

**DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
December 2015**

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	\$ 637,090,491 (a)	\$ 25,864,155 (b)	\$ 662,954,646	\$ (25,278,301)	\$ 637,676,345
Average Rate Base	\$ 11,185,847,746	\$ (1,285,386,110)	\$ 9,900,461,636	\$ -	\$ 9,900,461,636
Average Rate of Return	5.70%		6.70%		6.44%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 627,372,064	\$ 35,582,582	\$ 662,954,646		
Average Rate Base	\$ 11,560,270,121	\$ (1,427,005,272)	\$ 10,133,264,848		
Average Rate of Return	5.43%		6.54%		

(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	6.43%	6.30%
Mid Point	6.90%	6.76%
High Point	7.37%	7.22%
Pro Forma Adjusted Basis		
Low Point	6.43%	6.30%
Mid Point	6.90%	6.76%
High Point	7.37%	7.22%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	4.35	(System Per Books Basis)
B. T.I.E without AFUDC	4.31	(System Per Books Basis)
C. AFUDC to Net Income	1.76%	(System Per Books Basis)
D. Internally Generated Funds	82.02%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	42.15%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.67%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.06%	(FPSC Adjusted Basis)
	9.52%	(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
December 2015

Schedule 2
Page 1 of 3

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$14,252,474,488	\$5,265,610,042	\$8,986,864,446	\$121,863,242	\$472,413,430	\$9,581,141,117	\$2,679,707,597	\$12,260,848,714
Regulatory Base - Retail	\$12,951,473,713	\$4,879,115,296	\$8,072,358,417	\$105,638,370	\$415,110,975	\$8,593,107,762	\$2,592,739,984	\$11,185,847,746
FPSC Adjustments								
ARO	(22,116,193)	(30,461,615)	8,345,422			8,345,422	(7,708,281)	637,141
ECCR	(40,011,214)	(8,065,296)	(31,945,918)		(9,820,288)	(41,766,207)	4,808,936	(36,957,271)
ECRC	(174,330,606)	(9,033,822)	(165,296,784)		(4,563,807)	(169,860,590)	(7,074,468)	(176,935,059)
FUEL	(28,969,382)	(28,103,415)	(865,968)			(865,968)	101,306,076	100,440,109
CCR							(47,081,386)	(47,081,386)
NUCLEAR					(76,514)	(76,514)	(279,397,441)	(279,473,956)
CR3 Removal							(1,323,937,446)	(1,323,937,446)
Derivatives							(31,924,292)	(31,924,292)
Employee Related							(65,214)	(65,214)
Investments Earning a Return							(162,737,064)	(162,737,064)
Jobbing Accounts							(721,681)	(721,681)
Non-Regulated and Miscellaneous	(38,112,167)	(48,356,593)	10,244,426		(537,508)	9,706,917	47,562,945	57,269,862
Retention Accounts							2,415,555	2,415,555
CWIP - AFUDC					(166,225,055)	(166,225,055)		(166,225,055)
Imputed Off Balance Sheet Obligations							781,745,458	781,745,458
Capital Lease	(152,930,689)		(152,930,689)			(152,930,689)	151,094,877	(1,835,811)
Total FPSC Adjustments	(456,470,251)	(124,020,740)	(332,449,511)	0	(181,223,173)	(513,672,683)	(771,713,426)	(1,285,386,110)
FPSC Adjusted	\$12,495,003,462	\$4,755,094,556	\$7,739,908,906	\$105,638,370	\$233,887,803	\$8,079,435,079	\$1,821,026,558	\$9,900,461,636

