



March 13, 2015

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

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
15 MAR 17 PM 1:05
DIVISION OF
ACCOUNTING & FINANCE

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, 2015.

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, 2015. 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
JANUARY 2015**

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	\$ 621,671,680 (a)	\$ (22,387,195) (b)	\$ 599,284,486	\$ 16,707,457	\$ 615,991,943
Average Rate Base	\$ 10,604,854,939	\$ (1,149,615,463)	\$ 9,455,239,476	\$ -	\$ 9,455,239,476
Average Rate of Return	5.86%		6.34%		6.51%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 620,823,650	\$ (21,539,165)	\$ 599,284,486		
Average Rate Base	\$ 10,778,862,604	\$ (1,177,356,750)	\$ 9,601,505,854		
Average Rate of Return	5.76%		6.24%		
(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	6.53%	6.55%
Mid Point	7.01%	7.03%
High Point	7.49%	7.52%
Pro Forma Adjusted Basis		
Low Point	6.53%	6.55%
Mid Point	7.01%	7.03%
High Point	7.49%	7.52%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.27	(System Per Books Basis)
B. T.I.E without AFUDC	4.26	(System Per Books Basis)
C. AFUDC to Net Income	0.12%	(System Per Books Basis)
D. Internally Generated Funds	116.65%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.58%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.83%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.09%	(FPSC Adjusted Basis)
	9.46%	(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

3/13/15
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	\$13,765,379,081	\$5,078,274,849	\$8,687,104,233	\$121,015,874	\$288,672,276	\$9,096,792,382	\$2,501,244,744	\$11,598,037,127
Regulatory Base - Retail	\$12,490,483,958	\$4,707,352,811	\$7,783,131,147	\$104,903,820	\$250,789,055	\$8,138,824,022	\$2,466,030,917	\$10,604,854,939
FPSC Adjustments								
ARO	(17,764,165)	(29,723,587)	11,959,422			11,959,422	(11,337,888)	621,534
ECCR	(38,963,245)	(4,509,312)	(34,453,933)		(7,903,588)	(42,357,521)	8,988,790	(33,368,731)
ECRC	(110,279,543)	(5,158,176)	(105,121,368)		(11,750,607)	(116,871,974)	(7,444,259)	(124,316,234)
FUEL	(28,969,382)	(28,101,529)	(867,853)			(867,853)	115,839,023	114,971,170
CCR							(38,889,657)	(38,889,657)
NUCLEAR					(21,583,336)	(21,583,336)	(362,118,336)	(383,701,671)
CR3 Removal							(1,290,018,650)	(1,290,018,650)
Derivatives							(7,038,808)	(7,038,808)
Employee Related							(779,709)	(779,709)
Investments Earning a Return							(140,728,124)	(140,728,124)
Jobbing Accounts							(1,234,537)	(1,234,537)
Non-Regulated and Miscellaneous	(30,245,266)	(46,649,764)	16,404,497			16,404,497	15,950,828	32,355,326
Retention Accounts							3,284,009	3,284,009
CWIP - AFUDC					(46,609,658)	(46,609,658)		(46,609,658)
Imputed Off Balance Sheet Obligations							767,024,824	767,024,824
Capital Lease	(162,169,091)		(162,169,091)			(162,169,091)	160,982,545	(1,186,546)
Total FPSC Adjustments	(388,390,693)	(114,142,368)	(274,248,325)		(87,847,189)	(362,095,514)	(787,519,949)	(1,149,615,463)
FPSC Adjusted	\$12,102,093,265	\$4,593,210,443	\$7,508,882,822	\$104,903,820	\$162,941,867	\$7,776,728,509	\$1,678,510,968	\$9,455,239,476

