



January 13, 2017

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, 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 November 30, 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 black 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 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	\$ 682,218,385 (a)	\$ (21,292,937) (b)	\$ 660,925,448	\$ (30,242,317)	\$ 630,683,131
Average Rate Base	\$ 11,341,985,204	\$ (1,109,096,942)	\$ 10,232,888,262	\$ -	\$ 10,232,888,262
Average Rate of Return	6.01%		6.46%		6.16%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 649,482,272	\$ 11,443,176	\$ 660,925,448		
Average Rate Base	\$ 11,875,146,404	\$ (1,400,690,341)	\$ 10,474,456,063		
Average Rate of Return	5.47%		6.31%		

(a) INCLUDES AFUDC EARNINGS

(b) INCLUDES REVERSAL OF AFUDC EARNINGS

	Average Capital Structure	End of Period Capital Structure
III. REQUIRED RATES OF RETURN		
FPSC Adjusted Basis		
Low Point	6.20%	6.20%
Mid Point	6.66%	6.65%
High Point	7.12%	7.11%
Pro Forma Adjusted Basis		
Low Point	6.20%	6.20%
Mid Point	6.66%	6.65%
High Point	7.12%	7.11%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	5.20	(System Per Books Basis)
B. T.I.E without AFUDC	5.03	(System Per Books Basis)
C. AFUDC to Net Income	5.44%	(System Per Books Basis)
D. Internally Generated Funds	110.03%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.44%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.16%	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.07%	(FPSC Adjusted Basis)
	9.42%	(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

November 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	\$14,695,602,254	\$5,338,036,100	\$9,357,566,154	\$123,074,876	\$990,863,195	\$10,471,504,225	\$1,974,670,488	\$12,446,174,712
Regulatory Base - Retail	\$13,344,015,157	\$4,949,564,866	\$8,394,450,291	\$106,688,687	\$891,504,767	\$9,392,643,745	\$1,949,341,460	\$11,341,985,204
FPSC Adjustments								
ARO	(27,174,110)	(28,143,503)	969,393			969,393	(347,843)	621,550
ECCR	(49,710,566)	(12,452,123)	(37,258,443)		(1,761,579)	(39,020,022)	(7,146,392)	(46,166,414)
ECCR	(177,916,680)	(12,742,885)	(165,173,795)		(799,441)	(165,973,236)	(32,207,043)	(198,180,280)
FUEL	(28,259,655)	(27,496,742)	(762,913)			(762,913)	38,340,719	37,577,806
CCR					(740,826)	(740,826)	(7,225,491)	(7,225,491)
NUCLEAR							(246,262,595)	(247,003,421)
CR3 Removal							(766,866,403)	(766,866,403)
Derivatives							(16,457,900)	(16,457,900)
Employee Related							(161)	(161)
Investments Earning a Return							(173,329,964)	(173,329,964)
Jobbing Accounts							(620,006)	(620,006)
Non-Regulated and Miscellaneous	(47,601,297)	(36,720,392)	(10,880,905)		(194,316)	(11,075,221)	97,638,485	86,563,264
Retention Accounts							1,505,275	1,505,275
CWIP - AFUDC					(540,794,540)	(540,794,540)	763,899,044	(540,794,540)
Imputed Off Balance Sheet Obligations							140,449,764	763,899,044
Capital Lease	(143,069,066)		(143,069,066)			(143,069,066)		(2,619,302)
Total FPSC Adjustments	(473,731,374)	(117,555,645)	(356,175,729)		(544,290,702)	(900,466,431)	(208,630,511)	(1,109,096,942)
FPSC Adjusted	\$12,870,283,783	\$4,832,009,221	\$8,038,274,562	\$106,688,687	\$347,214,065	\$8,492,177,313	\$1,740,710,949	\$10,232,888,262

