



October 12, 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 August 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 August 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  
Aug 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	\$ 714,319,343 (a)	\$ (50,769,218) (b)	\$ 663,550,125	\$ 2,521,058	\$ 666,071,182
Average Rate Base	\$ 11,614,694,989	\$ (927,763,269)	\$ 10,686,931,720	\$ -	\$ 10,686,931,720
Average Rate of Return	6.15%		6.21%		6.23%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 657,461,909	\$ 6,088,216	\$ 663,550,125		
Average Rate Base	\$ 12,036,764,493	\$ (960,195,408)	\$ 11,076,569,085		
Average Rate of Return	5.46%		5.99%		

(a) INCLUDES AFUDC EARNINGS

(b) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.35%	6.35%
Mid Point	6.79%	6.80%
High Point	7.24%	7.26%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.35%	6.36%
Mid Point	6.79%	6.81%
High Point	7.24%	7.26%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.41	(System Per Books Basis)
B. T.I.E. without AFUDC	3.18	(System Per Books Basis)
C. AFUDC to Net Income	12.67%	(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	47.75%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	-1.41%	(FPSC Adjusted Basis)
F. Return on Common Equity	9.20%	(FPSC Adjusted Basis)
	9.25%	(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
<b>System Per Books</b>	\$15,318,180,939	\$5,432,355,276	\$9,885,825,663	\$128,542,317	\$1,395,918,803	\$11,410,286,783	\$1,437,370,527	\$12,847,657,310
<b>Regulatory Base - Retail</b>	\$13,919,660,123	\$5,033,844,433	\$8,885,815,690	\$112,816,733	\$1,248,775,719	\$10,247,408,142	\$1,367,286,847	\$11,614,694,989
<b>FPSC Adjustments</b>								
ARO	(19,820,610)	(17,770,927)	(2,049,683)			(2,049,683)	2,671,254	621,571
ECCR	(51,253,699)	(16,962,063)	(34,291,636)			(34,291,636)	(15,040,014)	(49,331,650)
ECRC	(174,106,459)	(16,438,117)	(157,668,342)		(226,304)	(157,894,646)	(10,589,251)	(168,483,897)
FUEL	(26,662,769)	(26,150,804)	(511,965)			(511,965)	(2,797,523)	(3,309,488)
CCR							(150,954,172)	(150,954,172)
NUCLEAR							(222,452,398)	(223,031,485)
Net Clause Under Recovery					(579,087)	(579,087)	(101,498,145)	(101,498,145)
Derivatives							(769,076)	(769,076)
Employee Related							312	312
Investments Earning a Return							(182,758,023)	(182,758,023)
Jobbing Accounts							(702,164)	(702,164)
Non-Regulated and Miscellaneous	(47,026,123)	(36,640,861)	(10,385,262)		(489,327)	(10,874,589)	108,816,054	97,941,465
CWIP - AFUDC					(863,570,507)	(863,570,507)		(863,570,507)
Imputed Off Balance Sheet Obligations							721,428,621	721,428,621
Capital Lease	(134,307,412)		(134,307,412)			(134,307,412)	130,960,781	(3,346,631)
<b>Total FPSC Adjustments</b>	<b>(453,177,072)</b>	<b>(113,962,772)</b>	<b>(339,214,300)</b>		<b>(864,865,225)</b>	<b>(1,204,079,525)</b>	<b>276,316,256</b>	<b>(927,763,269)</b>
<b>FPSC Adjusted</b>	<b>\$13,466,483,051</b>	<b>\$4,919,881,661</b>	<b>\$8,546,601,390</b>	<b>\$112,816,733</b>	<b>\$383,910,494</b>	<b>\$9,043,328,617</b>	<b>\$1,643,603,103</b>	<b>\$10,686,931,720</b>

