



May 10, 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 March 31, 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 March 31, 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.

The report also includes Schedule 6, the CR3 Regulatory Asset Value provided quarterly (Docket 130208-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  
March 2016**

**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	\$ 637,927,117 (a)	\$ 19,378,394 (b)	\$ 657,305,511	\$ (26,478,058)	\$ 630,827,453
Average Rate Base	\$ 11,324,360,823	\$ (1,358,787,747)	\$ 9,965,573,076	\$ -	\$ 9,965,573,076
Average Rate of Return	5.63%		6.60%		6.33%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 624,550,418	\$ 32,755,093	\$ 657,305,511		
Average Rate Base	\$ 11,776,121,630	\$ (1,567,217,396)	\$ 10,208,904,234		
Average Rate of Return	5.30%		6.44%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

<b>III. REQUIRED RATES OF RETURN</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.34%	6.27%
Mid Point	6.81%	6.73%
High Point	7.28%	7.19%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.34%	6.27%
Mid Point	6.81%	6.73%
High Point	7.28%	7.19%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	4.43	(System Per Books Basis)
B. T.I.E without AFUDC	4.36	(System Per Books Basis)
C. AFUDC to Net Income	2.42%	(System Per Books Basis)
D. Internally Generated Funds	82.07%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	40.85%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	3.34%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.05%	(FPSC Adjusted Basis)
	9.48%	(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

5/10/16  
\_\_\_\_\_  
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
<b>System Per Books</b>	<b>\$14,378,729,625</b>	<b>\$5,311,508,296</b>	<b>\$9,067,221,329</b>	<b>\$121,978,270</b>	<b>\$589,855,798</b>	<b>\$9,779,055,398</b>	<b>\$2,607,607,718</b>	<b>\$12,386,663,115</b>
<b>Regulatory Base - Retail</b>	<b>\$13,064,265,511</b>	<b>\$4,922,080,469</b>	<b>\$8,142,185,042</b>	<b>\$105,738,083</b>	<b>\$521,722,626</b>	<b>\$8,769,645,752</b>	<b>\$2,554,715,071</b>	<b>\$11,324,360,823</b>
<b>FPSC Adjustments</b>								
ARO	(24,055,465)	(30,761,820)	6,706,355			6,706,355	(6,084,825)	621,530
ECCR	(42,672,505)	(9,097,577)	(33,574,928)		(8,027,763)	(41,602,691)	115,851	(41,486,841)
ECRC	(183,353,640)	(10,012,456)	(173,341,183)		(3,038,664)	(176,379,847)	(10,983,991)	(187,363,838)
FUEL	(28,969,382)	(28,103,491)	(865,891)			(865,891)	104,400,827	103,534,936
CCR							(32,166,691)	(32,166,691)
NUCLEAR					(310,593)	(310,593)	(261,969,038)	(262,279,631)
CR3 Removal							(1,332,886,290)	(1,332,886,290)
Derivatives							(34,441,610)	(34,441,610)
Employee Related							(456)	(456)
Investments Earning a Return							(170,912,880)	(170,912,880)
Jobbing Accounts							(641,581)	(641,581)
Non-Regulated and Miscellaneous	(42,124,816)	(41,216,695)	(908,121)		(593,320)	(1,501,441)	58,188,450	56,687,009
Retention Accounts							2,013,222	2,013,222
CWIP - AFUDC					(235,198,874)	(235,198,874)		(235,198,874)
Imputed Off Balance Sheet Obligations							777,770,411	777,770,411
Capital Lease	(150,350,784)		(150,350,784)			(150,350,784)	148,314,619	(2,036,165)
<b>Total FPSC Adjustments</b>	<b>(471,526,592)</b>	<b>(119,192,040)</b>	<b>(352,334,552)</b>		<b>(247,169,213)</b>	<b>(599,503,765)</b>	<b>(759,283,982)</b>	<b>(1,358,787,747)</b>
<b>FPSC Adjusted</b>	<b>\$12,592,738,919</b>	<b>\$4,802,888,429</b>	<b>\$7,789,850,490</b>	<b>\$105,738,083</b>	<b>\$274,553,414</b>	<b>\$8,170,141,987</b>	<b>\$1,795,431,089</b>	<b>\$9,965,573,076</b>