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
November 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	\$4,521,444,640	\$1,836,758,257	\$814,020,035	\$482,091,685	\$332,008,112	\$163,396,600	\$155,941,087	(\$146,000)		\$3,784,069,776	\$737,374,865
Regulatory Base - Retail	\$4,227,488,429	\$1,752,050,865	\$779,619,284	\$448,890,576	\$319,885,579	\$166,527,174	\$111,165,725	(\$133,047)		\$3,578,006,156	\$649,482,272
Fpsc Adjustments											
ECCR	(109,325,251)		(97,936,088)	(6,097,054)		(2,041,431)				(106,074,573)	(3,250,678)
ECRC	(69,479,166)		(35,312,106)	(14,557,524)	(1,320,852)	(7,054,860)				(58,245,342)	(11,233,824)
FUEL	(1,328,824,093)	(1,325,061,224)	(900,387)			(1,104,203)				(1,327,065,813)	(1,758,280)
CCR	(429,827,841)	(426,989,642)	(309,476)			(975,455)				(428,274,573)	(1,553,268)
NUCLEAR	(57,006,931)		(49,673)	(52,233,142)		(1,822,328)				(54,105,143)	(2,901,788)
Non-Regulated and Miscellaneous			(1,945,780)	(8,636,105)		3,331,378				(5,304,728)	5,304,728
CORPORATE AIRCRAFT ALLOCATION						750,585				(1,195,196)	1,195,196
FRANCHISE FEE & GROSS RECEIPTS						(76,115,736)				(76,115,736)	(121,203,087)
FRANCHISE FEES & GROSS REC TAX - TOI					(196,260,053)	75,707,315				(120,552,737)	120,552,737
GAIN/LOSS ON DISPOSITION & OTHER						93,967		(243,595)		(149,628)	149,628
INST./PROMOTIONAL ADVERTISING			(4,557,713)			1,758,138				(2,799,575)	2,799,575
MISCELLANEOUS INTEREST EXPENSE			123,138	(47,501)		(9,899)				75,638	(75,638)
REMOVE ASSOC./ORGANIZATION DUES			(25,662)			9,899				(15,763)	15,763
PARENT DEBT ADJUSTMENT						(15,815,191)				(15,815,191)	15,815,191
DIRECTORS & OFFICERS PREMIUM						487,458				(776,206)	776,206
INTEREST SYNCHRONIZATION - FPSC			(1,263,664)			(6,810,717)				(6,810,717)	6,810,717
Total Fpsc Adjustments	(2,191,782,105)	(1,752,050,865)	(142,177,411)	(81,523,824)	(197,580,905)	(29,648,681)	\$111,165,725	(\$133,047)	(\$243,595)	(2,203,225,281)	11,443,176
Pro Forma Adjustments	\$2,035,706,324	-	\$637,441,873	\$367,366,751	\$122,304,675	\$136,878,494	\$111,165,725	(\$133,047)	(\$243,595)	\$1,374,780,875	\$660,925,449
Weather Normalization											
Weather Normalization	(49,234,542)					(18,992,225)				(18,992,225)	(30,242,317)
Total Pro Forma Adjustments	(49,234,542)					(18,992,225)				(18,992,225)	(30,242,317)
Pro Forma Adjusted	\$1,986,471,782		\$637,441,873	\$367,366,751	\$122,304,675	\$117,886,269	\$111,165,725	(\$133,047)	(\$243,595)	\$1,355,788,651	\$630,683,131
Current Month											
System Per Books	\$323,749,333	\$137,364,934	\$75,061,097	\$51,697,286	\$21,711,889	(33,565,229)	38,428,768	(12,166)		\$290,686,579	\$33,062,754
FPSC Adjusted	\$139,879,060	\$61,146,329	\$61,146,329	\$30,876,710	\$5,543,217	4,335,230	2,893,996	(11,087)	(112,418)	\$104,671,977	\$35,207,082

