



December 14, 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 October 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 October 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 black ink that reads "Marcia Olivier".

Marcia Olivier
Director Rates & Regulatory Planning

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

DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
Oct-18

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	\$817,007,505 (a)	(\$99,381,489) (b)	\$717,626,016	\$13,360,998	\$730,987,014
Average Rate Base	\$13,022,108,372	(\$1,438,623,667)	\$11,583,484,706	\$0	\$11,583,484,706
Average Rate of Return	6.27%		6.20%		6.31%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$744,432,845	(\$26,806,829)	\$717,626,016		
Average Rate Base	\$13,609,455,257	(\$984,728,631)	\$12,624,726,626		
Average Rate of Return	5.47%		5.68%		
(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	6.10%	6.05%
Mid Point	6.55%	6.49%
High Point	6.99%	6.94%
Pro Forma Adjusted Basis		
Low Point	6.10%	6.05%
Mid Point	6.55%	6.49%
High Point	6.99%	6.94%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	(4.02)	(System Per Books Basis)
B. T.I.E without AFUDC	(4.30)	(System Per Books Basis)
C. AFUDC to Net Income	8.67%	(System Per Books Basis)
D. Internally Generated Funds	72.61%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.06%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.13%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.71%	(FPSC Adjusted Basis)
	9.97%	(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	\$16,354,548,962	\$5,657,901,575	\$10,696,647,387	\$131,560,849	\$1,776,932,803	\$12,605,141,040	\$1,789,069,934	\$14,394,210,973
Regulatory Base - Retail	\$14,842,500,331	\$5,248,160,964	\$9,594,339,367	\$115,476,232	\$1,580,615,561	\$11,290,431,160	\$1,731,677,212	\$13,022,108,372
FPSC Adjustments								
ARO	(20,139,153)	(17,316,520)	(2,822,633)			(2,822,633)	3,504,148	681,515
ECCR	(33,840,856)	(18,887,839)	(14,953,018)			(14,953,018)	(18,398,771)	(33,351,788)
ECRC	(177,560,101)	(17,251,893)	(160,308,208)		(38,929,828)	(199,238,036)	(6,259,181)	(205,497,218)
FUEL	(24,864,376)	(24,372,020)	(492,356)			(492,356)	148,599	(343,757)
CCR							(145,415,470)	(145,415,470)
NUCLEAR							(71,749,481)	(71,749,481)
Over\Under Recovery-Clauses							(198,621,985)	(198,621,985)
Derivatives							(89,341)	(89,341)
Employee Related							353	353
Investments Earning a Return							(189,726,985)	(189,726,985)
Jobbing Accounts							(590,898)	(590,898)
Non-Regulated and Miscellaneous	(45,687,375)	(36,955,263)	(8,732,113)	(73,936,142)		(82,668,255)	78,248,394	(4,419,861)
CWIP - AFUDC					(1,014,719,172)	(1,014,719,172)		(1,014,719,172)
Imputed Off Balance Sheet Obligations							632,180,989	632,180,989
Capital Lease	(120,388,580)		(120,388,580)			(120,388,580)	115,724,621	(4,663,959)
SCRC							(202,296,609)	(202,296,609)
Total FPSC Adjustments	(422,480,441)	(114,783,534)	(307,696,907)	(73,936,142)	(1,053,649,000)	(1,435,282,050)	(3,341,617)	(1,438,623,667)
FPSC Adjusted	\$14,420,019,890	\$5,133,377,430	\$9,286,642,460	\$41,540,090	\$526,966,561	\$9,855,149,110	\$1,728,335,595	\$11,583,484,706

