



February 14, 2019

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 December 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 December 31, 2018. The demand-related separation factors used for the jurisdictional amounts were from Order No. PSC-2017-0451-AS-EU.

The report also includes the AFUDC Rate Computation Report provided annually in compliance with the FPSC Rule 25-6.0141(6), the Commercial/Industrial Rider Report provided annually in compliance with Order No. PSC-14-0197-PAA-EI, and the Summary of Osprey 2017 Outage O&M and Deferral Costs in compliance with Order No. PSC-2016-0521-TRF-EI.

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**  
**Dec-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	\$784,877,770 (a)	(\$83,836,518) (b)	\$701,041,252	\$9,521,645	\$710,562,897
Average Rate Base	\$13,216,163,094	(\$1,373,774,857)	\$11,842,388,236	\$0	\$11,842,388,236
Average Rate of Return	5.94%		5.92%		6.00%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$720,833,264	(\$19,792,012)	\$701,041,252		
Average Rate Base	\$13,726,564,026	(\$540,729,447)	\$13,185,834,580		
Average Rate of Return	5.25%		5.32%		
(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	6.09%	6.01%
Mid Point	6.53%	6.45%
High Point	6.98%	6.89%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.09%	6.01%
Mid Point	6.53%	6.45%
High Point	6.98%	6.89%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.24	(System Per Books Basis)
B. T.I.E without AFUDC	2.99	(System Per Books Basis)
C. AFUDC to Net Income	5.05%	(System Per Books Basis)
D. Internally Generated Funds	62.87%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	48.21%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.23%)	(FPSC Adjusted Basis)
<b>F. Return on Common Equity</b>		
	9.13%	(FPSC Adjusted Basis)
	9.31%	(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