	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	\$4,936,084,859	\$2,194,899,750	\$803,652,404	\$521,773,562	\$350,623,520	(\$46,666,312)	\$356,254,418	(\$146,000)		\$4,180,391,342	\$755,693,517
Regulatory Base - Retail	\$4,627,133,591	\$2,155,410,583	\$767,629,407	\$490,485,527	\$338,354,274	(\$24,797,787)	\$272,812,183	(\$132,660)		\$3,999,761,528	\$627,372,064
FPSC Adjustments											
ECCR	(90,314,806)	-	(80,738,562)	(4,184,506)	-	(2,079,863)	-	-	-	(87,002,931)	(3,311,875)
ECRC	(51,500,284)	-	(32,929,814)	967,504	(1,261,622)	(7,050,103)	-	-	-	(40,274,034)	(11,226,249)
FUEL	(1,810,978,145)	(1,817,324,258)	(1,270,639)	-	-	2,938,162	-	-	-	(1,815,656,735)	4,678,590
CCR	(338,329,923)	(338,086,325)	(243,598)	-	-	(0)	-	-	-	(338,329,923)	(1)
NUCLEAR	(99,702,937)	-	(77,150)	(92,487,718)	-	(2,753,510)	-	-	-	(95,318,378)	(4,384,559)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)	29,820,015
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,239,806)	-	-	864,005	-	-	-	(1,375,801)	1,375,801
FRANCHISE FEE & GROSS RECEIPTS	(214,728,927)	-	-	-	-	(82,831,684)	-	-	-	(82,831,684)	(131,897,244)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(213,150,299)	82,222,728	-	-	-	(130,927,571)	130,927,571
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	126,471	-	-	(327,857)	(201,386)	201,386
INST./PROMOTIONAL ADVERTISING	-	-	(4,596,349)	-	-	1,773,042	-	-	-	(2,823,307)	2,823,307
MISCELLANEOUS INTEREST EXPENSE	-	-	131,082	-	-	(50,565)	-	-	-	80,517	(80,517)
REMOVE ASSOC/ORGANIZATION DUES	-	-	(25,658)	-	-	9,898	-	-	-	(15,761)	15,761
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,285,662)	-	-	-	(11,285,662)	11,285,662
DIRECTORS & OFFICERS PREMIUM	-	-	(2,808,401)	-	-	1,083,341	-	-	-	(1,725,060)	1,725,060
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(3,629,873)	-	-	-	(3,629,873)	3,629,873
Total FPSC Adjustments	(2,605,555,022)	(2,155,410,583)	(124,873,691)	(144,176,957)	(214,411,921)	(1,936,595)	-	-	(327,857)	(2,641,137,604)	35,582,582
FPSC Adjusted	\$2,021,578,570	\$	\$642,755,716	\$346,308,570	\$123,942,353	(\$26,734,382)	\$272,812,183	(\$132,660)	(\$327,857)	\$1,358,623,923	\$662,954,646
Pro Forma Adjustments											
Weather Normalization	(41,153,115)	-	-	-	-	(15,874,814)	-	-	-	(15,874,814)	(25,278,301)
Total Pro Forma Adjustments	(41,153,115)	-	-	-	-	(15,874,814)	-	-	-	(15,874,814)	(25,278,301)
Pro Forma Adjusted	\$1,980,425,455	\$	\$642,755,716	\$346,308,570	\$123,942,353	(\$42,609,196)	\$272,812,183	(\$132,660)	(\$327,857)	\$1,342,749,109	\$637,676,345
Current Month											
System Per Books	\$356,513,388	\$154,462,482	\$81,860,888	\$36,685,665	\$26,434,998	98,462,468	(82,096,675)	(12,167)	0	\$315,797,659	\$40,715,729
FPSC Adjusted	\$149,144,265		\$67,383,446	\$30,404,483	\$10,148,885	(1,057,183)	11,630,575	(11,055)	(22,231)	\$118,476,919	\$30,667,346

