



July 14, 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 May 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 May 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

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**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
MAY 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	\$ 708,044,128 (a)	\$ (84,397,107) (b)	\$ 623,647,021	\$ (2,543,615)	\$ 621,103,406
Average Rate Base	\$ 10,108,055,471	\$ (1,625,331,544)	\$ 8,482,723,928	\$ -	\$ 8,482,723,928
Average Rate of Return	7.00%		7.35%		7.32%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 700,178,599	\$ (76,531,578)	\$ 623,647,021		
Average Rate Base	\$ 10,209,793,839	\$ (971,503,590)	\$ 9,238,290,249		
Average Rate of Return	6.86%		6.75%		
(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	6.60%	6.33%
Mid Point	7.08%	6.80%
High Point	7.57%	7.26%
Pro Forma Adjusted Basis		
Low Point	6.60%	6.33%
Mid Point	7.08%	6.80%
High Point	7.57%	7.26%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	2.93	(System Per Books Basis)
B. T.I.E. without AFUDC	2.89	(System Per Books Basis)
C. AFUDC to Net Income	2.91%	(System Per Books Basis)
D. Internally Generated Funds	103.96%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.16%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.08%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	11.06%	(FPSC Adjusted Basis)
	11.00%	(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

7-14-14
Date

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	13,408,858,728	4,912,484,730	8,496,373,998	120,900,535	266,391,497	8,883,666,030	2,254,103,447	11,137,769,477
Regulatory Base - Retail	12,044,897,364	4,501,674,908	7,543,222,455	104,803,838	218,851,960	7,866,878,253	2,241,177,218	10,108,055,471
FPSC Adjustments								
ARO	(17,042,209)	(27,489,238)	10,447,029			10,447,029	(9,827,288)	619,741
ECCR	(32,386,230)	(2,351,404)	(30,034,826)		(13,279,247)	(43,314,073)	(1,417,597)	(44,731,670)
ECRC	(812,620,553)	(69,005,455)	(743,615,098)		(4,777,497)	(748,392,595)	(24,454,253)	(772,846,848)
FUEL	(28,969,133)	(28,099,988)	(869,145)			(869,145)	284,741,082	283,871,937
CCR							(44,362,070)	(44,362,070)
NUCLEAR					(42,095,757)	(42,095,757)	(408,206,871)	(450,302,628)
CR3 Removal							(1,258,343,790)	(1,258,343,790)
Derivatives							(16,556,525)	(16,556,525)
Employee Related							(2,101,693)	(2,101,693)
Investments Earning a Return							(112,458,945)	(112,458,945)
Jobbing Accounts							(1,735,090)	(1,735,090)
Non-Regulated and Miscellaneous	(30,235,598)	(32,287,994)	2,052,396			2,052,396	21,966,482	24,018,879
Rate Case Regulatory Asset							(116,655)	(116,655)
Retention Accounts							2,299,877	2,299,877
CWIP - AFUDC					(23,100,710)	(23,100,710)		(23,100,710)
Imputed Off Balance Sheet Obligations							791,301,267	791,301,267
Capital Lease	(168,696,505)		(168,696,505)			(168,696,505)	167,909,884	(786,621)
Total FPSC Adjustments	(1,089,950,228)	(159,234,079)	(930,716,149)		(83,253,211)	(1,013,969,360)	(611,362,184)	(1,625,331,544)
FPSC Adjusted	10,954,947,135	4,342,440,829	6,612,506,306	104,803,838	135,598,749	6,852,908,894	1,629,815,034	8,482,723,928

