



March 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 January 31, 2016.

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 January 31, 2016. 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
January 2016**

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	\$ 640,749,033 (a)	\$ 27,451,502 (b)	\$ 668,200,534	\$ (28,754,506)	\$ 639,446,029
Average Rate Base	\$ 11,241,271,936	\$ (1,315,725,466)	\$ 9,925,546,470	\$ -	\$ 9,925,546,470
Average Rate of Return	5.70%		6.73%		6.44%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 631,415,586	\$ 36,784,949	\$ 668,200,534		
Average Rate Base	\$ 11,614,954,713	\$ (1,472,481,317)	\$ 10,142,473,396		
Average Rate of Return	5.44%		6.59%		
(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	6.41%	6.35%
Mid Point	6.88%	6.82%
High Point	7.35%	7.28%
Pro Forma Adjusted Basis		
Low Point	6.41%	6.35%
Mid Point	6.88%	6.82%
High Point	7.35%	7.28%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.42	(System Per Books Basis)
B. T.I.E without AFUDC	4.37	(System Per Books Basis)
C. AFUDC to Net Income	1.90%	(System Per Books Basis)
D. Internally Generated Funds	82.02%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	41.68%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	2.27%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.20%	(FPSC Adjusted Basis)
	9.58%	(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
January 2016

	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	\$14,295,273,125	\$5,281,944,079	\$9,013,329,046	\$121,903,774	\$505,512,353	\$9,640,745,172	\$2,657,831,147	\$12,298,576,320
Regulatory Base - Retail	\$12,990,497,159	\$4,894,380,821	\$8,096,116,338	\$105,673,505	\$444,943,528	\$8,646,733,371	\$2,594,538,565	\$11,241,271,936
FPSC Adjustments								
ARO	(22,762,617)	(30,544,636)	7,782,020			7,782,020	(7,160,490)	621,530
ECCR	(40,047,828)	(8,372,954)	(31,674,874)		(10,160,697)	(41,835,570)	3,230,669	(38,604,901)
ECRC	(184,291,021)	(9,368,172)	(174,922,849)		(3,567,004)	(178,489,854)	(7,495,369)	(185,985,223)
FUEL	(28,969,382)	(28,103,437)	(865,945)			(865,945)	102,515,133	101,649,188
CCR							(41,964,786)	(41,964,786)
NUCLEAR					(145,255)	(145,255)	(272,885,827)	(273,031,081)
CR3 Removal							(1,327,749,615)	(1,327,749,615)
Derivatives							(32,936,921)	(32,936,921)
Employee Related							(32,843)	(32,843)
Investments Earning a Return							(166,709,932)	(166,709,932)
Jobbing Accounts							(689,533)	(689,533)
Non-Regulated and Miscellaneous	(39,450,284)	(42,932,898)	3,482,614		(595,013)	2,887,601	51,152,324	54,039,926
Retention Accounts							2,305,250	2,305,250
CWIP - AFUDC					(185,973,547)	(185,973,547)		(185,973,547)
Imputed Off Balance Sheet Obligations							781,238,253	781,238,253
Capital Lease	(152,061,993)		(152,061,993)			(152,061,993)	150,160,762	(1,901,231)
Total FPSC Adjustments	(467,583,125)	(119,322,097)	(348,261,028)	0	(200,441,516)	(548,702,543)	(767,022,923)	(1,315,725,466)
FPSC Adjusted	\$12,522,914,034	\$4,775,058,724	\$7,747,855,310	\$105,673,505	\$244,502,013	\$8,098,030,828	\$1,827,515,642	\$9,925,546,470

