



January 12, 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 November 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 November 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 cursive script 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
 Nov 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	\$ 746,222,243 (a)	\$ (65,523,119) (b)	\$ 680,699,124	\$ 10,583,387	\$ 691,282,510
Average Rate Base	\$ 11,955,840,970	\$ (988,267,599)	\$ 10,967,573,371	\$ -	\$ 10,967,573,371
Average Rate of Return	6.24%		6.21%		6.30%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$ 685,416,106	\$ (4,716,983)	\$ 680,699,124		
Average Rate Base	\$ 12,337,594,477	\$ (1,001,675,261)	\$ 11,335,919,216		
Average Rate of Return	5.56%		6.00%		

(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	6.26%	6.19%
Mid Point	6.70%	6.63%
High Point	7.14%	7.07%
Pro Forma Adjusted Basis		
Low Point	6.26%	6.19%
Mid Point	6.71%	6.64%
High Point	7.15%	7.08%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.44	(System Per Books Basis)
B. T.I.E. without AFUDC	3.19	(System Per Books Basis)
C. AFUDC to Net Income	13.06%	(System Per Books Basis)
D. Internally Generated Funds	70.20%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.43%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(1.69%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.37%	(FPSC Adjusted Basis)
	9.59%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

I am aware that Section 837-06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775-084


 Marcia Olivier, Director Rates & Regulatory Planning


 Date

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$15,569,615,123	\$5,500,993,831	\$10,068,621,292	\$130,272,993	\$1,481,786,359	\$11,680,680,644	\$1,525,868,310	\$13,206,548,954
Regulatory Base - Retail	\$14,151,998,452	\$5,109,889,719	\$9,042,108,733	\$114,390,754	\$1,321,081,868	\$10,477,581,355	\$1,478,259,615	\$11,955,840,970
FPSC Adjustments								
ARO	(18,856,876)	(16,513,979)	(2,342,897)			(2,342,897)	2,964,469	621,571
ECCR	(51,133,898)	(18,452,816)	(32,681,082)			(32,681,082)	(15,673,440)	(48,354,523)
ECRC	(174,238,500)	(17,740,450)	(156,498,051)		(133,948)	(156,631,999)	(9,514,309)	(166,146,308)
FUEL	(26,662,769)	(26,149,286)	(513,483)			(513,483)	(3,505,326)	(4,018,809)
CCR							(146,960,449)	(146,960,449)
NUCLEAR					(417,429)	(417,429)	(184,136,787)	(184,554,216)
Net Clause Under Recovery							(143,227,482)	(143,227,482)
Derivatives							(568,076)	(568,076)
Employee Related							363	363
Investments Earning a Return							(184,496,265)	(184,496,265)
Jobbing Accounts							(626,522)	(626,522)
Non-Regulated and Miscellaneous	(46,018,203)	(36,104,200)	(9,914,003)		(483,346)	(10,397,349)	101,913,130	91,515,781
CWIP - AFUDC					(904,647,616)	(904,647,616)		(904,647,616)
Imputed Off Balance Sheet Obligations							706,802,653	706,802,653
Capital Lease	(131,442,369)		(131,442,369)			(131,442,369)	127,834,669	(3,607,700)
Total FPSC Adjustments	(448,352,616)	(114,960,730)	(333,391,886)		(905,682,340)	(1,239,074,226)	250,806,626	(988,267,599)
FPSC Adjusted	\$13,703,645,836	\$4,994,928,989	\$8,708,716,847	\$114,390,754	\$415,399,529	\$9,238,507,129	\$1,729,066,241	\$10,967,573,371

