



November 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 September 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 September 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,

Marcia Olivier For Javier Portuondo

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
SEPTEMBER 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	\$ 665,277,747 (a)	\$ (59,378,967) (b)	\$ 605,898,780	\$ (94,180)	\$ 605,804,600
Average Rate Base	\$ 10,489,270,295	\$ (1,418,892,177)	\$ 9,070,378,118	\$ -	\$ 9,070,378,118
Average Rate of Return	6.34%		6.68%		6.68%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 660,237,444	\$ (54,338,664)	\$ 605,898,780		
Average Rate Base	\$ 10,620,911,195	\$ (1,120,078,219)	\$ 9,500,832,976		
Average Rate of Return	6.22%		6.38%		
(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	6.48%	6.36%
Mid Point	6.96%	6.83%
High Point	7.43%	7.29%
Pro Forma Adjusted Basis		
Low Point	6.48%	6.37%
Mid Point	6.96%	6.84%
High Point	7.43%	7.31%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	4.22	(System Per Books Basis)
B. T.I.E without AFUDC	4.19	(System Per Books Basis)
C. AFUDC to Net Income	1.14%	(System Per Books Basis)
D. Internally Generated Funds	69.36%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.31%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.64%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.92%	(FPSC Adjusted Basis)
	9.91%	(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 Oliver for Javier Portuondo 11/15/14
 Javier Portuondo, Director Rates & Regulatory Strategy 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	\$13,587,247,742	\$4,998,076,605	\$8,589,171,138	\$120,900,544	\$273,022,156	\$8,983,093,838	\$2,365,838,728	\$11,348,932,566
Regulatory Base - Retail	\$12,377,468,054	\$4,567,681,084	\$7,809,786,971	\$104,803,846	\$228,374,706	\$8,142,965,523	\$2,346,304,772	\$10,489,270,295
FPSC Adjustments								
ARO	(16,841,368)	(28,659,029)	11,817,661			11,817,661	(11,198,609)	619,052
ECCR	(36,975,123)	(3,320,947)	(33,654,176)		(9,730,578)	(43,384,754)	3,177,411	(40,207,343)
ECRC	(477,210,306)	(37,272,815)	(439,937,491)		(7,722,393)	(447,659,884)	(18,325,259)	(465,985,143)
FUEL	(28,969,382)	(28,119,580)	(849,803)			(849,803)	181,941,399	181,091,596
CCR							(39,697,927)	(39,697,927)
NUCLEAR					(42,200,785)	(42,200,785)	(386,463,932)	(428,664,717)
CR3 Removal							(1,271,938,694)	(1,271,938,694)
Derivatives							15,171,682	15,171,682
Employee Related							(1,468,603)	(1,468,603)
Investments Earning a Return							(131,364,990)	(131,364,990)
Jobbing Accounts							(1,595,906)	(1,595,906)
Non-Regulated and Miscellaneous	(30,240,129)	(46,804,522)	16,564,394			16,564,394	(10,870,582)	5,693,812
Rate Case Regulatory Asset							(24,997)	(24,997)
Retention Accounts							2,890,738	2,890,738
CWIP - AFUDC					(21,594,566)	(21,594,566)		(21,594,566)
Imputed Off Balance Sheet Obligations							779,163,036	779,163,036
Capital Lease	(165,225,748)		(165,225,748)			(165,225,748)	164,246,543	(979,205)
Total FPSC Adjustments	(755,462,057)	(144,176,893)	(611,285,164)		(81,248,322)	(692,533,486)	(726,358,691)	(1,418,892,177)
FPSC Adjusted	\$11,622,005,998	\$4,423,504,190	\$7,198,501,807	\$104,803,846	\$147,126,384	\$7,450,432,037	\$1,619,946,081	\$9,070,378,118