	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)	4,688,006,840	2,002,397,275	822,845,888	431,682,095	329,305,300	(71,399,249)	410,254,928	(1,307,001)		3,923,779,236	764,227,604
Regulatory Base - Retail (b)	4,396,127,146	1,930,907,187	737,024,149	401,266,675	317,544,175	(65,402,163)	375,796,103	(1,187,580)		3,695,948,547	700,178,599
FPSC Adjustments											
ECCR	(110,862,849)		(101,971,207)	(2,983,989)		(2,278,877)				(107,234,073)	(3,628,776)
ECRC	(143,858,410)		(38,332,286)	(13,315,600)	(6,514,745)	(33,057,146)				(91,219,778)	(52,638,632)
FUEL	(1,572,305,200)	(1,563,336,955)	(1,016,449)			(3,067,405)				(1,567,420,809)	(4,884,391)
CCR	(367,867,410)	(367,570,232)	(297,361)			71				(367,867,523)	112
NUCLEAR	(156,747,189)		(624,697)	(133,369,972)		(8,776,785)				(142,771,454)	(13,975,735)
CORPORATE AIRCRAFT ALLOCATION			(2,642,451)			1,019,326				(1,623,126)	1,623,126
FRANCHISE FEE & GROSS RECEIPTS	(198,973,663)					(76,754,091)				(76,754,091)	(122,219,573)
FRANCHISE FEES & GROSS REC TAX - TOI					(196,414,694)	75,766,968				(120,647,726)	120,647,726
GAIN/LOSS ON DISPOSITION & OTHER						234,626		(608,234)		(373,608)	373,608
INST./PROMOTIONAL ADVERTISING			(171,596)			66,193				(105,403)	105,403
INTEREST ON TAX DEFICIENCY			(459,098)			177,097				(282,001)	282,001
MISCELLANEOUS INTEREST EXPENSE			144,348			(55,882)				88,666	(88,666)
REMOVE ASSOC/ORGANIZATION DUES			(119,534)			46,110				(73,424)	73,424
PARENT DEBT ADJUSTMENT						(9,368,789)				(9,368,789)	9,368,789
DIRECTORS & OFFICERS PREMIUM			(1,632,088)			629,578				(1,002,510)	1,002,510
INTEREST SYNCHRONIZATION - FPSC						12,572,505				12,572,505	(12,572,505)
Total FPSC Adjustments	(2,550,614,721)	(1,930,907,187)	(147,122,420)	(149,669,561)	(202,929,439)	(42,846,300)			(608,234)	(2,474,083,142)	(76,531,578)
FPSC Adjusted	1,845,512,425		589,901,729	251,597,114	114,614,736	(108,248,463)	375,796,103	(1,187,580)	(608,234)	1,221,865,404	623,647,021
Pro Forma Adjustments											
Weather Normalization	(4,141,010)					(1,597,395)				(1,597,395)	(2,543,615)
Total Pro Forma Adjustments	(4,141,010)					(1,597,395)				(1,597,395)	(2,543,615)
Pro Forma Adjusted	1,841,371,415		589,901,729	251,597,114	114,614,736	(109,845,858)	375,796,103	(1,187,580)	(608,234)	1,220,268,010	621,103,406
Current Month											
System Per Books	415,169,914	167,935,467	68,074,321	29,141,390	40,839,967	9,493,340	(54,548,047)	(108,916)		260,827,523	154,342,392
FPSC Adjusted	163,438,592		48,802,772	16,984,465	14,214,354	5,696,902	(49,966,355)	(98,964)	(39,607)	35,593,566	127,845,025
							9,574,097	pretax			
							7,865,528	pretax			