DUKE ENERGY FLORIDA  
Average Rate of Return - Income Statement  
Aug 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>	\$4,442,306,002	\$1,789,666,667	\$817,084,264	\$503,122,136	\$339,156,978	(\$24,302,134)	\$305,689,635	(\$125,195)		\$3,730,292,551	\$712,013,451
<b>Regulatory Base - Retail</b>	\$4,182,161,586	\$1,691,197,916	\$775,470,484	\$468,957,097	\$326,608,569	(\$22,677,714)	\$285,256,512	(\$113,187)		\$3,524,699,677	\$657,461,909
<b>FPSC Adjustments</b>											
ECCR	(106,802,888)		(95,689,054)	(6,458,815)		(1,795,674)				(103,943,543)	(2,859,345)
ECCR	(60,481,439)		(35,367,794)	(7,123,113)	(1,274,244)	(6,448,308)				(50,213,459)	(10,267,980)
FUEL	(1,324,633,945)	(1,318,654,953)	(933,941)			(1,868,978)				(1,321,657,872)	(2,976,073)
CCR	(387,711,683)	(372,342,963)	(279,152)	(12,682,740)		(928,434)				(386,233,288)	(1,478,394)
NUCLEAR	(53,315,039)		(41,417)	(49,570,452)		(1,428,498)				(51,040,367)	(2,274,672)
Non-Regulated and Miscellaneous				(11,752,202)		4,533,412				(7,218,790)	7,218,790
Corporate Aircraft Allocation			(1,849,844)			713,577				(1,136,267)	1,136,267
Franchise Fee & Gross Receipts	(199,298,750)				(199,279,128)	(76,879,493)				(76,879,493)	(122,419,257)
Franchise Fees & Gross Rec Tax - TOI						76,871,924				(122,407,204)	122,407,204
Gain/Loss on Disposition & Other						83,720			(217,033)	(133,313)	133,313
Inst./Promotional Advertising			(2,724,308)			1,050,902				(1,673,406)	1,673,406
Miscellaneous Interest Expense			116,704			(45,019)				71,685	(71,685)
Parent Debt Adjustment			(87,209)			33,641				(53,568)	53,568
Remove Assoc/Organization Dues						(15,449,254)				(15,449,254)	15,449,254
Directors & Officers Premium						463,673				(738,330)	738,330
Interest Synchronization - FPSC			(1,202,003)			374,510				374,510	(374,510)
<b>Total FPSC Adjustments</b>	<b>(2,132,243,744)</b>	<b>(1,691,197,916)</b>	<b>(138,058,018)</b>	<b>(87,587,322)</b>	<b>(200,553,372)</b>	<b>(20,718,299)</b>	<b>\$285,256,512</b>	<b>(\$113,187)</b>	<b>(\$217,033)</b>	<b>(2,138,331,960)</b>	<b>6,088,216</b>
<b>Pro Forma Adjustments</b>	<b>\$2,049,917,842</b>	<b>-</b>	<b>\$637,412,466</b>	<b>\$381,369,775</b>	<b>\$126,055,197</b>	<b>(43,396,013)</b>	<b>\$285,256,512</b>	<b>(\$113,187)</b>	<b>(\$217,033)</b>	<b>\$1,386,367,717</b>	<b>\$663,550,125</b>
<b>Weather Normalization</b>	<b>4,104,286</b>					<b>1,583,228</b>				<b>1,583,228</b>	<b>2,521,058</b>
<b>Total Pro Forma Adjustments</b>	<b>4,104,286</b>					<b>1,583,228</b>				<b>1,583,228</b>	<b>2,521,058</b>
<b>Pro Forma Adjusted</b>	<b>\$2,054,022,128</b>		<b>\$637,412,466</b>	<b>\$381,369,775</b>	<b>\$126,055,197</b>	<b>(43,396,013)</b>	<b>\$285,256,512</b>	<b>(\$113,187)</b>	<b>(\$217,033)</b>	<b>\$1,387,950,946</b>	<b>\$666,071,182</b>
<b>Current Month</b>											
System Per Books	\$462,775,850	\$186,419,428	\$67,425,849	\$43,513,654	\$33,119,161	33,591,240	7,868,446	(19,132)		\$371,918,647	\$90,857,202
FPSC Adjusted	\$218,708,738	\$50,321,502	\$50,321,502	\$33,121,048	\$10,996,234	(3,478,002)	43,748,795	(17,297)	(6,105)	\$134,686,176	\$84,022,563

