



January 15, 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 November 30, 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 November 30, 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 blue ink 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
November 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	\$ 633,849,139 (a)	\$ 24,897,323 (b)	\$ 658,746,462	\$ (20,266,303)	\$ 638,480,159
Average Rate Base	\$ 11,164,512,796	\$ (1,302,732,245)	\$ 9,861,780,551	\$ -	\$ 9,861,780,551
Average Rate of Return	5.68%		6.68%		6.47%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 625,940,510	\$ 32,805,952	\$ 658,746,462		
Average Rate Base	\$ 11,504,033,103	\$ (1,420,380,608)	\$ 10,083,652,494		
Average Rate of Return	5.44%		6.53%		
(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	6.45%	6.14%
Mid Point	6.93%	6.59%
High Point	7.40%	7.03%
Pro Forma Adjusted Basis		
Low Point	6.45%	6.14%
Mid Point	6.93%	6.59%
High Point	7.40%	7.03%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.27	(System Per Books Basis)
B. T.I.E. without AFUDC	4.24	(System Per Books Basis)
C. AFUDC to Net Income	1.45%	(System Per Books Basis)
D. Internally Generated Funds	101.13%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	42.62%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.22%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.98%	(FPSC Adjusted Basis)
	9.54%	(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

Marcia Olivier, Director Rates & Regulatory Planning

11/15/16

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
System Per Books	\$14,207,403,729	\$5,252,437,390	\$8,954,966,340	\$121,764,697	\$444,660,223	\$9,521,391,260	\$2,687,144,392	\$12,208,535,652
Regulatory Base - Retail	\$12,910,122,918	\$4,866,798,786	\$8,043,324,131	\$105,552,945	\$390,031,626	\$8,538,908,703	\$2,625,604,093	\$11,164,512,796
FPSC Adjustments								
ARO	(21,473,649)	(30,380,805)	8,907,156	-	-	8,907,156	(8,285,667)	621,489
ECCR	(39,994,568)	(7,744,790)	(32,249,778)	-	(9,528,339)	(41,778,117)	6,538,083	(35,240,034)
ECRC	(171,227,034)	(8,660,811)	(162,566,223)	-	(5,501,887)	(168,068,109)	(6,737,698)	(174,805,808)
FUEL	(28,969,382)	(28,103,392)	(865,990)	-	-	(865,990)	91,471,819	90,605,828
CCR	-	-	-	-	-	-	(44,105,268)	(44,105,268)
NUCLEAR	-	-	-	-	7,214	7,214	(287,104,539)	(287,097,325)
CR3 Removal	-	-	-	-	-	-	(1,321,168,456)	(1,321,168,456)
Derivatives	-	-	-	-	-	-	(29,424,329)	(29,424,329)
Employee Related	-	-	-	-	-	-	(97,572)	(97,572)
Investments Earning a Return	-	-	-	-	-	-	(161,556,004)	(161,556,004)
Jobbing Accounts	-	-	-	-	-	-	(776,374)	(776,374)
Non-Regulated and Miscellaneous	(36,774,469)	(47,961,117)	11,186,648	-	-	11,186,648	16,518,347	27,704,995
Retention Accounts	-	-	-	-	-	-	2,531,409	2,531,409
CWIP - AFUDC	-	-	-	-	(148,671,684)	(148,671,684)	-	(148,671,684)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	780,518,743	780,518,743
Capital Lease	(153,774,047)	-	(153,774,047)	-	-	(153,774,047)	152,002,190	(1,771,857)
Total FPSC Adjustments	(452,213,149)	(122,850,914)	(329,362,235)	-	(163,694,696)	(493,056,931)	(809,675,314)	(1,302,732,245)
FPSC Adjusted	\$12,457,909,768	\$4,743,947,872	\$7,713,961,896	\$105,552,945	\$226,336,931	\$8,045,851,772	\$1,815,928,779	\$9,861,780,551

