



October 14, 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 August 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. 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
August 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	\$ 672,345,048 (a)	\$ 11,501,710 (b)	\$ 683,846,758	\$ (33,424,455)	\$ 650,422,303
Average Rate Base	\$ 11,375,850,922	\$ (1,230,919,722)	\$ 10,144,931,200	\$ -	\$ 10,144,931,200
Average Rate of Return	5.91%		6.74%		6.41%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 648,514,517	\$ 35,332,241	\$ 683,846,758		
Average Rate Base	\$ 11,915,135,329	\$ (1,519,412,059)	\$ 10,395,723,270		
Average Rate of Return	5.44%		6.58%		
(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	6.22%	6.26%
Mid Point	6.68%	6.72%
High Point	7.14%	7.18%
Pro Forma Adjusted Basis		
Low Point	6.22%	6.26%
Mid Point	6.68%	6.72%
High Point	7.14%	7.18%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	5.12	(System Per Books Basis)
B. T.I.E without AFUDC	4.99	(System Per Books Basis)
C. AFUDC to Net Income	4.03%	(System Per Books Basis)
D. Internally Generated Funds	131.22%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.10%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.38%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.63%	(FPSC Adjusted Basis)
	9.91%	(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

August 2016

Schedule 2

Page 1 of 3

	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	\$14,582,043,766	\$5,344,073,556	\$9,237,970,210	\$122,371,264	\$824,873,789	\$10,185,215,262	\$2,278,688,418	\$12,463,903,679
Regulatory Base - Retail	\$13,243,215,475	\$4,953,789,769	\$8,289,425,706	\$106,078,754	\$738,719,564	\$9,134,224,024	\$2,241,626,899	\$11,375,850,922
FPSC Adjustments								
ARO	(27,287,585)	(31,265,124)	3,977,539			3,977,539	(3,355,997)	621,542
ECCR	(47,100,545)	(11,112,436)	(35,988,109)		(4,336,422)	(40,324,531)	(5,700,335)	(46,024,867)
ECRC	(178,725,247)	(11,671,996)	(167,053,251)		(1,286,721)	(168,339,973)	(24,769,841)	(193,109,814)
FUEL	(28,791,951)	(27,950,390)	(841,561)			(841,561)	77,969,233	77,127,672
CCR							(12,548,577)	(12,548,577)
NUCLEAR					(580,019)	(580,019)	(242,826,663)	(243,406,682)
CR3 Removal							(1,052,851,660)	(1,052,851,660)
Derivatives							(23,692,362)	(23,692,362)
Employee Related							(306)	(306)
Investments Earning a Return							(172,188,111)	(172,188,111)
Jobbing Accounts							(574,548)	(574,548)
Non-Regulated and Miscellaneous	(45,910,442)	(36,883,148)	(9,027,294)		(372,585)	(9,399,878)	81,719,573	72,319,695
Retention Accounts							1,652,114	1,652,114
CWIP - AFUDC					(404,950,783)	(404,950,783)		(404,950,783)
Imputed Off Balance Sheet Obligations							769,100,806	769,100,806
Capital Lease	(145,831,227)		(145,831,227)			(145,831,227)	143,437,385	(2,393,841)
Total FPSC Adjustments	(473,646,997)	(118,883,093)	(354,763,903)	(411,526,530)	(766,290,433)	(766,290,433)	(464,629,289)	(1,230,919,722)
FPSC Adjusted	\$12,769,568,479	\$4,834,906,676	\$7,934,661,803	\$106,078,754	\$327,193,034	\$8,367,933,590	\$1,776,997,610	\$10,144,931,201