(a) The addition of earnings from AFUDC charges would increase the System NOI by 36,384,561 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 32,736,113 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,550	\$621,550
	ECCR	F	(46,166,414)	(46,166,414)
	ECRC	F	(209,623,797)	(198,180,280)
	FUEL	F	37,519,367	37,577,806
	CCR	F	(11,068,891)	(7,225,491)
	NUCLEAR	F	(244,335,068)	(247,003,421)
	CR3 Removal	F	(766,866,403)	(766,866,403)
	Derivatives	F	(16,457,900)	(16,457,900)
	Employee Related	F	(180)	(161)
	Investments Earning a Return	F	(183,256,360)	(173,329,964)
	Jobbing Accounts	F	(695,909)	(620,006)
	Non-Regulated and Miscellaneous	F	86,563,264	86,563,264
	Retention Accounts	F	1,689,555	1,505,275
(1)	CWIP - AFUDC	F	(584,424,280)	(540,794,540)
(3)	Imputed Off Balance Sheet Obligations	F	822,413,785	763,899,044
(2)	Capital Lease - EPIS	F	(153,473,001)	(143,069,066)
(2)	Capital Lease - Working Capital	F	150,663,224	140,449,764
	Total		(\$1,116,897,458)	(\$1,109,096,942)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,292,109)	2,041,431	(5,292,109)	2,041,431
	ECRC	F	(14,556,250)	5,615,074	(18,288,684)	7,064,860
	FUEL	F	(3,000,877)	1,157,588	(2,862,483)	1,104,203
	CCR	F	(2,528,724)	975,455	(2,528,724)	975,455
	NUCLEAR	F	(4,724,116)	1,822,328	(4,724,116)	1,822,328
	Non-Regulated and Miscellaneous	F	8,636,105	(3,331,378)	8,636,105	(3,331,378)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,087,277	(805,167)	1,945,780	(750,586)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,318,823)	76,115,736	(197,318,823)	76,115,736
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	196,260,053	(75,707,315)	196,260,053	(75,707,315)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	262,254	(101,165)	243,595	(93,967)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,889,148	(1,885,989)	4,557,713	(1,758,138)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(132,093)	50,955	(123,138)	47,501
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F		17,448,549		15,815,191
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,355,558	(522,906)	1,263,664	(487,458)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,193,949		6,810,717
	Total		(\$14,035,068)	\$31,056,526	(\$18,205,504)	\$29,648,681

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	\$14,893,944,712	\$5,301,124,426	\$9,592,820,287	\$129,678,325	\$1,340,795,276	\$11,063,293,888	\$1,974,670,488	\$13,037,964,375
Regulatory Base - Retail	\$13,524,727,977	\$4,916,594,221	\$8,608,133,757	\$112,412,953	\$1,205,258,234	\$9,925,804,944	\$1,949,341,460	\$11,875,146,404
FPSC Adjustments								
ARO	(20,331,619)	(17,705,582)	(2,626,038)			(2,626,038)	(347,843)	(2,973,881)
ECCR	(51,481,772)	(15,579,581)	(35,902,191)			(35,902,191)	(7,146,392)	(43,048,583)
ECRC	(181,502,380)	(15,290,792)	(166,211,588)		(220,918)	(166,432,507)	(32,207,043)	(198,639,550)
FUEL	(26,662,769)	(26,137,440)	(525,330)			(525,330)	38,340,719	37,815,390
CCR							(7,225,491)	(7,225,491)
NUCLEAR					(794,626)	(794,626)	(246,262,595)	(247,057,221)
CR3 Removal							(766,866,403)	(766,866,403)
Derivatives							(16,457,900)	(16,457,900)
Employee Related							(161)	(161)
Investments Earning a Return							(173,329,964)	(173,329,964)
Jobbing Accounts							(620,006)	(620,006)
Non-Regulated and Miscellaneous	(48,541,515)	(37,393,171)	(11,148,345)			(11,148,345)	97,638,485	86,490,140
Retention Accounts							1,505,275	1,505,275
CWIP - AFUDC					(838,968,625)	(838,968,625)		(838,968,625)
Imputed Off Balance Sheet Obligations							763,899,044	763,899,044
Capital Lease	(135,662,170)		(135,662,170)			(135,662,170)	140,449,764	4,787,595
Total FPSC Adjustments	(464,182,225)	(112,106,564)	(352,075,661)		(839,984,168)	(1,192,059,829)	(208,630,511)	(1,400,690,341)
FPSC Adjusted	\$13,060,545,752	\$4,804,487,656	\$8,256,058,096	\$112,412,953	\$365,274,066	\$8,733,745,115	\$1,740,710,949	\$10,474,456,063

