



September 13, 2013

Mr. John Slemkewicz,  
Public Utility Supervisor  
Electric and Gas Accounting Section  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Mr. Slemkewicz:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, Inc.'s Rate of Return report for the twelve months ended July 31, 2013.

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 July 31, 2013. 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-12-0104-FOF-EI.

If you have any questions, please feel free to contact Marcia Olivier at (727) 820-5653.

Sincerely,

*Marcia Olivier For Javier Portuondo*

Javier Portuondo  
Director Rates & Regulatory Strategy

dc  
Attachment  
xc: Mr. J. R. Kelly, Office of the Public Counsel

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
13 SEP 17 PM 8:49  
DIVISION OF  
ACCOUNTING & FINANCE

**DUKE ENERGY FLORIDA**  
**Rate of Return Report Summary**  
**July 2013**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income (a) (b)	\$597,236,396	(\$134,904,564)	\$462,331,832	\$73,552,323	\$535,884,155
Average Rate Base	\$9,960,633,966	(\$1,765,347,110)	\$8,195,286,856	\$0	\$8,195,286,856
Average Rate of Return	6.00%		5.64%		6.54%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$597,236,396	(\$134,904,564)	\$462,331,832	\$73,552,323	\$535,884,155
Year End Rate Base	\$9,425,899,233	(\$1,335,998,707)	\$8,089,900,526	\$0	\$8,089,900,526
Year End Rate of Return	6.34%		5.71%		6.62%

Footnotes

- (a) Column (1) includes AFUDC earnings.  
(b) Column (2) includes reversal of AFUDC earnings.

	Average Capital Structure	End of Period Capital Structure
<b>III. Required Rates of Return</b>		
FPSC Adjusted Basis		
Low Point	6.71%	6.70%
Mid Point	7.18%	7.17%
High Point	7.66%	7.64%
Pro Forma Adjusted Basis		
Low Point	6.71%	6.70%
Mid Point	7.18%	7.17%
High Point	7.66%	7.64%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	1.81	(System Per Books Basis)
B. T.I.E. without AFUDC	1.67	(System Per Books Basis)
C. AFUDC to Net Income	26.20%	(System Per Books Basis)
D. Internally Generated Funds	120.36%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	45.09%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	7.26%	(FPSC Adjusted Basis)
	9.15%	(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

*Marisa Olvera For Javier Portuondo*  
**Javier Portuondo, Director Rates & Regulatory Strategy**

9/13/13  
Date

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Rate Base**  
**July 2013**

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Average Rate Base
<b>System Per Books</b>	<b>\$13,311,765,422</b>	<b>\$4,974,262,428</b>	<b>\$8,337,502,994</b>	<b>\$89,051,273</b>	<b>\$782,084,453</b>	<b>\$97,132,878</b>	<b>\$9,305,771,598</b>	<b>\$1,673,490,892</b>	<b>\$10,979,262,489</b>
<b>Regulatory Base - Retail</b>	<b>\$12,122,453,475</b>	<b>\$4,621,819,999</b>	<b>\$7,500,633,476</b>	<b>\$77,135,322</b>	<b>\$682,434,457</b>	<b>\$93,766,666</b>	<b>\$8,353,969,921</b>	<b>\$1,606,664,045</b>	<b>\$9,960,633,966</b>
<b>FPSC Adjustments</b>									
ARO	(42,190,268)	(36,907,193)	(5,283,075)	-	-	-	(5,283,075)	5,659,984	376,909
ECCR	(11,836,325)	(1,245,009)	(10,591,316)	-	(17,313,173)	-	(27,904,489)	2,858,124	(25,046,365)
ECRC	(1,188,595,969)	(89,776,917)	(1,098,819,052)	-	(916,887)	-	(1,099,735,939)	(17,955,497)	(1,117,691,436)
FUEL	(31,788,164)	(30,834,519)	(953,645)	-	-	-	(953,645)	211,198,853	210,245,208
CCR	-	-	-	-	-	-	-	(32,076,300)	(32,076,300)
NUCLEAR	-	-	-	-	(200,473,713)	-	(200,473,713)	(267,290,351)	(467,764,064)
CR3 Removal	-	-	-	-	-	-	-	(709,262,134)	(709,262,134)
Derivatives	-	-	-	-	-	-	-	(53,269,020)	(53,269,020)
Employee Related	-	-	-	-	-	-	-	844,147	844,147
Investments Earning a Return	-	-	-	-	-	-	-	(80,981,809)	(80,981,809)
Jobbing Accounts	-	-	-	-	-	-	-	(19,871,451)	(19,871,451)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,337,801)	(2,337,801)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(595,773)	(595,773)
Retention Accounts	-	-	-	-	-	-	-	1,060,206	1,060,206
CWIP - AFUDC	-	-	-	-	(255,348,925)	-	(255,348,925)	-	(255,348,925)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	786,768,625	786,768,625
Capital Lease	(188,794,804)	-	(188,794,804)	-	-	-	(188,794,804)	188,397,676	(397,128)
<b>Total FPSC Adjustments</b>	<b>(1,463,205,531)</b>	<b>(158,763,639)</b>	<b>(1,304,441,892)</b>	<b>-</b>	<b>(474,052,698)</b>	<b>-</b>	<b>(1,778,494,590)</b>	<b>13,147,480</b>	<b>(1,765,347,110)</b>
<b>FPSC Adjusted</b>	<b>\$10,659,247,944</b>	<b>\$4,463,056,360</b>	<b>\$6,196,191,584</b>	<b>\$77,135,322</b>	<b>\$208,381,759</b>	<b>\$93,766,666</b>	<b>\$6,575,475,331</b>	<b>\$1,619,811,525</b>	<b>\$8,195,286,856</b>

