



August 12, 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 June 30, 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 June 30, 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 black ink that reads "Javier Portuondo". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Javier Portuondo  
Director Rates & Regulatory Strategy

Attachment  
xc: Mr. J. R. Kelly, Office of the Public Counsel

**DUKE ENERGY FLORIDA  
RATE OF RETURN REPORT SUMMARY  
June 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	\$ 644,658,699 (a)	\$ 15,862,051 (b)	\$ 660,520,750	\$ (20,360,148)	\$ 640,160,602
Average Rate Base	\$ 11,443,565,759	\$ (1,339,364,057)	\$ 10,104,201,702	\$ -	\$ 10,104,201,702
Average Rate of Return	5.63%		6.54%		6.34%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 625,747,593	\$ 34,773,157	\$ 660,520,750		
Average Rate Base	\$ 11,955,836,078	\$ (1,599,527,494)	\$ 10,356,308,584		
Average Rate of Return	5.23%		6.38%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.23%	6.10%
Mid Point	6.70%	6.54%
High Point	7.16%	6.98%
Pro Forma Adjusted Basis		
Low Point	6.23%	6.10%
Mid Point	6.70%	6.54%
High Point	7.16%	6.98%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	4.95	(System Per Books Basis)
B. T.I.E. without AFUDC	4.85	(System Per Books Basis)
C. AFUDC to Net Income	3.35%	(System Per Books Basis)
D. Internally Generated Funds	131.22%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.47%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	4.95%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.18%	(FPSC Adjusted Basis)
	9.74%	(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

