



April 13, 2016

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 February 29, 2016.

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 February 29, 2016. 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 blue ink 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
February 2016**

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	\$ 640,441,693 (a)	\$ 26,085,229 (b)	\$ 666,526,922	\$ (27,848,160)	\$ 638,678,762
Average Rate Base	\$ 11,276,769,594	\$ (1,338,728,091)	\$ 9,938,041,503	\$ -	\$ 9,938,041,503
Average Rate of Return	5.68%		6.71%		6.43%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 628,555,638	\$ 37,971,284	\$ 666,526,922		
Average Rate Base	\$ 11,680,533,289	\$ (1,516,964,972)	\$ 10,163,568,317		
Average Rate of Return	5.38%		6.56%		
(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	6.38%	6.32%
Mid Point	6.85%	6.79%
High Point	7.32%	7.25%
Pro Forma Adjusted Basis		
Low Point	6.38%	6.32%
Mid Point	6.85%	6.79%
High Point	7.32%	7.25%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.44	(System Per Books Basis)
B. T.I.E without AFUDC	4.39	(System Per Books Basis)
C. AFUDC to Net Income	2.14%	(System Per Books Basis)
D. Internally Generated Funds	82.02%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	41.27%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	2.80%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.22%	(FPSC Adjusted Basis)
	9.63%	(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

4/13/16

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	\$14,336,997,184	\$5,298,255,024	\$9,038,742,159	\$121,944,306	\$545,916,163	\$9,706,602,628	\$2,629,356,165	\$12,335,958,793
Regulatory Base - Retail	\$13,027,364,892	\$4,909,666,223	\$8,117,698,669	\$105,708,641	\$481,688,361	\$8,705,095,670	\$2,571,673,924	\$11,276,769,594
FPSC Adjustments								
ARO	(23,409,041)	(30,588,209)	7,179,168			7,179,168	(6,557,638)	621,530
ECCR	(40,875,421)	(8,713,323)	(32,162,098)		(9,597,182)	(41,759,279)	1,685,256	(40,074,024)
ECRC	(183,894,681)	(9,690,981)	(174,203,699)		(3,325,137)	(177,528,837)	(7,878,841)	(185,407,678)
FUEL	(28,969,382)	(28,103,460)	(865,923)			(865,923)	103,649,904	102,783,981
CCR							(37,019,608)	(37,019,608)
NUCLEAR					(229,512)	(229,512)	(267,096,864)	(267,326,377)
CR3 Removal							(1,331,612,101)	(1,331,612,101)
Derivatives							(35,113,964)	(35,113,964)
Employee Related							(492)	(492)
Investments Earning a Return							(170,960,198)	(170,960,198)
Jobbing Accounts							(691,286)	(691,286)
Non-Regulated and Miscellaneous	(40,788,407)	(42,076,094)	1,287,686		(594,119)	693,567	54,754,689	55,448,256
Retention Accounts							2,155,654	2,155,654
CWIP - AFUDC					(209,068,077)	(209,068,077)		(209,068,077)
Imputed Off Balance Sheet Obligations							779,504,332	779,504,332
Capital Lease	(151,167,618)		(151,167,618)			(151,167,618)	149,199,577	(1,968,040)
Total FPSC Adjustments	(469,104,550)	(119,172,067)	(349,932,483)		(222,814,028)	(572,746,510)	(765,981,581)	(1,338,728,091)
FPSC Adjusted	\$12,558,260,343	\$4,790,494,157	\$7,767,766,186	\$105,708,641	\$258,874,333	\$8,132,349,160	\$1,805,692,343	\$9,938,041,503

