



July 10, 2015

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, Inc.'s Earnings Surveillance Report for the twelve months ended May 31, 2015.

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 May 31, 2015. 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 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
May 2015**

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	\$ 649,834,251 (a)	\$ (15,993,938) (b)	\$ 633,840,312	\$ (8,645,411)	\$ 625,194,901
Average Rate Base	\$ 10,798,601,159	\$ (1,196,528,397)	\$ 9,602,072,762	\$ -	\$ 9,602,072,762
Average Rate of Return	6.02%		6.60%		6.51%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 647,204,637	\$ (13,364,325)	\$ 633,840,312		
Average Rate Base	\$ 11,051,008,907	\$ (1,261,535,465)	\$ 9,789,473,443		
Average Rate of Return	5.86%		6.47%		
(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	6.66%	6.51%
Mid Point	7.15%	6.99%
High Point	7.63%	7.46%
Pro Forma Adjusted Basis		
Low Point	6.66%	6.51%
Mid Point	7.15%	6.99%
High Point	7.63%	7.46%

IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.40	(System Per Books Basis)
B. T.I.E without AFUDC	4.39	(System Per Books Basis)
C. AFUDC to Net Income	0.46%	(System Per Books Basis)
D. Internally Generated Funds	108.23%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	44.44%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-1.10%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.38%	(FPSC Adjusted Basis)
	9.20%	(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



 Date

DUKE ENERGY FLORIDA
Average Rate of Return - Rate Base
May 2015

	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	\$13,933,370,329	\$5,150,157,357	\$8,783,212,972	\$121,254,493	\$335,472,214	\$9,239,939,678	\$2,580,928,816	\$11,820,868,495
Regulatory Base - Retail	\$12,635,229,222	\$4,773,049,119	\$7,862,180,103	\$105,110,669	\$293,526,973	\$8,260,817,745	\$2,537,783,413	\$10,798,601,159
FPSC Adjustments								
ARO	(18,989,389)	(30,076,269)	11,086,880	-	-	11,086,880	(10,419,144)	667,736
ECCR	(39,687,393)	(5,751,551)	(33,935,841)	-	(8,192,994)	(42,128,835)	11,492,127	(30,636,708)
ECRC	(120,593,629)	(6,037,645)	(114,555,984)	-	(10,698,498)	(125,254,482)	1,324,999	(123,929,483)
FUEL	(28,969,382)	(28,102,041)	(867,342)	-	-	(867,342)	77,078,830	76,211,488
CCR	-	-	-	-	-	-	(40,960,114)	(40,960,114)
NUCLEAR	-	-	-	-	(12,494,266)	(12,494,266)	(329,295,660)	(341,789,926)
CR3 Removal	-	-	-	-	-	-	(1,305,453,009)	(1,305,453,009)
Derivatives	-	-	-	-	-	-	(16,258,414)	(16,258,414)
Employee Related	-	-	-	-	-	-	(384,717)	(384,717)
Investments Earning a Return	-	-	-	-	-	-	(149,224,943)	(149,224,943)
Jobbing Accounts	-	-	-	-	-	-	(1,118,031)	(1,118,031)
Non-Regulated and Miscellaneous	(31,790,033)	(46,905,967)	15,115,934	-	-	15,115,934	24,276,255	39,392,190
Retention Accounts	-	-	-	-	-	-	3,237,198	3,237,198
CWIP - AFUDC	-	-	-	-	(78,031,110)	(78,031,110)	-	(78,031,110)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	773,158,450	773,158,450
Capital Lease	(159,046,991)	-	(159,046,991)	-	-	(159,046,991)	157,637,986	(1,409,005)
Total FPSC Adjustments	(399,076,817)	(116,873,473)	(282,203,344)	-	(109,416,867)	(391,620,211)	(804,908,186)	(1,196,528,397)
FPSC Adjusted	\$12,236,152,405	\$4,656,175,645	\$7,579,976,759	\$105,110,669	\$184,110,105	\$7,869,197,534	\$1,732,875,228	\$9,602,072,762