2/14/19  
 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>\$16,668,881,977</b>	<b>\$5,664,300,110</b>	<b>\$11,004,581,867</b>	<b>\$131,799,942</b>	<b>\$1,671,973,788</b>	<b>\$12,808,355,597</b>	<b>\$1,806,068,255</b>	<b>\$14,614,423,852</b>
<b>Regulatory Base - Retail</b>	<b>\$15,129,387,230</b>	<b>\$5,253,437,626</b>	<b>\$9,875,949,605</b>	<b>\$115,699,117</b>	<b>\$1,478,552,572</b>	<b>\$11,470,201,293</b>	<b>\$1,745,961,801</b>	<b>\$13,216,163,094</b>
<b>FPSC Adjustments</b>								
ARO	(20,852,622)	(17,358,479)	(3,494,143)			(3,494,143)	4,115,677	621,534
ECCR	(30,423,770)	(18,808,498)	(11,615,271)			(11,615,271)	(18,969,999)	(30,585,271)
ECRC	(178,425,970)	(23,012,028)	(155,413,942)		(50,398,766)	(205,812,709)	(5,912,558)	(211,725,267)
FUEL	(22,005,937)	(21,555,138)	(450,799)			(450,799)	(48,752,394)	(49,203,193)
CCR							(108,416,782)	(108,416,782)
NUCLEAR							(64,396,670)	(64,396,670)
Over\Under Recovery-Clauses							(192,543,598)	(192,543,598)
Derivatives							165,832	165,832
Employee Related							293	293
Investments Earning a Return							(189,494,792)	(189,494,792)
Jobbing Accounts							(590,350)	(590,350)
Non-Regulated and Miscellaneous	(45,952,197)	(37,226,688)	(8,725,509)	(87,379,077)		(96,104,586)	70,189,265	(25,915,321)
CWIP - AFUDC					(890,902,923)	(890,902,923)		(890,902,923)
Imputed Off Balance Sheet Obligations							619,206,786	619,206,786
Capital Lease	(118,281,611)		(118,281,611)			(118,281,611)	113,410,812	(4,870,798)
SCRC							(225,124,337)	(225,124,337)
<b>Total FPSC Adjustments</b>	<b>(415,942,107)</b>	<b>(117,960,831)</b>	<b>(297,981,275)</b>	<b>(87,379,077)</b>	<b>(941,301,689)</b>	<b>(1,326,662,042)</b>	<b>(47,112,815)</b>	<b>(1,373,774,857)</b>
<b>FPSC Adjusted</b>	<b>\$14,713,445,123</b>	<b>\$5,135,476,794</b>	<b>\$9,577,968,329</b>	<b>\$28,320,040</b>	<b>\$537,250,882</b>	<b>\$10,143,539,251</b>	<b>\$1,698,848,985</b>	<b>\$11,842,388,236</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>	4,887,833,564	2,084,615,746	962,416,562	576,087,858	372,358,774	(52,426,738)	153,734,978	(18,721)		4,096,768,459	791,065,105
<b>Regulatory Base - Retail</b>	4,633,545,206	1,997,096,598	922,371,830	538,517,585	359,326,206	(23,102,364)	118,519,018	(16,931)		3,912,711,943	720,833,264
<b>FPSC Adjustments</b>											
ECCR	(112,886,194)		(105,442,481)	(5,094,000)		(595,535)				(111,132,015)	(1,754,179)
ECRC	(60,335,471)		(32,796,227)	(7,824,812)	(1,300,482)	(4,667,016)				(46,588,536)	(13,746,934)
FUEL	(1,602,071,149)	(1,597,548,138)	(1,155,337)	(3,275,670)		(23,318)				(1,602,002,464)	(68,685)
CCR	(426,212,512)	(399,548,459)	(306,873)	(19,024,104)		(1,858,568)				(420,738,004)	(5,474,507)
NUCLEAR	(49,648,483)		(44,600)	(47,706,279)		(480,948)				(48,231,826)	(1,416,657)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,005,779)			508,365				(1,497,415)	1,497,415
Franchise Fee & Gross Receipts	(223,055,409)					(56,533,393)				(56,533,393)	(166,522,015)
Franchise Fees & Gross Rec Tax - TOI					(226,842,071)	57,493,123				(169,348,948)	169,348,948
Gain/Loss on Disposition & Other						69,000			(272,244)	(203,243)	203,243
Inst./Promotional Advertising			(4,635,192)			1,174,790				(3,460,403)	3,460,403
Miscellaneous Interest Expense			102,234			(25,911)				76,322	(76,322)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Remove Economic Development			(56,775)			14,390				(42,386)	42,386
Parent Debt Adjustment						(11,340,404)				(11,340,404)	11,340,404
Directors & Officers Premium			(1,117,500)			283,230				(834,269)	834,269
Interest Synchronization - FPSC						8,989,997				8,989,997	(8,989,997)
<b>Total FPSC Adjustments</b>	<b>(2,474,209,217)</b>	<b>(1,997,096,598)</b>	<b>(147,550,584)</b>	<b>(71,487,577)</b>	<b>(228,142,553)</b>	<b>(9,867,648)</b>			<b>(272,244)</b>	<b>(2,454,417,205)</b>	<b>(19,792,012)</b>
<b>FPSC Adjusted</b>	<b>2,159,335,989</b>		<b>774,821,246</b>	<b>467,030,008</b>	<b>131,183,653</b>	<b>(32,970,012)</b>	<b>118,519,018</b>	<b>(16,931)</b>	<b>(272,244)</b>	<b>1,458,294,737</b>	<b>701,041,252</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	12,754,196					3,232,551				3,232,551	9,521,645
<b>Total Pro Forma Adjustments</b>	<b>12,754,196</b>					<b>3,232,551</b>				<b>3,232,551</b>	<b>9,521,645</b>
<b>Pro Forma Adjusted</b>	<b>2,172,090,185</b>		<b>774,821,246</b>	<b>467,030,008</b>	<b>131,183,653</b>	<b>(29,737,461)</b>	<b>118,519,018</b>	<b>(16,931)</b>	<b>(272,244)</b>	<b>1,461,527,288</b>	<b>710,562,897</b>
<b>Current Month</b>											
System Per Books	377,814,046	149,938,046	117,004,328	51,688,340	36,390,477	2,668,431	(17,482,878)	(18,721)		340,188,022	37,626,023
FPSC Adjusted	173,837,855		100,245,490	42,003,169	13,445,137	12,652,024	(37,100,507)	(16,931)	(20,334)	131,208,046	42,629,809

