



March 15, 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 January 31, 2019.

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 January 31, 2019. 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 "Christy King for 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
Jan-19

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	\$767,881,959 (a)	(\$78,650,271) (b)	\$689,231,688	\$7,574,778	\$696,806,466
Average Rate Base	\$13,318,200,365	(\$1,429,587,216)	\$11,888,613,149	\$0	\$11,888,613,149
Average Rate of Return	5.77%		5.80%		5.86%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$709,206,607	(\$19,974,919)	\$689,231,688		
Average Rate Base	\$13,831,858,705	(\$664,629,319)	\$13,167,229,386		
Average Rate of Return	5.13%		5.23%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

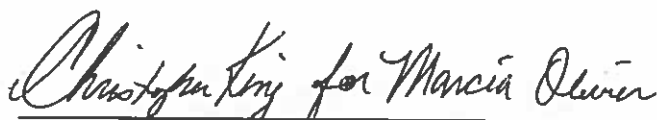
III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.07%	5.79%
Mid Point	6.51%	6.20%
High Point	6.96%	6.61%
Pro Forma Adjusted Basis		
Low Point	6.07%	5.79%
Mid Point	6.51%	6.20%
High Point	6.96%	6.61%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.16	(System Per Books Basis)
B. T.I.E. without AFUDC	2.92	(System Per Books Basis)
C. AFUDC to Net Income	11.72%	(System Per Books Basis)
D. Internally Generated Funds	62.87%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.35%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.10%)	(FPSC Adjusted Basis)
F. Return on Common Equity	8.87%	(FPSC Adjusted Basis)
	9.02%	(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

3/15/2019

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	\$16,813,248,032	\$5,658,316,049	\$11,154,931,983	\$131,919,510	\$1,617,440,107	\$12,904,291,600	\$1,826,281,436	\$14,730,573,035
Regulatory Base - Retail	\$15,261,508,973	\$5,249,477,594	\$10,012,031,379	\$115,810,579	\$1,424,054,568	\$11,551,896,526	\$1,766,303,839	\$13,318,200,365
FPSC Adjustments								
ARO	(21,118,585)	(17,303,192)	(3,815,393)			(3,815,393)	(13,755,691)	(17,571,084)
ECCR	(28,271,112)	(18,308,051)	(9,963,061)			(9,963,061)	(19,212,977)	(29,176,037)
ECRC	(179,913,425)	(23,775,454)	(156,137,971)		(56,302,583)	(212,440,553)	(5,781,484)	(218,222,037)
FUEL	(20,576,718)	(20,145,350)	(431,368)			(431,368)	(58,762,184)	(59,193,552)
CCR							(105,705,071)	(105,705,071)
NUCLEAR							(60,707,847)	(60,707,847)
Over/Under Recovery-Clauses							(192,104,731)	(192,104,731)
Derivatives							190,721	190,721
Employee Related							265	265
Investments Earning a Return							(190,266,119)	(190,266,119)
Jobbing Accounts							(590,990)	(590,990)
Non-Regulated and Miscellaneous	(45,939,329)	(37,141,428)	(8,797,901)	(87,379,077)		(96,176,978)	66,333,227	(29,843,752)
CWIP - AFUDC					(817,439,178)	(817,439,178)		(817,439,178)
Imputed Off Balance Sheet Obligations							565,587,400	565,587,400
Capital Lease	(117,213,906)		(117,213,906)			(117,213,906)	112,236,806	(4,977,100)
Storm							(269,568,103)	(269,568,103)
Total FPSC Adjustments	(413,033,075)	(116,673,475)	(296,359,599)	(87,379,077)	(873,741,761)	(1,257,480,437)	(172,106,779)	(1,429,587,216)
FPSC Adjusted	\$14,848,475,898	\$5,132,804,118	\$9,715,671,780	\$28,431,502	\$550,312,807	\$10,294,416,089	\$1,594,197,060	\$11,888,613,149