	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)	\$4,919,439,228	\$2,149,037,184	\$826,138,007	\$552,738,238	\$341,474,474	(154,281,233)	\$484,780,830	(1,307,000)		\$4,198,580,500	\$720,858,728
Regulatory Base - Retail (b)	\$4,612,520,495	\$2,073,101,729	\$790,391,813	\$522,024,780	\$329,367,731	(129,773,022)	\$407,771,393	(1,187,579)		\$3,991,696,845	\$620,823,650
FPSC Adjustments											
ECCR	(126,998,195)		(108,783,089)	(4,266,684)		(5,380,604)				(118,430,377)	(8,567,818)
ECRC	(83,159,250)		(52,416,482)	(11,630,994)	(983,934)	(6,992,814)				(72,024,224)	(11,135,026)
FUEL	(1,747,129,864)	(1,729,198,235)	(1,089,739)			(6,496,759)				(1,736,784,733)	(10,345,131)
CCR	(331,895,952)	(331,673,187)	(222,766)			0				(331,895,952)	0
NUCLEAR	(173,767,730)		(119,506)	(167,879,957)		(2,225,109)				(170,224,572)	(3,543,158)
NON-REGULATED AND MISCELLANEOUS				249,828		(96,371)				153,457	(153,457)
CORPORATE AIRCRAFT ALLOCATION			(2,757,597)			1,063,743				(1,693,854)	1,693,854
FRANCHISE FEE & GROSS RECEIPTS	(211,709,965)					(81,667,119)				(81,667,119)	(130,042,846)
FRANCHISE FEES & GROSS REC TAX - TOI					(207,115,958)	79,894,981				(127,220,977)	127,220,977
GAIN/LOSS ON DISPOSITION & OTHER						170,488		(441,966)		(271,477)	271,477
INST./PROMOTIONAL ADVERTISING			(1,117,496)			431,074				(686,422)	686,422
MISCELLANEOUS INTEREST EXPENSE			138,531			(53,438)				85,093	(85,093)
REMOVE ASSOC/ORGANIZATION DUES			(35,942)			13,865				(22,078)	22,078
REMOVE ECONOMIC DEVELOPMENT			(36,975)			14,263				(22,712)	22,712
PARENT DEBT ADJUSTMENT						(9,086,777)				(9,086,777)	9,086,777
DIRECTORS & OFFICERS PREMIUM			(1,602,359)			618,110				(984,249)	984,249
INTEREST SYNCHRONIZATION - FPSC						(2,344,817)				(2,344,817)	2,344,817
Total FPSC Adjustments	(2,674,660,955)	(2,060,871,422)	(168,043,420)	(183,527,807)	(208,099,893)	(32,137,284)			(441,966)	(2,653,121,790)	(21,539,165)
FPSC Adjusted	1,937,859,540	12,230,307	622,348,394	338,496,973	121,267,839	(161,910,306)	407,771,393	(1,187,579)	(441,966)	1,338,575,055	599,284,486
Pro Forma Adjustments											
Weather Normalization	27,199,768					10,492,311				10,492,311	16,707,457
Total Pro Forma Adjustments	27,199,768					10,492,311				10,492,311	16,707,457
Pro Forma Adjusted	\$1,965,059,308	\$12,230,307	\$622,348,394	\$338,496,973	\$121,267,839	(151,417,996)	407,771,393	(1,187,579)	(441,966)	\$1,349,067,366	\$615,991,943
Current Month											
System Per Books	\$357,219,326	\$149,619,128	\$60,477,154	\$46,306,220	\$26,969,294	(4,359,546)	26,355,636			\$305,367,886	\$51,851,440
FPSC Adjusted	\$143,749,912		\$50,592,298	\$28,769,600	\$11,084,385	(4,459,887)	26,962,252		(28,438)	\$112,920,209	\$30,829,702
(a) The addition of earnings from AFUDC charges would increase the System NOI by							976,130	pretax			
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by							848,030	pretax			