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

11,059,972 pretax
9,718,427 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$637,141	\$637,141
	ECCR	F	(36,957,271)	(36,957,271)
	ECRC	F	(188,095,660)	(176,935,059)
	FUEL	F	100,373,775	100,440,109
	CCR	F	(47,366,687)	(47,081,386)
	NUCLEAR	F	(278,936,448)	(279,473,956)
	CR3 Removal	F	(1,323,937,446)	(1,323,937,446)
	Derivatives	F	(31,924,292)	(31,924,292)
	Employee Related	F	(65,286)	(65,214)
	Investments Earning a Return	F	(171,566,769)	(162,737,064)
	Jobbing Accounts	F	(810,031)	(721,681)
	Non-Regulated and Miscellaneous	F	58,406,805	57,269,862
	Retention Accounts	F	2,711,274	2,415,555
(1)	CWIP - AFUDC	F	(178,502,606)	(166,225,055)
(3)	Imputed Off Balance Sheet Obligations	F	841,627,236	781,745,458
(2)	Capital Lease - EPIS	F	(164,051,757)	(152,930,689)
(2)	Capital Lease - Working Capital	F	162,082,447	151,094,877
	Total		(\$1,256,375,576)	(\$1,285,386,110)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,391,738)	2,079,863	(5,391,738)	2,079,863
	ECRC	F	(15,981,421)	6,164,833	(18,276,352)	7,050,103
	FUEL	F	7,756,298	(2,991,992)	7,616,752	(2,938,162)
	CCR	F	(1)	0	(1)	0
	NUCLEAR	F	(7,138,069)	2,753,510	(7,138,069)	2,753,510
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,402,684	(926,835)	2,239,806	(864,005)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,728,927)	82,831,684	(214,728,927)	82,831,684
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,150,299	(82,222,728)	213,150,299	(82,222,728)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	352,971	(136,159)	327,857	(126,471)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,930,594	(1,901,977)	4,596,349	(1,773,042)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(140,614)	54,242	(131,082)	50,565
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		12,451,221		11,285,662
(2)	DIRECTORS & OFFICERS PREMIUM	F	3,012,627	(1,162,121)	2,808,401	(1,083,341)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,137,598		3,629,873
	Total		\$36,804,700	\$3,391,406	\$33,645,987	\$1,936,595

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	\$14,532,391,655	\$5,351,196,640	\$9,181,195,015	\$122,180,930	\$686,891,526	\$9,990,267,471	\$2,679,707,597	\$12,669,975,068
Regulatory Base - Retail	\$13,209,928,350	\$4,961,514,762	\$8,248,413,588	\$105,913,761	\$613,202,788	\$8,967,530,137	\$2,592,739,984	\$11,560,270,121
FPSC Adjustments								
ARO	(29,226,857)	(31,641,494)	2,414,637			2,414,637	(7,708,281)	(5,293,644)
ECCR	(40,391,056)	(9,953,551)	(30,437,505)		(11,625,553)	(42,063,058)	4,808,936	(37,254,122)
ECRC	(182,650,884)	(11,301,396)	(171,349,489)		(1,809,295)	(173,158,784)	(7,074,468)	(180,233,252)
FUEL	(28,969,382)	(28,103,574)	(865,809)			(865,809)	101,306,076	100,440,267
CCR							(47,081,386)	(47,081,386)
NUCLEAR					(794,627)	(794,627)	(279,397,441)	(280,192,068)
CR3 Removal							(1,323,937,446)	(1,323,937,446)
Derivatives							(31,924,292)	(31,924,292)
Employee Related							(65,214)	(65,214)
Investments Earning a Return							(162,737,064)	(162,737,064)
Jobbing Accounts							(721,681)	(721,681)
Non-Regulated and Miscellaneous	(47,647,824)	(51,705,671)	4,057,847		(760,595)	3,297,252	47,562,945	50,860,197
Retention Accounts							2,415,555	2,415,555
CWIP - AFUDC					(296,538,361)	(296,538,361)		(296,538,361)
Imputed Off Balance Sheet Obligations							781,745,458	781,745,458
Capital Lease	(147,583,097)		(147,583,097)			(147,583,097)	151,094,877	3,511,780
Total FPSC Adjustments	(476,469,101)	(132,705,686)	(343,763,416)		(311,528,430)	(655,291,846)	(771,713,426)	(1,427,005,272)
FPSC Adjusted	\$12,733,459,249	\$4,828,809,076	\$7,904,650,173	\$105,913,761	\$301,674,358	\$8,312,238,291	\$1,821,026,558	\$10,133,264,848