	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	\$4,483,043,573	\$1,810,108,352	\$799,490,822	\$504,220,712	\$346,306,337	(\$132,176,370)	\$418,274,208	(\$117,393)	\$ -	\$3,746,106,668	\$736,936,905
Regulatory Base - Retail	\$4,224,750,102	\$1,710,211,391	\$756,660,946	\$469,538,464	\$333,380,861	(\$124,576,874)	\$394,225,485	(\$106,276)	\$ -	\$3,539,333,996	\$685,416,106
FPSC Adjustments											
ECCR	(106,236,807)		(95,128,760)	(6,447,253)		(1,797,901)				(103,373,914)	(2,862,893)
ECRC	(56,746,612)		(32,534,036)	(6,112,159)	(1,300,473)	(6,480,579)				(46,427,246)	(10,319,366)
FUEL	(1,370,470,112)	(1,364,383,051)	(981,499)			(1,969,470)				(1,367,334,021)	(3,136,091)
CCR	(369,312,471)	(345,828,339)	(265,905)	(17,438,767)		(2,229,426)				(365,762,438)	(3,550,033)
NUCLEAR	(52,130,683)		(51,954)	(48,748,307)		(1,284,710)				(50,084,971)	(2,045,712)
Non-Regulated and Miscellaneous				(63,190)		24,375				(38,814)	38,814
Corporate Aircraft Allocation			(1,995,813)			769,885				(1,225,928)	1,225,928
Franchise Fee & Gross Receipts	(202,307,552)					(78,040,138)				(78,040,138)	(124,267,414)
Franchise Fees & Gross Rec Tax - TOI					(202,036,607)	77,935,621				(124,100,986)	124,100,986
Gain/Loss on Disposition & Other						33,276		(86,264)		(52,988)	52,988
Inst./Promotional Advertising			(1,836,469)			708,418				(1,128,051)	1,128,051
Miscellaneous Interest Expense			113,994			(43,973)				70,021	(70,021)
Remove Assoc/Organization Dues			(87,210)			33,641				(53,569)	53,569
Parent Debt Adjustment						(15,253,752)				(15,253,752)	15,253,752
Directors & Officers Premium			(1,184,787)			457,031				(727,755)	727,755
Interest Synchronization - FPSC						1,047,296				1,047,296	(1,047,296)
Total FPSC Adjustments	(2,157,204,237)	(1,710,211,391)	(133,952,438)	(78,809,676)	(203,337,080)	(26,090,406)	-	-	(86,264)	(2,152,487,254)	(4,716,983)
FPSC Adjusted	\$2,067,545,866	\$ -	\$622,708,508	\$390,728,788	\$130,043,781	(\$150,667,281)	\$394,225,485	(\$106,276)	(\$86,264)	\$1,386,846,742	\$680,699,124
Pro Forma Adjustments											
Weather Normalization	17,229,771					6,646,384				6,646,384	10,583,387
Total Pro Forma Adjustments	17,229,771					6,646,384				6,646,384	10,583,387
Pro Forma Adjusted	\$2,084,775,637	\$ -	\$622,708,508	\$390,728,788	\$130,043,781	(\$144,020,897)	\$394,225,485	(\$106,276)	(\$86,264)	\$1,393,493,126	\$691,282,510
Current Month											
System Per Books	\$334,970,887	\$145,563,113	\$50,307,866	\$43,588,169	\$26,095,230	(\$6,549,707)	\$22,619,692	(\$9,566)		\$281,614,796	\$53,356,090
FPSC Adjusted	\$141,640,167	\$ -	\$37,583,967	\$33,111,583	\$8,742,205	(\$6,877,992)	\$21,765,516	(\$8,660)	(\$6,106)	\$94,310,512	\$47,329,654