  
Javier Portuondo, Director Rates & Regulatory Strategy

8-15-16  
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>\$14,505,146,769</b>	<b>\$5,340,150,400</b>	<b>\$9,164,996,369</b>	<b>\$122,163,311</b>	<b>\$724,033,472</b>	<b>\$10,011,193,152</b>	<b>\$2,513,168,568</b>	<b>\$12,524,361,719</b>
<b>Regulatory Base - Retail</b>	<b>\$13,175,443,441</b>	<b>\$4,949,449,454</b>	<b>\$8,225,993,987</b>	<b>\$105,898,487</b>	<b>\$645,606,445</b>	<b>\$8,977,498,919</b>	<b>\$2,466,066,840</b>	<b>\$11,443,565,759</b>
<b>FPSC Adjustments</b>								
ARO	(25,994,737)	(31,115,490)	5,120,753			5,120,753	(4,499,223)	621,530
ECCR	(45,321,816)	(10,259,618)	(35,062,198)		(5,934,739)	(40,996,938)	(4,006,087)	(45,003,025)
ECRC	(179,748,695)	(10,997,140)	(168,751,555)		(1,601,706)	(170,353,261)	(19,539,583)	(189,892,844)
FUEL	(28,969,382)	(28,103,549)	(865,833)			(865,833)	95,886,906	95,021,072
CCR							(20,124,926)	(20,124,926)
NUCLEAR					(472,248)	(472,248)	(250,124,689)	(250,596,938)
CR3 Removal							(1,240,627,565)	(1,240,627,565)
Derivatives							(26,395,496)	(26,395,496)
Employee Related							(306)	(306)
Investments Earning a Return							(171,426,231)	(171,426,231)
Jobbing Accounts							(562,039)	(562,039)
Non-Regulated and Miscellaneous	(44,735,279)	(38,640,500)	(6,094,779)		(478,850)	(6,573,629)	72,281,335	65,707,706
Retention Accounts							1,777,968	1,777,968
CWIP - AFUDC					(328,183,945)	(328,183,945)		(328,183,945)
Imputed Off Balance Sheet Obligations							772,568,648	772,568,648
Capital Lease	(147,509,979)		(147,509,979)			(147,509,979)	145,262,311	(2,247,668)
<b>Total FPSC Adjustments</b>	<b>(472,279,889)</b>	<b>(119,116,297)</b>	<b>(353,163,591)</b>		<b>(336,671,489)</b>	<b>(689,835,080)</b>	<b>(649,528,977)</b>	<b>(1,339,364,057)</b>
<b>FPSC Adjusted</b>	<b>\$12,703,163,552</b>	<b>\$4,830,333,157</b>	<b>\$7,872,830,395</b>	<b>\$105,898,487</b>	<b>\$308,934,956</b>	<b>\$8,287,663,839</b>	<b>\$1,816,537,863</b>	<b>\$10,104,201,702</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>	\$4,721,169,631	\$2,024,450,136	\$811,580,817	\$499,858,162	\$342,572,486	\$62,291,641	\$236,782,699	(\$146,000)		\$3,977,389,942	\$743,779,689
<b>Regulatory Base - Retail</b>	\$4,414,219,226	\$1,970,346,647	\$776,160,854	\$467,689,831	\$330,027,552	\$68,346,407	\$176,033,742	(\$133,401)		\$3,788,471,632	\$625,747,593
<b>FPSC Adjustments</b>											
ECCR	(99,122,810)		(88,411,229)	(5,216,709)		(2,119,647)				(95,747,585)	(3,375,225)
ECRC	(59,992,671)		(34,166,982)	(5,428,517)	(1,305,463)	(7,364,627)				(48,265,589)	(11,727,083)
FUEL	(1,594,149,302)	(1,590,101,561)	(1,100,676)			(1,136,830)				(1,592,339,068)	(1,810,235)
CCR	(380,519,060)	(380,245,086)	(273,974)			-				(380,519,060)	-
NUCLEAR	(59,745,049)		(53,962)	(54,417,284)		(2,034,370)				(56,505,615)	(3,239,434)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION			(2,090,075)			806,247				(1,283,829)	1,283,829
FRANCHISE FEE & GROSS RECEIPTS	(203,999,483)					(78,692,801)				(78,692,801)	(125,306,682)
FRANCHISE FEES & GROSS REC TAX - TOI					(202,206,847)	78,001,291				(124,205,556)	124,205,556
GAIN/LOSS ON DISPOSITION & OTHER						73,124		(189,563)		(116,439)	116,439
INST./PROMOTIONAL ADVERTISING			(4,236,049)			1,634,056				(2,601,993)	2,601,993
MISCELLANEOUS INTEREST EXPENSE			126,700			(48,875)				77,826	(77,826)
REMOVE ASSOC/ORGANIZATION DUES			(25,647)			9,893				(15,754)	15,754
PARENT DEBT ADJUSTMENT						(14,329,294)				(14,329,294)	14,329,294
DIRECTORS & OFFICERS PREMIUM			(2,668,217)			1,029,265				(1,638,952)	1,638,952
INTEREST SYNCHRONIZATION - FPSC						(8,117,981)				(8,117,981)	8,117,981
<b>Total FPSC Adjustments</b>	<b>(2,397,528,376)</b>	<b>(1,970,346,647)</b>	<b>(132,900,111)</b>	<b>(110,646,300)</b>	<b>(203,512,310)</b>	<b>(14,706,602)</b>	<b>-</b>	<b>-</b>	<b>(189,563)</b>	<b>(2,432,301,533)</b>	<b>34,773,157</b>
<b>FPSC Adjusted</b>	<b>\$2,016,690,850</b>	<b>\$ -</b>	<b>\$643,260,743</b>	<b>\$357,043,531</b>	<b>\$126,515,242</b>	<b>\$53,639,805</b>	<b>\$176,033,742</b>	<b>(\$133,401)</b>	<b>(\$189,563)</b>	<b>\$1,356,170,099</b>	<b>\$660,520,750</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(33,146,354)					(12,786,206)				(12,786,206)	(20,360,148)
<b>Total Pro Forma Adjustments</b>	<b>(33,146,354)</b>	<b>-</b>	<b></b>	<b></b>	<b></b>	<b>(12,786,206)</b>	<b></b>	<b></b>	<b></b>	<b>(12,786,206)</b>	<b>(20,360,148)</b>
<b>Pro Forma Adjusted</b>	<b>\$1,983,544,496</b>	<b>\$ -</b>	<b>\$643,260,743</b>	<b>\$357,043,531</b>	<b>\$126,515,242</b>	<b>\$40,853,599</b>	<b>\$176,033,742</b>	<b>(\$133,401)</b>	<b>(\$189,563)</b>	<b>\$1,343,383,893</b>	<b>\$640,160,602</b>
<b>Current Month</b>											
System Per Books	\$425,181,541	\$164,816,987	\$68,655,360	\$41,605,324	\$29,355,756	55,477,877	(14,408,675)	(12,167)		\$345,490,462	\$79,691,079
FPSC Adjusted	\$202,024,571		\$52,482,726	\$31,427,292	\$10,489,077	10,437,367	26,882,596	(11,117)	81,127	\$131,789,068	\$70,235,503

