



September 14, 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

Dear Mr. Fletcher:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, LLC's Earnings Surveillance Report for the twelve months ended July 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 July 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  
July 2015**

**SCHEDULE 1**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. AVERAGE RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 655,027,559 (a)	\$ (14,269,618) (b)	\$ 640,757,941	\$ (13,938,831)	\$ 626,819,109
Average Rate Base	\$ 10,921,673,617	\$ (1,211,299,250)	\$ 9,710,374,367	\$ -	\$ 9,710,374,367
Average Rate of Return	6.00%		6.60%		6.46%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 651,590,220	\$ (10,832,279)	\$ 640,757,941		
Average Rate Base	\$ 11,176,487,007	\$ (1,293,361,687)	\$ 9,883,125,320		
Average Rate of Return	5.83%		6.48%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

<b>III. REQUIRED RATES OF RETURN</b>	<b>Average Capital Structure</b>	<b>End of Period Capital Structure</b>
<b>FPSC Adjusted Basis</b>		
Low Point	6.61%	6.37%
Mid Point	7.09%	6.83%
High Point	7.58%	7.30%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.61%	6.37%
Mid Point	7.09%	6.83%
High Point	7.58%	7.30%
<b>IV. FINANCIAL INTEGRITY INDICATORS</b>		
A. T.I.E. with AFUDC	4.38	(System Per Books Basis)
B. T.I.E without AFUDC	4.36	(System Per Books Basis)
C. AFUDC to Net Income	0.67%	(System Per Books Basis)
D. Internally Generated Funds	103.97%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	43.87%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-0.65%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.48%	(FPSC Adjusted Basis)
	9.18%	(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

9/14/15  
\_\_\_\_\_  
Date

DUKE ENERGY FLORIDA  
Average Rate of Return - Rate Base  
July 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 Average Rate Base
<b>System Per Books</b>	<b>\$14,027,650,045</b>	<b>\$5,188,421,206</b>	<b>\$8,839,228,839</b>	<b>\$121,370,518</b>	<b>\$365,135,537</b>	<b>\$9,325,734,894</b>	<b>\$2,637,384,186</b>	<b>\$11,963,119,080</b>
<b>Regulatory Base - Retail</b>	<b>\$12,718,644,291</b>	<b>\$4,807,692,544</b>	<b>\$7,910,951,747</b>	<b>\$105,211,247</b>	<b>\$319,989,383</b>	<b>\$8,336,152,377</b>	<b>\$2,585,521,240</b>	<b>\$10,921,673,617</b>
<b>FPSC Adjustments</b>								
ARO	(19,602,001)	(30,110,011)	10,508,011	-	-	10,508,011	(9,886,522)	621,489
ECCR	(40,044,636)	(6,421,937)	(33,622,699)	-	(8,409,401)	(42,032,100)	11,430,364	(30,601,737)
ECRC	(126,941,798)	(6,540,463)	(120,401,335)	-	(9,343,637)	(129,744,972)	3,894,721	(125,850,251)
FUEL	(28,969,382)	(28,102,462)	(866,920)	-	-	(866,920)	71,965,025	71,098,105
CCR	-	-	-	-	-	-	(41,226,361)	(41,226,361)
NUCLEAR	-	-	-	-	(8,590,933)	(8,590,933)	(312,754,712)	(321,345,645)
CR3 Removal	-	-	-	-	-	-	(1,308,543,460)	(1,308,543,460)
Derivatives	-	-	-	-	-	-	(18,789,488)	(18,789,488)
Employee Related	-	-	-	-	-	-	(249,138)	(249,138)
Investments Earning a Return	-	-	-	-	-	-	(153,355,332)	(153,355,332)
Jobbing Accounts	-	-	-	-	-	-	(1,059,777)	(1,059,777)
Non-Regulated and Miscellaneous	(33,395,956)	(47,631,304)	14,235,347	-	-	14,235,347	26,420,017	40,655,364
Retention Accounts	-	-	-	-	-	-	3,078,576	3,078,576
CWIP - AFUDC	-	-	-	-	(99,817,455)	(99,817,455)	-	(99,817,455)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	775,611,881	775,611,881
Capital Lease	(157,141,110)	-	(157,141,110)	-	-	(157,141,110)	155,615,090	(1,526,020)
<b>Total FPSC Adjustments</b>	<b>(406,094,883)</b>	<b>(118,806,177)</b>	<b>(287,288,706)</b>	<b>-</b>	<b>(126,161,426)</b>	<b>(413,450,132)</b>	<b>(797,849,118)</b>	<b>(1,211,299,250)</b>
<b>FPSC Adjusted</b>	<b>\$12,312,549,408</b>	<b>\$4,688,886,367</b>	<b>\$7,623,663,041</b>	<b>\$105,211,247</b>	<b>\$193,827,956</b>	<b>\$7,922,702,245</b>	<b>\$1,787,672,122</b>	<b>\$9,710,374,367</b>