	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	\$4,901,353,667	\$2,174,334,190	\$804,251,391	\$507,739,493	\$350,550,607	(\$32,033,755)	\$341,363,402	(\$146,000)		\$4,146,059,328	\$755,294,339
Regulatory Base - Retail	\$4,597,483,613	\$2,135,588,992	\$768,101,579	\$476,180,190	\$338,152,742	(\$3,189,078)	\$254,227,013	(\$133,464)		\$3,968,927,975	\$628,555,638
FPSC Adjustments											
ECCR	(93,738,198)		(83,907,226)	(4,362,108)		(2,109,615)				(90,378,948)	(3,359,250)
ECRC	(54,415,052)		(34,346,586)	(499,984)	(1,276,259)	(7,056,225)				(43,179,054)	(11,235,998)
FUEL	(1,775,599,022)	(1,782,188,572)	(1,239,749)			3,020,152				(1,780,408,168)	4,809,147
CCR	(353,655,052)	(353,400,421)	(254,632)			-				(353,655,052)	-
NUCLEAR	(80,121,355)		(63,034)	(73,940,943)		(2,359,779)				(76,363,755)	(3,757,600)
Non-Regulated and Miscellaneous			(74,796)	(48,472,238)		18,727,018				(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION			(2,195,470)			846,903				(1,348,568)	1,348,568
FRANCHISE FEE & GROSS RECEIPTS	(213,396,630)					(82,317,750)				(82,317,750)	(131,078,880)
FRANCHISE FEES & GROSS REC TAX - TOI					(211,724,281)	81,672,641				(130,051,640)	130,051,640
GAIN/LOSS ON DISPOSITION & OTHER						121,682		(315,444)		(193,761)	193,761
INST./PROMOTIONAL ADVERTISING			(4,227,123)			1,630,613				(2,596,510)	2,596,510
MISCELLANEOUS INTEREST EXPENSE			129,131			(49,812)				79,319	(79,319)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)			9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(12,320,698)				(12,320,698)	12,320,698
DIRECTORS & OFFICERS PREMIUM			(2,766,865)			1,067,318				(1,699,547)	1,699,547
INTEREST SYNCHRONIZATION - FPSC						(4,626,683)				(4,626,683)	4,626,683
Total FPSC Adjustments	(2,570,925,309)	(2,135,588,992)	(128,972,008)	(127,275,272)	(213,000,541)	(3,744,336)	-	-	(315,444)	(2,608,896,593)	37,971,284
FPSC Adjusted	\$2,026,558,304	\$ -	\$639,129,572	\$348,904,917	\$125,152,201	(\$6,933,413)	\$254,227,013	(\$133,464)	(\$315,444)	\$1,360,031,382	\$666,526,922
Pro Forma Adjustments											
Weather Normalization	(45,336,850)					(17,488,690)				(17,488,690)	(27,848,160)
Total Pro Forma Adjustments	(45,336,850)					(17,488,690)				(17,488,690)	(27,848,160)
Pro Forma Adjusted	\$1,981,221,454		\$639,129,572	\$348,904,917	\$125,152,201	(\$24,422,103)	\$254,227,013	(\$133,464)	(\$315,444)	\$1,342,542,692	\$638,678,762
Current Month											
System Per Books	\$334,052,043	\$137,659,062	\$57,588,799	\$38,928,710	\$25,509,406	1,885,115	20,584,232	(24,333)		\$282,130,990	\$51,921,053
FPSC Adjusted	\$141,362,095		\$45,175,538	\$30,465,426	\$10,533,411	(215,393)	17,170,711	(22,244)	(22,231)	\$103,085,219	\$38,276,875

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

13,470,929 pretax
11,886,055 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,530	\$621,530
	ECCR	F	(40,074,024)	(40,074,024)
	ECRC	F	(196,669,647)	(185,407,678)
	FUEL	F	102,717,652	102,783,981
	CCR	F	(37,875,239)	(37,019,608)
	NUCLEAR	F	(266,488,754)	(267,326,377)
	CR3 Removal	F	(1,331,612,101)	(1,331,612,101)
	Derivatives	F	(35,113,964)	(35,113,964)
	Employee Related	F	(552)	(492)
	Investments Earning a Return	F	(180,818,303)	(170,960,198)
	Jobbing Accounts	F	(775,915)	(691,286)
	Non-Regulated and Miscellaneous	F	56,060,456	55,448,256
	Retention Accounts	F	2,419,555	2,155,654
(1)	CWIP - AFUDC	F	(224,772,723)	(209,068,077)
(3)	Imputed Off Balance Sheet Obligations	F	839,214,439	779,504,332
(2)	Capital Lease - EPIS	F	(162,160,477)	(151,167,618)
(2)	Capital Lease - Working Capital	F	160,049,321	149,199,577
	Total		(\$1,315,278,745)	(\$1,338,728,091)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,468,865)	2,109,615	(5,468,865)	2,109,615
	ECRC	F	(15,872,653)	6,122,876	(18,292,223)	7,056,225
	FUEL	F	7,971,343	(3,074,945)	7,829,299	(3,020,152)
	CCR	F				
	NUCLEAR	F	(6,117,378)	2,359,779	(6,117,378)	2,359,779
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,355,124	(908,489)	2,195,470	(846,903)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,396,630)	82,317,750	(213,396,630)	82,317,750
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	211,724,281	(81,672,641)	211,724,281	(81,672,641)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	339,607	(131,003)	315,444	(121,682)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,534,518	(1,749,190)	4,227,123	(1,630,613)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(138,521)	53,434	(129,131)	49,812
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		13,593,153		12,320,698
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,968,071	(1,144,933)	2,766,865	(1,067,318)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		6,172,689		4,626,683
	Total		\$37,478,894	\$5,308,358	\$34,226,948	\$3,744,336

