



Matthew R. Bernier
Senior Counsel
Duke Energy Florida, Inc.

March 30, 2015

VIA OVERNIGHT MAIL

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-FPSC
15 MAR 30 AM 11:58
COMMISSION
CLERK

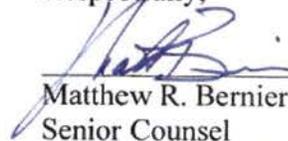
Re: *Consummation Report for 2014; Docket No. 130254-EI*

Dear Ms. Stauffer:

Pursuant to Order No. PSC-13-0618-FOF-EI, issued November 25, 2013 in the subject docket, and Rule 25-8.009, Florida Administrative Code, enclosed for filing on behalf of Duke Energy Florida, Inc. is an original, one copy, and an electronic copy (CD) of its Consummation Report for 2014.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,


Matthew R. Bernier
Senior Counsel
Matthew.Bernier@duke-energy.com

MRB/mw
Enclosures

COM _____
AFD 1+CD
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____

DOCKET NO. 130254-EI

FLORIDA PUBLIC SERVICE COMMISSION

TALLAHASSEE, FLORIDA

CONSUMMATION REPORT

TO

APPLICATION OF

DUKE ENERGY FLORIDA, INC.

FOR AUTHORITY TO ISSUE AND SELL

SECURITIES DURING THE TWELVE MONTHS ENDING
DECEMBER 31, 2014

PURSUANT TO FLORIDA STATUTES, SECTION 366.04
AND FLORIDA ADMINISTRATIVE CODE CHAPTER 25-8

Address communications in connection with this Consummation Report to:

Matthew R. Bernier

Senior Counsel

Duke Energy Florida, Inc.

106 E. College Ave, Suite 800

Tallahassee, FL 32301

Dated: March 30, 2015

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF DUKE ENERGY)
FLORIDA, INC. FOR AUTHORITY TO)
ISSUE AND SELL SECURITIES DURING)
THE TWELVE MONTHS ENDING) DOCKET NO. 130254-EI
DECEMBER 31, 2014 PURSUANT TO)
FLORIDA STATUTES SECTION 366.04)
AND CHAPTER 25-8, FLORIDA)
ADMINISTRATIVE CODE)
_____)

The Applicant, Duke Energy Florida, Inc. (“DEF” or the “Company”), pursuant to Commission Order No. PSC-13-0618-FOF-EI issued November 25, 2013 (the “Order”), and Rule 25-8.009, Florida Administrative Code, hereby files its Consummation Report for the twelve months ended December 31, 2014 as directed by the terms of the Order and states as follows:

The Company did not issue any medium-term notes or other debt or equity securities during calendar year 2014. However, a subsidiary of the Company did issue debt secured by accounts receivable as discussed below. Also, the Company was a participant in the Duke Energy Money Pool established pursuant to a Utility Money Pool Agreement (the “Money Pool”) dated as of July 2, 2012 by and among Duke Energy Corporation, a Delaware corporation, and certain of its subsidiaries, including the Company.

In March of 2014, Duke Energy Florida Receivables, LLC (DEFR) was created. DEFR is a bankruptcy remote, special purpose wholly-owned subsidiary of DEF. On a daily basis, DEFR buys from the Company certain accounts receivable arising from the sale of electricity and/or related services. The Company receives cash and a note receivable, at value that approximates the book value of the receivables sold. Further, the Company continues to service the

receivables. DEFR is a limited liability company with separate legal existence from its parent, and its assets are not generally available to creditors of the parent company. DEFR borrows from two banks to buy the receivables. The borrowing facility was established in March 2014, with a capacity of \$225,000,000 through March 1, 2017. Borrowing availability is limited to the amount of qualified receivables sold, which is generally expected to be in excess of the borrowing facility. The outstanding balance under the borrowing facility is reflected on the Consolidated Balance Sheet of the Company as Long-Term Debt. The interest rate on the loan is based on the banks' commercial paper conduit rate or one-month LIBOR plus 65 basis points. As of December 31, 2014, the weighted average interest rate was 0.863%. In summary, the consolidated financial statements of the Company still reflect the accounts receivable, but also reflect new debt of \$225,000,000 that is secured by the accounts receivable. This debt is low cost and is expected to lower the Company's consolidated cost of debt over the long-term. No other long-term debt financing transaction was issued by the Company or its subsidiaries in 2014.

Other 2014 Corporate Finance activity of note included the issuance of interest rate swaps. In December 2014, the Company executed an aggregate of \$250,000,000 of fixed-to-floating rate swaps. The swaps were issued against \$250,000,000 of the Company's first mortgage bonds due April 1, 2020 with a coupon of 4.55% and are intended to help maintain the Company's current floating rate percentage after repurchasing its tax-exempt auction-rate bond portfolio. Consistent with the bond it is issued against, the swap will terminate on April 1, 2020. Under the swaps, the Company will receive fixed payments of 4.55% (net \$0 impact as it continues to pay the 4.55% on the underlying bond) and pay 3-month LIBOR plus a fixed spread

of 2.717% (currently ~3.00% in total floating-rate expense versus 4.55% before entering into the swap).