	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	\$4,922,024,129	\$2,185,674,942	\$799,701,933	\$514,326,031	\$350,482,326	(\$45,594,002)	\$357,738,506	(\$146,000)	-	\$4,162,183,736	\$759,840,393
Regulatory Base - Retail	\$4,613,520,516	\$2,145,001,605	\$763,488,129	\$482,917,871	\$338,159,695	(\$24,817,876)	\$277,488,954	(\$133,448)	-	\$3,982,104,931	\$631,415,586
FPSC Adjustments											
ECCR	(91,993,161)	-	(82,365,170)	(4,180,442)	-	(2,101,392)	-	-	-	(88,647,004)	(3,346,157)
ECRC	(53,001,066)	-	(33,878,945)	390,359	(1,268,169)	(7,037,743)	-	-	-	(41,794,498)	(11,206,567)
FUEL	(1,792,792,638)	(1,799,258,492)	(1,255,694)	-	-	2,978,587	-	-	-	(1,797,535,599)	4,742,961
CCR	(345,992,227)	(345,743,113)	(249,114)	-	-	0	-	-	-	(345,992,227)	1
NUCLEAR	(89,846,016)	-	(70,054)	(82,904,901)	-	(2,650,512)	-	-	-	(85,625,467)	(4,220,549)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,223,298)	-	-	857,637	-	-	-	(1,365,661)	1,365,661
FRANCHISE FEE & GROSS RECEIPTS	(214,045,323)	-	-	-	-	(82,567,983)	-	-	-	(82,567,983)	(131,477,339)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(212,548,740)	81,990,676	-	-	-	(130,558,063)	130,558,063
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	124,077	-	-	(321,651)	(197,574)	197,574
INST./PROMOTIONAL ADVERTISING	-	-	(4,528,046)	-	-	1,746,694	-	-	-	(2,781,352)	2,781,352
MISCELLANEOUS INTEREST EXPENSE	-	-	130,095	-	-	(50,184)	-	-	-	79,911	(79,911)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(25,654)	-	-	9,896	-	-	-	(15,758)	15,758
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,811,299)	-	-	-	(11,811,299)	11,811,299
DIRECTORS & OFFICERS PREMIUM	-	-	(2,787,633)	-	-	1,075,330	-	-	-	(1,712,304)	1,712,304
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(4,110,485)	-	-	-	(4,110,485)	4,110,485
Total FPSC Adjustments	(2,587,670,430)	(2,145,001,605)	(127,328,310)	(135,167,222)	(213,816,909)	(2,819,682)	-	-	(321,651)	(2,624,455,379)	36,784,949
FPSC Adjusted	\$2,025,850,087	\$	\$636,159,820	\$347,750,649	\$124,342,786	(\$27,637,558)	\$277,488,954	(\$133,448)	(\$321,651)	\$1,357,649,552	\$668,200,534
Pro Forma Adjustments											
Weather Normalization	(46,812,382)	-	-	-	-	(18,057,876)	-	-	-	(18,057,876)	(28,754,506)
Total Pro Forma Adjustments	(46,812,382)	-	-	-	-	(18,057,876)	-	-	-	(18,057,876)	(28,754,506)
Pro Forma Adjusted	\$1,979,037,705	\$	\$636,159,820	\$347,750,649	\$124,342,786	(\$45,695,435)	\$277,488,954	(\$133,448)	(\$321,651)	\$1,339,591,676	\$639,446,029
Current Month											
System Per Books	\$343,158,596	\$140,394,299	\$56,526,699	\$38,858,689	\$26,828,101	(2,502,448)	27,979,896	0	0	\$288,085,237	\$55,073,359
FPSC Adjusted	\$148,021,429	\$	\$43,971,873	\$30,416,208	\$11,487,283	(1,971,811)	22,046,846	0	(22,231)	\$105,928,169	\$42,093,260

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

10,603,981 pretax
9,333,447 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,530	\$621,530
	ECCR	F	(38,604,901)	(38,604,901)
	ECRC	F	(197,431,318)	(185,985,223)
	FUEL	F	101,582,856	101,649,188
	CCR	F	(42,535,252)	(41,964,786)
	NUCLEAR	F	(272,350,526)	(273,031,081)
	CR3 Removal	F	(1,327,749,615)	(1,327,749,615)
	Derivatives	F	(32,936,921)	(32,936,921)
	Employee Related	F	(32,907)	(32,843)
	Investments Earning a Return	F	(176,032,215)	(166,709,932)
	Jobbing Accounts	F	(773,947)	(689,533)
	Non-Regulated and Miscellaneous	F	54,739,583	54,039,926
	Retention Accounts	F	2,587,465	2,305,250
(1)	CWIP - AFUDC	F	(199,833,447)	(185,973,547)
(3)	Imputed Off Balance Sheet Obligations	F	841,081,179	781,238,253
(2)	Capital Lease - EPIS	F	(163,119,890)	(152,061,993)
(2)	Capital Lease - Working Capital	F	161,080,403	150,160,762
	Total		(\$1,289,707,924)	(\$1,315,725,466)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,447,549)	2,101,392	(5,447,549)	2,101,392
	ECRC	F	(15,860,333)	6,118,124	(18,244,310)	7,037,743
	FUEL	F	7,867,964	(3,035,067)	7,721,549	(2,978,587)
	CCR	F	1	(0)	1	(0)
	NUCLEAR	F	(6,871,061)	2,650,512	(6,871,061)	2,650,512
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,384,976	(920,004)	2,223,298	(857,637)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,045,323)	82,567,983	(214,045,323)	82,567,983
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,548,740	(81,990,676)	212,548,740	(81,990,676)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	346,289	(133,581)	321,651	(124,077)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,857,324	(1,873,713)	4,528,046	(1,746,694)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(139,556)	53,834	(130,095)	50,184
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,520	(10,616)	25,654	(9,896)
(2)	PARENT DEBT ADJUSTMENT	F		13,031,144		11,811,299
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,990,349	(1,153,527)	2,787,633	(1,075,330)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,617,821		4,110,485
	Total		\$37,211,813	\$4,294,508	\$33,965,267	\$2,819,682