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustments
May 2014

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	619,741	619,741
	ECCR	F	(44,731,670)	(44,731,670)
	ECRC	F	(831,685,835)	(772,846,848)
	FUEL	F	283,805,361	283,871,937
	CCR	F	(44,362,070)	(44,362,070)
	NUCLEAR	F	(453,527,167)	(450,302,628)
	CR3 Removal	F	(1,258,343,790)	(1,258,343,790)
	Derivatives	F	(16,556,525)	(16,556,525)
	Employee Related	F	(2,100,855)	(2,101,693)
	Investments Earning a Return	F	(115,674,047)	(112,458,945)
	Jobbing Accounts	F	(1,735,090)	(1,735,090)
	Non-Regulated and Miscellaneous	F	24,018,879	24,018,879
	Rate Case Regulatory Asset	F	(116,655)	(116,655)
	Retention Accounts	F	2,581,434	2,299,877
(1)	CWIP - AFUDC	F	(31,943,381)	(23,100,710)
(3)	Imputed Off Balance Sheet Obligations	F	851,915,020	791,301,267
(2)	Capital Lease - EPIS	F	(180,964,059)	(168,696,505)
(2)	Capital Lease - Working Capital	F	180,120,235	167,909,884
	Total		(1,638,680,475)	(1,625,331,544)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,907,653)	2,278,877	(5,907,653)	2,278,877
	ECRC	F	(83,735,037)	32,300,791	(85,695,778)	33,057,146
	FUEL	F	(7,951,796)	3,067,405	(7,951,796)	3,067,405
	CCR	F	183	(71)	183	(71)
	NUCLEAR	F	(22,744,869)	8,773,833	(22,752,520)	8,776,785
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,834,610	(1,093,451)	2,642,451	(1,019,326)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(198,973,663)	76,754,091	(198,973,663)	76,754,091
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	196,414,694	(75,766,968)	196,414,694	(75,766,968)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	(654,825)	252,599	608,234	(234,626)
(1)	INST./PROMOTIONAL ADVERTISING	F	184,075	(71,007)	171,596	(66,193)
(1)	INTEREST ON TAX DEFICIENCY	F	492,483	(189,975)	459,098	(177,097)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(154,845)	59,731	(144,348)	55,682
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	128,227	(49,464)	119,534	(46,110)
(2)	PARENT DEBT ADJUSTMENT	F		10,336,377		9,368,789
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,750,773	(675,361)	1,632,088	(629,578)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(12,572,505)		(12,572,505)
	Total		(118,317,645)	43,404,903	(119,377,879)	42,846,300

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
May 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 Period End Rate Base
System Per Books	13,673,978,658	5,036,112,533	8,637,866,126	120,899,848	256,231,510	9,014,997,484	2,254,103,447	11,269,100,930
Regulatory Base - Retail	12,269,012,848	4,622,464,432	7,646,548,416	104,803,242	217,264,963	7,968,616,621	2,241,177,218	10,209,793,839
FPSC Adjustments								
ARO	(16,841,368)	(29,316,473)	12,475,105			12,475,105	(9,827,288)	2,647,817
ECCR	(37,622,075)	(3,735,382)	(33,886,693)		(8,838,525)	(42,725,218)	(1,417,597)	(44,142,815)
ECRC	(123,890,633)	(9,575,111)	(114,315,522)		(7,504,284)	(121,819,806)	(24,454,253)	(146,274,059)
FUEL	(28,969,387)	(28,100,592)	(868,795)			(868,795)	284,741,082	283,872,286
CCR							(44,362,070)	(44,362,070)
NUCLEAR					(40,233,191)	(40,233,191)	(408,206,871)	(448,440,062)
CR3 Removal							(1,258,343,790)	(1,258,343,790)
Derivatives							(16,556,525)	(16,556,525)
Employee Related							(2,101,693)	(2,101,693)
Investments Earning a Return							(112,458,945)	(112,458,945)
Jobbing Accounts							(1,735,090)	(1,735,090)
Non-Regulated and Miscellaneous	(30,235,670)	(32,754,987)	2,519,317			2,519,317	21,966,482	24,485,800
Rate Case Regulatory Asset							(116,655)	(116,655)
Retention Accounts							2,299,877	2,299,877
CWIP - AFUDC					(3,403,100)	(3,403,100)		(3,403,100)
Imputed Off Balance Sheet Obligations							791,301,267	791,301,267
Capital Lease	(166,085,718)		(166,085,718)			(166,085,718)	167,909,884	1,824,166
Total FPSC Adjustments	(403,644,852)	(103,482,545)	(300,162,306)		(59,979,100)	(360,141,406)	(611,362,184)	(971,503,590)
FPSC Adjusted	11,865,367,997	4,518,981,887	7,346,386,110	104,803,242	157,285,863	7,608,475,215	1,629,815,034	9,238,290,249

