



August 10, 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 June 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 June 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 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
Jun-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	\$792,825,993 (a)	(\$93,493,107) (b)	\$699,332,887	(\$7,811,297)	\$691,521,590
Average Rate Base	\$12,622,893,844	(\$1,249,719,094)	\$11,373,174,750	\$0	\$11,373,174,750
Average Rate of Return	6.28%		6.15%		6.08%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$725,979,530	(\$26,646,644)	\$699,332,887		
Average Rate Base	\$13,114,673,011	(\$1,425,791,772)	\$11,688,881,239		
Average Rate of Return	5.54%		5.98%		
(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	6.15%	5.89%
Mid Point	6.59%	6.32%
High Point	7.03%	6.75%
Pro Forma Adjusted Basis		
Low Point	6.15%	5.89%
Mid Point	6.59%	6.32%
High Point	7.03%	6.75%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	(3.56)	(System Per Books Basis)
B. T.I.E. without AFUDC	(3.83)	(System Per Books Basis)
C. AFUDC to Net Income	9.24%	(System Per Books Basis)
D. Internally Generated Funds	72.61%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.10%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(1.94%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.51%	(FPSC Adjusted Basis)
	9.36%	(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	\$16,059,736,358	\$5,610,820,042	\$10,448,916,316	\$130,973,527	\$1,663,402,855	\$12,243,292,697	\$1,694,377,506	\$13,937,670,203
Regulatory Base - Retail	\$14,580,418,970	\$5,206,254,966	\$9,374,164,005	\$114,928,724	\$1,481,512,383	\$10,970,605,111	\$1,652,288,733	\$12,622,893,844
FPSC Adjustments								
ARO	(19,309,276)	(16,935,197)	(2,374,079)			(2,374,079)	2,965,823	591,744
ECCR	(40,718,912)	(18,997,365)	(21,721,547)			(21,721,547)	(17,298,808)	(39,020,355)
ECRC	(175,897,331)	(20,630,085)	(155,267,246)		(19,722,090)	(174,989,337)	(7,174,504)	(182,163,841)
FUEL	(26,662,769)	(26,144,862)	(517,907)			(517,907)	(1,558,811)	(2,076,718)
CCR							(128,556,018)	(128,556,018)
NUCLEAR							(102,204,735)	(102,204,735)
Over\Under Recovery-Clauses							(199,462,130)	(199,462,130)
Derivatives							(330,693)	(330,693)
Employee Related							371	371
Investments Earning a Return							(186,577,508)	(186,577,508)
Jobbing Accounts							(635,965)	(635,965)
Non-Regulated and Miscellaneous	(45,131,131)	(36,165,184)	(8,965,947)	(47,050,272)	(478,974)	(56,495,194)	94,301,189	37,805,995
CWIP - AFUDC					(985,836,196)	(985,836,196)		(985,836,196)
Imputed Off Balance Sheet Obligations							658,129,397	658,129,397
Capital Lease	(124,611,601)		(124,611,601)			(124,611,601)	120,349,417	(4,262,184)
SCRC							(115,120,257)	(115,120,257)
Total FPSC Adjustments	(432,331,021)	(118,872,693)	(313,458,328)	(47,050,272)	(1,006,037,260)	(1,366,545,861)	116,826,767	(1,249,719,094)
FPSC Adjusted	\$14,148,087,950	\$5,087,382,273	\$9,060,705,677	\$67,878,452	\$475,475,122	\$9,604,059,250	\$1,769,115,499	\$11,373,174,750