	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	\$4,521,444,640	\$1,836,759,257	\$814,020,035	\$482,091,665	\$332,008,112	\$163,396,600	\$155,941,087	(\$146,000)		\$3,784,069,776	\$737,374,865
Regulatory Base - Retail	\$4,227,488,429	\$1,752,050,865	\$779,619,284	\$448,890,576	\$319,895,579	\$166,527,174	\$111,165,725	(\$133,047)		\$3,578,006,156	\$649,482,272
FPSC Adjustments											
ECCR	(109,325,251)		(97,936,088)	(6,097,054)		(2,041,431)				(106,074,573)	(3,250,678)
ECRC	(89,479,166)		(35,312,106)	(14,557,524)	(1,320,852)	(7,054,860)				(58,245,342)	(11,233,824)
FUEL	(1,328,824,093)	(1,325,061,224)	(900,387)			(1,104,203)				(1,327,065,813)	(1,758,280)
CCR	(429,827,841)	(426,989,642)	(309,476)			(975,455)				(428,274,573)	(1,553,268)
NUCLEAR	(57,006,931)		(49,673)	(52,233,142)		(1,822,328)				(54,105,143)	(2,901,788)
Non-Regulated and Miscellaneous				(8,636,105)		3,331,378				(5,304,728)	5,304,728
CORPORATE AIRCRAFT ALLOCATION			(1,945,780)			750,565				(1,195,196)	1,195,196
FRANCHISE FEE & GROSS RECEIPTS					(196,260,053)	(76,115,736)				(76,115,736)	(121,203,087)
FRANCHISE FEES & GROSS REC TAX - TOI						75,707,315				(120,552,737)	120,552,737
GAIN/LOSS ON DISPOSITION & OTHER						93,967		(243,595)		(149,628)	149,628
INST./PROMOTIONAL ADVERTISING			(4,557,713)			1,758,138				(2,799,575)	2,799,575
MISCELLANEOUS INTEREST EXPENSE			123,138			(47,501)				75,638	(75,638)
REMOVE ASSOC./ORGANIZATION DUES			(25,662)			9,899				(15,763)	15,763
PARENT DEBT ADJUSTMENT						(15,815,191)				(15,815,191)	15,815,191
DIRECTORS & OFFICERS PREMIUM						487,458				(776,206)	776,206
INTEREST SYNCHRONIZATION - FPSC			(1,263,664)			(6,810,717)				(6,810,717)	6,810,717
Total FPSC Adjustments	(2,191,782,105)	(1,752,050,865)	(142,177,411)	(81,523,824)	(197,580,905)	(29,648,681)			(243,595)	(2,203,225,281)	11,443,176
FPSC Adjusted	\$2,035,706,324	\$637,441,873	\$637,441,873	\$367,366,751	\$122,304,675	\$136,878,494	\$111,165,725	(\$133,047)	(\$243,595)	\$1,374,780,875	\$660,925,449

(a) The addition of earnings from AFUDC charges would increase the System NOI by 36,384,561 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 32,736,113 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$2,973,881)	(\$2,973,881)
	ECCR	F	(43,048,583)	(43,048,583)
	ECRC	F	(208,972,905)	(198,639,550)
	FUEL	F	37,775,149	37,815,390
	CCR	F	(11,068,891)	(7,225,491)
	NUCLEAR	F	(244,392,988)	(247,057,221)
	CR3 Removal	F	(766,866,403)	(766,866,403)
	Derivatives	F	(16,457,900)	(16,457,900)
	Employee Related	F	(180)	(161)
	Investments Earning a Return	F	(183,256,360)	(173,329,964)
	Jobbing Accounts	F	(695,909)	(620,006)
	Non-Regulated and Miscellaneous	F	86,490,140	86,490,140
	Retention Accounts	F	1,689,555	1,505,275
(1)	CWIP - AFUDC	F	(910,872,768)	(838,968,625)
(3)	Imputed Off Balance Sheet Obligations	F	822,413,785	763,899,044
(2)	Capital Lease - EPIS	F	(145,527,477)	(135,662,170)
(2)	Capital Lease - Working Capital	F	150,663,224	140,449,764
	Total		(\$1,435,102,393)	(\$1,400,690,341)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,292,109)	2,041,431	(5,292,109)	2,041,431
	ECRC	F	(14,556,250)	5,615,074	(18,288,684)	7,054,860
	FUEL	F	(3,000,877)	1,157,588	(2,862,483)	1,104,203
	CCR	F	(2,528,724)	975,455	(2,528,724)	975,455
	NUCLEAR	F	(4,724,116)	1,822,328	(4,724,116)	1,822,328
	Non-Regulated and Miscellaneous	F	8,636,105	(3,331,378)	8,636,105	(3,331,378)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,087,277	(805,167)	1,945,780	(750,585)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(197,318,823)	76,115,736	(197,318,823)	76,115,736
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	196,260,053	(75,707,315)	196,260,053	(75,707,315)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	262,254	(101,165)	243,595	(93,967)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,889,148	(1,885,989)	4,557,713	(1,758,138)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(132,093)	50,955	(123,138)	47,501
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	27,528	(10,619)	25,662	(9,899)
(2)	PARENT DEBT ADJUSTMENT	F	1,355,558	17,448,549	1,263,664	15,815,191
(2)	DIRECTORS & OFFICERS PREMIUM	F		(522,906)		(487,458)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		8,193,949		6,810,717
	Total		(\$14,035,068)	\$31,056,526	(\$18,205,504)	\$29,648,681