	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
<b>System Per Books (a)</b>	\$4,958,044,636	\$2,180,672,968	\$800,471,148	\$521,386,189	\$344,886,234	\$ (302,860,948)	\$ 652,558,005	\$ (629,750)	-	\$4,196,483,846	\$761,560,790
<b>Regulatory Base - Retail (b)</b>	\$4,648,276,228	\$2,126,254,200	\$764,140,877	\$489,618,803	\$332,954,724	\$ (246,213,746)	\$ 530,503,361	\$ (572,210)	-	\$3,996,686,008	\$651,590,220
<b>FPSC Adjustments</b>											
ECCR	(107,854,517)	-	(88,959,096)	(4,203,787)	-	(5,667,298)	-	-	-	(98,830,181)	(9,024,336)
ECRC	(66,673,907)	-	(43,199,769)	(5,112,836)	(1,151,564)	(6,638,656)	-	-	-	(56,102,826)	(10,571,081)
FUEL	(1,782,743,559)	(1,788,156,530)	(1,145,700)	-	-	2,530,008	-	-	-	(1,786,772,223)	4,028,664
CCR	(338,324,750)	(338,097,669)	(227,081)	-	-	0	-	-	-	(338,324,750)	0
NUCLEAR	(144,625,474)	-	(100,275)	(134,415,568)	-	(3,899,790)	-	-	-	(138,415,633)	(6,209,841)
NON-REGULATED AND MISCELLANEOUS	-	-	(393,519)	249,828	-	55,429	-	-	-	(88,262)	88,262
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,331,967)	-	-	899,556	-	-	-	(1,432,411)	1,432,411
FRANCHISE FEE & GROSS RECEIPTS	(215,177,542)	-	-	-	-	(83,004,737)	-	-	-	(83,004,737)	(132,172,805)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(212,392,924)	81,930,570	-	-	-	(130,462,354)	130,462,354
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	143,334	-	-	(371,572)	(228,238)	228,238
INST./PROMOTIONAL ADVERTISING	-	-	(3,290,542)	-	-	1,269,327	-	-	-	(2,021,215)	2,021,215
MISCELLANEOUS INTEREST EXPENSE	-	-	134,664	-	-	(51,947)	-	-	-	82,718	(82,718)
REMOVE ASSOC/ORGANIZATION DUES	-	-	14,789	-	-	(5,705)	-	-	-	9,084	(9,084)
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,220,618)	-	-	-	(9,220,618)	9,220,618
DIRECTORS & OFFICERS PREMIUM	-	-	(2,246,408)	-	-	866,552	-	-	-	(1,379,856)	1,379,856
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	1,646,744	-	-	-	1,646,744	(1,646,744)
<b>Total FPSC Adjustments</b>	<b>(2,655,399,749)</b>	<b>(2,126,254,200)</b>	<b>(141,781,880)</b>	<b>(143,482,363)</b>	<b>(213,544,488)</b>	<b>(19,132,967)</b>	<b>-</b>	<b>-</b>	<b>(371,572)</b>	<b>(2,644,567,470)</b>	<b>(10,832,279)</b>
<b>FPSC Adjusted</b>	<b>\$ 1,992,876,479</b>	<b>\$ -</b>	<b>\$ 622,358,997</b>	<b>\$ 346,136,440</b>	<b>\$ 119,410,236</b>	<b>\$ (265,346,713)</b>	<b>\$ 530,503,361</b>	<b>\$ (572,210)</b>	<b>\$ (371,572)</b>	<b>\$ 1,352,118,538</b>	<b>\$640,757,941</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(22,692,440)	-	-	-	-	(8,753,609)	-	-	-	(8,753,609)	(13,938,831)
<b>Total Pro Forma Adjustments</b>	<b>(22,692,440)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,753,609)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,753,609)</b>	<b>(13,938,831)</b>
<b>Pro Forma Adjusted</b>	<b>\$1,970,184,039</b>	<b>\$ -</b>	<b>\$622,358,997</b>	<b>\$346,136,440</b>	<b>\$119,410,236</b>	<b>\$ (274,100,322)</b>	<b>\$ 530,503,361</b>	<b>\$ (572,210)</b>	<b>\$ (371,572)</b>	<b>\$1,343,364,930</b>	<b>\$626,819,109</b>
<b>Current Month</b>											
System Per Books	\$480,085,136	\$216,032,962	\$66,842,734	\$38,028,974	\$32,702,761	\$ (43,488,891)	\$ 86,968,473	\$ (12,167)	\$ -	\$397,074,846	\$83,010,289
FPSC Adjusted	\$201,041,798	\$ -	\$52,656,040	\$29,416,969	\$10,377,369	\$ (42,453,726)	\$ 84,898,366	\$ (11,055)	\$ (27,643)	\$134,856,319	\$66,185,479