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
August 2016

	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	\$4,671,552,714	\$1,957,806,020	\$810,516,409	\$506,866,078	\$341,965,321	\$109,763,711	\$189,633,612	(\$146,000)		\$3,916,405,152	\$755,147,562
Regulatory Base - Retail	\$4,369,166,741	\$1,889,387,234	\$775,828,286	\$474,457,009	\$329,357,939	\$115,929,321	\$135,825,689	(\$133,255)		\$3,720,652,223	\$648,514,517
FPSC Adjustments											
ECCR	(104,179,293)		(93,141,377)	(5,596,175)		(2,099,152)				(100,836,703)	(3,342,589)
ECRC	(64,456,798)		(34,378,181)	(9,994,440)	(1,314,681)	(7,240,333)				(52,927,635)	(11,529,163)
FUEL	(1,490,687,356)	(1,486,751,946)	(1,022,476)			(1,123,664)				(1,488,898,087)	(1,789,270)
CCR	(404,786,648)	(402,635,287)	(291,432)	(1,839,928)		-				(404,766,648)	-
NUCLEAR	(58,630,489)		(50,862)	(53,545,433)		(1,941,941)				(55,538,235)	(3,092,254)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION						785,531				(1,250,843)	1,250,843
FRANCHISE FEE & GROSS RECEIPTS										(78,153,117)	(124,447,316)
FRANCHISE FEES & GROSS REC TAX - TOI					(201,054,599)	77,556,812				(123,497,788)	123,497,788
GAIN/LOSS ON DISPOSITION & OTHER						68,183			(176,754)	(108,571)	108,571
INST./PROMOTIONAL ADVERTISING			(4,038,107)			1,557,700				(2,480,407)	2,480,407
MISCELLANEOUS INTEREST EXPENSE			125,400			(46,373)				77,027	(77,027)
REMOVE ASSOC./ORGANIZATION DUES			(25,662)			9,899				(15,763)	15,763
PARENT DEBT ADJUSTMENT						(15,343,056)				(803,530)	803,530
DIRECTORS & OFFICERS PREMIUM			(1,308,148)			504,618				(8,110,059)	8,110,059
INTEREST SYNCHRONIZATION - FPSC						(8,110,059)					
Total FPSC Adjustments	(2,325,321,017)	(1,889,387,234)	(136,167,220)	(116,559,766)	(202,369,280)	(15,993,003)	-	(176,754)	(176,754)	(2,360,653,258)	35,332,241
Pro Forma Adjustments	\$2,043,845,724	\$	\$639,661,066	\$357,897,243	\$126,988,659	\$99,936,318	\$135,825,689	(\$133,255)	(\$176,754)	\$1,359,998,966	\$683,846,758
Weather Normalization											
Weather Normalization	(54,415,067)					(20,990,612)				(20,990,612)	(33,424,455)
Total Pro Forma Adjustments	(54,415,067)					(20,990,612)				(20,990,612)	(33,424,455)
Pro Forma Adjusted	\$1,989,430,657		\$639,661,066	\$357,897,243	\$126,988,659	\$78,945,706	\$135,825,689	(\$133,255)	(\$176,754)	\$1,339,008,354	\$650,422,303
Current Month											
System Per Books	\$448,574,221	\$189,310,174	\$67,933,521	\$41,266,750	\$32,662,253	79,362,184	(39,026,386)	(12,166)		\$371,496,329	\$77,077,893
FPSC Adjusted	\$201,316,280	\$51,089,930	\$51,089,930	\$30,501,795	\$10,699,429	17,663,105	20,682,819	(11,104)	(21,091)	\$130,594,883	\$70,721,398

