



September 14, 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 July 31, 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 July 31, 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 blue ink that reads 'Marcia Olivier'.

Marcia Olivier  
Director Rates & Regulatory Planning

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

**DUKE ENERGY FLORIDA**  
**RATE OF RETURN REPORT SUMMARY**  
**Jul-18**

**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	\$802,496,136 (a)	(\$94,343,151) (b)	\$708,152,985	(\$7,746,498)	\$700,406,487
Average Rate Base	\$12,730,916,045	(\$1,307,489,582)	\$11,423,426,463	\$0	\$11,423,426,463
Average Rate of Return	6.30%		6.20%		6.13%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$734,460,334	(\$26,307,349)	\$708,152,985		
Average Rate Base	\$13,222,369,953	(\$1,490,276,136)	\$11,732,093,817		
Average Rate of Return	5.55%		6.04%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

<b>III. REQUIRED RATES OF RETURN</b>	<b>Average Capital Structure</b>	<b>End of Period Capital Structure</b>
<b>FPSC Adjusted Basis</b>		
Low Point	6.13%	6.02%
Mid Point	6.58%	6.46%
High Point	7.02%	6.90%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.13%	6.02%
Mid Point	6.58%	6.46%
High Point	7.02%	6.90%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	(3.90)	(System Per Books Basis)
B. T.I.E. without AFUDC	(4.17)	(System Per Books Basis)
C. AFUDC to Net Income	9.37%	(System Per Books Basis)
D. Internally Generated Funds	72.61%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	48.10%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.02%)	(FPSC Adjusted Basis)
<b>F. Return on Common Equity</b>		
	9.66%	(FPSC Adjusted Basis)
	9.50%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

