



September 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 July 31, 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 July 31, 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  
Jul 2017**

**SCHEDULE 1**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. AVERAGE RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 698,790,375 (a)	\$ (49,452,453) (b)	\$ 649,337,922	\$ 5,393,015	\$ 654,730,937
Average Rate Base	\$ 11,514,360,932	\$ (872,826,351)	\$ 10,641,534,581	\$ -	\$ 10,641,534,581
Average Rate of Return	6.07%		6.10%		6.15%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 643,456,789	\$ 5,881,133	\$ 649,337,922		
Average Rate Base	\$ 11,999,639,087	\$ (946,740,938)	\$ 11,052,898,149		
Average Rate of Return	5.36%		5.87%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

<b>III. REQUIRED RATES OF RETURN</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.30%	6.30%
Mid Point	6.75%	6.75%
High Point	7.20%	7.20%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.30%	6.30%
Mid Point	6.75%	6.75%
High Point	7.20%	7.20%

<b>IV. FINANCIAL INTEGRITY INDICATORS</b>		
A. T.I.E. with AFUDC	3.90	(System Per Books Basis)
B. T.I.E without AFUDC	3.67	(System Per Books Basis)
C. AFUDC to Net Income	10.37%	(System Per Books Basis)
D. Internally Generated Funds	50.81%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	46.85%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-0.49%	(FPSC Adjusted Basis)
<b>F. Return on Common Equity</b>		
	9.05%	(FPSC Adjusted Basis)
	9.16%	(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

9/15/17  
\_\_\_\_\_  
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
<b>System Per Books</b>	\$15,235,494,136	\$5,413,781,682	\$9,821,712,454	\$127,965,424	\$1,364,804,350	\$11,314,482,228	\$1,430,902,282	\$12,745,384,510
<b>Regulatory Base - Retail</b>	\$13,843,512,169	\$5,010,492,209	\$8,833,019,960	\$110,928,108	\$1,222,408,343	\$10,166,356,411	\$1,348,004,521	\$11,514,360,932
<b>FPSC Adjustments</b>								
ARO	(20,637,665)	(18,884,172)	(1,753,493)			(1,753,493)	2,375,065	621,572
ECCR	(51,282,656)	(16,453,548)	(34,829,108)			(34,829,108)	(13,694,886)	(48,523,994)
ECRC	(174,354,486)	(16,007,006)	(158,347,480)		(256,974)	(158,604,454)	(8,522,233)	(167,126,687)
FUEL	(26,840,201)	(26,305,404)	(534,797)			(534,797)	(66,499,535)	(67,034,332)
CCR							(152,877,125)	(152,877,125)
NUCLEAR					(632,972)	(632,972)	(232,078,126)	(232,711,098)
CR3 Removal							0	0
Derivatives							(862,030)	(862,030)
Employee Related							268	268
Investments Earning a Return							(182,243,893)	(182,243,893)
Jobbing Accounts							(702,774)	(702,774)
Non-Regulated and Miscellaneous	(47,374,889)	(36,824,589)	(10,550,300)		(495,307)	(11,045,607)	107,798,469	96,752,862
Retention Accounts							1,426,908	1,426,908
CWIP - AFUDC					(842,588,690)	(842,588,690)	726,303,944	(842,588,690)
Imputed Off Balance Sheet Obligations								
Capital Lease	(135,347,326)		(135,347,326)			(135,347,326)	132,086,044	(3,261,282)
<b>Total FPSC Adjustments</b>	<b>(455,837,223)</b>	<b>(114,474,719)</b>	<b>(341,362,504)</b>		<b>(843,973,943)</b>	<b>(1,185,336,447)</b>	<b>312,510,096</b>	<b>(872,826,351)</b>
<b>FPSC Adjusted</b>	<b>\$13,387,674,946</b>	<b>\$4,896,017,490</b>	<b>\$8,491,657,456</b>	<b>\$110,928,108</b>	<b>\$378,434,400</b>	<b>\$8,981,019,964</b>	<b>\$1,660,514,617</b>	<b>\$10,641,534,581</b>