(a) The addition of earnings from AFUDC charges would increase the System NOI by 63,556,938 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 56,857,434 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,571	\$621,571
	ECCR	F	(49,331,650)	(49,331,650)
	ECRC	F	(180,119,907)	(168,483,897)
	FUEL	F	(3,348,705)	(3,309,488)
	CCR	F	(153,808,477)	(150,954,172)
	NUCLEAR	F	(218,903,808)	(223,031,485)
	Net Clause Under Recovery	F	(101,498,145)	(101,498,145)
	Derivatives	F	(769,076)	(769,076)
	Employee Related	F	331	312
	Investments Earning a Return	F	(188,461,962)	(182,758,023)
	Jobbing Accounts	F	(747,453)	(702,164)
	Non-Regulated and Miscellaneous	F	97,941,466	97,941,465
(1)	CWIP - AFUDC	F	(936,663,436)	(863,570,507)
(3)	Imputed Off Balance Sheet Obligations	F	776,690,123	721,428,621
(2)	Capital Lease - EPIS	F	(144,074,202)	(134,307,412)
(2)	Capital Lease - Working Capital	F	140,484,205	130,960,781
	<b>Total</b>		<b>(\$961,989,125)</b>	<b>(\$927,763,269)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,655,020)	1,795,674	(4,655,019)	1,795,674
	ECRC	F	(13,992,922)	5,397,770	(16,716,288)	6,448,308
	FUEL	F	(5,127,152)	1,977,799	(4,845,051)	1,868,978
	CCR	F	(2,406,828)	928,434	(2,406,828)	928,434
	NUCLEAR	F	(3,703,171)	1,428,498	(3,703,170)	1,428,498
	Non-Regulated and Miscellaneous	F	11,752,202	(4,533,412)	11,752,202	(4,533,412)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	1,984,364	(765,468)	1,849,844	(713,577)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(199,298,750)	76,879,493	(199,298,750)	76,879,493
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,279,128	(76,871,924)	199,279,128	(76,871,924)
(1)	GAINLOSS ON DISPOSITION & OTHER	F	233,658	(90,134)	217,033	(83,720)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,922,419	(1,127,323)	2,724,308	(1,050,902)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(125,191)	48,292	(116,704)	45,019
(1)	REMOVE ASSOC./ORGANIZATION DUES	F	93,550	(36,087)	87,209	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F		17,044,819		15,449,254
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,289,412	(497,391)	1,202,003	(463,673)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		100,347		(374,510)
	<b>Total</b>		<b>(\$11,754,301)</b>	<b>\$21,679,388</b>	<b>(\$14,630,083)</b>	<b>\$20,718,299</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  
Aug 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
<b>System Per Books</b>	\$15,849,974,809	\$5,558,109,724	\$10,291,865,085	\$130,505,307	\$1,483,518,776	\$11,905,889,168	\$1,437,370,527	\$13,343,259,695
<b>Regulatory Base - Retail</b>	\$14,401,650,769	\$5,165,020,749	\$9,236,630,020	\$114,492,246	\$1,318,355,380	\$10,669,477,646	\$1,367,286,847	\$12,036,764,493
<b>FPSC Adjustments</b>								
ARO	(18,605,135)	(16,555,043)	(2,050,092)			(2,050,092)	2,671,254	621,162
ECCR	(51,105,330)	(20,028,942)	(31,076,388)			(31,076,388)	(15,040,014)	(46,116,402)
ECRC	(171,867,449)	(18,920,848)	(152,946,601)			(152,946,601)	(10,589,251)	(163,535,852)
FUEL	(26,662,769)	(26,093,821)	(568,948)			(568,948)	(2,797,523)	(3,366,471)
CCR							(150,954,172)	(150,954,172)
NUCLEAR					(94,118)	(94,118)	(222,452,398)	(222,546,516)
Net Clause Under Recovery							(101,498,145)	(101,498,145)
