



August 15, 2017

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 June 30, 2017.

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 June 30, 2017. 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 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
Jun 2017

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	\$ 702,065,522 (a)	\$ (47,467,676) (b)	\$ 654,597,847	\$ (740,034)	\$ 653,857,812
Average Rate Base	\$ 11,426,433,755	\$ (831,085,150)	\$ 10,595,348,605	\$ -	\$ 10,595,348,605
Average Rate of Return	6.14%		6.18%		6.17%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 648,844,724	\$ 5,753,123	\$ 654,597,847		
Average Rate Base	\$ 11,969,521,487	\$ (914,241,589)	\$ 11,055,279,898		
Average Rate of Return	5.42%		5.92%		
(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	6.28%	6.13%
Mid Point	6.73%	6.57%
High Point	7.17%	7.01%
Pro Forma Adjusted Basis		
Low Point	6.28%	6.13%
Mid Point	6.73%	6.57%
High Point	7.17%	7.01%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	3.95	(System Per Books Basis)
B. T.I.E. without AFUDC	3.73	(System Per Books Basis)
C. AFUDC to Net Income	9.92%	(System Per Books Basis)
D. Internally Generated Funds	50.81%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	46.03%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.31%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.27%	(FPSC Adjusted Basis)
	9.26%	(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

Jun 2017

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	\$15,159,031,971	\$5,398,691,528	\$9,760,340,443	\$127,388,532	\$1,326,551,879	\$11,214,280,854	\$1,408,767,484	\$12,623,048,338
Regulatory Base - Retail	\$13,773,062,364	\$5,013,626,416	\$8,759,435,948	\$110,428,023	\$1,189,061,579	\$10,058,925,550	\$1,367,508,205	\$11,426,433,755
FPSC Adjustments								
ARO	(21,454,721)	(19,987,383)	(1,467,338)			(1,467,338)	2,088,906	621,568
ECCR	(51,312,542)	(15,945,707)	(35,366,835)			(35,366,835)	(13,805,212)	(49,172,047)
ECRC	(174,608,550)	(15,577,060)	(159,031,490)		(287,842)	(159,319,332)	(9,280,910)	(168,600,242)
FUEL	(27,017,633)	(26,454,135)	(563,498)			(563,498)	(50,783,924)	(51,347,422)
CCR					(686,857)	(686,857)	(152,175,875)	(152,175,875)
NUCLEAR							(233,675,037)	(234,361,894)
CR3 Removal							0	0
Derivatives							(909,804)	(909,804)
Employee Related							219	219
Investments Earning a Return							(182,919,785)	(182,919,785)
Jobbing Accounts							(698,589)	(698,589)
Non-Regulated and Miscellaneous	(47,780,640)	(36,904,550)	(10,876,090)		(20,092)	(10,896,182)	106,799,122	95,902,940
Retention Accounts							1,463,030	1,463,030
CWIP - AFUDC					(816,889,541)	(816,889,541)	731,179,266	(816,889,541)
Imputed Off Balance Sheet Obligations							133,205,209	731,179,266
Capital Lease	(136,382,183)		(136,382,183)			(136,382,183)		(3,176,974)
Total FPSC Adjustments	(458,556,269)	(114,868,835)	(343,687,434)		(817,884,332)	(1,161,571,766)	330,486,616	(831,085,150)
FPSC Adjusted	\$13,314,506,095	\$4,898,757,581	\$8,415,748,514	\$110,428,023	\$371,177,247	\$8,897,353,784	\$1,697,994,821	\$10,595,348,605