DUKE ENERGY FLORIDA  
Average Rate of Return - Income Statement  
March 2016

	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</b>	\$4,870,821,323	\$2,149,832,036	\$816,378,551	\$502,643,757	\$349,229,569	(\$111,146,766)	\$416,604,374	(\$146,000)		\$4,123,395,521	\$747,425,803
<b>Regulatory Base - Retail</b>	\$4,557,235,273	\$2,098,678,278	\$779,777,354	\$470,938,911	\$336,744,317	(\$67,063,005)	\$313,742,477	(\$133,479)		\$3,932,684,854	\$624,550,418
<b>FPSC Adjustments</b>											
ECCR	(94,754,296)		(84,621,866)	(4,649,400)		(2,115,079)				(91,386,345)	(3,367,951)
ECRC	(55,549,320)		(33,835,808)	(2,051,920)	(1,284,226)	(7,089,069)				(44,261,024)	(11,288,297)
FUEL	(1,745,636,342)	(1,741,400,946)	(1,216,324)			(1,164,607)				(1,743,781,877)	(1,854,465)
CCR	(357,534,758)	(357,277,333)	(257,425)			-				(357,534,758)	-
NUCLEAR	(70,469,305)		(56,085)	(64,599,496)		(2,242,644)				(66,898,225)	(3,571,080)
Non-Regulated and Miscellaneous			(74,796)	(48,472,238)		18,727,018				(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION			(2,142,797)			826,584				(1,316,213)	1,316,213
FRANCHISE FEE & GROSS RECEIPTS	(211,277,200)					(81,500,180)				(81,500,180)	(129,777,020)
FRANCHISE FEES & GROSS REC TAX - TOI					(209,580,345)	80,845,618				(128,734,727)	128,734,727
GAIN/LOSS ON DISPOSITION & OTHER						119,453		(309,664)		(190,211)	190,211
INST./PROMOTIONAL ADVERTISING			(4,373,782)			1,687,186				(2,686,596)	2,686,596
MISCELLANEOUS INTEREST EXPENSE			128,253			(49,474)				78,780	(78,780)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)			9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(12,816,493)				(12,816,493)	12,816,493
DIRECTORS & OFFICERS PREMIUM			(2,746,098)			1,059,307				(1,686,791)	1,686,791
INTEREST SYNCHRONIZATION - FPSC						(5,425,879)				(5,425,879)	5,425,879
<b>Total FPSC Adjustments</b>	<b>(2,535,221,221)</b>	<b>(2,098,678,278)</b>	<b>(129,222,387)</b>	<b>(119,773,054)</b>	<b>(210,864,571)</b>	<b>(9,128,360)</b>	<b>-</b>	<b>-</b>	<b>(309,664)</b>	<b>(2,567,976,314)</b>	<b>32,755,093</b>
<b>FPSC Adjusted</b>	<b>\$2,022,014,051</b>	<b>\$-</b>	<b>\$650,554,967</b>	<b>\$351,165,857</b>	<b>\$125,879,746</b>	<b>(\$76,191,365)</b>	<b>\$313,742,477</b>	<b>(\$133,479)</b>	<b>(\$309,664)</b>	<b>\$1,364,708,540</b>	<b>\$657,305,511</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(43,106,321)					(16,628,263)				(16,628,263)	(26,478,058)
<b>Total Pro Forma Adjustments</b>	<b>(43,106,321)</b>					<b>(16,628,263)</b>				<b>(16,628,263)</b>	<b>(26,478,058)</b>
<b>Pro Forma Adjusted</b>	<b>\$1,978,907,730</b>		<b>\$650,554,967</b>	<b>\$351,165,857</b>	<b>\$125,879,746</b>	<b>(\$92,819,628)</b>	<b>\$313,742,477</b>	<b>(\$133,479)</b>	<b>(\$309,664)</b>	<b>\$1,348,080,277</b>	<b>\$630,827,454</b>
<b>Current Month</b>											
System Per Books	\$334,033,055	\$133,759,487	\$80,671,723	\$37,769,414	\$25,616,409	(53,742,769)	68,590,434	(12,167)		\$292,652,532	\$41,380,523
FPSC Adjusted	\$145,026,051		\$65,729,484	\$30,970,992	\$10,814,603	(2,584,520)	12,091,220	(11,124)	(22,231)	\$116,988,425	\$28,037,626