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

68,202,968 pretax
60,806,137 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,571	\$621,571
	ECCR	F	(48,354,523)	(48,354,523)
	ECRC	F	(177,462,610)	(166,146,308)
	FUEL	F	(4,058,142)	(4,018,809)
	CCR	F	(149,057,638)	(146,960,449)
	NUCLEAR	F	(181,228,382)	(184,554,216)
	Net Clause Under Recovery	F	(143,227,482)	(143,227,482)
	Derivatives	F	(568,076)	(568,076)
	Employee Related	F	385	363
	Investments Earning a Return	F	(190,156,180)	(184,496,265)
	Jobbing Accounts	F	(665,412)	(626,522)
	Non-Regulated and Miscellaneous	F	91,515,781	91,515,781
(1)	CWIP - AFUDC	F	(980,925,312)	(904,647,616)
(3)	Imputed Off Balance Sheet Obligations	F	760,943,805	706,802,653
(2)	Capital Lease - EPIS	F	(141,000,814)	(131,442,369)
(2)	Capital Lease - Working Capital	F	137,130,763	127,834,669
	Total		(\$1,026,492,266)	(\$988,267,599)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,660,794)	1,797,901	(4,660,794)	1,797,901
	ECRC	F	(14,210,551)	5,481,720	(16,799,945)	6,480,579
	FUEL	F	(5,403,788)	2,084,511	(5,105,561)	1,969,470
	CCR	F	(5,779,459)	2,229,426	(5,779,459)	2,229,426
	NUCLEAR	F	(3,330,422)	1,284,710	(3,330,422)	1,284,710
	Non-Regulated and Miscellaneous	F	63,190	(24,375)	63,190	(24,375)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,140,948	(825,871)	1,995,813	(769,885)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(202,307,552)	78,040,138	(202,307,552)	78,040,138
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,036,607	(77,935,621)	202,036,607	(77,935,621)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	92,872	(35,825)	86,264	(33,276)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,970,016	(759,934)	1,836,469	(708,418)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(122,284)	47,171	(113,994)	43,973
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,552	(36,088)	87,210	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F		16,829,127		15,253,752
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,270,944	(490,267)	1,184,787	(457,031)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(636,463)		(1,047,296)
	Total		(\$28,146,722)	\$27,050,263	(\$30,807,389)	\$26,090,406

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	\$15,956,880,486	\$5,601,104,405	\$10,355,776,082	\$130,510,499	\$1,628,044,824	\$12,114,331,404	\$1,525,868,310	\$13,640,199,715
Regulatory Base - Retail	\$14,504,790,913	\$5,203,410,705	\$9,301,380,208	\$114,492,246	\$1,443,462,408	\$10,859,334,862	\$1,478,259,615	\$12,337,594,477
FPSC Adjustments								
ARO	(19,120,519)	(16,756,883)	(2,363,636)			(2,363,636)	2,964,469	600,832
ECCR	(50,962,636)	(21,495,264)	(29,467,372)			(29,467,372)	(15,673,440)	(45,140,812)
ECRC	(175,817,113)	(20,095,398)	(155,721,714)			(155,721,714)	(9,514,309)	(165,236,024)
FUEL	(26,662,769)	(26,134,235)	(528,534)			(528,534)	(3,505,326)	(4,033,860)
CCR							(146,960,449)	(146,960,449)
NUCLEAR					(94,118)	(94,118)	(184,136,787)	(184,230,905)
Net Clause Under Recovery							(143,227,482)	(143,227,482)
Derivatives							(568,076)	(568,076)
Employee Related							363	363
Investments Earning a Return							(184,496,265)	(184,496,265)
Jobbing Accounts							(626,522)	(626,522)
Non-Regulated and Miscellaneous	(44,154,796)	(35,036,946)	(9,117,849)			(9,117,849)	101,913,130	92,795,281
CWIP - AFUDC					(929,593,010)	(929,593,010)		(929,593,010)
Imputed Off Balance Sheet Obligations							706,802,653	706,802,653
Capital Lease	(125,595,653)		(125,595,653)			(125,595,653)	127,834,669	2,239,016
Total FPSC Adjustments	(442,313,485)	(119,518,726)	(322,794,759)	0	(929,687,128)	(1,252,481,887)	250,806,626	(1,001,675,261)
FPSC Adjusted	\$14,062,477,428	\$5,083,891,978	\$8,978,585,449	\$114,492,246	\$513,775,280	\$9,606,852,975	\$1,729,066,241	\$11,335,919,216