Derivatives							(769,076)	(769,076)
Employee Related							312	312
Investments Earning a Return							(182,758,023)	(182,758,023)
Jobbing Accounts							(702,164)	(702,164)
Non-Regulated and Miscellaneous	(43,789,813)	(34,689,906)	(9,099,907)		(912,109,133)	(9,099,907)	108,816,054	99,716,147
CWIP - AFUDC								
Imputed Off Balance Sheet Obligations							721,428,621	(912,109,133)
Capital Lease	(128,566,477)		(128,566,477)			(128,566,477)	130,960,781	721,428,621
<b>Total FPSC Adjustments</b>	<b>(440,596,973)</b>	<b>(116,288,560)</b>	<b>(324,308,413)</b>		<b>(912,203,251)</b>	<b>(1,236,511,664)</b>	<b>276,316,256</b>	<b>(960,195,408)</b>
<b>FPSC Adjusted</b>	<b>\$13,961,053,796</b>	<b>\$5,048,732,189</b>	<b>\$8,912,321,607</b>	<b>\$114,492,246</b>	<b>\$406,152,129</b>	<b>\$9,432,965,982</b>	<b>\$1,643,603,103</b>	<b>\$11,076,569,085</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>	\$4,442,306,002	\$1,789,666,867	\$917,084,264	\$503,122,136	\$339,756,978	(\$24,302,134)	\$305,689,635	(\$125,195)		\$3,730,292,551	\$712,013,451
<b>Regulatory Base - Retail</b>	\$4,182,161,586	\$1,691,197,916	\$775,470,484	\$468,957,097	\$326,608,569	(\$22,677,714)	\$285,256,512	(\$113,187)		\$3,524,699,677	\$657,461,909
<b>FPSC Adjustments</b>											
ECRC	(106,802,888)		(95,689,054)	(6,458,815)		(1,795,674)				(103,943,543)	(2,859,345)
ECRC	(60,481,439)		(35,367,794)	(7,123,113)	(1,274,244)	(6,448,308)				(50,213,459)	(10,267,960)
FUEL	(1,324,633,945)	(1,318,854,953)	(933,941)			(1,868,978)				(1,321,657,872)	(2,976,073)
CCR	(387,711,683)	(372,342,963)	(279,152)	(12,682,740)		(928,434)				(386,233,289)	(1,478,394)
NUCLEAR	(53,315,039)		(41,417)	(49,570,452)		(1,428,498)				(51,040,367)	(2,274,672)
Non-Regulated and Miscellaneous				(11,752,202)		4,533,412				(7,218,790)	7,218,790
Corporate Aircraft Allocation			(1,849,844)			713,577				(1,136,267)	1,136,267
Franchise Fee & Gross Receipts					(199,279,128)	(76,879,493)				(76,879,493)	(122,419,257)
Gain/Loss on Disposition & Other						76,871,924			(217,033)	(122,407,204)	122,407,204
Inst./Promotional Advertising			(2,724,308)			83,720				(133,313)	133,313
Miscellaneous Interest Expense			116,704			(45,019)				(1,673,406)	1,673,406
Remove Assoc/Organization Dues			(87,209)			33,641				71,685	(71,685)
Parent Debt Adjustment						(15,449,254)				(63,568)	53,568
Directors & Officers Premium						463,673				(738,330)	738,330
Interest Synchronization - FPSC			(1,202,003)			374,510				374,510	(374,510)
<b>Total FPSC Adjustments</b>	<b>(2,132,243,744)</b>	<b>(1,691,197,916)</b>	<b>(136,056,018)</b>	<b>(87,567,322)</b>	<b>(200,553,372)</b>	<b>(20,718,299)</b>	<b>-</b>	<b>-</b>	<b>(217,033)</b>	<b>(2,136,331,960)</b>	<b>6,089,216</b>
<b>FPSC Adjusted</b>	<b>\$2,049,917,842</b>	<b>\$1,691,197,916</b>	<b>\$637,412,466</b>	<b>\$381,389,775</b>	<b>\$126,055,197</b>	<b>(\$43,396,013)</b>	<b>\$285,256,512</b>	<b>(\$113,187)</b>	<b>(\$217,033)</b>	<b>\$1,386,367,717</b>	<b>\$663,550,125</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 63,556,938 pretax  
 (b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 56,857,434 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,162	\$621,162
	ECCR	F	(46,116,402)	(46,116,402)
	ECRC	F	(177,091,664)	(163,535,852)