(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

15,123,598 pretax  
13,376,699 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,530	\$621,530
	ECCR	F	(41,486,841)	(41,486,841)
	ECRC	F	(198,615,045)	(187,363,838)
	FUEL	F	103,468,609	103,534,936
	CCR	F	(33,307,486)	(32,166,691)
	NUCLEAR	F	(261,269,363)	(262,279,631)
	CR3 Removal	F	(1,332,886,290)	(1,332,886,290)
	Derivatives	F	(34,441,610)	(34,441,610)
	Employee Related	F	(512)	(456)
	Investments Earning a Return	F	(180,769,025)	(170,912,880)
	Jobbing Accounts	F	(720,125)	(641,581)
	Non-Regulated and Miscellaneous	F	57,211,752	56,687,009
	Retention Accounts	F	2,259,686	2,013,222
(1)	CWIP - AFUDC	F	(252,995,386)	(235,198,874)
(3)	Imputed Off Balance Sheet Obligations	F	837,347,700	777,770,411
(2)	Capital Lease - EPIS	F	(161,284,243)	(150,350,784)
(2)	Capital Lease - Working Capital	F	159,100,008	148,314,619
	<b>Total</b>		<b>(\$1,337,766,639)</b>	<b>(\$1,358,787,747)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,483,029)	2,115,079	(5,483,029)	2,115,079
	ECRC	F	(15,973,379)	6,161,731	(18,377,365)	7,089,069
	FUEL	F	(3,092,660)	1,192,994	(3,019,072)	1,164,607
	CCR	F				
	NUCLEAR	F	(5,813,724)	2,242,644	(5,813,724)	2,242,644
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,298,621	(886,693)	2,142,797	(826,584)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,277,200)	81,500,180	(211,277,200)	81,500,180
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,580,345	(80,845,618)	209,580,345	(80,845,618)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	333,384	(128,603)	309,664	(119,453)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,691,842	(1,809,878)	4,373,782	(1,687,186)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(137,580)	53,071	(128,253)	49,474
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		14,140,153		12,816,493
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,945,793	(1,136,340)	2,746,098	(1,059,307)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		7,030,612		5,425,879
	<b>Total</b>		<b>\$26,652,409</b>	<b>\$10,889,598</b>	<b>\$23,626,733</b>	<b>\$9,128,360</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>	<b>\$14,616,555,884</b>	<b>\$5,362,512,038</b>	<b>\$9,254,043,846</b>	<b>\$122,180,930</b>	<b>\$904,466,665</b>	<b>\$10,280,691,440</b>	<b>\$2,607,607,718</b>	<b>\$12,888,299,158</b>
<b>Regulatory Base - Retail</b>	<b>\$13,273,680,084</b>	<b>\$4,970,978,147</b>	<b>\$8,302,701,937</b>	<b>\$105,913,761</b>	<b>\$812,790,861</b>	<b>\$9,221,406,559</b>	<b>\$2,554,715,071</b>	<b>\$11,776,121,630</b>
<b>FPSC Adjustments</b>								
ARO	(29,226,857)	(31,395,128)	2,168,271			2,168,271	(6,084,825)	(3,916,554)
ECCR	(51,453,420)	(11,372,344)	(40,081,076)			(40,081,076)	115,851	(39,965,225)
ECRC	(181,272,481)	(11,881,798)	(169,390,683)		(391,446)	(169,782,129)	(10,983,991)	(180,766,120)
FUEL	(28,969,382)	(28,103,741)	(865,642)			(865,642)	104,400,827	103,535,185
CCR							(32,166,691)	(32,166,691)
NUCLEAR					(794,626)	(794,626)	(261,969,038)	(262,763,664)
CR3 Removal							(1,332,886,290)	(1,332,886,290)
Derivatives							(34,441,610)	(34,441,610)
Employee Related							(456)	(456)
Investments Earning a Return							(170,912,880)	(170,912,880)
Jobbing Accounts							(641,581)	(641,581)
Non-Regulated and Miscellaneous	(47,651,982)	(37,046,440)	(10,605,543)		(7,332)	(10,612,875)	58,188,450	47,575,575
Retention Accounts							2,013,222	2,013,222
CWIP - AFUDC					(441,817,527)	(441,817,527)		(441,817,527)
Imputed Off Balance Sheet Obligations							777,770,411	777,770,411