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustments
January 2015

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	621,534	621,534
	ECCR	F	(33,368,731)	(33,368,731)
	ECRC	F	(157,936,592)	(124,316,234)
	FUEL	F	114,904,692	114,971,170
	CCR	F	(38,889,657)	(38,889,657)
	NUCLEAR	F	(385,269,732)	(383,701,671)
	CR3 Removal	F	(1,290,018,650)	(1,290,018,650)
	Derivatives	F	(7,038,808)	(7,038,808)
	Employee Related	F	(779,421)	(779,709)
	Investments Earning a Return	F	(147,139,991)	(140,728,124)
	Jobbing Accounts	F	(1,385,672)	(1,234,537)
	Non-Regulated and Miscellaneous	F	33,409,499	32,355,326
	Retention Accounts	F	3,686,046	3,284,009
(1)	CWIP - AFUDC	F	(51,012,434)	(46,609,658)
(3)	Imputed Off Balance Sheet Obligations	F	825,779,000	767,024,824
(2)	Capital Lease - EPIS	F	(173,961,973)	(162,169,091)
(2)	Capital Lease - Working Capital	F	172,689,142	160,982,545
	Total		(1,135,711,750)	(1,149,615,463)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(13,945,465)	5,379,463	(13,948,422)	5,380,604
	ECRC	F	(17,406,801)	6,714,673	(18,127,840)	6,992,814
	FUEL	F	(16,841,890)	6,496,759	(16,841,890)	6,496,759
	CCR	F				
	NUCLEAR	F	(5,759,786)	2,221,837	(5,768,267)	2,225,109
	NON-REGULATED AND MISCELLANEOUS	F	(249,828)	96,371	(249,828)	96,371
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,958,129	(1,141,098)	2,757,597	(1,063,743)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,709,965)	81,667,119	(211,709,965)	81,667,119
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	207,115,958	(79,894,981)	207,115,958	(79,894,981)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	475,820	(183,548)	441,966	(170,488)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,198,760	(462,422)	1,117,496	(431,074)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(148,605)	57,324	(138,531)	53,438
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	38,556	(14,873)	35,942	(13,865)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F		10,025,240		9,086,777
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,718,882	(663,059)	1,602,359	(618,110)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		2,344,817		2,344,817
	Total		(52,516,570)	32,628,324	(53,676,449)	32,137,284

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
January 2015

	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	14,035,843,328	5,164,352,133	8,871,491,194	121,654,015	306,396,174	9,299,541,383	2,501,244,744	11,800,786,128
Regulatory Base - Retail	12,725,011,214	4,785,365,702	7,939,645,511	105,457,000	267,729,176	8,312,831,687	2,466,030,917	10,778,862,604
FPSC Adjustments								
ARO	(20,823,344)	(30,787,408)	9,964,063			9,964,063	(11,337,888)	(1,373,825)
ECCR	(40,081,370)	(6,401,612)	(33,679,758)		(7,868,946)	(41,548,704)	8,988,790	(32,559,914)
ECRC	(137,642,436)	(7,015,766)	(130,626,670)		(3,490,439)	(134,117,109)	(7,444,259)	(141,561,368)
FUEL	(28,969,382)	(28,103,313)	(866,069)			(866,069)	115,839,023	114,972,954
CCR							(38,889,657)	(38,889,657)
NUCLEAR					300,724	300,724	(362,118,336)	(361,817,612)
CR3 Removal							(1,290,018,650)	(1,290,018,650)
Derivatives							(7,038,808)	(7,038,808)
Employee Related							(779,709)	(779,709)
Investments Earning a Return							(140,728,124)	(140,728,124)
Jobbing Accounts							(1,234,537)	(1,234,537)
Non-Regulated and Miscellaneous	(30,256,377)	(47,535,122)	17,278,745			17,278,745	15,950,828	33,229,573
Retention Accounts							3,284,009	3,284,009
CWIP - AFUDC					(83,487,547)	(83,487,547)		(83,487,547)
Imputed Off Balance Sheet Obligations							767,024,824	767,024,824
Capital Lease	(157,360,903)		(157,360,903)			(157,360,903)	160,982,545	3,621,642
Total FPSC Adjustments	(415,133,813)	(119,843,221)	(295,290,592)		(94,546,209)	(389,836,801)	(787,519,949)	(1,177,356,750)
FPSC Adjusted	12,309,877,401	4,665,522,481	7,644,354,919	105,457,000	173,182,968	7,922,994,886	1,678,510,968	9,601,505,854