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	\$14,561,139,942	\$5,361,420,243	\$9,199,719,699	\$122,180,930	\$736,554,542	\$10,058,455,170	\$2,657,831,147	\$12,716,286,317
Regulatory Base - Retail	\$13,226,619,149	\$4,970,367,485	\$8,256,251,664	\$105,913,761	\$658,250,723	\$9,020,416,148	\$2,594,538,565	\$11,614,954,713
FPSC Adjustments								
ARO	(29,226,857)	(31,739,688)	2,512,830			2,512,830	(7,160,490)	(4,647,660)
ECCR	(40,240,352)	(10,132,382)	(30,107,970)		(11,785,949)	(41,893,919)	3,230,669	(38,663,250)
ECRC	(180,213,538)	(11,072,748)	(169,140,791)		(677,731)	(169,818,521)	(7,495,369)	(177,313,891)
FUEL	(28,969,382)	(28,103,583)	(865,800)			(865,800)	102,515,133	101,649,334
CCR							(41,964,786)	(41,964,786)
NUCLEAR					(794,627)	(794,627)	(272,885,827)	(273,680,453)
CR3 Removal							(1,327,749,615)	(1,327,749,615)
Derivatives							(32,936,921)	(32,936,921)
Employee Related							(32,843)	(32,843)
Investments Earning a Return							(166,709,932)	(166,709,932)
Jobbing Accounts							(689,533)	(689,533)
Non-Regulated and Miscellaneous	(47,651,793)	(36,929,959)	(10,721,833)		(761,485)	(11,483,318)	51,152,324	39,669,006
Retention Accounts							2,305,250	2,305,250
CWIP - AFUDC					(336,456,477)	(336,456,477)		(336,456,477)
Imputed Off Balance Sheet Obligations							781,238,253	781,238,253
Capital Lease	(146,658,562)		(146,658,562)			(146,658,562)	150,160,762	3,502,200
Total FPSC Adjustments	(472,960,485)	(117,978,360)	(354,982,125)		(350,476,268)	(705,458,394)	(767,022,923)	(1,472,481,317)
FPSC Adjusted	\$12,753,658,664	\$4,852,389,125	\$7,901,269,539	\$105,913,761	\$307,774,455	\$8,314,957,754	\$1,827,515,642	\$10,142,473,396

	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	\$4,922,024,129	\$2,185,674,942	\$799,701,933	\$514,326,031	\$350,482,326	(\$45,594,002)	\$357,738,506	(\$146,000)		\$4,162,183,736	\$759,840,393
Regulatory Base - Retail	\$4,613,520,516	\$2,145,001,605	\$763,488,129	\$482,917,871	\$338,159,695	(\$24,817,876)	\$277,488,954	(\$133,448)		\$3,982,104,931	\$631,415,586
FPSC Adjustments											
ECCR	(91,993,161)	-	(82,365,170)	(4,180,442)	-	(2,101,392)	-	-	-	(88,647,004)	(3,346,157)
ECRC	(53,001,066)	-	(33,878,945)	390,359	(1,268,169)	(7,037,743)	-	-	-	(41,794,498)	(11,206,567)
FUEL	(1,792,792,638)	(1,799,258,492)	(1,255,694)	-	-	2,978,587	-	-	-	(1,797,535,599)	4,742,961
CCR	(345,992,227)	(345,743,113)	(249,114)	-	-	0	-	-	-	(345,992,227)	1
NUCLEAR	(89,846,016)	-	(70,054)	(82,904,901)	-	(2,650,512)	-	-	-	(85,625,467)	(4,220,549)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,223,298)	-	-	857,637	-	-	-	(1,365,661)	1,365,661
FRANCHISE FEE & GROSS RECEIPTS	(214,045,323)	-	-	-	-	(82,567,983)	-	-	-	(82,567,983)	(131,477,339)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(212,548,740)	81,990,676	-	-	-	(130,558,063)	130,558,063
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	124,077	-	-	(321,651)	(197,574)	197,574
INST./PROMOTIONAL ADVERTISING	-	-	(4,528,046)	-	-	1,746,694	-	-	-	(2,781,352)	2,781,352
MISCELLANEOUS INTEREST EXPENSE	-	-	130,095	-	-	(50,184)	-	-	-	79,911	(79,911)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(25,654)	-	-	9,896	-	-	-	(15,758)	15,758
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,811,299)	-	-	-	(11,811,299)	11,811,299
DIRECTORS & OFFICERS PREMIUM	-	-	(2,787,633)	-	-	1,075,330	-	-	-	(1,712,304)	1,712,304
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(4,110,485)	-	-	-	(4,110,485)	4,110,485
Total FPSC Adjustments	(2,587,670,430)	(2,145,001,605)	(127,328,310)	(135,167,222)	(213,816,909)	(2,819,682)	-	-	(321,651)	(2,624,455,379)	36,784,949
FPSC Adjusted	\$2,025,850,087	\$-	\$636,159,820	\$347,750,649	\$124,342,786	(\$27,637,558)	\$277,488,954	(\$133,448)	(\$321,651)	\$1,357,649,552	\$668,200,534

