



August 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 June 30, 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 June 30, 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

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Attachment
cc: Mr. J. R. Kelly, Office of the Public Counsel
DIVISION OF
ACCOUNTING & FINANCE

**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
JUNE 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	\$ 709,490,059 (a)	\$ (85,730,400) (b)	\$ 623,759,658	\$ 1,305,501	\$ 625,065,160
Average Rate Base	\$ 10,137,496,594	\$ (1,561,518,519)	\$ 8,575,978,076	\$ -	\$ 8,575,978,076
Average Rate of Return	7.00%		7.27%		7.29%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 702,898,037	\$ (79,138,379)	\$ 623,759,658		
Average Rate Base	\$ 10,265,156,307	\$ (1,028,559,805)	\$ 9,236,596,502		
Average Rate of Return	6.85%		6.75%		

(a) INCLUDES AFUDC EARNINGS

(b) INCLUDES REVERSAL OF AFUDC EARNINGS

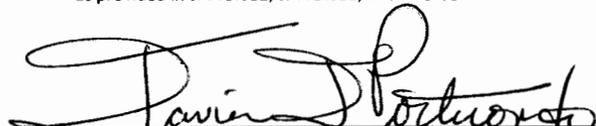
III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.57%	6.37%
Mid Point	7.05%	6.83%
High Point	7.54%	7.30%
Pro Forma Adjusted Basis		
Low Point	6.57%	6.37%
Mid Point	7.05%	6.83%
High Point	7.54%	7.30%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.20	(System Per Books Basis)
B. T.I.E. without AFUDC	4.16	(System Per Books Basis)
C. AFUDC to Net Income	1.54%	(System Per Books Basis)
D. Internally Generated Funds	70.67%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.35%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.06%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.95%	(FPSC Adjusted Basis)
	10.99%	(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

8-14-14
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	\$13,459,407,696	\$4,934,744,664	\$8,524,663,031	\$120,900,548	\$254,342,862	\$8,899,906,442	\$2,268,310,084	\$11,168,216,526
Regulatory Base - Retail	\$12,086,910,146	\$4,525,484,145	\$7,561,426,000	\$104,803,849	\$208,843,718	\$7,875,073,568	\$2,262,423,027	\$10,137,496,594
FPSC Adjustments								
ARO	(16,841,368)	(27,790,279)	10,948,911			10,948,911	(10,329,320)	619,591
ECCR	(33,581,004)	(2,557,094)	(31,023,910)		(12,491,024)	(43,514,934)	(763,815)	(44,278,749)
ECRC	(729,879,530)	(59,777,428)	(670,102,102)		(5,269,296)	(675,371,398)	(23,363,005)	(698,734,402)
FUEL	(28,969,165)	(28,100,077)	(869,088)			(869,088)	252,766,456	251,897,368
CCR							(43,916,644)	(43,916,644)
NUCLEAR					(32,910,742)	(32,910,742)	(411,970,035)	(444,880,777)
CR3 Removal							(1,246,091,460)	(1,246,091,460)
Derivatives							(10,362,477)	(10,362,477)
Employee Related							(2,087,503)	(2,087,503)
Investments Earning a Return							(117,073,788)	(117,073,788)
Jobbing Accounts							(1,695,540)	(1,695,540)
Non-Regulated and Miscellaneous	(30,236,731)	(32,364,459)	2,127,728			2,127,728	23,159,279	25,287,008
Rate Case Regulatory Asset							(87,491)	(87,491)
Retention Accounts							2,447,705	2,447,705
CWIP - AFUDC					(19,994,674)	(19,994,674)		(19,994,674)
Imputed Off Balance Sheet Obligations							788,266,718	788,266,718
Capital Lease	(167,799,570)		(167,799,570)			(167,799,570)	166,966,166	(833,403)
Total FPSC Adjustments	(1,007,307,366)	(150,589,337)	(856,718,029)		(70,665,736)	(927,383,765)	(634,134,754)	(1,561,518,519)
FPSC Adjusted	\$11,079,602,780	\$4,374,894,808	\$6,704,707,972	\$104,803,849	\$138,177,982	\$6,947,689,803	\$1,628,288,273	\$8,575,978,076

