



May 14, 2014

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

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
14 MAY 15 AM 8:07  
DIVISION OF  
ACCOUNTING & FINANCE

Dear Mr. Fletcher:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, Inc.'s Earnings Surveillance Report for the twelve months ended March 31, 2014.

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, 2014. 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 Marcia Olivier at (727) 820-5653.

Sincerely,

*Marcia Olivier For Javier Portuondo*

Javier Portuondo  
Director Rates & Regulatory Strategy

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

**DUKE ENERGY FLORIDA  
RATE OF RETURN REPORT SUMMARY  
MARCH 2014**

**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	\$ 702,523,654 (a)	\$ (91,964,267) (b)	\$ 610,559,387	\$ 2,260,026	\$ 612,819,413
Average Rate Base	\$ 10,146,617,043	\$ (1,717,214,042)	\$ 8,429,403,002	\$ -	\$ 8,429,403,002
Average Rate of Return	6.92%		7.24%		7.27%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 690,259,439	\$ (79,700,052)	\$ 610,559,387		
Average Rate Base	\$ 10,291,205,028	\$ (838,641,506)	\$ 9,452,563,521		
Average Rate of Return	6.71%		6.46%		
(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>
FPSC Adjusted Basis		
Low Point	6.68%	6.40%
Mid Point	7.18%	6.87%
High Point	7.67%	7.34%
Pro Forma Adjusted Basis		
Low Point	6.68%	6.40%
Mid Point	7.18%	6.87%
High Point	7.67%	7.34%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.88	(System Per Books Basis)
B. T.I.E without AFUDC	3.80	(System Per Books Basis)
C. AFUDC to Net Income	4.64%	(System Per Books Basis)
D. Internally Generated Funds	102.65%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.23%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.33%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.64%	(FPSC Adjusted Basis)
	10.69%	(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 For Javier Portuondo* 3/14/14  
 Javier Portuondo, Director Rates & Regulatory Strategy 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>13,286,332,491</b>	<b>4,875,045,153</b>	<b>8,411,287,338</b>	<b>120,899,846</b>	<b>309,689,929</b>	<b>8,841,877,114</b>	<b>2,241,869,472</b>	<b>11,083,746,586</b>
<b>Regulatory Base - Retail</b>	<b>12,051,131,067</b>	<b>4,454,186,892</b>	<b>7,596,944,175</b>	<b>104,803,692</b>	<b>253,818,826</b>	<b>7,955,566,694</b>	<b>2,191,050,349</b>	<b>10,146,617,043</b>
<b>FPSC Adjustments</b>								
ARO	(17,443,891)	(26,859,988)	9,416,097			9,416,097	(9,408,347)	7,750
ECCR	(29,238,690)	(1,668,426)	(27,570,263)		(14,568,570)	(42,138,833)	(1,929,072)	(44,067,905)
ECRC	(929,264,877)	(81,761,314)	(847,503,563)		(5,281,945)	(852,785,508)	(25,786,118)	(878,571,625)
FUEL	(28,969,037)	(28,100,496)	(868,542)			(868,542)	310,353,881	309,485,339
CCR							(44,617,846)	(44,617,846)
NUCLEAR					(58,951,521)	(58,951,521)	(399,791,851)	(458,743,372)
CR3 Removal							(1,277,374,698)	(1,277,374,698)
Derivatives							(22,359,175)	(22,359,175)
Employee Related							(1,692,156)	(1,692,156)
Investments Earning a Return							(103,522,545)	(103,522,545)
Jobbing Accounts							(4,847,972)	(4,847,972)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	19,713,895	43,067,906
Rate Case Regulatory Asset							(187,481)	(187,481)
Retention Accounts							1,979,181	1,979,181
CWIP - AFUDC					(32,444,056)	(32,444,056)		(32,444,056)
Imputed Off Balance Sheet Obligations							797,370,365	797,370,365