(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

21,208,391 pretax  
18,911,106 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,530	\$621,530
	ECCR	F	(45,003,025)	(45,003,025)
	ECRC	F	(200,907,783)	(189,892,844)
	FUEL	F	94,954,749	95,021,072
	CCR	F	(22,121,216)	(20,124,926)
	NUCLEAR	F	(248,969,225)	(250,596,938)
	CR3 Removal	F	(1,240,627,565)	(1,240,627,565)
	Derivatives	F	(26,395,496)	(26,395,496)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(181,308,939)	(171,426,231)
	Jobbing Accounts	F	(630,845)	(562,039)
	Non-Regulated and Miscellaneous	F	65,970,077	65,707,706
	Retention Accounts	F	1,995,632	1,777,968
(1)	CWIP - AFUDC	F	(353,544,598)	(328,183,945)
(3)	Imputed Off Balance Sheet Obligations	F	831,747,481	772,568,648
(2)	Capital Lease - EPIS	F	(158,236,855)	(147,509,979)
(2)	Capital Lease - Working Capital	F	155,825,738	145,262,311
	<b>Total</b>		<b>(\$1,326,630,682)</b>	<b>(\$1,339,364,057)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,494,872)	2,119,647	(5,494,872)	2,119,647
	ECRC	F	(16,648,397)	6,422,119	(19,091,710)	7,364,627
	FUEL	F	(3,027,988)	1,168,047	(2,947,065)	1,136,830
	CCR	F				
	NUCLEAR	F	(5,273,803)	2,034,370	(5,273,803)	2,034,370
	NON-REGULATED AND MISCELLANEOUS	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,242,065	(864,877)	2,090,075	(806,247)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,999,483)	78,692,801	(203,999,483)	78,692,801
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,206,847	(78,001,291)	202,206,847	(78,001,291)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	204,083	(78,725)	189,563	(73,124)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,544,093	(1,752,884)	4,236,049	(1,634,056)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(135,914)	52,429	(126,700)	48,875
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,512	(10,613)	25,647	(9,893)
(2)	PARENT DEBT ADJUSTMENT	F		15,809,193		14,329,294
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,862,249	(1,104,113)	2,668,217	(1,029,265)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,883,172		8,117,981
	<b>Total</b>		<b>\$23,090,182</b>	<b>\$16,785,327</b>	<b>\$20,066,555</b>	<b>\$14,706,602</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>\$14,776,867,235</b>	<b>\$5,350,003,617</b>	<b>\$9,426,863,618</b>	<b>\$123,005,711</b>	<b>\$1,031,103,229</b>	<b>\$10,580,972,557</b>	<b>\$2,513,168,568</b>	<b>\$13,094,141,125</b>
<b>Regulatory Base - Retail</b>	<b>\$13,413,644,609</b>	<b>\$4,961,231,723</b>	<b>\$8,452,412,885</b>	<b>\$106,628,730</b>	<b>\$930,727,623</b>	<b>\$9,489,769,238</b>	<b>\$2,466,066,840</b>	<b>\$11,955,836,078</b>
<b>FPSC Adjustments</b>								
ARO	(29,226,857)	(30,885,332)	1,658,475			1,658,475	(4,499,223)	(2,840,748)
ECCR	(51,493,844)	(12,961,260)	(38,532,584)			(38,532,584)	(4,006,087)	(42,538,671)
ECRC	(175,812,623)	(12,958,860)	(162,853,764)		(401,292)	(163,255,055)	(19,539,583)	(182,794,638)
FUEL	(28,969,382)	(28,103,601)	(865,781)			(865,781)	95,886,906	95,021,125
CCR							(20,124,926)	(20,124,926)
NUCLEAR					(794,626)	(794,626)	(250,124,689)	(250,919,315)