	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 (a)	\$4,942,470,305	\$2,173,177,604	\$814,627,792	\$534,627,000	\$340,914,901	\$ (75,810,466)	\$ 413,308,042	\$ (823,250)		\$4,200,021,624	\$742,448,681
Regulatory Base - Retail (b)	\$4,644,942,142	\$2,106,600,283	\$778,289,895	\$503,227,120	\$329,112,511	\$ (63,177,128)	\$ 344,432,853	\$ (748,030)		\$3,997,737,504	\$647,204,637
FPSC Adjustments											
ECCR	(115,051,734)	-	(96,177,080)	(4,312,480)	-	(5,617,358)	-	-	-	(106,106,919)	(8,944,815)
ECRC	(73,101,144)	-	(47,354,403)	(5,265,752)	(1,098,493)	(7,476,798)	-	-	-	(61,195,446)	(11,905,698)
FUEL	(1,764,068,527)	(1,767,585,131)	(1,123,325)	-	-	1,789,853	-	-	-	(1,766,918,604)	2,850,076
CCR	(337,648,614)	(337,421,987)	(226,627)	-	-	(0)	-	-	-	(337,648,614)	(0)
NUCLEAR	(162,464,790)	-	(111,854)	(151,204,035)	-	(4,300,689)	-	-	-	(155,616,578)	(6,848,212)
NON-REGULATED AND MISCELLANEOUS	-	-	(3,985,105)	249,828	-	1,440,883	-	-	-	(2,294,394)	2,294,394
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,696,055)	-	-	1,040,003	-	-	-	(1,656,052)	1,656,052
FRANCHISE FEE & GROSS RECEIPTS	(214,167,393)	-	-	-	-	(82,615,072)	-	-	-	(82,615,072)	(131,552,321)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(209,627,344)	80,863,748	-	-	-	(128,763,596)	128,763,596
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	152,546	-	-	(395,453)	(242,907)	242,907
INST./PROMOTIONAL ADVERTISING	-	-	(2,287,580)	-	-	882,434	-	-	-	(1,405,146)	1,405,146
MISCELLANEOUS INTEREST EXPENSE	-	-	135,144	-	-	(52,132)	-	-	-	83,012	(83,012)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(2,122)	-	-	818	-	-	-	(1,303)	1,303
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,127,934)	-	-	-	(9,127,934)	9,127,934
DIRECTORS & OFFICERS PREMIUM	-	-	(2,028,263)	-	-	782,403	-	-	-	(1,245,861)	1,245,861
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	1,640,247	-	-	-	1,640,247	(1,640,247)
Total FPSC Adjustments	(2,666,502,202)	(2,105,007,118)	(155,894,245)	(160,532,439)	(210,725,837)	(20,582,783)	-	-	(395,453)	(2,653,137,877)	(13,364,325)
FPSC Adjusted	\$ 1,978,439,940	\$ 1,593,164	\$ 622,395,650	\$ 342,694,681	\$ 118,386,674	\$ (83,759,911)	\$ 344,432,853	\$ (748,030)	\$ (395,453)	\$ 1,344,599,628	\$633,840,312
Pro Forma Adjustments											
Weather Normalization	(14,074,743)	-	-	-	-	(5,429,332)	-	-	-	(5,429,332)	(8,645,411)
Total Pro Forma Adjustments	(14,074,743)	-	-	-	-	(5,429,332)	-	-	-	(5,429,332)	(8,645,411)
Pro Forma Adjusted	\$1,964,365,197	\$1,593,164	\$622,395,650	\$342,694,681	\$118,386,674	\$ (89,189,243)	\$ 344,432,853	\$ (748,030)	\$ (395,453)	\$1,339,170,296	\$625,194,901
Current Month											
System Per Books	\$410,987,018	\$181,642,930	\$62,981,008	\$36,586,711	\$28,013,745	\$21,490,288	\$ 10,729,663	\$ (12,166)	\$ -	\$341,432,179	\$69,554,840
FPSC Adjusted	\$177,071,074		\$49,436,081	\$29,291,610	\$9,708,989	\$21,935,958	\$ 10,952,177	\$ (11,054)	\$ (27,736)	\$121,286,024	\$55,785,050