(a) The addition of earnings from AFUDC charges would increase the System NOI by 10,603,981 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 9,333,447 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$4,647,660)	(\$4,647,660)
	ECCR	F	(38,663,250)	(38,663,250)
	ECRC	F	(189,577,451)	(177,313,891)
	FUEL	F	101,583,013	101,649,334
	CCR	F	(42,535,252)	(41,964,786)
	NUCLEAR	F	(273,049,640)	(273,680,453)
	CR3 Removal	F	(1,327,749,615)	(1,327,749,615)
	Derivatives	F	(32,936,921)	(32,936,921)
	Employee Related	F	(32,907)	(32,843)
	Investments Earning a Return	F	(176,032,215)	(166,709,932)
	Jobbing Accounts	F	(773,947)	(689,533)
	Non-Regulated and Miscellaneous	F	39,669,006	39,669,006
	Retention Accounts	F	2,587,465	2,305,250
(1)	CWIP - AFUDC	F	(362,375,455)	(336,456,477)
(3)	Imputed Off Balance Sheet Obligations	F	841,081,179	781,238,253
(2)	Capital Lease - EPIS	F	(157,323,524)	(146,658,562)
(2)	Capital Lease - Working Capital	F	161,080,403	150,160,762
	Total		(\$1,459,696,769)	(\$1,472,481,317)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,447,549)	2,101,392	(5,447,549)	2,101,392
	ECRC	F	(15,860,333)	6,118,124	(18,244,310)	7,037,743
	FUEL	F	7,867,964	(3,035,067)	7,721,549	(2,978,587)
	CCR	F	1	(0)	1	(0)
	NUCLEAR	F	(6,871,061)	2,650,512	(6,871,061)	2,650,512
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,384,976	(920,004)	2,223,298	(857,637)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,045,323)	82,567,983	(214,045,323)	82,567,983
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,548,740	(81,990,676)	212,548,740	(81,990,676)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	346,289	(133,581)	321,651	(124,077)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,857,324	(1,873,713)	4,528,046	(1,746,694)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(139,556)	53,834	(130,095)	50,184
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,520	(10,616)	25,654	(9,896)
(2)	PARENT DEBT ADJUSTMENT	F		13,031,144		11,811,299
(2)	DIRECTORS & OFFICERS PREMIUM	F	2,990,349	(1,153,527)	2,787,633	(1,075,330)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,617,821		4,110,485
	Total		\$37,211,813	\$4,294,508	\$33,965,267	\$2,819,682

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
January 2016

	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	\$5,112,219,844	\$4,664,674,494	(\$757,508,157)	\$758,122,077	\$4,665,288,414	47.00%	9.50%	4.47%	10.50%	4.94%	11.50%	5.41%
Long Term Debt	4,539,350,111	4,141,956,201	(672,622,626)		3,469,333,574	34.95%	5.40%	1.89%	5.40%	1.89%	5.40%	1.89%
Short Term Debt *	300,750,923	274,421,915	(44,564,061)	(41,288,577)	188,569,277	1.90%	0.50%	0.01%	0.50%	0.01%	0.50%	0.01%
Customer Deposits												
Active	219,565,138	219,565,138	(35,655,732)		183,909,406	1.85%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,637,442	1,637,442	(265,908)		1,371,534	0.01%						
Investment Tax Credits **	342,218	312,258	(50,708)		261,550	0.00%						
Deferred Income Taxes	2,336,263,124	2,131,736,768	(346,178,065)	(207,060,702)	1,578,498,000	15.90%						
FAS 109 DIT - Net	(211,552,479)	(193,032,280)	31,346,995		(161,685,285)	-1.63%						
Total	\$12,298,576,321	\$11,241,271,936	(\$1,825,498,264)	\$509,772,798	\$9,925,546,470	100.00%		6.41%		6.88%		7.35%

