



March 15, 2018

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 January 31, 2018.

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 January 31, 2018. The demand-related separation factors used for the jurisdictional amounts were from Order No. PSC-2017-0451-AS-EU.

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

Sincerely,

A handwritten signature in blue 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
Jan 2018**

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	\$ 800,960,171 (a)	\$ (77,462,338) (b)	\$ 723,497,833	\$ (7,470,917)	\$ 716,026,916
Average Rate Base	\$ 12,168,599,786	\$ (1,037,245,263)	\$ 11,131,354,524	\$ -	\$ 11,131,354,524
Average Rate of Return	6.58%		6.50%		6.43%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 739,061,306	\$ (15,563,473)	\$ 723,497,833		
Average Rate Base	\$ 12,566,044,731	\$ (1,196,900,107)	\$ 11,369,144,624		
Average Rate of Return	5.88%		6.36%		

(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	6.22%	6.18%
Mid Point	6.66%	6.63%
High Point	7.10%	7.08%
Pro Forma Adjusted Basis		
Low Point	6.22%	6.18%
Mid Point	6.66%	6.63%
High Point	7.10%	7.08%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.83	(System Per Books Basis)
B. T.I.E. without AFUDC	3.58	(System Per Books Basis)
C. AFUDC to Net Income	8.60%	(System Per Books Basis)
D. Internally Generated Funds	69.21%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.98%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.19%)	(FPSC Adjusted Basis)
F. Return on Common Equity	10.14%	(FPSC Adjusted Basis)
	9.99%	(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

	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	\$15,754,701,378	\$5,552,817,656	\$10,201,883,722	\$130,383,112	\$1,526,192,899	\$11,858,459,733	\$1,580,373,099	\$13,438,832,832
Regulatory Base - Retail	\$14,308,632,594	\$5,155,249,040	\$9,153,383,554	\$114,449,480	\$1,360,512,556	\$10,628,345,590	\$1,540,254,196	\$12,168,599,786
FPSC Adjustments								
ARO	(18,803,359)	(16,512,399)	(2,290,961)			(2,290,961)	2,912,532	621,572
ECCR	(49,331,861)	(18,945,688)	(30,386,173)			(30,386,173)	(16,070,693)	(46,456,866)
ECRC	(174,258,931)	(18,587,118)	(155,671,814)		(2,655,102)	(158,326,916)	(8,817,011)	(167,143,927)
FUEL	(26,657,833)	(26,150,478)	(507,355)			(507,355)	(3,235,990)	(3,743,345)
CCR							(143,516,693)	(143,516,693)
NUCLEAR					(310,207)	(310,207)	(158,479,943)	(158,790,150)
Over\Under Recovery-Clauses							(169,171,496)	(169,171,496)
Derivatives							(594,540)	(594,540)
Employee Related							363	363
Investments Earning a Return							(183,802,647)	(183,802,647)
Jobbing Accounts							(553,140)	(553,140)
Non-Regulated and Miscellaneous	(45,555,443)	(35,972,279)	(9,583,165)	(13,442,935)	(483,174)	(23,509,274)	97,134,075	73,624,802
CWIP - AFUDC					(924,495,221)	(924,495,221)		(924,495,221)
Imputed Off Balance Sheet Obligations							690,564,906	690,564,906
Capital Lease	(129,596,075)		(129,596,075)			(129,596,075)	125,807,195	(3,788,880)
Total FPSC Adjustments	(444,203,503)	(116,167,961)	(328,035,542)	(13,442,935)	(927,943,704)	(1,269,422,182)	232,176,919	(1,037,245,263)
FPSC Adjusted	\$13,864,429,091	\$5,039,081,079	\$8,825,348,011	\$101,006,545	\$432,568,852	\$9,358,923,408	\$1,772,431,115	\$11,131,354,524