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**July 2013**

	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
<b>System Per Books (a)</b>	\$4,562,746,339	\$2,121,793,859	\$1,018,629,284	\$217,885,663	\$339,021,690	(\$70,638,707)	\$330,578,465	(\$1,042,669)	\$0	\$3,956,227,584	\$606,518,755
<b>Regulatory Base - Retail</b>	\$4,286,049,421	\$2,007,615,628	\$964,939,364	\$186,832,773	\$326,364,994	(64,245,254)	\$293,884,255	(\$947,400)	\$0	\$3,714,444,360	\$571,605,061
<b>FPSC Adjustments</b>											
ARO	-	-	-	-	-	-	-	-	-	0	0
ECCR	(95,531,518)	-	(90,419,257)	(374,823)	(36,853)	(1,813,251)	-	-	-	(92,644,184)	(2,887,335)
ECRC	(185,927,156)	-	(33,302,610)	(20,346,927)	(9,863,922)	(47,221,084)	-	-	-	(110,734,543)	(75,192,614)
FUEL	(1,637,636,465)	(1,635,179,812)	-	(46,510)	(1,385,119)	(395,403)	-	-	-	(1,637,006,844)	(629,621)
CCR	(365,021,632)	(364,710,562)	-	-	-	(119,995)	-	-	-	(364,830,557)	(191,075)
NUCLEAR	(121,394,830)	-	(912,284)	(77,545,924)	(111,652)	(16,519,732)	-	-	-	(95,089,592)	(26,305,238)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,293,756)	-	-	884,816	-	-	-	(1,408,940)	1,408,940
FRANCHISE FEE & GROSS REC TAX REVENUE	(197,951,654)	-	-	-	-	(76,359,850)	-	-	-	(76,359,850)	(121,591,803)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(195,485,523)	75,408,541	-	-	-	(120,076,983)	120,076,983
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	547,895	-	-	(1,420,338)	(872,443)	872,443
INST./PROMOTIONAL ADVERTISING	-	-	(209,725)	-	-	80,901	-	-	-	(128,824)	128,824
INTEREST ON TAX DEFICIENCY	-	-	356,540	-	-	(137,535)	-	-	-	219,004	(219,004)
MISCELLANEOUS INTEREST EXPENSE	-	-	161,723	-	-	(62,385)	-	-	-	99,338	(99,338)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(675,372)	-	-	260,525	-	-	-	(414,847)	414,847
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,278)	-	-	6,665	-	-	-	(10,613)	10,613
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(8,763,368)	-	-	-	(8,763,368)	8,763,368
DIRECTORS & OFFICERS PREMIUM	-	-	(1,647,698)	-	-	635,599	-	-	-	(1,012,098)	1,012,098
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,845,422	-	-	-	14,845,422	(14,845,422)
<b>Total FPSC Adjustments</b>	<b>(2,603,463,255)</b>	<b>(1,999,890,374)</b>	<b>(128,959,890)</b>	<b>(98,314,184)</b>	<b>(206,883,069)</b>	<b>(58,722,172)</b>	-	-	<b>(1,420,338)</b>	<b>(2,494,190,026)</b>	<b>(109,273,229)</b>
<b>FPSC Adjusted</b>	<b>\$1,682,586,166</b>	<b>\$7,725,254</b>	<b>\$835,979,474</b>	<b>\$88,518,589</b>	<b>\$119,481,926</b>	<b>(\$122,967,425)</b>	<b>\$293,884,255</b>	<b>(\$947,400)</b>	<b>(\$1,420,338)</b>	<b>\$1,220,254,334</b>	<b>\$462,331,832</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	19,743,301	-	-	-	-	7,615,978	-	-	-	7,615,978	12,127,323
Settlement Refund	-	-	(100,000,000)	-	-	-	38,575,000	-	-	(61,425,000)	61,425,000
<b>Total Pro Forma Adjustments</b>	<b>19,743,301</b>	<b>-</b>	<b>(100,000,000)</b>	<b>-</b>	<b>-</b>	<b>7,615,978</b>	<b>38,575,000</b>	<b>-</b>	<b>-</b>	<b>(53,809,022)</b>	<b>73,552,323</b>
<b>Pro Forma Adjusted</b>	<b>\$1,702,329,467</b>	<b>\$7,725,254</b>	<b>\$735,979,474</b>	<b>\$88,518,589</b>	<b>\$119,481,926</b>	<b>(\$115,351,447)</b>	<b>\$332,459,255</b>	<b>(\$947,400)</b>	<b>(\$1,420,338)</b>	<b>\$1,166,445,312</b>	<b>\$535,884,155</b>
<b>Footnotes:</b>											
(a) The addition of earnings from AFUDC charges would increase the system NOI by			\$29,373,522								
and Jurisdictional NOI by			\$25,631,335								
<b>Current Month</b>											
	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
<b>System Per Books (a)</b>	\$439,083,635	\$193,165,518	\$63,713,956	\$39,155,592	\$31,505,697	\$2,903,177	\$34,907,774	(\$108,917)	\$0	\$365,242,797	\$73,840,839
<b>Jurisdictional Per Books</b>											
Excluding AFUDC Earnings and Recoverable	\$173,750,790	\$536,084	\$45,083,289	\$24,268,231	\$10,690,687	\$2,640,413	\$31,287,489	(\$98,965)	\$0	\$114,407,228	\$59,343,562