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

72,422,677 pretax

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

64,044,506 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	621,534	621,534
	ECCR	F	(30,585,271)	(30,585,271)
	ECRC	F	(225,802,615)	(211,725,267)
	FUEL	F	(49,237,724)	(49,203,193)
	CCR	F	(108,416,782)	(108,416,782)
	NUCLEAR	F	(64,396,670)	(64,396,670)
	Net Clause Under Recovery	F	(192,543,598)	(192,543,598)
	Derivatives	F	165,832	165,832
	Employee Related	F	310	293
	Investments Earning a Return	F	(194,806,724)	(189,494,792)
	Jobbing Accounts	F	(623,580)	(590,350)
	Non-Regulated and Miscellaneous	F	(32,608,567)	(25,915,321)
(1)	CWIP - AFUDC	F	(965,994,721)	(890,902,923)
(3)	Imputed Off Balance Sheet Obligations	F	666,638,085	619,206,786
(2)	Capital Lease - EPIS	F	(126,883,010)	(118,281,611)
(2)	Capital Lease - Working Capital	F	121,658,009	113,410,812
	SCRC	F	(225,124,337)	(225,124,337)
	<b>Total</b>		<b>(1,427,939,828)</b>	<b>(1,373,774,857)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,349,713)	595,535	(2,349,713)	595,535
	ECRC	F	(15,764,127)	3,995,418	(18,413,950)	4,667,016
	FUEL	F	(96,035)	24,340	(92,003)	23,318
	CCR	F	(7,333,075)	1,858,568	(7,333,075)	1,858,568
	NUCLEAR	F	(1,897,604)	480,948	(1,897,604)	480,948
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,151,639	(545,333)	2,005,779	(508,365)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(223,055,409)	56,533,393	(223,055,409)	56,533,393
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	226,842,071	(57,493,123)	226,842,071	(57,493,123)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	293,097	(74,286)	272,244	(69,000)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,972,262	(1,260,220)	4,635,192	(1,174,790)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(109,668)	27,795	(102,234)	25,911
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(4)	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,559,252		11,340,404
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,198,764	(303,827)	1,117,500	(283,230)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,506,482)		(8,989,997)
	<b>Total</b>		<b>(26,425,434)</b>	<b>9,750,296</b>	<b>(29,659,660)</b>	<b>9,867,648</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  
(4) Rule 25-6.0426 Recovery of Econ Dev Expenses