	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 Disp. & Other	Total Operating Expenses	Net Operating Income
System Per Books	4,789,475,623	2,040,236,179	883,224,185	555,712,389	367,376,669	(123,147,528)	257,061,058	(19,132)		3,980,443,821	809,031,802
Regulatory Base - Retail	4,538,069,888	1,949,545,737	845,705,543	518,754,036	353,758,187	(80,524,030)	206,414,878	(17,308)		3,793,637,043	744,432,845
FPSC Adjustments											
ECCR	(111,746,425)		(103,697,790)	(5,318,647)		(691,915)				(109,708,353)	(2,038,072)
ECRC	(59,639,766)		(32,080,034)	(7,836,316)	(1,300,482)	(4,669,293)				(45,886,125)	(13,753,641)
FUEL	(1,564,600,130)	(1,560,048,351)	(1,130,116)			(867,220)				(1,562,045,687)	(2,554,442)
CCR	(416,601,573)	(389,497,385)	(299,953)	(21,207,890)		(1,418,394)				(412,423,622)	(4,177,952)
NUCLEAR	(50,005,692)		(40,910)	(47,843,102)		(537,740)				(48,421,751)	(1,583,941)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,092,075)			530,236				(1,561,839)	1,561,839
Franchise Fee & Gross Receipts	(219,271,369)					(55,574,329)				(55,574,329)	(163,697,041)
Franchise Fees & Gross Rec Tax - TOI					(215,756,941)	54,683,597				(161,073,344)	161,073,344
Gain/Loss on Disposition & Other						71,370			(281,595)	(210,225)	210,225
Inst./Promotional Advertising			(3,777,701)			957,458				(2,820,243)	2,820,243
Miscellaneous Interest Expense			103,742			(26,293)				77,449	(77,449)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,644,670)				(11,644,670)	11,644,670
Directors & Officers Premium			(1,127,758)			285,830				(841,928)	841,928
Interest Synchronization - FPSC						8,606,756				8,606,756	(8,606,756)
Total FPSC Adjustments	(2,421,864,955)	(1,949,545,737)	(144,234,648)	(70,768,668)	(217,057,423)	(13,170,055)			(281,595)	(2,395,058,126)	(26,806,829)
FPSC Adjusted	2,116,204,933		701,470,894	447,985,368	136,700,764	(93,694,085)	206,414,878	(17,308)	(281,595)	1,398,578,917	717,626,016
Pro Forma Adjustments											
Weather Normalization	17,896,990					4,535,992				4,535,992	13,360,998
Total Pro Forma Adjustments	17,896,990					4,535,992				4,535,992	13,360,998
Pro Forma Adjusted	2,134,101,923		701,470,894	447,985,368	136,700,764	(89,158,093)	206,414,878	(17,308)	(281,595)	1,403,114,909	730,987,014
Current Month											
System Per Books	438,139,103	199,149,741	77,505,059	49,918,655	33,665,645	(8,901,914)	18,711,474			370,048,660	68,090,443
FPSC Adjusted	183,472,171		61,012,491	39,176,723	11,025,303	(5,301,759)	11,067,016		(34,541)	116,945,234	66,526,936

(a) The addition of earnings from AFUDC charges would increase the System NOI by 81,588,653 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 72,574,660 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
Oct-18

Schedule 2
Page 3 of 3

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	681,515	681,515
	ECCR	F	(33,351,788)	(33,351,788)
	ECRC	F	(214,081,086)	(205,497,218)
	FUEL	F	(381,471)	(343,757)
	CCR	F	(145,415,470)	(145,415,470)
	NUCLEAR	F	(71,749,481)	(71,749,481)
	Net Clause Under Recovery	F	(198,621,985)	(198,621,985)
	Derivatives	F	(89,341)	(89,341)
	Employee Related	F	372	353
	Investments Earning a Return	F	(195,014,673)	(189,726,985)
	Jobbing Accounts	F	(623,911)	(590,898)
	Non-Regulated and Miscellaneous	F	(10,083,377)	(4,419,861)
(1)	CWIP - AFUDC	F	(1,092,963,073)	(1,014,719,172)
(3)	Imputed Off Balance Sheet Obligations	F	680,606,114	632,180,989
(2)	Capital Lease - EPIS	F	(129,143,197)	(120,388,580)
(2)	Capital Lease - Working Capital	F	124,140,076	115,724,621
	SCRC	F	(202,296,609)	(202,296,609)
	Total		(1,488,387,385)	(1,438,623,667)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,729,987)	691,915	(2,729,987)	691,915
	ECRC	F	(15,796,564)	4,003,639	(18,422,934)	4,669,293
	FUEL	F	(3,580,834)	907,562	(3,421,662)	867,220
	CCR	F	(5,596,345)	1,418,394	(5,596,345)	1,418,394
	NUCLEAR	F	(2,121,681)	537,740	(2,121,681)	537,740
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,244,210	(568,795)	2,092,075	(530,236)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(219,271,369)	55,574,329	(219,271,369)	55,574,329
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	215,756,941	(54,683,597)	215,756,941	(54,683,597)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	303,165	(76,837)	281,595	(71,370)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,052,414	(1,027,084)	3,777,701	(957,458)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(111,286)	28,205	(103,742)	26,293
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		12,890,541		11,644,670
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,209,768	(306,616)	1,127,758	(285,830)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,051,373)		(8,606,756)
	Total		(36,980,107)	13,211,776	(39,976,884)	13,170,055