DUKE ENERGY FLORIDA
Average Rate of Return - Income Statement
Jun 2017

	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	\$4,426,239,209	\$1,789,998,007	\$817,876,245	\$498,536,954	\$337,602,869	(\$17,732,565)	\$296,282,538	(\$130,396)		\$3,722,433,652	\$703,805,557
Regulatory Base - Retail	\$4,165,981,711	\$1,688,943,154	\$779,390,141	\$464,714,584	\$325,170,122	(\$16,490,367)	\$275,527,407	(\$118,034)		\$3,517,136,987	\$648,844,724
FPSC Adjustments											
ECCR	(108,227,877)		(96,983,185)	(6,465,322)		(1,843,642)				(105,282,149)	(2,935,728)
ECRC	(63,806,317)		(35,545,472)	(10,217,839)	(1,304,620)	(6,456,832)				(53,524,763)	(10,281,554)
FUEL	(1,300,759,321)	(1,295,208,172)	(906,437)			(1,791,698)				(1,297,906,307)	(2,853,014)
CCR	(406,043,681)	(393,734,982)	(292,351)	(9,512,055)		(966,031)				(404,505,419)	(1,538,262)
NUCLEAR	(54,108,827)		(41,188)	(50,123,794)		(1,521,338)				(51,686,320)	(2,422,507)
Non-Regulated and Miscellaneous			(1,854,878)	(11,695,269)		4,511,458				(7,183,831)	7,183,831
CORPORATE AIRCRAFT ALLOCATION	(198,583,009)				(198,675,881)	715,519				(1,139,359)	1,139,359
FRANCHISE FEE & GROSS RECEIPTS						(76,603,396)				(76,603,396)	(121,979,613)
FRANCHISE FEE & GROSS REC TAX - TOI						76,639,221				(122,036,660)	122,036,660
GAIN/LOSS ON DISPOSITION & OTHER						95,194			(246,777)	(151,583)	151,583
INST./PROMOTIONAL ADVERTISING			(2,808,348)			1,083,320				(1,725,028)	1,725,028
MISCELLANEOUS INTEREST EXPENSE			118,246			(45,613)				72,633	(72,633)
REMOVE ASSOC/ORGANIZATION DUES			(87,208)			33,640				(53,568)	53,568
PARENT DEBT ADJUSTMENT						(15,405,329)				(15,405,329)	15,405,329
DIRECTORS & OFFICERS PREMIUM			(1,213,480)			468,100				(745,380)	745,380
INTEREST SYNCHRONIZATION - FPSC						604,304				604,304	(604,304)
Total FPSC Adjustments	(2,131,529,032)	(1,688,943,154)	(139,614,301)	(86,014,299)	(199,980,501)	(20,483,123)	\$275,527,407	(\$118,034)	(\$246,777)	(2,137,282,155)	5,753,123
Pro Forma Adjustments	\$2,034,452,679	-	\$639,775,840	\$376,700,265	\$125,189,621	(\$36,973,490)	\$275,527,407	(\$118,034)	(\$246,777)	\$1,379,854,833	\$654,597,847
Weather Normalization	(1,204,777)									(464,743)	(740,034)
Total Pro Forma Adjustments	(1,204,777)									(464,743)	(740,034)
Pro Forma Adjusted	\$2,033,247,902		\$639,775,840	\$376,700,265	\$125,189,621	(\$37,438,232)	\$275,527,407	(\$118,034)	(\$246,777)	\$1,379,390,090	\$653,857,812
Current Month											
System Per Books	\$419,452,780	\$169,229,381	\$63,481,404	\$42,847,171	\$31,445,050	12,685,704	21,045,636	(9,566)		\$340,724,780	\$78,728,000
FPSC Adjusted	\$191,091,664		\$48,088,955	\$32,696,857	\$11,244,054	(1,966,358)	32,854,661	(8,659)		\$122,903,110	\$68,188,554

(a) The addition of earnings from AFUDC charges would increase the System NOI by 59,374,679 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 53,220,798 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,569	\$621,568
	ECCR	F	(49,172,047)	(49,172,047)
	ECRC	F	(180,186,476)	(180,186,476)
	FUEL	F	(51,390,586)	(51,347,422)
	CCR	F	(154,652,325)	(152,175,875)
	NUCLEAR	F	(230,224,409)	(234,361,894)
	CR3 Removal	F	(909,804)	(909,804)
	Derivatives	F	230	219
	Employee Related	F	(187,563,656)	(182,919,785)
	Investments Earning a Return	F	(733,987)	(698,589)
	Jobbing Accounts	F	95,902,940	95,902,940
	Non-Regulated and Miscellaneous	F	1,538,228	1,463,030
	Retention Accounts	F	(885,948,127)	(816,889,541)
(1)	CWIP - AFUDC	F	787,187,669	731,179,266
(3)	Imputed Off Balance Sheet Obligations	F	(146,299,849)	(136,382,183)
(2)	Capital Lease - EPIS	F	142,891,848	133,205,209
(2)	Capital Lease - Working Capital	F		
	Total		(\$958,938,782)	(\$831,085,150)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,779,370)	1,843,642	(4,779,370)	1,843,642
	ECRC	F	(14,042,525)	5,416,904	(16,738,386)	6,456,832
	FUEL	F	(4,922,620)	1,898,901	(4,644,712)	1,791,698
	CCR	F	(2,504,293)	966,031	(2,504,293)	966,031
	NUCLEAR	F	(3,943,845)	1,521,338	(3,943,845)	1,521,338
	Non-Regulated and Miscellaneous	F	11,695,289	(4,511,458)	11,695,289	(4,511,458)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	1,989,764	(767,551)	1,854,878	(715,519)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(198,583,009)	76,603,396	(198,583,009)	76,603,396
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,675,891	(76,639,221)	198,675,881	(76,639,221)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	265,680	(102,486)	246,777	(95,194)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,012,570	(1,162,099)	2,808,348	(1,083,320)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(126,845)	48,930	(118,246)	45,613
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,550	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		16,996,358		15,405,329
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,301,724	(502,140)	1,213,480	(468,100)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(198,240)		(604,304)
	Total		(\$11,868,049)	\$21,376,218	(\$14,730,000)	\$20,483,123