(a) The addition of earnings from AFUDC charges would increase the System NOI by 3,005,387 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 2,629,613 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$667,736	\$667,736
	ECCR	F	(30,636,708)	(30,636,708)
	ECRC	F	(161,565,241)	(123,929,483)
	FUEL	F	76,145,050	76,211,488
	CCR	F	(40,960,114)	(40,960,114)
	NUCLEAR	F	(342,697,040)	(341,789,926)
	CR3 Removal	F	(1,305,453,009)	(1,305,453,009)
	Derivatives	F	(16,258,414)	(16,258,414)
	Employee Related	F	(384,690)	(384,717)
	Investments Earning a Return	F	(156,497,799)	(149,224,943)
	Jobbing Accounts	F	(1,254,903)	(1,118,031)
	Non-Regulated and Miscellaneous	F	40,444,577	39,392,190
	Retention Accounts	F	3,633,504	3,237,198
(1)	CWIP - AFUDC	F	(84,133,718)	(78,031,110)
(3)	Imputed Off Balance Sheet Obligations	F	832,382,463	773,158,450
(2)	Capital Lease - EPIS	F	(170,612,835)	(159,046,991)
(2)	Capital Lease - Working Capital	F	169,101,368	157,637,986
	Total		\$ (1,188,079,774)	\$ (1,196,528,397)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,559,691)	5,616,401	(14,562,173)	5,617,358
	ECRC	F	(18,559,697)	7,159,403	(19,382,495)	7,476,798
	FUEL	F	4,786,570	(1,846,419)	4,639,929	(1,789,853)
	CCR	F	(0)	0	(0)	0
	NUCLEAR	F	(11,140,971)	4,297,630	(11,148,901)	4,300,689
	NON-REGULATED AND MISCELLANEOUS	F	4,025,073	(1,552,672)	3,735,277	(1,440,883)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,892,111	(1,115,632)	2,696,055	(1,040,003)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,167,393)	82,615,072	(214,167,393)	82,615,072
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,627,344	(80,863,748)	209,627,344	(80,863,748)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	425,745	(164,231)	395,453	(152,546)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,453,932	(946,604)	2,287,580	(882,434)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(144,972)	55,923	(135,144)	52,132
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	2,276	(878)	2,122	(818)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F	-	10,070,647	-	9,127,934
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,175,758	(839,299)	2,028,263	(782,403)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(1,640,247)	-	(1,640,247)
	Total		\$ (32,144,252)	\$ 20,830,045	\$ (33,947,109)	\$20,582,783

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	\$14,245,775,824	\$5,268,442,409	\$8,977,333,415	\$121,654,015	\$428,080,074	\$9,527,067,504	\$2,580,928,816	\$12,107,996,321
Regulatory Base - Retail	\$12,912,213,570	\$4,879,934,983	\$8,032,278,587	\$105,457,000	\$375,489,908	\$8,513,225,494	\$2,537,783,413	\$11,051,008,907
FPSC Adjustments								
ARO	(20,823,344)	(30,524,505)	9,701,161	-	-	9,701,161	(10,419,144)	(717,983)
ECCR	(39,920,030)	(7,705,699)	(32,214,331)	-	(9,660,672)	(41,875,003)	11,492,127	(30,382,876)
ECRC	(142,641,804)	(7,619,050)	(135,022,754)	-	(3,190,810)	(138,213,564)	1,324,999	(136,888,564)
FUEL	(28,969,382)	(28,103,369)	(866,013)	-	-	(866,013)	77,078,830	76,212,817
CCR	-	-	-	-	-	-	(40,960,114)	(40,960,114)
NUCLEAR	-	-	-	-	(94,118)	(94,118)	(329,295,660)	(329,389,778)
CR3 Removal	-	-	-	-	-	-	(1,305,453,009)	(1,305,453,009)
Derivatives	-	-	-	-	-	-	(16,258,414)	(16,258,414)
Employee Related	-	-	-	-	-	-	(384,717)	(384,717)
Investments Earning a Return	-	-	-	-	-	-	(149,224,943)	(149,224,943)
Jobbing Accounts	-	-	-	-	-	-	(1,118,031)	(1,118,031)
Non-Regulated and Miscellaneous	(40,214,347)	(47,855,680)	7,641,333	-	-	7,641,333	24,276,255	31,917,588
Retention Accounts	-	-	-	-	-	-	3,237,198	3,237,198
CWIP - AFUDC	-	-	-	-	(136,807,106)	(136,807,106)	-	(136,807,106)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	773,158,450	773,158,450
Capital Lease	(156,113,969)	-	(156,113,969)	-	-	(156,113,969)	157,637,986	1,524,017
Total FPSC Adjustments	(428,682,877)	(121,808,303)	(306,874,574)	-	(149,752,705)	(456,627,279)	(804,908,186)	(1,261,535,465)
FPSC Adjusted	\$12,483,530,693	\$4,758,126,680	\$7,725,404,013	\$105,457,000	\$225,737,203	\$8,056,598,215	\$1,732,875,228	\$9,789,473,443