	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)	\$4,884,319,377	\$2,114,493,507	\$831,114,962	\$500,393,014	\$346,183,089	\$171,564,828	\$169,002,226	(1,293,658)		\$4,131,457,968	\$752,861,409
Regulatory Base - Retail (b)	\$4,585,401,104	\$2,048,759,510	\$781,948,711	\$470,155,257	\$333,700,601	\$146,985,252	\$144,789,787	(1,175,456)		\$3,925,163,661	\$660,237,444
FPSC Adjustments											
ECCR	(124,503,434)		(114,801,500)	(3,767,163)		(2,289,338)				(120,858,001)	(3,645,433)
ECRC	(109,324,520)		(49,508,355)	(9,217,046)	(3,369,368)	(18,218,876)				(80,313,646)	(29,010,874)
FUEL	(1,703,544,054)	(1,685,602,101)	(1,051,803)			(6,515,375)				(1,693,169,279)	(10,374,774)
CCR	(351,162,798)	(350,927,101)	(235,697)							(351,162,799)	
NUCLEAR	(167,113,233)		(235,795)	(149,536,203)		(6,689,382)				(156,461,379)	(10,651,854)
CORPORATE AIRCRAFT ALLOCATION			(2,868,607)			1,106,565				(1,762,042)	1,762,042
FRANCHISE FEE & GROSS RECEIPTS	(209,482,449)					(80,807,855)				(80,807,855)	(128,674,594)
FRANCHISE FEES & GROSS REC TAX - TOI					(205,461,037)	79,256,595				(126,204,442)	126,204,442
GAIN/LOSS ON DISPOSITION & OTHER						199,929			(518,286)	(318,357)	318,357
INST./PROMOTIONAL ADVERTISING			(297,279)			114,676				(182,604)	182,604
INTEREST ON TAX DEFICIENCY			(288,853)			111,425				(177,428)	177,428
MISCELLANEOUS INTEREST EXPENSE			141,055			(54,412)				86,643	(86,643)
REMOVE ASSOC/ORGANIZATION DUES			(98,474)			37,986				(60,488)	60,488
PARENT DEBT ADJUSTMENT						(9,279,701)				(9,279,701)	9,279,701
DIRECTORS & OFFICERS PREMIUM			(1,555,740)			600,127				(955,613)	955,613
INTEREST SYNCHRONIZATION - FPSC						10,835,167				10,835,167	(10,835,167)
Total FPSC Adjustments	(2,665,130,488)	(2,036,529,203)	(170,801,049)	(162,520,412)	(208,830,405)	(31,592,469)			(518,286)	(2,610,791,824)	(54,338,664)
FPSC Adjusted	1,920,270,616	12,230,307	611,147,662	307,634,845	124,870,195	115,392,783	144,789,787	(1,175,456)	(518,286)	1,314,371,836	605,898,780
Pro Forma Adjustments											
Weather Normalization	(153,326)					(59,146)				(59,146)	(94,180)
Total Pro Forma Adjustments	(153,326)					(59,146)				(59,146)	(94,180)
Pro Forma Adjusted	\$1,920,117,290	\$12,230,307	\$611,147,662	\$307,634,845	\$124,870,195	\$115,333,637	144,789,787	(1,175,456)	(518,286)	\$1,314,312,691	\$605,804,599
Current Month											
System Per Books	\$475,688,756	\$219,403,902	\$69,093,273	\$45,527,691	\$36,747,571	(\$42,723,848)	77,186,394	(108,917)		\$405,126,067	\$70,562,689
FPSC Adjusted	\$176,302,233		\$47,067,993	\$28,303,195	\$11,671,981	(\$35,815,001)	64,704,631	(98,965)	(39,607)	\$115,794,227	\$60,508,006
							6,025,686	pretax			
							5,040,303	pretax			