	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)	4,688,006,840	2,002,397,275	822,845,888	431,682,095	329,305,300	(71,399,249)	410,254,928	(1,307,001)		3,923,779,236	764,227,604
Regulatory Base - Retail (b)	4,396,127,146	1,930,907,187	737,024,149	401,266,675	317,544,175	(65,402,163)	375,796,103	(1,187,580)		3,695,948,547	700,178,599
FPSC Adjustments											
ECCR	(110,862,849)		(101,971,207)	(2,983,989)		(2,278,877)				(107,234,073)	(3,628,776)
ECRC	(143,858,410)		(38,332,286)	(13,315,600)	(6,514,745)	(33,057,146)				(91,219,778)	(52,638,632)
FUEL	(1,572,305,200)	(1,563,336,955)	(1,016,449)			(3,067,405)				(1,567,420,809)	(4,884,391)
CCR	(367,867,410)	(367,570,232)	(297,361)			71				(367,867,523)	112
NUCLEAR	(156,747,189)		(624,697)	(133,369,972)		(8,776,785)				(142,771,454)	(13,975,735)
CORPORATE AIRCRAFT ALLOCATION			(2,642,451)			1,019,326				(1,623,126)	1,623,126
FRANCHISE FEE & GROSS RECEIPTS	(198,973,663)					(76,754,091)				(76,754,091)	(122,219,573)
FRANCHISE FEES & GROSS REC TAX - TOI					(196,414,694)	75,766,968				(120,647,726)	120,647,726
GAIN/LOSS ON DISPOSITION & OTHER						234,626		(608,234)		(373,608)	373,608
INST./PROMOTIONAL ADVERTISING			(171,596)			66,193				(105,403)	105,403
INTEREST ON TAX DEFICIENCY			(459,098)			177,097				(282,001)	282,001
MISCELLANEOUS INTEREST EXPENSE			144,348			(55,682)				88,666	(88,666)
REMOVE ASSOC/ORGANIZATION DUES			(119,534)			46,110				(73,424)	73,424
PARENT DEBT ADJUSTMENT						(9,368,789)				(9,368,789)	9,368,789
DIRECTORS & OFFICERS PREMIUM			(1,632,088)			629,578				(1,002,510)	1,002,510
INTEREST SYNCHRONIZATION - FPSC						12,572,505				12,572,505	(12,572,505)
Total FPSC Adjustments	(2,550,614,721)	(1,930,907,187)	(147,122,420)	(149,669,561)	(202,929,439)	(42,846,300)			(608,234)	(2,474,083,142)	(76,531,578)
FPSC Adjusted	1,845,512,425		589,901,729	251,597,114	114,614,736	(108,248,463)	375,796,103	(1,187,580)	(608,234)	1,221,865,404	623,647,021
							9,574,097	pretax			
							7,865,528	pretax			

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	2,647,817	2,647,817
	ECCR	F	(44,142,815)	(44,142,815)
	ECRC	F	(157,670,987)	(146,274,059)
	FUEL	F	283,805,737	283,872,286
	CCR	F	(44,362,070)	(44,362,070)
	NUCLEAR	F	(451,521,928)	(448,440,062)
	CR3 Removal	F	(1,258,343,790)	(1,258,343,790)
	Derivatives	F	(16,556,525)	(16,556,525)
	Employee Related	F	(2,100,855)	(2,101,693)
	Investments Earning a Return	F	(115,674,047)	(112,458,945)
	Jobbing Accounts	F	(1,735,090)	(1,735,090)
	Non-Regulated and Miscellaneous	F	24,485,800	24,485,800
	Rate Case Regulatory Asset	F	(116,655)	(116,655)
	Retention Accounts	F	2,581,434	2,299,877
(1)	CWIP - AFUDC	F	(4,680,825)	(3,403,100)
(3)	Imputed Off Balance Sheet Obligations	F	851,915,020	791,301,267
(2)	Capital Lease - EPIS	F	(178,163,416)	(166,085,718)
(2)	Capital Lease - Working Capital	F	180,120,235	167,909,884
	Total		(929,512,960)	(971,503,590)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,907,653)	2,278,877	(5,907,653)	2,278,877
	ECRC	F	(83,735,037)	32,300,791	(85,695,778)	33,057,146
	FUEL	F	(7,951,796)	3,067,405	(7,951,796)	3,067,405
	CCR	F	183	(71)	183	(71)
	NUCLEAR	F	(22,744,869)	8,773,833	(22,752,520)	8,776,785
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,834,610	(1,093,451)	2,642,451	(1,019,326)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(198,973,663)	76,754,091	(198,973,663)	76,754,091
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	196,414,694	(75,766,968)	196,414,694	(75,766,968)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	(654,825)	252,599	608,234	(234,626)
(1)	INST./PROMOTIONAL ADVERTISING	F	184,075	(71,007)	171,596	(66,193)
(1)	INTEREST ON TAX DEFICIENCY	F	492,483	(189,975)	459,098	(177,097)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(154,845)	59,731	(144,348)	55,682
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	128,227	(49,464)	119,534	(46,110)
(2)	PARENT DEBT ADJUSTMENT	F		10,336,377		9,368,789
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,750,773	(675,361)	1,632,088	(629,578)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(12,572,505)		(12,572,505)
	Total		(118,317,645)	43,404,903	(119,377,879)	42,846,300

