



November 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 September 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 September 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
Sep-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	\$810,289,125 (a)	(\$97,518,798) (b)	\$712,750,327	(\$2,869,845)	\$709,880,482
Average Rate Base	\$12,926,038,557	(\$1,444,162,340)	\$11,481,876,217	\$0	\$11,481,876,217
Average Rate of Return	6.27%		6.21%		6.18%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$739,269,885	(\$26,519,558)	\$712,750,327		
Average Rate Base	\$13,443,807,607	(\$1,638,317,756)	\$11,805,489,851		
Average Rate of Return	5.50%		6.04%		
(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	6.11%	6.06%
Mid Point	6.56%	6.51%
High Point	7.00%	6.96%
Pro Forma Adjusted Basis		
Low Point	6.11%	6.06%
Mid Point	6.56%	6.51%
High Point	7.00%	6.96%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	(3.96)	(System Per Books Basis)
B. T.I.E. without AFUDC	(4.24)	(System Per Books Basis)
C. AFUDC to Net Income	8.52%	(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	48.01%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.09%)	(FPSC Adjusted Basis)
F. Return on Common Equity	9.72%	(FPSC Adjusted Basis)
	9.67%	(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	\$16,236,955,200	\$5,645,172,221	\$10,591,782,980	\$131,440,210	\$1,780,681,719	\$12,503,904,908	\$1,781,562,244	\$14,285,467,153
Regulatory Base - Retail	\$14,736,333,555	\$5,236,844,729	\$9,499,488,826	\$115,363,770	\$1,586,270,818	\$11,201,123,415	\$1,724,915,142	\$12,926,038,557
FPSC Adjustments								
ARO	(20,091,374)	(17,219,680)	(2,871,694)			(2,871,694)	(1,085,615)	(3,957,310)
ECCR	(35,554,898)	(18,920,041)	(16,634,857)			(16,634,857)	(18,086,149)	(34,721,005)
ECRC	(177,185,338)	(16,926,511)	(160,258,828)		(33,774,294)	(194,033,122)	(6,471,309)	(200,504,431)
FUEL	(25,949,112)	(25,436,820)	(512,291)			(512,291)	(250,867)	(763,159)
CCR							(141,307,860)	(141,307,860)
NUCLEAR							(75,400,410)	(75,400,410)
Over\Under Recovery-Clauses							(201,032,477)	(201,032,477)
Derivatives							(163,914)	(163,914)
Employee Related							382	382
Investments Earning a Return							(189,163,579)	(189,163,579)
Jobbing Accounts							(607,394)	(607,394)
Non-Regulated and Miscellaneous	(45,517,092)	(36,704,761)	(8,812,331)	(67,214,675)		(76,027,006)	82,246,230	6,219,224
CWIP - AFUDC					(1,044,671,217)	(1,044,671,217)		(1,044,671,217)
Imputed Off Balance Sheet Obligations							638,668,091	638,668,091
Capital Lease	(121,299,621)		(121,299,621)			(121,299,621)	116,738,624	(4,560,997)
SCRC							(192,196,284)	(192,196,284)
Total FPSC Adjustments	(425,597,435)	(115,207,812)	(310,389,622)	(67,214,675)	(1,078,445,511)	(1,456,049,809)	11,887,468	(1,444,162,340)
FPSC Adjusted	\$14,310,736,120	\$5,121,636,916	\$9,189,099,204	\$48,149,096	\$507,825,307	\$9,745,073,606	\$1,736,802,610	\$11,481,876,217