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Adjustments**  
**July 2013**

Schedule 2  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$376,909	\$376,909
	ECCR	F	(\$25,046,365)	(\$25,046,365)
	ECRC	F	(\$1,118,428,524)	(\$1,117,691,436)
	FUEL	F	\$210,245,208	\$210,245,208
	CCR	F	(\$32,076,300)	(\$32,076,300)
	NUCLEAR	F	(\$488,042,342)	(\$467,764,064)
	Derivatives	F	(\$53,269,020)	(\$53,269,020)
	CR3 Removal	F	(\$709,262,134)	(\$709,262,134)
	Employee Related	F	\$844,147	\$844,147
	Investments Earning a Return	F	(\$80,981,809)	(\$80,981,809)
	Jobbing Accounts	F	(\$19,871,451)	(\$19,871,451)
	Non-Regulated and Miscellaneous	F	(\$2,337,801)	(\$2,337,801)
	Rate Case Regulatory Asset	F	(\$595,773)	(\$595,773)
	Retention Accounts	F	\$1,060,206	\$1,060,206
(1)	CWIP - AFUDC	F	(\$296,578,017)	(\$255,348,925)
(3)	Imputed Off Balance Sheet Obligations	F	863,736,154	786,768,625
(2)	Capital Lease - EPIS	F	(188,794,804)	(188,794,804)
(2)	Capital Lease - Working Capital	F	188,397,676	188,397,676
	<b>Total</b>		<b>(\$1,750,624,039)</b>	<b>(\$1,765,347,110)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$0	\$0	\$0	\$0
	ECCR	F	(4,700,586)	1,813,251	(4,700,586)	1,813,251
	ECRC	F	(180,356,688)	69,572,593	(122,413,698)	47,221,084
	FUEL	F	5,732,227	(2,211,206)	(1,025,024)	395,403
	CCR	F	(311,070)	119,995	(311,070)	119,995
	NUCLEAR	F	(42,557,959)	16,416,732	(42,824,970)	16,519,732
	SCRC	F	173	(67)	173	(67)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,459,739	(\$948,844)	\$2,293,756	(\$884,816)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(197,951,654)	76,359,850	(197,951,654)	76,359,850
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	195,485,523	(75,408,541)	195,485,523	(75,408,541)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	1,603,506	(618,552)	1,420,338	(547,895)
(1)	INST./PROMOTIONAL ADVERTISING	F	224,902	(86,756)	209,725	(80,901)
(1)	INTEREST ON TAX DEFICIENCY	F	(391,445)	151,000	(356,540)	137,535
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(1,240,056)	478,352	(161,723)	62,385
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	724,244	(279,377)	675,372	(260,525)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,278	(6,665)	17,278	(6,665)
(2)	PARENT DEBT ADJUSTMENT	F	0	9,644,488	0	8,763,368
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,647,698	(635,599)	1,647,698	(635,599)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(14,845,422)	0	(14,845,422)
	<b>Total</b>		<b>(\$219,614,167)</b>	<b>\$79,515,231</b>	<b>(\$167,995,401)</b>	<b>\$58,722,172</b>

