



October 14, 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, LLC's Earnings Surveillance Report for the twelve months ended August 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 August 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**  
**August 2015**

**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	\$ 643,205,129 (a)	\$ (13,110,577) (b)	\$ 630,094,552	\$ (6,702,587)	\$ 623,391,965
Average Rate Base	\$ 10,970,248,201	\$ (1,214,447,518)	\$ 9,755,800,683	\$ -	\$ 9,755,800,683
Average Rate of Return	5.86%		6.46%		6.39%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 638,511,562	\$ (8,417,010)	\$ 630,094,552		
Average Rate Base	\$ 11,211,407,144	\$ (1,289,558,074)	\$ 9,921,849,070		
Average Rate of Return	5.70%		6.35%		
(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	6.58%	6.35%
Mid Point	7.06%	6.82%
High Point	7.55%	7.28%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.58%	6.35%
Mid Point	7.06%	6.82%
High Point	7.55%	7.28%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	4.40	(System Per Books Basis)
B. T.I.E without AFUDC	4.38	(System Per Books Basis)
C. AFUDC to Net Income	0.83%	(System Per Books Basis)
D. Internally Generated Funds	103.97%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	43.73%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-0.49%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.25%	(FPSC Adjusted Basis)
	9.10%	(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

10/14/15  
 Date

DUKE ENERGY FLORIDA

Average Rate of Return - Rate Base

August 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
<b>System Par Books</b>	\$14,074,519,514	\$5,207,269,496	\$8,867,250,018	\$121,469,063	\$380,619,653	\$9,369,338,734	\$2,651,566,290	\$12,020,905,024
<b>Regulatory Base - Retail</b>	\$12,759,960,981	\$4,824,778,349	\$7,935,182,632	\$105,296,672	\$333,622,453	\$8,374,101,757	\$2,596,146,444	\$10,970,248,201
<b>FPSC Adjustments</b>								
ARO	(19,908,307)	(30,154,654)	10,246,347	-	-	10,246,347	(9,624,858)	621,489
ECCR	(40,033,461)	(6,749,978)	(33,283,483)	-	(8,694,221)	(41,977,704)	10,877,662	(31,100,042)
ECRC	(129,320,693)	(6,803,071)	(122,517,622)	-	(8,519,993)	(131,037,615)	4,810,010	(126,227,605)
FUEL	(28,969,382)	(28,102,660)	(866,722)	-	-	(866,722)	73,552,704	72,685,982
CCR	-	-	-	-	-	-	(41,450,158)	(41,450,158)
NUCLEAR	-	-	-	-	(6,530,987)	(6,530,987)	(305,436,251)	(311,967,238)
CR3 Removal	-	-	-	-	-	-	(1,306,905,450)	(1,306,905,450)
Derivatives	-	-	-	-	-	-	(20,719,836)	(20,719,836)
Employee Related	-	-	-	-	-	-	(194,619)	(194,619)
Investments Earning a Return	-	-	-	-	-	-	(155,331,647)	(155,331,647)
Jobbing Accounts	-	-	-	-	-	-	(1,118,031)	(1,118,031)
Non-Regulated and Miscellaneous	(34,226,892)	(47,759,024)	13,532,132	-	-	13,532,132	25,568,002	39,100,134
Retention Accounts	-	-	-	-	-	-	2,978,235	2,978,235
CWIP - AFUDC	-	-	-	-	(110,071,335)	(110,071,335)	-	(110,071,335)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	776,838,597	776,838,597
Capital Lease	(156,179,822)	-	(156,179,822)	-	-	(156,179,822)	154,593,828	(1,585,994)
<b>Total FPSC Adjustments</b>	<b>(408,638,557)</b>	<b>(119,569,386)</b>	<b>(289,069,171)</b>	<b>-</b>	<b>(133,816,536)</b>	<b>(422,885,707)</b>	<b>(791,561,811)</b>	<b>(1,214,447,518)</b>
<b>FPSC Adjusted</b>	<b>\$12,351,322,424</b>	<b>\$4,705,208,962</b>	<b>\$7,646,113,461</b>	<b>\$105,296,672</b>	<b>\$199,805,916</b>	<b>\$7,951,216,050</b>	<b>\$1,804,584,633</b>	<b>\$9,755,800,683</b>

