



February 15, 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 December 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 December 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.

The report also includes Schedule A and B, the AFUDC Rate Computation Report provided annually in compliance with the FPSC Rule 25-6.0141(6), and the Commercial/Industrial Rider Report provided annually in compliance with Order No. PSC-14-0197-PAA-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
December 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	\$ 676,099,120 (a)	\$ (26,798,824) (b)	\$ 649,300,296	\$ (23,422,413)	\$ 625,877,883
Average Rate Base	\$ 11,319,644,264	\$ (1,080,938,841)	\$ 10,238,705,423	\$ -	\$ 10,238,705,423
Average Rate of Return	5.97%		6.34%		6.11%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 640,056,990	\$ 9,243,306	\$ 649,300,296		
Average Rate Base	\$ 11,859,904,260	\$ (1,374,729,576)	\$ 10,485,174,684		
Average Rate of Return	5.40%		6.19%		
(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	6.20%	6.14%
Mid Point	6.65%	6.59%
High Point	7.11%	7.04%
Pro Forma Adjusted Basis		
Low Point	6.20%	6.14%
Mid Point	6.65%	6.59%
High Point	7.11%	7.04%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	5.01	(System Per Books Basis)
B. T.I.E without AFUDC	4.82	(System Per Books Basis)
C. AFUDC to Net Income	6.29%	(System Per Books Basis)
D. Internally Generated Funds	96.78%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	39.67%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	5.10%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.82%	(FPSC Adjusted Basis)
	9.32%	(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

2/15/17
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	\$14,732,497,737	\$5,331,029,018	\$9,401,468,719	\$123,668,708	\$1,043,892,265	\$10,569,029,692	\$1,881,547,632	\$12,450,577,324
Regulatory Base - Retail	\$13,378,089,691	\$4,943,846,758	\$8,434,222,933	\$107,203,456	\$939,535,986	\$9,480,982,375	\$1,838,681,889	\$11,319,644,264
FPSC Adjustments								
ARO	(26,357,054)	(26,955,172)	598,117			598,117	23,435	621,552
ECCR	(50,601,237)	(12,938,851)	(37,662,386)		(895,594)	(38,557,979)	(7,528,949)	(46,086,929)
ECRC	(177,275,667)	(13,119,061)	(164,156,606)		(534,622)	(164,691,228)	(35,134,944)	(199,826,172)
FUEL	(28,082,224)	(27,345,552)	(736,672)			(736,672)	18,043,249	17,306,577
CCR							(5,667,989)	(5,667,989)
NUCLEAR					(794,628)	(794,628)	(244,075,965)	(244,870,593)
CR3 Removal							(668,519,387)	(668,519,387)
Derivatives							(13,217,304)	(13,217,304)
Employee Related							(120)	(120)
Investments Earning a Return							(179,106,905)	(179,106,905)
Jobbing Accounts							(704,050)	(704,050)
Non-Regulated and Miscellaneous	(48,153,390)	(37,162,168)	(10,991,221)		(135,981)	(11,127,202)	99,119,505	87,992,303
Retention Accounts							1,583,035	1,583,035
CWIP - AFUDC					(589,912,189)	(589,912,189)	762,165,123	(589,912,189)
Imputed Off Balance Sheet Obligations							139,469,620	762,165,123
Capital Lease	(142,165,413)		(142,165,413)			(142,165,413)		(2,695,792)
Total FPSC Adjustments	(472,634,985)	(117,520,805)	(355,114,180)		(592,273,013)	(947,387,193)	(133,551,648)	(1,080,938,841)
FPSC Adjusted	\$12,905,434,706	\$4,826,325,954	\$8,079,108,753	\$107,203,456	\$347,262,973	\$8,533,575,182	\$1,705,130,241	\$10,238,705,423