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. 120022-EI

DUKE ENERGY FLORIDA  
End of Period Rate of Return - Rate Base  
July 2013

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Period End Rate Base
System Per Books	\$13,239,050,261	\$4,826,187,138	\$8,412,863,124	\$120,899,870	\$207,584,715	\$0	\$8,741,347,709	\$1,673,429,504	\$10,414,777,212
Regulatory Base - Retail	\$12,028,411,968	\$4,489,129,934	\$7,539,282,034	\$104,722,258	\$175,230,896	\$0	\$7,819,235,188	\$1,606,664,045	\$9,425,899,233
<b>FPSC Adjustments</b>									
ARO	(16,841,367)	(26,861,399)	10,020,032	-	-	-	10,020,032	5,659,984	15,680,016
ECCR	(23,048,281)	(1,386,552)	(21,661,729)	-	(21,691,136)	-	(43,352,865)	2,858,124	(40,494,741)
ECRC	(1,209,168,231)	(102,854,005)	(1,106,314,226)	-	(1,790,862)	-	(1,108,105,088)	(17,955,497)	(1,126,060,585)
FUEL	(31,188,445)	(30,252,791)	(935,654)	-	-	-	(935,654)	211,198,853	210,263,199
CCR	-	-	-	-	-	-	-	(32,076,300)	(32,076,300)
NUCLEAR	-	-	-	-	-	-	-	(267,290,351)	(267,290,351)
CR3 Removal	-	-	-	-	-	-	-	(709,262,134)	(709,262,134)
Derivatives	-	-	-	-	-	-	-	(53,269,020)	(53,269,020)
Employee Related	-	-	-	-	-	-	-	844,147	844,147
Investments Earning a Return	-	-	-	-	-	-	-	(80,981,809)	(80,981,809)
Jobbing Accounts	-	-	-	-	-	-	-	(19,871,451)	(19,871,451)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	(2,337,801)	(2,337,801)
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(595,773)	(595,773)
Retention Accounts	-	-	-	-	-	-	-	1,060,206	1,060,206
CWIP - AFUDC	-	-	-	-	(23,490,779)	-	(23,490,779)	-	(23,490,779)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	786,768,625	786,768,625
Capital Lease	(183,281,834)	-	(183,281,834)	-	-	-	(183,281,834)	188,397,676	5,115,842
<b>Total FPSC Adjustments</b>	<b>(1,463,528,158)</b>	<b>(161,354,747)</b>	<b>(1,302,173,411)</b>	<b>-</b>	<b>(46,972,777)</b>	<b>-</b>	<b>(1,349,146,188)</b>	<b>13,147,480</b>	<b>(1,335,998,707)</b>
<b>FPSC Adjusted</b>	<b>\$10,564,883,810</b>	<b>\$4,327,775,187</b>	<b>\$6,237,108,623</b>	<b>\$104,722,258</b>	<b>\$128,258,119</b>	<b>\$0</b>	<b>\$6,470,089,001</b>	<b>\$1,619,811,525</b>	<b>\$8,089,900,526</b>