DUKE ENERGY FLORIDA  
Average Rate of Return - Income Statement  
August 2015

	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>	\$4,914,428,523	\$2,171,119,815	\$797,975,234	\$511,267,379	\$346,162,407	\$ (340,928,640)	\$ 681,570,474	\$ (533,000)		\$4,166,830,870	\$747,797,854
<b>Regulatory Base - Retail</b>	\$4,804,178,484	\$2,115,582,395	\$781,379,073	\$479,322,922	\$334,194,823	\$ (275,904,113)	\$ 551,576,123	\$ (484,300)		\$3,965,666,923	\$839,511,582
<b>FPSC Adjustments</b>											
ECCR	(102,884,971)	-	(84,162,084)	(4,199,403)	-	(5,602,434)	-	-	-	(93,963,921)	(8,921,050)
ECRC	(62,497,150)	-	(40,555,449)	(3,400,564)	(1,174,671)	(6,699,114)	-	-	-	(51,829,799)	(10,667,351)
FUEL	(1,776,768,893)	(1,782,358,489)	(1,146,603)	-	2,598,874	-	-	-	-	(1,780,907,218)	4,138,324
CCR	(333,446,712)	(333,222,906)	(223,806)	-	-	0	-	-	-	(333,446,712)	0
NUCLEAR	(135,545,994)	-	(94,166)	(126,012,566)	-	(3,641,195)	-	-	-	(129,747,927)	(5,798,067)
Non-Regulated and Miscellaneous	-	-	(74,796)	249,828	-	(67,519)	-	-	-	107,514	(107,514)
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,332,631)	-	-	899,812	-	-	-	(1,432,819)	1,432,819
FRANCHISE FEE & GROSS RECEIPTS	-	-	-	-	-	(82,333,153)	-	-	-	(82,333,153)	(131,103,406)
FRANCHISE FEES & GROSS REC TAX - TOI	(213,436,559)	-	-	-	(213,260,602)	82,265,277	-	-	-	(130,995,325)	130,995,325
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	138,631	(359,380)	-	-	(220,749)	220,749
INST./PROMOTIONAL ADVERTISING	-	-	(3,784,733)	-	-	1,459,961	-	-	-	(2,324,773)	2,324,773
MISCELLANEOUS INTEREST EXPENSE	-	-	133,190	-	-	(51,378)	-	-	-	81,812	(81,812)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(44,630)	-	-	17,216	-	-	-	(27,414)	27,414
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,284,141)	-	-	-	(9,284,141)	9,284,141
DIRECTORS & OFFICERS PREMIUM	-	-	(2,355,480)	-	-	908,627	-	-	-	(1,446,854)	1,446,854
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	1,630,921	-	-	-	1,630,921	(1,630,921)
<b>Total FPSC Adjustments</b>	<b>(2,624,560,280)</b>	<b>(2,115,582,395)</b>	<b>(134,678,165)</b>	<b>(133,382,705)</b>	<b>(214,435,274)</b>	<b>(17,745,351)</b>	<b>-</b>	<b>(359,380)</b>	<b>-</b>	<b>(2,616,163,270)</b>	<b>(6,417,010)</b>
<b>FPSC Adjusted</b>	<b>\$ 1,979,598,204</b>	<b>\$ -</b>	<b>\$ 626,700,908</b>	<b>\$ 345,960,217</b>	<b>\$ 119,759,549</b>	<b>\$ (293,849,464)</b>	<b>\$ 551,576,123</b>	<b>\$ (484,300)</b>	<b>\$ (359,380)</b>	<b>\$ 1,349,503,653</b>	<b>\$830,094,552</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(10,911,822)	-	-	-	-	(4,209,235)	-	-	-	(4,209,235)	(6,702,587)
<b>Total Pro Forma Adjustments</b>	<b>(10,911,822)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,209,235)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,209,235)</b>	<b>(6,702,587)</b>
<b>Pro Forma Adjusted</b>	<b>\$1,968,686,382</b>	<b>\$826,700,908</b>	<b>\$345,960,217</b>	<b>\$119,759,549</b>	<b>\$ (297,858,700)</b>	<b>\$ (297,858,700)</b>	<b>\$ 551,576,123</b>	<b>\$ (484,300)</b>	<b>\$ (359,380)</b>	<b>\$1,345,294,417</b>	<b>\$823,391,965</b>
<b>Current Month</b>											
System Per Books	\$477,365,428	\$222,091,799	\$64,926,714	\$37,465,256	\$32,597,245	\$ 81,058,680	\$ (41,359,037)	\$ (12,166)	\$ -	\$396,769,471	\$80,595,957
FPSC Adjusted	\$192,417,544	\$49,803,698	\$29,452,854	\$10,364,807	\$10,714,159	\$ (41,692,487)	\$ (484,300)	\$ (27,415)	\$ (27,415)	\$129,131,316	\$63,288,228