DUKE ENERGY FLORIDA  
Average Rate of Return - Income Statement  
Jul 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
<b>System Per Books</b>	\$4,428,104,268	\$1,792,557,613	\$817,591,936	\$500,875,230	\$338,700,070	\$21,466,610	\$258,794,802	(\$118,229)		\$3,729,870,232	\$698,234,036
<b>Regulatory Base - Retail</b>	\$4,166,519,072	\$1,692,623,421	\$776,643,542	\$466,869,972	\$326,158,882	\$19,981,936	\$240,871,349	(\$106,819)		\$3,523,062,283	\$643,456,789
<b>FPSC Adjustments</b>											
ECCR	(107,597,597)		(96,409,863)	(6,462,018)		(1,822,945)				(104,694,826)	(2,902,771)
ECRC	(62,263,375)		(35,412,030)	(8,779,949)	(1,302,599)	(6,468,563)				(51,963,141)	(10,300,234)
FUEL	(1,314,892,094)	(1,309,227,020)	(921,465)			(1,829,843)				(1,311,978,328)	(2,913,756)
CCR	(397,237,350)	(383,396,401)	(286,011)	(11,097,397)		(947,996)				(395,727,805)	(1,509,545)
NUCLEAR	(53,711,511)		(41,556)	(49,846,194)		(1,475,016)				(51,362,766)	(2,348,745)
Non-Regulated and Miscellaneous			(1,868,071)	(11,723,746)		4,522,435				(7,201,311)	7,201,311
CORPORATE AIRCRAFT ALLOCATION						720,608				(1,147,463)	1,147,463
FRANCHISE FEE & GROSS RECEIPTS	(199,101,984)				(199,123,080)	(76,803,590)				(76,803,590)	(122,298,394)
FRANCHISE FEES & GROSS REC TAX - TOI						76,811,728				(122,311,352)	122,311,352
GAIN/LOSS ON DISPOSITION & OTHER						89,501			(232,019)	(142,518)	142,518
INST./PROMOTIONAL ADVERTISING			(2,891,007)			1,115,206				(1,775,801)	1,775,801
MISCELLANEOUS INTEREST EXPENSE			117,528			(45,336)				72,192	(72,192)
REMOVE ASSOC./ORGANIZATION DUES			(87,208)			33,640				(53,568)	53,568
PARENT DEBT ADJUSTMENT						(15,409,664)				(15,409,664)	15,409,664
DIRECTORS & OFFICERS PREMIUM						465,886				(741,855)	741,855
INTEREST SYNCHRONIZATION - FPSC			(1,207,741)			556,762				556,762	(556,762)
<b>Total FPSC Adjustments</b>	<b>(2,134,803,901)</b>	<b>(1,892,623,421)</b>	<b>(139,007,424)</b>	<b>(87,909,304)</b>	<b>(200,425,679)</b>	<b>(20,487,187)</b>	<b>\$240,871,349</b>	<b>-\$106,819</b>	<b>-(232,019)</b>	<b>(2,140,685,034)</b>	<b>5,881,133</b>
<b>Pro Forma Adjustments</b>	<b>\$2,031,715,171</b>	<b>-</b>	<b>\$637,636,118</b>	<b>\$378,980,668</b>	<b>\$125,733,203</b>	<b>(\$505,251)</b>	<b>\$240,871,349</b>	<b>(\$106,819)</b>	<b>(\$232,019)</b>	<b>\$1,382,377,249</b>	<b>\$649,337,922</b>
<b>Weather Normalization</b>	<b>8,779,837</b>					<b>3,386,822</b>				<b>3,386,822</b>	<b>5,393,015</b>
<b>Total Pro Forma Adjustments</b>	<b>\$2,040,495,008</b>		<b>\$637,636,118</b>	<b>\$378,980,668</b>	<b>\$125,733,203</b>	<b>\$2,881,571</b>	<b>\$240,871,349</b>	<b>(\$106,819)</b>	<b>(\$232,019)</b>	<b>\$1,385,764,071</b>	<b>\$654,730,937</b>
<b>Pro Forma Adjusted</b>											
<b>Current Month</b>											
System Per Books	\$461,124,469	\$184,730,076	\$62,464,600	\$43,573,009	\$33,127,788	44,871,110				\$368,766,583	\$92,357,886
FPSC Adjusted	\$218,573,682	\$46,202,371	\$46,202,371	\$33,025,076	\$11,109,331	3,331,240	40,156,288		(6,401)	\$133,817,905	\$84,755,776