(a) The addition of earnings from AFUDC charges would increase the System NOI by 3,922,301 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 3,437,340 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,489	\$621,489
	ECCR	F	(30,601,737)	(30,601,737)
	ECRC	F	(165,848,016)	(125,850,251)
	FUEL	F	71,031,699	71,098,105
	CCR	F	(41,226,361)	(41,226,361)
	NUCLEAR	F	(321,970,079)	(321,345,645)
	CR3 Removal	F	(1,308,543,460)	(1,308,543,460)
	Derivatives	F	(18,789,488)	(18,789,488)
	Employee Related	F	(249,232)	(249,138)
	Investments Earning a Return	F	(161,084,454)	(153,355,332)
	Jobbing Accounts	F	(1,189,518)	(1,059,777)
	Non-Regulated and Miscellaneous	F	41,752,591	40,655,364
	Retention Accounts	F	3,455,464	3,078,576
(1)	CWIP - AFUDC	F	(107,312,024)	(99,817,455)
(3)	Imputed Off Balance Sheet Obligations	F	835,023,826	775,611,881
(2)	Capital Lease - EPIS	F	(168,568,359)	(157,141,110)
(2)	Capital Lease - Working Capital	F	166,931,367	155,615,090
	<b>Total</b>		<b>\$ (1,206,566,294)</b>	<b>\$ (1,211,299,250)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,689,349)	5,666,417	(14,691,634)	5,667,298
	ECRC	F	(16,315,614)	6,293,748	(17,209,738)	6,638,656
	FUEL	F	6,726,532	(2,594,760)	6,558,671	(2,530,008)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(10,102,572)	3,897,067	(10,109,631)	3,899,790
	NON-REGULATED AND MISCELLANEOUS	F	172,308	(66,468)	143,691	(55,429)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,501,547	(964,972)	2,331,967	(899,556)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,177,542)	83,004,737	(215,177,542)	83,004,737
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,392,924	(81,930,570)	212,392,924	(81,930,570)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	400,034	(154,313)	371,572	(143,334)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,529,829	(1,361,632)	3,290,542	(1,269,327)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(144,457)	55,724	(134,664)	51,947
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(15,864)	6,120	(14,789)	5,705
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F	-	10,172,903	-	9,220,618
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,409,766	(929,567)	2,246,408	(866,552)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(1,646,744)	-	(1,646,744)
	<b>Total</b>		<b>\$ (28,272,794)</b>	<b>\$ 19,432,389</b>	<b>\$ (29,965,246)</b>	<b>\$19,132,967</b>