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
December 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	\$4,469,848,182	\$1,813,283,908	\$825,206,593	\$482,494,799	\$331,489,781	\$53,021,315	\$248,112,129	(\$146,000)		\$3,753,462,526	\$716,385,656
Regulatory Base - Retail	\$4,177,653,065	\$1,712,769,150	\$789,382,452	\$449,274,531	\$319,269,832	\$71,938,764	\$195,094,081	(\$132,737)		\$3,537,596,075	\$640,056,980
FPSC Adjustments											
ECRC	(110,139,442)		(98,663,807)	(6,287,098)		(2,001,478)				(106,952,383)	(3,187,059)
ECRC	(70,301,125)		(35,376,843)	(15,575,546)	(1,321,545)	(6,953,989)				(59,227,923)	(11,073,202)
FUEL	(1,285,666,662)	(1,281,951,299)	(867,461)			(1,098,578)				(1,283,917,336)	(1,749,324)
CCR	(433,831,795)	(430,817,852)	(312,359)			(1,042,136)				(432,172,347)	(1,659,448)
NUCLEAR	(56,510,432)		(47,184)	(51,800,989)		(1,798,467)				(53,646,639)	(2,863,793)
Non-Regulated and Miscellaneous				(8,636,105)		3,331,378				(5,304,728)	5,304,728
CORPORATE AIRCRAFT ALLOCATION			(1,938,011)			747,588				(1,190,424)	1,190,424
FRANCHISE FEE & GROSS RECEIPTS					(194,570,801)	(75,280,371)				(75,280,371)	(119,872,891)
FRANCHISE FEES & GROSS REC TAX - TOI						75,055,687				(119,515,115)	119,515,115
GAIN/LOSS ON DISPOSITION & OTHER						88,513		(229,456)		(140,943)	140,943
INST./PROMOTIONAL ADVERTISING			(4,118,487)			1,588,706				(2,529,781)	2,529,781
MISCELLANEOUS INTEREST EXPENSE			122,762			(47,355)				75,406	(75,406)
REMOVE ASSOC./ORGANIZATION DUES			(87,206)			33,640				(53,566)	53,566
PARENT DEBT ADJUSTMENT						(15,734,041)				(15,734,041)	15,734,041
DIRECTORS & OFFICERS PREMIUM			(1,247,912)			481,382				(766,530)	766,530
INTEREST SYNCHRONIZATION - FPSC						(4,489,302)				(4,489,302)	4,489,302
Total FPSC Adjustments	(2,151,602,717)	(1,712,769,150)	(142,536,509)	(82,299,738)	(195,892,346)	(27,118,824)	-	(229,456)		(2,160,846,023)	9,243,306
FPSC Adjusted	\$2,026,050,348	-	\$646,845,943	\$366,974,794	\$123,377,486	\$44,819,941	\$195,094,081	(\$132,737)	(\$229,456)	\$1,376,750,052	\$649,300,295
Pro Forma Adjustments											
Weather Normalization	(38,131,727)					(14,709,314)				(14,709,314)	(23,422,413)
Total Pro Forma Adjustments	(38,131,727)					(14,709,314)				(14,709,314)	(23,422,413)
Pro Forma Adjusted	\$1,987,918,621		\$646,845,943	\$366,974,794	\$123,377,486	\$30,110,627	\$195,094,081	(\$132,737)	(\$229,456)	\$1,362,040,739	\$625,877,882
Current Month											
System Per Books	\$304,916,930	\$130,988,134	\$93,047,439	\$37,805,443	\$25,916,667	(11,912,816)	10,074,367	(12,167)		\$285,907,066	\$19,009,864
FPSC Adjusted	\$139,598,053	\$76,981,002	\$76,981,002	\$30,723,652	\$11,221,227	229,428	622,195	(11,062)	(8,092)	\$119,758,350	\$19,839,703

(a) The addition of earnings from AFUDC charges would increase the System NOI by 40,045,407 pretax
 (b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 36,042,130 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
December 2016