Capital Lease	(170,157,032)		(170,157,032)			(170,157,032)	169,461,280	(695,751)
<b>Total FPSC Adjustments</b>	<b>(1,175,073,526)</b>	<b>(161,744,235)</b>	<b>(1,013,329,291)</b>		<b>(111,246,092)</b>	<b>(1,124,575,383)</b>	<b>(592,638,659)</b>	<b>(1,717,214,042)</b>
<b>FPSC Adjusted</b>	<b>10,876,057,541</b>	<b>4,292,442,657</b>	<b>6,583,614,884</b>	<b>104,803,692</b>	<b>142,572,735</b>	<b>6,830,991,311</b>	<b>1,598,411,691</b>	<b>8,429,403,002</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>	<b>4,644,620,419</b>	<b>1,985,287,461</b>	<b>817,158,283</b>	<b>416,985,094</b>	<b>331,843,674</b>	<b>(17,335,596)</b>	<b>352,723,473</b>	<b>(1,307,002)</b>		<b>3,885,355,387</b>	<b>759,265,032</b>
<b>Regulatory Base - Retail (b)</b>	<b>4,352,582,639</b>	<b>1,918,749,917</b>	<b>734,647,590</b>	<b>388,183,493</b>	<b>319,748,164</b>	<b>(15,619,224)</b>	<b>317,800,840</b>	<b>(1,187,581)</b>		<b>3,662,323,200</b>	<b>690,259,439</b>
<b>FPSC Adjustments</b>											
ECCR	(106,893,733)		(99,065,229)	(354,368)		(2,883,148)				(102,302,745)	(4,590,988)
ECRC	(158,909,830)		(38,304,766)	(14,762,406)	(7,777,539)	(37,828,619)				(98,673,331)	(60,236,499)
FUEL	(1,538,740,146)	(1,537,550,925)	(1,189,581)			139				(1,538,740,367)	221
CCR	(381,199,256)	(381,198,992)	(86,416)			33,233				(381,252,175)	52,919
NUCLEAR	(150,498,878)		(774,571)	(128,985,465)		(8,000,008)				(137,760,044)	(12,738,834)
CORPORATE AIRCRAFT ALLOCATION			(2,875,350)			1,109,166				(1,766,184)	1,766,184
FRANCHISE FEE & GROSS RECEIPTS	(197,756,236)					(76,284,468)				(76,284,468)	(121,471,768)
FRANCHISE FEES & GROSS REC TAX - TOI					(194,675,673)	75,096,141				(119,579,532)	119,579,532
GAIN/LOSS ON DISPOSITION & OTHER						274,867		(712,551)		(437,685)	437,685
INST./PROMOTIONAL ADVERTISING			(128,039)			49,391				(78,648)	78,648
INTEREST ON TAX DEFICIENCY			(492,483)			189,975				(302,508)	302,508
MISCELLANEOUS INTEREST EXPENSE			154,402			(59,561)				94,841	(94,841)
REMOVE ASSOC/ORGANIZATION DUES			(139,523)			53,821				(85,702)	85,702
PARENT DEBT ADJUSTMENT						(9,410,337)				(9,410,337)	9,410,337
DIRECTORS & OFFICERS PREMIUM			(1,791,723)			691,157				(1,100,566)	1,100,566
INTEREST SYNCHRONIZATION - FPSC						13,381,423				13,381,423	(13,381,423)
<b>Total FPSC Adjustments</b>	<b>(2,533,998,079)</b>	<b>(1,918,749,917)</b>	<b>(144,693,280)</b>	<b>(144,102,239)</b>	<b>(202,453,212)</b>	<b>(43,586,827)</b>			<b>(712,551)</b>	<b>(2,454,298,027)</b>	<b>(79,700,052)</b>
<b>FPSC Adjusted</b>	<b>1,818,584,559</b>		<b>589,954,310</b>	<b>244,081,254</b>	<b>117,294,952</b>	<b>(59,206,051)</b>	<b>317,800,840</b>	<b>(1,187,581)</b>	<b>(712,551)</b>	<b>1,208,025,173</b>	<b>610,559,387</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	3,679,326					1,419,300				1,419,300	2,260,026
<b>Total Pro Forma Adjustments</b>	<b>3,679,326</b>					<b>1,419,300</b>				<b>1,419,300</b>	<b>2,260,026</b>
<b>Pro Forma Adjusted</b>	<b>1,822,263,885</b>		<b>589,954,310</b>	<b>244,081,254</b>	<b>117,294,952</b>	<b>(57,786,751)</b>	<b>317,800,840</b>	<b>(1,187,581)</b>	<b>(712,551)</b>	<b>1,209,444,473</b>	<b>612,819,413</b>
<b>Current Month</b>											
System Per Books	353,708,571	144,787,012	73,536,536	45,526,295	28,907,790	(1,215,284)	24,727,108	(108,917)		316,160,541	37,548,030
FPSC Adjusted	141,588,585		59,236,295	28,333,296	16,040,371	(1,093,755)	22,254,397	(98,025)	(72,000)	124,600,579	16,988,006
							14,963,838	pretax			
							12,264,215	pretax			