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	\$14,578,257,010	\$5,376,394,421	\$9,201,862,589	\$122,180,930	\$831,645,708	\$10,155,689,227	\$2,629,356,165	\$12,785,045,393
Regulatory Base - Retail	\$13,242,300,454	\$4,984,838,446	\$8,257,462,008	\$105,913,761	\$745,483,596	\$9,108,859,365	\$2,571,673,924	\$11,680,533,289
FPSC Adjustments								
ARO	(29,226,857)	(31,353,852)	2,126,994			2,126,994	(6,557,638)	(4,430,644)
ECCR	(50,840,076)	(10,826,410)	(40,013,666)		(543,255)	(40,556,921)	1,685,256	(38,871,665)
ECRC	(181,897,497)	(11,533,710)	(170,363,787)		(416,694)	(170,780,481)	(7,878,841)	(178,659,322)
FUEL	(28,969,382)	(28,103,611)	(865,772)			(865,772)	103,649,904	102,784,132
CCR							(37,019,608)	(37,019,608)
NUCLEAR					(794,626)	(794,626)	(267,096,864)	(267,891,490)
CR3 Removal							(1,331,612,101)	(1,331,612,101)
Derivatives							(35,113,964)	(35,113,964)
Employee Related							(492)	(492)
Investments Earning a Return							(170,960,198)	(170,960,198)
Jobbing Accounts							(691,286)	(691,286)
Non-Regulated and Miscellaneous	(47,651,982)	(36,994,078)	(10,657,904)		(4,223)	(10,662,127)	54,754,689	44,092,562
Retention Accounts							2,155,654	2,155,654
CWIP - AFUDC					(383,716,432)	(383,716,432)		(383,716,432)
Imputed Off Balance Sheet Obligations							779,504,332	779,504,332
Capital Lease	(145,734,027)		(145,734,027)			(145,734,027)	149,199,577	3,465,551
Total FPSC Adjustments	(484,319,822)	(118,811,660)	(365,508,162)		(385,475,229)	(750,983,391)	(765,981,581)	(1,516,964,972)
FPSC Adjusted	\$12,757,980,632	\$4,866,026,786	\$7,891,953,846	\$105,913,761	\$360,008,367	\$8,357,875,974	\$1,805,692,343	\$10,163,568,317