	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)	\$4,725,399,444	\$2,032,054,339	\$824,359,159	\$455,376,263	\$329,039,832	\$53,182,699	\$268,316,148	(1,307,001)		\$3,961,021,439	\$764,378,005
Regulatory Base - Retail (b)	\$4,433,707,992	\$1,954,399,062	\$737,611,720	\$425,313,537	\$317,442,783	\$49,168,191	\$248,062,242	(1,187,580)		\$3,730,809,955	\$702,898,037
FPSC Adjustments											
ECCR	(113,783,471)		(104,701,227)	(3,179,971)		(2,276,802)				(110,158,000)	(3,625,472)
ECRC	(135,426,871)		(35,362,991)	(11,385,586)	(5,744,066)	(31,991,879)				(84,484,521)	(50,942,350)
FUEL	(1,598,668,388)	(1,580,043,137)	(1,026,371)			(6,788,768)				(1,587,858,276)	(10,810,113)
CCR	(362,448,512)	(362,145,919)	(303,420)			319				(362,449,020)	508
NUCLEAR	(159,548,929)		(578,223)	(137,908,318)		(8,124,816)				(146,611,357)	(12,937,572)
CORPORATE AIRCRAFT ALLOCATION			(2,599,576)			1,002,787				(1,596,790)	1,596,790
FRANCHISE FEE & GROSS RECEIPTS	(200,721,035)					(77,428,139)				(77,428,139)	(123,292,896)
FRANCHISE FEES & GROSS REC TAX - TOI					(198,341,013)	76,510,046				(121,830,967)	121,830,967
GAIN/LOSS ON DISPOSITION & OTHER						228,692			(592,850)	(364,158)	364,158
INST./PROMOTIONAL ADVERTISING			(169,672)			65,451				(104,221)	104,221
INTEREST ON TAX DEFICIENCY			(535,420)			206,538				(328,882)	328,882
MISCELLANEOUS INTEREST EXPENSE			142,922			(55,132)				87,790	(87,790)
REMOVE ASSOC/ORGANIZATION DUES			(114,269)			44,079				(70,190)	70,190
PARENT DEBT ADJUSTMENT						(9,338,540)				(9,338,540)	9,338,540
DIRECTORS & OFFICERS PREMIUM			(1,613,001)			622,215				(990,786)	990,786
INTEREST SYNCHRONIZATION - FPSC						12,067,229				12,067,229	(12,067,229)
Total FPSC Adjustments	(2,570,597,207)	(1,942,189,055)	(146,861,249)	(152,473,875)	(204,085,079)	(45,256,720)			(592,850)	(2,491,458,828)	(79,138,379)
FPSC Adjusted	1,863,110,785	12,210,007	590,750,471	272,839,662	113,357,704	3,911,471	248,062,242	(1,187,580)	(592,850)	1,239,351,127	623,759,658
Pro Forma Adjustments											
Weather Normalization	2,125,358					819,857				819,857	1,305,501
Total Pro Forma Adjustments	2,125,358					819,857				819,857	1,305,501
Pro Forma Adjusted	\$1,865,236,143	\$12,210,007	\$590,750,471	\$272,839,662	\$113,357,704	\$4,731,327	248,062,242	(1,187,580)	(592,850)	\$1,240,170,984	\$625,065,160
Current Month											
System Per Books	\$452,254,517	\$207,258,511	\$74,570,549	\$44,856,285	\$31,139,724	\$38,167,334	(5,634,035)	(108,917)		\$390,249,451	\$62,005,066
FPSC Adjusted	\$183,517,025	\$1,590,520	\$59,161,998	\$28,129,608	\$10,786,927	\$28,458,830	(4,200,923)	(98,965)	(39,607)	\$123,788,388	\$59,728,637
							8,028,174	pretax			
							6,592,022	pretax			

