



February 14, 2014

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

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
14 FEB 18 AM 9:08  
DIVISION OF  
ACCOUNTING & FINANCE

Dear Mr. Fletcher:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, Inc.'s Earnings Surveillance Report for the twelve months ended December 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 December 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-13-0598-FOF-EI.

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

Sincerely,

Javier Portuondo  
Director Rates & Regulatory Strategy

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

**DUKE ENERGY FLORIDA**  
**Rate of Return Report Summary**  
**December 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)	\$696,535,972	(\$116,983,085)	\$579,552,887	\$2,845,442	\$582,398,330
Average Rate Base	\$10,052,934,816	(\$1,935,256,255)	\$8,117,678,561	\$0	\$8,117,678,561
Average Rate of Return	6.93%		7.14%		7.17%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	\$696,535,972	(\$116,983,085)	\$579,552,887	\$2,845,442	\$582,398,330
Year End Rate Base	\$10,192,410,011	(\$1,839,451,857)	\$8,352,958,153	\$0	\$8,352,958,153
Year End Rate of Return	6.83%		6.94%		6.97%

**Footnotes**

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

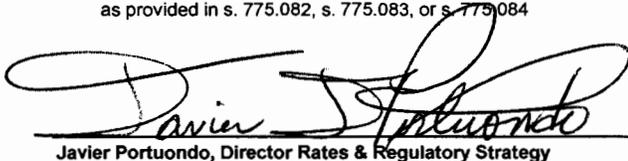
<b>III. Required Rates of Return</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.62%	6.57%
Mid Point	7.10%	7.04%
High Point	7.57%	7.51%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.62%	6.57%
Mid Point	7.10%	7.04%
High Point	7.57%	7.51%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.77	(System Per Books Basis)
B. T.I.E. without AFUDC	3.71	(System Per Books Basis)
C. AFUDC to Net Income	3.71%	(System Per Books Basis)
D. Internally Generated Funds	119.03%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	45.59%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-0.20%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.59%	(FPSC Adjusted Basis)
	10.65%	(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

  
Javier Portuondo, Director Rates & Regulatory Strategy

2-14-2014  
Date

DUKE ENERGY FLORIDA  
Average Rate of Return - Rate Base  
December 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
System Per Books	\$13,157,392,606	\$4,827,899,869	\$8,329,492,737	\$119,316,483	\$354,405,096	\$15,023	\$8,803,229,338	\$2,208,869,860	\$11,012,099,198
Regulatory Base - Retail	\$11,972,606,468	\$4,440,598,513	\$7,532,007,955	\$103,350,744	\$301,753,618	\$14,704	\$7,937,127,021	\$2,115,807,794	\$10,052,934,816
<b>FPSC Adjustments</b>									
ARO	(18,060,475)	(25,824,786)	7,764,311	-	-	-	7,764,311	(9,940,480)	(2,176,169)
ECCR	(23,783,127)	(1,515,225)	(22,267,902)	-	(16,179,599)	-	(38,447,501)	(1,142,874)	(39,590,375)
ECRC	(1,200,249,680)	(100,702,768)	(1,099,546,912)	-	(1,917,387)	-	(1,101,464,299)	(23,624,560)	(1,125,088,859)
FUEL	(31,191,882)	(30,256,125)	(935,757)	-	-	-	(935,757)	293,666,520	292,730,763
CCR	-	-	-	-	-	-	-	(42,477,662)	(42,477,662)
NUCLEAR	-	-	-	-	(73,188,220)	-	(73,188,220)	(389,673,039)	(462,861,259)
CR3 Removal	-	-	-	-	-	-	-	(1,192,370,533)	(1,192,370,533)
Derivatives	-	-	-	-	-	-	-	(34,206,527)	(34,206,527)
Employee Related	-	-	-	-	-	-	-	(606,849)	(606,849)
Investments Earning a Return	-	-	-	-	-	-	-	(85,297,555)	(85,297,555)
Jobbing Accounts	-	-	-	-	-	-	-	(12,344,408)	(12,344,408)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	17,255,080	17,255,080
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(324,967)	(324,967)
Retention Accounts	-	-	-	-	-	-	-	1,701,414	1,701,414
CWIP - AFUDC	-	-	-	-	(54,766,309)	-	(54,766,309)	-	(54,766,309)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	805,775,232	805,775,232
Capital Lease	(184,882,701)	-	(184,882,701)	-	-	-	(184,882,701)	184,275,432	(607,269)
<b>Total FPSC Adjustments</b>	<b>(1,458,167,865)</b>	<b>(158,298,904)</b>	<b>(1,299,868,961)</b>	<b>-</b>	<b>(146,051,516)</b>	<b>-</b>	<b>(1,445,920,476)</b>	<b>(489,335,778)</b>	<b>(1,935,256,255)</b>
<b>FPSC Adjusted</b>	<b>\$10,514,438,603</b>	<b>\$4,282,299,609</b>	<b>\$6,232,138,994</b>	<b>\$103,350,744</b>	<b>\$155,702,103</b>	<b>\$14,704</b>	<b>\$6,491,206,545</b>	<b>\$1,626,472,016</b>	<b>\$8,117,678,561</b>