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
Average - Capital Structure
FPSC Adjusted Basis
May 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	4,817,891,178	4,363,765,036	(1,112,175,206)	850,252,237	4,101,842,067	48.36%	9.50%	4.59%	10.50%	5.08%	11.50%	5.56%
Long Term Debt	4,703,736,984	4,260,370,820	(1,085,823,539)		3,174,547,281	37.42%	5.22%	1.95%	5.22%	1.95%	5.22%	1.95%
Short Term Debt *	(26,450,992)	(23,957,767)	6,106,019	97,155,178	79,303,431	0.93%	1.22%	0.01%	1.22%	0.01%	1.22%	0.01%
Customer Deposits												
Active	211,796,818	211,796,818	(53,979,801)		157,817,017	1.86%	2.25%	0.04%	2.25%	0.04%	2.25%	0.04%
Inactive	1,585,007	1,585,007	(403,964)		1,181,042	0.01%						
Investment Tax Credits **	1,845,703	1,671,730	(426,067)		1,245,663	0.01%						
Deferred Income Taxes	1,646,800,870	1,491,576,250	(380,152,027)	3,460,398	1,114,884,621	13.14%						
FAS 109 DIT - Net	(219,436,091)	(198,752,422)	50,655,229		(148,097,193)	-1.75%						
Total	11,137,769,477	10,108,055,471	(2,576,199,356)	950,867,812	8,482,723,928	100.00%		6.60%		7.08%		7.57%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 514,039,731
AFUDC - DEBT	3,651,943
INCOME TAXES	213,991,215
TOTAL	<u>\$ 731,682,890</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	<u>\$ 249,564,167</u>
TIE WITH AFUDC	<u><u>2.93</u></u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 514,039,731
AFUDC - EQUITY	(5,922,154)
INCOME TAXES	213,991,215
TOTAL	<u>\$ 722,108,793</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	<u>\$ 249,564,167</u>
TIE WITHOUT AFUDC	<u><u>2.89</u></u>

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

AFUDC DEBT	\$ 3,651,943
LESS: DIT	-
SUBTOTAL	<u>\$ 3,651,943</u>
AFUDC - EQUITY	<u>\$ 5,922,154</u>
TOTAL	<u>\$ 9,574,097</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	<u>\$ 329,342,253</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>2.91%</u></u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 329,342,253
COMMON DIVIDENDS	(450,000,000)
AFUDC (EQUITY)	(5,922,154)
DEPRECIATION & AMORTIZATION	413,693,180
DEFERRED INCOME TAXES	359,897,206
INVESTMENT TAX CREDITS	(1,307,002)
DEFERRED FUEL NET	-
OTHER - INC NUCLEAR DECOMMISSIONING	-
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	<u>256,609,132</u>
TOTAL FUNDS PROVIDED	<u>\$ 902,312,616</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 867,963,269</u>
PERCENTAGE INTERNALLY GENERATED FUNDS	103.96%

*Updated quarterly as of March 2014

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

Common Equity	\$ 4,101,842,067
Preferred Stock	\$ -
Long Term Debt	\$ 3,174,547,281
Short Term Debt	<u>\$ 79,303,431</u>
TOTAL	<u>\$ 7,355,692,779</u>
% LONG TERM DEBT TO TOTAL	43.16%
% SHORT TERM DEBT TO TOTAL	1.08%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>7.32%</u>	<u>7.35%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.95%	1.95%
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	<u>2.01%</u>	<u>2.01%</u>
TOTAL	<u>5.32%</u>	<u>5.35%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.36%</u>	<u>48.36%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.00%</u>	<u>11.06%</u>