	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	4,747,207,365	2,000,554,372	878,368,747	548,391,912	363,808,745	(114,252,266)	265,639,645	(28,698)		3,942,482,458	804,724,907
Regulatory Base - Retail	4,492,007,409	1,909,065,055	840,069,089	511,675,045	350,223,198	(80,931,685)	222,662,788	(25,967)		3,752,737,524	739,269,885
FPSC Adjustments											
ECCR	(110,495,424)		(102,141,311)	(5,431,222)		(740,807)				(108,313,340)	(2,182,084)
ECRC	(58,831,870)		(33,155,061)	(6,816,829)	(1,300,482)	(4,450,455)				(45,722,827)	(13,109,043)
FUEL	(1,532,702,707)	(1,528,113,707)	(1,107,117)			(882,483)				(1,530,103,308)	(2,599,399)
CCR	(408,372,767)	(380,951,348)	(294,028)	(20,661,945)		(1,638,667)				(403,545,988)	(4,826,778)
NUCLEAR	(50,182,942)		(112,124)	(47,910,582)		(547,512)				(48,570,218)	(1,612,724)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,191,100)			555,334				(1,635,766)	1,635,766
Franchise Fee & Gross Receipts	(215,927,618)					(54,726,855)				(54,726,855)	(161,200,763)
Franchise Fees & Gross Rec Tax - TOI					(212,397,055)	53,832,034				(158,565,022)	158,565,022
Gain/Loss on Disposition & Other						64,163		(253,160)		(188,996)	188,996
Inst./Promotional Advertising			(3,638,517)			922,182				(2,716,335)	2,716,335
Miscellaneous Interest Expense			104,496			(26,485)				78,012	(78,012)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,951,187)				(11,951,187)	11,951,187
Directors & Officers Premium			(1,132,887)			287,130				(845,757)	845,757
Interest Synchronization - FPSC						8,344,033				8,344,033	(8,344,033)
Total FPSC Adjustments	(2,376,513,327)	(1,909,065,055)	(143,759,704)	(69,383,291)	(213,697,537)	(13,835,022)			(253,160)	(2,349,993,770)	(26,519,558)
FPSC Adjusted	2,115,494,081		696,309,386	442,291,753	136,525,661	(94,766,707)	222,662,788	(25,967)	(253,160)	1,402,743,754	712,750,327
Pro Forma Adjustments											
Weather Normalization	(3,844,143)					(974,298)				(974,298)	(2,869,845)
Total Pro Forma Adjustments	(3,844,143)					(974,298)				(974,298)	(2,869,845)
Pro Forma Adjusted	2,111,649,938		696,309,386	442,291,753	136,525,661	(95,741,005)	222,662,788	(25,967)	(253,160)	1,401,769,456	709,880,482
Current Month											
System Per Books	477,242,079	207,314,369	73,925,175	50,323,390	34,525,817	23,009,405	(2,463,911)			386,634,245	90,607,834
FPSC Adjusted	208,701,389		57,280,431	38,992,636	11,281,421	(13,032,772)	30,301,551		(20,334)	124,802,934	83,898,455

(a) The addition of earnings from AFUDC charges would increase the System NOI by 79,700,798 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 70,999,240 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(3,957,310)	(3,957,310)
	ECCR	F	(34,721,005)	(34,721,005)
	ECRC	F	(214,009,831)	(200,504,431)
	FUEL	F	(802,401)	(763,159)
	CCR	F	(141,552,345)	(141,307,860)
	NUCLEAR	F	(75,400,410)	(75,400,410)
	Net Clause Under Recovery	F	(201,032,477)	(201,032,477)
	Derivatives	F	(163,914)	(163,914)
	Employee Related	F	403	382
	Investments Earning a Return	F	(194,476,331)	(189,163,579)
	Jobbing Accounts	F	(641,672)	(607,394)
	Non-Regulated and Miscellaneous	F	1,070,574	6,219,224
(1)	CWIP - AFUDC	F	(1,125,717,305)	(1,044,671,217)
(3)	Imputed Off Balance Sheet Obligations	F	687,590,129	638,668,091
(2)	Capital Lease - EPIS	F	(130,120,489)	(121,299,621)
(2)	Capital Lease - Working Capital	F	125,227,818	116,738,624
	SCRC	F	(192,196,284)	(192,196,284)
	Total		(1,500,902,851)	(1,444,162,340)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,922,890)	740,807	(2,922,890)	740,807
	ECRC	F	(14,837,483)	3,760,560	(17,559,497)	4,450,455
	FUEL	F	(3,648,747)	924,775	(3,481,882)	882,483
	CCR	F	(6,465,445)	1,638,667	(6,465,445)	1,638,667
	NUCLEAR	F	(2,160,236)	547,512	(2,160,236)	547,512
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,350,436	(595,718)	2,191,100	(555,334)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,927,618)	54,726,855	(215,927,618)	54,726,855
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,397,055	(53,832,034)	212,397,055	(53,832,034)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	272,552	(69,078)	253,160	(64,163)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,903,109	(989,243)	3,638,517	(922,182)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(112,095)	28,410	(104,496)	26,485
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		13,227,070		11,951,187
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,215,270	(308,010)	1,132,887	(287,130)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(8,762,814)		(8,344,033)
	Total		(37,274,631)	13,911,512	(40,354,580)	13,835,022