Capital Lease	(146,147,811)		(146,147,811)			(146,147,811)	148,314,619	2,166,808
<b>Total FPSC Adjustments</b>	<b>(484,721,934)</b>	<b>(119,799,451)</b>	<b>(364,922,483)</b>		<b>(443,010,931)</b>	<b>(807,933,414)</b>	<b>(759,283,982)</b>	<b>(1,567,217,396)</b>
<b>FPSC Adjusted</b>	<b>\$12,788,958,150</b>	<b>\$4,851,178,696</b>	<b>\$7,937,779,454</b>	<b>\$105,913,761</b>	<b>\$369,779,930</b>	<b>\$8,413,473,145</b>	<b>\$1,795,431,089</b>	<b>\$10,208,904,234</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</b>	<b>\$4,870,821,323</b>	<b>\$2,149,832,036</b>	<b>\$816,378,551</b>	<b>\$502,643,757</b>	<b>\$349,229,569</b>	<b>(\$111,146,766)</b>	<b>\$416,604,374</b>	<b>(\$146,000)</b>		<b>\$4,123,395,521</b>	<b>\$747,425,803</b>
<b>Regulatory Base - Retail</b>	<b>\$4,557,235,273</b>	<b>\$2,098,678,278</b>	<b>\$779,777,354</b>	<b>\$470,938,911</b>	<b>\$336,744,317</b>	<b>(\$67,063,005)</b>	<b>\$313,742,477</b>	<b>(\$133,479)</b>		<b>\$3,932,684,854</b>	<b>\$624,550,418</b>
<b>FPSC Adjustments</b>											
ECCR	(94,754,296)		(84,621,866)	(4,649,400)		(2,115,079)				(91,386,345)	(3,367,951)
ECRC	(55,549,320)		(33,835,808)	(2,051,920)	(1,284,226)	(7,089,069)				(44,261,024)	(11,288,297)
FUEL	(1,745,636,342)	(1,741,400,946)	(1,216,324)			(1,164,607)				(1,743,781,877)	(1,854,465)
CCR	(357,534,758)	(357,277,333)	(257,425)			-				(357,534,758)	-
NUCLEAR	(70,469,305)		(56,085)	(64,599,496)		(2,242,644)				(66,898,225)	(3,571,080)
Non-Regulated and Miscellaneous			(74,796)	(48,472,238)		18,727,018				(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION			(2,142,797)			826,584				(1,316,213)	1,316,213
FRANCHISE FEE & GROSS RECEIPTS	(211,277,200)					(81,500,180)				(81,500,180)	(129,777,020)
FRANCHISE FEES & GROSS REC TAX - TOI					(209,580,345)	80,845,618				(128,734,727)	128,734,727
GAIN/LOSS ON DISPOSITION & OTHER						119,453		(309,664)		(190,211)	190,211
INST./PROMOTIONAL ADVERTISING			(4,373,782)			1,687,186				(2,686,596)	2,686,596
MISCELLANEOUS INTEREST EXPENSE			128,253			(49,474)				78,780	(78,780)
REMOVE ASSOC/ORGANIZATION DUES			(25,658)			9,898				(15,761)	15,761
PARENT DEBT ADJUSTMENT						(12,816,493)				(12,816,493)	12,816,493
DIRECTORS & OFFICERS PREMIUM			(2,746,098)			1,059,307				(1,686,791)	1,686,791
INTEREST SYNCHRONIZATION - FPSC						(5,425,879)				(5,425,879)	5,425,879
<b>Total FPSC Adjustments</b>	<b>(2,535,221,221)</b>	<b>(2,098,678,278)</b>	<b>(129,222,387)</b>	<b>(119,773,054)</b>	<b>(210,864,571)</b>	<b>(9,128,360)</b>			<b>(309,664)</b>	<b>(2,567,976,314)</b>	<b>32,755,093</b>
<b>FPSC Adjusted</b>	<b>\$2,022,014,051</b>		<b>\$650,554,967</b>	<b>\$351,165,857</b>	<b>\$125,879,746</b>	<b>(\$76,191,365)</b>	<b>\$313,742,477</b>	<b>(\$133,479)</b>	<b>(\$309,664)</b>	<b>\$1,364,708,540</b>	<b>\$657,305,511</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 15,123,598 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 13,376,699 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$3,916,554)	(\$3,916,554)
	ECCR	F	(39,965,225)	(39,965,225)
	ECRC	F	(191,381,925)	(180,766,120)
	FUEL	F	103,468,877	103,535,185
	CCR	F	(33,307,486)	(32,166,691)
	NUCLEAR	F	(261,790,473)	(262,763,664)
	CR3 Removal	F	(1,332,886,290)	(1,332,886,290)
	Derivatives	F	(34,441,610)	(34,441,610)
	Employee Related	F	(512)	(456)
	Investments Earning a Return	F	(180,769,025)	(170,912,880)
	Jobbing Accounts	F	(720,125)	(641,581)
	Non-Regulated and Miscellaneous	F	47,575,575	47,575,575
	Retention Accounts	F	2,259,686	2,013,222
(1)	CWIP - AFUDC	F	(475,993,479)	(441,817,527)