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

DUKE ENERGY FLORIDA

End of Period Rate of Return - Rate Base

Jun 2017

	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	\$15,754,435,047	\$5,534,135,392	\$10,220,299,655	\$130,505,307	\$1,477,235,473	\$11,828,040,435	\$1,408,767,484	\$13,236,807,919
Regulatory Base - Retail	\$14,314,337,945	\$5,143,918,576	\$9,170,419,369	\$113,129,831	\$1,318,464,082	\$10,602,013,282	\$1,367,508,205	\$11,969,521,487
FPSC Adjustments								
ARO	(18,605,135)	(16,461,993)	(2,143,142)			(2,143,142)	2,088,906	(54,236)
ECCR	(51,093,360)	(18,954,282)	(32,139,078)			(32,139,078)	(13,805,212)	(45,944,290)
ECRC	(172,904,471)	(18,133,024)	(154,771,447)		(215,048)	(154,986,495)	(9,280,910)	(164,267,405)
FUEL	(26,662,769)	(26,149,236)	(513,533)			(513,533)	(50,783,924)	(51,297,457)
CCR					(94,118)	(94,118)	(152,175,875)	(152,175,875)
NUCLEAR							(233,675,037)	(233,675,155)
CR3 Removal							0	0
Derivatives							(909,804)	(909,804)
Employee Related							219	219
Investments Earning a Return							(182,919,785)	(182,919,785)
Jobbing Accounts							(698,589)	(698,589)
Non-Regulated and Miscellaneous	(46,115,774)	(35,836,613)	(10,279,161)			(10,279,161)	106,799,122	96,519,961
Retention Accounts					(913,043,094)		1,463,030	1,463,030
CWIP - AFUDC								
Imputed Off Balance Sheet Obligations							731,179,266	731,179,266
Capital Lease	(131,529,584)		(131,529,584)				133,205,209	1,675,625
Total FPSC Adjustments	(446,911,093)	(115,535,148)	(331,375,945)		(913,352,260)	(1,244,728,205)	330,486,616	(914,241,589)
FPSC Adjusted	\$13,867,426,852	\$5,028,383,428	\$8,839,043,424	\$113,129,831	\$405,111,822	\$9,357,285,077	\$1,697,994,821	\$11,055,279,898