	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	4,679,794,664	1,944,227,730	851,891,531	530,463,272	358,894,559	(266,071,584)	480,627,274	(57,396)		3,899,975,385	779,819,279
Regulatory Base - Retail	4,415,043,397	1,841,175,917	804,953,702	494,257,054	345,493,971	(222,225,830)	425,461,033	(51,981)		3,689,063,866	725,979,530
FPSC Adjustments											
ECCR	(109,642,835)		(100,378,578)	(5,769,985)		(885,623)				(107,034,186)	(2,608,649)
ECRC	(58,026,726)		(31,045,236)	(8,878,097)	(1,300,482)	(4,258,698)				(45,482,513)	(12,544,213)
FUEL	(1,479,030,730)	(1,474,285,492)	(1,068,986)			(931,746)				(1,476,286,224)	(2,744,506)
CCR	(395,245,123)	(366,890,426)	(284,576)	(19,024,110)		(2,292,712)				(388,491,824)	(6,753,300)
NUCLEAR	(50,709,277)		(87,849)	(48,107,779)		(637,084)				(48,832,712)	(1,876,565)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,158,172)			546,989				(1,611,184)	1,611,184
Franchise Fee & Gross Receipts	(212,736,188)					(53,917,987)				(53,917,987)	(158,818,201)
Franchise Fees & Gross Rec Tax - TOI					(209,373,887)	53,065,812				(156,308,075)	156,308,075
Gain/Loss on Disposition & Other						53,419		(210,767)		(157,348)	157,348
Inst./Promotional Advertising			(3,094,648)			784,339				(2,310,310)	2,310,310
Miscellaneous Interest Expense			107,428			(27,228)				80,200	(80,200)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(13,126,341)				(13,126,341)	13,126,341
Directors & Officers Premium			(1,148,274)			291,030				(857,244)	857,244
Interest Synchronization - FPSC						7,121,728				7,121,728	(7,121,728)
Total FPSC Adjustments	(2,305,390,879)	(1,841,175,917)	(139,250,946)	(70,342,684)	(210,674,369)	(17,089,552)			(210,767)	(2,278,744,235)	(26,646,644)
FPSC Adjusted	2,109,652,518		665,702,755	423,914,370	134,819,602	(239,315,382)	425,461,033	(51,981)	(210,767)	1,410,319,631	699,332,887
Pro Forma Adjustments											
Weather Normalization	(10,463,193)					(2,651,896)				(2,651,896)	(7,811,297)
Total Pro Forma Adjustments	(10,463,193)					(2,651,896)				(2,651,896)	(7,811,297)
Pro Forma Adjusted	2,099,189,325		665,702,755	423,914,370	134,819,602	(241,967,278)	425,461,033	(51,981)	(210,767)	1,407,667,735	691,521,590
Current Month											
System Per Books	448,203,021	188,777,392	76,390,829	37,380,278	32,835,820	22,873,276	(9,579,354)			348,678,242	99,524,779
FPSC Adjusted	201,718,572		59,368,786	38,204,469	11,820,540	(13,837,045)	24,995,007		(20,334)	120,531,423	81,187,149

(a) The addition of earnings from AFUDC charges would increase the System NOI by 75,053,438 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 66,846,463 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
Jun-18

Schedule 2
Page 3 of 3

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	591,744	591,744
	ECCR	F	(39,020,355)	(39,020,355)
	ECRC	F	(194,866,960)	(182,163,841)
	FUEL	F	(2,116,390)	(2,076,718)
	CCR	F	(129,533,959)	(128,556,018)
	NUCLEAR	F	(101,326,108)	(102,204,735)
	Net Clause Under Recovery	F	(199,462,130)	(199,462,130)
	Derivatives	F	(330,693)	(330,693)
	Employee Related	F	395	371
	Investments Earning a Return	F	(192,711,792)	(186,577,508)
	Jobbing Accounts	F	(678,162)	(635,965)
	Non-Regulated and Miscellaneous	F	34,201,940	37,805,995
(1)	CWIP - AFUDC	F	(1,063,707,206)	(985,836,196)
(3)	Imputed Off Balance Sheet Obligations	F	708,542,172	658,129,397
(2)	Capital Lease - EPIS	F	(133,673,315)	(124,611,601)
(2)	Capital Lease - Working Capital	F	129,101,187	120,349,417
	SCRC	F	(115,120,257)	(115,120,257)
	Total		(1,300,109,889)	(1,249,719,094)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,494,272)	885,623	(3,494,272)	885,623
	ECRC	F	(14,230,097)	3,606,618	(16,802,911)	4,258,698
	FUEL	F	(3,882,014)	983,897	(3,676,252)	931,746
	CCR	F	(9,046,011)	2,292,712	(9,046,011)	2,292,712
	NUCLEAR	F	(2,513,649)	637,084	(2,513,649)	637,084
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,315,114	(586,766)	2,158,172	(546,989)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(212,736,188)	53,917,987	(212,736,188)	53,917,987
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,373,887	(53,065,812)	209,373,887	(53,065,812)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	226,912	(57,511)	210,767	(53,419)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,319,690	(841,375)	3,094,648	(784,339)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(115,240)	29,208	(107,428)	27,228
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		14,506,007		13,126,341
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,231,776	(312,194)	1,148,274	(291,030)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,469,525)		(7,121,728)
	Total		(40,888,632)	17,399,706	(43,736,196)	17,089,552