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,552	\$621,552
	ECCR	F	(46,086,929)	(46,086,929)
	ECRC	F	(210,668,546)	(199,826,172)
	FUEL	F	17,250,148	17,306,577
	CCR	F	(7,979,879)	(5,667,989)
	NUCLEAR	F	(242,006,512)	(244,870,593)
	CR3 Removal	F	(668,519,387)	(668,519,387)
	Derivatives	F	(13,217,304)	(13,217,304)
	Employee Related	F	(126)	(120)
	Investments Earning a Return	F	(183,472,171)	(179,106,905)
	Jobbing Accounts	F	(739,366)	(704,050)
	Non-Regulated and Miscellaneous	F	87,992,303	87,992,303
	Retention Accounts	F	1,662,691	1,583,035
(1)	CWIP - AFUDC	F	(637,994,273)	(589,912,189)
(3)	Imputed Off Balance Sheet Obligations	F	820,547,045	762,165,123
(2)	Capital Lease - EPIS	F	(152,503,634)	(142,165,413)
(2)	Capital Lease - Working Capital	F	149,611,805	139,469,620
	Total		(\$1,085,502,594)	(\$1,080,338,841)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,188,537)	2,001,478	(5,188,537)	2,001,478
	ECRC	F	(15,389,867)	5,936,641	(18,027,191)	6,963,989
	FUEL	F	(3,015,032)	1,163,049	(2,847,902)	1,098,578
	CCR	F	(2,701,584)	1,042,136	(2,701,584)	1,042,136
	NUCLEAR	F	(4,662,260)	1,798,467	(4,662,260)	1,798,467
	Non-Regulated and Miscellaneous	F	8,636,105	(3,331,378)	8,636,105	(3,331,378)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,078,943	(801,952)	1,938,011	(747,588)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(195,153,261)	75,280,371	(195,153,261)	75,280,371
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,570,801	(75,055,687)	194,570,801	(75,055,687)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	247,032	(95,293)	229,456	(88,513)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,417,982	(1,704,237)	4,118,487	(1,588,706)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(131,689)	50,799	(122,762)	47,355
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,547	(36,086)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,338,660	17,359,019	1,247,912	15,734,041
(2)	DIRECTORS & OFFICERS PREMIUM	F		(516,388)		(481,382)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,686,971		4,489,302
	Total		(\$14,859,160)	\$28,777,911	(\$17,875,518)	\$27,118,824

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

	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	\$4,469,848,182	\$1,813,283,908	\$825,206,593	\$482,494,799	\$331,489,781	\$53,021,315	\$248,112,129	(\$146,000)		\$3,753,462,526	\$716,385,656
Regulatory Base - Retail	\$4,177,655,065	\$1,712,769,150	\$789,382,452	\$449,274,531	\$319,269,832	\$71,938,764	\$195,094,081	(\$132,737)		\$3,537,596,075	\$640,056,990
FPSC Adjustments											
ECCR	(110,139,442)		(98,663,807)	(6,287,098)		(2,001,478)				(106,952,383)	(3,187,059)
ECRC	(70,301,125)		(35,376,843)	(15,575,546)	(1,321,545)	(6,953,989)				(99,227,923)	(11,073,202)
FUEL	(1,285,666,662)	(1,281,951,299)	(867,461)			(1,098,578)				(1,283,917,338)	(1,749,324)
CCR	(433,831,795)	(430,817,852)	(312,359)			(1,042,136)				(432,172,947)	(1,659,448)
NUCLEAR	(58,510,432)		(47,184)	(51,800,989)		(1,798,467)				(53,646,639)	(2,863,793)
Non-Regulated and Miscellaneous				(8,636,105)		3,331,378				(5,304,728)	5,304,728
CORPORATE AIRCRAFT ALLOCATION			(1,938,011)			747,588				(1,190,424)	1,190,424
FRANCHISE FEE & GROSS RECEIPTS					(194,570,801)	(75,280,371)				(75,280,371)	(119,872,891)
FRANCHISE FEES & GROSS REC TAX - TOI						75,055,687				(119,515,115)	119,515,115
GAIN/LOSS ON DISPOSITION & OTHER						88,513			(229,456)	(140,943)	140,943
INST./PROMOTIONAL ADVERTISING			(4,118,487)			1,588,706				(2,529,781)	2,529,781
MISCELLANEOUS INTEREST EXPENSE			122,762			(47,355)				75,406	(75,406)
REMOVE ASSOC./ORGANIZATION DUES			(87,206)			33,640				(53,566)	53,566
PARENT DEBT ADJUSTMENT						(15,734,041)				(15,734,041)	15,734,041
DIRECTORS & OFFICERS PREMIUM						481,382				(766,530)	766,530
INTEREST SYNCHRONIZATION - FPSC			(1,247,912)			(4,489,302)				(4,489,302)	4,489,302
Total FPSC Adjustments	(2,151,602,717)	(1,712,769,150)	(142,536,509)	(82,299,738)	(195,892,346)	(27,118,824)	\$195,094,081	(\$132,737)	(229,456)	(2,160,846,023)	9,243,306
FPSC Adjusted	\$2,026,050,348		\$646,845,943	\$366,974,794	\$123,377,486	\$44,819,941			(\$229,456)	\$1,376,750,052	\$649,300,295