	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	\$4,426,239,209	\$1,789,998,007	\$917,876,245	\$498,536,954	\$337,602,869	(\$17,732,565)	\$296,282,538	(\$130,396)		\$3,722,433,652	\$703,805,557
Regulatory Base - Retail	\$4,165,981,711	\$1,688,943,154	\$779,390,141	\$464,714,564	\$325,170,122	(\$16,490,367)	\$275,527,407	(\$118,034)		\$3,517,136,987	\$648,844,724
FPSC Adjustments											
ECCR	(108,227,877)		(96,983,185)	(6,465,322)		(1,843,642)				(105,292,149)	(2,935,728)
ECRC	(63,806,317)		(35,545,472)	(10,217,839)	(1,304,620)	(6,456,832)				(53,524,763)	(10,281,554)
FUEL	(1,300,759,321)	(1,295,208,172)	(906,437)			(1,791,698)				(1,297,906,307)	(2,853,014)
CCR	(406,043,681)	(393,734,982)	(292,351)	(9,512,055)		(966,031)				(404,505,419)	(1,538,262)
NUCLEAR	(54,108,827)		(41,188)	(50,123,794)		(1,521,338)				(51,686,320)	(2,422,507)
Non-Regulated and Miscellaneous				(11,695,269)		4,511,458				(7,183,831)	7,183,831
CORPORATE AIRCRAFT ALLOCATION			(1,854,878)			715,519				(1,139,359)	1,139,359
FRANCHISE FEE & GROSS RECEIPTS						(76,603,396)				(76,603,396)	(121,979,613)
FRANCHISE FEES & GROSS REC TAX - TOI					(198,675,881)	76,639,221				(122,036,660)	122,036,660
GAIN/LOSS ON DISPOSITION & OTHER						95,194			(246,777)	(151,583)	151,583
INST./PROMOTIONAL ADVERTISING			(2,808,348)			1,083,320				(1,725,028)	1,725,028
MISCELLANEOUS INTEREST EXPENSE			118,246			(45,613)				72,633	(72,633)
REMOVE ASSOC./ORGANIZATION DUES			(87,208)			33,640				(53,568)	53,568
PARENT DEBT ADJUSTMENT						(15,405,329)				(15,405,329)	15,405,329
DIRECTORS & OFFICERS PREMIUM						468,100				(745,380)	745,380
INTEREST SYNCHRONIZATION - FPSC			(1,213,480)			604,304				604,304	(604,304)
Total FPSC Adjustments	(2,131,529,032)	(1,688,943,154)	(139,614,301)	(88,014,299)	(189,880,501)	(20,483,123)	-	(\$118,034)	(246,777)	(2,137,282,155)	5,753,123
FPSC Adjusted	\$2,034,452,679	\$1,688,943,154	\$639,775,840	\$376,700,265	\$125,189,621	(\$36,973,490)	\$275,527,407	(\$118,034)	(\$246,777)	\$1,379,854,833	\$654,597,847

(a) The addition of earnings from AFUDC charges would increase the System NOI by 59,374,679 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 53,220,798 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(\$54,236)	(\$54,236)
	ECRC	F	(45,944,290)	(45,944,290)
	EGRC	F	(176,743,638)	(164,267,405)
	FUEL	F	(51,336,794)	(51,297,457)
	CCR	F	(154,652,325)	(152,175,875)
	NUCLEAR	F	(229,586,266)	(233,769,155)
	CR3 Removal	F		
	Derivatives	F	(909,804)	(909,804)
	Employee Related	F	230	219
	Investments Earning a Return	F	(187,563,656)	(182,919,785)
	Jobbing Accounts	F	(733,987)	(698,589)
	Non-Regulated and Miscellaneous	F	96,519,961	96,519,961
	Retention Accounts	F	1,538,228	1,463,030
(1)	CWIP - AFUDC	F	(988,368,002)	(913,043,094)
(3)	Imputed Off Balance Sheet Obligations	F	787,187,669	731,179,266
(2)	Capital Lease - EPIS	F	(141,094,372)	(131,529,584)
(2)	Capital Lease - Working Capital	F	142,891,848	133,205,209
	Total		(\$948,849,434)	(\$914,241,589)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECRC	F	(4,779,370)	1,843,642	(4,779,370)	1,843,642
	ECRC	F	(14,042,525)	5,416,904	(16,738,386)	6,456,832
	FUEL	F	(4,922,620)	1,898,901	(4,644,712)	1,791,698
	CCR	F	(2,504,293)	966,031	(2,504,293)	966,031
	NUCLEAR	F	(3,943,845)	1,521,338	(3,943,845)	1,521,338
	Non-Regulated and Miscellaneous	F	11,695,289	(4,511,458)	11,695,289	(4,511,458)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	1,989,764	(767,551)	1,954,878	(715,519)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(198,583,009)	76,603,396	(198,583,009)	76,603,396
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	198,675,881	(76,639,221)	198,675,881	(76,639,221)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	265,680	(102,486)	246,777	(95,194)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,012,570	(1,162,099)	2,808,348	(1,083,320)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(126,845)	48,930	(118,246)	45,613
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,550	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		16,996,358		15,405,329
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,301,724	(502,140)	1,213,480	(468,100)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(198,240)		(604,304)
	Total		(\$11,868,049)	\$21,376,218	(\$14,730,000)	\$20,483,123