DUKE ENERGY FLORIDA
End of Period - Income Statement
December 2015

	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
System Per Books	\$4,936,084,859	\$2,194,899,750	\$803,652,404	\$521,773,562	\$350,623,520	(\$46,666,312)	\$356,254,418	(\$146,000)		\$4,180,391,342
Regulatory Base - Retail	\$4,627,133,591	\$2,155,410,583	\$767,629,407	\$490,485,527	\$338,354,274	(\$24,797,787)	\$272,812,183	(\$132,660)		\$3,999,761,528
FPSC Adjustments										
ECCR	(90,314,806)	-	(80,738,562)	(4,184,506)	-	(2,079,863)	-	-	-	(87,002,931)
ECRC	(51,500,284)	-	(32,929,814)	967,504	(1,261,622)	(7,050,103)	-	-	-	(40,274,034)
FUEL	(1,810,978,145)	(1,817,324,258)	(1,270,639)	-	-	2,938,162	-	-	-	(1,815,656,735)
CCR	(338,329,923)	(338,086,325)	(243,598)	-	-	(0)	-	-	-	(338,329,923)
NUCLEAR	(99,702,937)	-	(77,150)	(92,487,718)	-	(2,753,510)	-	-	-	(95,318,378)
Non-Regulated and Miscellaneous	-	-	(74,796)	(48,472,238)	-	18,727,018	-	-	-	(29,820,015)
CORPORATE AIRCRAFT ALLOCATION	-	-	(2,239,806)	-	-	864,005	-	-	-	(1,375,801)
FRANCHISE FEE & GROSS RECEIPTS	(214,728,927)	-	-	-	-	(82,831,684)	-	-	-	(82,831,684)
FRANCHISE FEES & GROSS REC TAX - TOI	-	-	-	-	(213,150,299)	82,222,728	-	-	-	(130,927,571)
GAIN/LOSS ON DISPOSITION & OTHER	-	-	-	-	-	126,471	-	-	(327,857)	(201,386)
INST./PROMOTIONAL ADVERTISING	-	-	(4,596,349)	-	-	1,773,042	-	-	-	(2,823,307)
MISCELLANEOUS INTEREST EXPENSE	-	-	131,082	-	-	(50,565)	-	-	-	80,517
REMOVE ASSOC/ORGANIZATION DUES	-	-	(25,658)	-	-	9,898	-	-	-	(15,761)
PARENT DEBT ADJUSTMENT	-	-	-	-	-	(11,285,662)	-	-	-	(11,285,662)
DIRECTORS & OFFICERS PREMIUM	-	-	(2,808,401)	-	-	1,083,341	-	-	-	(1,725,060)
INTEREST SYNCHRONIZATION - FPSC	-	-	-	-	-	(3,629,873)	-	-	-	(3,629,873)
Total FPSC Adjustments	(2,605,555,022)	(2,155,410,583)	(124,873,691)	(144,176,957)	(214,411,921)	(1,936,595)	-	-	(327,857)	(2,641,137,604)
FPSC Adjusted	\$2,021,578,570	\$	\$642,755,716	\$346,308,570	\$123,942,353	(\$26,734,382)	\$272,812,183	(\$132,660)	(\$327,857)	\$1,358,623,923

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

11,059,972 pretax
9,718,427 pretax

Net Operating Income
\$755,693,517
<u>\$627,372,064</u>
(3,311,875)
(11,226,249)
4,678,590
(1)
(4,384,559)
29,820,015
1,375,801
(131,897,244)
130,927,571
201,386
2,823,307
(80,517)
15,761
11,285,662
1,725,060
3,629,873
<u>35,582,582</u>
<u>\$662,954,646</u>