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	618,572	7,750
	ECCR	F	(44,067,905)	(44,067,905)
	ECRC	F	(943,953,503)	(878,571,625)
	FUEL	F	309,418,809	309,485,339
	CCR	F	(44,617,846)	(44,617,846)
	NUCLEAR	F	(463,259,064)	(458,743,372)
	CR3 Removal	F	(1,277,374,698)	(1,277,374,698)
	Derivatives	F	(22,359,175)	(22,359,175)
	Employee Related	F	(1,691,312)	(1,692,156)
	Investments Earning a Return	F	(105,655,961)	(103,522,545)
	Jobbing Accounts	F	(4,847,972)	(4,847,972)
	Non-Regulated and Miscellaneous	F	43,067,906	43,067,906
	Rate Case Regulatory Asset	F	(187,481)	(187,481)
	Retention Accounts	F	2,221,477	1,979,181
(1)	CWIP - AFUDC	F	(45,036,117)	(32,444,056)
(3)	Imputed Off Balance Sheet Obligations	F	858,449,012	797,370,365
(2)	Capital Lease - EPIS	F	(182,530,794)	(170,157,032)
(2)	Capital Lease - Working Capital	F	181,784,448	169,461,280
	<b>Total</b>		<b>(1,740,021,605)</b>	<b>(1,717,214,042)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(7,472,570)	2,882,544	(7,474,136)	2,883,148
	ECRC	F	(98,065,119)	37,828,619	(98,065,119)	37,828,619
	FUEL	F	360	(139)	360	(139)
	CCR	F	86,153	(33,233)	86,153	(33,233)
	NUCLEAR	F	(20,731,992)	7,997,366	(20,738,842)	8,000,008
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,875,350	(1,109,166)	2,875,350	(1,109,166)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,756,236)	76,284,468	(197,756,236)	76,284,468
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,675,673	(75,096,141)	194,675,673	(75,096,141)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	808,017	(311,693)	712,551	(274,867)
(1)	INST./PROMOTIONAL ADVERTISING	F	128,039	(49,391)	128,039	(49,391)
(1)	INTEREST ON TAX DEFICIENCY	F	492,483	(189,975)	492,483	(189,975)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(154,402)	59,561	(154,402)	59,561
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	139,523	(53,821)	139,523	(53,821)
(2)	PARENT DEBT ADJUSTMENT	F		10,356,507		9,410,337
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,791,723	(691,157)	1,791,723	(691,157)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(13,381,423)		(13,381,423)
	<b>Total</b>		<b>(123,182,998)</b>	<b>44,492,925</b>	<b>(123,286,879)</b>	<b>43,586,827</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 13-0598A-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>13,522,496,432</b>	<b>5,005,376,749</b>	<b>8,517,119,684</b>	<b>120,899,000</b>	<b>238,596,363</b>	<b>8,876,615,047</b>	<b>2,241,869,472</b>	<b>11,118,484,519</b>
<b>Regulatory Base - Retail</b>	<b>12,374,804,636</b>	<b>4,577,935,637</b>	<b>7,796,868,999</b>	<b>104,802,922</b>	<b>198,482,757</b>	<b>8,100,154,678</b>	<b>2,191,050,349</b>	<b>10,291,205,028</b>
<b>FPSC Adjustments</b>								
ARO	(16,841,368)	(28,633,825)	11,792,457			11,792,457	(9,408,347)	2,384,110
ECCR	(37,827,486)	(1,816,539)	(36,010,947)		(8,315,350)	(44,326,297)	(1,929,072)	(46,255,369)
ECRC	(17,492,968)	(4,908,837)	(12,584,131)		(8,715,887)	(21,300,018)	(25,786,118)	(47,086,136)
FUEL	(28,969,387)	(28,105,098)	(864,289)			(864,289)	310,353,881	309,489,592
CCR							(44,617,846)	(44,617,846)
NUCLEAR					(39,197,470)	(39,197,470)	(399,791,851)	(438,989,321)
CR3 Removal							(1,277,374,698)	(1,277,374,698)
Derivatives							(22,359,175)	(22,359,175)
Employee Related							(1,692,156)	(1,692,156)
Investments Earning a Return							(103,522,545)	(103,522,545)
Jobbing Accounts							(4,847,972)	(4,847,972)
Non-Regulated and Miscellaneous		(23,354,011)	23,354,011			23,354,011	19,713,895	43,067,906
Rate Case Regulatory Asset							(187,481)	(187,481)
Retention Accounts							1,979,181	1,979,181
CWIP - AFUDC					(8,907,274)	(8,907,274)		(8,907,274)
Imputed Off Balance Sheet Obligations							797,370,365	797,370,365
Capital Lease	(166,553,967)		(166,553,967)			(166,553,967)	169,461,280	2,907,313
<b>Total FPSC Adjustments</b>	<b>(267,685,175)</b>	<b>(86,818,309)</b>	<b>(180,866,867)</b>		<b>(65,135,981)</b>	<b>(246,002,848)</b>	<b>(592,638,659)</b>	<b>(838,641,506)</b>
<b>FPSC Adjusted</b>	<b>12,107,119,461</b>	<b>4,491,117,328</b>	<b>7,616,002,133</b>	<b>104,802,922</b>	<b>133,346,776</b>	<b>7,854,151,831</b>	<b>1,598,411,691</b>	<b>9,452,563,521</b>



Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	2,994,931	2,384,110
	ECCR	F	(46,255,369)	(46,255,369)
	ECRC	F	(48,533,615)	(47,086,136)
	FUEL	F	309,423,387	309,489,592
	CCR	F	(44,617,846)	(44,617,846)
	NUCLEAR	F	(441,991,851)	(438,989,321)
	CR3 Removal	F	(1,277,374,698)	(1,277,374,698)
	Derivatives	F	(22,359,175)	(22,359,175)
	Employee Related	F	(1,691,312)	(1,692,156)
	Investments Earning a Return	F	(105,655,961)	(103,522,545)
	Jobbing Accounts	F	(4,847,972)	(4,847,972)
	Non-Regulated and Miscellaneous	F	43,067,906	43,067,906
	Rate Case Regulatory Asset	F	(187,481)	(187,481)
	Retention Accounts	F	2,221,477	1,979,181
(1)	CWIP - AFUDC	F	(12,254,065)	(8,907,274)
(3)	Imputed Off Balance Sheet Obligations	F	858,449,012	797,370,365
(2)	Capital Lease - EPIS	F	(178,665,716)	(166,553,967)
(2)	Capital Lease - Working Capital	F	181,784,448	169,461,280
	<b>Total</b>		<b>(786,493,900)</b>	<b>(838,641,506)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(7,472,570)	2,882,544	(7,474,136)	2,883,148
	ECRC	F	(98,065,119)	37,828,619	(98,065,119)	37,828,619
	FUEL	F	360	(139)	360	(139)
	CCR	F	86,153	(33,233)	86,153	(33,233)
	NUCLEAR	F	(20,731,992)	7,997,366	(20,738,842)	8,000,008
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,875,350	(1,109,166)	2,875,350	(1,109,166)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,756,236)	76,284,468	(197,756,236)	76,284,468
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,675,673	(75,096,141)	194,675,673	(75,096,141)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	808,017	(311,693)	712,551	(274,867)
(1)	INST/PROMOTIONAL ADVERTISING	F	128,039	(49,391)	128,039	(49,391)
(1)	INTEREST ON TAX DEFICIENCY	F	492,483	(189,975)	492,483	(189,975)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(154,402)	59,561	(154,402)	59,561
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	139,523	(53,821)	139,523	(53,821)
(2)	PARENT DEBT ADJUSTMENT	F		10,356,507		9,410,337
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,791,723	(691,157)	1,791,723	(691,157)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(13,381,423)		(13,381,423)
	<b>Total</b>		<b>(123,182,998)</b>	<b>44,492,925</b>	<b>(123,286,879)</b>	<b>43,586,827</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 13-0598A-FOF-EI







	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	4,833,260,196	4,416,574,982	(1,134,501,388)	856,712,027	4,138,785,621	49.10%	9.50%	4.66%	10.50%	5.16%	11.50%	5.65%
Long Term Debt	4,668,432,251	4,265,957,190	(1,095,811,658)		3,170,145,531	37.61%	5.25%	1.97%	5.25%	1.97%	5.25%	1.97%
Short Term Debt *	(9,345,979)	(8,540,243)	2,193,763	30,708,032	24,361,551	0.29%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	212,132,771	212,132,771	(54,491,302)		157,641,469	1.87%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,559,481	1,559,481	(400,590)		1,158,892	0.01%						
Investment Tax Credits **	2,063,536	1,885,634	(484,370)		1,401,265	0.02%						
Deferred Income Taxes	1,596,425,355	1,458,794,271	(374,725,694)	1,763,655	1,085,832,232	12.88%						
FAS 109 DIT - Net	(220,781,024)	(201,747,042)	51,823,483		(149,923,559)	-1.78%						
<b>Total</b>	<b>11,083,746,586</b>	<b>10,146,617,043</b>	<b>(2,606,397,756)</b>	<b>889,183,714</b>	<b>8,429,403,002</b>	<b>100.00%</b>		<b>6.68%</b>		<b>7.18%</b>		<b>7.67%</b>
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												