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

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

  
 Marcia Olivier, Director Rates & Regulatory Planning

9/14/18  
 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>	<b>\$16,118,230,545</b>	<b>\$5,620,720,482</b>	<b>\$10,497,510,063</b>	<b>\$131,127,641</b>	<b>\$1,696,298,075</b>	<b>\$12,324,935,779</b>	<b>\$1,730,719,012</b>	<b>\$14,055,654,791</b>
<b>Regulatory Base - Retail</b>	<b>\$14,631,848,265</b>	<b>\$5,214,992,268</b>	<b>\$9,416,855,997</b>	<b>\$115,072,391</b>	<b>\$1,510,776,632</b>	<b>\$11,042,705,019</b>	<b>\$1,688,211,026</b>	<b>\$12,730,916,045</b>
<b>FPSC Adjustments</b>								
ARO	(19,656,614)	(17,033,681)	(2,622,933)			(2,622,933)	3,530,349	907,416
ECCR	(38,994,815)	(18,980,138)	(20,014,677)			(20,014,677)	(17,549,837)	(37,564,514)
ECRC	(176,317,867)	(21,034,007)	(155,283,860)		(24,025,756)	(179,309,616)	(6,910,780)	(186,220,396)
FUEL	(26,662,769)	(26,145,577)	(517,192)			(517,192)	(1,104,572)	(1,621,765)
CCR							(132,906,115)	(132,906,115)
NUCLEAR							(90,648,060)	(90,648,060)
Over\Under Recovery-Clauses							(201,384,983)	(201,384,983)
Derivatives							(250,871)	(250,871)
Employee Related							370	370
Investments Earning a Return							(187,011,877)	(187,011,877)
Jobbing Accounts							(647,920)	(647,920)
Non-Regulated and Miscellaneous	(45,121,410)	(36,310,373)	(8,811,036)	(53,771,740)	(478,974)	(63,061,750)	90,283,613	27,221,863
CWIP - AFUDC					(1,002,903,950)	(1,002,903,950)		(1,002,903,950)
Imputed Off Balance Sheet Obligations							651,642,295	651,642,295
Capital Lease	(123,507,269)		(123,507,269)			(123,507,269)	119,145,084	(4,362,186)
SCRC							(141,738,890)	(141,738,890)
<b>Total FPSC Adjustments</b>	<b>(430,260,744)</b>	<b>(119,503,776)</b>	<b>(310,756,968)</b>	<b>(53,771,740)</b>	<b>(1,027,408,680)</b>	<b>(1,391,937,388)</b>	<b>84,447,806</b>	<b>(1,307,489,582)</b>
<b>FPSC Adjusted</b>	<b>\$14,201,587,521</b>	<b>\$5,095,488,492</b>	<b>\$9,106,099,029</b>	<b>\$61,300,651</b>	<b>\$483,367,951</b>	<b>\$9,650,767,631</b>	<b>\$1,772,658,832</b>	<b>\$11,423,426,463</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 Disp. & Other	Total Operating Expenses	Net Operating Income
<b>System Per Books</b>	4,695,777,625	1,965,113,515	861,320,534	530,316,332	360,762,952	(287,655,130)	476,466,061	(57,396)		3,906,266,868	789,510,756
<b>Regulatory Base - Retail</b>	4,434,232,906	1,865,038,409	814,273,179	494,426,038	347,296,177	(229,667,069)	408,457,823	(51,986)		3,699,772,572	734,460,334
<b>FPSC Adjustments</b>											
ECCR	(110,001,389)		(101,084,720)	(5,656,701)		(826,239)				(107,567,659)	(2,433,729)
ECRC	(58,339,010)		(30,738,919)	(9,581,173)	(1,300,482)	(4,237,288)				(45,857,862)	(12,481,148)
FUEL	(1,497,844,983)	(1,493,158,263)	(1,082,565)			(913,473)				(1,495,154,301)	(2,690,682)
CCR	(399,925,618)	(371,880,146)	(287,946)	(19,570,055)		(2,075,114)				(393,813,262)	(6,112,356)
NUCLEAR	(50,534,735)		(90,028)	(48,042,995)		(608,714)				(48,741,737)	(1,792,998)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,166,135)			549,007				(1,617,128)	1,617,128
Franchise Fee & Gross Receipts	(213,941,709)					(54,223,526)				(54,223,526)	(159,718,183)
Franchise Fees & Gross Rec Tax - TOI					(210,547,911)	53,363,368				(157,184,543)	157,184,543
Gain/Loss on Disposition & Other						56,950		(224,701)		(167,751)	167,751
Inst./Promotional Advertising			(3,265,429)			827,623				(2,437,806)	2,437,806
Miscellaneous Interest Expense			106,674			(27,036)				79,637	(79,637)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(12,772,139)				(12,772,139)	12,772,139
Directors & Officers Premium			(1,143,145)			289,730				(853,415)	853,415
Interest Synchronization - FPSC						7,561,613				7,561,613	(7,561,613)
<b>Total FPSC Adjustments</b>	<b>(2,330,587,444)</b>	<b>(1,865,038,409)</b>	<b>(139,844,267)</b>	<b>(71,413,637)</b>	<b>(211,848,393)</b>	<b>(15,910,687)</b>			<b>(224,701)</b>	<b>(2,304,280,095)</b>	<b>(26,307,349)</b>
<b>FPSC Adjusted</b>	<b>2,103,645,462</b>		<b>674,428,912</b>	<b>423,012,400</b>	<b>135,447,784</b>	<b>(245,577,756)</b>	<b>408,457,823</b>	<b>(51,986)</b>	<b>(224,701)</b>	<b>1,395,492,477</b>	<b>708,152,985</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	(10,376,395)					(2,629,897)				(2,629,897)	(7,746,498)
<b>Total Pro Forma Adjustments</b>	<b>(10,376,395)</b>					<b>(2,629,897)</b>				<b>(2,629,897)</b>	<b>(7,746,498)</b>
<b>Pro Forma Adjusted</b>	<b>2,093,269,067</b>		<b>674,428,912</b>	<b>423,012,400</b>	<b>135,447,784</b>	<b>(248,207,653)</b>	<b>408,457,823</b>	<b>(51,986)</b>	<b>(224,701)</b>	<b>1,392,862,580</b>	<b>700,406,487</b>
<b>Current Month</b>											
System Per Books	477,082,944	205,615,861	71,893,603	49,939,163	34,996,182		(4,161,213)			358,283,597	118,799,347
FPSC Adjusted	212,544,640		54,629,142	38,155,850	11,737,479	6,333,103	(10,490,022)		(20,334)	100,345,218	112,199,421