	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	\$4,585,180,520	\$1,844,416,926	\$784,018,521	\$508,568,932	\$348,163,604	(\$155,885,160)	\$460,511,705	(\$114,792)		\$3,789,679,735	\$795,500,785
Regulatory Base - Retail	\$4,316,378,988	\$1,745,086,656	\$737,299,244	\$473,296,225	\$335,153,852	(\$146,653,173)	\$433,238,818	(\$103,940)		\$3,577,317,682	\$739,061,306
FPSC Adjustments											
ECCR	(107,555,985)		(96,750,508)	(6,330,746)		(1,134,121)				(104,215,375)	(3,340,611)
ECRC	(56,605,497)		(31,287,674)	(7,219,520)	(1,300,464)	(4,257,412)				(44,065,070)	(12,540,427)
FUEL	(1,403,603,713)	(1,397,486,089)	(1,012,062)			(1,294,005)				(1,399,792,156)	(3,811,557)
CCR	(373,803,774)	(347,600,567)	(269,139)	(19,024,110)		(1,751,329)				(368,645,144)	(5,158,629)
NUCLEAR	(51,568,457)		(47,068)	(48,413,483)		(787,699)				(49,248,250)	(2,320,207)
Non-Regulated and Miscellaneous				(91,646)		23,228				(68,418)	68,418
Corporate Aircraft Allocation			(2,087,082)			528,971				(1,558,111)	1,558,111
Franchise Fee & Gross Receipts	(206,193,190)					(52,259,664)				(52,259,664)	(153,933,526)
Franchise Fees & Gross Rec Tax - TOI					(203,025,622)	51,456,844				(151,568,778)	151,568,778
Gain/Loss on Disposition & Other						35,230		(139,003)		(103,773)	103,773
Inst./Promotional Advertising			(2,101,371)			532,592				(1,568,779)	1,568,779
Miscellaneous Interest Expense			112,523			(28,519)				84,004	(84,004)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(14,837,231)				(14,837,231)	14,837,231
Directors & Officers Premium			(1,173,919)			297,530				(876,389)	876,389
Interest Synchronization - FPSC						5,024,712				5,024,712	(5,024,712)
Total FPSC Adjustments	(2,199,330,616)	(1,745,086,656)	(134,708,353)	(81,079,505)	(204,326,086)	(18,427,541)	-	-	(139,003)	(2,183,767,144)	(15,563,473)
FPSC Adjusted	\$2,117,048,372	\$-	\$602,590,891	\$392,216,720	\$130,827,767	(\$165,080,714)	\$433,238,818	(\$103,940)	(\$139,003)	\$1,393,550,538	\$723,497,833
Pro Forma Adjustments											
Weather Normalization	(10,007,256)					(2,536,339)				(2,536,339)	(7,470,917)
Total Pro Forma Adjustments	(10,007,256)					(2,536,339)				(2,536,339)	(7,470,917)
Pro Forma Adjusted	\$2,107,041,116	\$-	\$602,590,891	\$392,216,720	\$130,827,767	(\$167,617,053)	\$433,238,818	(\$103,940)	(\$139,003)	\$1,391,014,199	\$716,026,916
Current Month											
System Per Books	\$ 388,659,318	\$ 155,949,471	\$ 58,638,147	\$ 42,904,962	\$ 29,369,696	\$ -	\$ -	\$ -	\$ -	\$ 286,862,276	\$ 101,797,042
FPSC Adjusted	\$ 179,392,380	\$ -	\$ 44,206,770	\$ 33,484,247	\$ 12,294,934	\$ -	\$ -	\$ -	\$ (25,010)	\$ 89,960,942	\$ 89,431,439

(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

69,436,778 pretax
61,898,865 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,572	\$621,572
	ECCR	F	(46,456,866)	(46,456,866)
	ECRC	F	(178,732,467)	(167,143,927)
	FUEL	F	(3,782,208)	(3,743,345)
	CCR	F	(145,174,940)	(143,516,693)
	NUCLEAR	F	(156,071,628)	(158,790,150)
	Net Clause Under Recovery	F	(169,171,496)	(169,171,496)
	Derivatives	F	(594,540)	(594,540)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,359,903)	(183,802,647)
	Jobbing Accounts	F	(587,732)	(553,140)
	Non-Regulated and Miscellaneous	F	72,595,072	73,624,802
(1)	CWIP - AFUDC	F	(1,000,990,505)	(924,495,221)
(3)	Imputed Off Balance Sheet Obligations	F	743,462,245	690,564,906
(2)	Capital Lease - EPIS	F	(139,020,259)	(129,596,075)
(2)	Capital Lease - Working Capital	F	134,955,852	125,807,195
	Total		(\$1,078,307,418)	(\$1,037,245,263)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,474,731)	1,134,121	(4,474,731)	1,134,121
	ECRC	F	(14,230,425)	3,606,701	(16,797,839)	4,257,412
	FUEL	F	(5,396,170)	1,367,659	(5,105,562)	1,294,005
	CCR	F	(6,909,958)	1,751,329	(6,909,958)	1,751,329
	NUCLEAR	F	(3,107,906)	787,699	(3,107,906)	787,699
	Non-Regulated and Miscellaneous	F	91,646	(23,228)	91,646	(23,228)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,238,854	(567,438)	2,087,082	(528,971)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(206,193,190)	52,259,664	(206,193,190)	52,259,664
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,025,622	(51,456,844)	203,025,622	(51,456,844)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	149,650	(37,929)	139,003	(35,230)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,254,182	(571,322)	2,101,371	(532,592)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(120,706)	30,593	(112,523)	28,519
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		16,408,274		14,837,231
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,259,286	(319,166)	1,173,919	(297,530)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(5,200,671)		(5,024,712)
	Total		(\$31,315,099)	\$19,144,415	(\$33,991,014)	\$18,427,541