	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>\$17,902,212,570</b>	<b>\$5,495,619,197</b>	<b>\$12,406,593,372</b>	<b>\$132,062,007</b>	<b>\$853,509,360</b>	<b>\$13,392,164,739</b>	<b>\$1,805,325,218</b>	<b>\$15,197,489,957</b>
<b>Regulatory Base - Retail</b>	<b>\$16,271,332,604</b>	<b>\$5,101,469,992</b>	<b>\$11,169,862,612</b>	<b>\$115,943,416</b>	<b>\$694,796,198</b>	<b>\$11,980,602,226</b>	<b>\$1,745,961,801</b>	<b>\$13,726,564,026</b>
<b>FPSC Adjustments</b>								
ARO	(22,578,040)	(16,029,948)	(6,548,092)			(6,548,092)	4,115,677	(2,432,415)
ECCR	(28,680,101)	(20,851,488)	(7,828,613)			(7,828,613)	(18,969,999)	(26,798,612)
ECRC	(180,130,295)	(25,188,879)	(154,941,417)		(75,039,674)	(229,981,091)	(5,912,558)	(235,893,649)
FUEL	(8,082,918)	(7,820,369)	(262,549)			(262,549)	(48,752,394)	(49,014,943)
CCR							(108,416,782)	(108,416,782)
NUCLEAR							(64,396,670)	(64,396,670)
Net Clause Under Recovery							(192,543,598)	(192,543,598)
Derivatives							165,832	165,832
Employee Related							293	293
Investments Earning a Return							(189,494,792)	(189,494,792)
Jobbing Accounts							(590,350)	(590,350)
Non-Regulated and Miscellaneous	(45,532,721)	(35,303,653)	(10,229,068)	(87,379,077)		(97,608,145)	70,189,265	(27,418,880)
CWIP - AFUDC					(39,523,516)	(39,523,516)		
Imputed Off Balance Sheet Obligations							619,206,786	619,206,786
Capital Lease	(111,864,626)		(111,864,626)			(111,864,626)	113,410,812	1,546,187
SCRC							(225,124,337)	(225,124,337)
<b>Total FPSC Adjustments</b>	<b>(396,868,700)</b>	<b>(105,194,336)</b>	<b>(291,674,364)</b>	<b>(87,379,077)</b>	<b>(114,563,190)</b>	<b>(493,616,631)</b>	<b>(47,112,815)</b>	<b>(540,729,447)</b>
<b>FPSC Adjusted</b>	<b>15,874,463,904</b>	<b>4,996,275,656</b>	<b>10,878,188,248</b>	<b>28,564,339</b>	<b>580,233,008</b>	<b>11,486,985,594</b>	<b>1,698,848,985</b>	<b>13,185,834,580</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>4,887,833,564</b>	<b>2,084,615,746</b>	<b>962,416,562</b>	<b>576,087,858</b>	<b>372,358,774</b>	<b>(52,426,738)</b>	<b>153,734,978</b>	<b>(18,721)</b>		<b>4,096,768,459</b>	<b>791,065,105</b>
<b>Regulatory Base - Retail</b>	<b>4,633,545,206</b>	<b>1,997,096,598</b>	<b>922,371,830</b>	<b>538,517,585</b>	<b>359,326,206</b>	<b>(23,102,364)</b>	<b>118,519,018</b>	<b>(16,931)</b>		<b>3,912,711,943</b>	<b>720,833,264</b>
<b>FPSC Adjustments</b>											
ECCR	(112,886,194)		(105,442,481)	(5,094,000)		(595,535)				(111,132,015)	(1,754,179)
ECRC	(60,335,471)		(32,796,227)	(7,824,812)	(1,300,482)	(4,667,016)				(46,588,536)	(13,746,934)
FUEL	(1,602,071,149)	(1,597,548,138)	(1,155,337)	(3,275,670)		(23,318)				(1,602,002,464)	(68,685)
CCR	(426,212,512)	(399,548,459)	(306,873)	(19,024,104)		(1,858,568)				(420,738,004)	(5,474,507)
NUCLEAR	(49,648,483)		(44,600)	(47,706,279)		(480,948)				(48,231,826)	(1,416,657)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,005,779)			508,365				(1,497,415)	1,497,415
Franchise Fee & Gross Receipts	(223,055,409)					(56,533,393)				(56,533,393)	(166,522,015)
Franchise Fees & Gross Rec Tax - TOI					(226,842,071)	57,493,123				(169,348,948)	169,348,948
Gain/Loss on Disposition & Other						69,000		(272,244)		(203,243)	203,243
Inst./Promotional Advertising			(4,635,192)			1,174,790				(3,460,403)	3,460,403
Miscellaneous Interest Expense			102,234			(25,911)				76,322	(76,322)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Remove Economic Development			(56,775)			14,390				(42,386)	42,386
Parent Debt Adjustment						(11,340,404)				(11,340,404)	11,340,404
Directors & Officers Premium			(1,117,500)			283,230				(834,269)	834,269