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(1,373,825)	(1,373,825)
	ECCR	F	(32,559,914)	(32,559,914)
	ECRC	F	(185,142,174)	(141,561,368)
	FUEL	F	114,906,613	114,972,954
	CCR	F	(38,889,657)	(38,889,657)
	NUCLEAR	F	(361,794,577)	(361,817,612)
	CR3 Removal	F	(1,290,018,650)	(1,290,018,650)
	Derivatives	F	(7,038,808)	(7,038,808)
	Employee Related	F	(779,421)	(779,709)
	Investments Earning a Return	F	(147,139,991)	(140,728,124)
	Jobbing Accounts	F	(1,385,672)	(1,234,537)
	Non-Regulated and Miscellaneous	F	34,320,756	33,229,573
	Retention Accounts	F	3,686,046	3,284,009
(1)	CWIP - AFUDC	F	(89,053,043)	(83,487,547)
(3)	Imputed Off Balance Sheet Obligations	F	825,779,000	767,024,824
(2)	Capital Lease - EPIS	F	(168,804,136)	(157,360,903)
(2)	Capital Lease - Working Capital	F	172,689,142	160,982,545
	Total		(1,172,598,312)	(1,177,356,750)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(13,945,465)	5,379,463	(13,948,422)	5,380,604
	ECRC	F	(17,406,801)	6,714,673	(18,127,840)	6,992,814
	FUEL	F	(16,841,890)	6,496,759	(16,841,890)	6,496,759
	CCR	F				
	NUCLEAR	F	(5,759,786)	2,221,837	(5,768,267)	2,225,109
	NON-REGULATED AND MISCELLANEOUS	F	(249,828)	96,371	(249,828)	96,371
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,958,129	(1,141,098)	2,757,597	(1,063,743)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,709,965)	81,667,119	(211,709,965)	81,667,119
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	207,115,958	(79,894,981)	207,115,958	(79,894,981)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	475,820	(183,548)	441,966	(170,488)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,198,760	(462,422)	1,117,496	(431,074)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(148,605)	57,324	(138,531)	53,438
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	38,556	(14,873)	35,942	(13,865)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F		10,025,240		9,086,777
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,718,882	(663,059)	1,602,359	(618,110)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		2,344,817		2,344,817
	Total		(52,516,570)	32,628,324	(53,676,449)	32,137,284

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
Pro Forma Adjusted Basis
January 2015

	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	5,014,325,313	4,576,824,504	(829,479,127)	752,440,978	4,499,786,355	47.69%	9.50%	4.53%	10.50%	5.01%	11.50%	5.48%
Long Term Debt	4,807,812,716	4,388,330,170	(795,317,425)		3,593,012,745	38.08%	5.15%	1.96%	5.15%	1.96%	5.15%	1.96%
Short Term Debt *	(89,570,992)	(81,755,907)	14,817,002	218,189,891	151,250,986	1.60%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	213,304,814	213,304,814	(38,658,220)		174,646,593	1.85%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,579,442	1,579,442	(286,250)		1,293,193	0.01%						
Investment Tax Credits **	986,852	900,749	(163,247)		737,502	0.01%						
Deferred Income Taxes	1,864,859,316	1,702,149,997	(308,488,537)	(217,232,909)	1,176,428,552	12.47%						
FAS 109 DIT - Net	(215,260,334)	(196,478,831)	35,608,770		(160,870,061)	-1.70%						
Total	11,598,037,127	10,604,854,939	(1,921,967,034)	772,351,572	9,436,285,865	100.00%		6.53%		7.01%		7.49%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
January 2015

	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	5,282,300,994	4,667,572,282	(761,800,219)	728,554,047	4,634,326,111	48.38%	9.50%	4.60%	10.50%	5.08%	11.50%	5.56%
Long Term Debt	4,640,306,049	4,100,289,612	(669,213,316)		3,431,076,297	35.82%	5.33%	1.91%	5.33%	1.91%	5.33%	1.91%
Short Term Debt *	121,999,000	107,801,345	(17,594,390)	24,279,159	114,486,113	1.20%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	216,883,240	216,883,240	(35,397,781)		181,485,459	1.89%	2.24%	0.04%	2.24%	0.04%	2.24%	0.04%
Inactive	1,666,086	1,666,086	(271,924)		1,394,162	0.01%						
Investment Tax Credits **	425,513	375,993	(61,366)		314,627	0.00%						
Deferred Income Taxes	2,119,038,624	1,872,435,130	(305,602,443)	(193,474,103)	1,373,358,584	14.34%						
FAS 109 DIT - Net	(212,942,279)	(188,161,083)	30,710,002		(157,451,081)	-1.64%						
Total	12,169,677,226	10,778,862,604	(1,759,231,436)	581,874,686	9,578,990,271	100.00%		6.55%		7.03%		7.52%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
Average - Capital Structure
FPSC Adjusted Basis
January 2015

