



June 15, 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 April 30, 2018.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended April 30, 2018. The demand-related separation factors used for the jurisdictional amounts were from Order No. PSC-2017-0451-AS-EU.

If you have any questions, please feel free to contact me at (727) 820-5653.

Sincerely,

A handwritten signature in black ink that reads "Marcia Olivier".

Marcia Olivier
Director Rates & Regulatory Planning

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

DUKE ENERGY FLORIDA
RATE OF RETURN REPORT SUMMARY
Apr-18

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$769,552,130 (a)	(\$81,171,039) (b)	\$688,381,091	(\$2,815,224)	\$685,565,867
Average Rate Base	\$12,427,975,109	(\$1,150,691,914)	\$11,277,283,195	\$0	\$11,277,283,195
Average Rate of Return	6.19%		6.10%		6.08%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$705,142,792	(\$16,761,701)	\$688,381,091		
Average Rate Base	\$12,865,341,452	(\$1,318,801,443)	\$11,546,540,010		
Average Rate of Return	5.48%		5.96%		
(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	6.18%	6.12%
Mid Point	6.63%	6.56%
High Point	7.07%	7.00%
Pro Forma Adjusted Basis		
Low Point	6.18%	6.12%
Mid Point	6.63%	6.56%
High Point	7.07%	7.00%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.57	(System Per Books Basis)
B. T.I.E without AFUDC	3.31	(System Per Books Basis)
C. AFUDC to Net Income	9.17%	(System Per Books Basis)
D. Internally Generated Funds	80.49%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.36%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.00%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.33%	(FPSC Adjusted Basis)
	9.27%	(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	\$15,943,606,448	\$5,591,549,555	\$10,352,056,893	\$130,683,273	\$1,602,754,489	\$12,085,494,655	\$1,637,934,748	\$13,723,429,403
Regulatory Base - Retail	\$14,476,244,472	\$5,189,540,326	\$9,286,704,146	\$114,662,556	\$1,428,959,622	\$10,830,326,324	\$1,597,648,785	\$12,427,975,109
FPSC Adjustments								
ARO	(18,922,294)	(16,738,552)	(2,183,742)	-	-	(2,183,742)	2,805,314	621,572
ECCR	(44,167,105)	(19,005,722)	(25,161,383)	-	-	(25,161,383)	(16,777,432)	(41,938,815)
ECRC	(174,954,402)	(19,821,712)	(155,132,690)	-	(12,168,873)	(167,301,563)	(7,722,497)	(175,024,060)
FUEL	(26,662,769)	(26,147,601)	(515,168)	-	-	(515,168)	(2,456,946)	(2,972,114)
CCR	-	-	-	-	-	-	(135,134,054)	(135,134,054)
NUCLEAR	-	-	-	-	-	-	(124,976,390)	(124,976,390)
Over/Under Recovery-Clauses	-	-	-	-	-	-	(191,040,871)	(191,040,871)
Derivatives	-	-	-	-	-	-	(390,434)	(390,434)
Employee Related	-	-	-	-	-	-	371	371
Investments Earning a Return	-	-	-	-	-	-	(185,539,740)	(185,539,740)
Jobbing Accounts	-	-	-	-	-	-	(600,954)	(600,954)
Non-Regulated and Miscellaneous	(45,160,231)	(35,914,049)	(9,246,182)	(33,607,337)	(480,246)	(43,333,766)	95,913,136	52,579,371
CWIP - AFUDC	-	-	-	-	(954,564,666)	(954,564,666)	-	(954,564,666)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	671,103,600	671,103,600
Capital Lease	(126,576,315)	-	(126,576,315)	-	-	(126,576,315)	122,505,802	(4,070,513)
SCRC	-	-	-	-	-	-	(58,744,216)	(58,744,216)
Total FPSC Adjustments	(436,443,117)	(117,627,636)	(318,815,481)	(33,607,337)	(967,213,785)	(1,319,636,604)	168,944,690	(1,150,691,914)
FPSC Adjusted	\$14,039,801,355	\$5,071,912,690	\$8,967,888,665	\$81,055,218	\$461,745,837	\$9,510,689,720	\$1,766,593,475	\$11,277,283,195