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	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,931,364,037	\$4,455,840,579			(\$433,685,236)	\$696,785,451	\$4,718,940,794	44.54%	9.50%	4.23%	10.50%	4.68%	11.50%	5.12%				
Long Term Debt	4,964,187,275	4,485,498,725			(436,571,852)		4,048,926,873	38.21%	5.25%	2.01%	5.25%	2.01%	5.25%	2.01%				
Short Term Debt	28,859,625	26,076,738			(2,538,039)	4,008,148	27,546,847	0.26%	0.61%	0.00%	0.61%	0.00%	0.61%	0.00%				
Customer Deposits																		
Active	212,095,167	212,095,167			(20,643,140)		191,452,027	1.81%	2.26%	0.04%	2.26%	0.04%	2.26%	0.04%				
Inactive	1,592,463	1,592,463			(154,994)		1,437,469	0.01%										
Investment Tax Credits	2,606,356	2,355,029			(229,214)		2,125,815	0.02%										
Deferred Income Taxes	2,706,518,327	2,445,533,142			(238,022,793)	(419,748,382)	1,787,761,968	16.87%										
FAS 109 DIT - Net	(224,174,912)	(202,558,088)			19,714,900		(182,843,188)	-1.73%										
Total	\$12,623,048,338	\$11,426,433,755			(\$1,112,130,367)	\$281,045,217	\$10,595,348,605	100.00%	6.28%	6.73%	7.17%							

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

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
Jun 2017

	System Per		Retail Per		Pro Rata		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point		
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Ratio	Ratio	Cost Rate	Cost Rate	Cost Rate	Cost Rate	Weighted Cost	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,145,020,353	\$4,597,973,923	\$4,597,973,923	\$4,597,973,923	(\$392,893,896)	\$656,608,424	\$4,861,688,450	\$4,861,688,450	43.98%	43.98%	9.50%	10.50%	11.50%	4.18%	4.62%	4.62%	4.62%	11.50%	5.06%
Long Term Debt	5,583,575,864	4,989,899,836	4,989,899,836	4,989,899,836	(426,383,712)	(19,998,190)	4,563,516,124	4,563,516,124	41.28%	41.28%	4.67%	4.67%	4.67%	1.93%	1.93%	1.93%	1.93%	4.67%	1.93%
Short Term Debt	(229,687,018)	(205,265,450)	(205,265,450)	(205,265,450)	17,539,800	(19,998,190)	(207,723,840)	(207,723,840)	(1.88%)	(1.88%)	0.61%	0.61%	0.61%	(0.01%)	(0.01%)	(0.01%)	(0.01%)	0.61%	(0.01%)
Customer Deposits																			
Active	205,664,673	205,664,673	205,664,673	205,664,673	(17,573,913)		188,090,760	188,090,760	1.70%	1.70%	2.33%	2.33%	2.33%	0.04%	0.04%	0.04%	0.04%	2.33%	0.04%
Inactive	1,406,871	1,406,871	1,406,871	1,406,871	(120,216)		1,286,655	1,286,655	0.01%	0.01%									
Investment Tax Credits	2,543,288	2,272,872	2,272,872	2,272,872	(194,215)		2,078,656	2,078,656	0.02%	0.02%									
Deferred Income Taxes	2,896,345,526	2,588,390,382	2,588,390,382	2,588,390,382	(221,176,283)	(528,063,957)	1,839,150,142	1,839,150,142	16.64%	16.64%									
FAS 109 DIT - Net	(235,904,236)	(210,821,620)	(210,821,620)	(210,821,620)	18,014,571		(192,807,049)	(192,807,049)	-1.74%	-1.74%									
Total	\$13,368,965,321	\$11,969,521,487	\$11,969,521,487	\$11,969,521,487	(\$1,022,787,866)	\$108,546,277	\$11,055,279,898	\$11,055,279,898	100.00%	100.00%				6.13%	6.57%	6.57%	6.57%		7.01%