	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 (a)	\$4,942,470,305	\$2,173,177,604	\$814,627,792	\$534,627,000	\$340,914,901	\$ (75,810,466)	\$ 413,308,042	\$ (823,250)	\$ -	\$4,200,021,624	\$742,448,681
Regulatory Base - Retail (b)	\$4,644,942,142	\$2,106,600,283	\$778,289,895	\$503,227,120	\$329,112,511	\$ (63,177,128)	\$ 344,432,853	\$ (748,030)	\$ -	\$3,997,737,504	\$647,204,637
FPSC Adjustments											
ECCR	(115,051,734)	-	(96,177,080)	(4,312,480)	-	(5,617,358)	-	-	-	(106,106,919)	(8,944,815)
ECRC	(73,101,144)	-	(47,354,403)	(5,265,752)	(1,098,493)	(7,476,798)	-	-	-	(61,195,446)	(11,905,698)
FUEL	(1,764,068,527)	(1,767,585,131)	(1,123,325)	-	-	1,789,853	-	-	-	(1,766,918,604)	2,850,076
CCR	(337,648,614)	(337,421,987)	(226,627)	-	-	(0)	-	-	-	(337,648,614)	(0)
NUCLEAR	(162,464,790)	-	(111,854)	(151,204,035)	-	(4,300,689)	-	-	-	(155,616,578)	(6,848,212)
NON-REGULATED AND MISCELLANEOUS	-	-	(3,985,105)	249,828	-	1,440,883	-	-	-	(2,294,394)	2,294,394
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,696,055)	-	-	1,040,003	-	-	-	(1,656,052)	1,656,052
FRANCHISE FEE & GROSS RECEIPTS	(214,167,393)	-	-	-	-	(82,615,072)	-	-	-	(82,615,072)	(131,552,321)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(209,627,344)	80,863,748	-	-	-	(128,763,596)	128,763,596
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	152,546	-	-	(395,453)	(242,907)	242,907
INST./PROMOTIONAL ADVERTISING	-	-	(2,287,580)	-	-	882,434	-	-	-	(1,405,146)	1,405,146
MISCELLANEOUS INTEREST EXPENSE	-	-	135,144	-	-	(52,132)	-	-	-	83,012	(83,012)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(2,122)	-	-	818	-	-	-	(1,303)	1,303
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,127,934)	-	-	-	(9,127,934)	9,127,934
DIRECTORS & OFFICERS PREMIUM	-	-	(2,028,263)	-	-	782,403	-	-	-	(1,245,861)	1,245,861
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	1,640,247	-	-	-	1,640,247	(1,640,247)
Total FPSC Adjustments	(2,666,502,202)	(2,105,007,118)	(155,894,245)	(160,532,439)	(210,725,837)	(20,582,783)	-	-	(395,453)	(2,653,137,877)	(13,364,325)
FPSC Adjusted	\$1,978,439,940	\$1,593,164	\$622,395,650	\$342,694,681	\$ 118,386,674	\$ (83,759,911)	\$ 344,432,853	\$ (748,030)	\$ (395,453)	\$1,344,599,628	\$633,840,312