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Income Statement**  
**December 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>	\$4,498,242,538	\$1,929,518,720	\$804,782,456	\$323,898,155	\$327,974,386	(\$91,672,987)	\$468,497,376	(\$1,307,003)	\$0	\$3,761,691,103	\$736,551,434
<b>Regulatory Base - Retail</b>	\$4,228,985,939	\$1,855,594,284	\$752,203,298	\$300,069,758	\$315,424,590	(\$6,058,551)	\$406,655,722	(\$1,187,582)	\$0	\$3,542,701,519	\$686,284,420
<b>FPSC Adjustments</b>											
ARO	-	-	-	-	-	-	-	-	-	0	0
ECCR	(98,932,809)	-	(91,512,290)	(388,035)	(36,401)	(2,698,739)	-	-	-	(94,635,465)	(4,297,344)
ECRC	(177,928,238)	-	(36,367,383)	(5,049,903)	(10,380,356)	(48,654,878)	-	-	-	(100,452,519)	(77,475,719)
FUEL	(1,466,935,968)	(1,463,494,375)	-	(1,340)	(1,240,110)	(848,705)	-	-	-	(1,465,584,530)	(1,351,438)
CCR	(386,206,361)	(385,864,529)	-	-	-	(131,862)	-	-	-	(385,996,391)	(209,971)
NUCLEAR	(142,730,578)	-	(673,471)	(112,319,398)	(119,716)	(11,425,141)	-	-	-	(124,537,726)	(18,192,852)
SCRC	-	-	-	-	-	-	-	-	-	0	0
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,583,708)	-	-	996,665	-	-	-	(1,587,043)	1,587,043
FRANCHISE FEE & GROSS REC TAX REVENUE	(192,098,842)	-	-	-	-	(74,102,128)	-	-	-	(74,102,128)	(117,996,714)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(188,606,716)	72,755,041	-	-	-	(115,851,675)	115,851,675
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	350,967	-	-	(909,831)	(558,864)	558,864
INST./PROMOTIONAL ADVERTISING	-	-	(105,097)	-	-	40,541	-	-	-	(64,556)	64,556
INTEREST ON TAX DEFICIENCY	-	-	(302,146)	-	-	116,553	-	-	-	(185,593)	185,593
MISCELLANEOUS INTEREST EXPENSE	-	-	143,174	-	-	(55,229)	-	-	-	87,944	(87,944)
REMOVE ASSOC./ORGANIZATION DUES	-	-	(145,909)	-	-	56,284	-	-	-	(89,624)	89,624
REMOVE ECONOMIC DEVELOPMENT	-	-	(13,239)	-	-	5,107	-	-	-	(8,132)	8,132
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,299,807)	-	-	-	(9,299,807)	9,299,807
DIRECTORS & OFFICERS PREMIUM	-	-	(1,728,102)	-	-	666,615	-	-	-	(1,061,486)	1,061,486
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	15,826,332	-	-	-	15,826,332	(15,826,332)
<b>Total FPSC Adjustments</b>	<b>(2,464,832,797)</b>	<b>(1,849,358,904)</b>	<b>(133,288,171)</b>	<b>(117,758,675)</b>	<b>(200,383,299)</b>	<b>(56,402,383)</b>	<b>-</b>	<b>-</b>	<b>(909,831)</b>	<b>(2,358,101,264)</b>	<b>(106,731,533)</b>
<b>FPSC Adjusted</b>	<b>\$1,764,153,143</b>	<b>\$6,235,380</b>	<b>\$618,915,127</b>	<b>\$182,311,083</b>	<b>\$115,041,291</b>	<b>(\$142,460,934)</b>	<b>\$406,655,722</b>	<b>(\$1,187,582)</b>	<b>(\$909,831)</b>	<b>\$1,184,600,255</b>	<b>\$579,552,887</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	4,632,385	-	-	-	-	1,786,943	-	-	-	1,786,943	2,845,442
<b>Total Pro Forma Adjustments</b>	<b>4,632,385</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,786,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,786,943</b>	<b>2,845,442</b>
<b>Pro Forma Adjusted</b>	<b>\$1,768,785,528</b>	<b>\$6,235,380</b>	<b>\$618,915,127</b>	<b>\$182,311,083</b>	<b>\$115,041,291</b>	<b>(\$140,673,992)</b>	<b>\$406,655,722</b>	<b>(\$1,187,582)</b>	<b>(\$909,831)</b>	<b>\$1,186,387,198</b>	<b>\$582,398,330</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$12,040,817 pretax and Jurisdictional NOI by \$10,251,551 pretax