	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	\$4,483,043,573	\$1,810,108,352	\$799,490,822	\$504,220,712	\$346,306,337	(\$132,176,370)	\$418,274,208	(\$117,393)		\$3,746,106,669	\$736,936,904
Regulatory Base - Retail	\$4,224,750,102	\$1,710,211,391	\$756,660,946	\$469,538,464	\$333,380,861	(\$124,576,874)	\$394,225,485	(\$106,276)		\$3,539,333,996	\$685,416,106
FPSC Adjustments											
ECCR	(106,236,807)		(95,128,760)	(6,447,253)		(1,797,901)				(103,373,914)	(2,862,893)
ECRC	(56,746,612)		(32,534,036)	(6,112,159)	(1,300,473)	(6,480,579)				(46,427,246)	(10,319,366)
FUEL	(1,370,470,112)	(1,364,383,051)	(981,499)	-		(1,969,470)				(1,367,334,021)	(3,136,091)
CCR	(369,312,471)	(345,828,339)	(265,905)	(17,438,767)		(2,229,426)				(365,762,438)	(3,550,033)
NUCLEAR	(52,130,683)		(51,954)	(48,748,307)		(1,284,710)				(50,084,971)	(2,045,712)
Non-Regulated and Miscellaneous				(63,190)		24,375				(38,814)	38,814
Corporate Aircraft Allocation			(1,995,813)			769,885				(1,225,928)	1,225,928
Franchise Fee & Gross Receipts	(202,307,552)					(78,040,138)				(78,040,138)	(124,267,414)
Franchise Fees & Gross Rec Tax - TOI					(202,036,607)	77,935,621				(124,100,986)	124,100,986
Gain/Loss on Disposition & Other						33,276		(86,264)		(52,988)	52,988
Inst./Promotional Advertising			(1,836,469)			708,418				(1,128,051)	1,128,051
Miscellaneous Interest Expense			113,994			(43,973)				70,021	(70,021)
Remove Assoc/Organization Dues			(87,210)			33,641				(53,569)	53,569
Parent Debt Adjustment						(15,253,752)				(15,253,752)	15,253,752
Directors & Officers Premium			(1,184,787)			457,031				(727,755)	727,755
Interest Synchronization - FPSC						1,047,296				1,047,296	(1,047,296)
Total FPSC Adjustments	(2,157,204,237)	(1,710,211,391)	(133,952,438)	(78,809,676)	(203,337,080)	(26,090,406)	-	-	(86,264)	(2,152,487,254)	(4,716,983)
FPSC Adjusted	\$2,067,545,866	\$-	\$622,708,508	\$390,728,788	\$130,043,781	(\$150,667,281)	\$394,225,485	(\$106,276)	(\$86,264)	\$1,386,846,742	\$680,699,124

(a) The addition of earnings from AFUDC charges would increase the System NOI by
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

68,202,968 pretax
60,806,137 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$600,832	\$600,832
	ECCR	F	(45,140,812)	(45,140,812)
	ECRC	F	(174,982,218)	(165,236,024)
	FUEL	F	(4,074,346)	(4,033,860)
	CCR	F	(149,057,638)	(146,960,449)
	NUCLEAR	F	(180,880,305)	(184,230,905)
	Net Clause Under Recovery	F	(143,227,482)	(143,227,482)
	Derivatives	F	(568,076)	(568,076)
	Employee Related	F	385	363
	Investments Earning a Return	F	(190,156,180)	(184,496,265)
	Jobbing Accounts	F	(665,412)	(626,522)
	Non-Regulated and Miscellaneous	F	92,795,281	92,795,281
(1)	CWIP - AFUDC	F	(1,000,799,925)	(929,593,010)
(3)	Imputed Off Balance Sheet Obligations	F	760,943,805	706,802,653
(2)	Capital Lease - EPIS	F	(134,728,927)	(125,595,653)
(2)	Capital Lease - Working Capital	F	137,130,763	127,834,669
	Total		(\$1,032,810,256)	(\$1,001,675,261)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,660,794)	1,797,901	(4,660,794)	1,797,901
	ECRC	F	(14,210,551)	5,481,720	(16,799,945)	6,480,579
	FUEL	F	(5,403,788)	2,084,511	(5,105,561)	1,969,470
	CCR	F	(5,779,459)	2,229,426	(5,779,459)	2,229,426
	NUCLEAR	F	(3,330,422)	1,284,710	(3,330,422)	1,284,710
	Non-Regulated and Miscellaneous	F	63,190	(24,375)	63,190	(24,375)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,140,948	(825,871)	1,995,813	(769,885)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(202,307,552)	78,040,138	(202,307,552)	78,040,138
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	202,036,607	(77,935,621)	202,036,607	(77,935,621)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	92,872	(35,825)	86,264	(33,276)
(1)	INST./PROMOTIONAL ADVERTISING	F	1,970,016	(759,934)	1,836,469	(708,418)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(122,284)	47,171	(113,994)	43,973
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,552	(36,088)	87,210	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F		16,829,127		15,253,752
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,270,944	(490,267)	1,184,787	(457,031)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(636,463)		(1,047,296)
	Total		(\$28,146,722)	\$27,050,263	(\$30,807,389)	\$26,090,406