(a) The addition of earnings from AFUDC charges would increase the System NOI by 26,609,801 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 23,830,531 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,542	\$621,542
	ECCR	F	(46,024,867)	(46,024,867)
	ECRC	F	(204,299,689)	(193,109,814)
	FUEL	F	77,063,209	77,127,672
	CCR	F	(15,220,518)	(12,548,577)
	NUCLEAR	F	(241,288,344)	(243,406,682)
	CR3 Removal	F	(1,052,851,660)	(1,052,851,660)
	Derivatives	F	(23,692,362)	(23,692,362)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(182,093,818)	(172,188,111)
	Jobbing Accounts	F	(644,886)	(574,548)
	Non-Regulated and Miscellaneous	F	72,407,152	72,319,695
	Retention Accounts	F	1,854,370	1,652,114
(1)	CWIP - AFUDC	F	(436,900,676)	(404,950,783)
(3)	Imputed Off Balance Sheet Obligations	F	828,014,003	769,100,806
(2)	Capital Lease - EPIS	F	(156,436,025)	(145,831,227)
(2)	Capital Lease - Working Capital	F	153,868,104	143,437,385
	Total		(\$1,225,624,809)	(\$1,230,919,722)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,441,741)	2,099,152	(5,441,741)	2,099,152
	ECRC	F	(16,260,102)	6,272,334	(18,769,495)	7,240,333
	FUEL	F	(3,018,417)	1,164,354	(2,912,934)	1,123,664
	CCR	F	(1)	(1)	(1)	(1)
	NUCLEAR	F	(5,034,194)	1,941,941	(5,034,194)	1,941,941
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,184,459	(842,655)	2,036,375	(785,531)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(202,600,433)	78,153,117	(202,600,433)	78,153,117
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,054,599	(77,556,812)	201,054,599	(77,556,812)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	190,294	(73,406)	176,754	(68,183)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,331,757	(1,670,975)	4,038,107	(1,557,700)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(134,519)	51,891	(125,400)	48,373
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F		16,927,653		15,343,056
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,403,277	(541,314)	1,308,148	(504,618)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,766,549		8,110,059
	Total		\$22,286,297	\$18,097,263	\$19,339,238	\$15,993,003

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

End of Period Rate of Return - Rate Base

August 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 Period End Rate Base
System Per Books	\$14,826,910,894	\$5,319,776,869	\$9,507,134,225	\$123,005,711	\$1,152,422,004	\$10,782,561,939	\$2,278,688,418	\$13,061,250,357
Regulatory Base - Retail	\$13,458,344,081	\$4,932,513,865	\$8,525,830,216	\$106,628,730	\$1,041,049,483	\$9,673,508,430	\$2,241,626,899	\$11,915,135,329
FPSC Adjustments								
ARO	(29,226,857)	(31,119,164)	1,892,307			1,892,307	(3,355,997)	(1,463,691)
ECCR	(51,481,772)	(14,060,484)	(37,421,288)			(37,421,288)	(5,700,335)	(43,121,623)
ECRC	(175,482,769)	(13,760,834)	(161,721,935)		(400,403)	(162,122,338)	(24,769,841)	(186,892,179)
FUEL	(26,662,769)	(26,112,091)	(550,678)			(550,678)	77,969,233	77,418,555
CCR							(12,548,577)	(12,548,577)
NUCLEAR					(794,626)	(794,626)	(242,826,663)	(243,621,289)
CR3 Removal							(1,052,851,660)	(1,052,851,660)
Derivatives							(23,692,362)	(23,692,362)
Employee Related							(306)	(306)
Investments Earning a Return							(172,188,111)	(172,188,111)
Jobbing Accounts							(574,548)	(574,548)
Non-Regulated and Miscellaneous	(48,323,774)	(37,157,986)	(11,165,788)		(77,748)	(11,243,536)	81,719,573	70,476,037
Retention Accounts							1,652,114	1,652,114
CWIP - AFUDC					(703,381,792)	(703,381,792)	769,100,806	(703,381,792)
Imputed Off Balance Sheet Obligations							143,437,385	769,100,806
Capital Lease	(141,160,820)		(141,160,820)				143,437,385	2,276,566
Total FPSC Adjustments	(472,338,761)	(122,210,560)	(350,128,202)		(704,654,569)	(1,054,782,771)	(464,629,289)	(1,519,412,059)
FPSC Adjusted	\$12,986,005,320	\$4,810,303,305	\$8,175,702,014	\$106,628,730	\$336,394,915	\$8,618,725,659	\$1,776,997,610	\$10,395,723,269