	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	\$4,937,611,030	\$2,195,884,946	\$816,069,384	\$530,206,255	\$347,477,478	(\$320,232,965)	\$621,241,210	(\$242,750)	-	\$4,190,403,558	\$747,207,472
Regulatory Base - Retail	\$4,631,257,222	\$2,148,215,133	\$779,255,626	\$499,051,756	\$335,490,237	(\$246,385,102)	\$489,909,631	(\$220,570)	-	\$4,005,316,712	\$625,940,510
FPSC Adjustments											
ECCR	(92,997,479)	-	(83,428,794)	(4,188,586)	-	(2,075,373)	-	-	-	(89,692,753)	(3,304,726)
ECRC	(53,610,368)	-	(31,962,386)	(1,305,265)	(1,239,733)	(7,368,976)	-	-	-	(41,876,360)	(11,734,008)
FUEL	(1,805,172,939)	(1,811,043,735)	(1,266,285)	-	-	2,753,129	-	-	-	(1,809,556,891)	4,383,952
CCR	(337,414,336)	(337,171,398)	(242,938)	-	-	0	-	-	-	(337,414,336)	0
NUCLEAR	(108,592,364)	-	(80,476)	(100,833,115)	-	(2,962,087)	-	-	-	(103,875,678)	(4,716,686)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,338,270)	-	-	901,988	-	-	-	(1,436,282)	1,436,282
FRANCHISE FEE & GROSS RECEIPTS	(215,005,623)	-	-	-	-	(82,938,419)	-	-	-	(82,938,419)	(132,067,204)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(213,200,858)	82,242,231	-	-	-	(130,958,627)	130,958,627
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	128,865	-	-	(334,064)	(205,199)	205,199
INST./PROMOTIONAL ADVERTISING	-	-	(4,230,149)	-	-	1,631,780	-	-	-	(2,598,369)	2,598,369
MISCELLANEOUS INTEREST EXPENSE	-	-	131,746	-	-	(50,821)	-	-	-	80,925	(80,925)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(26,790)	-	-	10,334	-	-	-	(16,456)	16,456
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(10,781,724)	-	-	-	(10,781,724)	10,781,724
DIRECTORS & OFFICERS PREMIUM	-	-	(2,693,785)	-	-	1,039,128	-	-	-	(1,654,657)	1,654,657
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(2,854,220)	-	-	-	(2,854,220)	2,854,220
Total FPSC Adjustments	(2,612,793,108)	(2,148,215,133)	(126,212,923)	(154,799,204)	(214,440,590)	(1,597,147)	-	-	(334,064)	(2,645,599,061)	32,805,952
FPSC Adjusted	\$2,018,464,113	\$	\$653,042,703	\$344,252,552	\$121,049,646	(\$247,982,249)	\$489,909,631	(\$220,570)	(\$334,064)	\$1,359,717,651	\$658,746,462
Pro Forma Adjustments											
Weather Normalization	(32,993,575)	-	-	-	-	(12,727,272)	-	-	-	(12,727,272)	(20,266,303)
Total Pro Forma Adjustments	(32,993,575)	-	-	-	-	(12,727,272)	-	-	-	(12,727,272)	(20,266,303)
Pro Forma Adjusted	\$1,985,470,538	\$	\$653,042,703	\$344,252,552	\$121,049,646	(\$260,709,520)	\$489,909,631	(\$220,570)	(\$334,064)	\$1,346,990,380	\$638,480,159
Current Month											
System Per Books	\$402,628,251	\$189,682,900	\$73,211,461	\$33,965,140	\$31,123,452	(\$7,213,837)	\$31,972,715	(\$12,166)	\$	\$352,729,665	\$49,898,586
FPSC Adjusted	\$156,529,003	\$	\$60,558,377	\$26,409,579	\$11,719,296	(\$18,516,145)	\$36,817,314	(\$11,054)	(\$27,415)	\$116,949,952	\$39,579,051