(3)	Imputed Off Balance Sheet Obligations	F	837,347,700	777,770,411
(2)	Capital Lease - EPIS	F	(156,775,631)	(146,147,811)
(2)	Capital Lease - Working Capital	F	159,100,008	148,314,619
	<b>Total</b>		<b>(\$1,562,196,487)</b>	<b>(\$1,567,217,396)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,483,029)	2,115,079	(5,483,029)	2,115,079
	ECRC	F	(15,973,379)	6,161,731	(18,377,365)	7,089,069
	FUEL	F	(3,092,660)	1,192,994	(3,019,072)	1,164,607
	CCR	F				
	NUCLEAR	F	(5,813,724)	2,242,644	(5,813,724)	2,242,644
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,298,621	(886,693)	2,142,797	(826,584)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,277,200)	81,500,180	(211,277,200)	81,500,180
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,580,345	(80,845,618)	209,580,345	(80,845,618)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	333,384	(128,603)	309,664	(119,453)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,691,842	(1,809,878)	4,373,782	(1,687,186)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(137,580)	53,071	(128,253)	49,474
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		14,140,153		12,816,493
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,945,793	(1,136,340)	2,746,098	(1,059,307)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		7,030,612		5,425,879
	<b>Total</b>		<b>\$26,652,409</b>	<b>\$10,889,598</b>	<b>\$23,626,733</b>	<b>\$9,128,360</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  
March 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	\$5,100,596,113	\$4,655,207,264	(\$761,473,877)	\$752,896,430	\$4,646,629,818	46.63%	9.50%	4.43%	10.50%	4.90%	11.50%	5.36%
Long Term Debt	4,455,649,944	4,066,578,402	(665,189,120)		3,401,389,282	34.13%	5.43%	1.85%	5.43%	1.85%	5.43%	1.85%
Short Term Debt *	426,977,462	389,693,388	(63,743,958)	(47,710,563)	278,238,868	2.79%	0.62%	0.02%	0.62%	0.02%	0.62%	0.02%
Customer Deposits												
Active	219,534,871	219,534,871	(35,910,339)		183,624,532	1.84%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,635,173	1,635,173	(267,473)		1,367,700	0.01%						
Investment Tax Credits **	316,948	289,272	(47,318)		241,955							
Deferred Income Taxes	2,393,570,067	2,184,561,278	(357,338,836)	(211,595,309)	1,615,627,133	16.21%						
FAS 109 DIT - Net	(211,617,461)	(193,138,826)	31,592,615		(161,546,211)	-1.62%						
<b>Total</b>	<b>\$12,386,663,116</b>	<b>\$11,324,360,823</b>	<b>(\$1,852,378,305)</b>	<b>\$493,590,558</b>	<b>\$9,965,573,076</b>	<b>100.00%</b>		<b>6.34%</b>		<b>6.81%</b>		<b>7.28%</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	\$5,232,038,281	\$4,793,933,318	(\$816,895,723)	\$735,899,359	\$4,712,936,954	46.16%	9.50%	4.39%	10.50%	4.85%	11.50%	5.31%
Long Term Debt	4,096,680,759	3,753,645,009	(639,628,537)		3,114,016,472	30.50%	5.90%	1.80%	5.90%	1.80%	5.90%	1.80%
Short Term Debt *	948,465,000	869,045,240	(148,087,028)	(77,951,525)	643,006,687	6.30%	0.62%	0.04%	0.62%	0.04%	0.62%	0.04%
Customer Deposits												
Active	217,228,200	217,228,200	(37,016,115)		180,212,085	1.77%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,689,813	1,689,813	(287,947)		1,401,865	0.01%						
Investment Tax Credits **	243,013	222,664	(37,942)		184,721							
Deferred Income Taxes	2,549,131,409	2,335,679,775	(398,004,455)	(218,490,804)	1,719,184,516	16.84%						
FAS 109 DIT - Net	(213,172,387)	(195,322,388)	33,283,321		(162,039,066)	-1.59%						
<b>Total</b>	<b>\$12,832,304,087</b>	<b>\$11,776,121,630</b>	<b>(\$2,006,674,427)</b>	<b>\$439,457,031</b>	<b>\$10,208,904,234</b>	<b>100.00%</b>		<b>6.27%</b>		<b>6.73%</b>		<b>7.19%</b>