	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	\$4,901,353,667	\$2,174,334,190	\$804,251,391	\$507,739,493	\$350,550,607	(\$32,033,755)	\$341,363,402	(\$146,000)		\$4,146,059,328	\$755,294,339
Regulatory Base - Retail	\$4,597,483,613	\$2,135,588,992	\$768,101,579	\$476,180,190	\$338,152,742	(\$3,189,078)	\$254,227,013	(\$133,464)		\$3,968,927,975	\$628,555,638
FPSC Adjustments											
ECCR	(93,738,198)		(83,907,226)	(4,362,108)		(2,109,615)				(90,378,948)	(3,359,250)
ECRC	(54,415,052)		(34,346,586)	(499,984)	(1,276,259)	(7,056,225)				(43,179,054)	(11,235,998)
FUEL	(1,775,599,022)	(1,782,188,572)	(1,239,749)			3,020,152				(1,780,408,168)	4,809,147
CCR	(353,655,052)	(353,400,421)	(254,632)			-				(353,655,052)	-
NUCLEAR	(80,121,355)		(63,034)	(73,940,943)		(2,359,779)				(76,363,755)	(3,757,600)
Non-Regulated and Miscellaneous			(74,796)	(48,472,238)		18,727,018				(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION			(2,195,470)			846,903				(1,348,568)	1,348,568
FRANCHISE FEE & GROSS RECEIPTS	(213,396,630)					(82,317,750)				(82,317,750)	(131,078,880)
FRANCHISE FEES & GROSS REC TAX - TOI					(211,724,281)	81,672,641				(130,051,640)	130,051,640
GAIN/LOSS ON DISPOSITION & OTHER						121,682		(315,444)		(193,761)	193,761
INST./PROMOTIONAL ADVERTISING			(4,227,123)			1,630,613				(2,596,510)	2,596,510
MISCELLANEOUS INTEREST EXPENSE			129,131			(49,812)				79,319	(79,319)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)			9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(12,320,698)				(12,320,698)	12,320,698
DIRECTORS & OFFICERS PREMIUM			(2,766,865)			1,067,318				(1,699,547)	1,699,547
INTEREST SYNCHRONIZATION - FPSC						(4,626,683)				(4,626,683)	4,626,683
Total FPSC Adjustments	(2,570,925,309)	(2,135,588,992)	(128,972,008)	(127,275,272)	(213,000,541)	(3,744,336)			(315,444)	(2,608,896,593)	37,971,284
FPSC Adjusted	\$2,026,558,304		\$639,129,572	\$348,904,917	\$125,152,201	(\$6,933,413)	\$254,227,013	(\$133,464)	(\$315,444)	\$1,360,031,382	\$666,526,922

(a) The addition of earnings from AFUDC charges would increase the System NOI by 13,470,929 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 11,886,055 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$4,430,644)	(\$4,430,644)
	ECCR	F	(38,871,665)	(38,871,665)
	ECRC	F	(188,780,266)	(178,659,322)
	FUEL	F	102,717,814	102,784,132
	CCR	F	(37,875,239)	(37,019,608)
	NUCLEAR	F	(267,097,155)	(267,891,490)
	CR3 Removal	F	(1,331,612,101)	(1,331,612,101)
	Derivatives	F	(35,113,964)	(35,113,964)
	Employee Related	F	(552)	(492)
	Investments Earning a Return	F	(180,818,303)	(170,960,198)
	Jobbing Accounts	F	(775,915)	(691,286)
	Non-Regulated and Miscellaneous	F	44,092,562	44,092,562
	Retention Accounts	F	2,419,555	2,155,654
(1)	CWIP - AFUDC	F	(413,263,632)	(383,716,432)
(3)	Imputed Off Balance Sheet Obligations	F	839,214,439	779,504,332
(2)	Capital Lease - EPIS	F	(156,331,756)	(145,734,027)
(2)	Capital Lease - Working Capital	F	160,049,321	149,199,577
	Total		(\$1,506,477,502)	(\$1,516,964,972)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,468,865)	2,109,615	(5,468,865)	2,109,615
	ECRC	F	(15,872,653)	6,122,876	(18,292,223)	7,056,225
	FUEL	F	7,971,343	(3,074,945)	7,829,299	(3,020,152)
	CCR	F				
	NUCLEAR	F	(6,117,378)	2,359,779	(6,117,378)	2,359,779
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,355,124	(908,489)	2,195,470	(846,903)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,396,630)	82,317,750	(213,396,630)	82,317,750
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	211,724,281	(81,672,641)	211,724,281	(81,672,641)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	339,607	(131,003)	315,444	(121,682)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,534,518	(1,749,190)	4,227,123	(1,630,613)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(138,521)	53,434	(129,131)	49,812
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		13,593,153		12,320,698
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,968,071	(1,144,933)	2,766,865	(1,067,318)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		6,172,689		4,626,683
	Total		\$37,478,894	\$5,308,358	\$34,226,948	\$3,744,336