**Current Month**

	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>	\$325,728,724	\$131,362,682	\$76,708,771	\$17,150,420	\$27,813,574	(\$46,214,541)	\$77,726,867	(\$95,575)	\$0	\$284,452,198	\$41,276,526
<b>Jurisdictional Per Books</b>											
<b>Excluding AFUDC Earnings and Recoverable</b>	<b>\$125,285,445</b>	<b>\$477,617</b>	<b>\$57,469,107</b>	<b>\$6,502,236</b>	<b>\$11,179,067</b>	<b>(\$43,384,170)</b>	<b>\$69,665,814</b>	<b>(\$86,842)</b>	<b>\$0</b>	<b>\$101,822,828</b>	<b>\$23,462,616</b>

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

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Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	(\$2,176,169)	(\$2,176,169)
	ECCR	F	(\$39,590,375)	(\$39,590,375)
	ECRC	F	(\$1,124,097,597)	(\$1,125,088,859)
	FUEL	F	\$292,730,763	\$292,730,763
	CCR	F	(\$42,477,662)	(\$42,477,662)
	NUCLEAR	F	(\$471,627,771)	(\$462,861,259)
	Derivatives	F	(\$34,206,527)	(\$34,206,527)
	CR3 Removal	F	(\$1,192,370,533)	(\$1,192,370,533)
	Employee Related	F	(\$606,849)	(\$606,849)
	Investments Earning a Return	F	(\$85,297,555)	(\$85,297,555)
	Jobbing Accounts	F	(\$12,344,408)	(\$12,344,408)
	Non-Regulated and Miscellaneous	F	\$17,255,080	\$17,255,080
	Rate Case Regulatory Asset	F	(\$324,967)	(\$324,967)
	Retention Accounts	F	\$1,701,414	\$1,701,414
(1)	CWIP - AFUDC	F	(\$65,912,451)	(\$54,766,309)
(3)	Imputed Off Balance Sheet Obligations	F	867,497,692	805,775,232
(2)	Capital Lease - EPIS	F	(184,882,701)	(184,882,701)
(2)	Capital Lease - Working Capital	F	184,275,432	184,275,432
	<b>Total</b>		<b>(\$1,892,455,175)</b>	<b>(\$1,935,266,255)</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	(6,996,083)	2,698,739	(6,996,083)	2,698,739
	ECRC	F	(157,577,180)	60,785,397	(126,130,597)	48,654,878
	FUEL	F	5,922,405	(2,284,568)	(2,200,143)	848,705
	CCR	F	(341,832)	131,862	(341,832)	131,862
	NUCLEAR	F	(29,112,169)	11,230,019	(29,617,993)	11,425,141
	SCRC	F	0	0	0	0
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,770,673	(\$1,068,787)	\$2,583,708	(\$996,665)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(192,098,842)	74,102,128	(192,098,842)	74,102,128
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	188,606,716	(72,755,041)	188,606,716	(72,755,041)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	1,031,728	(397,989)	909,831	(350,967)
(1)	INST./PROMOTIONAL ADVERTISING	F	112,703	(43,475)	105,097	(40,541)
(1)	INTEREST ON TAX DEFICIENCY	F	331,726	(127,963)	302,146	(116,553)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(1,825,616)	704,231	(143,174)	55,229
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	156,467	(60,357)	145,909	(56,284)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	13,239	(5,107)	13,239	(5,107)
(2)	PARENT DEBT ADJUSTMENT	F	0	10,234,864	0	9,289,807
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,853,152	(714,854)	1,728,102	(666,615)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	(15,826,332)	0	(15,826,332)
	<b>Total</b>		<b>(\$187,152,912)</b>	<b>\$66,602,768</b>	<b>(\$163,133,916)</b>	<b>\$66,402,383</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  
December 2013