**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 502,692,277
AFUDC - DEBT	4,643,701
INCOME TAXES	210,074,616
TOTAL	\$ 717,410,594
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	\$ 184,983,054
TIE WITH AFUDC	<u>3.88</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 502,692,277
AFUDC - EQUITY	(10,320,137)
INCOME TAXES	210,074,616
TOTAL	\$ 702,446,756
INTEREST CHARGES (BEFORE DEDUCTING AFUDC DEBT)	\$ 184,983,054
TIE WITHOUT AFUDC	<u>3.80</u>

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

AFUDC DEBT	\$ 4,643,701
LESS: DIT	-
SUBTOTAL	\$ 4,643,701
AFUDC - EQUITY	\$ 10,320,137
TOTAL	\$ 14,963,838
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 322,352,924
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>4.64%</u>

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

NET INCOME	\$ 322,352,924
COMMON DIVIDENDS	(450,000,000)
AFUDC (EQUITY)	(10,320,137)
DEPRECIATION & AMORTIZATION	413,693,180
DEFERRED INCOME TAXES	359,897,206
INVESTMENT TAX CREDITS	(1,307,002)
DEFERRED FUEL NET	-
OTHER - INC NUCLEAR DECOMMISSIONING	-
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	256,609,132
TOTAL FUNDS PROVIDED	\$ 890,925,303
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 867,963,269
PERCENTAGE INTERNALLY GENERATED FUNDS	<b>102.65%</b>

\*Updated quarterly as of March 2014

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

Common Equity	\$ 4,138,785,621
Preferred Stock	\$ -
Long Term Debt	\$ 3,170,145,531
Short Term Debt	\$ 24,361,551
TOTAL	\$ 7,333,292,703
% LONG TERM DEBT TO TOTAL	<b>43.23%</b>
% SHORT TERM DEBT TO TOTAL	<b>0.33%</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	7.27%	7.24%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.97%	1.97%
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	2.02%	2.02%
TOTAL	5.25%	5.22%
DIVIDED BY COMMON EQUITY RATIO	49.10%	49.10%
JURISDICTIONAL RETURN ON COMMON EQUITY	<b>10.69%</b>	<b>10.64%</b>

**DUKE ENERGY FLORIDA**  
**Earnings Surveillance Report**  
**CR3 Regulatory Asset Value**  
**March 2014**  
**(In Millions)**

**Schedule 6**

Line No.	Pre or Post Retirement Component Classification	category	Subject to Cap	Dry Cask Storage	Total Regulatory Asset
1					
2	Electric Plant In Service	a	856		856
3	Less Accumulated Depreciation	b	435		435
4	Net plant balance	fallout	421		421
5	Write-Down	b	(295)		(295)
6	Construction Work In Progress (CWIP)				
7	Steam Generator Replacement (SGR) Project	a	360		360
8	Delam Repair Project	b	167		167
9	License Amendment Request (LAR)	b	20		20
10	Dry Cask Storage	d		46	46
11	Fukushima	d	4		4
12	Building Stabilization Project	c	14		14
13	Other - CWIP	d	48		48
14	Nuclear Fuel Inventories	a	250		250
15	Nuclear Materials and Supplies Inventories	a	51		51
16	Deferred expenses	e	101		101
17	Cumulative AFUDC (6.00%)	fallout	85	3	88
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	b	95		95
19	Total CR3 Regulatory Asset	fallout	1,320	49	1,369

category

- a The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs except that the Intervenor Parties retain the right to challenge whether DEF took reasonable and prudent actions to minimize the future CR3 Regulatory Asset value after February 5, 2013 and to sell or otherwise salvage assets after February 5, 2013 that would otherwise be included in the CR3 Regulatory Asset.
- b The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs.
- c The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover costs incurred by the Company before February 5, 2013. The Intervenor Parties retain the right to challenge the prudence of any costs incurred after and applicable to the period after February 5, 2013 that are submitted for recovery by the Company.
- d The Intervenor Parties retain the right to challenge the prudence of any costs submitted for recovery by the Company.
- e The Intervenor Parties retain the right to verify that the Company has complied with paragraph 5b of the Revised and Restated Settlement Agreement.

Note Reference Docket No. 130208-EI, Order No. PSC-13-0598-FOF-EI, Settlement Exhibit 10.