(a) The addition of earnings from AFUDC charges would increase the System NOI by 5,354,747 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 4,693,567 pretax

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$621,489	\$621,489
	ECCR	F	(31,100,042)	(31,100,042)
	ECRC	F	(167,091,256)	(126,227,605)
	FUEL	F	72,619,591	72,685,982
	CCR	F	(41,450,158)	(41,450,158)
	NUCLEAR	F	(312,330,648)	(311,967,238)
	CR3 Removal	F	(1,306,905,450)	(1,306,905,450)
	Derivatives	F	(20,719,836)	(20,719,836)
	Employee Related	F	(194,708)	(194,619)
	Investments Earning a Return	F	(163,295,968)	(155,331,647)
	Jobbing Accounts	F	(1,254,903)	(1,118,031)
	Non-Regulated and Miscellaneous	F	40,202,098	39,100,134
	Retention Accounts	F	3,342,838	2,978,235
(1)	CWIP - AFUDC	F	(118,261,322)	(110,071,335)
(3)	Imputed Off Balance Sheet Obligations	F	836,344,508	776,838,597
(2)	Capital Lease - EPIS	F	(167,537,167)	(156,179,822)
(2)	Capital Lease - Working Capital	F	165,895,840	154,593,828
	<b>Total</b>		<b>\$ (1,211,175,093)</b>	<b>\$ (1,214,447,518)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,521,334)	5,601,605	(14,523,484)	5,602,434
	ECRC	F	(16,436,661)	6,340,442	(17,366,465)	6,699,114
	FUEL	F	6,914,058	(2,667,098)	6,737,199	(2,596,874)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(9,432,646)	3,638,643	(9,439,262)	3,641,195
	NON-REGULATED AND MISCELLANEOUS	F	(169,593)	65,421	(175,032)	67,519
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,502,259	(965,246)	2,332,631	(899,812)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,436,559)	82,333,153	(213,436,559)	82,333,153
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,260,602	(82,265,277)	213,260,602	(82,265,277)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	386,908	(149,250)	359,380	(138,631)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,059,958	(1,566,129)	3,784,733	(1,459,961)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(142,876)	55,114	(133,190)	51,378
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	47,876	(18,468)	44,630	(17,216)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F	-	10,242,987	-	9,284,141
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,526,770	(974,702)	2,355,480	(908,627)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(1,630,921)	-	(1,630,921)
	<b>Total</b>		<b>\$ (24,401,573)</b>	<b>\$ 18,024,973</b>	<b>\$ (26,162,361)</b>	<b>\$ 17,745,351</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>								
Regulatory Base - Retail	\$14,342,558,546	\$5,320,955,445	\$9,021,603,101	\$122,180,930	\$502,027,274	\$9,645,811,305	\$2,651,566,290	\$12,297,377,595
	\$12,998,769,537	\$4,927,788,490	\$8,070,981,046	\$105,913,761	\$438,365,892	\$8,615,260,699	\$2,596,146,444	\$11,211,407,144
<b>FPSC Adjustments</b>								
ARO	(20,823,344)	(30,579,469)	9,756,125	-	-	9,756,125	(9,624,858)	131,267
ECCR	(39,920,030)	(8,757,769)	(31,162,261)	-	(11,023,372)	(42,185,633)	10,877,662	(31,307,971)
ECRC	(142,652,786)	(8,489,448)	(134,163,338)	-	(1,630,231)	(135,793,569)	4,810,010	(130,983,559)
FUEL	(28,969,382)	(28,103,416)	(865,967)	-	-	(865,967)	73,552,704	72,686,737
CCR	-	-	-	-	-	-	(41,450,158)	(41,450,158)
NUCLEAR	-	-	-	-	(94,118)	(94,118)	(305,436,251)	(305,530,368)
CR3 Removal	-	-	-	-	-	-	(1,306,905,450)	(1,306,905,450)
Derivatives	-	-	-	-	-	-	(20,719,836)	(20,719,836)
Employee Related	-	-	-	-	-	-	(194,619)	(194,619)
Investments Earning a Return	-	-	-	-	-	-	(155,331,647)	(155,331,647)
Jobbing Accounts	-	-	-	-	-	-	(1,118,031)	(1,118,031)
Non-Regulated and Miscellaneous	(41,059,915)	(48,588,269)	7,528,354	-	-	7,528,354	25,568,002	33,096,357
Retention Accounts	-	-	-	-	-	-	2,978,235	2,978,235
CWIP - AFUDC	-	-	-	-	(187,418,655)	(187,418,655)	-	(187,418,655)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	776,838,597	776,838,597
Capital Lease	(148,922,801)	-	(148,922,801)	-	-	(148,922,801)	154,593,828	5,671,027
	(422,348,259)	(124,518,371)	(297,829,887)	-	(200,166,376)	(497,996,263)	(791,561,811)	(1,289,558,074)
<b>Total FPSC Adjustments</b>								
FPSC Adjusted	\$12,576,421,278	\$4,803,270,119	\$7,773,151,159	\$105,913,761	\$238,199,517	\$8,117,264,436	\$1,804,594,633	\$9,921,849,070