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	\$17,395,782,753	\$5,742,458,750	\$11,653,324,003	\$132,073,623	\$1,491,981,701	\$13,277,379,327	\$1,789,069,934	\$15,066,449,261
Regulatory Base - Retail	\$15,788,111,086	\$5,323,841,795	\$10,464,269,291	\$115,954,245	\$1,297,761,509	\$11,877,985,045	\$1,731,677,212	\$13,609,662,257
FPSC Adjustments								
ARO	(19,741,640)	(17,859,899)	(1,881,741)			(1,881,741)	3,504,148	1,622,407
ECCR	(28,680,101)	(20,003,794)	(8,676,307)			(8,676,307)	(18,398,771)	(27,075,078)
ECRC	(178,611,910)	(19,212,788)	(159,399,123)		(67,021,939)	(226,421,061)	(6,259,181)	(232,680,243)
FUEL	(12,561,201)	(12,265,325)	(295,876)			(295,876)	148,599	(147,277)
CCR							(145,415,470)	(145,415,470)
NUCLEAR							(71,749,481)	(71,749,481)
Net Clause Under Recovery							(198,621,985)	(198,621,985)
Derivatives							(89,341)	(89,341)
Employee Related							353	353
Investments Earning a Return							(189,726,985)	(189,726,985)
Jobbing Accounts							(590,898)	(590,898)
Non-Regulated and Miscellaneous	(45,996,001)	(38,052,229)	(7,943,772)	(87,379,077)		(95,322,849)	78,248,394	(17,074,455)
CWIP - AFUDC					(534,801,095)	(534,801,095)		(534,801,095)
Imputed Off Balance Sheet Obligations							632,180,989	632,180,989
Capital Lease	(113,988,085)		(113,988,085)			(113,988,085)	115,724,621	1,736,536
SCRC							(202,296,609)	(202,296,609)
Total FPSC Adjustments	(399,578,937)	(107,394,035)	(292,184,903)	(87,379,077)	(601,823,034)	(981,387,014)	(3,341,617)	(984,728,631)
FPSC Adjusted	15,388,532,149	5,216,447,760	10,172,084,388	28,575,168	695,938,475	10,896,598,031	1,728,335,595	12,624,933,626

	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	4,789,475,623	2,040,236,179	883,224,185	555,712,389	367,376,669	(123,147,528)	257,061,058	(19,132)		3,980,443,821	809,031,802
Regulatory Base - Retail	4,538,069,888	1,949,545,737	845,705,543	518,754,036	353,758,187	(80,524,030)	206,414,878	(17,308)		3,793,637,043	744,432,845
FPSC Adjustments											
ECCR	(111,746,425)		(103,697,790)	(5,318,647)		(691,915)				(109,708,353)	(2,038,072)
ECRC	(59,639,766)		(32,080,034)	(7,836,316)	(1,300,482)	(4,669,293)				(45,886,125)	(13,753,641)
FUEL	(1,564,600,130)	(1,560,048,351)	(1,130,116)			(867,220)				(1,562,045,687)	(2,554,442)
CCR	(416,601,573)	(389,497,385)	(299,953)	(21,207,890)		(1,418,394)				(412,423,622)	(4,177,952)
NUCLEAR	(50,005,692)		(40,910)	(47,843,102)		(537,740)				(48,421,751)	(1,583,941)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,092,075)			530,236				(1,561,839)	1,561,839
Franchise Fee & Gross Receipts	(219,271,369)					(55,574,329)				(55,574,329)	(163,697,041)
Franchise Fees & Gross Rec Tax - TOI					(215,756,941)	54,683,597				(161,073,344)	161,073,344
Gain/Loss on Disposition & Other						71,370			(281,595)	(210,225)	210,225
Inst./Promotional Advertising			(3,777,701)			957,458				(2,820,243)	2,820,243
Miscellaneous Interest Expense			103,742			(26,293)				77,449	(77,449)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,644,670)				(11,644,670)	11,644,670
Directors & Officers Premium			(1,127,758)			285,830				(841,928)	841,928
Interest Synchronization - FPSC						8,606,756				8,606,756	(8,606,756)
Total FPSC Adjustments	(2,421,864,955)	(1,949,545,737)	(144,234,648)	(70,768,668)	(217,057,423)	(13,170,055)			(281,595)	(2,395,058,126)	(26,806,829)
FPSC Adjusted	2,116,204,933		701,470,894	447,985,368	136,700,764	(93,694,085)	206,414,878	(17,308)	(281,595)	1,398,578,917	717,626,016