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	\$16,138,117,501	\$5,641,670,433	\$10,496,447,067	\$130,581,081	\$1,670,431,832	\$12,297,459,981	\$1,580,373,099	\$13,877,833,080
Regulatory Base - Retail	\$14,649,995,505	\$5,234,126,415	\$9,415,869,090	\$114,492,246	\$1,495,429,199	\$11,025,790,535	\$1,540,254,196	\$12,566,044,731
FPSC Adjustments								
ARO	(19,120,519)	(16,917,266)	(2,203,253)			(2,203,253)	2,912,532	709,279
ECCR	(28,827,043)	(16,329,359)	(12,497,684)			(12,497,684)	(16,070,693)	(28,568,377)
ECRC	(179,669,977)	(21,609,028)	(158,060,949)		(33,217,408)	(191,278,357)	(8,817,011)	(200,095,368)
FUEL	(26,598,596)	(26,150,661)	(447,934)			(447,934)	(3,235,990)	(3,683,925)
CCR							(143,516,693)	(143,516,693)
NUCLEAR					(94,118)	(94,118)	(158,479,943)	(158,574,060)
Net Clause Under Recovery							(169,171,496)	(169,171,496)
Derivatives							(594,540)	(594,540)
Employee Related							363	363
Investments Earning a Return							(183,802,647)	(183,802,647)
Jobbing Accounts							(553,140)	(553,140)
Non-Regulated and Miscellaneous	(45,743,135)	(36,625,688)	(9,117,447)	(87,379,077)		(96,496,524)	97,134,075	637,551
CWIP - AFUDC					(1,002,515,507)	(1,002,515,507)		(1,002,515,507)
Imputed Off Balance Sheet Obligations							690,564,906	690,564,906
Capital Lease	(123,543,649)		(123,543,649)			(123,543,649)	125,807,195	2,263,546
Total FPSC Adjustments	(423,502,918)	(117,632,003)	(305,870,916)	(87,379,077)	(1,035,827,033)	(1,429,077,026)	232,176,919	(1,196,900,107)
FPSC Adjusted	\$14,226,492,587	\$5,116,494,413	\$9,109,998,174	\$27,113,169	\$459,602,166	\$9,596,713,509	\$1,772,431,115	\$11,369,144,624

	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	\$4,585,180,520	\$1,844,416,926	\$784,018,521	\$508,568,932	\$348,163,604	(\$155,885,160)	\$460,511,705	(\$114,792)		\$3,789,679,735	\$795,500,785
Regulatory Base - Retail	\$4,316,378,988	\$1,745,086,656	\$737,299,244	\$473,296,225	\$335,153,852	(\$146,653,173)	\$433,238,818	(\$103,940)		\$3,577,317,682	\$739,061,306
FPSC Adjustments											
ECCR	(107,555,985)		(96,750,508)	(6,330,746)		(1,134,121)			(104,215,375)		(3,340,611)
ECRC	(56,605,497)		(31,287,674)	(7,219,520)	(1,300,464)	(4,257,412)			(44,065,070)		(12,540,427)
FUEL	(1,403,603,713)	(1,397,486,089)	(1,012,062)			(1,294,005)			(1,399,792,156)		(3,811,557)
CCR	(373,803,774)	(347,600,567)	(269,139)	(19,024,110)		(1,751,329)			(368,645,144)		(5,158,629)
NUCLEAR	(51,568,457)		(47,068)	(48,413,483)		(787,699)			(49,248,250)		(2,320,207)
Non-Regulated and Miscellaneous				(91,646)		23,228			(68,418)		68,418
Corporate Aircraft Allocation			(2,087,082)			528,971			(1,558,111)		1,558,111
Franchise Fee & Gross Receipts	(206,193,190)					(52,259,664)			(52,259,664)		(153,933,526)
Franchise Fees & Gross Rec Tax - TOI					(203,025,622)	51,456,844			(151,568,778)		151,568,778
Gain/Loss on Disposition & Other						35,230		(139,003)	(103,773)		103,773
Inst./Promotional Advertising			(2,101,371)			532,592			(1,568,779)		1,568,779
Miscellaneous Interest Expense			112,523			(28,519)			84,004		(84,004)
Remove Assoc/Organization Dues			(92,054)			23,331			(68,723)		68,723
Parent Debt Adjustment						(14,837,231)			(14,837,231)		14,837,231
Directors & Officers Premium			(1,173,919)			297,530			(876,389)		876,389
Interest Synchronization - FPSC						5,024,712			5,024,712		(5,024,712)
Total FPSC Adjustments	\$(2,199,330,616)	\$(1,745,086,656)	\$(134,708,353)	\$(81,079,505)	\$(204,326,086)	\$(18,427,541)	\$ -	\$ -	(139,003)	\$(2,183,767,144)	\$(15,563,473)
FPSC Adjusted	\$2,117,048,372	\$ -	\$602,590,891	\$392,216,720	\$130,827,767	\$(165,080,714)	\$433,238,818	\$ (103,940)	\$(139,003)	\$1,393,550,538	\$723,497,833