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	619,591	619,591
	ECCR	F	(44,278,749)	(44,278,749)
	ECRC	F	(752,099,902)	(698,734,402)
	FUEL	F	251,830,796	251,897,368
	CCR	F	(43,916,644)	(43,916,644)
	NUCLEAR	F	(447,401,743)	(444,880,777)
	CR3 Removal	F	(1,246,091,460)	(1,246,091,460)
	Derivatives	F	(10,362,477)	(10,362,477)
	Employee Related	F	(2,086,661)	(2,087,503)
	Investments Earning a Return	F	(120,837,215)	(117,073,788)
	Jobbing Accounts	F	(1,695,540)	(1,695,540)
	Non-Regulated and Miscellaneous	F	25,287,008	25,287,008
	Rate Case Regulatory Asset	F	(87,491)	(87,491)
	Retention Accounts	F	2,747,360	2,447,705
(1)	CWIP - AFUDC	F	(27,314,750)	(19,994,674)
(3)	Imputed Off Balance Sheet Obligations	F	848,648,024	788,266,718
(2)	Capital Lease - EPIS	F	(180,001,898)	(167,799,570)
(2)	Capital Lease - Working Capital	F	179,107,890	166,966,166
	Total		(1,567,933,860)	(1,561,518,519)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,899,570)	2,275,759	(5,902,274)	2,276,802
	ECRC	F	(81,205,900)	31,325,176	(82,934,228)	31,991,879
	FUEL	F	(17,598,881)	6,788,768	(17,598,881)	6,788,768
	CCR	F	827	(319)	827	(319)
	NUCLEAR	F	(21,054,601)	8,121,812	(21,062,388)	8,124,816
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,788,617	(1,075,709)	2,599,576	(1,002,787)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(200,721,035)	77,428,139	(200,721,035)	77,428,139
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,341,013	(76,510,046)	198,341,013	(76,510,046)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	(638,262)	246,210	592,850	(228,692)
(1)	INST./PROMOTIONAL ADVERTISING	F	182,011	(70,211)	169,672	(65,451)
(1)	INTEREST ON TAX DEFICIENCY	F	574,356	(221,558)	535,420	(206,538)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(153,315)	59,141	(142,922)	55,132
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	122,579	(47,285)	114,269	(44,079)
(2)	PARENT DEBT ADJUSTMENT	F		10,303,004		9,338,540
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,730,298	(667,462)	1,613,001	(622,215)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(12,067,229)		(12,067,229)
	Total		(123,531,865)	45,888,192	(124,395,099)	45,256,720

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	13,702,680,560	5,051,886,065	8,650,794,495	120,899,848	278,674,062	9,050,368,405	2,268,310,084	11,318,678,489
Regulatory Base - Retail	12,301,879,555	4,637,432,634	7,664,446,921	104,803,242	233,483,117	8,002,733,280	2,262,423,027	10,265,156,307
FPSC Adjustments								
ARO	(16,841,368)	(29,657,797)	12,816,430			12,816,430	(10,329,320)	2,487,110
ECCR	(37,573,818)	(4,013,068)	(33,560,750)		(9,126,300)	(42,687,050)	(763,815)	(43,450,865)
ECRC	(134,687,303)	(4,766,520)	(129,920,783)		(8,399,705)	(138,320,489)	(23,363,005)	(161,683,493)
FUEL	(28,969,387)	(28,100,724)	(868,663)			(868,663)	252,766,456	251,897,793
CCR							(43,916,644)	(43,916,644)
NUCLEAR					(36,615,691)	(36,615,691)	(411,970,035)	(448,585,725)
CR3 Removal							(1,246,091,460)	(1,246,091,460)
Derivatives							(10,362,477)	(10,362,477)
Employee Related							(2,087,503)	(2,087,503)
Investments Earning a Return							(117,073,788)	(117,073,788)
Jobbing Accounts							(1,695,540)	(1,695,540)
Non-Regulated and Miscellaneous	(30,257,750)	(32,822,148)	2,564,399			2,564,399	23,159,279	25,723,678
Rate Case Regulatory Asset							(87,491)	(87,491)
Retention Accounts							2,447,705	2,447,705
CWIP - AFUDC					(27,553,294)	(27,553,294)		(27,553,294)
Imputed Off Balance Sheet Obligations							788,266,718	788,266,718
Capital Lease	(163,760,694)		(163,760,694)			(163,760,694)	166,966,166	3,205,472
Total FPSC Adjustments	(412,090,320)	(99,360,258)	(312,730,062)		(81,694,990)	(394,425,052)	(634,134,754)	(1,028,559,805)
FPSC Adjusted	11,889,789,236	4,538,072,376	7,351,716,859	104,803,242	151,788,127	7,608,308,229	1,628,288,273	9,236,596,502