	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	4,859,455,835	2,065,100,828	964,165,693	583,905,501	374,066,398	(52,301,426)	153,734,978	(18,721)		4,088,653,250	770,802,585
Regulatory Base - Retail	4,614,606,192	1,984,772,324	924,514,921	543,834,382	360,864,066	(77,687,483)	169,118,302	(16,928)		3,905,399,584	709,206,607
FPSC Adjustments											
ECCR	(111,806,215)		(104,462,544)	(5,043,118)		(583,075)				(110,088,737)	(1,717,478)
ECRC	(59,824,769)		(31,810,955)	(7,414,353)	(1,300,469)	(4,891,330)				(45,417,107)	(14,407,663)
FUEL	(1,592,909,744)	(1,588,395,374)	(1,148,435)	(3,821,615)		115,492				(1,593,249,932)	340,188
CCR	(421,302,821)	(396,376,950)	(303,338)	(17,438,762)		(1,820,727)				(415,939,777)	(5,363,045)
NUCLEAR	(49,133,552)		(58,221)	(47,352,676)		(436,607)				(47,847,504)	(1,286,048)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(1,995,808)			505,838				(1,489,971)	1,489,971
Franchise Fee & Gross Receipts	(222,733,637)					(56,451,840)				(56,451,840)	(166,281,797)
Franchise Fees & Gross Rec Tax - TOI					(226,684,034)	57,453,068				(169,230,965)	169,230,965
Gain/Loss on Disposition & Other						67,815		(267,568)		(199,753)	199,753
Inst/Promotional Advertising			(4,483,796)			1,136,418				(3,347,378)	3,347,378
Miscellaneous Interest Expense			101,440			(25,710)				75,730	(75,730)
Remove Assoc/Organization Dues			(102,481)			25,974				(76,507)	76,507
Remove Economic Development			(56,775)			14,390				(42,386)	42,386
Parent Debt Adjustment						(11,054,232)				(11,054,232)	11,054,232
Directors & Officers Premium			(1,109,771)			281,271				(828,499)	828,499
Interest Synchronization - FPSC						8,914,531				8,914,531	(8,914,531)
Total FPSC Adjustments	(2,457,710,739)	(1,984,772,324)	(145,430,684)	(69,633,236)	(227,984,503)	(9,647,505)			(267,568)	(2,437,735,820)	(19,974,919)
FPSC Adjusted	2,156,895,452		779,084,237	474,201,146	132,879,563	(87,334,988)	169,118,302	(16,928)	(267,568)	1,467,663,764	689,231,688
Pro Forma Adjustments											
Weather Normalization	10,146,377					2,571,599				2,571,599	7,574,778
Total Pro Forma Adjustments	12,754,196					3,232,551				3,232,551	9,521,645
Pro Forma Adjusted	2,172,090,185		774,821,246	467,030,008	131,183,653	(29,737,461)	118,519,018	(16,931)	(272,244)	1,461,527,288	710,562,897
Current Month											
System Per Books	360,711,747	136,434,552	73,553,514	51,169,676	31,077,320	17,355,550				309,590,611	51,121,136
FPSC Adjusted	176,769,753		61,612,037	43,015,176	13,990,854	(11,507,205)	33,824,315		(20,334)	140,914,843	35,854,910

(a) The addition of earnings from AFUDC charges would increase the System NOI by 66,643,421 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 58,675,352 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(17,571,084)	(17,571,084)
	ECCR	F	(29,176,037)	(29,176,037)
	ECRC	F	(232,476,463)	(218,222,037)
	FUEL	F	(59,226,594)	(59,193,552)
	CCR	F	(105,705,071)	(105,705,071)
	NUCLEAR	F	(60,707,847)	(60,707,847)
	Over/Under Recovery - Clauses		(192,104,731)	(192,104,731)
	Derivatives	F	190,721	190,721
	Employee Related	F	279	265
	Investments Earning a Return	F	(195,359,452)	(190,266,119)
	Jobbing Accounts	F	(622,457)	(590,990)
	Non-Regulated and Miscellaneous	F	(36,536,998)	(29,843,752)
(1)	CWIP - AFUDC	F	(887,751,018)	(817,439,178)
(3)	Imputed	F	608,911,450	565,587,400
(2)	Capital Lease - EPIS	F	(125,737,662)	(117,213,906)
(2)	Capital Lease - Working Capital	F	120,398,629	112,236,806
	Storm	F	(269,568,103)	(269,568,103)
	Total		(1,483,042,439)	(1,429,587,216)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,300,553)	583,075	(2,300,553)	583,075
	ECRC	F	(16,702,169)	4,233,165	(19,298,992)	4,891,330
	FUEL	F	474,123	(120,166)	455,680	(115,492)
	CCR	F	(7,183,772)	1,820,727	(7,183,772)	1,820,727
	NUCLEAR	F	(1,722,655)	436,607	(1,722,655)	436,607
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	Corporate Aircraft Allocation	F	2,140,943	(542,622)	1,995,808	(505,838)
(1)	Franchise Fee & Gross Receipts	F	(222,733,637)	56,451,840	(222,733,637)	56,451,840
(1)	Franchise Fees & Gross Rec Tax - TOI	F	226,684,034	(57,453,068)	226,684,034	(57,453,068)
(1)	Gain/Loss on Disposition & Other	F	288,064	(73,010)	267,568	(67,815)
(1)	Inst/Promotional Advertising	F	4,809,856	(1,219,058)	4,483,796	(1,136,418)
(1)	Miscellaneous Interest Expense	F	(108,817)	27,580	(101,440)	25,710
(1)	Remove Assoc/Organization Dues	F	109,933	(27,863)	102,481	(25,974)
(4)	Remove Economic Development	F	60,904	(15,436)	56,775	(14,390)
(2)	Parent Debt Adjustment	F		12,195,889		11,054,232
(2)	Directors & Officers Premium	F	1,190,473	(301,725)	1,109,771	(281,271)
(1)	Interest Synchronization - FPSC	F		(9,389,732)		(8,914,531)
	Total		(26,430,562)	9,504,983	(29,622,424)	9,647,505