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
<b>System Per Books</b>	\$14,311,099,335	\$5,295,148,993	\$9,015,950,342	\$121,654,015	\$478,924,332	\$9,616,528,689	\$2,637,384,186	\$12,253,912,875
<b>Regulatory Base - Retail</b>	\$12,970,475,455	\$4,904,195,413	\$8,066,280,043	\$105,457,000	\$419,228,725	\$8,590,965,767	\$2,585,521,240	\$11,176,487,007
<b>FPSC Adjustments</b>								
ARO	(20,823,344)	(30,279,853)	9,456,508	-	-	9,456,508	(9,886,522)	(430,014)
ECCR	(39,920,030)	(8,407,170)	(31,512,860)	-	(10,773,514)	(42,286,374)	11,430,364	(30,856,010)
ECRC	(142,928,854)	(8,199,212)	(134,729,642)	-	(1,518,829)	(136,248,470)	3,894,721	(132,353,749)
FUEL	(28,969,382)	(28,103,406)	(865,976)	-	-	(865,976)	71,965,025	71,099,049
CCR	-	-	-	-	-	-	(41,226,361)	(41,226,361)
NUCLEAR	-	-	-	-	(94,118)	(94,118)	(312,754,712)	(312,848,830)
CR3 Removal	-	-	-	-	-	-	(1,308,543,460)	(1,308,543,460)
Derivatives	-	-	-	-	-	-	(18,789,488)	(18,789,488)
Employee Related	-	-	-	-	-	-	(249,138)	(249,138)
Investments Earning a Return	-	-	-	-	-	-	(153,355,332)	(153,355,332)
Jobbing Accounts	-	-	-	-	-	-	(1,059,777)	(1,059,777)
Non-Regulated and Miscellaneous	(40,908,638)	(48,575,743)	7,667,105	-	-	7,667,105	26,420,017	34,087,122
Retention Accounts	-	-	-	-	-	-	3,078,576	3,078,576
CWIP - AFUDC	-	-	-	-	(181,804,775)	(181,804,775)	-	(181,804,775)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	775,611,881	775,611,881
Capital Lease	(151,336,470)	-	(151,336,470)	-	-	(151,336,470)	155,615,090	4,278,620
<b>Total FPSC Adjustments</b>	<b>(424,886,720)</b>	<b>(123,565,385)</b>	<b>(301,321,335)</b>	<b>-</b>	<b>(194,191,235)</b>	<b>(495,512,569)</b>	<b>(797,849,118)</b>	<b>(1,293,361,687)</b>
<b>FPSC Adjusted</b>	<b>\$12,545,588,736</b>	<b>\$4,780,630,028</b>	<b>\$7,764,958,708</b>	<b>\$105,457,000</b>	<b>\$225,037,490</b>	<b>\$8,095,453,197</b>	<b>\$1,787,672,122</b>	<b>\$9,883,125,320</b>