Schedule 3  
Page 1 of 3

	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
<b>System Per Books</b>	\$13,515,924,167	\$4,924,049,790	\$8,591,874,377	\$120,899,848	\$225,796,738	\$0	\$8,938,570,963	\$2,208,654,759	\$11,147,225,723
<b>Regulatory Base - Retail</b>	\$12,273,943,136	\$4,487,412,067	\$7,786,531,069	\$104,722,239	\$185,348,908	\$0	\$8,076,602,216	\$2,115,807,794	\$10,192,410,011
<b>FPSC Adjustments</b>									
ARO	(16,841,368)	(27,609,784)	10,768,417	-	-	-	10,768,417	(9,940,480)	827,936
ECCR	(36,035,449)	(2,487,069)	(33,548,380)	-	(7,808,573)	-	(41,356,953)	(1,142,874)	(42,499,827)
ECRC	(1,208,960,450)	(114,063,996)	(1,094,896,454)	-	(5,236,726)	-	(1,100,133,180)	(23,624,560)	(1,123,757,740)
FUEL	(31,188,445)	(30,252,791)	(935,654)	-	-	-	(935,654)	293,666,520	292,730,866
CCR	-	-	-	-	-	-	-	(42,477,662)	(42,477,662)
NUCLEAR	-	-	-	-	(35,822,909)	-	(35,822,909)	(389,673,039)	(425,495,948)
CR3 Removal	-	-	-	-	-	-	-	(1,192,370,533)	(1,192,370,533)
Derivatives	-	-	-	-	-	-	-	(34,206,527)	(34,206,527)
Employee Related	-	-	-	-	-	-	-	(606,849)	(606,849)
Investments Earning a Return	-	-	-	-	-	-	-	(85,297,555)	(85,297,555)
Jobbing Accounts	-	-	-	-	-	-	-	(12,344,408)	(12,344,408)
Non-Regulated and Miscellaneous	-	-	-	-	-	-	-	17,255,080	17,255,080
Rate Case Regulatory Asset	-	-	-	-	-	-	-	(324,967)	(324,967)
Retention Accounts	-	-	-	-	-	-	-	1,701,414	1,701,414
CWIP - AFUDC	-	-	-	-	(2,792,201)	-	(2,792,201)	-	(2,792,201)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	-	805,775,232	805,775,232
Capital Lease	(179,843,599)	-	(179,843,599)	-	-	-	(179,843,599)	184,275,432	4,431,833
<b>Total FPSC Adjustments</b>	<b>(1,472,869,311)</b>	<b>(174,413,640)</b>	<b>(1,298,455,670)</b>	<b>-</b>	<b>(51,660,409)</b>	<b>-</b>	<b>(1,350,116,079)</b>	<b>(489,335,778)</b>	<b>(1,839,451,857)</b>
<b>FPSC Adjusted</b>	<b>\$10,801,073,825</b>	<b>\$4,312,998,427</b>	<b>\$6,488,075,399</b>	<b>\$104,722,239</b>	<b>\$133,688,499</b>	<b>\$0</b>	<b>\$6,726,486,137</b>	<b>\$1,626,472,016</b>	<b>\$8,352,958,153</b>

**DUKE ENERGY FLORIDA**  
**End of Period - Income Statement**  
**December 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>	\$4,498,242,538	\$1,929,518,720	\$804,782,456	\$323,898,155	\$327,974,386	(\$91,672,987)	\$468,497,376	(\$1,307,003)	\$0	\$3,761,691,103	\$736,551,434
<b>Regulatory Base - Retail</b>	\$4,228,985,939	\$1,855,594,284	\$752,203,298	\$300,069,758	\$315,424,590	(\$86,058,551)	\$406,655,722	(\$1,187,582)	\$0	\$3,542,701,519	\$686,284,420
<b>FPSC Adjustments</b>											
ARO	-	-	-	-	-	-	-	-	-	0	0
ECCR	(98,932,809)	-	(91,512,290)	(388,035)	(36,401)	(2,698,739)	-	-	-	(94,635,465)	(4,297,344)
ECRC	(177,928,238)	-	(36,367,383)	(5,049,903)	(10,380,356)	(48,654,878)	-	-	-	(100,452,519)	(77,475,719)
FUEL	(1,466,935,968)	(1,463,494,375)	-	(1,340)	(1,240,110)	(848,705)	-	-	-	(1,465,584,530)	(1,351,438)
CCR	(386,206,361)	(385,864,529)	-	-	-	(131,862)	-	-	-	(385,996,391)	(209,971)
NUCLEAR	(142,730,578)	-	(673,471)	(112,319,398)	(119,716)	(11,425,141)	-	-	-	(124,537,726)	(18,192,852)
SCRC	-	-	-	-	-	-	-	-	-	0	0
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,583,708)	-	-	996,665	-	-	-	(1,587,043)	1,587,043
FRANCHISE FEE & GROSS REC TAX REVENUE	(192,098,842)	-	-	-	-	(74,102,128)	-	-	-	(74,102,128)	(117,996,714)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(188,606,716)	72,755,041	-	-	-	(115,851,675)	115,851,675
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	350,967	-	-	(909,831)	(558,864)	558,864
INST./PROMOTIONAL ADVERTISING	-	-	(105,097)	-	-	40,541	-	-	-	(64,556)	64,556
INTEREST ON TAX DEFICIENCY	-	-	(302,146)	-	-	116,553	-	-	-	(185,593)	185,593
MISCELLANEOUS INTEREST EXPENSE	-	-	143,174	-	-	(55,229)	-	-	-	87,944	(87,944)
REMOVE ASSOC./ORGANIZATION DUES	-	-	(145,909)	-	-	56,284	-	-	-	(89,624)	89,624
REMOVE ECONOMIC DEVELOPMENT	-	-	(13,239)	-	-	5,107	-	-	-	(8,132)	8,132
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(9,299,807)	-	-	-	(9,299,807)	9,299,807
DIRECTORS & OFFICERS PREMIUM	-	-	(1,853,152)	-	-	714,854	-	-	-	(1,138,299)	1,138,299
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	15,826,332	-	-	-	15,826,332	(15,826,332)
<b>Total FPSC Adjustments</b>	<b>(2,464,832,797)</b>	<b>(1,849,358,904)</b>	<b>(133,413,222)</b>	<b>(117,758,675)</b>	<b>(200,383,299)</b>	<b>(56,354,145)</b>	-	-	<b>(909,831)</b>	<b>(2,358,178,076)</b>	<b>(106,654,721)</b>
<b>FPSC Adjusted</b>	<b>\$1,764,153,143</b>	<b>\$6,235,380</b>	<b>\$618,790,076</b>	<b>\$182,311,083</b>	<b>\$115,041,291</b>	<b>(\$142,412,696)</b>	<b>\$406,655,722</b>	<b>(\$1,187,582)</b>	<b>(\$909,831)</b>	<b>\$1,184,523,443</b>	<b>\$579,629,700</b>