(a) The addition of earnings from AFUDC charges would increase the System NOI by 61,779,290 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 55,333,586 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,572	\$621,572
	ECCR	F	(48,523,994)	(48,523,994)
	ECRC	F	(178,792,469)	(167,126,887)
	FUEL	F	(67,075,297)	(67,034,332)
	CCR	F	(155,669,131)	(152,877,125)
	NUCLEAR	F	(228,346,094)	(232,711,098)
	CR3 Removal	F		
	Derivatives	F	(862,030)	(862,030)
	Employee Related	F	285	268
	Investments Earning a Return	F	(188,007,023)	(182,243,893)
	Jobbing Accounts	F	(748,971)	(702,774)
	Non-Regulated and Miscellaneous	F	96,752,862	96,752,862
	Retention Accounts	F	1,519,047	1,426,908
(1)	CWIP - AFUDC	F	(913,882,293)	(842,588,690)
(3)	Imputed Off Balance Sheet Obligations	F	781,938,896	726,303,944
(2)	Capital Lease - EPIS	F	(145,189,738)	(135,347,326)
(2)	Capital Lease - Working Capital	F	141,691,297	132,086,044
	<b>Total</b>		<b>(\$904,573,081)</b>	<b>(\$872,826,351)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,725,716)	1,822,945	(4,725,716)	1,822,945
	ECRC	F	(14,067,044)	5,426,362	(16,768,797)	6,468,563
	FUEL	F	(5,023,666)	1,937,879	(4,743,599)	1,829,843
	CCR	F	(2,457,541)	947,996	(2,457,541)	947,996
	NUCLEAR	F	(3,823,760)	1,475,015	(3,823,761)	1,475,016
	Non-Regulated and Miscellaneous	F	11,723,746	(4,522,435)	11,723,746	(4,522,435)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,003,916	(773,011)	1,868,071	(720,608)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(199,101,984)	76,803,590	(199,101,984)	76,803,590
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,123,080	(76,811,728)	199,123,080	(76,811,728)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	249,792	(96,357)	232,019	(89,501)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,101,240	(1,196,303)	2,891,007	(1,115,206)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(126,075)	48,633	(117,528)	45,336
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,550	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F		17,001,141		15,409,664
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,295,568	(499,765)	1,207,741	(465,886)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(134,311)		(556,762)
	<b>Total</b>		<b>(\$11,734,894)</b>	<b>\$21,393,565</b>	<b>(\$14,606,054)</b>	<b>\$20,487,187</b>