**DUKE ENERGY FLORIDA**  
**End of Period - Income Statement**  
**July 2013**

	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
<b>System Per Books (a)</b>	<b>\$4,562,746,339</b>	<b>\$2,121,793,859</b>	<b>\$1,018,629,284</b>	<b>\$217,885,663</b>	<b>\$339,021,690</b>	<b>(\$70,638,707)</b>	<b>\$330,578,465</b>	<b>(\$1,042,669)</b>	<b>\$0</b>	<b>\$3,956,227,584</b>	<b>\$606,518,755</b>
<b>Regulatory Base - Retail</b>	<b>\$4,286,049,421</b>	<b>\$2,007,615,628</b>	<b>\$964,939,364</b>	<b>\$186,832,773</b>	<b>\$326,364,994</b>	<b>(\$64,245,254)</b>	<b>\$293,884,255</b>	<b>(\$947,400)</b>	<b>\$0</b>	<b>\$3,714,444,360</b>	<b>\$571,605,061</b>
<b>FPSC Adjustments</b>											
ARO	-	-	-	-	-	-	-	-	-	0	0
ECCR	(95,531,518)	-	(90,419,257)	(374,823)	(36,853)	(1,813,251)	-	-	-	(92,644,184)	(2,887,335)
ECRC	(185,927,156)	-	(33,302,610)	(20,346,927)	(9,863,922)	(47,221,084)	-	-	-	(110,734,543)	(75,192,614)
FUEL	(1,637,636,465)	(1,635,179,812)	-	(46,510)	(1,385,119)	(395,403)	-	-	-	(1,637,006,844)	(629,621)
CCR	(365,021,632)	(364,710,562)	-	-	-	(119,995)	-	-	-	(364,830,557)	(191,075)
NUCLEAR	(121,394,830)	-	(912,284)	(77,545,924)	(111,652)	(16,519,732)	-	-	-	(95,089,592)	(26,305,238)
SCRC	-	-	(173)	-	-	67	-	-	-	(106)	106
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,293,756)	-	-	884,816	-	-	-	(1,408,940)	1,408,940
FRANCHISE FEE & GROSS REC TAX REVENUE	(197,951,654)	-	-	-	-	(76,359,850)	-	-	-	(76,359,850)	(121,591,803)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(195,485,523)	75,408,541	-	-	-	(120,076,983)	120,076,983
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	547,895	-	-	(1,420,338)	(872,443)	872,443
INST./PROMOTIONAL ADVERTISING	-	-	(209,725)	-	-	80,901	-	-	-	(128,824)	128,824
INTEREST ON TAX DEFICIENCY	-	-	356,540	-	-	(137,535)	-	-	-	219,004	(219,004)
MISCELLANEOUS INTEREST EXPENSE	-	-	161,723	-	-	(62,385)	-	-	-	99,338	(99,338)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(675,372)	-	-	260,525	-	-	-	(414,847)	414,847
REMOVE ECONOMIC DEVELOPMENT	-	-	(17,278)	-	-	6,665	-	-	-	(10,613)	10,613
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(8,763,368)	-	-	-	(8,763,368)	8,763,368
DIRECTORS & OFFICERS PREMIUM	-	-	(1,647,698)	-	-	635,599	-	-	-	(1,012,098)	1,012,098
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	14,845,422	-	-	-	14,845,422	(14,845,422)
<b>Total FPSC Adjustments</b>	<b>(2,603,463,255)</b>	<b>(1,999,890,374)</b>	<b>(128,959,890)</b>	<b>(98,314,184)</b>	<b>(206,883,069)</b>	<b>(58,722,172)</b>	<b>-</b>	<b>-</b>	<b>(1,420,338)</b>	<b>(2,494,190,026)</b>	<b>(109,273,229)</b>
<b>FPSC Adjusted</b>	<b>\$1,682,586,166</b>	<b>\$7,725,254</b>	<b>\$835,979,474</b>	<b>\$88,518,589</b>	<b>\$119,481,926</b>	<b>(\$122,967,425)</b>	<b>\$293,884,255</b>	<b>(\$947,400)</b>	<b>(\$1,420,338)</b>	<b>\$1,220,254,334</b>	<b>\$462,331,832</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$29,373,522 and Jurisdictional NOI by \$25,631,335