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$12,040,817 pretax and Jurisdictional NOI by \$10,251,551 pretax

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

Schedule 3  
Page 3 of 3

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
	ARO	F	\$827,936	\$827,936
	ECCR	F	(42,499,827)	(42,499,827)
	ECRC	F	(1,203,241,356)	(1,123,757,740)
	FUEL	F	292,730,866	292,730,866
	CCR	F	(42,477,662)	(42,477,662)
	NUCLEAR	F	(438,510,920)	(425,495,948)
	Derivatives	F	(34,206,527)	(34,206,527)
	CR3 Removal	F	(\$1,192,370,533)	(\$1,192,370,533)
	Employee Related	F	(606,849)	(606,849)
	Investments Earning a Return	F	(85,297,555)	(85,297,555)
	Jobbing Accounts	F	(12,344,408)	(12,344,408)
	Non-Regulated and Miscellaneous	F	17,255,080	17,255,080
	Rate Case Regulatory Asset	F	(324,967)	(324,967)
	Retention Accounts	F	1,701,414	1,701,414
(1)	CWIP - AFUDC	F	(\$3,051,670)	(2,792,201)
(3)	Imputed Off Balance Sheet Obligations	F	867,497,692	805,775,232
(2)	Capital Lease - EPIS	F	(179,843,599)	(179,843,599)
(2)	Capital Lease - Working Capital	F	184,275,432	184,275,432
	<b>Total</b>		<b>(\$1,870,487,454)</b>	<b>(\$1,839,461,857)</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	(6,996,083)	2,698,739	(6,996,083)	2,698,739
	ECRC	F	(157,577,180)	60,785,397	(126,130,597)	48,654,878
	FUEL	F	5,922,405	(2,284,568)	(2,200,143)	848,705
	CCR	F	(341,832)	131,862	(341,832)	131,862
	NUCLEAR	F	(29,112,169)	11,230,019	(29,617,993)	11,425,141
	SCRC	F	0	0	0	0
	CR3 Removal	F	\$0	\$0	\$0	\$0
(2)	CORPORATE AIRCRAFT ALLOCATION	F	\$2,770,673	(\$1,068,787)	\$2,583,708	(\$996,665)
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	(192,098,842)	74,102,128	(192,098,842)	74,102,128
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	188,606,716	(72,755,041)	188,606,716	(72,755,041)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	1,031,728	(397,989)	909,831	(350,967)
(1)	INST./PROMOTIONAL ADVERTISING	F	112,703	(43,475)	105,097	(40,541)
(1)	INTEREST ON TAX DEFICIENCY	F	331,726	(127,963)	302,146	(116,553)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(1,825,616)	704,231	(143,174)	55,229
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	156,467	(60,357)	145,909	(56,284)
(1)	REMOVE ECONOMIC DEVELOPMENT	F	13,239	(5,107)	13,239	(5,107)
(2)	PARENT DEBT ADJUSTMENT	F	-	10,234,864	-	9,299,807
(2)	STORM COSTS 2004	F	1,853,152	(714,854)	1,728,102	(666,615)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(15,826,332)	-	(15,826,332)
	<b>Total</b>		<b>(\$187,152,912)</b>	<b>\$66,602,768</b>	<b>(\$163,133,916)</b>	<b>\$56,402,383</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**  
**December 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	\$4,813,982,332	\$865,624,773	(\$901,058,080)	\$4,778,549,025	\$3,848,383,395	47.41%	9.50%	4.50%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	7,730,008		(1,226,350)	6,503,658	5,237,692	0.06%	3.55%	0.00%	3.55%	0.00%	3.55%	0.00%
Long Term Debt - Fixed	4,748,079,630		(753,273,146)	3,994,806,483	3,217,199,793	39.63%	5.23%	2.07%	5.23%	2.07%	5.23%	2.07%
Short Term Debt *	(71,217,857)	50,279,340	3,321,853	(17,616,664)	(14,187,503)	-0.17%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	212,670,605		(33,739,758)	178,930,847	178,930,847	2.20%	2.28%	0.05%	2.28%	0.05%	2.28%	0.05%
Inactive	1,512,689		(239,985)	1,272,704	1,272,704	0.02%						
Investment Tax Credit												
Post '70 Total	2,390,287		(379,214)	2,011,073								
Equity **					882,692	0.01%	9.56%	0.00%	10.57%	0.00%	11.57%	0.00%
Debt **					736,916	0.01%	5.27%	0.00%	5.27%	0.00%	5.27%	0.00%
Deferred Income Taxes	1,520,074,546	641,573	(241,258,510)	1,279,457,609	1,030,405,546	12.69%						
FAS 109 DIT - Net	(223,123,040)		35,398,015	(187,725,025)	(151,183,522)	-1.86%						
<b>Total</b>	<b>\$11,012,099,198</b>	<b>\$916,545,686</b>	<b>(\$1,892,455,175)</b>	<b>\$10,036,189,709</b>	<b>\$8,117,678,561</b>	<b>100.00%</b>		<b>6.62%</b>		<b>7.10%</b>		<b>7.57%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Pro Forma Adjusted Basis**  