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

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
January 2016

	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	\$5,189,911,509	\$4,791,766,386	(\$809,647,620)	\$741,511,369	\$4,723,630,135	46.57%	9.50%	4.42%	10.50%	4.89%	11.50%	5.36%
Long Term Debt	4,095,913,686	3,781,694,831	(638,979,444)		3,142,715,387	30.99%	5.98%	1.85%	5.98%	1.85%	5.98%	1.85%
Short Term Debt *	807,001,000	745,091,753	(125,895,487)	(23,483,737)	595,712,529	5.87%	0.50%	0.03%	0.50%	0.03%	0.50%	0.03%
Customer Deposits												
Active	219,420,040	219,420,040	(37,074,619)		182,345,421	1.80%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,605,078	1,605,078	(271,204)		1,333,874	0.01%						
Investment Tax Credits **	279,513	258,070	(43,605)		214,465	0.00%						
Deferred Income Taxes	2,459,670,709	2,270,976,568	(383,718,785)	(227,971,611)	1,659,286,172	16.36%						
FAS 109 DIT - Net	(212,131,743)	(195,858,013)	33,093,428		(162,764,586)	-1.60%						
Total	\$12,561,669,791	\$11,614,954,713	(\$1,962,537,337)	\$490,056,020	\$10,142,473,396	100.00%		6.35%		6.82%		7.28%

* 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
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Total	\$12,298,576,321	\$11,241,271,936	(\$1,825,498,264)	\$509,772,798	\$9,925,546,470	100.00%		6.41%		6.88%		7.35%
* 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
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Short Term Debt *	807,001,000	745,091,753	(125,895,487)	(23,483,737)	595,712,529	5.87%	0.50%	0.03%	0.50%	0.03%	0.50%	0.03%
Customer Deposits						0	0		0		0	
Active	219,420,040	219,420,040	(37,074,619)		182,345,421	1.80%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,605,078	1,605,078	(271,204)		1,333,874	0.01%						
Investment Tax Credits **	279,513	258,070	(43,605)		214,465	0.00%						
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FAS 109 DIT - Net	(212,131,743)	(195,858,013)	33,093,428		(162,764,586)	-1.60%						
Total	\$12,561,669,791	\$11,614,954,713	(\$1,962,537,337)	\$490,056,020	\$10,142,473,396	100.00%		6.35%		6.82%		7.28%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 668,832,943
AFUDC - DEBT	\$ 3,706,151
INCOME TAXES	\$ 342,050,618
TOTAL	\$ 1,014,589,711
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 229,801,888
TIE WITH AFUDC	<u>4.42</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 668,832,943
AFUDC - EQUITY	(6,897,831)
INCOME TAXES	342,050,618
TOTAL	\$ 1,003,985,730
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 229,801,888
TIE WITHOUT AFUDC	<u>4.37</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$ 3,706,151
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 2,276,503
AFUDC -EQUITY	\$ 6,897,831
TOTAL	\$ 9,174,334
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 482,785,708
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>1.90%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 599,428,430
COMMON DIVIDENDS	\$ (700,000,000)
AFUDC (EQUITY)	\$ (7,193,407)
DEPRECIATION & AMORTIZATION	\$ 528,790,447
DEFERRED INCOME TAXES	\$ 348,266,748
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (12,167,373)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	3,784,201
TOTAL FUNDS PROVIDED	\$ 760,763,046

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 927,500,258
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PERCENTAGE INTERNALLY GENERATED FUNDS **82.02%**
*Updated quarterly as of December 2015

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

Common Equity	\$ 4,665,288,414
Long Term Debt	\$ 3,469,333,574
Short Term Debt	\$ 188,569,277
TOTAL	\$ 8,323,191,266

% LONG TERM DEBT TO TOTAL **41.68%**
% SHORT TERM DEBT TO TOTAL **2.27%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.44%	6.73%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.89%	1.89%
SHORT TERM DEBT	0.01%	0.01%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.94%	1.94%
TOTAL	4.50%	4.79%
DIVIDED BY COMMON EQUITY RATIO	47.00%	47.00%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.58%</u>	<u>10.20%</u>