	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
<b>System Per Books (a)</b>	\$4,958,044,636	\$2,180,672,968	\$800,471,148	\$521,386,189	\$344,886,234	\$ (302,860,948)	\$ 652,558,005	\$ (629,750)	\$ -	\$4,196,483,846	\$761,560,790
<b>Regulatory Base - Retail (b)</b>	\$4,648,276,228	\$2,126,254,200	\$764,140,877	\$489,618,803	\$332,954,724	\$ (246,213,746)	\$ 530,503,361	\$ (572,210)	\$ -	\$3,996,686,008	\$651,590,220
<b>FPSC Adjustments</b>											
ECCR	(107,854,517)	-	(88,959,096)	(4,203,787)	-	(5,667,298)	-	-	-	(98,830,181)	(9,024,336)
ECRC	(66,673,907)	-	(43,199,769)	(5,112,836)	(1,151,564)	(6,638,656)	-	-	-	(56,102,826)	(10,571,081)
FUEL	(1,782,743,559)	(1,788,156,530)	(1,145,700)	-	-	2,530,008	-	-	-	(1,786,772,223)	4,028,664
CCR	(338,324,750)	(338,097,669)	(227,081)	-	-	0	-	-	-	(338,324,750)	0
NUCLEAR	(144,625,474)	-	(100,275)	(134,415,568)	-	(3,899,790)	-	-	-	(138,415,633)	(6,209,841)
NON-REGULATED AND MISCELLANEOUS	-	-	(393,519)	249,828	-	55,429	-	-	-	(88,262)	88,262
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,331,967)	-	-	899,556	-	-	-	(1,432,411)	1,432,411
FRANCHISE FEE & GROSS RECEIPTS	(215,177,542)	-	-	-	-	(83,004,737)	-	-	-	(83,004,737)	(132,172,805)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(212,392,924)	81,930,570	-	-	-	(130,462,354)	130,462,354
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	143,334	-	-	(371,572)	(228,238)	228,238
INST./PROMOTIONAL ADVERTISING	-	-	(3,290,542)	-	-	1,269,327	-	-	-	(2,021,215)	2,021,215
MISCELLANEOUS INTEREST EXPENSE	-	-	134,664	-	-	(51,947)	-	-	-	82,718	(82,718)
REMOVE ASSOC/ORGANIZATION DUES	-	-	14,789	-	-	(5,705)	-	-	-	9,084	(9,084)
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,220,618)	-	-	-	(9,220,618)	9,220,618
DIRECTORS & OFFICERS PREMIUM	-	-	(2,246,408)	-	-	866,552	-	-	-	(1,379,856)	1,379,856
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	1,646,744	-	-	-	1,646,744	(1,646,744)
<b>Total FPSC Adjustments</b>	<b>(2,655,399,749)</b>	<b>(2,126,254,200)</b>	<b>(141,781,880)</b>	<b>(143,482,363)</b>	<b>(213,544,488)</b>	<b>(19,132,967)</b>	<b>-</b>	<b>-</b>	<b>(371,572)</b>	<b>(2,644,567,470)</b>	<b>(10,832,279)</b>
<b>FPSC Adjusted</b>	<b>\$1,992,876,479</b>		<b>\$622,358,997</b>	<b>\$346,136,440</b>	<b>\$ 119,410,236</b>	<b>\$ (265,346,713)</b>	<b>\$ 530,503,361</b>	<b>\$ (572,210)</b>	<b>\$ (371,572)</b>	<b>\$1,352,118,538</b>	<b>\$640,757,941</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by **3,922,301** pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by **3,437,340** pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(430,014)	(430,014)
	ECCR	F	(30,856,010)	(30,856,010)
	ECRC	F	(178,076,319)	(132,353,749)
	FUEL	F	71,032,715	71,099,049
	CCR	F	(41,226,361)	(41,226,361)
	NUCLEAR	F	(312,856,039)	(312,848,830)
	CR3 Removal	F	(1,308,543,460)	(1,308,543,460)
	Derivatives	F	(18,789,488)	(18,789,488)
	Employee Related	F	(249,232)	(249,138)
	Investments Earning a Return	F	(161,084,454)	(153,355,332)
	Jobbing Accounts	F	(1,189,518)	(1,059,777)
	Non-Regulated and Miscellaneous	F	35,224,065	34,087,122
	Retention Accounts	F	3,455,464	3,078,576
(1)	CWIP - AFUDC	F	(194,852,920)	(181,804,775)
(3)	Imputed Off Balance Sheet Obligations	F	835,023,826	775,611,881
(2)	Capital Lease - EPIS	F	(162,341,608)	(151,336,470)
(2)	Capital Lease - Working Capital	F	166,931,367	155,615,090
	<b>Total</b>		<b>(1,298,827,987)</b>	<b>(1,293,361,687)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,689,349)	5,666,417	(14,691,634)	5,667,298
	ECRC	F	(16,315,614)	6,293,748	(17,209,738)	6,638,656
	FUEL	F	6,726,532	(2,594,760)	6,558,671	(2,530,008)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(10,102,572)	3,897,067	(10,109,631)	3,899,790
	NON-REGULATED AND MISCELLANEOUS	F	172,308	(66,468)	143,691	(55,429)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,501,547	(964,972)	2,331,967	(899,556)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,177,542)	83,004,737	(215,177,542)	83,004,737
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,392,924	(81,930,570)	212,392,924	(81,930,570)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	400,034	(154,313)	371,572	(143,334)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,529,829	(1,361,632)	3,290,542	(1,269,327)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(144,457)	55,724	(134,664)	51,947
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(15,864)	6,120	(14,789)	5,705
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F		10,172,903		9,220,618
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,409,766	(929,567)	2,246,408	(866,552)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(1,646,744)		(1,646,744)
	<b>Total</b>		<b>(28,272,794)</b>	<b>19,432,389</b>	<b>(29,965,246)</b>	<b>19,132,967</b>