(a) The addition of earnings from AFUDC charges would increase the System NOI by 81,588,653 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 72,574,660 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	1,622,407	1,622,407
	ECCR	F	(27,075,078)	(27,075,078)
	ECRC	F	(242,129,762)	(232,680,243)
	FUEL	F	(169,941)	(147,277)
	CCR	F	(145,415,470)	(145,415,470)
	NUCLEAR	F	(71,749,481)	(71,749,481)
	Net Clause Under Recovery	F	(198,621,985)	(198,621,985)
	Derivatives	F	(89,341)	(89,341)
	Employee Related	F	372	353
	Investments Earning a Return	F	(195,014,673)	(189,726,985)
	Jobbing Accounts	F	(623,911)	(590,898)
	Non-Regulated and Miscellaneous	F	(23,767,701)	(17,074,455)
(1)	CWIP - AFUDC	F	(575,766,911)	(534,801,095)
(3)	Imputed Off Balance Sheet Obligations	F	680,606,114	632,180,989
(2)	Capital Lease - EPIS	F	(122,277,260)	(113,988,085)
(2)	Capital Lease - Working Capital	F	124,140,076	115,724,621
	SCRC	F	(202,296,609)	(202,296,609)
	Total		(998,629,153)	(984,728,631)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,729,987)	691,915	(2,729,987)	691,915
	ECRC	F	(15,796,564)	4,003,639	(18,422,934)	4,669,293
	FUEL	F	(3,580,834)	907,562	(3,421,662)	867,220
	CCR	F	(5,596,345)	1,418,394	(5,596,345)	1,418,394
	NUCLEAR	F	(2,121,681)	537,740	(2,121,681)	537,740
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,244,210	(568,795)	2,092,075	(530,236)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(219,271,369)	55,574,329	(219,271,369)	55,574,329
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	215,756,941	(54,683,597)	215,756,941	(54,683,597)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	303,165	(76,837)	281,595	(71,370)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,052,414	(1,027,084)	3,777,701	(957,458)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(111,286)	28,205	(103,742)	26,293
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		12,890,541		11,644,670
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,209,768	(306,616)	1,127,758	(285,830)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,051,373)		(8,606,756)
	Total		(36,980,107)	13,211,776	(39,976,884)	13,170,055

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

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,767,319,837	5,209,750,444	(674,487,280)	601,334,012	5,136,597,176	44.34%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,806,149,134	5,244,825,826	(679,028,361)		4,565,797,465	39.42%	4.76%	1.88%	4.76%	1.88%	4.76%	1.88%
Short Term Debt *	(216,777,575)	(195,820,086)	25,352,108	(32,108,971)	(202,576,949)	(1.75%)	1.43%	(0.03%)	1.43%	(0.03%)	1.43%	(0.03%)
Customer Deposits												
Active	199,566,281	199,566,281	(25,837,114)		173,729,167	1.50%	2.30%	0.03%	2.30%	0.03%	2.30%	0.03%
Inactive	2,053,343	2,053,343	(265,839)		1,787,504	0.02%						
Investment Tax Credits **	8,885,532	8,026,502	(1,039,162)		6,987,341	0.06%	7.27%	0.00%	7.80%	0.00%	8.33%	0.01%
Deferred Income Taxes	2,827,014,420	2,553,706,062	(330,618,956)	(321,924,105)	1,901,163,001	16.41%						
Total	14,394,210,973	13,022,108,372	(1,685,924,603)	247,300,937	11,583,484,706	100.00%		6.10%		6.55%		6.99%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	6,099,106,399	5,528,165,298	(495,081,868)	584,701,119	5,617,784,549	44.50%	9.50%	4.23%	10.50%	4.67%	11.50%	5.12%
Long Term Debt	6,079,201,992	5,510,124,154	(493,466,171)		5,016,657,983	39.74%	4.55%	1.81%	4.55%	1.81%	4.55%	1.81%
Short Term Debt *	(288,151,888)	(261,177,812)	23,390,111	(64,357,427)	(302,145,128)	(2.39%)	1.01%	(0.02%)	1.01%	(0.02%)	1.01%	(0.02%)
Customer Deposits												
Active	198,073,021	198,073,021	(17,738,681)		180,334,340	1.43%	2.32%	0.03%	2.32%	0.03%	2.32%	0.03%
Inactive	2,464,271	2,464,271	(220,691)		2,243,580	0.02%						
Investment Tax Credits **	10,115,298	9,168,398	(821,088)		8,347,311	0.07%	7.17%	0.00%	7.69%	0.01%	8.22%	0.01%
Deferred Income Taxes	2,893,728,646	2,622,844,928	(234,892,211)	(286,241,725)	2,101,710,992	16.65%						
Total	14,994,537,739	13,609,662,257	(1,218,830,598)	234,101,968	12,624,933,626	100.00%		6.05%		6.49%		6.94%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,767,319,837	5,209,750,444	(674,487,280)	601,334,012	5,136,597,176	44.34%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,806,149,134	5,244,825,826	(679,028,361)		4,565,797,465	39.42%	4.76%	1.88%	4.76%	1.88%	4.76%	1.88%
Short Term Debt *	(216,777,575)	(195,820,086)	25,352,108	(32,108,971)	(202,576,949)	(1.75%)	1.43%	(0.03%)	1.43%	(0.03%)	1.43%	(0.03%)
Customer Deposits												
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Investment Tax Credits **	8,885,532	8,026,502	(1,039,162)		6,987,341	0.06%	7.27%	0.00%	7.80%	0.00%	8.33%	0.01%
Deferred Income Taxes	2,827,014,420	2,553,706,062	(330,618,956)	(321,924,105)	1,901,163,001	16.41%						
Total	14,394,210,973	13,022,108,372	(1,685,924,603)	247,300,937	11,583,484,706	100.00%		6.10%		6.55%		6.99%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Oct-18