(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

69,436,778 pretax
61,898,865 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$709,279	\$709,279
	ECCR	F	(28,568,377)	(28,568,377)
	ECRC	F	(212,400,110)	(200,095,368)
	FUEL	F	(3,718,236)	(3,683,925)
	CCR	F	(145,174,940)	(143,516,693)
	NUCLEAR	F	(155,838,986)	(158,574,060)
	Net Clause Under Recovery	F	(169,171,496)	(169,171,496)
	Derivatives	F	(594,540)	(594,540)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,359,903)	(183,802,647)
	Jobbing Accounts	F	(587,732)	(553,140)
	Non-Regulated and Miscellaneous	F	(6,055,695)	637,551
(1)	CWIP - AFUDC	F	(1,079,308,292)	(1,002,515,507)
(3)	Imputed Off Balance Sheet Obligations	F	743,462,245	690,564,906
(2)	Capital Lease - EPIS	F	(132,527,702)	(123,543,649)
(2)	Capital Lease - Working Capital	F	134,955,852	125,807,195
	Total		(\$1,244,178,247)	(\$1,196,900,107)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,474,731)	1,134,121	(4,474,731)	1,134,121
	ECRC	F	(14,230,425)	3,606,701	(16,797,839)	4,257,412
	FUEL	F	(5,396,170)	1,367,659	(5,105,562)	1,294,005
	CCR	F	(6,909,958)	1,751,329	(6,909,958)	1,751,329
	NUCLEAR	F	(3,107,906)	787,699	(3,107,906)	787,699
	Non-Regulated and Miscellaneous	F	91,646	(23,228)	91,646	(23,228)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,238,854	(567,438)	2,087,082	(528,971)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(206,193,190)	52,259,664	(206,193,190)	52,259,664
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	203,025,622	(51,456,844)	203,025,622	(51,456,844)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	149,650	(37,929)	139,003	(35,230)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,254,182	(571,322)	2,101,371	(532,592)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(120,706)	30,593	(112,523)	28,519
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		16,408,274		14,837,231
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,259,286	(319,166)	1,173,919	(297,530)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(5,200,671)		(5,024,712)
	Total		(\$31,315,099)	\$19,144,415	(\$33,991,014)	\$18,427,541

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-E
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI
(3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,215,880,619	\$4,715,164,294	(\$474,255,964)	\$658,466,855	\$4,899,375,186	44.01%	9.50%	4.18%	10.50%	4.62%	11.50%	5.06%
Long Term Debt	5,548,182,794	5,015,565,984	(504,470,668)		4,511,095,317	40.53%	4.96%	2.01%	4.96%	2.01%	4.96%	2.01%
Short Term Debt *	(211,003,163)	(190,747,192)	19,185,544	(29,717,339)	(201,278,987)	(1.81%)	0.60%	(0.01%)	0.60%	(0.01%)	0.60%	(0.01%)
Customer Deposits												
Active	204,603,805	204,603,805	(20,579,256)		184,024,548	1.65%	2.26%	0.04%	2.26%	0.04%	2.26%	0.04%
Inactive	1,742,842	1,742,842	(175,297)		1,567,545	0.01%						
Investment Tax Credits **	4,427,563	4,002,524	(402,578)		3,599,946	0.03%	7.84%	0.00%	7.84%	0.00%	7.84%	0.00%
Deferred Income Taxes	2,675,070,039	2,418,267,528	(243,231,778)	(442,064,782)	1,732,970,968	15.57%						
Total	\$13,438,904,499	\$12,168,599,786	(\$1,223,929,996)	\$186,684,734	\$11,131,354,524	100.00%		6.22%		6.66%		7.10%