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
System Per Books	\$17,960,079,160	\$5,511,567,427	\$12,448,511,734	\$132,065,400	\$914,212,462	\$13,494,789,596	\$1,824,957,596	\$15,319,747,191
Regulatory Base - Retail	\$16,318,949,918	\$5,113,873,888	\$11,205,076,030	\$115,946,579	\$744,532,257	\$12,065,554,866	\$1,766,303,839	\$13,831,858,705
FPSC Adjustments								
ARO	(22,578,040)	(16,118,996)	(6,459,043)			(6,459,043)	(13,755,691)	(20,214,735)
ECCR	(22,868,404)	(15,415,206)	(7,453,198)			(7,453,198)	(19,212,977)	(26,666,175)
ECRC	(181,014,185)	(27,174,200)	(153,839,985)		(76,749,612)	(230,589,597)	(5,781,484)	(236,371,081)
FUEL	(8,082,918)	(7,813,124)	(269,794)			(269,794)	(58,762,184)	(59,031,977)
CCR							(105,705,071)	(105,705,071)
NUCLEAR							(60,707,847)	(60,707,847)
Over/Under Recovery-Clauses							(192,104,731)	(192,104,731)
Derivatives							190,721	190,721
Employee Related							265	265
Investments Earning a Return							(190,266,119)	(190,266,119)
Jobbing Accounts							(590,990)	(590,990)
Non-Regulated and Miscellaneous	(45,536,138)	(35,413,037)	(10,123,100)	(87,379,077)		(97,502,177)	66,333,227	(31,168,951)
CWIP - AFUDC					(39,523,516)	(39,523,516)		(39,523,516)
Imputed Off Balance Sheet Obligations							565,587,400	565,587,400
Capital Lease	(110,725,215)		(110,725,215)			(110,725,215)	112,236,806	1,511,591
Storm							(269,568,103)	(269,568,103)
Total FPSC Adjustments	(390,804,899)	(101,934,564)	(288,870,335)	(87,379,077)	(116,273,128)	(492,522,540)	(172,106,779)	(664,629,319)
FPSC Adjusted	15,928,145,019	5,011,939,324	10,916,205,695	28,567,502	628,259,129	11,573,032,326	1,594,197,060	13,167,229,386

