.22%	(0.00%)	1.22%	(0.00%)
Customer Deposits												
Active	212,481,338	212,481,338	(60,927,241)		151,554,097	1.88%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,531,581	1,531,581	(439,168)		1,092,413	0.01%						
Investment Tax Credits	2,289,748	2,084,735	(597,780)		1,486,955	0.02%						
Deferred Income Taxes	1,544,517,735	1,406,229,268	(403,224,443)	829,704	1,003,834,529	12.42%						
FAS 109 DIT - Net	(222,497,429)	(202,576,112)	58,087,000		(144,489,111)	(1.79%)						
Total	\$11,048,921,853	\$10,078,817,778	(\$2,890,016,428)	\$893,747,822	\$8,082,549,172	100.00%		6.73%		7.23%		7.73%

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
January 2014

	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	\$4,872,696,700	\$4,365,149,866	(\$1,139,263,769)	\$866,694,289	\$4,092,580,386	49.46%	9.50%	4.70%	10.50%	5.19%	11.50%	5.69%
Long Term Debt	4,652,634,035	4,168,009,233	(1,087,811,885)		3,080,197,347	37.22%	5.30%	1.97%	5.30%	1.97%	5.30%	1.97%
Short Term Debt	102,723,000	92,023,230	(24,017,213)	(123,661,517)	(55,655,499)	(0.67%)	1.22%	(0.01%)	1.22%	(0.01%)	1.22%	(0.01%)
Customer Deposits												
Active	210,331,108	210,331,108	(54,894,475)		155,436,633	1.88%	2.30%	0.04%	2.30%	0.04%	2.30%	0.04%
Inactive	1,805,564	1,805,564	(471,236)		1,334,329	0.02%						
Investment Tax Credits	1,732,513	1,552,052	(405,071)		1,146,980	0.01%						
Deferred Income Taxes	1,725,425,456	1,545,702,751	(403,414,131)	1,875,506	1,144,164,126	13.83%						
FAS 109 DIT - Net	(218,168,594)	(195,443,851)	51,009,039		(144,434,812)	(1.75%)						
Total	\$11,349,179,782	\$10,189,129,953	(\$2,659,268,741)	\$744,908,278	\$8,274,769,489	100.00%		6.71%		7.20%		7.70%

DUKE ENERGY FLORIDA
Average - Capital Structure
FPSC Adjusted Basis
January 2014

	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	\$4,837,089,804	\$4,404,000,743	(\$1,262,810,260)	\$866,427,813	\$4,007,618,297	49.58%	9.50%	4.71%	10.50%	5.21%	11.50%	5.70%
Preferred Stock	5,153,338	4,691,934	(1,345,373)		3,346,561	0.04%						
Long Term Debt	4,715,784,560	4,293,556,570	(1,231,141,320)		3,062,415,250	37.89%	5.23%	1.98%	5.23%	1.98%	5.23%	1.98%
Short Term Debt	(47,428,821)	(43,182,279)	12,382,156	26,490,304	(4,309,819)	(0.05%)	1.22%	(0.00%)	1.22%	(0.00%)	1.22%	(0.00%)
Customer Deposits												
Active	212,481,338	212,481,338	(60,927,241)		151,554,097	1.88%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,531,581	1,531,581	(439,168)		1,092,413	0.01%						
Investment Tax Credits	2,289,748	2,084,735	(597,780)		1,486,955	0.02%						
Deferred Income Taxes	1,544,517,735	1,406,229,268	(403,224,443)	829,704	1,003,834,529	12.42%						
FAS 109 DIT - Net	(222,497,429)	(202,576,112)	58,087,000		(144,489,111)	(1.79%)						
Total	\$11,048,921,853	\$10,078,817,778	(\$2,890,016,428)	\$893,747,822	\$8,082,549,172	100.00%		6.73%		7.23%		7.73%

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
January 2014

	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	\$4,872,696,700	\$4,365,149,866	(\$1,139,263,769)	\$866,694,289	\$4,092,580,386	49.46%	9.50%	4.70%	10.50%	5.19%	11.50%	5.69%
Long Term Debt	4,652,634,035	4,168,009,233	(1,087,811,885)		3,080,197,347	37.22%	5.30%	1.97%	5.30%	1.97%	5.30%	1.97%
Short Term Debt	102,723,000	92,023,230	(24,017,213)	(123,661,517)	(55,655,499)	(0.67%)	1.22%	(0.01%)	1.22%	(0.01%)	1.22%	(0.01%)
Customer Deposits												
Active	210,331,108	210,331,108	(54,894,475)		155,436,633	1.88%	2.30%	0.04%	2.30%	0.04%	2.30%	0.04%
Inactive	1,805,564	1,805,564	(471,236)		1,334,329	0.02%						
Investment Tax Credits	1,732,513	1,552,052	(405,071)		1,146,980	0.01%						
Deferred Income Taxes	1,725,425,456	1,545,702,751	(403,414,131)	1,875,506	1,144,164,126	13.83%						
FAS 109 DIT - Net	(218,168,594)	(195,443,851)	51,009,039		(144,434,812)	(1.75%)						
Total	\$11,349,179,782	\$10,189,129,953	(\$2,659,268,741)	\$744,908,278	\$8,274,769,489	100.00%		6.71%		7.20%		7.70%

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS

SCHEDULE 5

Company : Duke Energy Florida
Year 2014

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 525,783,791
AFUDC - DEBT	2,220,239
INCOME TAXES	162,153,940
TOTAL	<u>\$ 690,157,970</u>
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	<u>\$ 179,361,716</u>
TIE WITH AFUDC	<u>3.85</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 525,783,791
AFUDC - EQUITY	(5,746,624)
INCOME TAXES	162,153,940
TOTAL	<u>\$ 682,191,107</u>
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	<u>\$ 179,361,716</u>
TIE WITHOUT AFUDC	<u>3.80</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$ 2,220,239
LESS: DIT	-
SUBTOTAL	<u>\$ 2,220,239</u>
AFUDC -EQUITY	<u>\$ 5,746,624</u>
TOTAL	<u>\$ 7,966,863</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	<u>\$ 348,642,314</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>2.29%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 324,709,797
COMMON DIVIDENDS	(325,000,000)
AFUDC (EQUITY)	(274,570)
DEPRECIATION & AMORTIZATION	(8,416,472)
DEFERRED INCOME TAXES	334,621,795
INVESTMENT TAX CREDITS	369,786,809
DEFERRED FUEL NET	(1,307,003)
OTHER - INC NUCLEAR DECOMMISSIONING	74,338,880
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	<u>320,768,398</u>
TOTAL FUNDS PROVIDED	<u>\$ 1,089,227,634</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 915,077,130</u>
PERCENTAGE INTERNALLY GENERATED FUNDS	119.03%
*Updated quarterly as of December 2013	

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

Common Equity	\$ 4,007,618,297
Preferred Stock	3,346,561
Long Term Debt	3,062,415,250
Short Term Debt	<u>(4,309,819)</u>
COMMON EQUITY	<u>\$ 7,069,070,289</u>
TOTAL	
% LONG TERM DEBT TO TOTAL	43.32%
% SHORT TERM DEBT TO TOTAL	-0.06%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>7.36%</u>	<u>7.48%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.98%	1.98%
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>5.33%</u>	<u>5.46%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>49.58%</u>	<u>49.58%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.75%</u>	<u>11.00%</u>