DUKE ENERGY FLORIDA  
End of Period Rate of Return - Adjustments  
July 2013

Schedule 3  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$15,680,016	\$15,680,016
	ECCR	F	(40,494,741)	(40,494,741)
	ECRC	F	(1,197,572,293)	(1,126,060,585)
	FUEL	F	210,263,199	210,263,199
	CCR	F	(32,076,300)	(32,076,300)
	NUCLEAR	F	(267,290,351)	(267,290,351)
	Derivatives	F	(53,269,020)	(53,269,020)
	CR3 Removal	F	(\$709,262,134)	(\$709,262,134)
	Employee Related	F	844,147	844,147
	Investments Earning a Return	F	(80,981,809)	(80,981,809)
	Jobbing Accounts	F	(19,871,451)	(19,871,451)
	Non-Regulated and Miscellaneous	F	(2,337,801)	(2,337,801)
	Rate Case Regulatory Asset	F	(595,773)	(595,773)
	Retention Accounts	F	1,060,206	1,060,206
(1)	CWIP - AFUDC	F	(\$26,303,652)	(23,490,779)
(3)	Imputed Off Balance Sheet Obligations	F	863,736,154	786,768,625
(2)	Capital Lease - EPIS	F	(183,281,834)	(183,281,834)
(2)	Capital Lease - Working Capital	F	188,397,676	188,397,676
	<b>Total</b>		<b>(\$1,333,365,760)</b>	<b>(\$1,335,998,707)</b>

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ARO	F	\$0	\$0	\$0	\$0
	ECCR	F	(4,700,586)	1,813,251	(4,700,586)	1,813,251
	ECRC	F	(180,356,688)	69,572,593	(122,413,698)	47,221,084
	FUEL	F	5,732,227	(2,211,206)	(1,025,024)	395,403
	CCR	F	(311,070)	119,995	(311,070)	119,995
	NUCLEAR	F	(42,557,959)	16,416,732	(42,824,970)	16,519,732
	SCRC	F	173	(67)	173	(67)
	CR3 Removal	F	\$0	\$0	\$0	\$0
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,459,739	(\$948,844)	\$2,293,756	(\$884,816)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(197,951,654)	76,359,850	(197,951,654)	76,359,850
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	195,485,523	(75,408,541)	195,485,523	(75,408,541)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	1,603,506	(618,552)	1,420,338	(547,895)
(1)	INST./PROMOTIONAL ADVERTISING	F	224,902	(86,756)	209,725	(80,901)
(1)	INTEREST ON TAX DEFICIENCY	F	(391,445)	151,000	(356,540)	137,535
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(1,240,056)	478,352	(161,723)	62,385
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	724,244	(279,377)	675,372	(260,525)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	17,278	(6,665)	17,278	(6,665)
(2)	PARENT DEBT ADJUSTMENT	F	-	9,644,488	-	8,763,368
(2)	STORM COSTS 2004	F	1,647,698	(635,599)	1,647,698	(635,599)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(14,845,422)	-	(14,845,422)
	<b>Total</b>		<b>(\$219,614,167)</b>	<b>\$79,515,231</b>	<b>(\$167,995,401)</b>	<b>\$68,722,172</b>