	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>	\$4,914,429,523	\$2,171,118,815	\$797,973,234	\$511,267,379	\$346,162,407	\$ (340,928,640)	\$ 681,570,474	\$ (533,000)	\$ -	\$4,166,630,670	\$747,797,854
<b>Regulatory Base - Retail</b>	\$4,604,179,484	\$2,115,582,395	\$761,379,073	\$479,322,922	\$334,194,823	\$ (275,904,113)	\$ 551,576,123	\$ (484,300)	\$ -	\$3,965,666,923	\$638,511,562
<b>FPSC Adjustments</b>											
ECCR	(102,884,971)	-	(84,162,084)	(4,199,403)	-	(5,602,434)	-	-	-	(93,963,921)	(8,921,050)
ECRC	(62,497,150)	-	(40,555,449)	(3,400,564)	(1,174,671)	(6,699,114)	-	-	-	(51,829,799)	(10,667,351)
FUEL	(1,776,768,893)	(1,782,359,489)	(1,146,603)	-	-	2,598,874	-	-	-	(1,780,907,218)	4,138,324
CCR	(333,446,712)	(333,222,906)	(223,806)	-	-	0	-	-	-	(333,446,712)	0
NUCLEAR	(135,545,994)	-	(94,166)	(126,012,566)	-	(3,641,195)	-	-	-	(129,747,927)	(5,798,067)
Non-Regulated and Miscellaneous	-	-	(74,796)	249,828	-	(67,519)	-	-	-	107,514	(107,514)
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,332,631)	-	-	899,812	-	-	-	(1,432,819)	1,432,819
FRANCHISE FEE & GROSS RECEIPTS	(213,436,559)	-	-	-	-	(82,333,153)	-	-	-	(82,333,153)	(131,103,406)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(213,260,602)	82,265,277	-	-	-	(130,995,325)	130,995,325
GAINLOSS ON DISPOSITION & OTHER	-	-	-	-	-	138,631	-	-	(359,380)	(220,749)	220,749
INST./PROMOTIONAL ADVERTISING	-	-	(3,784,733)	-	-	1,459,961	-	-	-	(2,324,773)	2,324,773
MISCELLANEOUS INTEREST EXPENSE	-	-	133,190	-	-	(51,378)	-	-	-	81,812	(81,812)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(44,630)	-	-	17,216	-	-	-	(27,414)	27,414
REMOVE ECONOMIC DEVELOPMENT	-	-	(36,975)	-	-	14,263	-	-	-	(22,712)	22,712
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,284,141)	-	-	-	(9,284,141)	9,284,141
DIRECTORS & OFFICERS PREMIUM	-	-	-	-	-	908,627	-	-	-	(1,446,854)	1,446,854
INTEREST SYNCHRONIZATION - FPSC	-	-	(2,355,480)	-	-	1,630,921	-	-	-	1,630,921	(1,630,921)
<b>Total FPSC Adjustments</b>	(2,624,580,280)	(2,115,582,395)	(134,678,165)	(133,362,705)	(214,435,274)	(17,745,351)	-	-	(359,380)	(2,616,163,270)	(8,417,010)
<b>FPSC Adjusted</b>	\$1,979,599,204	\$626,700,908	\$626,700,908	\$345,960,217	\$119,759,549	\$ (293,649,464)	\$ 551,576,123	\$ (484,300)	\$ (359,380)	\$1,349,503,653	\$630,094,552