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	619,052	619,052
	ECCR	F	(40,207,343)	(40,207,343)
	ECRC	F	(502,544,863)	(465,985,143)
	FUEL	F	181,026,501	181,091,596
	CCR	F	(39,697,927)	(39,697,927)
	NUCLEAR	F	(431,897,301)	(428,664,717)
	CR3 Removal	F	(1,271,938,694)	(1,271,938,694)
	Derivatives	F	15,171,682	15,171,682
	Employee Related	F	(1,468,001)	(1,468,603)
	Investments Earning a Return	F	(136,803,318)	(131,364,990)
	Jobbing Accounts	F	(1,595,906)	(1,595,906)
	Non-Regulated and Miscellaneous	F	6,782,407	5,693,812
	Rate Case Regulatory Asset	F	(24,997)	(24,997)
	Retention Accounts	F	3,244,630	2,890,738
(1)	CWIP - AFUDC	F	(28,385,461)	(21,594,566)
(3)	Imputed Off Balance Sheet Obligations	F	838,847,000	779,163,036
(2)	Capital Lease - EPIS	F	(177,240,909)	(165,225,748)
(2)	Capital Lease - Working Capital	F	176,190,496	164,246,543
	Total		(1,409,922,953)	(1,418,892,177)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,931,768)	2,288,180	(5,934,771)	2,289,338
	ECRC	F	(46,082,819)	17,776,447	(47,229,751)	18,218,876
	FUEL	F	(16,890,150)	6,515,375	(16,890,150)	6,515,375
	CCR	F				
	NUCLEAR	F	(17,333,079)	6,686,235	(17,341,236)	6,689,382
(2)	CORPORATE AIRCRAFT ALLOCATION	F	3,077,212	(1,187,034)	2,868,607	(1,106,565)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(209,482,449)	80,807,855	(209,482,449)	80,807,855
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	205,461,037	(79,256,595)	205,461,037	(79,256,595)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	557,987	(215,243)	518,286	(199,929)
(1)	INST./PROMOTIONAL ADVERTISING	F	318,898	(123,015)	297,279	(114,676)
(1)	INTEREST ON TAX DEFICIENCY	F	309,858	(119,528)	288,853	(111,425)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(151,312)	58,369	(141,055)	54,412
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	105,635	(40,749)	98,474	(37,986)
(2)	PARENT DEBT ADJUSTMENT	F		10,238,089		9,279,701
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,668,873	(643,768)	1,555,740	(600,127)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(10,835,167)		(10,835,167)
	Total		(84,372,077)	31,949,451	(85,931,133)	31,592,469

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	13,805,502,226	5,130,255,900	8,675,246,326	120,899,848	348,439,167	9,144,585,341	2,365,838,728	11,510,424,069
Regulatory Base - Retail	12,559,821,280	4,685,570,850	7,874,250,430	104,803,242	295,552,750	8,274,606,423	2,346,304,772	10,620,911,195
FPSC Adjustments								
ARO	(16,841,368)	(30,681,770)	13,840,402			13,840,402	(11,198,609)	2,641,793
ECCR	(40,103,810)	(5,079,668)	(35,024,142)		(7,662,901)	(42,687,043)	3,177,411	(39,509,632)
ECRC	(135,616,632)	(5,464,990)	(130,151,642)		(11,486,742)	(141,638,384)	(18,325,259)	(159,963,644)
FUEL	(28,969,382)	(28,262,646)	(706,736)			(706,736)	181,941,399	181,234,663
CCR							(39,697,927)	(39,697,927)
NUCLEAR					(42,041,385)	(42,041,385)	(386,463,932)	(428,505,317)
CR3 Removal							(1,271,938,694)	(1,271,938,694)
Derivatives							15,171,682	15,171,682
Employee Related							(1,468,603)	(1,468,603)
Investments Earning a Return							(131,364,990)	(131,364,990)
Jobbing Accounts							(1,595,906)	(1,595,906)
Non-Regulated and Miscellaneous	(30,257,750)	(47,235,025)	16,977,275			16,977,275	(10,870,582)	6,106,694
Rate Case Regulatory Asset							(24,997)	(24,997)
Retention Accounts							2,890,738	2,890,738
CWIP - AFUDC					(38,849,409)	(38,849,409)		(38,849,409)
Imputed Off Balance Sheet Obligations							779,163,036	779,163,036
Capital Lease	(158,614,248)		(158,614,248)			(158,614,248)	164,246,543	5,632,294
Total FPSC Adjustments	(410,403,190)	(116,724,099)	(293,679,090)		(100,040,438)	(393,719,528)	(726,358,691)	(1,120,078,219)
FPSC Adjusted	12,149,418,090	4,568,846,750	7,580,571,340	104,803,242	195,512,313	7,880,886,895	1,619,946,081	9,500,832,976