(a) The addition of earnings from AFUDC charges would increase the System NOI by 40,045,407 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 36,042,130 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$2,511,752)	(\$2,511,752)
	ECCR	F	(42,890,807)	(42,890,807)
	ECRC	F	(205,566,478)	(196,927,689)
	FUEL	F	17,478,389	17,518,578
	CCR	F	(7,979,879)	(5,667,989)
	NUCLEAR	F	(242,006,510)	(244,870,591)
	CR3 Removal	F	(668,519,387)	(668,519,387)
	Derivatives	F	(13,217,304)	(13,217,304)
	Employee Related	F	(126)	(120)
	Investments Earning a Return	F	(183,472,171)	(179,106,905)
	Jobbing Accounts	F	(739,366)	(704,050)
	Non-Regulated and Miscellaneous	F	87,665,259	87,665,259
	Retirement Accounts	F	1,662,691	1,583,035
(1)	CWIP - AFUDC	F	(969,867,077)	(892,225,923)
(3)	Imputed Off Balance Sheet Obligations	F	820,547,045	762,165,123
(2)	Capital Lease - EPIS	F	(146,414,084)	(136,488,673)
(2)	Capital Lease - Working Capital	F	149,611,805	139,469,620
	Total		(\$1,406,219,754)	(\$1,374,729,576)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,188,537)	2,001,478	(5,188,537)	2,001,478
	ECRC	F	(15,389,867)	5,936,641	(18,027,191)	6,953,989
	FUEL	F	(3,015,032)	1,163,049	(2,847,902)	1,098,578
	CCR	F	(2,701,584)	1,042,136	(2,701,584)	1,042,136
	NUCLEAR	F	(4,662,260)	1,798,467	(4,662,260)	1,798,467
	Non-Regulated and Miscellaneous	F	8,636,105	(3,331,378)	8,636,105	(3,331,378)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,078,943	(801,952)	1,938,011	(747,588)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(195,153,261)	75,280,371	(195,153,261)	75,280,371
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	194,570,801	(75,055,687)	194,570,801	(75,055,687)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	247,032	(95,293)	229,456	(88,513)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,417,982	(1,704,237)	4,118,487	(1,588,706)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(131,689)	50,799	(122,762)	47,355
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,547	(36,086)	87,206	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,338,660	17,359,019	1,247,912	15,734,041
(2)	DIRECTORS & OFFICERS PREMIUM	F		(516,388)		(481,382)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,686,971		4,489,302
	Total		(\$14,859,160)	\$28,777,911	(\$17,875,518)	\$27,118,824