Interest Synchronization - FPSC						8,989,997				8,989,997	(8,989,997)
<b>Total FPSC Adjustments</b>	<b>(2,474,209,217)</b>	<b>(1,997,096,598)</b>	<b>(147,550,584)</b>	<b>(71,487,577)</b>	<b>(228,142,553)</b>	<b>(9,867,648)</b>			<b>(272,244)</b>	<b>(2,454,417,205)</b>	<b>(19,792,012)</b>
<b>FPSC Adjusted</b>	<b>2,159,335,989</b>		<b>774,821,246</b>	<b>467,030,008</b>	<b>131,183,653</b>	<b>(32,970,012)</b>	<b>118,519,018</b>	<b>(16,931)</b>	<b>(272,244)</b>	<b>1,458,294,737</b>	<b>701,041,252</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by 72,422,677 pretax  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 64,044,506 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(2,432,415)	(2,432,415)
	ECCR	F	(26,798,612)	(26,798,612)
	ECRC	F	(249,834,607)	(235,893,649)
	FUEL	F	(49,035,054)	(49,014,943)
	CCR	F	(108,416,782)	(108,416,782)
	NUCLEAR	F	(64,396,670)	(64,396,670)
	Over/Under Recovery-Clauses	F	(192,543,598)	(192,543,598)
	Derivatives	F	165,832	165,832
	Employee Related	F	310	293
	Investments Earning a Return	F	(194,806,724)	(189,494,792)
	Jobbing Accounts	F	(623,580)	(590,350)
	Non-Regulated and Miscellaneous	F	(34,112,126)	(27,418,880)
	CWIP - AFUDC	F	(56,298,899)	(39,523,516)
	Imputed Off Balance Sheet Obligations	F	666,638,085	619,206,786
(3)	Capital Lease - EPIS	F	(119,999,384)	(111,864,626)
(2)	Capital Lease - Working Capital	F	121,658,009	113,410,812
(2)	SCRC	F	(225,124,337)	(225,124,337)
	<b>Total</b>		<b>(535,960,552)</b>	<b>(540,729,447)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,349,713)	595,535	(2,349,713)	595,535
	ECRC	F	(15,764,127)	3,995,418	(18,413,950)	4,667,016
	FUEL	F	(96,035)	24,340	(92,003)	23,318
	CCR	F	(7,333,075)	1,858,568	(7,333,075)	1,858,568
	NUCLEAR	F	(1,897,604)	480,948	(1,897,604)	480,948
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,151,639	(545,333)	2,005,779	(508,365)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(223,055,409)	56,533,393	(223,055,409)	56,533,393
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	226,842,071	(57,493,123)	226,842,071	(57,493,123)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	293,097	(74,286)	272,244	(69,000)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,972,262	(1,260,220)	4,635,192	(1,174,790)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(109,668)	27,795	(102,234)	25,911
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,559,252		11,340,404
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,198,764	(303,827)	1,117,500	(283,230)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,506,482)		(8,989,997)
	<b>Total</b>		<b>(26,425,434)</b>	<b>9,750,296</b>	<b>(29,659,660)</b>	<b>9,867,648</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	5,886,848,270	5,315,754,153	(655,556,521)	588,381,568	5,248,579,200	44.32%	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Long Term Debt	5,916,715,514	5,342,723,920	(658,882,523)		4,683,841,397	39.55%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(226,441,006)	(204,473,542)	25,216,359	(37,189,773)	(216,446,956)	(1.83%)	1.60%	(0.03%)	1.60%	(0.03%)	1.60%	(0.03%)
Customer Deposits												
Active	198,990,345	198,990,345	(24,540,153)		174,450,192	1.47%	2.34%	0.03%	2.34%	0.03%	2.34%	0.03%
Inactive	2,136,848	2,136,848	(263,523)		1,873,325	0.02%						
Investment Tax Credits **	12,092,649	10,919,519	(1,346,631)		9,572,888	0.08%	7.25%	0.01%	7.78%	0.01%	8.30%	0.01%
Deferred Income Taxes	2,824,081,232	2,550,111,851	(314,488,294)	(295,105,366)	1,940,518,191	16.39%						