(a) The addition of earnings from AFUDC charges would increase the System NOI by 5,354,747 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 4,693,567 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$131,267	\$131,267
	ECCR	F	(31,307,971)	(31,307,971)
	ECRC	F	(176,625,406)	(130,983,559)
	FUEL	F	72,620,404	72,686,737
	CCR	F	(41,450,158)	(41,450,158)
	NUCLEAR	F	(305,426,165)	(305,530,368)
	CR3 Removal	F	(1,306,905,450)	(1,306,905,450)
	Derivatives	F	(20,719,836)	(20,719,836)
	Employee Related	F	(194,708)	(194,619)
	Investments Earning a Return	F	(163,295,968)	(155,331,647)
	Jobbing Accounts	F	(1,254,903)	(1,118,031)
	Non-Regulated and Miscellaneous	F	34,233,299	33,096,357
	Retention Accounts	F	3,342,838	2,978,235
(1)	CWIP - AFUDC	F	(201,486,405)	(187,418,655)
(3)	Imputed Off Balance Sheet Obligations	F	836,344,508	776,838,597
(2)	Capital Lease - EPIS	F	(159,752,417)	(148,922,801)
(2)	Capital Lease - Working Capital	F	165,835,840	154,593,828
	<b>Total</b>		<b>\$ (1,295,911,229)</b>	<b>\$ (1,289,558,074)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(14,521,334)	5,601,605	(14,523,484)	5,602,434
	ECRC	F	(16,436,661)	6,340,442	(17,366,465)	6,699,114
	FUEL	F	6,914,058	(2,667,098)	6,737,199	(2,598,874)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(9,432,646)	3,638,643	(9,439,262)	3,641,195
	NON-REGULATED AND MISCELLANEOUS	F	(169,593)	65,421	(175,032)	67,519
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,502,259	(965,246)	2,332,631	(899,812)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,436,559)	82,333,153	(213,436,559)	82,333,153
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,260,602	(82,265,277)	213,260,602	(82,265,277)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	386,908	(149,250)	359,380	(138,631)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,059,958	(1,566,129)	3,784,733	(1,459,961)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(142,876)	55,114	(133,190)	51,378
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	47,876	(18,468)	44,630	(17,216)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	39,664	(15,300)	36,975	(14,263)
(2)	PARENT DEBT ADJUSTMENT	F	-	10,242,987	-	9,284,141
(2)	DIRECTORS & OFFICERS PREMIUM	F	-	(974,702)	-	(908,627)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	2,526,770	(1,630,921)	2,355,480	(1,630,921)
	<b>Total</b>		<b>\$ (24,401,573)</b>	<b>\$ 18,024,973</b>	<b>\$ (26,162,361)</b>	<b>\$ 17,745,351</b>

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-E  
 (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  
August 2015