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

DUKE ENERGY FLORIDA

End of Period Rate of Return - Rate Base

Jul 2017

Schedule 3

Page 1 of 3

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Period End Rate Base
<b>System Per Books</b>	\$15,770,875,371	\$5,546,175,617	\$10,224,699,754	\$130,505,307	\$1,528,385,348	\$11,883,590,409	\$1,430,902,282	\$13,314,492,691
<b>Regulatory Base - Retail</b>	\$14,328,898,545	\$5,154,629,355	\$9,174,269,190	\$113,129,831	\$1,364,235,545	\$10,651,634,566	\$1,348,004,521	\$11,999,639,087
<b>FPSC Adjustments</b>								
ARO	(18,605,135)	(16,543,580)	(2,061,555)			(2,061,555)	2,375,065	313,510
ECCR	(51,105,330)	(19,491,811)	(31,613,519)			(31,613,519)	(13,694,886)	(45,308,405)
ECRC	(172,748,649)	(18,546,756)	(154,201,893)			(154,201,893)	(8,522,233)	(162,724,126)
FUEL	(26,662,769)	(26,170,098)	(492,671)			(492,671)	(66,499,535)	(66,992,206)
CCR							(152,877,125)	(152,877,125)
NUCLEAR					(94,118)	(94,118)	(232,078,126)	(232,172,244)
CR3 Removal							0	0
Derivatives							(862,030)	(862,030)
Employee Related							268	268
Investments Earning a Return							(182,243,893)	(182,243,893)
Jobbing Accounts							(702,774)	(702,774)
Non-Regulated and Miscellaneous	(43,049,017)	(35,959,361)	(7,089,656)		(6,226,661)	(13,316,317)	107,798,469	94,482,152
Retention Accounts							1,426,908	1,426,908
CWIP - AFUDC					(927,914,210)	(927,914,210)	726,303,944	(927,914,210)
Imputed Off Balance Sheet Obligations							132,086,044	726,303,944
Capital Lease	(129,556,751)		(129,556,751)			(129,556,751)		2,529,293
<b>Total FPSC Adjustments</b>	<b>(441,727,651)</b>	<b>(116,711,606)</b>	<b>(325,016,045)</b>		<b>(934,234,989)</b>	<b>(1,259,251,034)</b>	<b>312,510,096</b>	<b>(946,740,936)</b>
<b>FPSC Adjusted</b>	<b>\$13,887,170,894</b>	<b>\$5,037,917,749</b>	<b>\$8,849,253,145</b>	<b>\$113,129,831</b>	<b>\$430,000,556</b>	<b>\$9,392,383,532</b>	<b>\$1,660,514,617</b>	<b>\$11,052,888,149</b>