	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	\$4,671,552,714	\$1,957,806,020	\$810,516,409	\$506,866,078	\$341,965,321	\$109,763,711	\$189,633,612	(\$146,000)		\$3,916,405,152	\$755,147,562
Regulatory Base - Retail	\$4,369,166,741	\$1,869,387,234	\$775,828,286	\$474,457,009	\$329,357,939	\$115,929,321	\$135,825,689	(\$133,255)		\$3,720,652,223	\$648,514,517
FPSC Adjustments											
ECCR	(104,179,293)		(93,141,377)	(5,596,175)		(2,099,152)				(100,836,703)	(3,342,589)
ECRC	(64,459,798)		(34,378,181)	(9,994,440)	(1,314,681)	(7,240,333)				(52,927,635)	(11,529,163)
FUEL	(1,490,687,356)	(1,486,751,946)	(1,022,476)			(1,123,664)				(1,488,898,087)	(1,789,270)
CCR	(404,766,648)	(402,635,287)	(291,432)	(1,839,928)		-				(404,766,648)	-
NUCLEAR	(58,630,489)		(50,862)	(53,545,433)		(1,941,941)				(55,538,235)	(3,092,254)
Non-Regulated and Miscellaneous				(45,583,791)		17,583,947				(27,999,843)	27,999,843
CORPORATE AIRCRAFT ALLOCATION			(2,056,375)			785,531				(1,250,843)	1,250,843
FRANCHISE FEE & GROSS RECEIPTS						(78,153,117)				(78,153,117)	(124,447,316)
FRANCHISE FEES & GROSS REC TAX - TOI				(201,054,599)		77,556,812				(123,497,788)	123,497,788
GAIN/LOSS ON DISPOSITION & OTHER						68,183			(176,754)	(108,571)	108,571
INST./PROMOTIONAL ADVERTISING			(4,038,107)			1,557,700				(2,480,407)	2,480,407
MISCELLANEOUS INTEREST EXPENSE			125,400			(48,373)				77,027	(77,027)
REMOVE ASSOC./ORGANIZATION DUES			(25,662)			9,899				(15,763)	15,763
PARENT DEBT ADJUSTMENT						(15,343,056)				(15,343,056)	15,343,056
DIRECTORS & OFFICERS PREMIUM			(1,308,148)			504,618				(803,530)	803,530
INTEREST SYNCHRONIZATION - FPSC						(8,110,059)				(8,110,059)	8,110,059
Total FPSC Adjustments	(2,325,321,017)	(1,869,387,234)	(136,187,220)	(116,559,766)	(202,369,280)	(15,993,003)			(176,754)	(2,360,653,259)	35,332,241
FPSC Adjusted	\$2,043,845,724		\$639,661,066	\$357,897,243	\$126,986,659	\$99,936,318	\$135,825,689	(\$133,255)	(\$176,754)	\$1,359,996,966	\$683,846,758

(a) The addition of earnings from AFUDC charges would increase the System NOI by 26,609,801 pretax

(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 23,830,531 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$1,463,691)	(\$1,463,691)
	ECCR	F	(43,121,623)	(43,121,623)
	ECRC	F	(200,458,150)	(186,892,179)
	FUEL	F	77,376,373	77,418,555
	CCR	F	(15,220,518)	(12,548,577)
	NUCLEAR	F	(241,519,390)	(243,621,289)
	CR3 Removal	F	(1,052,851,660)	(1,052,851,660)
	Derivatives	F	(23,692,362)	(23,692,362)
	Employee Related	F	(343)	(306)
	Investments Earning a Return	F	(182,093,818)	(172,188,111)
	Jobbing Accounts	F	(644,886)	(574,548)
	Non-Regulated and Miscellaneous	F	70,476,037	70,476,037
	Retention Accounts	F	1,854,370	1,652,114
(1)	CWIP - AFUDC	F	(761,044,796)	(703,381,792)
(3)	Imputed Off Balance Sheet Obligations	F	828,014,003	769,100,806
(2)	Capital Lease - EPIS	F	(151,425,987)	(141,160,820)
(2)	Capital Lease - Working Capital	F	153,868,104	143,437,385
	Total		(\$1,541,948,337)	(\$1,519,412,059)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,441,741)	2,099,152	(5,441,741)	2,099,152
	ECRC	F	(16,260,102)	6,272,334	(16,769,495)	7,240,333
	FUEL	F	(3,018,417)	1,164,354	(2,912,934)	1,123,664
	CCR	F	(1)	(1)	(1)	(1)
	NUCLEAR	F	(5,034,194)	1,941,941	(5,034,194)	1,941,941
	Non-Regulated and Miscellaneous	F	45,583,791	(17,583,947)	45,583,791	(17,583,947)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,184,459	(842,655)	2,036,375	(785,531)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(202,600,433)	78,153,117	(202,600,433)	78,153,117
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,054,599	(77,556,812)	201,054,599	(77,556,812)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	190,294	(73,406)	176,754	(68,183)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,331,757	(1,670,975)	4,038,107	(1,557,700)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(134,519)	51,891	(125,400)	48,373
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F		16,927,653		15,343,056
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,403,277	(541,314)	1,308,148	(504,618)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		9,766,549		8,110,059
	Total		\$22,286,297	\$18,097,263	\$19,339,238	\$15,993,003