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

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
Nov 2017

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,099,831,066	\$4,609,112,231	(\$441,433,973)	\$673,916,202	\$4,841,594,460	44.14%	9.50%	4.19%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,387,335,725	4,868,952,453	(466,319,959)		4,402,632,494	40.14%	5.08%	2.04%	5.08%	2.04%	5.08%	2.04%
Short Term Debt *	(129,905,792)	(117,405,923)	11,244,457	(47,702,648)	(153,864,114)	(1.40%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
Customer Deposits												
Active	206,764,209	206,764,209	(19,802,674)		186,961,535	1.70%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,707,604	1,707,604	(163,544)		1,544,060	0.01%						
Investment Tax Credits **	3,391,488	3,065,150	(293,562)		2,771,588	0.03%	7.92%	0.00%	7.92%	0.00%	7.92%	0.00%
Deferred Income Taxes	2,870,798,583	2,594,562,975	(248,492,158)	(469,420,214)	1,876,650,604	17.11%						
FAS 109 DIT - Net	(233,373,530)	(210,917,730)	20,200,474		(190,717,256)	(1.74%)						
Total	\$13,206,549,354	\$11,955,840,970	(\$1,145,060,940)	\$156,793,340	\$10,967,573,371	100.00%		6.26%		6.71%		7.15%

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

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

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,351,206,889	\$4,741,963,966	(\$388,593,305)	\$651,782,844	\$5,005,153,505	44.15%	9.50%	4.19%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,335,649,269	4,728,177,605	(387,463,543)		4,340,714,062	38.29%	5.13%	1.96%	5.13%	1.96%	5.13%	1.96%
Short Term Debt *	112,902,000	100,047,938	(8,198,704)	(180,473,100)	(88,623,866)	(0.78%)	0.58%	(0.00%)	0.58%	(0.00%)	0.58%	(0.00%)
Customer Deposits												
Active	201,263,183	201,263,183	(16,493,066)		184,770,117	1.63%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,780,287	1,780,287	(145,891)		1,634,397	0.01%						
Investment Tax Credits **	5,213,194	4,619,664	(378,571)		4,241,093	0.04%	8.00%	0.00%	8.00%	0.00%	8.00%	0.00%
Deferred Income Taxes	3,133,688,080	2,776,912,997	(227,561,788)	(461,946,826)	2,087,404,383	18.41%						
FAS 109 DIT - Net	(245,073,104)	(217,171,164)	17,796,689		(199,374,474)	(1.76%)						
Total	\$13,896,629,798	\$12,337,594,477	(\$1,011,038,178)	\$9,362,918	\$11,335,919,216	100.00%		6.19%		6.64%		7.08%