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books</b>	\$4,428,104,268	\$1,792,557,613	\$817,591,936	\$500,875,230	\$338,700,070	\$21,468,810	\$256,794,802	(\$118,229)		\$3,729,870,232	\$698,234,036
<b>Regulatory Base - Retail</b>	\$4,166,519,072	\$1,692,623,421	\$776,643,542	\$466,889,972	\$326,158,882	\$19,981,936	\$240,871,349	(\$106,819)		\$3,523,082,283	\$643,456,789
<b>FPSC Adjustments</b>											
ECCR	(107,597,597)		(96,409,863)	(6,462,018)		(1,822,945)				(104,694,826)	(2,902,771)
ECRC	(62,263,375)		(35,412,030)	(8,779,949)	(1,302,599)	(6,468,563)				(51,963,141)	(10,300,234)
FUEL	(1,314,892,084)	(1,309,227,020)	(921,465)			(1,829,843)				(1,311,978,328)	(2,913,756)
COR	(397,237,350)	(383,396,401)	(286,011)	(11,097,397)		(947,996)				(395,727,805)	(1,509,545)
NUCLEAR	(53,711,511)		(41,556)	(49,846,194)		(1,475,016)				(51,362,766)	(2,348,745)
Non-Regulated and Miscellaneous						4,522,435				(7,201,311)	7,201,311
CORPORATE AIRCRAFT ALLOCATION			(1,668,071)	720,608						(1,147,463)	1,147,463
FRANCHISE FEE & GROSS RECEIPTS	(199,101,984)			(76,803,590)		(76,803,590)				(76,803,590)	(122,298,394)
FRANCHISE FEES & GROSS REC TAX - TOI				76,811,728	(199,123,080)					(122,311,352)	122,311,352
GAIN/LOSS ON DISPOSITION & OTHER				89,501					(232,019)	(142,518)	142,518
INST./PROMOTIONAL ADVERTISING			(2,891,007)	1,115,206						(1,775,801)	1,775,801
MISCELLANEOUS INTEREST EXPENSE			117,528	(45,336)						72,192	(72,192)
REMOVE ASSOC/ORGANIZATION DUES			(87,208)	33,840						(53,568)	53,568
PARENT DEBT ADJUSTMENT				(15,409,664)						(15,409,664)	15,409,664
DIRECTORS & OFFICERS PREMIUM				465,886						(741,855)	741,855
INTEREST SYNCHRONIZATION - FPSC			(1,207,741)	558,762						556,762	(556,762)
<b>Total FPSC Adjustments</b>	<b>(2,134,803,901)</b>	<b>(1,692,623,421)</b>	<b>(139,007,424)</b>	<b>(87,909,304)</b>	<b>(200,425,679)</b>	<b>(20,487,187)</b>	<b>-</b>	<b>-</b>	<b>(232,019)</b>	<b>(2,140,695,034)</b>	<b>5,981,133</b>
<b>FPSC Adjusted</b>	<b>\$2,031,715,171</b>	<b>\$1,692,623,421</b>	<b>\$637,636,118</b>	<b>\$378,980,668</b>	<b>\$125,733,203</b>	<b>(\$505,251)</b>	<b>\$240,871,349</b>	<b>(\$106,819)</b>	<b>(\$232,019)</b>	<b>\$1,382,377,249</b>	<b>\$649,337,922</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 61,779,290 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 55,333,586 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$313,511	\$313,510
	ECCR	F	(45,308,405)	(45,308,405)
	ECRC	F	(175,540,533)	(162,724,126)
	FUEL	F	(67,029,945)	(66,992,206)
	CCR	F	(155,669,131)	(152,877,125)
	NUCLEAR	F	(227,765,964)	(232,172,244)
	CR3 Removal	F	(862,030)	(862,030)
	Derivatives	F	285	268
	Employee Related	F	(188,007,023)	(182,243,893)
	Investments Earning a Return	F	(748,971)	(702,774)
	Jobbing Accounts	F	94,482,152	94,482,152
	Non-Regulated and Miscellaneous	F	1,519,047	1,426,908
	Retention Accounts	F	(1,004,737,761)	(927,914,210)
(1)	CWIP - AFUDC	F	781,938,896	726,303,944
(3)	Imputed Off Balance Sheet Obligations	F	(138,978,075)	(129,556,751)
(2)	Capital Lease - EPIS	F	141,691,297	132,086,044
(2)	Capital Lease - Working Capital	F		
	<b>Total</b>		<b>(\$984,702,650)</b>	<b>(\$946,740,938)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,725,716)	1,822,945	(4,725,716)	1,822,945
	ECRC	F	(14,067,044)	5,426,362	(16,768,797)	6,468,563
	FUEL	F	(5,023,666)	1,937,879	(4,743,599)	1,829,843
	CCR	F	(2,457,541)	947,996	(2,457,541)	947,996
	NUCLEAR	F	(3,823,760)	1,475,015	(3,823,761)	1,475,016
	Non-Regulated and Miscellaneous	F	11,723,746	(4,522,435)	11,723,746	(4,522,435)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,003,916	(773,011)	1,868,071	(720,608)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(199,101,984)	76,803,590	(199,101,984)	76,803,590
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,123,080	(76,811,728)	199,123,080	(76,811,728)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	249,792	(96,357)	232,019	(89,501)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,101,240	(1,196,303)	2,891,007	(1,115,206)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(126,075)	48,633	(117,528)	45,336
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,550	(36,087)	87,208	(33,640)
(2)	PARENT DEBT ADJUSTMENT	F	1,295,568	17,001,141	1,207,741	15,409,664
(2)	DIRECTORS & OFFICERS PREMIUM	F		(499,765)		(465,886)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(134,311)		(556,762)
	<b>Total</b>		<b>(\$11,734,894)</b>	<b>\$21,393,565</b>	<b>(\$14,606,054)</b>	<b>\$20,487,187</b>