(a) The addition of earnings from AFUDC charges would increase the System NOI by 9,016,327 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 7,908,629 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,489	\$621,489
	ECCR	F	(35,240,034)	(35,240,034)
	ECRC	F	(186,166,889)	(174,805,808)
	FUEL	F	90,539,494	90,605,828
	CCR	F	(44,105,268)	(44,105,268)
	NUCLEAR	F	(286,686,629)	(287,097,325)
	CR3 Removal	F	(1,321,168,456)	(1,321,168,456)
	Derivatives	F	(29,424,329)	(29,424,329)
	Employee Related	F	(97,648)	(97,572)
	Investments Earning a Return	F	(170,254,185)	(161,556,004)
	Jobbing Accounts	F	(871,420)	(776,374)
	Non-Regulated and Miscellaneous	F	28,833,477	27,704,995
	Retention Accounts	F	2,841,311	2,531,409
(1)	CWIP - AFUDC	F	(159,520,243)	(148,671,684)
(3)	Imputed Off Balance Sheet Obligations	F	840,306,554	780,518,743
(2)	Capital Lease - EPIS	F	(164,956,445)	(153,774,047)
(2)	Capital Lease - Working Capital	F	163,055,739	152,002,190
	Total		(\$1,272,293,481)	(\$1,302,732,245)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,380,099)	2,075,373	(5,380,099)	2,075,373
	ECRC	F	(16,714,386)	6,447,574	(19,102,984)	7,368,976
	FUEL	F	7,295,456	(2,814,222)	7,137,081	(2,753,129)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(7,678,773)	2,962,087	(7,678,773)	2,962,087
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,508,308	(967,580)	2,338,270	(901,988)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,005,623)	82,938,419	(215,005,623)	82,938,419
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,200,858	(82,242,231)	213,200,858	(82,242,231)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	359,653	(138,736)	334,064	(128,865)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,537,764	(1,750,442)	4,230,149	(1,631,780)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(141,327)	54,517	(131,746)	50,821
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	28,738	(11,086)	26,790	(10,334)
(2)	PARENT DEBT ADJUSTMENT	F	-	11,895,237	-	10,781,724
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,889,676	(1,114,693)	2,693,785	(1,039,128)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	4,285,767	-	2,854,220
	Total		\$34,452,719	\$2,890,868	\$31,208,806	\$1,597,147

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	\$14,441,730,635	\$5,347,288,564	\$9,094,442,071	\$122,180,930	\$686,123,938	\$9,902,746,938	\$2,687,144,392	\$12,589,891,331
Regulatory Base - Retail	\$13,122,508,232	\$4,956,090,406	\$8,166,417,826	\$105,913,761	\$606,097,422	\$8,878,429,010	\$2,625,604,093	\$11,504,033,103
FPSC Adjustments								
ARO	(29,226,857)	(31,518,255)	2,291,398	-	-	2,291,398	(8,285,667)	(5,994,269)
ECCR	(39,941,282)	(9,636,970)	(30,304,312)	-	(11,257,807)	(41,562,119)	6,538,083	(35,024,036)
ECRC	(181,108,124)	(10,868,094)	(170,240,030)	-	(3,220,763)	(173,460,794)	(6,737,698)	(180,198,492)
FUEL	(28,969,382)	(28,103,574)	(865,809)	-	-	(865,809)	91,471,819	90,606,010
CCR	-	-	-	-	-	-	(44,105,268)	(44,105,268)
NUCLEAR	-	-	-	-	-	-	(287,104,539)	(287,104,539)
CR3 Removal	-	-	-	-	-	-	(1,321,168,456)	(1,321,168,456)
Derivatives	-	-	-	-	-	-	(29,424,329)	(29,424,329)
Employee Related	-	-	-	-	-	-	(97,572)	(97,572)
Investments Earning a Return	-	-	-	-	-	-	(161,556,004)	(161,556,004)
Jobbing Accounts	-	-	-	-	-	-	(776,374)	(776,374)
Non-Regulated and Miscellaneous	(41,743,705)	(46,568,387)	4,824,682	-	-	4,824,682	16,518,347	21,343,029
Retention Accounts	-	-	-	-	-	-	2,531,409	2,531,409
CWIP - AFUDC	-	-	-	-	(253,696,486)	(253,696,486)	-	(253,696,486)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	780,518,743	780,518,743
Capital Lease	(148,236,166)	-	(148,236,166)	-	-	(148,236,166)	152,002,190	3,766,025
Total FPSC Adjustments	(469,225,516)	(126,695,279)	(342,530,237)	-	(268,175,057)	(610,705,294)	(809,675,314)	(1,420,380,608)
FPSC Adjusted	\$12,653,282,716	\$4,829,395,127	\$7,823,887,589	\$105,913,761	\$337,922,366	\$8,267,723,715	\$1,815,928,779	\$10,083,652,494