(a) The addition of earnings from AFUDC charges would increase the System NOI by 76,390,511 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 68,035,802 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	907,416	907,416
	ECCR	F	(37,564,514)	(37,564,514)
	ECRC	F	(199,110,206)	(186,220,396)
	FUEL	F	(1,661,382)	(1,621,765)
	CCR	F	(133,639,571)	(132,906,115)
	NUCLEAR	F	(90,199,056)	(90,648,060)
	Net Clause Under Recovery	F	(201,384,983)	(201,384,983)
	Derivatives	F	(250,871)	(250,871)
	Employee Related	F	395	370
	Investments Earning a Return	F	(193,221,906)	(187,011,877)
	Jobbing Accounts	F	(691,146)	(647,920)
	Non-Regulated and Miscellaneous	F	23,102,943	27,221,863
(1)	CWIP - AFUDC	F	(1,081,668,066)	(1,002,903,950)
(3)	Imputed Off Balance Sheet Obligations	F	701,558,158	651,642,295
(2)	Capital Lease - EPIS	F	(132,488,677)	(123,507,269)
(2)	Capital Lease - Working Capital	F	127,809,275	119,145,084
	SCRC	F	(141,738,890)	(141,738,890)
	<b>Total</b>		<b>(1,360,241,080)</b>	<b>(1,307,489,582)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,259,968)	826,239	(3,259,968)	826,239
	ECRC	F	(14,170,097)	3,591,411	(16,718,436)	4,237,288
	FUEL	F	(3,797,548)	962,489	(3,604,155)	913,473
	CCR	F	(8,187,471)	2,075,114	(8,187,471)	2,075,114
	NUCLEAR	F	(2,401,712)	608,714	(2,401,712)	608,714
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,323,656	(588,931)	2,166,135	(549,007)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,941,709)	54,223,526	(213,941,709)	54,223,526
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	210,547,911	(53,363,368)	210,547,911	(53,363,368)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	241,913	(61,313)	224,701	(56,950)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,502,890	(887,807)	3,265,429	(827,623)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(114,431)	29,003	(106,674)	27,036
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		14,122,637		12,772,139
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,226,274	(310,799)	1,143,145	(289,730)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,940,457)		(7,561,613)
	<b>Total</b>		<b>(39,368,830)</b>	<b>16,160,210</b>	<b>(42,218,036)</b>	<b>15,910,687</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