	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	5,014,325,313	4,576,824,504	(829,479,127)	752,440,978	4,499,786,355	47.69%	9.50%	4.53%	10.50%	5.01%	11.50%	5.48%
Long Term Debt	4,807,812,716	4,388,330,170	(795,317,425)		3,593,012,745	38.08%	5.15%	1.96%	5.15%	1.96%	5.15%	1.96%
Short Term Debt *	(89,570,992)	(81,755,907)	14,817,002	218,189,891	151,250,986	1.60%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	213,304,814	213,304,814	(38,658,220)		174,646,593	1.85%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,579,442	1,579,442	(286,250)		1,293,193	0.01%						
Investment Tax Credits **	986,852	900,749	(163,247)		737,502	0.01%						
Deferred Income Taxes	1,864,859,316	1,702,149,997	(308,488,537)	(217,232,909)	1,176,428,552	12.47%						
FAS 109 DIT - Net	(215,260,334)	(196,478,831)	35,608,770		(160,870,061)	-1.70%						
Total	11,598,037,127	10,604,854,939	(1,921,967,034)	772,351,572	9,436,285,865	100.00%		6.53%		7.01%		7.49%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
January 2015

	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	5,282,300,994	4,667,572,282	(761,800,219)	728,554,047	4,634,326,111	48.38%	9.50%	4.60%	10.50%	5.08%	11.50%	5.56%
Long Term Debt	4,640,306,049	4,100,289,612	(669,213,316)		3,431,076,297	35.82%	5.33%	1.91%	5.33%	1.91%	5.33%	1.91%
Short Term Debt *	121,999,000	107,801,345	(17,594,390)	24,279,159	114,486,113	1.20%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	216,883,240	216,883,240	(35,397,781)		181,485,459	1.89%	2.24%	0.04%	2.24%	0.04%	2.24%	0.04%
Inactive	1,666,086	1,666,086	(271,924)		1,394,162	0.01%						
Investment Tax Credits **	425,513	375,993	(61,366)		314,627	0.00%						
Deferred Income Taxes	2,119,038,624	1,872,435,130	(305,602,443)	(193,474,103)	1,373,358,584	14.34%						
FAS 109 DIT - Net	(212,942,279)	(188,161,083)	30,710,002		(157,451,081)	-1.64%						
Total	12,169,677,226	10,778,862,604	(1,759,231,436)	581,874,686	9,578,990,271	100.00%		6.55%		7.03%		7.52%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 734,157,492
AFUDC - DEBT	\$ 826,320
INCOME TAXES	\$ 348,749,863
TOTAL	\$ 1,083,733,675
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,934,493
TIE WITH AFUDC	<u>4.27</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 734,157,492
AFUDC - EQUITY	(149,810)
INCOME TAXES	348,749,863
TOTAL	\$ 1,082,757,545
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,934,493
TIE WITHOUT AFUDC	<u>4.26</u>

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

AFUDC DEBT	\$ 826,320
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 507,567
AFUDC -EQUITY	\$ 149,810
TOTAL	\$ 657,377
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 531,805,408
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.12%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 547,533,936
COMMON DIVIDENDS	\$ (125,000,000)
AFUDC (EQUITY)	\$ (353,825)
DEPRECIATION & AMORTIZATION	\$ 550,068,281
DEFERRED INCOME TAXES	\$ 401,535,430
INVESTMENT TAX CREDITS	\$ (1,307,000)
DEFERRED FUEL NET	\$ -
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (87,436,783)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(469,341,708)
TOTAL FUNDS PROVIDED	\$ 815,698,331
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 699,245,634
PERCENTAGE INTERNALLY GENERATED FUNDS	116.65%

*Updated quarterly as of December 2014

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

Common Equity	\$ 4,499,786,355
Preferred Stock	\$ -
Long Term Debt	\$ 3,593,012,745
Short Term Debt	\$ 151,250,986
TOTAL	<u>\$ 8,244,050,086</u>
% LONG TERM DEBT TO TOTAL	43.58%
% SHORT TERM DEBT TO TOTAL	1.83%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.51%	6.34%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.96%	1.96%
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>2.00%</u>	<u>2.00%</u>
TOTAL	4.51%	4.33%
DIVIDED BY COMMON EQUITY RATIO	47.69%	47.69%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.46%</u>	<u>9.09%</u>