* 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	\$4,931,364,037		\$4,455,840,579		(\$433,685,236)		\$696,785,451		\$4,718,940,794		44.54%		9.50%	4.23%	10.50%	4.68%	11.50%	5.12%
Long Term Debt	4,964,187,275		4,485,498,725		(436,571,852)				4,048,926,873		38.21%		5.25%	2.01%	5.25%	2.01%	5.25%	2.01%
Short Term Debt	28,859,625		26,076,738		(2,538,039)		4,008,148		27,546,847		0.26%		0.61%	0.00%	0.61%	0.00%	0.61%	0.00%
Customer Deposits																		
Active	212,095,167		212,095,167		(20,643,140)				191,452,027		1.81%		2.26%	0.04%	2.26%	0.04%	2.26%	0.04%
Inactive	1,592,463		1,592,463		(154,994)				1,437,469		0.01%							
Investment Tax Credits	2,606,356		2,355,029		(229,214)				2,125,815		0.02%							
Deferred Income Taxes	2,706,518,327		2,445,533,142		(238,022,793)		(419,748,382)		1,787,761,968		16.87%							
FAS 109 DIT - Net	(224,174,912)		(202,558,088)		19,714,900				(182,843,188)		-1.73%							
Total	\$12,623,048,338		\$11,426,433,755		(\$1,112,130,367)		\$281,045,217		\$10,595,348,605		100.00%			6.28%		6.73%		7.17%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

	System Per		Retail Per		Pro Rate		Specific		Adjusted		Cap		Low-Point		Mid-Point		High-Point		
	Books	Books	Books	Books	Adjustments	Adjustments	Adjustments	Adjustments	Retail	Retail	Ratio	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	\$5,145,020,353	\$4,597,973,923			(\$392,893,896)	\$656,608,424	\$4,861,688,450	43.98%	9.50%	4.18%	10.50%	4.62%	11.50%	5.06%					
Long Term Debt	5,583,575,864	4,989,899,836			(426,383,712)		4,563,516,124	41.28%	4.67%	1.93%	4.67%	1.93%	4.67%	1.93%					
Short Term Debt	(229,687,018)	(205,265,450)			17,539,800	(19,998,190)	(207,723,840)	(1.88%)	0.61%	(0.01%)	0.61%	(0.01%)	0.61%	(0.01%)					
Customer Deposits																			
Active	205,664,673	205,664,673			(17,573,913)		188,090,760	1.70%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%					
Inactive	1,406,871	1,406,871			(120,216)		1,286,655	0.01%											
Investment Tax Credits	2,543,288	2,272,872			(194,215)		2,078,656	0.02%											
Deferred Income Taxes	2,896,345,526	2,588,390,382			(221,176,283)	(528,063,957)	1,839,150,142	16.64%											
FAS 109 DIT - Net	(235,904,236)	(210,821,620)			18,014,571		(192,807,049)	-1.74%											
Total	\$13,368,965,321	\$11,969,521,487			(\$1,022,787,866)	\$108,546,277	\$11,055,279,898	100.00%						6.13%				6.57%	7.01%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 759,027,288
AFUDC - DEBT	\$ 20,887,823
INCOME TAXES	\$ 275,264,747
TOTAL	\$ 1,055,179,858
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 266,866,184
TIE WITH AFUDC	<u>3.95</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 759,027,288
AFUDC - EQUITY (38,486,856)	(38,486,856)
INCOME TAXES	275,264,747
TOTAL	\$ 995,805,179
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 266,866,184
TIE WITHOUT AFUDC	<u>3.73</u>

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

AFUDC DEBT	\$ 20,887,823
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 12,830,345
AFUDC -EQUITY	\$ 38,486,856
TOTAL	\$ 51,317,201
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 517,452,742
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>9.92%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 517,467,934
COMMON DIVIDENDS	\$ (125,000,000)
AFUDC (EQUITY)	\$ (38,486,857)
DEPRECIATION & AMORTIZATION	\$ 495,372,869
DEFERRED INCOME TAXES	\$ 297,754,062
INVESTMENT TAX CREDITS	\$ (130,396)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 40,618,305
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(309,215,415)
TOTAL FUNDS PROVIDED	<u>\$ 878,380,502</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,728,893,791</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS	50.81%
*Updated quarterly as of June 2017	

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

Common Equity	\$ 4,718,940,794
Long Term Debt	\$ 4,048,926,873
Short Term Debt	\$ 27,546,847
TOTAL	<u>\$ 8,795,414,514</u>

% LONG TERM DEBT TO TOTAL	46.03%
% SHORT TERM DEBT TO TOTAL	0.31%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.17%</u>	<u>6.18%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.01%	2.01%
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	<u>2.05%</u>	<u>2.05%</u>
TOTAL	<u>4.12%</u>	<u>4.13%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.54%</u>	<u>44.54%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.28%</u>	<u>9.27%</u>