**December 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	\$4,797,115,008	\$865,044,085	(\$881,367,751)	\$4,780,791,342	\$3,920,695,158	46.94%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
Preferred Stock	0		-	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt - Fixed	4,652,193,990		(724,157,284)	3,928,036,705	3,221,356,757	38.57%	5.34%	2.06%	5.34%	2.06%	5.34%	2.06%
Short Term Debt *	180,669,000	(201,607,517)	3,259,275	(17,679,242)	(14,498,629)	-0.17%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	210,538,184		(32,772,228)	177,765,957	177,765,957	2.13%	2.27%	0.05%	2.27%	0.05%	2.27%	0.05%
Inactive	1,714,692		(266,908)	1,447,785	1,447,785	0.02%						
Investment Tax Credit												
Post '70 Total	1,732,513		(269,682)	1,462,831								
Equity **					658,563	0.01%	9.45%	0.00%	10.44%	0.00%	11.44%	0.00%
Debt **					541,095	0.01%	5.31%	0.00%	5.31%	0.00%	5.31%	0.00%
Deferred Income Taxes	1,725,425,455	1,875,506	(268,870,468)	1,458,430,494	1,196,049,140	14.32%						
FAS 109 DIT - Net	(218,153,297)		33,957,591	(184,195,706)	(151,057,673)	-1.81%						
<b>Total</b>	<b>\$11,351,235,545</b>	<b>\$665,312,074</b>	<b>(\$1,870,487,454)</b>	<b>\$10,146,060,165</b>	<b>\$8,352,958,153</b>	<b>100.00%</b>		<b>6.57%</b>		<b>7.04%</b>		<b>7.51%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 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	\$4,813,982,332	\$865,624,773	(\$901,058,080)	\$4,778,549,025	\$3,848,383,395	47.41%	9.50%	4.50%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	7,730,008		(1,226,350)	6,503,658	5,237,692	0.06%	3.55%	0.00%	3.55%	0.00%	3.55%	0.00%
Long Term Debt - Fixed	4,748,079,630	0	(753,273,146)	3,994,806,483	3,217,199,793	39.63%	5.23%	2.07%	5.23%	2.07%	5.23%	2.07%
Short Term Debt *	(71,217,857)	50,279,340	3,321,853	(17,616,664)	(14,187,503)	-0.17%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits												
Active	212,670,605		(33,739,758)	178,930,847	178,930,847	2.20%	2.28%	0.05%	2.28%	0.05%	2.28%	0.05%
Inactive	1,512,689		(239,985)	1,272,704	1,272,704	0.02%						
Investment Tax Credit												
Post '70 Total	2,390,287		(379,214)	2,011,073								
Equity **					882,692	0.01%	9.56%	0.00%	10.57%	0.00%	11.57%	0.00%
Debt **					736,916	0.01%	5.27%	0.00%	5.27%	0.00%	5.27%	0.00%
Deferred Income Taxes	1,520,074,546	641,573	(241,258,510)	1,279,457,609	1,030,405,546	12.69%						
FAS 109 DIT - Net	(223,123,040)		35,398,015	(187,725,025)	(151,183,522)	-1.86%						
<b>Total</b>	<b>\$11,012,099,198</b>	<b>\$916,545,686</b>	<b>(\$1,892,455,175)</b>	<b>\$10,036,189,709</b>	<b>\$8,117,678,561</b>	<b>100.00%</b>		<b>6.62%</b>		<b>7.10%</b>		<b>7.57%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**DUKE ENERGY FLORIDA**  
**End of Period - Capital Structure**  
**Adjusted Basis**  
**December 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	\$4,797,115,008	\$865,044,085	(\$881,367,751)	\$4,780,791,342	\$3,920,695,158	46.94%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
Preferred Stock	0		-	-	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Long Term Debt - Fixed	4,652,193,990	0	(724,157,284)	3,928,036,705	3,221,356,757	38.57%	5.34%	2.06%	5.34%	2.06%	5.34%	2.06%
Short Term Debt *	180,669,000	(201,607,517)	3,259,275	(17,679,242)	(14,498,629)	-0.17%	1.22%	0.00%	1.22%	0.00%	1.22%	0.00%
Customer Deposits				-								
Active	210,538,184		(32,772,228)	177,765,957	177,765,957	2.13%	2.27%	0.05%	2.27%	0.05%	2.27%	0.05%
Inactive	1,714,692		(266,908)	1,447,785	1,447,785	0.02%						
Investment Tax Credit				-								
Post '70 Total	1,732,513		(269,682)	1,462,831								
Equity **				-	658,563	0.01%	9.45%	0.00%	10.44%	0.00%	11.44%	0.00%
Debt **				-	541,095	0.01%	5.31%	0.00%	5.31%	0.00%	5.31%	0.00%
Deferred Income Taxes	1,725,425,455	1,875,506	(268,870,468)	1,458,430,494	1,196,049,140	14.32%						
FAS 109 DIT - Net	(218,153,297)		33,957,591	(184,195,706)	(151,057,673)	-1.81%						
<b>Total</b>	<b>\$11,351,235,545</b>	<b>\$665,312,074</b>	<b>(\$1,870,487,454)</b>	<b>\$10,146,060,165</b>	<b>\$8,352,958,153</b>	<b>100.00%</b>		<b>6.57%</b>		<b>7.04%</b>		<b>7.51%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