	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>	<b>\$16,514,859,487</b>	<b>\$5,662,841,115</b>	<b>\$10,852,018,372</b>	<b>\$132,508,790</b>	<b>\$1,904,873,330</b>	<b>\$12,889,400,492</b>	<b>\$1,730,719,012</b>	<b>\$14,620,119,504</b>
<b>Regulatory Base - Retail</b>	<b>\$14,971,442,965</b>	<b>\$5,251,789,890</b>	<b>\$9,719,653,075</b>	<b>\$116,359,912</b>	<b>\$1,698,145,941</b>	<b>\$11,534,158,927</b>	<b>\$1,688,211,026</b>	<b>\$13,222,369,953</b>
<b>FPSC Adjustments</b>								
ARO	(23,120,519)	(17,742,278)	(5,378,241)			(5,378,241)	3,530,349	(1,847,892)
ECCR	(28,680,102)	(18,730,332)	(9,949,770)			(9,949,770)	(17,549,837)	(27,499,607)
ECRC	(178,371,441)	(23,384,014)	(154,987,426)		(56,162,701)	(211,150,127)	(6,910,780)	(218,060,907)
FUEL	(26,662,769)	(26,158,534)	(504,236)			(504,236)	(1,104,572)	(1,608,808)
CCR							(132,906,115)	(132,906,115)
NUCLEAR							(90,648,060)	(90,648,060)
Net Clause Under Recovery							(201,384,983)	(201,384,983)
Derivatives							(250,871)	(250,871)
Employee Related							370	370
Investments Earning a Return							(187,011,877)	(187,011,877)
Jobbing Accounts							(647,920)	(647,920)
Non-Regulated and Miscellaneous	(45,989,394)	(37,724,075)	(8,265,319)	(87,379,077)		(95,644,397)	90,283,613	(5,360,783)
CWIP - AFUDC					(1,134,923,899)	(1,134,923,899)		(1,134,923,899)
Imputed Off Balance Sheet Obligations							651,642,295	651,642,295
Capital Lease	(117,173,273)		(117,173,273)			(117,173,273)	119,145,084	1,971,811
SCRC							(141,738,890)	(141,738,890)
<b>Total FPSC Adjustments</b>	<b>(419,997,497)</b>	<b>(123,739,232)</b>	<b>(296,258,265)</b>	<b>(87,379,077)</b>	<b>(1,191,086,600)</b>	<b>(1,574,723,942)</b>	<b>84,447,806</b>	<b>(1,490,276,136)</b>
<b>FPSC Adjusted</b>	<b>14,551,445,467</b>	<b>5,128,050,658</b>	<b>9,423,394,810</b>	<b>28,980,835</b>	<b>507,059,340</b>	<b>9,959,434,985</b>	<b>1,772,658,832</b>	<b>11,732,093,817</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>	<b>4,695,777,625</b>	<b>1,965,113,515</b>	<b>861,320,534</b>	<b>530,316,332</b>	<b>360,762,952</b>	<b>(287,655,130)</b>	<b>476,466,061</b>	<b>(57,396)</b>		<b>3,906,266,868</b>	<b>789,510,756</b>
<b>Regulatory Base - Retail</b>	<b>4,434,232,906</b>	<b>1,865,038,409</b>	<b>814,273,179</b>	<b>494,426,038</b>	<b>347,296,177</b>	<b>(229,667,069)</b>	<b>408,457,823</b>	<b>(51,986)</b>		<b>3,699,772,572</b>	<b>734,460,334</b>
<b>FPSC Adjustments</b>											
ECCR	(110,001,389)		(101,084,720)	(5,656,701)		(826,239)				(107,567,659)	(2,433,729)
ECRC	(58,339,010)		(30,738,919)	(9,581,173)	(1,300,482)	(4,237,288)				(45,857,862)	(12,481,148)
FUEL	(1,497,844,983)	(1,493,158,263)	(1,082,565)			(913,473)				(1,495,154,301)	(2,690,682)
CCR	(399,925,618)	(371,880,146)	(287,946)	(19,570,055)		(2,075,114)				(393,813,262)	(6,112,356)
NUCLEAR	(50,534,735)		(90,028)	(48,042,995)		(608,714)				(48,741,737)	(1,792,998)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,166,135)			549,007				(1,617,128)	1,617,128
Franchise Fee & Gross Receipts	(213,941,709)					(54,223,526)				(54,223,526)	(159,718,183)
Franchise Fees & Gross Rec Tax - TOI					(210,547,911)	53,363,368				(157,184,543)	157,184,543
Gain/Loss on Disposition & Other						56,950		(224,701)		(167,751)	167,751
Inst./Promotional Advertising			(3,265,429)			827,623				(2,437,806)	2,437,806
Miscellaneous Interest Expense			106,674			(27,036)				79,637	(79,637)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(12,772,139)				(12,772,139)	12,772,139
Directors & Officers Premium			(1,143,145)			289,730				(853,415)	853,415
Interest Synchronization - FPSC						7,561,613				7,561,613	(7,561,613)
<b>Total FPSC Adjustments</b>	<b>(2,330,587,444)</b>	<b>(1,865,038,409)</b>	<b>(139,844,267)</b>	<b>(71,413,637)</b>	<b>(211,848,393)</b>	<b>(15,910,687)</b>			<b>(224,701)</b>	<b>(2,304,280,095)</b>	<b>(26,307,349)</b>
<b>FPSC Adjusted</b>	<b>2,103,645,462</b>		<b>674,428,912</b>	<b>423,012,400</b>	<b>135,447,784</b>	<b>(245,577,756)</b>	<b>408,457,823</b>	<b>(51,986)</b>	<b>(224,701)</b>	<b>1,395,492,477</b>	<b>708,152,985</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 76,390,511 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 68,035,802 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(1,847,892)	(1,847,892)
	ECCR	F	(27,499,607)	(27,499,607)
	ECRC	F	(232,893,536)	(218,060,907)
	FUEL	F	(1,647,432)	(1,608,808)
	CCR	F	(133,639,571)	(132,906,115)
	NUCLEAR	F	(90,199,056)	(90,648,060)
	Net Clause Under Recovery	F	(201,384,983)	(201,384,983)
	Derivatives	F	(250,871)	(250,871)
	Employee Related	F	395	370
	Investments Earning a Return	F	(193,221,906)	(187,011,877)
	Jobbing Accounts	F	(691,146)	(647,920)
	Non-Regulated and Miscellaneous	F	(12,054,029)	(5,360,783)
(1)	CWIP - AFUDC	F	(1,221,859,180)	(1,134,923,899)
(3)	Imputed Off Balance Sheet Obligations	F	701,558,158	651,642,295
(2)	Capital Lease - EPIS	F	(125,694,074)	(117,173,273)
(2)	Capital Lease - Working Capital	F	127,809,275	119,145,084
	SCRC	F	(141,738,890)	(141,738,890)
	<b>Total</b>		<b>(1,555,254,345)</b>	<b>(1,490,276,136)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,259,968)	826,239	(3,259,968)	826,239
	ECRC	F	(14,170,097)	3,591,411	(16,718,436)	4,237,288
	FUEL	F	(3,797,548)	962,489	(3,604,155)	913,473
	CCR	F	(8,187,471)	2,075,114	(8,187,471)	2,075,114
	NUCLEAR	F	(2,401,712)	608,714	(2,401,712)	608,714
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,323,656	(588,931)	2,166,135	(549,007)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(213,941,709)	54,223,526	(213,941,709)	54,223,526
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	210,547,911	(53,363,368)	210,547,911	(53,363,368)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	241,913	(61,313)	224,701	(56,950)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,502,890	(887,807)	3,265,429	(827,623)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(114,431)	29,003	(106,674)	27,036
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		14,122,637		12,772,139
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,226,274	(310,799)	1,143,145	(289,730)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,940,457)		(7,561,613)
	<b>Total</b>		<b>(39,368,830)</b>	<b>16,160,210</b>	<b>(42,218,036)</b>	<b>15,910,687</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