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	\$16,587,380,242	\$5,724,144,996	\$10,863,235,246	\$132,562,988	\$2,102,266,545	\$13,098,064,779	\$1,781,562,244	\$14,879,627,024
Regulatory Base - Retail	\$15,038,742,965	\$5,307,948,554	\$9,730,794,411	\$116,410,436	\$1,871,687,618	\$11,718,892,465	\$1,724,915,142	\$13,443,807,607
FPSC Adjustments								
ARO	(19,741,640)	(17,779,894)	(1,961,746)			(1,961,746)	(1,085,615)	(3,047,362)
ECCR	(28,794,584)	(19,581,811)	(9,212,773)			(9,212,773)	(18,086,149)	(27,298,922)
ECRC	(177,906,533)	(18,769,689)	(159,136,844)		(65,569,600)	(224,706,444)	(6,471,309)	(231,177,753)
FUEL	(17,385,220)	(16,900,658)	(484,562)			(484,562)	(250,867)	(735,430)
CCR							(141,307,860)	(141,307,860)
NUCLEAR							(75,400,410)	(75,400,410)
Net Clause Under Recovery							(201,032,477)	(201,032,477)
Derivatives							(163,914)	(163,914)
Employee Related							382	382
Investments Earning a Return							(189,163,579)	(189,163,579)
Jobbing Accounts							(607,394)	(607,394)
Non-Regulated and Miscellaneous	(45,991,364)	(37,942,844)	(8,048,519)	(87,379,077)		(95,427,597)	82,246,230	(13,181,367)
CWIP - AFUDC					(1,205,099,841)	(1,205,099,841)		(1,205,099,841)
Imputed Off Balance Sheet Obligations							638,668,091	638,668,091
Capital Lease	(113,312,260)		(113,312,260)			(113,312,260)	116,738,624	3,426,364
SCRC							(192,196,284)	(192,196,284)
Total FPSC Adjustments	(403,131,601)	(110,974,895)	(292,156,706)	(87,379,077)	(1,270,669,441)	(1,650,205,224)	11,887,468	(1,638,317,756)
FPSC Adjusted	14,635,611,364	5,196,973,658	9,438,637,705	29,031,358	601,018,177	10,068,687,241	1,736,802,610	11,805,489,851