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
December 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	\$5,023,997,074	\$4,559,486,259	\$4,559,486,259	\$4,559,486,259	(\$628,289,798)	\$730,143,789	\$4,661,340,251	45.53%	9.50%	4.33%	10.50%	11.50%	4.78%	5.24%	11.50%	5.24%	11.50%	5.24%	
Long Term Debt	4,279,273,292	3,883,618,459	3,883,618,459	3,883,618,459	(535,156,313)		3,348,462,145	32.70%	5.52%	1.81%	5.52%	5.52%	1.81%	1.81%	5.52%	1.81%	5.52%	1.81%	
Short Term Debt	568,717,000	516,134,327	516,134,327	516,134,327	(71,122,472)	(14,788,690)	430,223,165	4.20%	0.58%	0.02%	0.58%	0.58%	0.02%	0.02%	0.58%	0.02%	0.58%	0.02%	
Customer Deposits																			
Active	217,238,534	217,238,534	217,238,534	217,238,534	(29,935,117)		187,303,417	1.83%	2.31%	0.04%	2.31%	2.31%	0.04%	0.04%	2.31%	0.04%	2.31%	0.04%	
Inactive	1,536,624	1,536,624	1,536,624	1,536,624	(211,744)		1,324,880	0.01%											
Investment Tax Credits	1,535,925	1,393,916	1,393,916	1,393,916	(192,079)		1,201,837	0.01%											
Deferred Income Taxes	2,574,334,211	2,336,315,346	2,336,315,346	2,336,315,346	(321,940,456)	(236,465,354)	1,777,909,534	17.36%											
FAS 109 DIT - Net	(216,055,335)	(196,079,200)	(196,079,200)	(196,079,200)	27,019,395		(169,059,805)	-1.65%											
Total	\$12,450,577,325	\$11,319,644,264	\$11,319,644,264	\$11,319,644,264	(\$1,559,828,587)	\$478,889,745	\$10,238,705,423	100.00%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%	6.20%

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

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
December 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	\$4,893,172,718		\$4,612,383,662		(\$659,324,194)		\$756,249,201		\$4,709,308,670		44.91%	9.50%	4.27%	10.50%	4.72%	11.50%	5.17%	
Long Term Debt	4,689,115,875		4,420,036,385		(631,828,820)				3,788,207,565		36.13%	5.04%	1.82%	5.04%	1.82%	5.04%	1.82%	
Short Term Debt	297,467,000		280,397,200		(40,081,804)		(74,224,850)		166,090,546		1.58%	0.58%	0.01%	0.58%	0.01%	0.58%	0.01%	
Customer Deposits																		
Active	212,920,513		212,920,513		(30,436,246)				182,484,267		1.74%	2.36%	0.04%	2.36%	0.04%	2.36%	0.04%	
Inactive	1,699,500		1,699,500		(242,938)				1,456,563		0.01%							
Investment Tax Credits	2,600,684		2,451,446		(350,426)				2,101,021		0.02%							
Deferred Income Taxes	2,696,359,631		2,541,632,153		(363,317,472)		(361,421,885)		1,816,892,797		17.33%							
FAS 109 DIT - Net	(224,499,229)		(211,616,601)		30,249,857				(181,366,744)		-1.73%							
Total	\$12,568,836,692		\$11,859,904,260		(\$1,695,332,042)		\$320,602,466		\$10,485,174,684		100.00%		6.14%		6.59%		7.04%	