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  
July 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	\$5,142,003,435	\$4,686,042,635	\$ (732,369,305)	\$756,973,654	\$4,710,646,984	48.51%	9.50%	4.61%	10.50%	5.09%	11.50%	5.58%
Long Term Debt	4,733,414,699	4,313,685,001	(674,174,507)	-	3,639,510,493	37.48%	5.22%	1.96%	5.22%	1.96%	5.22%	1.96%
Short Term Debt *	4,510,299	4,110,354	(642,396)	(57,578,255)	(54,110,297)	(0.56%)	0.17%	(0.00%)	0.17%	(0.00%)	0.17%	(0.00%)
Customer Deposits												
Active	216,790,375	216,790,375	(33,881,599)	-	182,908,776	1.88%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,643,303	1,643,303	(256,827)	-	1,386,475	0.01%						
Investment Tax Credits **	525,916	479,281	(74,906)	-	404,376	0.00%						
Deferred Income Taxes	2,076,831,028	1,892,670,603	(295,800,521)	(203,774,945)	1,393,095,137	14.35%						
FAS 109 DIT - Net	(212,599,974)	(193,747,934)	30,280,356	-	(163,467,578)	(1.68%)						
<b>Total</b>	<b>\$11,963,119,081</b>	<b>\$10,921,673,617</b>	<b>\$ (1,706,919,705)</b>	<b>\$495,620,455</b>	<b>\$9,710,374,367</b>	<b>100.00%</b>		<b>6.61%</b>		<b>7.09%</b>		<b>7.58%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

	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	\$5,222,507,198	\$4,681,508,705	\$ (790,112,714)	\$745,097,535	\$4,636,493,525	46.91%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
Long Term Debt	4,643,203,618	4,162,215,068	(702,469,920)	-	3,459,745,148	35.01%	5.33%	1.86%	5.33%	1.86%	5.33%	1.86%
Short Term Debt *	125,611,000	112,598,981	(19,003,679)	19,083,271	112,678,574	1.14%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits												
Active	219,075,374	219,075,374	(36,974,029)	-	182,101,345	1.84%	2.29%	0.04%	2.29%	0.04%	2.29%	0.04%
Inactive	1,924,240	1,924,240	(324,760)	-	1,599,480	0.02%						
Investment Tax Credits **	340,346	305,089	(51,491)	-	253,598	0.00%						
Deferred Income Taxes	2,439,773,800	2,187,038,112	(369,113,192)	(171,252,188)	1,646,672,733	16.66%						
FAS 109 DIT - Net	(209,924,611)	(188,178,562)	31,759,478	-	(156,419,084)	(1.58%)						
<b>Total</b>	<b>\$12,442,510,964</b>	<b>\$11,176,487,007</b>	<b>\$ (1,886,290,306)</b>	<b>\$592,928,619</b>	<b>\$9,883,125,320</b>	<b>100.00%</b>		<b>6.37%</b>		<b>6.83%</b>		<b>7.30%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

	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	\$5,142,003,435	\$4,686,042,635	\$ (732,369,305)	\$756,973,654	\$4,710,646,984	48.51%	9.50%	4.61%	10.50%	5.09%	11.50%	5.58%
Long Term Debt	4,733,414,699	4,313,685,001	(674,174,507)	-	3,639,510,493	37.48%	5.22%	1.96%	5.22%	1.96%	5.22%	1.96%
Short Term Debt *	4,510,299	4,110,354	(642,396)	(57,578,255)	(54,110,297)	(0.56%)	0.17%	(0.00%)	0.17%	(0.00%)	0.17%	(0.00%)
Customer Deposits												
Active	216,790,375	216,790,375	(33,881,599)	-	182,908,776	1.88%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,643,303	1,643,303	(256,827)	-	1,386,475	0.01%						
Investment Tax Credits **	525,916	479,281	(74,906)	-	404,376	0.00%						
Deferred Income Taxes	2,076,831,028	1,892,670,603	(295,800,521)	(203,774,945)	1,393,095,137	14.35%						
FAS 109 DIT - Net	(212,599,974)	(193,747,934)	30,280,356	-	(163,467,578)	(1.68%)						
<b>Total</b>	<b>\$11,963,119,081</b>	<b>\$10,921,673,617</b>	<b>\$ (1,706,919,705)</b>	<b>\$495,620,455</b>	<b>\$9,710,374,367</b>	<b>100.00%</b>		<b>6.61%</b>		<b>7.09%</b>		<b>7.58%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