CR3 Removal							(1,240,627,565)	(1,240,627,565)
Derivatives							(26,395,496)	(26,395,496)
Employee Related							(306)	(306)
Investments Earning a Return							(171,426,231)	(171,426,231)
Jobbing Accounts							(562,039)	(562,039)
Non-Regulated and Miscellaneous	(48,323,774)	(36,998,848)	(11,324,926)		(48,860)	(11,373,786)	72,281,335	60,907,549
Retention Accounts							1,777,968	1,777,968
CWIP - AFUDC					(593,825,269)	(593,825,269)		(593,825,269)
Imputed Off Balance Sheet Obligations							772,568,648	772,568,648
Capital Lease	(143,009,890)		(143,009,890)			(143,009,890)	145,262,311	2,252,421
<b>Total FPSC Adjustments</b>	<b>(476,836,372)</b>	<b>(121,907,901)</b>	<b>(354,928,470)</b>		<b>(595,070,047)</b>	<b>(949,998,517)</b>	<b>(649,528,977)</b>	<b>(1,599,527,494)</b>
<b>FPSC Adjusted</b>	<b>\$12,936,808,237</b>	<b>\$4,839,323,822</b>	<b>\$8,097,484,415</b>	<b>\$106,628,730</b>	<b>\$335,657,576</b>	<b>\$8,539,770,721</b>	<b>\$1,816,537,863</b>	<b>\$10,356,308,584</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>	\$4,721,169,631	\$2,024,450,136	\$811,580,817	\$499,858,162	\$342,572,486	\$62,291,641	\$236,782,699	(\$146,000)		\$3,977,389,942	\$743,779,689
<b>Regulatory Base - Retail</b>	\$4,414,219,226	\$1,970,346,647	\$776,160,854	\$467,689,831	\$330,027,552	\$68,346,407	\$176,033,742	(\$133,401)		\$3,788,471,632	\$625,747,593
<b>FPSC Adjustments</b>											
ECCR	(99,122,810)		(88,411,229)	(5,216,709)		(2,119,647)				(95,747,585)	(3,375,225)
ECRC	(59,992,671)		(34,166,982)	(5,428,517)	(1,305,463)	(7,364,627)				(48,265,589)	(11,727,083)
FUEL	(1,594,149,302)	(1,590,101,561)	(1,100,676)			(1,136,830)				(1,592,339,068)	(1,810,235)
CCR	(380,519,060)	(380,245,086)	(273,974)			-				(380,519,060)	-
NUCLEAR	(59,745,049)		(53,962)	(54,417,284)		(2,034,370)				(56,505,615)	(3,239,434)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION			(2,090,075)			806,247				(1,283,829)	1,283,829
FRANCHISE FEE & GROSS RECEIPTS	(203,999,483)					(78,692,801)				(78,692,801)	(125,306,682)
FRANCHISE FEES & GROSS REC TAX - TOI					(202,206,847)	78,001,291				(124,205,556)	124,205,556
GAIN/LOSS ON DISPOSITION & OTHER						73,124		(189,563)		(116,439)	116,439
INST./PROMOTIONAL ADVERTISING			(4,236,049)			1,634,056				(2,601,993)	2,601,993
MISCELLANEOUS INTEREST EXPENSE			126,700			(48,875)				77,826	(77,826)
REMOVE ASSOC/ORGANIZATION DUES			(25,647)			9,893				(15,754)	15,754
PARENT DEBT ADJUSTMENT						(14,329,294)				(14,329,294)	14,329,294
DIRECTORS & OFFICERS PREMIUM			(2,668,217)			1,029,265				(1,638,952)	1,638,952
INTEREST SYNCHRONIZATION - FPSC						(8,117,981)				(8,117,981)	8,117,981
<b>Total FPSC Adjustments</b>	<b>(2,397,528,376)</b>	<b>(1,970,346,647)</b>	<b>(132,900,111)</b>	<b>(110,646,300)</b>	<b>(203,512,310)</b>	<b>(14,706,602)</b>			<b>(189,563)</b>	<b>(2,432,301,533)</b>	<b>34,773,157</b>
<b>FPSC Adjusted</b>	<b>\$2,016,690,850</b>		<b>\$643,260,743</b>	<b>\$357,043,531</b>	<b>\$126,515,242</b>	<b>\$53,639,805</b>	<b>\$176,033,742</b>	<b>(\$133,401)</b>	<b>(\$189,563)</b>	<b>\$1,356,170,099</b>	<b>\$660,520,750</b>