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

Schedule 5

**A: TIMES INTEREST EARNED WITH AFUDC**

Earnings Before Interest	\$505,909,588
AFUDC - Debt	\$3,624,345
Income Taxes	\$213,250,283
<b>Total</b>	<b>\$722,784,216</b>
Interest Charges (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$191,762,916
<b>T.I.E. with AFUDC</b>	<b>3.77</b>

**B: TIMES INTEREST EARNED WITHOUT AFUDC**

Earnings Before Interest	\$505,909,588
AFUDC - Equity	(\$8,416,472)
Income Taxes	\$213,250,283
<b>Total</b>	<b>\$710,743,399</b>
Interest Charges (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$191,762,916
<b>T.I.E. without AFUDC</b>	<b>3.71</b>

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

AFUDC - Debt	\$3,624,345
Less: DIT	\$0
<b>Subtotal</b>	<b>\$3,624,345</b>
AFUDC - Other	\$8,416,472
<b>Total AFUDC</b>	<b>\$12,040,817</b>
Net Income Available For Common Shareholders	\$324,435,227
<b>Percent AFUDC to Available Net Income</b>	<b>3.71%</b>

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

Net Income	\$324,709,797
Common Dividends	(\$325,000,000)
Preferred Dividends	(\$274,570)
AFUDC Equity	(\$8,416,472)
Depreciation & Amortization	\$334,621,795
Deferred Income Taxes	\$369,786,809
Investment Tax Credits	(\$1,307,003)
Other - Incl Nuclear Decommissioning	\$74,338,880
<b>Funds Provided from Operations</b>	<b>\$768,459,236</b>
Other Funds Provided - Incl Change in Working Capital	\$320,768,398
<b>Total Funds Provided</b>	<b>\$1,089,227,634</b>
Construction Expenditures (excluding AFUDC)	\$915,077,130
<b>Percentage Internally Generated Funds</b>	<b>119.03%</b>

\*Updated quarterly as of December 2013

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

Common Equity	\$3,848,383,395
Preferred Stock	\$5,237,692
Long Term Debt - Fixed Rate	\$3,217,199,793
Short Term Debt	(\$14,187,503)
<b>Total</b>	<b>\$7,056,633,377</b>
<b>% Long Term Debt - Fixed Rate</b>	<b>45.59%</b>
<b>% Short Term Debt</b>	<b>-0.20%</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	7.17%	7.14%
Less Reconciled Average Retail Weighted Cost Rates for:		
Preferred Stock	0.00%	0.00%
Long Term Debt - Fixed Rate	2.07%	2.07%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.05%	0.05%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
<b>Subtotal</b>	<b>2.12%</b>	<b>2.12%</b>
<b>Total</b>	<b>5.05%</b>	<b>5.02%</b>
<b>Divided by Common Equity Ratio</b>	<b>47.41%</b>	<b>47.41%</b>
<b>Jurisdictional Return on Common Equity</b>	<b>10.65%</b>	<b>10.59%</b>