* 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	\$5,023,997,074		\$4,559,486,259		(\$628,289,798)		\$730,143,789		\$4,661,340,251		45.53%		9.50%	4.33%	10.50%	4.78%	11.50%	5.24%
Long Term Debt	4,279,273,292		3,883,618,459		(535,156,313)				3,348,462,145		32.70%		5.52%	1.81%	5.52%	1.81%	5.52%	1.81%
Short Term Debt	568,717,000		516,134,327		(71,122,472)		(14,788,690)		430,223,165		4.20%		0.58%	0.02%	0.58%	0.02%	0.58%	0.02%
Customer Deposits																		
Active	217,238,534		217,238,534		(29,935,117)				187,303,417		1.83%		2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,536,624		1,536,624		(211,744)				1,324,880		0.01%							
Investment Tax Credits	1,535,925		1,393,916		(192,079)				1,201,837		0.01%							
Deferred Income Taxes	2,574,334,211		2,336,315,346		(321,940,458)		(236,465,354)		1,777,909,534		17.36%							
FAS 109 DIT - Net	(216,055,335)		(196,079,200)		27,019,395				(169,059,805)		-1.65%							
Total	\$12,450,577,325		\$11,319,644,264		(\$1,559,828,587)		\$478,889,745		\$10,238,705,423		100.00%		6.20%	6.65%	6.20%	6.65%	6.20%	7.11%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
December 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	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost
Common Equity	\$4,893,172,718	\$4,612,383,662	\$4,612,383,662	\$4,612,383,662	(\$659,324,194)	\$756,249,201	\$756,249,201	\$4,709,308,670	44.91%	9.50%	4.27%	10.50%	4.27%	11.50%	4.72%	11.50%	4.27%	11.50%	5.17%	5.17%
Long Term Debt	4,689,115,875	4,420,036,385	4,420,036,385	4,420,036,385	(631,828,820)	(74,224,850)	(74,224,850)	3,788,207,565	36.13%	5.04%	1.82%	5.04%	1.82%	5.04%	1.82%	5.04%	1.82%	5.04%	1.82%	1.82%
Short Term Debt	297,467,000	280,397,200	280,397,200	280,397,200	(40,081,804)			166,090,546	1.58%	0.58%	0.01%	0.58%	0.01%	0.58%	0.01%	0.58%	0.01%	0.58%	0.01%	0.01%
Customer Deposits																				
Active	212,920,513	212,920,513	212,920,513	212,920,513	(30,436,246)			182,484,267	1.74%	2.36%	0.04%	2.36%	0.04%	2.36%	0.04%	2.36%	0.04%	2.36%	0.04%	0.04%
Inactive	1,699,500	1,699,500	1,699,500	1,699,500	(242,938)			1,456,563	0.01%											
Investment Tax Credits	2,600,684	2,451,446	2,451,446	2,451,446	(350,426)			2,101,021	0.02%											
Deferred Income Taxes	2,686,359,631	2,541,632,153	2,541,632,153	2,541,632,153	(363,317,472)	(361,421,885)	(361,421,885)	1,816,892,797	17.33%											
FAS 109 DIT - Net	(224,499,229)	(211,616,601)	(211,616,601)	(211,616,601)	30,249,857			(181,366,744)	-1.73%											
Total	\$12,568,836,692	\$11,859,904,260	\$11,859,904,260	\$11,859,904,260	(\$1,695,332,042)	\$320,602,466	\$320,602,466	\$10,485,174,684	100.00%	6.14%	6.14%	100.00%	6.14%	6.14%	6.59%	6.14%	6.14%	6.59%	7.04%	7.04%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 748,666,611
AFUDC - DEBT	\$ 14,085,913
INCOME TAXES	\$ 322,475,772
TOTAL	\$ 1,085,228,296
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 216,782,587
TIE WITH AFUDC	<u>5.01</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 748,666,611
AFUDC - EQUITY	(25,959,494)
INCOME TAXES	322,475,772
TOTAL	\$ 1,045,182,889
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 216,782,587
TIE WITHOUT AFUDC	<u>4.82</u>