(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

21,208,391 pretax  
18,911,106 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$2,840,748)	(\$2,840,748)
	ECCR	F	(42,538,671)	(42,538,671)
	ECRC	F	(196,210,288)	(182,794,638)
	FUEL	F	94,954,806	95,021,125
	CCR	F	(22,121,216)	(20,124,926)
	NUCLEAR	F	(249,316,296)	(250,919,315)
	CR3 Removal	F	(1,240,627,565)	(1,240,627,565)
	Derivatives	F	(26,395,496)	(26,395,496)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(181,308,939)	(171,426,231)
	Jobbing Accounts	F	(630,845)	(562,039)
	Non-Regulated and Miscellaneous	F	60,907,549	60,907,549
	Retention Accounts	F	1,995,632	1,777,968
(1)	CWIP - AFUDC	F	(641,593,605)	(593,825,269)
(3)	Imputed Off Balance Sheet Obligations	F	831,747,481	772,568,648
(2)	Capital Lease - EPIS	F	(153,409,522)	(143,009,890)
(2)	Capital Lease - Working Capital	F	155,825,738	145,262,311
	<b>Total</b>		<b>(\$1,611,562,328)</b>	<b>(\$1,599,527,494)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,494,872)	2,119,647	(5,494,872)	2,119,647
	ECRC	F	(16,648,397)	6,422,119	(19,091,710)	7,364,627
	FUEL	F	(3,027,988)	1,168,047	(2,947,065)	1,136,830
	CCR	F				
	NUCLEAR	F	(5,273,803)	2,034,370	(5,273,803)	2,034,370
	NON-REGULATED AND MISCELLANEOUS	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,242,065	(864,877)	2,090,075	(806,247)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,999,483)	78,692,801	(203,999,483)	78,692,801
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,206,847	(78,001,291)	202,206,847	(78,001,291)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	204,083	(78,725)	189,563	(73,124)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,544,093	(1,752,884)	4,236,049	(1,634,056)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(135,914)	52,429	(126,700)	48,875
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,512	(10,613)	25,647	(9,893)
(2)	PARENT DEBT ADJUSTMENT	F		15,809,193		14,329,294
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,862,249	(1,104,113)	2,668,217	(1,029,265)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,883,172		8,117,981
	<b>Total</b>		<b>\$23,090,182</b>	<b>\$16,785,327</b>	<b>\$20,066,555</b>	<b>\$14,706,602</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  
June 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	\$5,120,497,919	\$4,670,687,659	(\$762,355,250)	\$745,628,514	\$4,653,960,923	46.06%	9.50%	4.38%	10.50%	4.84%	11.50%	5.30%
Long Term Debt	4,329,743,390	3,949,396,980	(644,625,319)		3,304,771,661	32.71%	5.49%	1.79%	5.49%	1.79%	5.49%	1.79%
Short Term Debt *	575,739,385	525,163,545	(85,717,825)	(25,280,358)	414,165,362	4.10%	0.55%	0.02%	0.55%	0.02%	0.55%	0.02%
Customer Deposits												
Active	219,333,591	219,333,591	(35,799,892)		183,533,699	1.82%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,588,310	1,588,310	(259,246)		1,329,064	0.01%						
Investment Tax Credits **	470,231	428,923	(70,009)		358,914							
Deferred Income Taxes	2,489,296,412	2,270,624,110	(370,613,995)	(191,879,664)	1,708,130,452	16.91%						
FAS 109 DIT - Net	(212,307,518)	(193,657,359)	31,608,987		(162,048,372)	-1.60%						
<b>Total</b>	<b>\$12,524,361,720</b>	<b>\$11,443,565,759</b>	<b>(\$1,867,832,549)</b>	<b>\$528,468,492</b>	<b>\$10,104,201,702</b>	<b>100.00%</b>		<b>6.23%</b>		<b>6.70%</b>		<b>7.16%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
Pro Forma Adjusted Basis  