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	2,641,793	2,641,793
	ECCR	F	(39,509,632)	(39,509,632)
	ECRC	F	(174,349,441)	(159,963,644)
	FUEL	F	181,180,527	181,234,663
	CCR	F	(39,697,927)	(39,697,927)
	NUCLEAR	F	(431,725,691)	(428,505,317)
	CR3 Removal	F	(1,271,938,694)	(1,271,938,694)
	Derivatives	F	15,171,682	15,171,682
	Employee Related	F	(1,468,001)	(1,468,603)
	Investments Earning a Return	F	(136,803,318)	(131,364,990)
	Jobbing Accounts	F	(1,595,906)	(1,595,906)
	Non-Regulated and Miscellaneous	F	7,195,289	6,106,694
	Rate Case Regulatory Asset	F	(24,997)	(24,997)
	Retention Accounts	F	3,244,630	2,890,738
(1)	CWIP - AFUDC	F	(48,721,600)	(38,849,409)
(3)	Imputed Off Balance Sheet Obligations	F	838,847,000	779,163,036
(2)	Capital Lease - EPIS	F	(170,148,623)	(158,614,248)
(2)	Capital Lease - Working Capital	F	176,190,496	164,246,543
	Total		(1,091,512,414)	(1,120,078,219)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,931,768)	2,288,180	(5,934,771)	2,289,338
	ECRC	F	(46,082,819)	17,776,447	(47,229,751)	18,218,876
	FUEL	F	(16,890,150)	6,515,375	(16,890,150)	6,515,375
	CCR	F				
	NUCLEAR	F	(17,333,079)	6,686,235	(17,341,236)	6,689,382
(2)	CORPORATE AIRCRAFT ALLOCATION	F	3,077,212	(1,187,034)	2,868,607	(1,106,565)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(209,482,449)	80,807,855	(209,482,449)	80,807,855
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	205,461,037	(79,256,595)	205,461,037	(79,256,595)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	557,987	(215,243)	518,286	(199,929)
(1)	INST./PROMOTIONAL ADVERTISING	F	318,898	(123,015)	297,279	(114,676)
(1)	INTEREST ON TAX DEFICIENCY	F	309,858	(119,528)	288,853	(111,425)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(151,312)	58,369	(141,055)	54,412
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	105,635	(40,749)	98,474	(37,986)
(2)	PARENT DEBT ADJUSTMENT	F		10,238,089		9,279,701
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,668,873	(643,768)	1,555,740	(600,127)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(10,835,167)		(10,835,167)
	Total		(84,372,077)	31,949,451	(85,931,133)	31,592,469

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 723,983,717
AFUDC - DEBT	\$ 2,507,924
INCOME TAXES	\$ 331,525,566
TOTAL	\$ 1,058,017,206
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 250,931,122
TIE WITH AFUDC	<u>4.22</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 723,983,717
AFUDC - EQUITY	(3,517,763)
INCOME TAXES	331,525,566
TOTAL	\$ 1,051,991,520
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 250,931,122
TIE WITHOUT AFUDC	<u>4.19</u>

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

AFUDC DEBT	\$ 2,507,924
LESS: DIT	-
SUBTOTAL	\$ 2,507,924
AFUDC -EQUITY	\$ 3,517,763
TOTAL	\$ 6,025,686
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 528,392,812
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>1.14%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 529,592,859
COMMON DIVIDENDS	(225,000,000)
AFUDC (EQUITY)	(3,517,762)
DEPRECIATION & AMORTIZATION	507,981,177
DEFERRED INCOME TAXES	334,183,407
INVESTMENT TAX CREDITS	(1,293,658)
DEFERRED FUEL NET	-
OTHER - INC NUCLEAR DECOMMISSIONING	(69,510,925)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(591,237,297)
TOTAL FUNDS PROVIDED	\$ 481,197,801
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 693,742,186
PERCENTAGE INTERNALLY GENERATED FUNDS	69.36%

*Updated quarterly as of September 2014

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

Common Equity	\$ 4,348,831,227
Preferred Stock	\$ -
Long Term Debt	\$ 3,421,672,519
Short Term Debt	\$ 129,519,257
TOTAL	\$ 7,900,023,003
% LONG TERM DEBT TO TOTAL	43.31%
% SHORT TERM DEBT TO TOTAL	1.64%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.68%	6.68%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.92%	1.92%
SHORT TERM DEBT	0.02%	0.02%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.98%	1.98%
TOTAL	4.70%	4.70%
DIVIDED BY COMMON EQUITY RATIO	47.40%	47.40%
JURISDICTIONAL RETURN ON COMMON EQUITY	9.91%	9.92%

DUKE ENERGY FLORIDA
Earnings Surveillance Report
CR3 Regulatory Asset Value
September 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	420		420
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	22		22
13	Other - CWIP	d	50		50
14	Nuclear Fuel Inventories	a	256		256
15	Nuclear Materials and Supplies Inventories	a	52		52
16	Deferred expenses	e	101		101
17	Cumulative AFUDC (6.00%)	fallout	108	5	113
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	b	108		108
19	Total CR3 Regulatory Asset	fallout	1,372	33	1,405

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.