(a) The addition of earnings from AFUDC charges would increase the System NOI by **3,005,387** pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by **2,629,613** pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(717,983)	(717,983)
	ECCR	F	(30,382,876)	(30,382,876)
	ECRC	F	(182,598,201)	(136,888,564)
	FUEL	F	76,146,480	76,212,817
	CCR	F	(40,960,114)	(40,960,114)
	NUCLEAR	F	(329,396,987)	(329,389,778)
	CR3 Removal	F	(1,305,453,009)	(1,305,453,009)
	Derivatives	F	(16,258,414)	(16,258,414)
	Employee Related	F	(384,690)	(384,717)
	Investments Earning a Return	F	(156,497,799)	(149,224,943)
	Jobbing Accounts	F	(1,254,903)	(1,118,031)
	Non-Regulated and Miscellaneous	F	33,009,846	31,917,588
	Retention Accounts	F	3,633,504	3,237,198
(1)	CWIP - AFUDC	F	(146,425,582)	(136,807,106)
(3)	Imputed Off Balance Sheet Obligations	F	832,382,463	773,158,450
(2)	Capital Lease - EPIS	F	(167,466,525)	(156,113,969)
(2)	Capital Lease - Working Capital	F	169,101,368	157,637,986
	Total		(1,263,523,423)	(1,261,535,465)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,559,691)	5,616,401	(14,562,173)	5,617,358
	ECRC	F	(18,559,697)	7,159,403	(19,382,495)	7,476,798
	FUEL	F	4,786,570	(1,846,419)	4,639,929	(1,789,853)
	CCR	F	(0)	0	(0)	0
	NUCLEAR	F	(11,140,971)	4,297,630	(11,148,901)	4,300,689
	NON-REGULATED AND MISCELLANEOUS	F	4,025,073	(1,552,672)	3,735,277	(1,440,883)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,892,111	(1,115,632)	2,696,055	(1,040,003)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,167,393)	82,615,072	(214,167,393)	82,615,072
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,627,344	(80,863,748)	209,627,344	(80,863,748)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	425,745	(164,231)	395,453	(152,546)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,453,932	(946,604)	2,287,580	(882,434)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(144,972)	55,923	(135,144)	52,132
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	2,276	(878)	2,122	(818)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F		10,070,647		9,127,934
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,175,758	(839,299)	2,028,263	(782,403)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(1,640,247)		(1,640,247)
	Total		(32,144,252)	20,830,045	(33,947,109)	20,582,783

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
May 2015

	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	\$5,098,010,086	\$4,648,879,135	\$ (723,483,537)	\$756,457,820	\$4,681,853,418	48.76%	9.50%	4.63%	10.50%	5.12%	11.50%	5.61%
Long Term Debt	4,769,693,164	4,349,486,693	(676,890,478)	-	3,672,596,216	38.25%	5.19%	1.98%	5.19%	1.98%	5.19%	1.98%
Short Term Debt *	(37,936,942)	(34,594,725)	5,383,817	(61,356,649)	(90,567,557)	(0.94%)	0.17%	(0.00%)	0.17%	(0.00%)	0.17%	(0.00%)
Customer Deposits												
Active	215,737,127	215,737,127	(33,574,170)	-	182,162,957	1.90%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,546,302	1,546,302	(240,644)	-	1,305,658	0.01%						
Investment Tax Credits **	647,000	590,000	(91,819)	-	498,181	0.01%						
Deferred Income Taxes	1,986,670,764	1,811,646,527	(281,938,162)	(211,093,263)	1,318,615,101	13.73%						
FAS 109 DIT - Net	(213,499,006)	(194,689,900)	30,298,688	-	(164,391,212)	(1.71%)						
Total	\$11,820,868,495	\$10,798,601,159	\$ (1,680,536,305)	\$484,007,908	\$9,602,072,762	100.00%		6.66%		7.15%		7.63%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
May 2015

	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	\$5,081,034,223	\$4,655,486,566	\$ (753,802,007)	\$762,178,251	\$4,663,862,810	47.64%	9.50%	4.53%	10.50%	5.00%	11.50%	5.48%
Long Term Debt	4,642,252,278	4,253,453,563	(688,706,065)	-	3,564,747,498	36.41%	5.33%	1.94%	5.33%	1.94%	5.33%	1.94%
Short Term Debt *	142,437,000	130,507,592	(21,131,386)	(23,553,510)	85,822,695	0.88%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits												
Active	219,302,691	219,302,691	(35,508,814)	-	183,793,877	1.88%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,819,340	1,819,340	(294,582)	-	1,524,758	0.02%						
Investment Tax Credits **	364,680	334,137	(54,102)	-	280,034	0.00%						
Deferred Income Taxes	2,164,476,148	1,983,196,567	(321,113,063)	(210,814,973)	1,451,268,531	14.82%						
FAS 109 DIT - Net	(210,741,616)	(193,091,548)	31,264,787	-	(161,826,761)	(1.65%)						
Total	\$12,040,944,744	\$11,051,008,907	\$ (1,789,345,233)	\$527,809,768	\$9,789,473,443	100.00%		6.51%		6.99%		7.46%