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$5,293,644)	(\$5,293,644)
	ECCR	F	(37,254,122)	(37,254,122)
	ECRC	F	(188,820,138)	(180,233,252)
	FUEL	F	100,373,946	100,440,267
	CCR	F	(47,366,687)	(47,081,386)
	NUCLEAR	F	(279,709,567)	(280,192,068)
	CR3 Removal	F	(1,323,937,446)	(1,323,937,446)
	Derivatives	F	(31,924,292)	(31,924,292)
	Employee Related	F	(65,286)	(65,214)
	Investments Earning a Return	F	(171,566,769)	(162,737,064)
	Jobbing Accounts	F	(810,031)	(721,681)
	Non-Regulated and Miscellaneous	F	51,997,140	50,860,197
	Retention Accounts	F	2,711,274	2,415,555
(1)	CWIP - AFUDC	F	(319,638,561)	(296,538,361)
(3)	Imputed Off Balance Sheet Obligations	F	841,627,236	781,745,458
(2)	Capital Lease - EPIS	F	(158,315,291)	(147,583,097)
(2)	Capital Lease - Working Capital	F	162,082,447	151,094,877
	Total		(\$1,405,909,793)	(\$1,427,005,272)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,391,738)	2,079,863	(5,391,738)	2,079,863
	ECRC	F	(15,981,421)	6,164,833	(18,276,352)	7,050,103
	FUEL	F	7,756,298	(2,991,992)	7,616,752	(2,938,162)
	CCR	F	(1)	0	(1)	0
	NUCLEAR	F	(7,138,069)	2,753,510	(7,138,069)	2,753,510
	NON-REGULATED AND MISCELLANEOUS	F	48,552,473	(18,729,116)	48,547,034	(18,727,018)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,402,684	(926,835)	2,239,806	(864,005)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(214,728,927)	82,831,684	(214,728,927)	82,831,684
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	213,150,299	(82,222,728)	213,150,299	(82,222,728)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	352,971	(136,159)	327,857	(126,471)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,930,594	(1,901,977)	4,596,349	(1,773,042)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(140,614)	54,242	(131,082)	50,565
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	27,524	(10,617)	25,658	(9,898)
(2)	PARENT DEBT ADJUSTMENT	F		12,451,221		11,285,662
(2)	DIRECTORS & OFFICERS PREMIUM	F	3,012,627	(1,162,121)	2,808,401	(1,083,341)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		5,137,598		3,629,873
	Total		\$36,804,700	\$3,391,406	\$33,645,987	\$1,936,595

Notes: (1) Docket No. 9I0890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI
(3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
December 2015

	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	\$5,114,702,534	\$4,658,027,808	(\$745,039,338)	\$758,170,897	\$4,671,159,367	47.18%	9.50%	4.48%	10.50%	4.95%	11.50%	5.43%
Long Term Debt	4,581,253,822	4,172,208,952	(667,333,885)		3,504,875,067	35.40%	5.37%	1.90%	5.37%	1.90%	5.37%	1.90%
Short Term Debt *	245,126,308	223,239,798	(35,706,620)	(48,706,939)	138,826,238	1.40%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits												
Active	219,324,889	219,324,889	(35,080,441)		184,244,448	1.86%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,641,019	1,641,019	(262,477)		1,378,543	0.01%						
Investment Tax Credits **	353,448	321,890	(51,485)		270,405	0.00%						
Deferred Income Taxes	2,310,060,656	2,103,803,047	(336,497,783)	(205,703,042)	1,561,602,222	15.77%						
FAS 109 DIT - Net	(211,613,962)	(192,719,657)	30,825,004		(161,894,653)	-1.64%						
Total	\$12,260,848,715	\$11,185,847,746	(\$1,789,147,026)	\$503,760,916	\$9,900,461,636	100.00%		6.43%		6.90%		7.37%

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

DUKE ENERGY FLORIDA
 End of Period - Capital Structure
 Pro Forma Adjusted Basis
 December 2015