	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	\$5,222,507,198	\$4,681,508,705	\$ (790,112,714)	\$745,097,535	\$4,636,493,525	46.91%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
Long Term Debt	4,643,203,618	4,162,215,068	(702,469,920)	-	3,459,745,148	35.01%	5.33%	1.86%	5.33%	1.86%	5.33%	1.86%
Short Term Debt *	125,611,000	112,598,981	(19,003,679)	19,083,271	112,678,574	1.14%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits						0	0		0		0	
Active	219,075,374	219,075,374	(36,974,029)	-	182,101,345	1.84%	2.29%	0.04%	2.29%	0.04%	2.29%	0.04%
Inactive	1,924,240	1,924,240	(324,760)	-	1,599,480	0.02%						
Investment Tax Credits **	340,346	305,089	(51,491)	-	253,598	0.00%						
Deferred Income Taxes	2,439,773,800	2,187,038,112	(369,113,192)	(171,252,188)	1,646,672,733	16.66%						
FAS 109 DIT - Net	(209,924,611)	(188,178,562)	31,759,478	-	(156,419,084)	(1.58%)						
<b>Total</b>	<b>\$12,442,510,964</b>	<b>\$11,176,487,007</b>	<b>\$ (1,886,290,306)</b>	<b>\$592,928,619</b>	<b>\$9,883,125,320</b>	<b>100.00%</b>		<b>6.37%</b>		<b>6.83%</b>		<b>7.30%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 691,144,366
AFUDC - DEBT	\$ 1,474,636
INCOME TAXES	\$ 322,967,362
TOTAL	\$ 1,015,586,364
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 232,106,026
TIE WITH AFUDC	<b>4.38</b>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 691,144,366
AFUDC - EQUITY	(2,447,666)
INCOME TAXES	322,967,362
TOTAL	\$ 1,011,664,062
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 232,106,026
TIE WITHOUT AFUDC	<b>4.36</b>

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

AFUDC DEBT	\$ 1,474,636
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 905,795
AFUDC -EQUITY	\$ 2,447,666
TOTAL	\$ 3,353,461
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 504,196,558
PERCENT AFUDC TO AVAILABLE NET INCOME	<b>0.67%</b>

**D. PERCENT INTERNALLY GENERATED FUNDS\***

NET INCOME	\$ 575,142,405
COMMON DIVIDENDS	\$ (350,000,000)
AFUDC (EQUITY)	\$ (2,840,704)
DEPRECIATION & AMORTIZATION	\$ 534,719,117
DEFERRED INCOME TAXES	\$ 554,442,273
INVESTMENT TAX CREDITS	\$ (726,500)
DEFERRED FUEL NET	\$ -
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (54,847,025)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(400,662,544)
TOTAL FUNDS PROVIDED	\$ 855,227,022
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 822,584,806
PERCENTAGE INTERNALLY GENERATED FUNDS	<b>103.97%</b>

\*Updated quarterly as of June 2015

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

Common Equity	\$ 4,710,646,984
Long Term Debt	\$ 3,639,510,493
Short Term Debt	\$ (54,110,297)
TOTAL	\$ 8,296,047,181
% LONG TERM DEBT TO TOTAL	<b>43.87%</b>
% SHORT TERM DEBT TO TOTAL	<b>-0.65%</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.46%	6.60%
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	2.00%	2.00%
TOTAL	4.45%	4.60%
DIVIDED BY COMMON EQUITY RATIO	48.51%	48.51%
JURISDICTIONAL RETURN ON COMMON EQUITY	<b>9.18%</b>	<b>9.48%</b>