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Retail	Ratio	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,136,735,746	\$4,679,442,134	\$	(725,321,340)	\$757,148,609	\$4,711,269,404	48.29%	9.50%	4.59%	10.50%	5.07%	11.50%	5.55%					
Long Term Debt	4,715,279,612	4,295,505,780		(665,810,564)	-	3,629,695,216	37.21%	5.24%	1.95%	5.24%	1.95%	5.24%	1.95%					
Short Term Debt *	39,634,109	36,105,715		(5,596,446)	(71,539,469)	(41,030,200)	(0.42%)	0.18%	(0.00%)	0.18%	(0.00%)	0.18%	(0.00%)					
Customer Deposits																		
Active	217,337,121	217,337,121		(33,687,617)	-	183,649,505	1.88%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%					
Inactive	1,639,518	1,639,518		(254,128)	-	1,385,390	0.01%											
Investment Tax Credits **	476,538	434,115		(67,289)	-	366,826	0.00%											
Deferred Income Taxes	2,122,201,408	1,933,274,199		(299,660,727)	(199,649,880)	1,433,963,591	14.70%											
FAS 109 DIT - Net	(212,399,028)	(193,490,382)		29,991,332	-	(163,499,050)	(1.68%)											
<b>Total</b>	<b>\$12,020,905,025</b>	<b>\$10,970,248,201</b>	<b>\$</b>	<b>(1,700,406,778)</b>	<b>\$485,959,260</b>	<b>\$9,755,800,683</b>	<b>100.00%</b>	<b>6.58%</b>	<b>\$9,755,800,683</b>	<b>100.00%</b>	<b>7.06%</b>	<b>7.55%</b>	<b>7.55%</b>					

\* Daily Weighted Average  
\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

August 2015

	System Per		Retail Per		Pro Rate		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point			
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Ratio	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost
Common Equity	\$4,926,982,820	\$4,485,911,624	\$	(668,374,823)	\$756,624,622	\$4,574,161,423	46.10%	9.50%	4.38%	10.50%	4.84%	11.50%	5.30%							
Long Term Debt	4,643,679,287	4,227,969,866	(629,942,997)	(203,505,207)	37,934,886	36.26%	5.32%	1.93%	5.32%	1.93%	5.32%	5.32%	1.93%							
Short Term Debt *	311,607,000	283,711,455	(28,895,545)	(28,895,545)		0.38%	0.18%	0.00%	0.18%	0.00%	0.18%	0.18%	0.00%							
Customer Deposits																				
Active	219,916,981	219,916,981	(32,766,355)		187,150,626	1.89%	2.29%	0.04%	2.29%	0.04%	2.29%	2.29%	0.04%							
Inactive	1,282,690	1,282,690	(191,113)		1,091,577	0.01%	0.01%													
Investment Tax Credits **	328,180	298,800	(44,520)		254,281	0.00%	0.00%													
Deferred Income Taxes	2,399,927,861	2,185,082,571	(325,564,634)	(172,242,827)	1,687,275,110	17.01%	17.01%													
FAS 109 DIT - Net	(211,720,383)	(192,766,844)	28,721,142		(164,045,702)	(1.65%)														
<b>Total</b>	<b>\$12,292,004,435</b>	<b>\$11,211,407,144</b>	<b>\$(1,670,434,663)</b>	<b>\$380,876,589</b>	<b>\$9,921,849,070</b>	<b>100.00%</b>	<b>6.35%</b>	<b>6.82%</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	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,136,735,746	\$4,679,442,134	\$	(725,321,340)	\$757,148,609	\$4,711,269,404	48.29%	9.50%	4.59%	10.50%	5.07%	11.50%	5.55%					
Long Term Debt	4,715,279,612	4,295,505,780	(665,810,564)	-	3,629,695,216	37.21%	5.24%	1.95%	5.24%	1.95%	5.24%	5.24%	1.95%					
Short Term Debt *	39,634,109	36,105,715	(5,596,446)	(71,539,469)	(41,030,200)	(0.42%)	0.18%	(0.00%)	0.18%	(0.00%)	0.18%	0.18%	(0.00%)					
Customer Deposits																		
Active	217,337,121	217,337,121	(33,687,617)	-	183,649,505	1.88%	2.31%	0.04%	2.31%	0.04%	2.31%	2.31%	0.04%					
Inactive	1,639,518	1,639,518	(254,128)	-	1,385,390	0.01%	0.01%											
Investment Tax Credits **	476,538	434,115	(67,289)	-	366,826	0.00%	0.00%											
Deferred Income Taxes	2,122,201,408	1,933,274,199	(299,660,727)	(199,649,880)	1,433,963,591	14.70%												
FAS 109 DIT - Net	(212,399,028)	(193,490,382)	29,991,332	-	(163,499,050)	(1.68%)												
<b>Total</b>	<b>\$12,020,905,025</b>	<b>\$10,970,248,201</b>	<b>\$ (1,700,406,778)</b>	<b>\$485,959,260</b>	<b>\$9,755,800,663</b>	<b>100.00%</b>		<b>6.58%</b>		<b>7.06%</b>		<b>7.55%</b>						