On July 2, 2012, the Company executed a Joinder Agreement to the \$6,000,000,000 Five-Year Duke Energy Corporation Credit Agreement (the "Duke Energy Credit Agreement") with Wells Fargo Bank, National Association., as Administrative Agent for the lenders named therein, dated November 18, 2011. By virtue of the Joinder Agreement, the Company became a borrower under the Duke Energy Credit Agreement, and has an initial sublimit of \$750,000,000, which can be increased to a maximum sublimit of \$1,000,000,000. The aggregate sublimits of all borrowers under the Duke Energy Credit Agreement may not exceed \$6,000,000,000. On December 18, 2013, the Duke Energy Credit Agreement was amended. The amendment resulted in the extension of the credit agreement through December 18, 2018 and the reduction of Duke Energy Florida's initial sublimit to \$650,000,000, which can be increased to a maximum sublimit of \$1,000,000,000. The Duke Energy Credit Agreement provides liquidity support for the Duke Energy Corporation commercial paper program, proceeds from which may be used to fund loans to the Company under the Money Pool.

The Money Pool was established to coordinate and provide for certain short-term cash and working capital requirements of the utility subsidiaries of Duke Energy Corporation. Each utility subsidiary may contribute funds to the Money Pool. No loans through the Money Pool will be made to and no borrowings through the Money Pool will be made by Duke Energy Corporation. The principal amount of each loan from the Money Pool, together with all interest accrued thereon, are to be repaid on demand and in any event within 365 days of the date on which the loan was made. The Company had maximum borrowings of \$172,808,000 from the Money Pool during 2014. As of December 31, 2014, the Company had \$83,881,000 of

outstanding borrowings from the Money Pool at a rate of 0.26%. The average interest rate on outstanding Money Pool balances during the year ended December 31, 2014 was 0.22%.

A statement showing capitalization, pretax interest coverage, and debt interest and preferred stock dividend requirements at December 31, 2014 is attached hereto as Schedule A.

Additional details concerning the foregoing are contained in the following exhibits filed herewith or filed with previous Consummation Reports and incorporated herein by reference (with the exhibit numbers corresponding to the applicable paragraph number of Rule 25-8.009, Florida Administrative Code):

Exhibit No.

Description of Exhibit

- | | |
|-------|---|
| (1)-a | The Company entered into a Fifty-First Supplemental Indenture, dated as of November 1, 2012, to its Indenture, dated January 1, 1944, as supplemented, (the "Mortgage"), with The Bank of New York Mellon, as Successor Trustee, in connection with the issuance of the Company's First Mortgage Bonds, 0.65% Series due 2015 and 3.85% Series due 2042. <i>(Included as Exhibit (1)-h to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)</i> |
| (1)-b | Five-Year Revolving Credit Agreement, dated as of November 18, 2011, between Duke Energy Corporation, the Lenders named therein, and Wells Fargo Bank, N.A., as Administrative Agent for the Lenders. <i>(Included as Exhibit (1)-i to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)</i> |

- (1)-c Joinder Agreement, dated as of July 2, 2012, between Progress Energy Florida, Inc., a Florida corporation, and Wells Fargo Bank, National Association, in its capacity as administrative agent under that certain Credit Agreement, dated as of November 18, 2011, between Duke Energy Corporation, the Lenders named therein, and Wells Fargo Bank, N.A., as Administrative Agent for the Lenders. *(Included as Exhibit (1)-j to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (1)-d Utility Money Pool Agreement, dated July 2, 2012, between Duke Energy Corporation, a Delaware corporation, Cinergy Corp., a Delaware corporation, Duke Energy Carolinas, LLC, a North Carolina limited liability company, Duke Energy Indiana, Inc., an Indiana corporation, Duke Energy Ohio, Inc., an Ohio corporation, Duke Energy Kentucky, Inc., a Kentucky corporation, Miami Power Corporation, an Indiana corporation, KO Transmission Company, a Kentucky corporation, Progress Energy, Inc., a North Carolina corporation, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc., a North Carolina corporation, Florida Power Corporation d/b/a Progress Energy Florida, Inc., a Florida corporation, Progress Energy Service Company, LLC, a North Carolina corporation, and Duke Energy Business Services LLC, a Delaware limited liability company. *(Included as Exhibit (1)-k to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (1)-e Amendment No. 1 and Consent, dated as of December 18, 2013, among Duke Energy Corporation, Duke Energy Carolinas, LLC, Duke Energy Ohio, Inc., Duke Energy Indiana, Inc., Duke Energy Kentucky, Inc., Duke Energy Progress, Inc. (f/k/a Progress Energy Carolinas, Inc.) and Duke Energy Florida, Inc. (f/k/a Progress Energy Florida, Inc.), the Lenders party hereto, the Issuing Lenders party hereto, Wells Fargo Bank, National Association, as Administrative Agent and Swingline Lender. *(Included as Exhibit (1)-e to the Company's Consummation Report filed with the Commission on March 31, 2014 in Docket No. 120242-EI, and incorporated herein by reference.)*