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

	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	\$5,039,499,308		\$4,584,385,977		(\$645,076,812)		\$733,684,922		\$4,672,994,087		45.67%	9.50%	4.34%	10.50%	4.79%	11.50%	5.25%	
Long Term Debt	4,256,660,271		3,872,244,536		(544,870,169)				3,327,374,367		32.52%	5.53%	1.80%	5.53%	1.80%	5.53%	1.80%	
Short Term Debt	582,026,692		529,464,307		(74,501,831)		(19,399,032)		435,563,444		4.26%	0.57%	0.02%	0.57%	0.02%	0.57%	0.02%	
Customer Deposits																		
Active	217,890,253		217,890,253		(30,659,711)				187,230,542		1.83%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%	
Inactive	1,522,713		1,522,713		(214,264)				1,308,450		0.01%							
Investment Tax Credits	1,358,309		1,235,642		(173,869)				1,061,772		0.01%							
Deferred Income Taxes	2,562,299,138		2,330,899,861		(327,984,917)		(227,432,644)		1,775,482,300		17.35%							
FAS 109 DIT - Net	(215,081,973)		(195,658,085)		27,531,385				(168,126,700)		-1.64%							
Total	\$12,446,174,713		\$11,341,985,204		(\$1,595,950,187)		\$486,853,245		\$10,232,888,262		100.00%		6.20%		6.66%		7.12%	

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

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

November 2016

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point	
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	\$4,895,210,502	\$4,671,613,653	\$4,671,613,653	\$4,671,613,653	(\$673,490,412)	\$765,611,514	\$4,763,734,755	45.48%	9.50%	4.32%	10.50%	4.78%	11.50%	5.23%				
Long Term Debt	4,691,014,660	4,476,744,793	4,476,744,793	4,476,744,793	(645,396,841)		3,831,347,952	36.58%	5.02%	1.83%	5.02%	1.83%	5.02%	1.83%				
Short Term Debt	167,892,000	160,223,255	160,223,255	160,223,255	(23,098,833)	(118,748,905)	18,375,516	0.18%	0.57%		0.57%		0.57%					
Customer Deposits																		
Active	214,502,177	214,502,177	214,502,177	214,502,177	(30,924,038)		183,578,139	1.75%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%				
Inactive	1,614,979	1,614,979	1,614,979	1,614,979	(232,826)		1,382,153	0.01%										
Investment Tax Credits	2,612,851	2,493,504	2,493,504	2,493,504	(359,480)		2,134,024	0.02%										
Deferred Income Taxes	2,682,874,447	2,560,329,712	2,560,329,712	2,560,329,712	(369,113,895)	(335,554,091)	1,855,661,726	17.72%										
FAS 109 DIT - Net	(222,540,579)	(212,375,670)	(212,375,670)	(212,375,670)	30,617,467		(181,758,203)	-1.74%										
Total	\$12,433,181,037	\$11,875,146,404	\$11,875,146,404	\$11,875,146,404	(\$1,711,998,858)	\$311,308,518	\$10,474,456,063	100.00%		6.20%		6.65%		7.11%				