* 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	\$5,686,084,556	\$5,070,430,819	(\$569,280,313)	\$574,793,148	\$5,075,943,653	44.65%	9.50%	4.24%	10.50%	4.69%	11.50%	5.13%
Long Term Debt	5,735,872,956	5,114,828,442	(574,265,036)		4,540,563,406	39.94%	4.80%	1.92%	4.80%	1.92%	4.80%	1.92%
Short Term Debt *	(275,859,957)	(245,991,563)	27,618,591	(57,235,500)	(275,608,472)	(2.42%)	0.60%	(0.01%)	0.60%	(0.01%)	0.60%	(0.01%)
Customer Deposits												
Active	199,263,453	199,263,453	(22,372,214)		176,891,240	1.56%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,901,566	1,901,566	(213,498)		1,688,069	0.01%						
Investment Tax Credits **	9,341,260	8,329,846	(935,230)		7,394,617	0.07%	7.81%	0.01%	7.81%	0.01%	7.81%	0.01%
Deferred Income Taxes	2,710,789,535	2,417,282,168	(271,399,256)	(303,610,799)	1,842,272,113	16.20%						
Total	\$14,067,393,370	\$12,566,044,731	(\$1,410,846,955)	\$213,946,848	\$11,369,144,624	100.00%		6.18%		6.63%		7.08%

* Daily Weighted Average

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* Daily Weighted Average												
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Short Term Debt *	(275,859,957)	(245,991,563)	27,618,591	(57,235,500)	(275,608,472)	(2.42%)	0.60%	(0.01%)	0.60%	(0.01%)	0.60%	(0.01%)
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Inactive	1,901,566	1,901,566	(213,498)		1,688,069	0.01%						
Investment Tax Credits **	9,341,260	8,329,846	(935,230)		7,394,617	0.07%	7.81%	0.01%	7.81%	0.01%	7.81%	0.01%
Deferred Income Taxes	2,710,789,535	2,417,282,168	(271,399,256)	(303,610,799)	1,842,272,113	16.20%						
Total	\$14,067,393,370	\$12,566,044,731	(\$1,410,846,955)	\$213,946,848	\$11,369,144,624	100.00%		6.18%		6.63%		7.08%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 1,007,841,477
AFUDC - DEBT	24,430,204
INCOME TAXES	45,538,582
TOTAL	<u>\$ 1,077,810,263</u>
INTEREST CHARGES (before deducting AFUDC-Debt)	\$ 281,694,395
TIE WITH AFUDC	<u><u>3.83</u></u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 1,007,841,477
AFUDC - EQUITY	(45,006,574)
INCOME TAXES	45,538,582
TOTAL	<u>\$ 1,008,373,484</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 281,694,395
TIE WITHOUT AFUDC	<u><u>3.58</u></u>

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

AFUDC DEBT	\$ 24,430,204
X (1- INCOME TAX RATE)	0.74655
SUBTOTAL	<u>\$ 18,238,369</u>
AFUDC -EQUITY	\$ 45,006,574
TOTAL	<u>\$ 63,244,943</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 735,400,535
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>8.60%</u></u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 712,223,616
COMMON DIVIDENDS	-
AFUDC (EQUITY)	(44,621,493)
DEPRECIATION & AMORTIZATION	516,537,005
DEFERRED INCOME TAXES	244,889,575
INVESTMENT TAX CREDITS	(114,792)
OTHER - INC NUCLEAR DECOMMISSIONING	60,713,952
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(494,731,598)
TOTAL FUNDS PROVIDED	<u>\$ 994,896,265</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,437,491,505</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	69.21%
*As of December 2017 (updated quarterly)	

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

Common Equity	\$ 4,899,375,186
Long Term Debt	\$ 4,511,095,317
Short Term Debt	\$ (201,278,987)
TOTAL	<u>\$ 9,209,191,516</u>

% LONG TERM DEBT TO TOTAL	48.98%
% SHORT TERM DEBT TO TOTAL	(2.19%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.43%</u>	<u>6.50%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.01%	2.01%
SHORT TERM DEBT	(0.01%)	(0.01%)
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>2.04%</u>	<u>2.04%</u>
TOTAL	4.40%	4.46%
DIVIDED BY COMMON EQUITY RATIO	<u>44.01%</u>	<u>44.01%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.99%</u></u>	<u><u>10.14%</u></u>