	FUEL	F	(3,410,053)	(3,366,471)
	CCR	F	(153,808,477)	(150,954,172)
	NUCLEAR	F	(218,381,690)	(222,546,516)
	Net Clause Under Recovery	F	(101,498,145)	(101,498,145)
	Derivatives	F	(769,076)	(769,076)
	Employee Related	F	331	312
	Investments Earning a Return	F	(188,461,962)	(182,758,023)
	Jobbing Accounts	F	(747,453)	(702,164)
	Non-Regulated and Miscellaneous	F	99,716,147	99,716,147
(1)	CWIP - AFUDC	F	(988,157,802)	(912,109,133)
(3)	Imputed Off Balance Sheet Obligations	F	776,690,123	721,428,621
(2)	Capital Lease - EPIS	F	(137,915,788)	(128,566,477)
(2)	Capital Lease - Working Capital	F	140,484,205	130,960,781
	<b>Total</b>		<b>(\$998,846,544)</b>	<b>(\$960,195,408)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,655,020)	1,795,674	(4,655,019)	1,795,674
	ECRC	F	(13,992,922)	5,397,770	(16,716,288)	6,448,308
	FUEL	F	(5,127,152)	1,977,799	(4,845,051)	1,868,978
	CCR	F	(2,406,828)	928,434	(2,406,828)	928,434
	NUCLEAR	F	(3,703,171)	1,428,498	(3,703,170)	1,428,498
	Non-Regulated and Miscellaneous	F	11,752,202	(4,533,412)	11,752,202	(4,533,412)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	1,984,364	(765,468)	1,849,844	(713,577)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(199,298,750)	76,879,493	(199,298,750)	76,879,493
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	199,279,128	(76,871,924)	199,279,128	(76,871,924)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	233,658	(90,134)	217,033	(83,720)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,922,419	(1,127,323)	2,724,308	(1,050,902)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(125,191)	48,292	(116,704)	45,019
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,550	(36,087)	87,209	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F	17,044,819	(497,391)	15,449,254	(463,673)
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,289,412	100,347	1,202,003	(374,510)
(1)	INTEREST SYNCHRONIZATION - FPSC	F				
	<b>Total</b>		<b>(\$11,754,301)</b>	<b>\$21,679,388</b>	<b>(\$14,630,083)</b>	<b>\$20,718,299</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	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,997,585,674	\$4,509,944,258			(\$419,388,610)	\$686,805,287	\$4,777,360,935				44.70%	9.50%	4.25%	10.50%	11.50%	5.14%		
Long Term Debt	5,192,930,182	4,686,227,948			(435,781,578)		4,250,446,370				39.77%	5.18%	2.06%	5.18%	5.18%	2.06%		
Short Term Debt *	(84,507,412)	(76,261,568)			7,091,714	(56,661,314)	(125,831,168)			(1.18%)	0.20%	(0.00%)	0.20%	0.20%	(0.00%)	(0.00%)		
Customer Deposits																		
Active	210,020,821	210,020,821			(19,530,250)		190,490,571			1.78%	2.28%	0.04%	2.28%	2.28%	0.04%	0.04%		
Inactive	1,640,810	1,640,810			(152,582)		1,488,228			0.01%								
Investment Tax Credits **	2,794,816	2,522,111			(234,536)		2,287,575			0.02%	8.00%	0.00%	8.00%	8.00%	0.00%	0.00%		
Deferred Income Taxes	2,754,788,680	2,485,988,075			(231,177,026)	(477,833,851)	1,776,978,198			16.63%								
FAS 109 DIT - Net	(227,596,262)	(205,388,466)			19,099,478		(186,288,987)			-1.74%								
<b>Total</b>	<b>\$12,847,657,309</b>	<b>\$11,614,694,989</b>			<b>(\$1,080,073,391)</b>	<b>\$152,310,122</b>	<b>\$10,686,931,720</b>			<b>100.00%</b>		<b>6.35%</b>				<b>6.79%</b>		<b>7.24%</b>