* 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	\$5,039,499,308	\$4,584,385,977			(\$645,076,812)	\$733,684,922	\$4,672,994,087	45.67%	9.50%	4.34%	10.50%	4.79%	11.50%	5.25%				
Long Term Debt	4,256,660,271	3,872,244,536			(544,870,169)		3,327,374,367	32.52%	5.53%	1.80%	5.53%	1.80%	5.53%	1.80%				
Short Term Debt	582,026,692	529,464,307			(74,501,831)	(19,399,032)	435,563,444	4.26%	0.57%	0.02%	0.57%	0.02%	0.57%	0.02%				
Customer Deposits																		
Active	217,890,253	217,890,253			(30,659,711)	187,230,542	1.83%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%					
Inactive	1,522,713	1,522,713			(214,264)	1,308,450	0.01%											
Investment Tax Credits	1,358,309	1,235,642			(173,869)	1,061,772	0.01%											
Deferred Income Taxes	2,562,299,138	2,330,899,861			(327,984,917)	(227,432,644)	1,775,482,300	17.35%										
FAS 109 DIT - Net	(215,081,973)	(195,658,085)			27,531,385	(168,126,700)	-1.64%											
Total	\$12,446,174,713	\$11,341,985,204			(\$1,595,950,187)	\$486,853,245	\$10,232,888,262	100.00%	6.20%	6.66%	7.12%							

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA

End of Period - Capital Structure

FPSC Adjusted Basis

November 2016

	System Per		Retail Per		Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
	Books		Books						Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,895,210,502		\$4,671,613,653		(\$673,490,412)	\$765,611,514	\$4,763,734,755	45.48%	9.50%	4.32%	10.50%	11.50%	5.23%	
Long Term Debt	4,691,014,660		4,476,744,793		(645,396,841)		3,831,347,952	36.58%	5.02%	1.83%	5.02%	5.02%	1.83%	
Short Term Debt	167,892,000		160,223,255		(23,098,833)	(118,748,905)	18,375,516	0.18%	0.57%		0.57%		0.57%	
Customer Deposits														
Active	214,502,177		214,502,177		(30,924,038)		183,578,139	1.75%	2.35%	0.04%	2.35%	2.35%	0.04%	
Inactive	1,614,979		1,614,979		(232,826)		1,382,153	0.01%						
Investment Tax Credits	2,612,851		2,493,504		(359,480)		2,134,024	0.02%						
Deferred Income Taxes	2,682,874,447		2,560,329,712		(369,113,895)	(335,554,091)	1,855,661,726	17.72%						
FAS 109 DIT - Net	(222,540,579)		(212,375,670)		30,617,467		(181,758,203)	-1.74%						
Total	\$12,433,181,037		\$11,875,146,404		(\$1,711,998,858)	\$311,308,518	\$10,474,456,063	100.00%		6.20%		6.65%	7.11%	

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 767,638,043
AFUDC - DEBT	\$ 12,773,794
INCOME TAXES	\$ 338,991,638
TOTAL	\$ 1,119,403,476
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 215,321,562
TIE WITH AFUDC	<u>5.20</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 767,638,043
AFUDC - EQUITY	(23,610,767)
INCOME TAXES	338,991,638
TOTAL	\$ 1,083,018,914
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 215,321,562
TIE WITHOUT AFUDC	<u>5.03</u>

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

AFUDC DEBT	\$ 12,773,794
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 7,846,303
AFUDC -EQUITY	\$ 23,610,767
TOTAL	\$ 31,457,070
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 577,728,935
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>5.44%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 592,386,430
COMMON DIVIDENDS	\$ (775,000,000)
AFUDC (EQUITY)	\$ (19,186,064)
DEPRECIATION & AMORTIZATION	\$ 518,504,229
DEFERRED INCOME TAXES	\$ 143,234,326
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 32,201,710
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,139,015,681
TOTAL FUNDS PROVIDED	<u>\$ 1,631,010,311</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,482,386,781</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	110.03%
*Updated quarterly as of September 2016	

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

Common Equity	\$ 4,672,994,087
Long Term Debt	\$ 3,327,374,367
Short Term Debt	\$ 435,563,444
TOTAL	<u>\$ 8,435,931,898</u>

% LONG TERM DEBT TO TOTAL	39.44%
% SHORT TERM DEBT TO TOTAL	5.16%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.16%</u>	<u>6.46%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.80%	1.80%
SHORT TERM DEBT	0.02%	0.02%
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>4.30%</u>	<u>4.60%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.67%</u>	<u>45.67%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.42%</u>	<u>10.07%</u>