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	<u>Low-Point</u>		<u>Mid-Point</u>		<u>High-Point</u>	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	6,099,106,399	5,528,165,298	(495,081,868)	584,701,119	5,617,784,549	44.50%	9.50%	4.23%	10.50%	4.67%	11.50%	5.12%
Long Term Debt	6,079,201,992	5,510,124,154	(493,466,171)		5,016,657,983	39.74%	4.55%	1.81%	4.55%	1.81%	4.55%	1.81%
Short Term Debt *	(288,151,888)	(261,177,812)	23,390,111	(64,357,427)	(302,145,128)	(2.39%)	1.01%	(0.02%)	1.01%	(0.02%)	1.01%	(0.02%)
Customer Deposits												
Active	198,073,021	198,073,021	(17,738,681)		180,334,340	1.43%	2.32%	0.03%	2.32%	0.03%	2.32%	0.03%
Inactive	2,464,271	2,464,271	(220,691)		2,243,580	0.02%						
Investment Tax Credits **	10,115,298	9,168,398	(821,088)		8,347,311	0.07%	7.17%	0.00%	7.69%	0.01%	8.22%	0.01%
Deferred Income Taxes	2,893,728,646	2,622,844,928	(234,892,211)	(286,241,725)	2,101,710,992	16.65%						
Total	14,994,537,739	13,609,662,257	(1,218,830,598)	234,101,968	12,624,933,626	100.00%		6.05%		6.49%		6.94%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	1,109,066,167
AFUDC - DEBT	\$	28,704,454
INCOME TAXES		(70,959,712)
TOTAL	\$	1,066,810,909
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	286,731,403
TIE WITH AFUDC		<u>3.72</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	1,109,066,167
AFUDC - EQUITY		(52,884,199)
INCOME TAXES		(70,959,712)
TOTAL	\$	985,222,257
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	286,731,403
TIE WITHOUT AFUDC		<u>3.44</u>

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

AFUDC DEBT	\$	28,704,454
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	21,429,310
AFUDC -EQUITY	\$	52,884,199
TOTAL	\$	74,313,509
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	856,642,618
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>8.67%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	857,366,604
COMMON DIVIDENDS		(75,000,000)
AFUDC (EQUITY)		(51,660,531)
DEPRECIATION & AMORTIZATION		672,406,117
DEFERRED INCOME TAXES		47,559,903
INVESTMENT TAX CREDITS		(28,698)
OTHER - INC NUCLEAR DECOMMISSIONING		39,712,649
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(422,620,622)
TOTAL FUNDS PROVIDED	\$	<u>1,067,735,422</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,427,907,799
PERCENTAGE INTERNALLY GENERATED FUNDS		74.78%
*As of September 2018 (updated quarterly)		

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

Common Equity	\$	5,136,597,176
Long Term Debt	\$	4,565,797,465
Short Term Debt	\$	(202,576,949)
TOTAL	\$	<u>9,499,817,693</u>
% LONG TERM DEBT TO TOTAL		48.06%
% SHORT TERM DEBT TO TOTAL		(2.13%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.31%	6.20%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.88%	1.88%
SHORT TERM DEBT	(0.03%)	(0.03%)
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.89%	1.89%
TOTAL	4.42%	4.31%
DIVIDED BY COMMON EQUITY RATIO	44.34%	44.34%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.97%</u>	<u>9.71%</u>