	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	4,747,207,365	2,000,554,372	878,368,747	548,391,912	363,808,745	(114,252,266)	265,639,645	(28,698)		3,942,482,458	804,724,907
Regulatory Base - Retail	4,492,007,409	1,909,065,055	840,069,089	511,675,045	350,223,198	(80,931,685)	222,662,788	(25,967)		3,752,737,524	739,269,885
FPSC Adjustments											
ECCR	(110,495,424)		(102,141,311)	(5,431,222)		(740,807)				(108,313,340)	(2,182,084)
ECRC	(58,831,870)		(33,155,061)	(6,816,829)	(1,300,482)	(4,450,455)				(45,722,827)	(13,109,043)
FUEL	(1,532,702,707)	(1,528,113,707)	(1,107,117)			(882,483)				(1,530,103,308)	(2,599,399)
CCR	(408,372,767)	(380,951,348)	(294,028)	(20,661,945)		(1,638,667)				(403,545,988)	(4,826,778)
NUCLEAR	(50,182,942)		(112,124)	(47,910,582)		(547,512)				(48,570,218)	(1,612,724)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,191,100)			555,334				(1,635,766)	1,635,766
Franchise Fee & Gross Receipts	(215,927,618)					(54,726,855)				(54,726,855)	(161,200,763)
Franchise Fees & Gross Rec Tax - TOI					(212,397,055)	53,832,034				(158,565,022)	158,565,022
Gain/Loss on Disposition & Other						64,163		(253,160)		(188,996)	188,996
Inst./Promotional Advertising			(3,638,517)			922,182				(2,716,335)	2,716,335
Miscellaneous Interest Expense			104,496			(26,485)				78,012	(78,012)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,951,187)				(11,951,187)	11,951,187
Directors & Officers Premium			(1,132,887)			287,130				(845,757)	845,757
Interest Synchronization - FPSC						8,344,033				8,344,033	(8,344,033)
Total FPSC Adjustments	(2,376,513,327)	(1,909,065,055)	(143,759,704)	(69,383,291)	(213,697,537)	(13,835,022)			(253,160)	(2,349,993,770)	(26,519,558)
FPSC Adjusted	2,115,494,081		696,309,386	442,291,753	136,525,661	(94,766,707)	222,662,788	(25,967)	(253,160)	1,402,743,754	712,750,327

(a) The addition of earnings from AFUDC charges would increase the System NOI by 79,700,798 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 70,999,240 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(3,047,362)	(3,047,362)
	ECCR	F	(27,298,922)	(27,298,922)
	ECRC	F	(247,291,546)	(231,177,753)
	FUEL	F	(772,547)	(735,430)
	CCR	F	(141,552,345)	(141,307,860)
	NUCLEAR	F	(75,400,410)	(75,400,410)
	Net Clause Under Recovery	F	(201,032,477)	(201,032,477)
	Derivatives	F	(163,914)	(163,914)
	Employee Related	F	403	382
	Investments Earning a Return	F	(194,476,331)	(189,163,579)
	Jobbing Accounts	F	(641,672)	(607,394)
	Non-Regulated and Miscellaneous	F	(19,874,612)	(13,181,367)
(1)	CWIP - AFUDC	F	(1,297,410,606)	(1,205,099,841)
(3)	Imputed Off Balance Sheet Obligations	F	687,590,129	638,668,091
(2)	Capital Lease - EPIS	F	(121,552,290)	(113,312,260)
(2)	Capital Lease - Working Capital	F	125,227,818	116,738,624
	SCRC	F	(192,196,284)	(192,196,284)
	Total		(1,709,892,969)	(1,638,317,756)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,922,890)	740,807	(2,922,890)	740,807
	ECRC	F	(14,837,483)	3,760,560	(17,559,497)	4,450,455
	FUEL	F	(3,648,747)	924,775	(3,481,882)	882,483
	CCR	F	(6,465,445)	1,638,667	(6,465,445)	1,638,667
	NUCLEAR	F	(2,160,236)	547,512	(2,160,236)	547,512
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,350,436	(595,718)	2,191,100	(555,334)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(215,927,618)	54,726,855	(215,927,618)	54,726,855
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	212,397,055	(53,832,034)	212,397,055	(53,832,034)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	272,552	(69,078)	253,160	(64,163)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,903,109	(989,243)	3,638,517	(922,182)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(112,095)	28,410	(104,496)	26,485
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		13,227,070		11,951,187
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,215,270	(308,010)	1,132,887	(287,130)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(8,762,814)		(8,344,033)
	Total		(37,274,631)	13,911,512	(40,354,580)	13,835,022