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disp. & Other	Total Operating Expenses	Net Operating Income
System Per Books	\$4,667,343,677	\$1,925,665,448	\$832,609,492	\$530,121,679	\$357,848,548	(\$126,446,527)	\$385,062,008	(\$86,094)	-	\$3,904,774,555	\$762,569,122
Regulatory Base - Retail	\$4,398,048,856	\$1,824,888,525	\$786,834,640	\$494,107,582	\$344,556,711	(\$109,891,791)	\$352,488,363	(\$77,966)	-	\$3,692,906,064	\$705,142,792
FPSC Adjustments											
ECCR	(110,127,010)	-	(99,638,831)	(5,996,155)	-	(1,138,503)	-	-	-	(106,773,490)	(3,353,520)
ECRC	(58,090,873)	-	(32,281,894)	(7,071,747)	(1,300,475)	(4,419,346)	-	-	-	(45,073,461)	(13,017,412)
FUEL	(1,462,937,275)	(1,460,663,865)	(1,057,334)	-	-	(308,214)	-	-	-	(1,462,029,414)	(907,861)
CCR	(391,752,180)	(364,224,660)	(282,062)	(19,024,110)	-	(2,083,701)	-	-	-	(385,614,532)	(6,137,647)
NUCLEAR	(51,055,655)	-	(84,112)	(48,233,600)	-	(693,932)	-	-	-	(49,011,644)	(2,044,011)
Non-Regulated and Miscellaneous	-	-	-	(99,283)	-	25,163	-	-	-	(74,120)	74,120
Corporate Aircraft Allocation	-	-	(2,099,783)	-	-	532,190	-	-	-	(1,567,593)	1,567,593
Franchise Fee & Gross Receipts	(212,690,122)	-	-	-	-	(53,906,311)	-	-	-	(53,906,311)	(158,783,810)
Franchise Fees & Gross Rec Tax - TOI	-	-	-	-	(209,396,978)	53,071,664	-	-	-	(156,325,314)	156,325,314
Gain/Loss on Disposition & Other	-	-	-	-	-	46,908	-	-	(185,079)	(138,171)	138,171
Inst./Promotional Advertising	-	-	(2,466,823)	-	-	625,216	-	-	-	(1,841,607)	1,841,607
Miscellaneous Interest Expense	-	-	109,606	-	-	(27,780)	-	-	-	81,826	(81,826)
Remove Assoc/Organization Dues	-	-	(92,054)	-	-	23,331	-	-	-	(68,723)	68,723
Parent Debt Adjustment	-	-	-	-	-	(13,800,583)	-	-	-	(13,800,583)	13,800,583
Directors & Officers Premium	-	-	(1,158,532)	-	-	293,630	-	-	-	(864,902)	864,902
Interest Synchronization - FPSC	-	-	-	-	-	7,116,626	-	-	-	7,116,626	(7,116,626)
Total FPSC Adjustments	(2,286,653,115)	(1,824,888,525)	(139,051,821)	(80,424,895)	(210,697,453)	(14,643,640)	-	-	(185,079)	(2,269,891,414)	(16,761,701)
FPSC Adjusted	\$2,111,395,741	\$-	\$647,782,819	\$413,682,687	\$133,859,258	(\$124,535,431)	\$352,488,363	(\$77,966)	(\$185,079)	\$1,423,014,651	\$688,381,091
Pro Forma Adjustments											
Weather Normalization	(3,770,978)	-	-	-	-	(955,754)	-	-	-	(955,754)	(2,815,224)
Total Pro Forma Adjustments	(3,770,978)	-	-	-	-	(955,754)	-	-	-	(955,754)	(2,815,224)
Pro Forma Adjusted	\$2,107,624,763	\$-	\$647,782,819	\$413,682,687	\$133,859,258	(\$125,491,186)	\$352,488,363	(\$77,966)	(\$185,079)	\$1,422,058,896	\$685,565,867
Current Month											
System Per Books	\$ 344,904,534	\$ 145,120,285	\$ 75,938,446	\$ 47,407,613	\$ 28,621,467	\$ -	\$ (4,908,333)	\$ -	\$ -	\$ 292,179,479	\$ 52,725,055
FPSC Adjusted	\$ 155,219,707	\$ -	\$ 62,306,050	\$ 37,723,642	\$ 11,798,562	\$ 2,450,154	\$ (7,461,345)	\$ -	\$ (20,334)	\$ 106,796,729	\$ 48,422,979