June 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	\$4,747,011,571	\$4,800,183,171	(\$1,032,068,698)	\$811,286,277	\$4,579,400,751	44.22%	9.50%	4.20%	10.50%	4.64%	11.50%	5.09%
Long Term Debt	4,097,441,343	4,143,337,063	(890,842,773)		3,252,494,291	31.41%	5.80%	1.82%	5.80%	1.82%	5.80%	1.82%
Short Term Debt *	405,805,000	410,350,450	(88,227,853)	336,878,286	659,000,882	6.36%	0.55%	0.04%	0.55%	0.04%	0.55%	0.04%
Customer Deposits												
Active	218,227,385	218,227,385	(46,920,220)		171,307,164	1.65%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,158,297	1,158,297	(249,041)		909,256	0.01%						
Investment Tax Credits **	2,673,684	2,703,632	(581,297)		2,122,334	0.02%						
Deferred Income Taxes	2,567,929,572	2,596,693,127	(558,304,881)	(177,114,283)	1,861,273,963	17.97%						
FAS 109 DIT - Net	(214,415,365)	(216,817,046)	46,616,989		(170,200,057)	-1.64%						
<b>Total</b>	<b>\$11,825,831,486</b>	<b>\$11,955,836,078</b>	<b>(\$2,570,577,773)</b>	<b>\$971,050,279</b>	<b>\$10,356,308,584</b>	<b>100.00%</b>		<b>6.10%</b>		<b>6.54%</b>		<b>6.98%</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
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Short Term Debt *	575,739,385	525,163,545	(85,717,825)	(25,280,358)	414,165,362	4.10%	0.55%	0.02%	0.55%	0.02%	0.55%	0.02%
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Active	219,333,591	219,333,591	(35,799,892)		183,533,699	1.82%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,588,310	1,588,310	(259,246)		1,329,064	0.01%						
Investment Tax Credits **	470,231	428,923	(70,009)		358,914							
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FAS 109 DIT - Net	(212,307,518)	(193,657,359)	31,608,987		(162,048,372)	-1.60%						
<b>Total</b>	<b>\$12,524,361,720</b>	<b>\$11,443,565,759</b>	<b>(\$1,867,832,549)</b>	<b>\$528,468,492</b>	<b>\$10,104,201,702</b>	<b>100.00%</b>		<b>6.23%</b>		<b>6.70%</b>		<b>7.16%</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
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Long Term Debt	4,097,441,343	4,143,337,063	(890,842,773)		3,252,494,291	31.41%	5.80%	1.82%	5.80%	1.82%	5.80%	1.82%
Short Term Debt *	405,805,000	410,350,450	(88,227,853)	336,878,286	659,000,882	6.36%	0.55%	0.04%	0.55%	0.04%	0.55%	0.04%
Customer Deposits												
Active	218,227,385	218,227,385	(46,920,220)		171,307,164	1.65%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,158,297	1,158,297	(249,041)		909,256	0.01%						
Investment Tax Credits **	2,673,684	2,703,632	(581,297)		2,122,334	0.02%						
Deferred Income Taxes	2,567,929,572	2,596,693,127	(558,304,881)	(177,114,283)	1,861,273,963	17.97%						
FAS 109 DIT - Net	(214,415,365)	(216,817,046)	46,616,989		(170,200,057)	-1.64%						
<b>Total</b>	<b>\$11,825,831,486</b>	<b>\$11,955,836,078</b>	<b>(\$2,570,577,773)</b>	<b>\$971,050,279</b>	<b>\$10,356,308,584</b>	<b>100.00%</b>		<b>6.10%</b>		<b>6.54%</b>		<b>6.98%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 730,164,202
AFUDC - DEBT	\$ 7,434,921
INCOME TAXES	\$ 337,848,143
TOTAL	\$ 1,075,447,266
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 217,475,707
TIE WITH AFUDC	<u>4.95</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 730,164,202
AFUDC - EQUITY	(13,773,470)
INCOME TAXES	337,848,143
TOTAL	\$ 1,054,238,875
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 217,475,707
TIE WITHOUT AFUDC	<u>4.85</u>