	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	4,859,455,835	2,065,100,828	964,165,693	583,905,501	374,066,398	(52,301,426)	153,734,978	(18,721)		4,088,653,250	770,802,585
Regulatory Base - Retail	4,614,606,192	1,984,772,324	924,514,921	543,834,382	360,864,066	(77,687,483)	169,118,302	(16,928)		3,905,399,584	709,206,607
FPSC Adjustments											
ECCR	(111,806,215)		(104,462,544)	(5,043,118)		(583,075)				(110,088,737)	(1,717,478)
ECRC	(59,824,769)		(31,810,955)	(7,414,353)	(1,300,469)	(4,891,330)				(45,417,107)	(14,407,663)
FUEL	(1,592,909,744)	(1,588,395,374)	(1,148,435)	(3,821,615)		115,492				(1,593,249,932)	340,188
CCR	(421,302,821)	(396,376,950)	(303,338)	(17,438,762)		(1,820,727)				(415,939,777)	(5,363,045)
NUCLEAR	(49,133,552)		(58,221)	(47,352,676)		(436,607)				(47,847,504)	(1,286,048)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(1,995,808)			505,838				(1,489,971)	1,489,971
Franchise Fee & Gross Receipts	(222,733,637)					(56,451,840)				(56,451,840)	(166,281,797)
Franchise Fees & Gross Rec Tax - TOI					(226,684,034)	57,453,068				(169,230,965)	169,230,965
Gain/Loss on Disposition & Other						67,815		(267,568)		(199,753)	199,753
Inst/Promotional Advertising			(4,483,796)			1,136,418				(3,347,378)	3,347,378
Miscellaneous Interest Expense			101,440			(25,710)				75,730	(75,730)
Remove Assoc/Organization Dues			(102,481)			25,974				(76,507)	76,507
Remove Economic Development			(56,775)			14,390				(42,386)	42,386
Parent Debt Adjustment						(11,054,232)				(11,054,232)	11,054,232
Directors & Officers Premium			(1,109,771)			281,271				(828,499)	828,499
Interest Synchronization - FPSC						8,914,531				8,914,531	(8,914,531)
Total FPSC Adjustments	(2,457,710,739)	(1,984,772,324)	(145,430,684)	(69,633,236)	(227,984,503)	(9,647,505)			(267,568)	(2,437,735,820)	(19,974,919)
FPSC Adjusted	2,156,895,452		779,084,237	474,201,146	132,879,563	(87,334,988)	169,118,302	(16,928)	(267,568)	1,467,663,764	689,231,688

(a) The addition of earnings from AFUDC charges would increase the System NOI by 66,643,421 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 58,675,352 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(20,214,735)	(20,214,735)
	ECCR	F	(26,666,175)	(26,666,175)
	ECRC	F	(248,799,672)	(236,371,081)
	FUEL	F	(59,052,644)	(59,031,977)
	CCR	F	(105,705,071)	(105,705,071)
	NUCLEAR	F	(60,707,847)	(60,707,847)
	Over/Under Recovery-Clauses	F	(192,104,731)	(192,104,731)
	Derivatives	F	190,721	190,721
	Employee Related	F	279	265
	Investments Earning a Return	F	(195,359,452)	(190,266,119)
	Jobbing Accounts	F	(622,457)	(590,990)
	Non-Regulated and Miscellaneous	F	(37,862,197)	(31,168,951)
	CWIP - AFUDC	F	(56,298,899)	(39,523,516)
	Imputed Off Balance Sheet Obligations	F	608,911,450	565,587,400
(3)	Capital Lease - EPIS	F	(118,777,115)	(110,725,215)
(2)	Capital Lease - Working Capital	F	120,398,629	112,236,806
(2)	Storm	F	(269,568,103)	(269,568,103)
	Total		(662,238,018)	(664,629,319)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,300,553)	583,075	(2,300,553)	583,075
	ECRC	F	(16,702,169)	4,233,165	(19,298,992)	4,891,330
	FUEL	F	474,123	(120,166)	455,680	(115,492)
	CCR	F	(7,183,772)	1,820,727	(7,183,772)	1,820,727
	NUCLEAR	F	(1,722,655)	436,607	(1,722,655)	436,607
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	Corporate Aircraft Allocation	F	2,140,943	(542,622)	1,995,808	(505,838)
(1)	Franchise Fees & Gross Receipts Tax	F	(222,733,637)	56,451,840	(222,733,637)	56,451,840
(1)	Franchise Fees & Gross Rec Tax - TOI	F	226,684,034	(57,453,068)	226,684,034	(57,453,068)
(1)	Gain/Loss on Disposition & Other	F	288,064	(73,010)	267,568	(67,815)
(1)	Inst/Promotional Advertising	F	4,809,856	(1,219,058)	4,483,796	(1,136,418)
(1)	Miscellaneous Interest Expense	F	(108,817)	27,580	(101,440)	25,710
(1)	Remove Assoc/Organization Dues	F	109,933	(27,863)	102,481	(25,974)
	Remove Economic Development	F	60,904	(15,436)	56,775	(14,390)
(2)	Parent Debt Adjustment	F		12,195,889		11,054,232
(2)	Directors & Officers Premium	F	1,190,473	(301,725)	1,109,771	(281,271)
(1)	Interest Synchronization - FPSC	F		(9,389,732)		(8,914,531)
	Total		(26,430,562)	9,504,983	(29,622,424)	9,647,505