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 2016

	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	\$5,070,909,885	\$4,620,265,711			(\$701,548,953)	\$740,718,519		\$4,659,435,277	45.93%	9.50%	4.36%	10.50%	4.82%	11.50%	5.28%			
Long Term Debt	4,245,905,522	3,868,578,252			(587,411,459)		3,281,166,793	32.34%	5.53%	1.79%	5.53%	5.53%	1.79%	5.53%	1.79%			
Short Term Debt	620,235,539	565,116,134			(85,808,189)	(27,860,078)	451,447,868	4.45%	0.58%	0.03%	0.58%	0.03%	0.03%	0.58%	0.03%			
Customer Deposits																		
Active	219,012,449	219,012,449			(33,255,220)		185,757,229	1.83%	2.31%	0.04%	2.31%	0.04%	0.04%	2.31%	0.04%			
Inactive	1,489,881	1,489,881			(226,226)		1,263,655	0.01%										
Investment Tax Credits	825,462	752,105			(114,201)		637,904	0.01%										
Deferred Income Taxes	2,518,732,873	2,294,896,852			(348,461,016)	(216,449,736)	1,729,986,100	17.05%										
FAS 109 DIT - Net	(213,207,932)	(194,260,462)			29,496,837		(164,763,625)	-1.62%										
Total	\$12,463,903,680	\$11,375,850,922			(\$1,727,328,427)	\$496,408,705	\$10,144,931,201	100.00%			6.22%		6.68%		7.14%			

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

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

August 2016

	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	\$4,901,931,249	\$4,852,626,760			(\$865,598,702)	\$794,300,271	\$4,781,328,329	45.99%			9.50%	4.37%	10.50%	4.83%	11.50%	5.29%		
Long Term Debt	4,098,204,626	4,056,984,161			(723,674,084)		3,333,310,077	32.06%			5.73%	1.84%	5.73%	1.84%	5.73%	1.84%		
Short Term Debt	460,041,000	455,413,827			(81,235,512)	(31,425,110)	342,753,205	3.30%			0.58%	0.02%	0.58%	0.02%	0.58%	0.02%		
Customer Deposits																		
Active	216,770,208	216,770,208			(38,666,895)		178,103,313	1.71%			2.34%	0.04%	2.34%	0.04%	2.34%	0.04%		
Inactive	1,297,024	1,297,024			(231,360)		1,065,665	0.01%										
Investment Tax Credits	2,649,351	2,622,703			(467,831)		2,154,872	0.02%										
Deferred Income Taxes	2,569,631,330	2,543,785,525			(453,753,721)	(156,896,955)	1,933,134,849	18.60%										
FAS 109 DIT - Net	(216,542,906)	(214,364,880)			38,237,839		(176,127,040)	-1.69%										
Total	\$12,033,981,882	\$11,915,135,329			(\$2,125,390,266)	\$605,978,206	\$10,395,723,269	100.00%				6.26%		6.72%		7.18%		