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	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost					
Common Equity	\$4,967,817,707	\$4,479,854,744	\$427,631,336	\$690,929,088	\$4,743,152,495	44.57%	9.50%	4.23%	10.50%	11.50%	5.13%	5.078,551,009	4,579,711,288	(20,022,118)	1,911,242	(25,251,432)	4,142,547,994	38.93%	5.22%	0.66%	2.03%	2.03%
Long Term Debt	(22,203,004)	(20,022,118)	1,911,242	(25,251,432)	(43,362,308)	(0.41%)	0.66%	(0.00%)	0.66%	0.66%	(0.00%)	2.731,781,093	2,463,452,407	(203,646,244)	19,439,361	(184,206,883)	1,788,916,615	16.81%	2.28%	2.28%	0.04%	0.04%
Short Term Debt																						
Customer Deposits																						
Active	211,052,756	211,052,756	(20,146,361)		190,906,395	1.79%	2.28%	0.04%	2.28%	2.28%	0.04%	2.731,781,093	2,463,452,407	(203,646,244)	19,439,361	(184,206,883)	1,788,916,615	16.81%	2.28%	2.28%	0.04%	0.04%
Inactive	1,616,797	1,616,797	(154,334)		1,462,463	0.01%						5,078,551,009	4,579,711,288	(20,022,118)	1,911,242	(25,251,432)	4,142,547,994	38.93%	5.22%	5.22%	2.03%	2.03%
Investment Tax Credits	2,596,326	2,341,302	(223,493)		2,117,810	0.02%						2,731,781,093	2,463,452,407	(203,646,244)	19,439,361	(184,206,883)	1,788,916,615	16.81%	0.66%	0.66%	0.66%	0.66%
Deferred Income Taxes																						
FAS 109 DJT - Net	(225,828,174)	(203,646,244)	19,439,361		(184,206,883)	-1.73%																
<b>Total</b>	<b>\$12,745,384,510</b>	<b>\$11,514,360,932</b>	<b>(\$1,099,120,805)</b>	<b>\$226,294,454</b>	<b>\$10,641,534,581</b>	<b>100.00%</b>	<b>6.30%</b>	<b>6.75%</b>	<b>7.20%</b>													

\* 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	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	
Common Equity	55,220,909,277	\$4,661,051,863	\$4,661,051,863	(\$322,463,816)	\$658,723,071	\$4,997,311,118	45.21%	9.50%	4.30%	10.50%	4.75%	11.50%	5.20%					
Long Term Debt	5,584,169,877	4,985,358,685	4,985,358,685	(344,900,215)		4,640,458,471	41.98%	4.74%	1.99%	4.74%	1.99%	4.74%	1.99%					
Short Term Debt	(258,009,170)	(230,341,892)	(230,341,892)	15,935,657	(247,211,220)	(461,617,455)	(4.18%)	0.66%	(0.03%)	0.66%	(0.03%)	0.66%	(0.03%)					
Customer Deposits																		
Active	204,676,047	204,676,047	204,676,047	(14,160,027)		190,516,020	1.72%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%					
Inactive	1,474,644	1,474,644	1,474,644	(102,020)		1,372,624	0.01%											
Investment Tax Credits	2,543,288	2,270,562	2,270,562	(157,083)		2,113,478	0.02%											
Deferred Income Taxes	2,896,345,526	2,585,759,682	2,585,759,682	(178,889,650)	(528,066,224)	1,878,783,808	17.00%											
FAS 109 D/T - Net	(235,907,766)	(210,610,504)	(210,610,504)	14,570,588		(196,039,916)	-1.77%											
<b>Total</b>	<b>\$13,416,201,723</b>	<b>\$11,999,639,087</b>	<b>\$11,999,639,087</b>	<b>(\$830,166,565)</b>	<b>(\$116,574,373)</b>	<b>\$11,052,898,149</b>	<b>100.00%</b>											