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
February 2016

	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	\$5,105,870,763	\$4,659,466,923	(\$761,923,156)	\$755,512,523	\$4,653,056,290	46.82%	9.50%	4.45%	10.50%	4.92%	11.50%	5.38%
Long Term Debt	4,497,503,278	4,104,288,717	(671,139,567)		3,433,149,150	34.55%	5.43%	1.87%	5.43%	1.87%	5.43%	1.87%
Short Term Debt *	358,512,308	327,167,748	(53,498,970)	(41,028,464)	232,640,314	2.34%	0.58%	0.01%	0.58%	0.01%	0.58%	0.01%
Customer Deposits												
Active	219,546,969	219,546,969	(35,900,656)		183,646,313	1.85%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,634,367	1,634,367	(267,254)		1,367,113	0.01%						
Investment Tax Credits **	329,115	300,341	(49,112)		251,229							
Deferred Income Taxes	2,364,095,654	2,157,403,902	(352,781,985)	(209,217,542)	1,595,404,374	16.05%						
FAS 109 DIT - Net	(211,533,659)	(193,039,373)	31,566,093		(161,473,279)	-1.62%						
Total	\$12,335,958,794	\$11,276,769,594	(\$1,843,994,608)	\$505,266,517	\$9,938,041,503	100.00%		6.38%		6.85%		7.32%
* 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	\$5,199,762,937	\$4,792,090,738	(\$815,644,032)	\$740,174,904	\$4,716,621,610	46.41%	9.50%	4.41%	10.50%	4.87%	11.50%	5.34%
Long Term Debt	4,096,297,223	3,775,139,025	(642,552,444)		3,132,586,581	30.82%	5.96%	1.84%	5.96%	1.84%	5.96%	1.84%
Short Term Debt *	872,897,000	804,460,065	(136,924,171)	(46,895,698)	620,640,196	6.11%	0.58%	0.04%	0.58%	0.04%	0.58%	0.04%
Customer Deposits												
Active	216,647,041	216,647,041	(36,874,691)		179,772,350	1.77%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,626,106	1,626,106	(276,774)		1,349,333	0.01%						
Investment Tax Credits **	255,180	235,173	(40,028)		195,145							
Deferred Income Taxes	2,480,861,520	2,286,356,831	(389,152,336)	(222,143,830)	1,675,060,666	16.48%						
FAS 109 DIT - Net	(212,697,625)	(196,021,690)	33,364,127		(162,657,564)	-1.60%						
Total	\$12,655,649,380	\$11,680,533,289	(\$1,988,100,348)	\$471,135,376	\$10,163,568,317	100.00%		6.32%		6.79%		7.25%

* 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
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Total	\$12,335,958,794	\$11,276,769,594	(\$1,843,994,608)	\$505,266,517	\$9,938,041,503	100.00%		6.38%		6.85%		7.32%
* Daily Weighted Average												
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FAS 109 DIT - Net	(212,697,625)	(196,021,690)	33,364,127		(162,657,564)	-1.60%						
Total	\$12,655,649,380	\$11,680,533,289	(\$1,988,100,348)	\$471,135,376	\$10,163,568,317	100.00%		6.32%		6.79%		7.25%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 741,715,972
AFUDC - DEBT	\$ 4,715,003
INCOME TAXES	\$ 343,319,654
TOTAL	\$ 1,089,750,629
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 245,272,191
TIE WITH AFUDC	<u>4.44</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 741,715,972
AFUDC - EQUITY	(8,755,926)
INCOME TAXES	343,319,654
TOTAL	\$ 1,076,279,700
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 245,272,191
TIE WITHOUT AFUDC	<u>4.39</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$ 4,715,003
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 2,896,191
AFUDC -EQUITY	\$ 8,755,926
TOTAL	\$ 11,652,117
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 544,882,846
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>2.14%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 599,428,430
COMMON DIVIDENDS	\$ (700,000,000)
AFUDC (EQUITY)	\$ (7,193,407)
DEPRECIATION & AMORTIZATION	\$ 528,790,447
DEFERRED INCOME TAXES	\$ 348,266,748
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (12,167,373)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	3,784,201
TOTAL FUNDS PROVIDED	\$ 760,763,046

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 927,500,258
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PERCENTAGE INTERNALLY GENERATED FUNDS **82.02%**
*Updated quarterly as of December 2015

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

Common Equity	\$ 4,653,056,290
Long Term Debt	\$ 3,433,149,150
Short Term Debt	\$ 232,640,314
TOTAL	\$ 8,318,845,754

% LONG TERM DEBT TO TOTAL **41.27%**
% SHORT TERM DEBT TO TOTAL **2.80%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.43%	6.71%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.87%	1.87%
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	1.92%	1.92%
TOTAL	4.51%	4.79%
DIVIDED BY COMMON EQUITY RATIO	46.82%	46.82%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.63%</u>	<u>10.22%</u>