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	\$16,402,238,621	\$5,643,228,056	\$10,759,010,566	\$132,507,616	\$1,919,515,981	\$12,811,034,162	\$1,694,377,506	\$14,505,411,668
Regulatory Base - Retail	\$14,880,526,520	\$5,232,955,430	\$9,647,571,090	\$116,358,817	\$1,698,454,372	\$11,462,384,279	\$1,652,288,733	\$13,114,673,011
FPSC Adjustments								
ARO	(23,120,519)	(17,668,481)	(5,452,038)			(5,452,038)	2,965,823	(2,486,215)
ECCR	(28,680,102)	(18,306,485)	(10,373,617)			(10,373,617)	(17,298,808)	(27,672,425)
ECRC	(176,575,934)	(22,760,268)	(153,815,666)		(50,886,010)	(204,701,675)	(7,174,504)	(211,876,180)
FUEL	(26,662,769)	(26,163,986)	(498,783)			(498,783)	(1,558,811)	(2,057,594)
CCR							(128,556,018)	(128,556,018)
NUCLEAR							(102,204,735)	(102,204,735)
Net Clause Under Recovery							(199,462,130)	(199,462,130)
Derivatives							(330,693)	(330,693)
Employee Related							371	371
Investments Earning a Return							(186,577,508)	(186,577,508)
Jobbing Accounts							(635,965)	(635,965)
Non-Regulated and Miscellaneous	(46,012,381)	(37,613,326)	(8,399,056)	(87,379,077)		(95,778,133)	94,301,189	(1,476,944)
CWIP - AFUDC					(1,106,587,434)	(1,106,587,434)		(1,106,587,434)
Imputed Off Balance Sheet Obligations							658,129,397	658,129,397
Capital Lease	(119,226,858)		(119,226,858)			(119,226,858)	120,349,417	1,122,560
SCRC							(115,120,257)	(115,120,257)
Total FPSC Adjustments	(420,278,563)	(122,512,546)	(297,766,017)	(87,379,077)	(1,157,473,444)	(1,542,618,539)	116,826,767	(1,425,791,772)
FPSC Adjusted	14,460,247,957	5,110,442,885	9,349,805,072	28,979,740	540,980,928	9,919,765,740	1,769,115,499	11,688,881,239

	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	4,679,794,664	1,944,227,730	851,891,531	530,463,272	358,894,559	(266,071,584)	480,627,274	(57,396)		3,899,975,385	779,819,279
Regulatory Base - Retail	4,415,043,397	1,841,175,917	804,953,702	494,257,054	345,493,971	(222,225,830)	425,461,033	(51,981)		3,689,063,866	725,979,530
FPSC Adjustments											
ECCR	(109,642,835)		(100,378,578)	(5,769,985)		(885,623)				(107,034,186)	(2,608,649)
ECRC	(58,026,726)		(31,045,236)	(8,878,097)	(1,300,482)	(4,258,698)				(45,482,513)	(12,544,213)
FUEL	(1,479,030,730)	(1,474,285,492)	(1,068,986)			(931,746)				(1,476,286,224)	(2,744,506)
CCR	(395,245,123)	(366,890,426)	(284,576)	(19,024,110)		(2,292,712)				(388,491,824)	(6,753,300)
NUCLEAR	(50,709,277)		(87,849)	(48,107,779)		(637,084)				(48,832,712)	(1,876,565)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,158,172)			546,989				(1,611,184)	1,611,184
Franchise Fee & Gross Receipts	(212,736,188)					(53,917,987)				(53,917,987)	(158,818,201)
Franchise Fees & Gross Rec Tax - TOI					(209,373,887)	53,065,812				(156,308,075)	156,308,075
Gain/Loss on Disposition & Other						53,419		(210,767)		(157,348)	157,348
Inst./Promotional Advertising			(3,094,648)			784,339				(2,310,310)	2,310,310
Miscellaneous Interest Expense			107,428			(27,228)				80,200	(80,200)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(13,126,341)				(13,126,341)	13,126,341
Directors & Officers Premium			(1,148,274)			291,030				(857,244)	857,244
Interest Synchronization - FPSC						7,121,728				7,121,728	(7,121,728)
Total FPSC Adjustments	(2,305,390,879)	(1,841,175,917)	(139,250,946)	(70,342,684)	(210,674,369)	(17,089,552)			(210,767)	(2,278,744,235)	(26,646,644)
FPSC Adjusted	2,109,652,518		665,702,755	423,914,370	134,819,602	(239,315,382)	425,461,033	(51,981)	(210,767)	1,410,319,631	699,332,887