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	2,487,110	2,487,110
	ECCR	F	(43,450,865)	(43,450,865)
	ECRC	F	(174,974,851)	(161,683,493)
	FUEL	F	251,831,253	251,897,793
	CCR	F	(43,916,644)	(43,916,644)
	NUCLEAR	F	(451,390,491)	(448,585,725)
	CR3 Removal	F	(1,246,091,460)	(1,246,091,460)
	Derivatives	F	(10,362,477)	(10,362,477)
	Employee Related	F	(2,086,661)	(2,087,503)
	Investments Earning a Return	F	(120,837,215)	(117,073,788)
	Jobbing Accounts	F	(1,695,540)	(1,695,540)
	Non-Regulated and Miscellaneous	F	25,723,678	25,723,678
	Rate Case Regulatory Asset	F	(87,491)	(87,491)
	Retention Accounts	F	2,747,360	2,447,705
(1)	CWIP - AFUDC	F	(35,305,220)	(27,553,294)
(3)	Imputed Off Balance Sheet Obligations	F	848,648,024	788,266,718
(2)	Capital Lease - EPIS	F	(175,669,317)	(163,760,694)
(2)	Capital Lease - Working Capital	F	179,107,890	166,966,166
	Total		(995,322,917)	(1,028,559,805)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,899,570)	2,275,759	(5,902,274)	2,276,802
	ECRC	F	(81,205,900)	31,325,176	(82,934,228)	31,991,879
	FUEL	F	(17,598,881)	6,788,768	(17,598,881)	6,788,768
	CCR	F	827	(319)	827	(319)
	NUCLEAR	F	(21,054,601)	8,121,812	(21,062,388)	8,124,816
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,788,617	(1,075,709)	2,599,576	(1,002,787)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(200,721,035)	77,428,139	(200,721,035)	77,428,139
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,341,013	(76,510,046)	198,341,013	(76,510,046)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	(638,262)	246,210	592,850	(228,692)
(1)	INST./PROMOTIONAL ADVERTISING	F	182,011	(70,211)	169,672	(65,451)
(1)	INTEREST ON TAX DEFICIENCY	F	574,356	(221,558)	535,420	(206,538)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(153,315)	59,141	(142,922)	55,132
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	122,579	(47,285)	114,269	(44,079)
(2)	PARENT DEBT ADJUSTMENT	F		10,303,004		9,338,540
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,730,298	(667,462)	1,613,001	(622,215)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(12,067,229)		(12,067,229)
	Total		(123,531,865)	45,888,192	(124,395,099)	45,256,720

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

	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	4,812,298,810	4,359,522,801	(1,080,839,109)	847,018,183	4,125,701,876	48.11%	9.50%	4.57%	10.50%	5.05%	11.50%	5.53%
Long Term Debt	4,721,384,420	4,277,162,298	(1,060,419,797)		3,216,742,500	37.51%	5.20%	1.95%	5.20%	1.95%	5.20%	1.95%
Short Term Debt *	(31,097,162)	(28,171,315)	6,984,402	99,985,995	78,799,082	0.92%	1.22%	0.01%	1.22%	0.01%	1.22%	0.01%
Customer Deposits												
Active	211,692,998	211,692,998	(52,484,201)		159,208,797	1.86%	2.25%	0.04%	2.25%	0.04%	2.25%	0.04%
Inactive	1,587,302	1,587,302	(393,534)		1,193,769	0.01%						
Investment Tax Credits **	1,736,786	1,573,376	(390,081)		1,183,295	0.01%						
Deferred Income Taxes	1,669,045,960	1,512,009,999	(374,866,611)	4,826,420	1,141,969,808	13.32%						
FAS 109 DIT - Net	(218,432,588)	(197,880,865)	49,059,814		(148,821,051)	-1.74%						
Total	11,168,216,526	10,137,496,594	(2,513,349,117)	951,830,599	8,575,978,076	100.00%		6.57%		7.05%		7.54%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 708,605,284
AFUDC - DEBT	\$ 3,211,877
INCOME TAXES	\$ 334,736,087
TOTAL	\$ 1,046,553,248
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 249,413,839
TIE WITH AFUDC	<u>4.20</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 708,605,284
AFUDC - EQUITY	(4,816,297)
INCOME TAXES	334,736,087
TOTAL	\$ 1,038,525,074
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 249,413,839
TIE WITHOUT AFUDC	<u>4.16</u>