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**

End of Period - Capital Structure

FPSC Adjusted Basis

August 2015

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point			
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost
Common Equity	\$4,926,982,820	\$4,485,911,624	\$	(668,374,823)	\$756,624,622	\$4,574,161,423	46.10%	9.50%	4.38%	10.50%	4.84%	11.50%	5.30%							
Long Term Debt	4,643,679,287	4,227,969,866		(629,942,997)	-	3,598,026,869	36.26%	5.32%	1.93%	5.32%	1.93%	5.32%	1.93%							
Short Term Debt *	311,607,000	283,711,455		(42,271,362)	(203,505,207)	37,934,886	0.38%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%							
Customer Deposits						0	0	0	0	0	0	0	0							
Active	219,916,981	219,916,981		(32,766,355)	-	187,150,626	1.89%	2.29%	0.04%	2.29%	0.04%	2.29%	0.04%							
Inactive	1,282,690	1,282,690		(191,113)	-	1,091,577	0.01%	0.01%												
Investment Tax Credits **	328,180	298,800		(44,520)	-	254,281	0.00%	0.00%												
Deferred Income Taxes	2,399,927,861	2,185,082,571		(325,564,634)	(172,242,827)	1,687,275,110	17.01%													
FAS 109 DIT - Net	(211,720,383)	(192,766,844)		28,721,142	-	(164,045,702)	(1.65%)													
<b>Total</b>	<b>\$12,292,004,435</b>	<b>\$11,211,407,144</b>	<b>\$</b>	<b>(1,670,434,663)</b>	<b>\$380,876,589</b>	<b>\$9,921,849,070</b>	<b>100.00%</b>	<b>6.35%</b>	<b>\$9,921,849,070</b>	<b>100.00%</b>	<b>6.35%</b>	<b>6.82%</b>	<b>7.28%</b>							

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 758,454,496
AFUDC - DEBT	\$ 1,978,560
INCOME TAXES	\$ 355,743,278
TOTAL	\$ 1,116,176,334
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,540,145
TIE WITH AFUDC	<u>4.40</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 758,454,496
AFUDC - EQUITY	(3,376,187)
INCOME TAXES	355,743,278
TOTAL	\$ 1,110,821,587
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 253,540,145
TIE WITHOUT AFUDC	<u>4.38</u>

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

AFUDC DEBT	\$ 1,978,560
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 1,215,330
AFUDC -EQUITY	\$ 3,376,187
TOTAL	\$ 4,591,518
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 554,275,174
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.83%</u>

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

NET INCOME	\$ 575,142,405
COMMON DIVIDENDS	\$ (350,000,000)
AFUDC (EQUITY)	\$ (2,840,704)
DEPRECIATION & AMORTIZATION	\$ 534,719,117
DEFERRED INCOME TAXES	\$ 554,442,273
INVESTMENT TAX CREDITS	\$ (726,500)
DEFERRED FUEL NET	\$ -
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (54,847,025)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(400,662,544)
TOTAL FUNDS PROVIDED	<u>\$ 855,227,022</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 822,584,806</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS **103.97%**

\*Updated quarterly as of June 2015

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

Common Equity	\$ 4,711,269,404
Long Term Debt	\$ 3,629,695,216
Short Term Debt	\$ (41,030,200)
TOTAL	<u>\$ 8,299,934,420</u>

% LONG TERM DEBT TO TOTAL **43.73%**  
% SHORT TERM DEBT TO TOTAL **-0.49%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.39%	6.46%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.95%	1.95%
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>1.99%</u>	<u>1.99%</u>
TOTAL	<u>4.40%</u>	<u>4.47%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.29%</u>	<u>48.29%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.10%</u>	<u>9.25%</u>