	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	\$5,121,368,708	\$4,728,678,443	(\$813,120,301)	\$763,931,668	\$4,679,489,809	46.18%	9.50%	4.39%	10.50%	4.85%	11.50%	5.31%
Long Term Debt	4,095,530,150	3,781,497,923	(650,247,795)		3,131,250,128	30.90%	6.01%	1.86%	6.01%	1.86%	6.01%	1.86%
Short Term Debt *	813,100,000	750,754,078	(129,095,981)	24,391,702	646,049,799	6.38%	0.17%	0.01%	0.17%	0.01%	0.17%	0.01%
Customer Deposits												
Active	222,269,727	222,269,727	(38,220,410)		184,049,317	1.82%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,603,209	1,603,209	(275,680)		1,327,529	0.01%						
Investment Tax Credits **	279,513	258,080	(44,378)		213,702	0.00%						
Deferred Income Taxes	2,459,670,709	2,271,070,981	(390,522,202)	(227,481,417)	1,653,067,362	16.31%						
FAS 109 DIT - Net	(212,127,588)	(195,862,319)	33,679,522		(162,182,798)	-1.60%						
Total	\$12,501,694,427	\$11,560,270,121	(\$1,987,847,225)	\$560,841,953	\$10,133,264,848	100.00%		6.30%		6.76%		7.22%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
Average - Capital Structure
FPSC Adjusted Basis
December 2015

	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	\$5,114,702,534	\$4,658,027,808	(\$745,039,338)	\$758,170,897	\$4,671,159,367	47.18%	9.50%	4.48%	10.50%	4.95%	11.50%	5.43%
Long Term Debt	4,581,253,822	4,172,208,952	(667,333,885)		3,504,875,067	35.40%	5.37%	1.90%	5.37%	1.90%	5.37%	1.90%
Short Term Debt *	245,126,308	223,239,798	(35,706,620)	(48,706,939)	138,826,238	1.40%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
Customer Deposits												
Active	219,324,889	219,324,889	(35,080,441)		184,244,448	1.86%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,641,019	1,641,019	(262,477)		1,378,543	0.01%						
Investment Tax Credits **	353,448	321,890	(51,485)		270,405	0.00%						
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FAS 109 DIT - Net	(211,613,962)	(192,719,657)	30,825,004		(161,894,653)	-1.64%						
Total	\$12,260,848,715	\$11,185,847,746	(\$1,789,147,026)	\$503,760,916	\$9,900,461,636	100.00%		6.43%		6.90%		7.37%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
December 2015

	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	\$5,121,368,708	\$4,728,678,443	(\$813,120,301)	\$763,931,668	\$4,679,489,809	46.18%	9.50%	4.39%	10.50%	4.85%	11.50%	5.31%
Long Term Debt	4,095,530,150	3,781,497,923	(650,247,795)		3,131,250,128	30.90%	6.01%	1.86%	6.01%	1.86%	6.01%	1.86%
Short Term Debt *	813,100,000	750,754,078	(129,095,981)	24,391,702	646,049,799	6.38%	0.17%	0.01%	0.17%	0.01%	0.17%	0.01%
Customer Deposits						0	0		0		0	
Active	222,269,727	222,269,727	(38,220,410)		184,049,317	1.82%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,603,209	1,603,209	(275,680)		1,327,529	0.01%						
Investment Tax Credits **	279,513	258,080	(44,378)		213,702	0.00%						
Deferred Income Taxes	2,459,670,709	2,271,070,981	(390,522,202)	(227,481,417)	1,653,067,362	16.31%						
FAS 109 DIT - Net	(212,127,588)	(195,862,319)	33,679,522		(162,182,798)	-1.60%						
Total	\$12,501,694,427	\$11,560,270,121	(\$1,987,847,225)	\$560,841,953	\$10,133,264,848	100.00%		6.30%		6.76%		7.22%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 745,474,340
AFUDC - DEBT	\$ 3,866,565
INCOME TAXES	\$ 342,050,618
TOTAL	\$ 1,091,391,522
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 250,944,591
TIE WITH AFUDC	<u>4.35</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 745,474,340
AFUDC - EQUITY	(7,193,407)
INCOME TAXES	342,050,618
TOTAL	\$ 1,080,331,551
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 250,944,591
TIE WITHOUT AFUDC	<u>4.31</u>