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

AFUDC DEBT	\$ 3,211,877
LESS: DIT	-
SUBTOTAL	\$ 3,211,877
AFUDC -EQUITY	\$ 4,816,297
TOTAL	\$ 8,028,174
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 520,531,955
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>1.54%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 520,531,955
COMMON DIVIDENDS	(225,000,000)
AFUDC (EQUITY)	(4,816,297)
DEPRECIATION & AMORTIZATION	463,225,492
DEFERRED INCOME TAXES	419,991,038
INVESTMENT TAX CREDITS	(1,307,001)
DEFERRED FUEL NET	-
OTHER - INC NUCLEAR DECOMMISSIONING	(113,331,134)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(559,021,142)
TOTAL FUNDS PROVIDED	\$ 500,272,912
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 707,935,719
PERCENTAGE INTERNALLY GENERATED FUNDS	70.67%

*Updated quarterly as of June 2014

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

Common Equity	\$ 4,125,701,876
Preferred Stock	\$ -
Long Term Debt	\$ 3,216,742,500
Short Term Debt	\$ 78,799,082
TOTAL	<u>\$ 7,421,243,458</u>
% LONG TERM DEBT TO TOTAL	43.35%
% SHORT TERM DEBT TO TOTAL	1.06%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	7.29%	7.27%
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	2.00%	2.00%
TOTAL	5.29%	5.27%
DIVIDED BY COMMON EQUITY RATIO	48.11%	48.11%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.99%</u>	<u>10.95%</u>

DUKE ENERGY FLORIDA
Earnings Surveillance Report
CR3 Regulatory Asset Value
June 2014
(In Millions)

Schedule 6

Line No.	Pre or Post Retirement Component Classification	category	Subject to Cap	Dry Cask Storage	Total Regulatory Asset
1					
2	Electric Plant In Service	a	856		856
3	Less Accumulated Depreciation	b	435		435
4	Net plant balance	fallout	421		421
5	Write-Down	b	(295)		(295)
6	Construction Work In Progress (CWIP)				
7	Steam Generator Replacement (SGR) Project	a	360		360
8	Delam Repair Project	b	167		167
9	License Amendment Request (LAR)	b	20		20
10	Dry Cask Storage	d		28	28
11	Fukushima	d	3		3
12	Building Stabilization Project	c	17		17
13	Other - CWIP	d	50		50
14	Nuclear Fuel Inventories	a	250		250
15	Nuclear Materials and Supplies Inventories	a	51		51
16	Deferred expenses	e	101		101
17	Cumulative AFUDC (6.00%)	fallout	97	4	101
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	b	95		95
19	Total CR3 Regulatory Asset	fallout	1,337	32	1,369

category

- a The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs except that the Intervenor Parties retain the right to challenge whether DEF took reasonable and prudent actions to minimize the future CR3 Regulatory Asset value after February 5, 2013 and to sell or otherwise salvage assets after February 5, 2013 that would otherwise be included in the CR3 Regulatory Asset.
- b The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs.
- c The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover costs incurred by the Company before February 5, 2013. The Intervenor Parties retain the right to challenge the prudence of any costs incurred after and applicable to the period after February 5, 2013 that are submitted for recovery by the Company.
- d The Intervenor Parties retain the right to challenge the prudence of any costs submitted for recovery by the Company.
- e The Intervenor Parties retain the right to verify that the Company has complied with paragraph 5b of the Revised and Restated Settlement Agreement.

Note Reference Docket No. 130208-EI, Order No. PSC-13-0598-FOF-EI, Settlement Exhibit 10.