* 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	\$5,098,010,086	\$4,648,879,135	\$ (723,483,537)	\$756,457,820	\$4,681,853,418	48.76%	9.50%	4.63%	10.50%	5.12%	11.50%	5.61%
Long Term Debt	4,769,693,164	4,349,486,693	(676,890,478)	-	3,672,596,216	38.25%	5.19%	1.98%	5.19%	1.98%	5.19%	1.98%
Short Term Debt *	(37,936,942)	(34,594,725)	5,383,817	(61,356,649)	(90,567,557)	(0.94%)	0.17%	(0.00%)	0.17%	(0.00%)	0.17%	(0.00%)
Customer Deposits												
Active	215,737,127	215,737,127	(33,574,170)	-	182,162,957	1.90%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,546,302	1,546,302	(240,644)	-	1,305,658	0.01%						
Investment Tax Credits **	647,000	590,000	(91,819)	-	498,181	0.01%						
Deferred Income Taxes	1,986,670,764	1,811,646,527	(281,938,162)	(211,093,263)	1,318,615,101	13.73%						
FAS 109 DIT - Net	(213,499,006)	(194,689,900)	30,298,688	-	(164,391,212)	(1.71%)						
Total	\$11,820,868,495	\$10,798,601,159	\$ (1,680,536,305)	\$484,007,908	\$9,602,072,762	100.00%		6.66%		7.15%		7.63%

* 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	\$5,081,034,223	\$4,655,486,566	\$ (753,802,007)	\$762,178,251	\$4,663,862,810	47.64%	9.50%	4.53%	10.50%	5.00%	11.50%	5.48%
Long Term Debt	4,642,252,278	4,253,453,563	(688,706,065)	-	3,564,747,498	36.41%	5.33%	1.94%	5.33%	1.94%	5.33%	1.94%
Short Term Debt *	142,437,000	130,507,592	(21,131,386)	(23,553,510)	85,822,695	0.88%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits						0	0		0		0	
Active	219,302,691	219,302,691	(35,508,814)	-	183,793,877	1.88%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,819,340	1,819,340	(294,582)	-	1,524,758	0.02%						
Investment Tax Credits **	364,680	334,137	(54,102)	-	280,034	0.00%						
Deferred Income Taxes	2,164,476,148	1,983,196,567	(321,113,063)	(210,814,973)	1,451,268,531	14.82%						
FAS 109 DIT - Net	(210,741,616)	(193,091,548)	31,264,787	-	(161,826,761)	(1.65%)						
Total	\$12,040,944,744	\$11,051,008,907	\$ (1,789,345,233)	\$527,809,768	\$9,789,473,443	100.00%		6.51%		6.99%		7.46%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 756,987,238
AFUDC - DEBT	\$ 1,152,074
INCOME TAXES	\$ 357,717,403
TOTAL	\$ 1,115,856,714
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,667,338
TIE WITH AFUDC	<u>4.40</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 756,987,238
AFUDC - EQUITY	(1,853,313)
INCOME TAXES	357,717,403
TOTAL	\$ 1,112,851,327
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,667,338
TIE WITHOUT AFUDC	<u>4.39</u>

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

AFUDC DEBT	\$ 1,152,074
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 707,661
AFUDC -EQUITY	\$ 1,853,313
TOTAL	\$ 2,560,975
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 552,530,976
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.46%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 552,781,169
COMMON DIVIDENDS	\$ (350,000,000)
AFUDC (EQUITY)	\$ (2,149,490)
DEPRECIATION & AMORTIZATION	\$ 552,984,056
DEFERRED INCOME TAXES	\$ 380,719,685
INVESTMENT TAX CREDITS	\$ (1,016,750)
DEFERRED FUEL NET	\$ -
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (74,276,499)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(249,688,859)
TOTAL FUNDS PROVIDED	<u>\$ 809,353,312</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 747,827,193</u>
PERCENTAGE INTERNALLY GENERATED FUNDS	108.23%

*Updated quarterly as of March 2015

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

Common Equity	\$ 4,681,853,418
Long Term Debt	\$ 3,672,596,216
Short Term Debt	\$ (90,567,557)
TOTAL	<u>\$ 8,263,882,077</u>
% LONG TERM DEBT TO TOTAL	44.44%
% SHORT TERM DEBT TO TOTAL	-1.10%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.51%</u>	<u>6.60%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.98%	1.98%
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	<u>2.03%</u>	<u>2.03%</u>
TOTAL	4.48%	4.57%
DIVIDED BY COMMON EQUITY RATIO	<u>48.76%</u>	<u>48.76%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.20%</u>	<u>9.38%</u>