(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

72,243,018 pretax
64,409,338 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,572	\$621,572
	ECCR	F	(41,938,815)	(41,938,815)
	ECRC	F	(187,436,866)	(175,024,060)
	FUEL	F	(3,011,576)	(2,972,114)
	CCR	F	(136,600,967)	(135,134,054)
	NUCLEAR	F	(123,296,109)	(124,976,390)
	Net Clause Under Recovery	F	(191,040,871)	(191,040,871)
	Derivatives	F	(390,434)	(390,434)
	Employee Related	F	395	371
	Investments Earning a Return	F	(191,494,423)	(185,539,740)
	Jobbing Accounts	F	(640,311)	(600,954)
	Non-Regulated and Miscellaneous	F	50,005,045	52,579,371
(1)	CWIP - AFUDC	F	(1,031,161,289)	(954,564,666)
(3)	Imputed Off Balance Sheet Obligations	F	722,510,201	671,103,600
(2)	Capital Lease - EPIS	F	(135,780,903)	(126,576,315)
(2)	Capital Lease - Working Capital	F	131,414,384	122,505,802
	SCRC	F	(58,744,216)	(58,744,216)
	Total		(\$1,196,985,183)	(\$1,150,691,914)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,492,024)	1,138,503	(4,492,024)	1,138,503
	ECRC	F	(14,764,503)	3,742,063	(17,436,758)	4,419,346
	FUEL	F	(1,283,231)	325,235	(1,216,075)	308,214
	CCR	F	(8,221,348)	2,083,701	(8,221,348)	2,083,701
	NUCLEAR	F	(2,737,943)	693,932	(2,737,943)	693,932
	Non-Regulated and Miscellaneous	F	99,283	(25,163)	99,283	(25,163)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,252,479	(570,891)	2,099,783	(532,190)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(212,690,122)	53,906,311	(212,690,122)	53,906,311
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,396,978	(53,071,664)	209,396,978	(53,071,664)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	199,256	(50,502)	185,079	(46,908)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,646,210	(670,682)	2,466,823	(625,216)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(117,576)	29,800	(109,606)	27,780
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F	-	15,263,430	-	13,800,583
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,242,780	(314,983)	1,158,532	(293,630)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(7,486,874)	-	(7,116,626)
	Total		(\$28,371,012)	\$14,967,189	(\$31,405,342)	\$14,643,640

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	\$16,301,793,741	\$5,661,352,026	\$10,640,441,715	\$132,413,529	\$1,799,839,535	\$12,572,694,779	\$1,637,934,748	\$14,210,629,526
Regulatory Base - Retail	\$14,799,654,985	\$5,250,539,546	\$9,549,115,439	\$116,271,109	\$1,602,306,120	\$11,267,692,667	\$1,597,648,785	\$12,865,341,452
FPSC Adjustments								
ARO	(19,120,519)	(17,518,178)	(1,602,341)			(1,602,341)	2,805,314	1,202,974
ECCR	(28,680,102)	(17,458,791)	(11,221,311)			(11,221,311)	(16,777,432)	(27,998,743)
ECRC	(179,686,008)	(22,172,671)	(157,513,337)		(45,781,791)	(203,295,129)	(7,722,497)	(211,017,626)
FUEL	(26,662,769)	(26,159,593)	(503,177)			(503,177)	(2,456,946)	(2,960,123)
CCR							(135,134,054)	(135,134,054)
NUCLEAR					0	-	(124,976,390)	(124,976,390)
Net Clause Under Recovery							(191,040,871)	(191,040,871)
Derivatives							(390,434)	(390,434)
Employee Related							371	371
Investments Earning a Return							(185,539,740)	(185,539,740)
Jobbing Accounts							(600,954)	(600,954)
Non-Regulated and Miscellaneous	(46,105,266)	(36,958,783)	(9,146,483)	(87,379,077)		(96,525,560)	95,913,136	(612,423)
CWIP - AFUDC					(1,054,240,155)	(1,054,240,155)		(1,054,240,155)
Imputed Off Balance Sheet Obligations							671,103,600	671,103,600
Capital Lease	(120,358,461)		(120,358,461)			(120,358,461)	122,505,802	2,147,342
SCRC	0		0			-	(58,744,216)	(58,744,216)
Total FPSC Adjustments	(420,613,125)	(120,268,016)	(300,345,109)	(87,379,077)	(1,100,021,946)	(1,487,746,133)	168,944,690	(1,318,801,443)
FPSC Adjusted	\$14,379,041,860	\$5,130,271,530	\$9,248,770,330	\$28,892,032	\$502,284,173	\$9,779,946,535	\$1,766,593,475	\$11,546,540,010