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

DUKE ENERGY FLORIDA

End of Period - Capital Structure

Pro Forma Adjusted Basis

Aug 2017

	System Per		Retail Per		Pro Rate		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	\$5,212,546,538	\$4,698,724,395	\$4,698,724,395	\$4,698,724,395	(\$352,869,372)	\$663,234,281	\$5,009,089,304	\$5,009,089,304	45.22%	45.22%	9.50%	4.30%	10.50%	4.75%	11.50%	5.20%	11.50%	5.20%
Long Term Debt	5,584,763,913	5,034,250,774	5,034,250,774	5,034,250,774	(378,067,058)		4,656,183,715	4,656,183,715	42.04%	42.04%	4.82%	2.03%	4.82%	2.03%	4.82%	2.03%	4.82%	2.03%
Short Term Debt *	(345,036,309)	(311,024,661)	(311,024,661)	(311,024,661)	23,357,632	(254,096,100)	(541,763,129)	(541,763,129)	(4.89%)	(4.89%)	0.20%	(0.01%)	0.20%	(0.01%)	0.20%	(0.01%)	0.20%	(0.01%)
Customer Deposits																		
Active	204,117,629	204,117,629	204,117,629	204,117,629	(15,329,024)		188,788,605	188,788,605	1.70%	1.70%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
Inactive	1,531,190	1,531,190	1,531,190	1,531,190	(114,991)		1,416,199	1,416,199	0.01%	0.01%								
Investment Tax Credits **	5,241,892	4,725,177	4,725,177	4,725,177	(354,856)		4,370,321	4,370,321	0.04%	0.04%	7.76%	0.00%	7.76%	0.00%	7.76%	0.00%	7.76%	0.00%
Deferred Income Taxes	2,905,723,796	2,619,294,655	2,619,294,655	2,619,294,655	(196,706,336)	(465,384,948)	1,957,203,371	1,957,203,371	17.67%	17.67%								
FAS 109 DIT - Net	(238,349,784)	(214,854,666)	(214,854,666)	(214,854,666)	16,135,365		(198,719,301)	(198,719,301)	-1.79%	-1.79%								
<b>Total</b>	<b>\$13,330,538,865</b>	<b>\$12,036,764,493</b>	<b>\$12,036,764,493</b>	<b>\$12,036,764,493</b>	<b>(\$903,948,641)</b>	<b>(\$56,246,767)</b>	<b>\$11,076,569,085</b>	<b>\$11,076,569,085</b>	<b>100.00%</b>	<b>100.00%</b>		<b>6.36%</b>		<b>6.81%</b>		<b>6.81%</b>		<b>7.26%</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	\$4,997,585,674		\$4,509,944,258		(\$419,388,610)		\$686,805,287		\$4,777,360,935		44.70%		9.50%	4.25%	10.50%	4.69%	11.50%	5.14%
Long Term Debt	5,192,930,182		4,686,227,948		(435,781,578)				4,250,446,370		39.77%		5.18%	2.06%	5.18%	2.06%	5.18%	2.06%
Short Term Debt *	(84,507,412)		(76,261,568)		7,091,714		(56,661,314)		(125,831,168)		(1.18%)		0.20%	(0.00%)	0.20%	(0.00%)	0.20%	(0.00%)
Customer Deposits																		
Active	210,020,821		210,020,821		(19,530,250)				190,490,571		1.78%		2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,640,810		1,640,910		(152,582)				1,488,228		0.01%							
Investment Tax Credits **	2,794,816		2,522,111		(234,536)				2,287,575		0.02%							
Deferred Income Taxes	2,754,788,680		2,485,989,075		(231,177,026)		(477,833,851)		1,776,978,198		16.63%							
FAS 109 DIT - Net	(227,596,262)		(205,388,466)		19,099,478				(186,288,987)		-1.74%							
<b>Total</b>	<b>\$12,847,657,309</b>		<b>\$11,614,694,989</b>		<b>(\$1,080,073,391)</b>		<b>\$152,310,122</b>		<b>\$10,686,931,720</b>		<b>100.00%</b>			<b>6.35%</b>		<b>6.79%</b>		<b>7.24%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
FPSC Adjusted Basis  
Aug 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	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,212,546,538	\$4,698,724,395			(\$352,869,372)	\$663,234,281	\$5,009,089,304	45.22%	9.50%	4.30%	10.50%	4.75%	11.50%	5.20%				
Long Term Debt	5,584,763,913	5,034,250,774			(378,067,058)		4,656,183,715	42.04%	4.82%	2.03%	4.82%	2.03%	4.82%	2.03%				
Short Term Debt *	(345,036,309)	(311,024,661)			23,357,632	(254,096,100)	(541,763,129)	(4.89%)	0.20%	(0.01%)	0.20%	(0.01%)	0.20%	(0.01%)				
Customer Deposits																		
Active	204,117,629	204,117,629			(15,329,024)		188,788,605	1.70%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%				
Inactive	1,531,190	1,531,190			(114,991)		1,416,199	0.01%										
Investment Tax Credits **	5,241,892	4,725,177			(354,856)		4,370,321	0.04%										
Deferred Income Taxes	2,905,723,796	2,619,294,655			(196,706,336)	(465,384,948)	1,957,203,371	17.67%										
FAS 109 DIT - Net	(238,349,784)	(214,854,666)			16,135,365		(198,719,301)	-1.79%										
<b>Total</b>	<b>\$13,330,538,865</b>	<b>\$12,036,764,493</b>			<b>(\$903,948,641)</b>	<b>(\$56,246,767)</b>	<b>\$11,076,569,085</b>	<b>100.00%</b>				<b>6.35%</b>				<b>6.80%</b>		<b>7.26%</b>