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

AFUDC DEBT	\$ 7,434,921
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 4,566,900
AFUDC -EQUITY	\$ 13,773,470
TOTAL	\$ 18,340,370
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 547,608,594
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.35%</u>

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

NET INCOME	\$ 602,689,480
COMMON DIVIDENDS	\$ (1,000,000,000)
AFUDC (EQUITY)	\$ (13,773,720)
DEPRECIATION & AMORTIZATION	\$ 510,085,816
DEFERRED INCOME TAXES	\$ 224,101,291
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (1,315,844)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,244,336,796
TOTAL FUNDS PROVIDED	<u>\$ 1,565,977,819</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,193,379,045</u>
--	-------------------------

PERCENTAGE INTERNALLY GENERATED FUNDS **131.22%**  
\*Updated quarterly as of June 2016

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

Common Equity	\$ 4,653,960,923
Long Term Debt	\$ 3,304,771,661
Short Term Debt	\$ 414,165,362
TOTAL	<u>\$ 8,372,897,946</u>

% LONG TERM DEBT TO TOTAL **39.47%**  
% SHORT TERM DEBT TO TOTAL **4.95%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.34%	6.54%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.79%	1.79%
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	<u>1.85%</u>	<u>1.85%</u>
TOTAL	4.49%	4.69%
DIVIDED BY COMMON EQUITY RATIO	<u>46.06%</u>	<u>46.06%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.74%</u>	<u>10.18%</u>

**DUKE ENERGY FLORIDA**  
**Earnings Surveillance Report**  
**CR3 Regulatory Asset Value**  
**June 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			-
3	Less Accumulated Depreciation			-
4	Net plant balance			-
5	Write-Down			-
6	Construction Work In Progress (CWIP)			
7	Steam Generator Replacement (SGR) Project			-
8	Delam Repair Project			-
9	License Amendment Request (LAR)			-
10	Dry Cask Storage		68	68
11	Fukushima			-
12	Building Stabilization Project			-
13	Other - CWIP			-
14	Nuclear Fuel Inventories			-
15	Nuclear Materials and Supplies Inventories			-
16	Deferred expenses			-
17	Cumulative AFUDC (6.00%)		10	10
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)			-
19	Total CR3 Regulatory Asset		78	78