- (2)-a Opinion of Robinson, Bradshaw & Hinson, P.A., Counsel to the Company, dated November 20, 2012, to Goldman, Sachs & Co., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and RBC Capital Markets, LLC, as representatives of the underwriters, regarding the legality of the Fifty-First Supplemental Indenture and the securities issued thereunder. *(Included as Exhibit (2)-a to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (2)-b Opinion of Kristen B. Parker, Associate General Counsel of Florida Power Corporation d/b/a Progress Energy Florida, Inc., on behalf of the Company, dated November 20, 2012, to Goldman, Sachs & Co., J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and RBC Capital Markets, LLC, as representatives of the underwriters, regarding the legality of the Fifty-First Supplemental Indenture and the securities issued thereunder. *(Included as Exhibit (2)-b to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (2)-c Opinion of Hunton & Williams LLP, Counsel to the Company, dated October 15, 2010, to Bank of America, N.A., as Administrative Agent for the Lenders, regarding the legality of the Three-Year Revolving Credit Agreement. *(Included as Exhibit (2)-e to the Company's Consummation Report filed with the Commission on March 31, 2011 in Docket No. 090473-EI, and incorporated herein by reference.)*
- (2)-d Opinion of R. Alexander Glenn, General Counsel of Progress Energy Florida, Inc., on behalf of the Company, dated October 15, 2010, to Bank of America, N.A., as Administrative Agent for the Lenders, regarding the legality of the Three-Year Revolving Credit Agreement. *(Included as Exhibit (2)-f to the Company's Consummation Report filed with the Commission on March 31, 2011 in Docket No. 090473-EI, and incorporated herein by reference.)*
- (2)-e Opinion of Robinson, Bradshaw & Hinson, P.A., Counsel to Duke Energy Corporation, dated November 18, 2011, to Wells Fargo Bank, National Association, as Administrative Agent for the Lenders, regarding the legality of the Five-Year Revolving Credit Agreement. *(Included as Exhibit (2)-e to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*

Exhibit No.

Description of Exhibit

- (2)-f Opinion of Bob Lucas, Deputy General Counsel to the Duke Energy Corporation, dated November 18, 2011, to Wells Fargo Bank, National Association, as Administrative Agent for the Lenders, regarding the legality of the Five-Year Revolving Credit Agreement. *(Included as Exhibit (2)-f to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (2)-g Opinion of R. Alexander Glenn, General Counsel to Florida Power Corporation d/b/a Progress Energy Florida, Inc., dated July 2, 2012, to Wells Fargo Bank, National Association, as Administrative Agent for the Lenders, regarding the legality of the Joinder Agreement joining the Company to the Five-Year Revolving Credit Agreement. *(Included as Exhibit (2)-g to the Company's Consummation Report filed with the Commission on March 28, 2013 in Docket No. 110276-EI, and incorporated herein by reference.)*
- (3)-a Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed February 28, 2014, with the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Annual Form 10-K is available at: <http://www.sec.gov/Archives/edgar/data/1326160/000132616015000008/0001326160-15-000008-index.htm>

Respectfully submitted this 30th day of March, 2015.



Dianne Triplett
Associate General Counsel
Dianne.Triplett@duke-energy.com
Matthew R. Bernier
Senior Counsel
Matthew.Bernier@duke-energy.com
Duke Energy Florida, Inc.
106 E. College Ave, Suite 800
Tallahassee, FL 32301
Telephone: (850) 521-1428

Attorneys for
DUKE ENERGY FLORIDA, INC.

SCHEDULE A

DUKE ENERGY FLORIDA, INC.
SELECTED FINANCIAL DATA

CAPITALIZATION:

Duke Energy Florida's consolidated capitalization at December 31, 2014:

Debt:	Interest Rate	Amount Outstanding (in millions)
First Mortgage bonds		
Maturing 2015 through 2042	5.19% (a)	\$ 4,325
Medium-term notes		
Maturing 2028	6.75% (a)	\$ 150
Capital Leases		
Maturing 2027 through 2047	NA (a)	\$ 168
Borrowing under 5-Year Master Credit Facility		
Facility Expires 2018	NA (a)	\$ -
Discount being amortized over term of bonds		\$ (8)
Total long-term debt		\$ 4,635
Notes payable (Commercial Paper & Credit Facility Borrowings & Money Pool)		\$ -
Total		\$ 4,635
Debt secured by accounts receivable at Duke Energy Florida Receivables Company, LLC, a wholly-owned subsidiary	0.86% (a)	\$ 225
Maturing 2017		\$ -
Total Consolidated Debt		\$ 4,860

Preferred stock:

Without sinking funds, not subject to mandatory redemption:

Total preferred stock	-	\$ -
Common stock equity		\$ 5,222
Total capitalization		\$ 10,082

(a) Weighted average interest rate at December 31, 2014

PRE-TAX INTEREST COVERAGE:

Duke Energy Florida's pre-tax interest coverage for 2014 was 4.1

DEBT INTEREST:

Duke Energy Florida's debt interest charges for 2014 were \$ 294 million

PREFERRED STOCK DIVIDEND REQUIREMENTS:

Duke Energy Florida's preferred stock dividend requirements for 2014 were \$ -