	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	\$4,667,343,677	\$1,925,665,448	\$832,609,492	\$530,121,679	\$357,848,548	(\$126,446,527)	\$385,062,008	(\$86,094)	-	\$3,904,774,555	\$762,569,122
Regulatory Base - Retail	\$4,398,048,856	\$1,824,888,525	\$786,834,640	\$494,107,582	\$344,556,711	(\$109,891,791)	\$352,488,363	(\$77,966)	-	\$3,692,906,064	\$705,142,792
FPSC Adjustments											
ECCR	(110,127,010)		(99,638,831)	(5,996,155)		(1,138,503)				(106,773,490)	(3,353,520)
ECRC	(58,090,873)		(32,281,894)	(7,071,747)	(1,300,475)	(4,419,346)				(45,073,461)	(13,017,412)
FUEL	(1,462,937,275)	(1,460,663,865)	(1,057,334)			(308,214)				(1,462,029,414)	(907,861)
CCR	(391,752,180)	(364,224,660)	(282,062)	(19,024,110)		(2,083,701)				(385,614,532)	(6,137,647)
NUCLEAR	(51,055,655)		(84,112)	(48,233,600)		(693,932)				(49,011,644)	(2,044,011)
Non-Regulated and Miscellaneous				(99,283)		25,163				(74,120)	74,120
Corporate Aircraft Allocation			(2,099,783)			532,190				(1,567,593)	1,567,593
Franchise Fee & Gross Receipts	(212,690,122)					(53,906,311)				(53,906,311)	(158,783,810)
Franchise Fees & Gross Rec Tax - TOI					(209,396,978)	53,071,664				(156,325,314)	156,325,314
Gain/Loss on Disposition & Other						46,908		(185,079)		(138,171)	138,171
Inst./Promotional Advertising			(2,466,823)			625,216				(1,841,607)	1,841,607
Miscellaneous Interest Expense			109,606			(27,780)				81,826	(81,826)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(13,800,583)				(13,800,583)	13,800,583
Directors & Officers Premium			(1,158,532)			293,630				(864,902)	864,902
Interest Synchronization - FPSC						7,116,626				7,116,626	(7,116,626)
Total FPSC Adjustments	\$ (2,286,653,115)	\$ (1,824,888,525)	\$ (139,051,821)	\$ (80,424,895)	\$ (210,697,453)	\$ (14,643,640)	\$ -	\$ -	\$ (185,079)	\$ (2,269,891,414)	\$ (16,761,701)
FPSC Adjusted	\$ 2,111,395,741	\$ -	\$ 647,782,819	\$ 413,682,687	\$ 133,859,258	\$ (124,535,431)	\$ 352,488,363	\$ (77,966)	\$ (185,079)	\$ 1,423,014,651	\$ 688,381,091