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

AFUDC DEBT	\$ 14,085,913
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 8,652,272
AFUDC -EQUITY	\$ 25,959,494
TOTAL	\$ 34,611,766
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 550,550,848
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>6.29%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 551,019,299
COMMON DIVIDENDS	\$ (775,000,000)
AFUDC (EQUITY)	\$ (25,959,745)
DEPRECIATION & AMORTIZATION	\$ 481,384,367
DEFERRED INCOME TAXES	\$ 224,499,961
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 23,939,248
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	1,022,871,868
TOTAL FUNDS PROVIDED	<u>\$ 1,502,608,998</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,552,660,044</u>
PERCENTAGE INTERNALLY GENERATED FUNDS	96.78%
*Updated quarterly as of September 2016	

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

Common Equity	\$ 4,661,340,251
Long Term Debt	\$ 3,348,462,145
Short Term Debt	\$ 430,223,165
TOTAL	<u>\$ 8,440,025,561</u>
% LONG TERM DEBT TO TOTAL	39.67%
% SHORT TERM DEBT TO TOTAL	5.10%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.11%	6.34%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.81%	1.81%
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>1.87%</u>	<u>1.87%</u>
TOTAL	4.24%	4.47%
DIVIDED BY COMMON EQUITY RATIO	45.53%	45.53%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.32%</u>	<u>9.82%</u>

Schedule A & B
(Combined)

DUKE ENERGY FLORIDA
AFUDC Rate Computation Report
Calculation of Jurisdictional Capital Structure
December 2016

	13 Month Average Unadjusted Balance - System	Jurisdictional Allocation Percentage	13 Month Average Unadjusted Balance - Retail	Pro Rata FPSC Adjustments - Retail	Specific Adjustments - Retail	Adjusted Average Balance - Retail	Ratio	Cost Rate	AFUDC Weighted Average Cost of Capital
Common Equity	(1) \$5,023,997,074	90.75%	\$4,559,486,259	(\$628,289,798)	\$730,143,789	4,661,340,250	45.53%	10.50%	4.78%
Long Term Debt	(2) 4,279,273,292	90.75%	3,883,618,459	(535,156,313)		3,348,462,146	32.70%	5.04%	1.65%
Short Term Debt *	(3) 568,717,000	90.75%	516,134,327	(71,122,472)	(14,788,690)	430,223,165	4.20%	0.58%	0.02%
Customer Deposits	0		0	0	0	0			
Active	(4) 217,238,534	100.00%	217,238,534	(29,935,117)		187,303,417	1.83%	2.36%	0.04%
Inactive	(4) 1,536,624	100.00%	1,536,624	(211,744)		1,324,880	0.01%		
Investment Tax Credits **	(5) 1,535,925	90.75%	1,393,916	(192,079)		1,201,837	0.01%		
Deferred Income Taxes	(4) 2,574,334,211	90.75%	2,336,315,346	(321,940,458)	(236,465,354)	1,777,909,534	17.36%		
FAS 109 DIT - Net	(4) (216,055,335)	90.75%	(196,079,200)	27,019,395		(169,059,805)	-1.65%		
Total	\$12,450,577,325	90.92%	\$11,319,644,265	(\$1,559,828,586)	\$478,889,745	\$10,238,705,424	100.00%		6.49%

Footnotes:

- (1) Common Equity cost rate is mid-point authorized in Docket No. 910890-EI.
- (2) Cost rates are year end.
- (3) Balances and cost rates are daily weighted average for 13 months.
- (4) Balances and cost rates are 13 month average.
- (5) Post '70 ITC credits assigned a zero-cost rate per FPSC Order No. 19282, Docket No. 880157-EI.



**Commercial / Industrial Service Rider (CISR)
Annual Report**

Date: 1/4/17

Year Represented

2016
Year to date

CISR Applications Received	0
Number of CISR applications cancelled by customer prior to quote	0
Number of CISR applications in process	0
Number of CISR applications rejected	0
Number of CISR applications accepted and prices quoted	0
Number of CISR quotes awaiting decision by customers	0
Number of CISR quotes rejected by customers	0
Number of Contract Service Agreements ("CSAs") in negotiation	0
Number of CSAs executed	0

For all CSAs executed during the year:

Customer	Description / Justification	Rates & Charges	Contract Period