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

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**Pro Forma Adjusted Basis**  
**July 2013**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,820,337,984	\$859,430,325	(\$835,759,382)	\$4,844,008,927	\$3,895,349,980	47.53%	9.50%	4.52%	10.50%	4.99%	11.50%	5.47%
Preferred Stock	20,613,354		(3,033,188)	17,580,166	14,137,236	0.17%	4.39%	0.01%	4.39%	0.01%	4.39%	0.01%
Long Term Debt - Fixed	4,680,732,116		(688,754,464)	3,991,977,652	3,210,181,959	39.17%	5.40%	2.12%	5.40%	2.12%	5.40%	2.12%
Short Term Debt *	15,178,651	(15,178,651)	-	-	-	0.00%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	213,465,683		(31,410,779)	182,054,904	182,054,904	2.22%	2.59%	0.06%	2.59%	0.06%	2.59%	0.06%
Inactive	1,407,258		(207,073)	1,200,185	1,200,185	0.01%						
Investment Tax Credit												
Post '70 Total	2,836,284		(417,350)	2,418,934								
Equity **					1,068,134	0.01%	9.76%	0.00%	10.79%	0.00%	11.81%	0.00%
Debt **					877,072	0.01%	5.56%	0.00%	5.56%	0.00%	5.56%	0.00%
Deferred Income Taxes	1,448,832,412	73,616,946	(224,023,457)	1,298,425,901	1,044,139,964	12.74%						
FAS 109 DIT - Net	(224,141,253)		32,981,654	(191,159,598)	(153,722,578)	-1.88%						
<b>Total</b>	<b>\$10,979,262,489</b>	<b>\$917,868,620</b>	<b>(\$1,750,624,039)</b>	<b>\$10,146,507,070</b>	<b>\$8,195,286,856</b>	<b>100.00%</b>		<b>6.71%</b>		<b>7.18%</b>		<b>7.66%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**July 2013**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,686,025,287	\$864,625,086	(\$634,265,589)	\$4,916,384,784	\$3,828,247,158	47.32%	9.50%	4.50%	10.50%	4.97%	11.50%	5.44%
Preferred Stock	0		-	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt - Fixed	4,650,439,494		(531,399,664)	4,119,039,829	3,207,377,618	39.65%	5.43%	2.15%	5.43%	2.15%	5.43%	2.15%
Short Term Debt *	14,482,000	(18,314,319)	437,914	(3,394,405)	(2,643,125)	-0.03%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	213,571,675		(24,404,557)	189,167,117	189,167,117	2.34%	2.29%	0.05%	2.29%	0.05%	2.29%	0.05%
Inactive	1,404,292		(160,467)	1,243,825	1,243,825	0.02%						
Investment Tax Credit												
Post '70 Total	2,277,097		(260,201)	2,016,896								
Equity **					854,545	0.01%	10.63%	0.00%	11.74%	0.00%	12.86%	0.00%
Debt **					715,954	0.01%	6.07%	0.00%	6.07%	0.00%	6.07%	0.00%
Deferred Income Taxes	1,475,484,894	600,533	(168,670,359)	1,307,415,068	1,018,046,438	12.58%						
FAS 109 DIT - Net	(221,995,738)		25,367,164	(196,628,574)	(153,109,005)	-1.89%						
<b>Total</b>	<b>\$10,821,689,000</b>	<b>\$846,911,301</b>	<b>(\$1,333,355,760)</b>	<b>\$10,335,244,541</b>	<b>\$8,089,900,526</b>	<b>100.00%</b>		<b>6.70%</b>		<b>7.17%</b>		<b>7.64%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**July 2013**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,820,337,984	\$859,430,325	(\$835,759,382)	\$4,844,008,927	\$3,895,349,980	47.53%	9.50%	4.52%	10.50%	4.99%	11.50%	5.47%
Preferred Stock	20,613,354		(3,033,188)	17,580,166	14,137,236	0.17%	4.39%	0.01%	4.39%	0.01%	4.39%	0.01%
Long Term Debt - Fixed	4,680,732,116	0	(688,754,464)	3,991,977,652	3,210,181,959	39.17%	5.40%	2.12%	5.40%	2.12%	5.40%	2.12%
Short Term Debt *	15,178,651	(15,178,651)	-	-	-	0.00%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	213,465,683		(31,410,779)	182,054,904	182,054,904	2.22%	2.59%	0.06%	2.59%	0.06%	2.59%	0.06%
Inactive	1,407,258		(207,073)	1,200,185	1,200,185	0.01%						
Investment Tax Credit												
Post '70 Total	2,836,284		(417,350)	2,418,934								
Equity **					1,068,134	0.01%	9.76%	0.00%	10.79%	0.00%	11.81%	0.00%
Debt **					877,072	0.01%	5.56%	0.00%	5.56%	0.00%	5.56%	0.00%
Deferred Income Taxes	1,448,832,412	73,616,946	(224,023,457)	1,298,425,901	1,044,139,964	12.74%						
FAS 109 DIT - Net	(224,141,253)		32,981,654	(191,159,598)	(153,722,578)	-1.88%						
<b>Total</b>	<b>\$10,979,262,489</b>	<b>\$917,868,620</b>	<b>(\$1,750,624,039)</b>	<b>\$10,146,507,070</b>	<b>\$8,195,286,856</b>	<b>100.00%</b>		<b>6.71%</b>		<b>7.18%</b>		<b>7.66%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**July 2013**