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

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 682,868,536
AFUDC - DEBT	\$ 22,359,644
INCOME TAXES	\$ 233,139,540
TOTAL	\$ 938,367,720
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 274,990,378
TIE WITH AFUDC	<u>3.41</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 682,868,536
AFUDC - EQUITY	(41,197,294)
INCOME TAXES	233,139,540
TOTAL	\$ 874,810,782
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 274,990,378
TIE WITHOUT AFUDC	<u>3.18</u>

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

AFUDC DEBT	\$ 22,359,644
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 13,734,411
AFUDC - EQUITY	\$ 41,197,294
TOTAL	\$ 54,931,705
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 433,518,180
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>12.67%</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
PERCENTAGE INTERNALLY GENERATED FUNDS	50.81%
*Updated quarterly as of June 2017	

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

Common Equity	\$ 4,777,360,935
Long Term Debt	\$ 4,250,446,370
Short Term Debt	\$ (125,831,168)
TOTAL	\$ 8,901,976,136
% LONG TERM DEBT TO TOTAL	47.75%
% SHORT TERM DEBT TO TOTAL	-1.41%

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.23%	6.21%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.06%	2.06%
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	2.10%	2.10%
TOTAL	4.13%	4.11%
DIVIDED BY COMMON EQUITY RATIO	44.70%	44.70%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.25%</u>	<u>9.20%</u>