\* 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	\$4,967,817,707		\$4,479,854,744		(\$427,631,336)		\$690,929,088		\$4,743,152,495		44.57%		9.50%	4.23%	10.50%	4.68%	11.50%	5.13%
Long Term Debt	5,078,551,009		4,579,711,288		(437,163,294)				4,142,547,994		38.93%		5.22%	2.03%	5.22%	2.03%	5.22%	2.03%
Short Term Debt	(22,203,004)		(20,022,118)		1,911,242		(25,251,432)		(43,362,308)		(0.41%)		0.66%	(0.00%)	0.66%	(0.00%)	0.66%	(0.00%)
Customer Deposits																		
Active	211,052,756		211,052,756		(20,146,361)				190,906,395		1.79%		2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,616,797		1,616,797		(154,334)				1,462,463		0.01%							
Investment Tax Credits	2,596,326		2,341,302		(223,493)				2,117,810		0.02%							
Deferred Income Taxes	2,731,781,093		2,463,452,407		(235,152,590)		(439,383,202)		1,788,916,615		16.81%							
FAS 109 DIT - Net	(225,828,174)		(203,646,244)		19,439,361				(184,206,883)		-1.73%							
<b>Total</b>	<b>\$12,745,384,510</b>		<b>\$11,514,360,932</b>		<b>(\$1,099,120,805)</b>		<b>\$226,294,454</b>		<b>\$10,641,534,581</b>		<b>100.00%</b>			<b>6.30%</b>		<b>6.75%</b>		<b>7.20%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
FPSC Adjusted Basis  
Jul 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	Retail	Ratio	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,220,909,277	\$4,661,051,863			(\$322,463,816)	\$658,723,071		\$4,997,311,118	45.21%	9.50%	4.30%	10.50%	4.75%	11.50%	5.20%			
Long Term Debt	5,584,169,877	4,985,358,685			(344,900,215)		4,640,458,471	41.98%	4.74%	1.99%	4.74%	4.74%	1.99%	4.74%	1.99%			
Short Term Debt	(258,009,170)	(230,341,892)			15,935,657	(247,211,220)	(461,617,455)	(4.18%)	0.66%	(0.03%)	0.66%	0.66%	(0.03%)	0.66%	(0.03%)			
Customer Deposits																		
Active	204,676,047	204,676,047			(14,160,027)		190,516,020	1.72%	2.35%	0.04%	2.35%	0.04%	0.04%	2.35%	0.04%			
Inactive	1,474,644	1,474,644			(102,020)		1,372,624	0.01%										
Investment Tax Credits	2,543,288	2,270,562			(157,083)		2,113,478	0.02%										
Deferred Income Taxes	2,896,345,526	2,585,759,682			(178,889,650)	(528,086,224)	1,878,783,808	17.00%										
FAS 109 DIT - Net	(235,907,766)	(210,610,504)			14,570,588		(196,039,916)	-1.77%										
<b>Total</b>	<b>\$13,416,201,723</b>	<b>\$11,999,639,087</b>			<b>(\$830,166,565)</b>	<b>(\$116,574,373)</b>	<b>\$11,052,898,149</b>	<b>100.00%</b>			<b>6.30%</b>		<b>6.75%</b>		<b>7.20%</b>			

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

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 715,184,824
AFUDC - DEBT	\$ 21,734,280
INCOME TAXES	\$ 318,329,134
TOTAL	\$ 1,055,248,237
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 270,923,194
TIE WITH AFUDC	<u>3.90</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 715,184,824
AFUDC - EQUITY	(40,045,010)
INCOME TAXES	318,329,134
TOTAL	\$ 993,468,948
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 270,923,194
TIE WITHOUT AFUDC	<u>3.67</u>

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

AFUDC DEBT	\$ 21,734,280
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 13,350,281
AFUDC -EQUITY	\$ 40,045,010
TOTAL	\$ 53,395,291
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 514,822,801
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>10.37%</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	\$ 878,380,502

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 1,728,893,791
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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  
PERCENT OF TOTAL INVESTOR CAPITAL**

Common Equity	\$ 4,743,152,495
Long Term Debt	\$ 4,142,547,994
Short Term Debt	\$ (43,362,308)
TOTAL	\$ 8,842,338,180

% LONG TERM DEBT TO TOTAL	46.85%
% SHORT TERM DEBT TO TOTAL	-0.49%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.15%	6.10%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.03%	2.03%
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	2.07%	2.07%
TOTAL	4.08%	4.03%
DIVIDED BY COMMON EQUITY RATIO	44.57%	44.57%
JURISDICTIONAL RETURN ON COMMON EQUITY	9.16%	9.05%