	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	\$4,937,611,030	\$2,195,884,946	\$816,069,384	\$530,206,255	\$347,477,478	(\$320,232,965)	\$621,241,210	(\$242,750)	\$ -	\$4,190,403,558	\$747,207,472
Regulatory Base - Retail	\$4,631,257,222	\$2,148,215,133	\$779,255,626	\$499,051,756	\$335,490,237	(\$246,385,102)	\$489,909,631	(\$220,570)	\$ -	\$4,005,316,712	\$625,940,510
FPSC Adjustments											
ECCR	(92,997,479)	-	(83,428,794)	(4,188,586)	-	(2,075,373)	-	-	-	(89,692,753)	(3,304,726)
ECRC	(53,610,368)	-	(31,962,386)	(1,305,265)	(1,239,733)	(7,368,976)	-	-	-	(41,876,360)	(11,734,008)
FUEL	(1,805,172,939)	(1,811,043,735)	(1,266,285)	-	-	2,753,129	-	-	-	(1,809,556,891)	4,383,952
CCR	(337,414,336)	(337,171,398)	(242,938)	-	-	0	-	-	-	(337,414,336)	0
NUCLEAR	(108,592,364)	-	(80,476)	(100,833,115)	-	(2,962,087)	-	-	-	(103,875,678)	(4,716,686)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,338,270)	-	-	901,988	-	-	-	(1,436,282)	1,436,282
FRANCHISE FEE & GROSS RECEIPTS	(215,005,623)	-	-	-	-	(82,938,419)	-	-	-	(82,938,419)	(132,067,204)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(213,200,858)	82,242,231	-	-	-	(130,958,627)	130,958,627
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	128,865	-	-	(334,064)	(205,199)	205,199
INST./PROMOTIONAL ADVERTISING	-	-	(4,230,149)	-	-	1,631,780	-	-	-	(2,598,369)	2,598,369
MISCELLANEOUS INTEREST EXPENSE	-	-	131,746	-	-	(50,821)	-	-	-	80,925	(80,925)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(26,790)	-	-	10,334	-	-	-	(16,456)	16,456
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(10,781,724)	-	-	-	(10,781,724)	10,781,724
DIRECTORS & OFFICERS PREMIUM	-	-	(2,693,785)	-	-	1,039,128	-	-	-	(1,654,657)	1,654,657
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(2,854,220)	-	-	-	(2,854,220)	2,854,220
Total FPSC Adjustments	(2,612,793,108)	(2,148,215,133)	(126,212,923)	(154,799,204)	(214,440,590)	(1,597,147)	-	-	(334,064)	(2,645,599,061)	32,805,952
FPSC Adjusted	\$2,018,464,113		\$653,042,703	\$344,252,552	\$121,049,646	(\$247,982,249)	\$489,909,631	(\$220,570)	(\$334,064)	\$1,359,717,651	\$658,746,462