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

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,099,831,066	\$4,609,112,231	(\$441,433,973)	\$673,916,202	\$4,841,594,460	44.14%	9.50%	4.19%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,387,335,725	4,868,952,453	(466,319,959)		4,402,632,494	40.14%	5.08%	2.04%	5.08%	2.04%	5.08%	2.04%
Short Term Debt *	(129,905,792)	(117,405,923)	11,244,457	(47,702,648)	(153,864,114)	(1.40%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
Customer Deposits												
Active	206,764,209	206,764,209	(19,802,674)		186,961,535	1.70%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,707,604	1,707,604	(163,544)		1,544,060	0.01%						
Investment Tax Credits **	3,391,488	3,065,150	(293,562)		2,771,588	0.03%						
Deferred Income Taxes	2,870,798,583	2,594,562,975	(248,492,158)	(469,420,214)	1,876,650,604	17.11%						
FAS 109 DIT - Net	(233,373,530)	(210,917,730)	20,200,474		(190,717,256)	(1.74%)						
Total	\$13,206,549,354	\$11,955,840,970	(\$1,145,060,940)	\$156,793,340	\$10,967,573,371	100.00%		6.26%		6.70%		7.14%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,351,206,889	\$4,741,963,966	(\$388,593,305)	\$651,782,844	\$5,005,153,505	44.15%	9.50%	4.19%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,335,649,269	4,728,177,605	(387,463,543)		4,340,714,062	38.29%	5.13%	1.96%	5.13%	1.96%	5.13%	1.96%
Short Term Debt *	112,902,000	100,047,938	(8,198,704)	(180,473,100)	(88,623,866)	(0.78%)	0.58%	(0.00%)	0.58%	(0.00%)	0.58%	(0.00%)
Customer Deposits												
Active	201,263,183	201,263,183	(16,493,066)		184,770,117	1.63%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,780,287	1,780,287	(145,891)		1,634,397	0.01%						
Investment Tax Credits **	5,213,194	4,619,664	(378,571)		4,241,093	0.04%						
Deferred Income Taxes	3,133,688,080	2,776,912,997	(227,561,788)	(461,946,826)	2,087,404,383	18.41%						
FAS 109 DIT - Net	(245,073,104)	(217,171,164)	17,796,689		(199,374,474)	(1.76%)						
Total	\$13,896,629,798	\$12,337,594,477	(\$1,011,038,178)	\$9,362,918	\$11,335,919,216	100.00%		6.19%		6.63%		7.07%

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

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ 705,283,365
AFUDC - DEBT	23,996,158
INCOME TAXES	232,434,265
TOTAL	<u>\$ 961,713,788</u>
INTEREST CHARGES (before deducting AFUDC-Debt)	<u>\$ 279,892,618</u>
TIE WITH AFUDC	<u><u>3.44</u></u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ 705,283,365
AFUDC - EQUITY	(44,206,810)
INCOME TAXES	232,434,265
TOTAL	<u>\$ 893,510,821</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	<u>\$ 279,892,618</u>
TIE WITHOUT AFUDC	<u><u>3.19</u></u>

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

AFUDC DEBT	\$ 23,996,158
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	<u>\$ 14,739,640</u>
AFUDC -EQUITY	44,206,810
TOTAL	<u>\$ 58,946,450</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	<u>\$ 451,486,414</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>13.06%</u></u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 432,208,243
COMMON DIVIDENDS	\$ -
AFUDC (EQUITY)	\$ (42,397,236)
DEPRECIATION & AMORTIZATION	\$ 506,140,796
DEFERRED INCOME TAXES	\$ 455,076,658
INVESTMENT TAX CREDITS	\$ (122,594)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 44,807,902
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(303,664,087)
TOTAL FUNDS PROVIDED	<u>\$ 1,092,049,681</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,555,545,973</u>
PERCENTAGE INTERNALLY GENERATED FUNDS *As of Sept 2017 (updated quarterly)	70.20%

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

Common Equity	\$ 4,841,594,460
Long Term Debt	\$ 4,402,632,494
Short Term Debt	\$ (153,864,114)
TOTAL	<u>\$ 9,090,362,839</u>
% LONG TERM DEBT TO TOTAL	48.43%
% SHORT TERM DEBT TO TOTAL	(1.69%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.30%</u>	<u>6.21%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.04%	2.04%
SHORT TERM DEBT	(0.01%)	(0.01%)
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>2.07%</u>	<u>2.07%</u>
TOTAL	<u>4.23%</u>	<u>4.14%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.14%</u>	<u>44.14%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.59%</u>	<u>9.37%</u>