	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	5,575,658,955	5,042,478,278	(605,074,130)	621,119,441	5,058,523,589	44.28%	9.50%	4.21%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,669,110,988	5,126,993,821	(615,215,606)		4,511,778,216	39.50%	4.82%	1.90%	4.82%	1.90%	4.82%	1.90%
Short Term Debt *	(189,590,939)	(171,461,024)	20,574,532	(38,873,250)	(189,759,741)	(1.66%)	1.02%	(0.02%)	1.02%	(0.02%)	1.02%	(0.02%)
Customer Deposits												
Active	200,905,395	200,905,395	(24,107,721)		176,797,674	1.55%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,869,053	1,869,053	(224,278)		1,644,775	0.01%						
Investment Tax Credits **	7,552,580	6,830,353	(819,611)		6,010,742	0.05%	7.29%	0.00%	7.82%	0.00%	8.35%	0.00%
Deferred Income Taxes	2,790,108,437	2,523,300,169	(302,784,379)	(362,084,582)	1,858,431,208	16.27%						
<b>Total</b>	<b>14,055,614,467</b>	<b>12,730,916,045</b>	<b>(1,527,651,192)</b>	<b>220,161,610</b>	<b>11,423,426,463</b>	<b>100.00%</b>		<b>6.13%</b>		<b>6.58%</b>		<b>7.02%</b>
* 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	5,967,380,433	5,285,398,141	(675,492,940)	571,283,246	5,181,188,447	44.16%	9.50%	4.20%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	6,127,378,802	5,427,111,090	(693,604,365)		4,733,506,724	40.35%	4.46%	1.80%	4.46%	1.80%	4.46%	1.80%
Short Term Debt *	(311,014,759)	(275,470,426)	35,206,114	(76,723,494)	(316,987,806)	(2.70%)	0.60%	(0.02%)	0.60%	(0.02%)	0.60%	(0.02%)
Customer Deposits												
Active	199,052,223	199,052,223	(25,439,592)		173,612,631	1.48%	2.35%	0.03%	2.35%	0.03%	2.35%	0.03%
Inactive	2,200,669	2,200,669	(281,253)		1,919,416	0.02%						
Investment Tax Credits **	9,341,260	8,273,693	(1,057,408)		7,216,285	0.06%	7.09%	0.00%	7.62%	0.00%	8.14%	0.01%
Deferred Income Taxes	2,908,164,218	2,575,804,564	(329,197,111)	(294,969,334)	1,951,638,119	16.64%						
<b>Total</b>	<b>14,902,502,845</b>	<b>13,222,369,953</b>	<b>(1,689,866,555)</b>	<b>199,590,419</b>	<b>11,732,093,817</b>	<b>100.00%</b>		<b>6.02%</b>		<b>6.46%</b>		<b>6.90%</b>
* 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	5,575,658,955	5,042,478,278	(605,074,130)	621,119,441	5,058,523,589	44.28%	9.50%	4.21%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,669,110,988	5,126,993,821	(615,215,606)		4,511,778,216	39.50%	4.82%	1.90%	4.82%	1.90%	4.82%	1.90%
Short Term Debt *	(189,590,939)	(171,461,024)	20,574,532	(38,873,250)	(189,759,741)	(1.66%)	1.02%	(0.02%)	1.02%	(0.02%)	1.02%	(0.02%)
Customer Deposits												
Active	200,905,395	200,905,395	(24,107,721)		176,797,674	1.55%	2.32%	0.04%	2.32%	0.04%	2.32%	0.04%
Inactive	1,869,053	1,869,053	(224,278)		1,644,775	0.01%						
Investment Tax Credits **	7,552,580	6,830,353	(819,611)		6,010,742	0.05%	7.29%	0.00%	7.82%	0.00%	8.35%	0.00%
Deferred Income Taxes	2,790,108,437	2,523,300,169	(302,784,379)	(362,084,582)	1,858,431,208	16.27%						
<b>Total</b>	<b>14,055,614,467</b>	<b>12,730,916,045</b>	<b>(1,527,651,192)</b>	<b>220,161,610</b>	<b>11,423,426,463</b>	<b>100.00%</b>		<b>6.13%</b>		<b>6.58%</b>		<b>7.02%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
FPSC Adjusted Basis  
Jul-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	5,967,380,433	5,285,398,141	(675,492,940)	571,283,246	5,181,188,447	44.16%	9.50%	4.20%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	6,127,378,802	5,427,111,090	(693,604,365)		4,733,506,724	40.35%	4.46%	1.80%	4.46%	1.80%	4.46%	1.80%
Short Term Debt *	(311,014,759)	(275,470,426)	35,206,114	(76,723,494)	(316,987,806)	(2.70%)	0.60%	(0.02%)	0.60%	(0.02%)	0.60%	(0.02%)
Customer Deposits												
Active	199,052,223	199,052,223	(25,439,592)		173,612,631	1.48%	2.35%	0.03%	2.35%	0.03%	2.35%	0.03%
Inactive	2,200,669	2,200,669	(281,253)		1,919,416	0.02%						
Investment Tax Credits **	9,341,260	8,273,693	(1,057,408)		7,216,285	0.06%	7.09%	0.00%	7.62%	0.00%	8.14%	0.01%
Deferred Income Taxes	2,908,164,218	2,575,804,564	(329,197,111)	(294,969,334)	1,951,638,119	16.64%						
<b>Total</b>	<b>14,902,502,845</b>	<b>13,222,369,953</b>	<b>(1,689,866,555)</b>	<b>199,590,419</b>	<b>11,732,093,817</b>	<b>100.00%</b>		<b>6.02%</b>		<b>6.46%</b>		<b>6.90%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ (1,036,912,406)
AFUDC - DEBT	\$ 26,876,003
INCOME TAXES	(89,704,904)
TOTAL	<u>\$ (1,099,741,307)</u>
INTEREST CHARGES (before deducting AFUDC-Debt)	\$ 282,327,867
TIE WITH AFUDC	<u><u>(3.90)</u></u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ (1,036,912,406)
AFUDC - EQUITY	(49,514,509)
INCOME TAXES	(89,704,904)
TOTAL	<u>\$ (1,176,131,818)</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 282,327,867
TIE WITHOUT AFUDC	<u><u>(4.17)</u></u>