(a) The addition of earnings from AFUDC charges would increase the System NOI by 72,243,018 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 64,409,338 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$1,202,974	\$1,202,974
	ECCR	F	(27,998,743)	(27,998,743)
	ECRC	F	(223,823,562)	(211,017,626)
	FUEL	F	(2,998,666)	(2,960,123)
	CCR	F	(136,600,967)	(135,134,054)
	NUCLEAR	F	(123,296,109)	(124,976,390)
	Net Clause Under Recovery	F	(191,040,871)	(191,040,871)
	Derivatives	F	(390,434)	(390,434)
	Employee Related	F	395	371
	Investments Earning a Return	F	(191,494,423)	(185,539,740)
	Jobbing Accounts	F	(640,311)	(600,954)
	Non-Regulated and Miscellaneous	F	(7,305,669)	(612,423)
(1)	CWIP - AFUDC	F	(1,134,995,053)	(1,054,240,155)
(3)	Imputed Off Balance Sheet Obligations	F	722,510,201	671,103,600
(2)	Capital Lease - EPIS	F	(129,110,888)	(120,358,461)
(2)	Capital Lease - Working Capital	F	131,414,384	122,505,802
	SCRC	F	(58,744,216)	(58,744,216)
	Total		(\$1,373,311,958)	(\$1,318,801,443)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,492,024)	1,138,503	(4,492,024)	1,138,503
	ECRC	F	(14,764,503)	3,742,063	(17,436,758)	4,419,346
	FUEL	F	(1,283,231)	325,235	(1,216,075)	308,214
	CCR	F	(8,221,348)	2,083,701	(8,221,348)	2,083,701
	NUCLEAR	F	(2,737,943)	693,932	(2,737,943)	693,932
	Non-Regulated and Miscellaneous	F	99,283	(25,163)	99,283	(25,163)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,252,479	(570,891)	2,099,783	(532,190)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(212,690,122)	53,906,311	(212,690,122)	53,906,311
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,396,978	(53,071,664)	209,396,978	(53,071,664)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	199,256	(50,502)	185,079	(46,908)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,646,210	(670,682)	2,466,623	(625,216)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(117,576)	29,800	(109,606)	27,780
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		15,263,430		13,800,583
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,242,780	(314,983)	1,158,532	(293,630)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,486,874)		(7,116,626)
	Total		(\$28,371,012)	\$14,967,189	(\$31,405,342)	\$14,643,640

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

	System Per	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	\$5,390,686,266	\$4,874,131,194	(\$527,996,757)	\$639,743,209	\$4,985,877,646	44.21%	9.50%	4.20%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,576,144,921	5,041,818,529	(546,161,711)		4,495,656,818	39.86%	4.91%	1.96%	4.91%	1.96%	4.91%	1.96%
Short Term Debt *	(176,511,560)	(159,597,583)	17,288,621	(43,292,084)	(185,601,046)	(1.65%)	0.87%	(0.01%)	0.87%	(0.01%)	0.87%	(0.01%)
Customer Deposits												
Active	202,492,311	202,492,311	(21,935,249)		180,557,062	1.60%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
Inactive	1,782,889	1,782,889	(193,134)		1,589,755	0.01%						
Investment Tax Credits **	5,986,760	5,413,087	(586,380)		4,826,707	0.04%	7.85%	0.00%	7.85%	0.00%	7.85%	0.00%
Deferred Income Taxes	2,722,847,816	2,461,934,682	(266,692,355)	(400,866,073)	1,794,376,254	15.91%						
Total	\$13,723,429,404	\$12,427,975,109	(\$1,346,276,966)	\$195,585,052	\$11,277,283,195	100.00%		6.18%		6.63%		7.07%
* 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	\$5,746,623,226	\$5,170,008,628	(\$627,165,932)	\$579,683,180	\$5,122,525,876	44.36%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,687,226,873	5,116,572,088	(620,683,626)		4,495,888,462	38.94%	4.82%	1.87%	4.82%	1.87%	4.82%	1.87%
Short Term Debt *	(101,266,091)	(91,105,079)	11,051,819	(38,277,036)	(118,330,296)	(1.02%)	1.36%	(0.01%)	1.36%	(0.01%)	1.36%	(0.01%)
Customer Deposits												
Active	199,835,920	199,835,920	(24,241,793)		175,594,127	1.52%	2.38%	0.04%	2.38%	0.04%	2.38%	0.04%
Inactive	2,064,625	2,064,625	(250,457)		1,814,168	0.02%						
Investment Tax Credits **	9,341,260	8,403,960	(1,019,472)		7,384,488	0.06%	7.84%	0.01%	7.84%	0.01%	7.84%	0.01%
Deferred Income Taxes	2,733,877,866	2,459,561,311	(298,365,665)	(299,532,461)	1,861,663,184	16.12%						
Total	\$14,277,703,678	\$12,865,341,452	(\$1,560,675,125)	\$241,873,683	\$11,546,540,010	100.00%		6.12%		6.56%		7.00%