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	5,703,403,711	5,152,875,827	(668,449,314)	607,752,791	5,092,179,305	44.35%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,748,929,119	5,194,006,841	(673,784,975)		4,520,221,866	39.37%	4.78%	1.88%	4.78%	1.88%	4.78%	1.88%
Short Term Debt *	(199,961,990)	(180,660,419)	23,435,910	(39,531,166)	(196,755,675)	(1.71%)	1.27%	(0.02%)	1.27%	(0.02%)	1.27%	(0.02%)
Customer Deposits												
Active	199,959,630	199,959,630	(25,939,472)		174,020,158	1.52%	2.30%	0.03%	2.30%	0.03%	2.30%	0.03%
Inactive	1,988,183	1,988,183	(257,914)		1,730,269	0.02%						
Investment Tax Credits **	8,509,919	7,688,489	(997,378)		6,691,111	0.06%	7.28%	0.00%	7.81%	0.00%	8.34%	0.00%
Deferred Income Taxes	2,822,638,580	2,550,180,006	(330,818,388)	(335,572,435)	1,883,789,183	16.41%						
Total	14,285,467,153	12,926,038,557	(1,676,811,531)	232,649,190	11,481,876,217	100.00%		6.11%		6.56%		7.00%
* 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	6,046,835,422	5,478,758,211	(792,371,789)	584,465,223	5,270,851,645	44.65%	9.50%	4.24%	10.50%	4.69%	11.50%	5.13%
Long Term Debt	6,078,588,717	5,507,528,405	(796,532,712)		4,710,995,693	39.91%	4.52%	1.81%	4.52%	1.81%	4.52%	1.81%
Short Term Debt *	(393,409,490)	(356,450,163)	51,552,020	9,698,279	(295,199,864)	(2.50%)	0.81%	(0.02%)	0.81%	(0.02%)	0.81%	(0.02%)
Customer Deposits												
Active	198,165,274	198,165,274	(28,659,884)		169,505,390	1.44%	2.32%	0.03%	2.32%	0.03%	2.32%	0.03%
Inactive	2,301,150	2,301,150	(332,806)		1,968,343	0.02%						
Investment Tax Credits **	10,115,298	9,165,004	(1,325,499)		7,839,504	0.07%	7.15%	0.00%	7.68%	0.01%	8.21%	0.01%
Deferred Income Taxes	2,874,376,475	2,604,339,727	(376,655,667)	(288,154,921)	1,939,529,139	16.43%						
Total	14,816,972,845	13,443,807,607	(1,944,326,338)	306,008,581	11,805,489,851	100.00%		6.06%		6.51%		6.96%
* 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	5,703,403,711	5,152,875,827	(668,449,314)	607,752,791	5,092,179,305	44.35%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,748,929,119	5,194,006,841	(673,784,975)		4,520,221,866	39.37%	4.78%	1.88%	4.78%	1.88%	4.78%	1.88%
Short Term Debt *	(199,961,990)	(180,660,419)	23,435,910	(39,531,166)	(196,755,675)	(1.71%)	1.27%	(0.02%)	1.27%	(0.02%)	1.27%	(0.02%)
Customer Deposits												
Active	199,959,630	199,959,630	(25,939,472)		174,020,158	1.52%	2.30%	0.03%	2.30%	0.03%	2.30%	0.03%
Inactive	1,988,183	1,988,183	(257,914)		1,730,269	0.02%						
Investment Tax Credits **	8,509,919	7,688,489	(997,378)		6,691,111	0.06%	7.28%	0.00%	7.81%	0.00%	8.34%	0.00%
Deferred Income Taxes	2,822,638,580	2,550,180,006	(330,818,388)	(335,572,435)	1,883,789,183	16.41%						
Total	14,285,467,153	12,926,038,557	(1,676,811,531)	232,649,190	11,481,876,217	100.00%		6.11%		6.56%		7.00%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Sep-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	6,046,835,422	5,478,758,211	(792,371,789)	584,465,223	5,270,851,645	44.65%	9.50%	4.24%	10.50%	4.69%	11.50%	5.13%
Long Term Debt	6,078,588,717	5,507,528,405	(796,532,712)		4,710,995,693	39.91%	4.52%	1.81%	4.52%	1.81%	4.52%	1.81%
Short Term Debt *	(393,409,490)	(356,450,163)	51,552,020	9,698,279	(295,199,864)	(2.50%)	0.81%	(0.02%)	0.81%	(0.02%)	0.81%	(0.02%)
Customer Deposits												
Active	198,165,274	198,165,274	(28,659,884)		169,505,390	1.44%	2.32%	0.03%	2.32%	0.03%	2.32%	0.03%
Inactive	2,301,150	2,301,150	(332,806)		1,968,343	0.02%						
Investment Tax Credits **	10,115,298	9,165,004	(1,325,499)		7,839,504	0.07%	7.15%	0.00%	7.68%	0.01%	8.21%	0.01%
Deferred Income Taxes	2,874,376,475	2,604,339,727	(376,655,667)	(288,154,921)	1,939,529,139	16.43%						
Total	14,816,972,845	13,443,807,607	(1,944,326,338)	306,008,581	11,805,489,851	100.00%		6.06%		6.51%		6.96%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$ (1,103,583,008)
AFUDC - DEBT	\$ 28,040,267
INCOME TAXES	(53,980,819)
TOTAL	<u>\$ (1,129,523,559)</u>
INTEREST CHARGES (before deducting AFUDC-Debt)	\$ 284,968,651
TIE WITH AFUDC	<u><u>(3.96)</u></u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$ (1,103,583,008)
AFUDC - EQUITY	(51,660,531)
INCOME TAXES	(53,980,819)
TOTAL	<u>\$ (1,209,224,357)</u>
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 284,968,651
TIE WITHOUT AFUDC	<u><u>(4.24)</u></u>