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

AFUDC DEBT	\$ 3,866,565
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 2,375,038
AFUDC -EQUITY	\$ 7,193,407
TOTAL	\$ 9,568,444
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 542,732,258
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>1.76%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 599,428,430
COMMON DIVIDENDS	\$ (700,000,000)
AFUDC (EQUITY)	\$ (7,193,407)
DEPRECIATION & AMORTIZATION	\$ 528,790,447
DEFERRED INCOME TAXES	\$ 348,266,748
INVESTMENT TAX CREDITS	\$ (146,000)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ (12,167,373)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	3,784,201
TOTAL FUNDS PROVIDED	\$ 760,763,046

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 927,500,258
PERCENTAGE INTERNALLY GENERATED FUNDS	82.02%
*Updated quarterly as of September 2015	

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

Common Equity	\$ 4,671,159,367
Long Term Debt	\$ 3,504,875,067
Short Term Debt	\$ 138,826,238
TOTAL	<u>\$ 8,314,860,672</u>
% LONG TERM DEBT TO TOTAL	42.15%
% SHORT TERM DEBT TO TOTAL	1.67%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.44%	6.70%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.90%	1.90%
SHORT TERM DEBT	0.00%	0.00%
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.95%	1.95%
TOTAL	4.49%	4.75%
DIVIDED BY COMMON EQUITY RATIO	47.18%	47.18%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.52%</u>	<u>10.06%</u>

DUKE ENERGY FLORIDA
Earnings Surveillance Report
CR3 Regulatory Asset Value
December 2015
(In Millions)

Schedule 6

Line No.	Pre or Post Retirement Component Classification	Subject to Cap	Dry Cask Storage	Total Regulatory Asset
1				
2	Electric Plant In Service	829		829
3	Less Accumulated Depreciation	423		423
4	Net plant balance	405		405
5	Write-Down	(310)		(310)
6	Construction Work In Progress (CWIP)	-		
7	Steam Generator Replacement (SGR) Project	360		360
8	Delam Repair Project	167		167
9	License Amendment Request (LAR)	20		20
10	Dry Cask Storage	-	53	53
11	Fukushima	2		2
12	Building Stabilization Project	24		24
13	Other - CWIP	53		53
14	Nuclear Fuel Inventories	136		136
15	Nuclear Materials and Supplies Inventories	50		50
16	Deferred expenses	94		94
17	Cumulative AFUDC (6.00%)	172	8	180
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	107		107
19	Total CR3 Regulatory Asset	1,282	61	1,343

DUKE ENERGY FLORIDA
AFUDC Rate Computation Report
Calculation of Jurisdictional Capital Structure
December 2015

Schedule A & B
(Combined)

		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)	\$5,114,702,534	91.07%	\$4,658,027,808	(\$745,039,338)	\$758,170,897	4,671,159,367	47.18%	10.50%	4.95%
Long Term Debt	(2)	4,581,253,822	91.07%	4,172,208,952	(667,333,885)		3,504,875,067	35.40%	6.01%	2.13%
Short Term Debt *	(3)	245,126,308	91.07%	223,239,798	(35,706,620)	(48,706,939)	138,826,238	1.40%	0.17%	0.00%
Customer Deposits										
Active	(4)	219,324,889	100.00%	219,324,889	(35,080,441)		184,244,448	1.86%	2.28%	0.04%
Inactive	(4)	1,641,019	100.00%	1,641,019	(262,477)		1,378,543	0.01%		
Investment Tax Credits **	(5)	353,448	91.07%	321,890	(51,485)		270,405	0.00%		
Deferred Income Taxes	(4)	2,310,060,656	91.07%	2,103,803,047	(336,497,783)	(205,703,042)	1,561,602,222	15.77%		
FAS 109 DIT - Net	(4)	(211,613,962)	91.07%	(192,719,657)	30,825,004		(161,894,653)	-1.64%		
Total		\$12,260,848,715	91.23%	\$11,185,847,746	(\$1,789,147,026)	\$503,760,916	\$9,900,461,636	100.00%		7.12%

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: 1/6/16

Year Represented

2015
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