(a) The addition of earnings from AFUDC charges would increase the System NOI by 9,016,327 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 7,908,629 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$5,994,269)	(\$5,994,269)
	ECCR	F	(35,024,036)	(35,024,036)
	ECRC	F	(190,294,904)	(180,198,492)
	FUEL	F	90,539,689	90,606,010
	CCR	F	(44,105,268)	(44,105,268)
	NUCLEAR	F	(286,694,395)	(287,104,539)
	CR3 Removal	F	(1,321,168,456)	(1,321,168,456)
	Derivatives	F	(29,424,329)	(29,424,329)
	Employee Related	F	(97,648)	(97,572)
	Investments Earning a Return	F	(170,254,185)	(161,556,004)
	Jobbing Accounts	F	(871,420)	(776,374)
	Non-Regulated and Miscellaneous	F	22,479,972	21,343,029
	Retention Accounts	F	2,841,311	2,531,409
(1)	CWIP - AFUDC	F	(273,457,168)	(253,696,486)
(3)	Imputed Off Balance Sheet Obligations	F	840,306,554	780,518,743
(2)	Capital Lease - EPIS	F	(159,015,850)	(148,236,166)
(2)	Capital Lease - Working Capital	F	163,055,739	152,002,190
	Total		(\$1,397,178,664)	(\$1,420,380,608)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,380,099)	2,075,373	(5,380,099)	2,075,373
	ECRC	F	(16,714,386)	6,447,574	(19,102,984)	7,368,976
	FUEL	F	7,295,456	(2,814,222)	7,137,081	(2,753,129)
	CCR	F	0	(0)	0	(0)
	NUCLEAR	F	(7,678,773)	2,962,087	(7,678,773)	2,962,087
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,508,308	(967,580)	2,338,270	(901,988)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,005,623)	82,938,419	(215,005,623)	82,938,419
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,200,858	(82,242,231)	213,200,858	(82,242,231)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	359,653	(138,736)	334,064	(128,865)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,537,764	(1,750,442)	4,230,149	(1,631,780)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(141,327)	54,517	(131,746)	50,821
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	28,738	(11,086)	26,790	(10,334)
(2)	PARENT DEBT ADJUSTMENT	F	-	11,895,237	-	10,781,724
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,889,676	(1,114,693)	2,693,785	(1,039,128)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	4,285,767	-	2,854,220
	Total		\$34,452,719	\$2,890,868	\$31,208,806	\$1,597,147

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
November 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	\$5,121,147,475	\$4,675,155,848	(\$766,497,560)	\$759,796,683	\$4,668,454,972	47.34%	9.50%	4.50%	10.50%	4.97%	11.50%	5.44%
Long Term Debt	4,641,681,277	4,237,445,509	(694,734,410)	-	3,542,711,099	35.92%	5.32%	1.91%	5.32%	1.91%	5.32%	1.91%
Short Term Debt *	166,725,688	152,205,844	(24,954,336)	(25,440,648)	101,810,861	1.03%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	218,790,458	218,790,458	(35,870,965)	-	182,919,493	1.85%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,638,949	1,638,949	(268,708)	-	1,370,241	0.01%						
Investment Tax Credits **	373,057	340,569	(55,837)	-	284,732	0.00%						
Deferred Income Taxes	2,269,901,042	2,072,219,396	(339,742,922)	(206,652,656)	1,525,823,818	15.47%						
FAS 109 DIT - Net	(211,722,294)	(193,283,776)	31,689,113	-	(161,594,663)	(1.64%)						
Total	\$12,208,535,651	\$11,164,512,796	(\$1,830,435,624)	\$527,703,379	\$9,861,780,551	100.00%		6.45%		6.93%		7.40%

* 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	\$5,094,701,764	\$4,676,978,941	(\$904,499,806)	\$760,278,776	\$4,532,757,911	44.95%	9.50%	4.27%	10.50%	4.72%	11.50%	5.17%
Long Term Debt	4,395,146,614	4,034,781,446	(780,302,644)	-	3,254,478,802	32.27%	5.62%	1.81%	5.62%	1.81%	5.62%	1.81%
Short Term Debt *	470,493,000	431,916,519	(83,530,076)	263,984,498	612,370,941	6.07%	0.18%	0.01%	0.18%	0.01%	0.18%	0.01%
Customer Deposits												
Active	221,392,869	221,392,869	(42,816,059)	-	178,576,810	1.77%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,518,656	1,518,656	(293,699)	-	1,224,957	0.01%						
Investment Tax Credits **	291,680	267,764	(51,784)	-	215,980	0.00%						
Deferred Income Taxes	2,539,903,687	2,331,652,883	(450,927,748)	(219,832,558)	1,660,892,577	16.47%						
FAS 109 DIT - Net	(211,845,534)	(194,475,976)	37,610,493	-	(156,865,483)	(1.56%)						
Total	\$12,511,602,736	\$11,504,033,103	(\$2,224,811,324)	\$804,430,716	\$10,083,652,494	100.00%		6.14%		6.59%		7.03%