(a) The addition of earnings from AFUDC charges would increase the System NOI by 75,053,438 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 66,846,463 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(2,486,215)	(2,486,215)
	ECCR	F	(27,672,425)	(27,672,425)
	ECRC	F	(228,706,295)	(211,876,180)
	FUEL	F	(2,095,801)	(2,057,594)
	CCR	F	(129,533,959)	(128,556,018)
	NUCLEAR	F	(101,326,108)	(102,204,735)
	Net Clause Under Recovery	F	(199,462,130)	(199,462,130)
	Derivatives	F	(330,693)	(330,693)
	Employee Related	F	395	371
	Investments Earning a Return	F	(192,711,792)	(186,577,508)
	Jobbing Accounts	F	(678,162)	(635,965)
	Non-Regulated and Miscellaneous	F	(8,170,190)	(1,476,944)
(1)	CWIP - AFUDC	F	(1,191,352,139)	(1,106,587,434)
(3)	Imputed Off Balance Sheet Obligations	F	708,542,172	658,129,397
(2)	Capital Lease - EPIS	F	(127,896,995)	(119,226,858)
(2)	Capital Lease - Working Capital	F	129,101,187	120,349,417
	SCRC	F	(115,120,257)	(115,120,257)
	Total		(1,489,899,407)	(1,425,791,772)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,494,272)	885,623	(3,494,272)	885,623
	ECRC	F	(14,230,097)	3,606,618	(16,802,911)	4,258,698
	FUEL	F	(3,882,014)	983,897	(3,676,252)	931,746
	CCR	F	(9,046,011)	2,292,712	(9,046,011)	2,292,712
	NUCLEAR	F	(2,513,649)	637,084	(2,513,649)	637,084
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,315,114	(586,766)	2,158,172	(546,989)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(212,736,188)	53,917,987	(212,736,188)	53,917,987
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	209,373,887	(53,065,812)	209,373,887	(53,065,812)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	226,912	(57,511)	210,767	(53,419)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,319,690	(841,375)	3,094,648	(784,339)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(115,240)	29,208	(107,428)	27,228
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		14,506,007		13,126,341
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,231,776	(312,194)	1,148,274	(291,030)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,469,525)		(7,121,728)
	Total		(40,888,632)	17,399,706	(43,736,196)	17,089,552

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 Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,512,400,487	4,984,714,681	(579,649,569)	627,292,091	5,032,357,203	44.25%	9.50%	4.20%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,627,279,993	5,088,597,111	(591,729,580)		4,496,867,532	39.54%	4.85%	1.92%	4.85%	1.92%	4.85%	1.92%
Short Term Debt *	(183,334,959)	(165,784,845)	19,278,358	(34,544,538)	(181,051,026)	(1.59%)	0.91%	(0.01%)	0.91%	(0.01%)	0.91%	(0.01%)
Customer Deposits												
Active	201,414,045	201,414,045	(23,421,514)		177,992,531	1.57%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,807,992	1,807,992	(210,243)		1,597,749	0.01%						
Investment Tax Credits **	7,029,659	6,356,730	(739,195)		5,617,535	0.05%	7.83%	0.00%	7.83%	0.00%	7.83%	0.00%
Deferred Income Taxes	2,771,052,827	2,505,788,130	(291,386,589)	(374,608,315)	1,839,793,226	16.18%						
Total	13,937,650,042	12,622,893,844	(1,467,858,332)	218,139,238	11,373,174,750	100.00%		6.15%		6.59%		7.03%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,888,317,563	5,238,807,508	(779,126,547)	573,796,731	5,033,477,692	43.06%	9.50%	4.09%	10.50%	4.52%	11.50%	4.95%
Long Term Debt	6,126,781,305	5,450,967,540	(810,679,437)		4,640,288,103	39.70%	4.45%	1.77%	4.45%	1.77%	4.45%	1.77%
Short Term Debt *	(422,850,864)	(376,208,358)	55,950,504	245,808,383	(74,449,471)	(0.64%)	1.38%	(0.01%)	1.38%	(0.01%)	1.38%	(0.01%)
Customer Deposits												
Active	199,518,517	199,518,517	(29,672,816)		169,845,701	1.45%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,129,393	2,129,393	(316,688)		1,812,705	0.02%						
Investment Tax Credits **	9,341,260	8,310,873	(1,236,011)		7,074,863	0.06%	7.60%	0.00%	7.60%	0.00%	7.60%	0.00%
Deferred Income Taxes	2,912,399,345	2,591,147,538	(385,360,949)	(294,954,941)	1,910,831,647	16.35%						
Total	14,715,636,518	13,114,673,011	(1,950,441,945)	524,650,173	11,688,881,239	100.00%		5.89%		6.32%		6.75%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,512,400,487	4,984,714,681	(579,649,569)	627,292,091	5,032,357,203	44.25%	9.50%	4.20%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,627,279,993	5,088,597,111	(591,729,580)		4,496,867,532	39.54%	4.85%	1.92%	4.85%	1.92%	4.85%	1.92%
Short Term Debt *	(183,334,959)	(165,784,845)	19,278,358	(34,544,538)	(181,051,026)	(1.59%)	0.91%	(0.01%)	0.91%	(0.01%)	0.91%	(0.01%)
Customer Deposits												
Active	201,414,045	201,414,045	(23,421,514)		177,992,531	1.57%	2.34%	0.04%	2.34%	0.04%	2.34%	0.04%
Inactive	1,807,992	1,807,992	(210,243)		1,597,749	0.01%						
Investment Tax Credits **	7,029,659	6,356,730	(739,195)		5,617,535	0.05%	7.83%	0.00%	7.83%	0.00%	7.83%	0.00%
Deferred Income Taxes	2,771,052,827	2,505,788,130	(291,386,589)	(374,608,315)	1,839,793,226	16.18%						
Total	13,937,650,042	12,622,893,844	(1,467,858,332)	218,139,238	11,373,174,750	100.00%		6.15%		6.59%		7.03%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Jun-18