<b>Total</b>	<b>14,614,423,852</b>	<b>13,216,163,094</b>	<b>(1,629,861,286)</b>	<b>256,086,428</b>	<b>11,842,388,236</b>	<b>100.00%</b>		<b>6.09%</b>		<b>6.53%</b>		<b>6.98%</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	6,091,224,075	5,455,250,664	(241,967,376)	575,566,582	5,788,849,870	43.90%	9.50%	4.17%	10.50%	4.61%	11.50%	5.05%
Long Term Debt	6,029,765,351	5,400,208,731	(239,525,993)		5,160,682,737	39.14%	4.64%	1.81%	4.64%	1.81%	4.64%	1.81%
Short Term Debt *	108,258,000	96,954,983	(4,300,434)	(219,871,209)	(127,216,659)	(0.96%)	3.12%	(0.03%)	3.12%	(0.03%)	3.12%	(0.03%)
Customer Deposits												
Active	197,899,557	197,899,557	(8,777,825)		189,121,732	1.43%	2.35%	0.03%	2.35%	0.03%	2.35%	0.03%
Inactive	1,901,168	1,901,168	(84,326)		1,816,841	0.01%						
Investment Tax Credits **	42,013,177	37,626,659	(1,668,929)		35,957,730	0.27%	7.21%	0.02%	7.74%	0.02%	8.26%	0.02%
Deferred Income Taxes	2,832,453,482	2,536,722,265	(112,516,192)	(287,583,745)	2,136,622,328	16.20%						
<b>Total</b>	<b>15,303,514,809</b>	<b>13,726,564,026</b>	<b>(608,841,074)</b>	<b>68,111,628</b>	<b>13,185,834,580</b>	<b>100.00%</b>	<b>6.01%</b>		<b>6.45%</b>		<b>6.89%</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	5,886,848,270	5,315,754,153	(655,556,521)	588,381,568	5,248,579,200	44.32%	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Long Term Debt	5,916,715,514	5,342,723,920	(658,882,523)		4,683,841,397	39.55%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(226,441,006)	(204,473,542)	25,216,359	(37,189,773)	(216,446,956)	(1.83%)	1.60%	(0.03%)	1.60%	(0.03%)	1.60%	(0.03%)
Customer Deposits												
Active	198,990,345	198,990,345	(24,540,153)		174,450,192	1.47%	2.34%	0.03%	2.34%	0.03%	2.34%	0.03%
Inactive	2,136,848	2,136,848	(263,523)		1,873,325	0.02%						
Investment Tax Credits **	12,092,649	10,919,519	(1,346,631)		9,572,888	0.08%	7.25%	0.01%	7.78%	0.01%	8.30%	0.01%
Deferred Income Taxes	2,824,081,232	2,550,111,851	(314,488,294)	(295,105,366)	1,940,518,191	16.39%						
<b>Total</b>	<b>14,614,423,852</b>	<b>13,216,163,094</b>	<b>(1,629,861,286)</b>	<b>256,086,428</b>	<b>11,842,388,236</b>	<b>100.00%</b>		<b>6.09%</b>		<b>6.53%</b>		<b>6.98%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
FPSC Adjusted Basis  
Dec-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	6,091,224,075	5,455,250,664	(241,967,376)	575,566,582	5,788,849,870	43.90%	9.50%	4.17%	10.50%	4.61%	11.50%	5.05%
Long Term Debt	6,029,765,351	5,400,208,731	(239,525,993)		5,160,682,737	39.14%	4.64%	1.81%	4.64%	1.81%	4.64%	1.81%
Short Term Debt *	108,258,000	96,954,983	(4,300,434)	(219,871,209)	(127,216,659)	(0.96%)	3.12%	(0.03%)	3.12%	(0.03%)	3.12%	(0.03%)
Customer Deposits												
Active	197,899,557	197,899,557	(8,777,825)		189,121,732	1.43%	2.35%	0.03%	2.35%	0.03%	2.35%	0.03%
Inactive	1,901,168	1,901,168	(84,326)		1,816,841	0.01%						
Investment Tax Credits **	42,013,177	37,626,659	(1,668,929)		35,957,730	0.27%	7.21%	0.02%	7.74%	0.02%	8.26%	0.02%
Deferred Income Taxes	2,832,453,482	2,536,722,265	(112,516,192)	(287,583,745)	2,136,622,328	16.20%						
<b>Total</b>	<b>15,303,514,809</b>	<b>13,726,564,026</b>	<b>(608,841,074)</b>	<b>68,111,628</b>	<b>13,185,834,580</b>	<b>100.00%</b>		<b>6.01%</b>		<b>6.45%</b>		<b>6.89%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$	809,783,425
AFUDC - DEBT	\$	25,477,926
INCOME TAXES		102,293,843
TOTAL	\$	937,555,194
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	281,664,681
TIE WITH AFUDC		<u>3.33</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$	809,783,425
AFUDC - EQUITY		(46,944,751)
INCOME TAXES		102,293,843
TOTAL	\$	865,132,517
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	281,664,681
TIE WITHOUT AFUDC		<u>3.07</u>