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

AFUDC DEBT	\$ 28,040,267
X (1- INCOME TAX RATE)	0.74655
SUBTOTAL	<u>\$ 20,933,461</u>
AFUDC -EQUITY	\$ 51,660,531
TOTAL	<u>\$ 72,593,992</u>
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	<u>\$ 852,484,822</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>8.52%</u></u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$ 857,366,604
COMMON DIVIDENDS	(75,000,000)
AFUDC (EQUITY)	(51,660,531)
DEPRECIATION & AMORTIZATION	672,406,117
DEFERRED INCOME TAXES	47,559,903
INVESTMENT TAX CREDITS	(28,698)
OTHER - INC NUCLEAR DECOMMISSIONING	39,712,649
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(422,620,622)
TOTAL FUNDS PROVIDED	<u><u>\$ 1,067,735,422</u></u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,427,907,799</u>
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PERCENTAGE INTERNALLY GENERATED FUNDS **74.78%**

*As of September 2018 (updated quarterly)

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

Common Equity	\$ 5,092,179,305
Long Term Debt	\$ 4,520,221,866
Short Term Debt	<u>\$ (196,755,675)</u>
TOTAL	<u><u>\$ 9,415,645,495</u></u>

% LONG TERM DEBT TO TOTAL **48.01%**

% SHORT TERM DEBT TO TOTAL **(2.09%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.18%</u>	<u>6.21%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.88%	1.88%
SHORT TERM DEBT	(0.02%)	(0.02%)
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>1.90%</u>	<u>1.90%</u>
TOTAL	<u>4.29%</u>	<u>4.31%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.35%</u>	<u>44.35%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><u>9.67%</u></u>	<u><u>9.72%</u></u>