\* Daily Weighted Average

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Long Term Debt	4,455,649,944	4,066,578,402	(665,189,120)		3,401,389,282	34.13%	5.43%	1.85%	5.43%	1.85%	5.43%	1.85%
Short Term Debt *	426,977,462	389,693,388	(63,743,958)	(47,710,563)	278,238,868	2.79%	0.62%	0.02%	0.62%	0.02%	0.62%	0.02%
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Investment Tax Credits **	316,948	289,272	(47,318)		241,955							
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* 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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Inactive	1,689,813	1,689,813	(287,947)		1,401,865	0.01%						
Investment Tax Credits **	243,013	222,664	(37,942)		184,721							
Deferred Income Taxes	2,549,131,409	2,335,679,775	(398,004,455)	(218,490,804)	1,719,184,516	16.84%						
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<b>Total</b>	<b>\$12,832,304,087</b>	<b>\$11,776,121,630</b>	<b>(\$2,006,674,427)</b>	<b>\$439,457,031</b>	<b>\$10,208,904,234</b>	<b>100.00%</b>		<b>6.27%</b>		<b>6.73%</b>		<b>7.19%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 734,749,962
AFUDC - DEBT	\$ 5,294,333
INCOME TAXES	\$ 338,203,054
TOTAL	\$ 1,078,247,348
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 243,518,302
TIE WITH AFUDC	<u>4.43</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 734,749,962
AFUDC - EQUITY	(9,829,266)
INCOME TAXES	338,203,054
TOTAL	\$ 1,063,123,750
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 243,518,302
TIE WITHOUT AFUDC	<u>4.37</u>

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

AFUDC DEBT	\$ 5,294,333
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 3,252,044
AFUDC -EQUITY	\$ 9,829,266
TOTAL	\$ 13,081,310
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 541,069,238
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>2.42%</u>

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

NET INCOME	\$ 596,228,621
COMMON DIVIDENDS	\$ (350,000,000)
AFUDC (EQUITY)	\$ (9,829,516)
DEPRECIATION & AMORTIZATION	\$ 509,190,898
DEFERRED INCOME TAXES	\$ 391,798,297
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (13,583,184)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(242,617,564)
TOTAL FUNDS PROVIDED	\$ 881,041,552

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 1,073,485,638
--	------------------

PERCENTAGE INTERNALLY GENERATED FUNDS **82.07%**  
\*Updated quarterly as of March 2016

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

Common Equity	\$ 4,646,629,818
Long Term Debt	\$ 3,401,389,282
Short Term Debt	\$ 278,238,868
TOTAL	\$ 8,326,257,968

% LONG TERM DEBT TO TOTAL **40.85%**  
% SHORT TERM DEBT TO TOTAL **3.34%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.33%	6.60%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.85%	1.85%
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	1.91%	1.91%
TOTAL	4.42%	4.69%
DIVIDED BY COMMON EQUITY RATIO	46.63%	46.63%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.48%</u>	<u>10.05%</u>

**DUKE ENERGY FLORIDA**  
**Earnings Surveillance Report**  
**CR3 Regulatory Asset Value**  
**March 2016**  
**(In Millions)**

**Schedule 6**

Line No.	Pre or Post Retirement Component Classification	Subject to Cap	Dry Cask Storage	Total Regulatory Asset
1				
2	Electric Plant In Service	799		799
3	Less Accumulated Depreciation	423		423
4	Net plant balance	375		375
5	Write-Down	(310)		(310)
6	Construction Work In Progress (CWIP)			
7	Steam Generator Replacement (SGR) Project	360		360
8	Delam Repair Project	167		167
9	License Amendment Request (LAR)	20		20
10	Dry Cask Storage	-	62	62
11	Fukushima	2		2
12	Building Stabilization Project	24		24
13	Other - CWIP	53		53
14	Nuclear Fuel Inventories	136		136
15	Nuclear Materials and Supplies Inventories	50		50
16	Deferred expenses	94		94
17	Cumulative AFUDC (6.00%)	183	9	192
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	107		107
19	Total CR3 Regulatory Asset	1,263	71	1,334