* 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	\$5,070,909,885		\$4,620,265,711		(\$701,548,953)		\$740,718,519		\$4,659,435,277		45.93%		9.50%	4.36%	10.50%	4.82%	11.50%	5.28%
Long Term Debt	4,245,905,522		3,868,578,252		(587,411,459)				3,281,166,793		32.34%		5.53%	1.79%	5.53%	1.79%	5.53%	1.79%
Short Term Debt	620,235,539		565,116,134		(85,808,189)		(27,860,078)		451,447,868		4.45%		0.58%	0.03%	0.58%	0.03%	0.58%	0.03%
Customer Deposits																		
Active	219,012,449		219,012,449		(33,255,220)				185,757,229		1.83%		2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,489,881		1,489,881		(226,226)				1,263,655		0.01%							
Investment Tax Credits	825,462		752,105		(114,201)				637,904		0.01%							
Deferred Income Taxes	2,518,732,873		2,294,896,852		(348,461,016)		(216,449,736)		1,729,986,100		17.05%							
FAS 109 DIT - Net	(213,207,932)		(194,260,462)		29,496,837				(164,763,625)		-1.62%							
Total	\$12,463,903,680		\$11,375,850,922		(\$1,727,328,427)		\$496,408,705		\$10,144,931,201		100.00%		6.22%	6.68%	7.14%			

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
August 2016

	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	Cost Rate	Weighted Cost	Weighted Cost	Cost Rate	Cost Rate	Weighted Cost
Common Equity	\$4,901,931,249	\$4,852,626,760			(\$865,598,702)	\$794,300,271	\$4,781,328,329		45.99%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%				
Long Term Debt	4,098,204,626	4,056,984,161			(723,674,084)		3,333,310,077		32.06%	5.73%	1.84%	5.73%	1.84%	5.73%	1.84%				
Short Term Debt	460,041,000	455,413,827			(81,235,512)	(31,425,110)	342,753,205		3.30%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%				
Customer Deposits																			
Active	216,770,208	216,770,208			(38,666,895)		178,103,313		1.71%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%				
Inactive	1,297,024	1,297,024			(231,360)		1,065,665		0.01%										
Investment Tax Credits	2,649,351	2,622,703			(467,831)		2,154,872		0.02%										
Deferred Income Taxes	2,569,631,330	2,543,785,525			(453,753,721)	(156,896,955)	1,933,134,849		18.60%										
FAS 109 DIT - Net	(216,542,906)	(214,364,880)			38,237,839		(176,127,040)		-1.69%										
Total	\$12,033,981,882	\$11,915,135,329			(\$2,125,390,266)	\$605,978,206	\$10,395,723,269		100.00%		6.26%		6.72%		7.18%				

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 754,652,933
AFUDC - DEBT	\$ 9,335,100
INCOME TAXES	\$ 335,431,698
TOTAL	\$ 1,099,419,732
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 214,799,419
TIE WITH AFUDC	<u>5.12</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 754,652,933
AFUDC - EQUITY	(17,274,701)
INCOME TAXES	335,431,698
TOTAL	\$ 1,072,809,931
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 214,799,419
TIE WITHOUT AFUDC	<u>4.99</u>

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

AFUDC DEBT	\$ 9,335,100
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 5,734,085
AFUDC - EQUITY	\$ 17,274,701
TOTAL	\$ 23,008,786
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 571,388,711
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>4.03%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 602,689,480
COMMON DIVIDENDS	\$ (1,000,000,000)
AFUDC (EQUITY)	\$ (13,773,720)
DEPRECIATION & AMORTIZATION	\$ 510,085,816
DEFERRED INCOME TAXES	\$ 224,101,291
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (1,315,844)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,244,336,796
TOTAL FUNDS PROVIDED	<u>\$ 1,565,977,819</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,193,379,045</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	131.22%
*Updated quarterly as of June 2016	

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

Common Equity	\$ 4,659,435,277
Long Term Debt	\$ 3,281,166,793
Short Term Debt	\$ 451,447,868
TOTAL	<u>\$ 8,392,049,938</u>

% LONG TERM DEBT TO TOTAL	39.10%
% SHORT TERM DEBT TO TOTAL	5.38%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.41%</u>	<u>6.74%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.79%	1.79%
SHORT TERM DEBT	0.03%	0.03%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>1.86%</u>	<u>1.86%</u>
TOTAL	<u>4.55%</u>	<u>4.88%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.93%</u>	<u>45.93%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.91%</u>	<u>10.63%</u>