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,686,025,287	\$864,625,086	(\$634,265,589)	\$4,916,384,784	\$3,828,247,158	47.32%	9.50%	4.50%	10.50%	4.97%	11.50%	5.44%
Preferred Stock	0		-	-	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt - Fixed	4,650,439,494	0	(531,399,664)	4,119,039,829	3,207,377,618	39.65%	5.43%	2.15%	5.43%	2.15%	5.43%	2.15%
Short Term Debt *	14,482,000	(18,314,319)	437,914	(3,394,405)	(2,643,125)	-0.03%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits				-								
Active	213,571,675		(24,404,557)	189,167,117	189,167,117	2.34%	2.29%	0.05%	2.29%	0.05%	2.29%	0.05%
Inactive	1,404,292		(160,467)	1,243,825	1,243,825	0.02%						
Investment Tax Credit				-								
Post '70 Total	2,277,097		(260,201)	2,016,896								
Equity **				-	854,545	0.01%	10.63%	0.00%	11.74%	0.00%	12.86%	0.00%
Debt **				-	715,954	0.01%	6.07%	0.00%	6.07%	0.00%	6.07%	0.00%
Deferred Income Taxes	1,475,484,894	600,533	(168,670,359)	1,307,415,068	1,018,046,438	12.58%						
FAS 109 DIT - Net	(221,995,738)		25,367,164	(196,628,574)	(153,109,005)	-1.89%						
<b>Total</b>	<b>\$10,821,689,000</b>	<b>\$846,911,301</b>	<b>(\$1,333,355,760)</b>	<b>\$10,335,244,541</b>	<b>\$8,089,900,526</b>	<b>100.00%</b>		<b>6.70%</b>		<b>7.17%</b>		<b>7.64%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**Financial Integrity Indicators**  
**July 2013**

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$323,988,535
AFUDC - Debt	\$9,211,251
Income Taxes	\$64,468,656
<b>Total</b>	<b>\$397,668,442</b>
Interest Charges (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$220,109,386
<b>T.I.E. with AFUDC</b>	<b>1.81</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$323,988,535
AFUDC - Equity	(\$20,162,271)
Income Taxes	\$64,468,656
<b>Total</b>	<b>\$368,294,920</b>
Interest Charges (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$220,109,386
<b>T.I.E. without AFUDC</b>	<b>1.67</b>

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

AFUDC - Debt	\$9,211,251
Less: DIT	\$0
<b>Subtotal</b>	<b>\$9,211,251</b>
AFUDC - Other	\$20,162,271
<b>Total AFUDC</b>	<b>\$29,373,522</b>
Net Income Available For Common Shareholders	\$112,094,751
<b>Percent AFUDC to Available Net Income</b>	<b>26.20%</b>

**D: PERCENT INTERNALLY GENERATED FUNDS\***

Net Income	\$108,665,144
Common Dividends	(\$225,000,000)
Preferred Dividends	(\$1,030,500)
AFUDC Equity	(\$14,479,169)
Depreciation & Amortization	\$206,091,319
Deferred Income Taxes	\$102,532,737
Investment Tax Credits	(\$1,044,002)
Other - Incl Nuclear Decommissioning	\$509,997,420
<b>Funds Provided from Operations</b>	<b>\$685,732,949</b>
Other Funds Provided - Incl Change in Working Capital	\$515,657,620
<b>Total Funds Provided</b>	<b>\$1,201,390,569</b>
Construction Expenditures (excluding AFUDC)	\$998,176,801
<b>Percentage Internally Generated Funds</b>	<b>120.36%</b>

\*Updated quarterly as of March 2013

**E: SHORT TERM DEBT / LONG TERM DEBT AS  
PERCENT OF TOTAL INVESTOR CAPITAL - FPSC**

Common Equity	\$3,895,349,980
Preferred Stock	\$14,137,236
Long Term Debt - Fixed Rate	\$3,210,181,959
Short Term Debt	\$0
<b>Total</b>	<b>\$7,119,669,175</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>45.09%</b>
<b>% Short Term Debt</b>	<b>0.00%</b>

**FPSC ADJUSTED AVERAGE  
JURISDICTIONAL AND PRO FORMA**

<b>F: RETURN ON COMMON EQUITY</b>	<b>Pro Forma</b>	<b>FPSC</b>
Average Earned Rate of Return	6.54%	5.64%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.01%	0.01%
Long Term Debt - Fixed Rate	2.12%	2.12%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.06%	0.06%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.19%</b>	<b>2.19%</b>
<b>Total</b>	<b>4.35%</b>	<b>3.45%</b>
<b>Divided by Common Equity Ratio</b>	<b>47.53%</b>	<b>47.53%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>9.15%</b>	<b>7.26%</b>