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

AFUDC DEBT	\$	(25,477,926)
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	(19,020,545)
AFUDC - EQUITY	\$	46,944,751
TOTAL	\$	27,924,206
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	553,113,980
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>5.05%</u>

**D. PERCENT INTERNALLY GENERATED FUNDS\***

NET INCOME	\$	553,596,670
COMMON DIVIDENDS		(75,000,000)
AFUDC (EQUITY)		(46,944,751)
DEPRECIATION & AMORTIZATION		741,303,873
DEFERRED INCOME TAXES		159,228,148
INVESTMENT TAX CREDITS		-
OTHER - INC NUCLEAR DECOMMISSIONING		(41,099,427)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(263,802,279)
TOTAL FUNDS PROVIDED	\$	<u>1,027,282,234</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,633,876,384
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PERCENTAGE INTERNALLY GENERATED FUNDS **62.87%**

\*As of September 2018 (updated quarterly)

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

Common Equity	\$	5,248,579,200
Long Term Debt	\$	4,683,841,397
Short Term Debt	\$	(216,446,956)
TOTAL	\$	<u>9,715,973,640</u>
% LONG TERM DEBT TO TOTAL		<b>48.21%</b>
% SHORT TERM DEBT TO TOTAL		<b>(2.23%)</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.00%	5.92%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.87%	1.87%
SHORT TERM DEBT	(0.03%)	(0.03%)
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.87%	1.87%
TOTAL	4.13%	4.05%
DIVIDED BY COMMON EQUITY RATIO	44.32%	44.32%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.31%</u>	<u>9.13%</u>

**DUKE ENERGY FLORIDA**  
**AFUDC Rate Computation Report**  
**Calculation of Jurisdictional Capital Structure**  
**Dec-18**

**Schedule A & B**  
**(Combined)**

		13 Month Average Unadjusted Balance - System	Jurisdictional Allocation Percentage	13 Month Average Unadjusted Balance - Retail	Pro Rata FPSC Adjustments - Retail	Specific Adjustments - Retail	Adjusted Average Balance - Retail	Ratio	Cost Rate	AFUDC Weighted Average Cost of Capital
Common Equity	(1)	\$5,886,848,270	90.30%	\$5,315,754,153	(\$655,556,521)	\$588,381,568	\$5,248,579,200	44.32%	10.50%	4.65%
Long Term Debt	(2)	\$5,916,715,514	90.30%	\$5,342,723,920	(\$658,882,523)	0	\$4,683,841,397	39.55%	4.64%	1.83%
Short Term Debt *	(3)	(\$226,441,006)	90.30%	(\$204,473,542)	\$25,216,359	(37,189,773)	-\$216,446,956	-1.83%	3.12%	-0.06%
Customer Deposits										
Active	(4)	\$198,990,345	100.00%	\$198,990,345	(\$24,540,153)	0	\$174,450,192	1.47%	2.35%	0.03%
Inactive	(4)	\$2,136,848	100.00%	\$2,136,848	(\$263,523)	0	\$1,873,325	0.02%	0.00%	0.00%
Investment Tax Credits **	(5)	\$12,092,649	90.30%	\$10,919,519	(\$1,346,631)	0	\$9,572,888	0.08%	0.00%	0.00%
Deferred Income Taxes	(4)	\$2,824,081,232	90.30%	\$2,550,111,851	(\$314,488,294)	(295,105,366)	\$1,940,518,191	16.39%	0.00%	0.00%
<b>Total</b>		<b>\$14,614,423,852</b>	<b>90.43%</b>	<b>\$13,216,163,094</b>	<b>(\$1,629,861,286)</b>	<b>\$256,086,428</b>	<b>\$11,842,388,236</b>	<b>100.00%</b>		<b>6.46%</b>

**Footnotes:**

- (1) Common Equity cost rate is mid-point authorized in Docket No. 20170183
- (2) Cost rates are year end.
- (3) Balances and cost rates are daily weighted average for 13 months.
- (4) Balances and cost rates are 13 month average.
- (5) ITC credits assigned a zero-cost rate

**Commercial / Industrial Service Rider (CISR)  
Annual Report**

Date: 2/1/19

Year Represented

2018  
Year to date

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CISR Applications Received	0
Number of CISR applications cancelled by customer prior to quote	0
Number of CISR applications in process	0
Number of CISR applications rejected	0
Number of CISR applications accepted and prices quoted	0
Number of CISR quotes awaiting decision by customers	0
Number of CISR quotes rejected by customers	0
Number of Contract Service Agreements ("CSAs") in negotiation	0
Number of CSAs executed	0

**For all CSAs executed during the year:**

Customer	Description / Justification	Rates & Charges	Contract Period

**DUKE ENERGY FLORIDA**  
**Summary of Osprey 2018 Outage O&M and Deferral Amortization**

	<b>Actual Costs</b>
Osprey 2018 Outage O&M	5,423,764
Osprey Outage Deferral Amortization*	<u>-</u>
Net 2018 O&M Costs	5,423,764

\* Per Order No. PSC-2016-0521-TRF-EI, the outage deferral balance will be fully amortized by the end of 2019.