* 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	\$5,390,686,266	\$4,874,131,194	(\$527,996,757)	\$639,743,209	\$4,985,877,646	44.21%	9.50%	4.20%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,576,144,921	5,041,818,529	(546,161,711)		4,495,656,818	39.86%	4.91%	1.96%	4.91%	1.96%	4.91%	1.96%
Short Term Debt *	(176,511,560)	(159,597,583)	17,288,621	(43,292,084)	(185,601,046)	(1.65%)	0.87%	(0.01%)	0.87%	(0.01%)	0.87%	(0.01%)
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Inactive	1,782,889	1,782,889	(193,134)		1,589,755	0.01%						
Investment Tax Credits **	5,986,760	5,413,087	(586,380)		4,826,707	0.04%	7.85%	0.00%	7.85%	0.00%	7.85%	0.00%
Deferred Income Taxes	2,722,847,816	2,461,934,682	(266,692,355)	(400,866,073)	1,794,376,254	15.91%						
Total	\$13,723,429,404	\$12,427,975,109	(\$1,346,276,966)	\$195,585,052	\$11,277,283,195	100.00%		6.18%		6.63%		7.07%
* 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	\$5,746,623,226	\$5,170,008,628	(\$627,165,932)	\$579,683,180	\$5,122,525,876	44.36%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,687,226,873	5,116,572,088	(620,683,626)		4,495,888,462	38.94%	4.82%	1.87%	4.82%	1.87%	4.82%	1.87%
Short Term Debt *	(101,266,091)	(91,105,079)	11,051,819	(38,277,036)	(118,330,296)	(1.02%)	1.36%	(0.01%)	1.36%	(0.01%)	1.36%	(0.01%)
Customer Deposits												
Active	199,835,920	199,835,920	(24,241,793)		175,594,127	1.52%	2.38%	0.04%	2.38%	0.04%	2.38%	0.04%
Inactive	2,064,625	2,064,625	(250,457)		1,814,168	0.02%						
Investment Tax Credits **	9,341,260	8,403,960	(1,019,472)		7,384,488	0.06%	7.84%	0.01%	7.84%	0.01%	7.84%	0.01%
Deferred Income Taxes	2,733,877,866	2,459,561,311	(298,365,665)	(299,532,461)	1,861,663,184	16.12%						
Total	\$14,277,703,678	\$12,865,341,452	(\$1,560,675,125)	\$241,873,683	\$11,546,540,010	100.00%		6.12%		6.56%		7.00%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	992,314,107
AFUDC - DEBT		25,417,335
INCOME TAXES		(12,296,768)
TOTAL	\$	1,005,434,674
INTEREST CHARGES (before deducting AFUDC-Debt) TIE WITH AFUDC	\$	281,531,764
		<u>3.57</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	992,314,107
AFUDC - EQUITY		(46,825,684)
INCOME TAXES		(12,296,768)
TOTAL	\$	933,191,656
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge) TIE WITHOUT AFUDC	\$	281,531,764
		<u>3.31</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$	25,417,335
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	18,975,311
AFUDC -EQUITY	\$	46,825,684
TOTAL	\$	65,800,995
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	717,781,471
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>9.17%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	726,128,729
COMMON DIVIDENDS		-
AFUDC (EQUITY)		(45,933,475)
DEPRECIATION & AMORTIZATION		534,468,590
DEFERRED INCOME TAXES		173,767,453
INVESTMENT TAX CREDITS		(86,094)
OTHER - INC NUCLEAR DECOMMISSIONING		35,168,443
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(419,355,710)
TOTAL FUNDS PROVIDED	\$	<u>1,004,157,936</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	1,247,585,138
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PERCENTAGE INTERNALLY GENERATED FUNDS **80.49%**

*As of March 2018 (updated quarterly)

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

Common Equity	\$	4,985,877,646
Long Term Debt	\$	4,495,656,818
Short Term Debt	\$	(185,601,046)
TOTAL	\$	<u>9,295,933,417</u>

% LONG TERM DEBT TO TOTAL **48.36%**
% SHORT TERM DEBT TO TOTAL **(2.00%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.08%	6.10%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.96%	1.96%
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	1.98%	1.98%
TOTAL	4.10%	4.12%
DIVIDED BY COMMON EQUITY RATIO	44.21%	44.21%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.27%</u>	<u>9.33%</u>