DUKE ENERGY FLORIDA  
Earnings Surveillance Report  
CR3 Regulatory Asset Value  
December 2013  
(In Millions)

Schedule 6

Line No.	Pre or Post Retirement Component Classification	category	Subject to Cap	Dry Cask Storage	Total Regulatory Asset
1					
2	Electric Plant In Service	a	854		854
3	Less Accumulated Depreciation	b	434		434
4	Net plant balance	fallout	420		420
5	Write-Down	b	(295)		(295)
6	Construction Work In Progress (CWIP)				
7	Steam Generator Replacement (SGR) Project	a	360		360
8	Delam Repair Project	b	167		167
9	License Amendment Request (LAR)	b	20		20
10	Dry Cask Storage	d		46	46
11	Fukushima	d	3		3
12	Building Stabilization Project	c	7		7
13	Other - CWIP	d	49		49
14	Nuclear Fuel Inventories	a	249		249
15	Nuclear Materials and Supplies Inventories	a	51		51
16	Deferred expenses	e	112		112
17	Cumulative AFUDC (6.00%)	fallout	72	3	75
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	b	95		95
19	Total CR3 Regulatory Asset	fallout	1,310	49	1,359

category

- a The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs except that the Intervenor Parties retain the right to challenge whether DEF took reasonable and prudent actions to minimize the future CR3 Regulatory Asset value after February 5, 2013 and to sell or otherwise salvage assets after February 5, 2013 that would otherwise be included in the CR3 Regulatory Asset.
- b The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover these costs.
- c The Intervenor Parties fully and forever waive, release, discharge and otherwise extinguish any and all of their rights to contest DEF's right to recover costs incurred by the Company before February 5, 2013. The Intervenor Parties retain the right to challenge the prudence of any costs incurred after and applicable to the period after February 5, 2013 that are submitted for recovery by the Company.
- d The Intervenor Parties retain the right to challenge the prudence of any costs submitted for recovery by the Company.
- e The Intervenor Parties retain the right to verify that the Company has complied with paragraph 5b of the Revised and Restated Settlement Agreement.

Note Reference Docket No. 130208-EI, Order No. PSC-13-0598-FOF-EI, Settlement Exhibit 10.

**DUKE ENERGY FLORIDA**  
**AFUDC Rate Computation Report**  
**Calculation of Jurisdictional Capital Structure**  
**December 2013**

Schedule A & B  
(combined)

		13 Month Avg Unadjusted Balance	Specific Adjustments	Pro Rata FPSC Adjustments	System Adjusted Balance	Jurisdictional Allocation Percentage	Adjusted Average Balance	Ratio	Cost Rate	AFUDC Weighted Average Cost of Capital
Common Equity	(1)	\$4,813,982,332	\$865,624,773	(\$901,081,160)	\$4,778,525,945	80.54%	\$3,848,484,191	47.41%	10.50%	4.98%
Preferred Stock	(2)	7,730,008		(1,226,381)	6,503,626	80.54%	5,237,829	0.06%	0.00%	0.00%
Long Term Debt - Fixed	(2)	4,748,079,630		(753,292,441)	3,994,787,189	80.54%	3,217,284,058	39.63%	5.34%	2.12%
Short Term Debt *	(3)	(71,217,857)	49,973,808	3,370,411	(17,873,638)	80.54%	(14,394,902)	-0.18%	1.22%	0.00%
Customer Deposits										
Active	(4)	212,670,605		(33,740,622)	178,929,983	100.00%	178,929,983	2.20%	2.28%	0.05%
Inactive	(4)	1,512,689		(239,991)	1,272,698	100.00%	1,272,698	0.02%	2.28%	0.00%
Investment Tax Credit										
Post '70 Total	(5)	2,390,287		(379,224)	2,011,063	80.54%	1,619,651	0.02%		
Equity **										
Debt **										
Deferred Income Taxes	(4)	1,520,074,546	641,573	(241,264,689)	1,279,451,430	80.54%	1,030,432,534	12.69%		
FAS 109 DIT - Net	(4)	(223,123,040)		35,398,922	(187,724,119)	80.54%	(151,187,481)	-1.86%		
<b>Total</b>		<b>\$11,012,099,198</b>	<b>\$916,240,154</b>	<b>(\$1,892,455,175)</b>	<b>\$10,035,884,177</b>		<b>8,117,678,561</b>	<b>100.00%</b>		<b>7.14%</b>

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.