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

AFUDC DEBT	\$ 26,876,003
X (1- INCOME TAX RATE)	0.74655
SUBTOTAL	<u>\$ 20,064,280</u>
AFUDC -EQUITY	\$ 49,514,509
TOTAL	<u>\$ 69,578,788</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	<u>\$ 742,893,831</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>9.37%</u></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><u>\$ 951,953,508</u></u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,311,000,134</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS *As of June 2018 (updated quarterly)	<b>72.61%</b>
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**E. SHORT TERM DEBT/LONG TERM DEBT AS A  
PERCENT OF TOTAL INVESTOR CAPITAL**

Common Equity	\$ 5,058,523,589
Long Term Debt	\$ 4,511,778,216
Short Term Debt	\$ (189,759,741)
TOTAL	<u><u>\$ 9,380,542,063</u></u>

% LONG TERM DEBT TO TOTAL	<b>48.10%</b>
% SHORT TERM DEBT TO TOTAL	<b>(2.02%)</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.13%</u>	<u>6.20%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.90%	1.90%
SHORT TERM DEBT	(0.02%)	(0.02%)
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>1.92%</u>	<u>1.92%</u>
TOTAL	<u>4.21%</u>	<u>4.28%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.28%</u>	<u>44.28%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.50%</u></u>	<u><u>9.66%</u></u>