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,888,317,563	5,238,807,508	(779,126,547)	573,796,731	5,033,477,692	43.06%	9.50%	4.09%	10.50%	4.52%	11.50%	4.95%
Long Term Debt	6,126,781,305	5,450,967,540	(810,679,437)		4,640,288,103	39.70%	4.45%	1.77%	4.45%	1.77%	4.45%	1.77%
Short Term Debt *	(422,850,864)	(376,208,358)	55,950,504	245,808,383	(74,449,471)	(0.64%)	1.38%	(0.01%)	1.38%	(0.01%)	1.38%	(0.01%)
Customer Deposits												
Active	199,518,517	199,518,517	(29,672,816)		169,845,701	1.45%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,129,393	2,129,393	(316,688)		1,812,705	0.02%						
Investment Tax Credits **	9,341,260	8,310,873	(1,236,011)		7,074,863	0.06%	7.60%	0.00%	7.60%	0.00%	7.60%	0.00%
Deferred Income Taxes	2,912,399,345	2,591,147,538	(385,360,949)	(294,954,941)	1,910,831,647	16.35%						
Total	14,715,636,518	13,114,673,011	(1,950,441,945)	524,650,173	11,688,881,239	100.00%		5.89%		6.32%		6.75%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	(988,347,286)
AFUDC - DEBT	\$	26,406,113
INCOME TAXES		(41,307,666)
TOTAL	\$	(1,003,248,839)
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	281,822,274
TIE WITH AFUDC		<u>(3.56)</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	(988,347,286)
AFUDC - EQUITY		(48,647,325)
INCOME TAXES		(41,307,666)
TOTAL	\$	(1,078,302,276)
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	281,822,274
TIE WITHOUT AFUDC		<u>(3.83)</u>

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

AFUDC DEBT	\$	26,406,113
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	19,713,484
AFUDC -EQUITY	\$	48,647,325
TOTAL	\$	68,360,808
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	739,727,703
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>9.24%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	736,009,192
COMMON DIVIDENDS		-
AFUDC (EQUITY)		(48,647,324)
DEPRECIATION & AMORTIZATION		616,271,925
DEFERRED INCOME TAXES		264,061,244
INVESTMENT TAX CREDITS		(57,396)
OTHER - INC NUCLEAR DECOMMISSIONING		31,412,925
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(647,097,057)
TOTAL FUNDS PROVIDED	\$	<u>951,953,508</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,311,000,134
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PERCENTAGE INTERNALLY GENERATED FUNDS **72.61%**

*As of June 2018 (updated quarterly)

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

Common Equity	\$	5,032,357,203
Long Term Debt	\$	4,496,867,532
Short Term Debt	\$	(181,051,026)
TOTAL	\$	<u>9,348,173,709</u>

% LONG TERM DEBT TO TOTAL **48.10%**

% SHORT TERM DEBT TO TOTAL **(1.94%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.08%	6.15%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.92%	1.92%
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	1.94%	1.94%
TOTAL	4.14%	4.21%
DIVIDED BY COMMON EQUITY RATIO	44.25%	44.25%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.36%</u>	<u>9.51%</u>