* 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	\$5,121,147,475	\$4,675,155,848	(\$766,497,560)	\$759,796,683	\$4,668,454,972	47.34%	9.50%	4.50%	10.50%	4.97%	11.50%	5.44%
Long Term Debt	4,641,681,277	4,237,445,509	(694,734,410)	-	3,542,711,099	35.92%	5.32%	1.91%	5.32%	1.91%	5.32%	1.91%
Short Term Debt *	166,725,688	152,205,844	(24,954,336)	(25,440,648)	101,810,861	1.03%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
Customer Deposits												
Active	218,790,458	218,790,458	(35,870,965)	-	182,919,493	1.85%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,638,949	1,638,949	(268,708)	-	1,370,241	0.01%						
Investment Tax Credits **	373,057	340,569	(55,837)	-	284,732	0.00%						
Deferred Income Taxes	2,269,901,042	2,072,219,396	(339,742,922)	(206,652,656)	1,525,823,818	15.47%						
FAS 109 DIT - Net	(211,722,294)	(193,283,776)	31,689,113	-	(161,594,663)	(1.64%)						
Total	\$12,208,535,651	\$11,164,512,796	(\$1,830,435,624)	\$527,703,379	\$9,861,780,551	100.00%		6.45%		6.93%		7.40%

* 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	\$5,094,701,764	\$4,676,978,941	(\$904,499,806)	\$760,278,776	\$4,532,757,911	44.95%	9.50%	4.27%	10.50%	4.72%	11.50%	5.17%
Long Term Debt	4,395,146,614	4,034,781,446	(780,302,644)	-	3,254,478,802	32.27%	5.62%	1.81%	5.62%	1.81%	5.62%	1.81%
Short Term Debt *	470,493,000	431,916,519	(83,530,076)	263,984,498	612,370,941	6.07%	0.18%	0.01%	0.18%	0.01%	0.18%	0.01%
Customer Deposits						0	0		0		0	
Active	221,392,869	221,392,869	(42,816,059)	-	178,576,810	1.77%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,518,656	1,518,656	(293,699)	-	1,224,957	0.01%						
Investment Tax Credits **	291,680	267,764	(51,784)	-	215,980	0.00%						
Deferred Income Taxes	2,539,903,687	2,331,652,883	(450,927,748)	(219,832,558)	1,660,892,577	16.47%						
FAS 109 DIT - Net	(211,845,534)	(194,475,976)	37,610,493	-	(156,865,483)	(1.56%)						
Total	\$12,511,602,736	\$11,504,033,103	(\$2,224,811,324)	\$804,430,716	\$10,083,652,494	100.00%		6.14%		6.59%		7.03%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 738,471,866
AFUDC - DEBT	\$ 3,266,691
INCOME TAXES	\$ 337,589,610
TOTAL	\$ 1,079,328,168
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 252,535,779
TIE WITH AFUDC	<u>4.27</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 738,471,866
AFUDC - EQUITY	(5,749,636)
INCOME TAXES	337,589,610
TOTAL	\$ 1,070,311,841
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 252,535,779
TIE WITHOUT AFUDC	<u>4.24</u>

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

AFUDC DEBT	\$ 3,266,691
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 2,006,565
AFUDC -EQUITY	\$ 5,749,636
TOTAL	\$ 7,756,201
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 533,774,336
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>1.45%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 586,834,765
COMMON DIVIDENDS	\$ (700,000,000)
AFUDC (EQUITY)	\$ (3,715,614)
DEPRECIATION & AMORTIZATION	\$ 509,397,996
DEFERRED INCOME TAXES	\$ 547,779,713
INVESTMENT TAX CREDITS	\$ (436,250)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (90,547,393)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(39,354,391)
TOTAL FUNDS PROVIDED	\$ 809,958,826

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 800,893,713
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PERCENTAGE INTERNALLY GENERATED FUNDS **101.13%**
*Updated quarterly as of September 2015

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

Common Equity	\$ 4,668,454,972
Long Term Debt	\$ 3,542,711,099
Short Term Debt	\$ 101,810,861
TOTAL	\$ 8,312,976,931

% LONG TERM DEBT TO TOTAL **42.62%**
% SHORT TERM DEBT TO TOTAL **1.22%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.47%	6.68%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.91%	1.91%
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	1.96%	1.96%
TOTAL	4.52%	4.72%
DIVIDED BY COMMON EQUITY RATIO	47.34%	47.34%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.54%</u>	<u>9.98%</u>