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	5,927,499,029	5,351,307,223	(648,435,833)	536,007,890	5,238,879,280	44.07%	9.50%	4.19%	10.50%	4.63%	11.50%	5.07%
Long Term Debt	5,939,415,345	5,362,065,194	(649,739,412)		4,712,325,782	39.64%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(185,358,247)	(167,340,209)	20,277,174	(57,914,795)	(204,977,830)	(1.72%)	1.49%	(0.03%)	1.49%	(0.03%)	1.49%	(0.03%)
Customer Deposits												
Active	198,844,999	198,844,999	(24,094,715)		174,750,284	1.47%	2.37%	0.03%	2.37%	0.03%	2.37%	0.03%
Inactive	2,126,037	2,126,037	(257,619)		1,868,418	0.02%						
Investment Tax Credits **	14,605,874	13,186,087	(1,597,802)		11,588,285	0.10%	7.24%	0.01%	7.76%	0.01%	8.29%	0.01%
Deferred Income Taxes	2,833,439,997	2,558,011,034	(309,962,771)	(293,869,332)	1,954,178,931	16.44%						
Total	14,730,573,035	13,318,200,365	(1,613,810,978)	184,223,763	11,888,613,149	100.00%		6.07%		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	6,139,402,723	5,482,511,373	(86,183,847)	(15,141,152)	5,381,186,375	40.87%	9.50%	3.88%	10.50%	4.29%	11.50%	4.70%
Long Term Debt	6,030,367,295	5,385,142,297	(84,653,227)		5,300,489,070	40.26%	4.65%	1.87%	4.65%	1.87%	4.65%	1.87%
Short Term Debt *	221,029,000	197,379,788	(3,102,766)	(144,467,945)	49,809,077	0.38%	(6.28%)	(0.02%)	(6.28%)	(0.02%)	(6.28%)	(0.02%)
Customer Deposits												
Active	198,184,477	198,184,477	(3,115,415)		195,069,061	1.48%	2.38%	0.04%	2.38%	0.04%	2.38%	0.04%
Inactive	1,730,460	1,730,460	(27,202)		1,703,258	0.01%						
Investment Tax Credits **	42,013,177	37,517,936	(589,774)		36,928,162	0.28%	7.09%	0.02%	7.60%	0.02%	8.10%	0.02%
Deferred Income Taxes	2,832,453,482	2,529,392,374	(39,761,480)	(287,586,512)	2,202,044,383	16.72%						
Total	15,465,180,614	13,831,858,705	(217,433,711)	(447,195,608)	13,167,229,386	100.00%		5.79%		6.20%		6.61%

* 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	5,927,499,029	5,351,307,223	(648,435,833)	536,007,890	5,238,879,280	44.07%	9.50%	4.19%	10.50%	4.63%	11.50%	5.07%
Long Term Debt	5,939,415,345	5,362,065,194	(649,739,412)		4,712,325,782	39.64%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(185,358,247)	(167,340,209)	20,277,174	(57,914,795)	(204,977,830)	(1.72%)	1.49%	(0.03%)	1.49%	(0.03%)	1.49%	(0.03%)
Customer Deposits												
Active	198,844,999	198,844,999	(24,094,715)		174,750,284	1.47%	2.37%	0.03%	2.37%	0.03%	2.37%	0.03%
Inactive	2,126,037	2,126,037	(257,619)		1,868,418	0.02%						
Investment Tax Credits **	14,605,874	13,186,087	(1,597,802)		11,588,285	0.10%	7.24%	0.01%	7.76%	0.01%	8.29%	0.01%
Deferred Income Taxes	2,833,439,997	2,558,011,034	(309,962,771)	(293,869,332)	1,954,178,931	16.44%						
Total	14,730,573,035	13,318,200,365	(1,613,810,978)	184,223,763	11,888,613,149	100.00%		6.07%		6.51%		6.96%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Jan-19

	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	6,139,402,723	5,482,511,373	(86,183,847)	(15,141,152)	5,381,186,375	40.87%	9.50%	3.88%	10.50%	4.29%	11.50%	4.70%
Long Term Debt	6,030,367,295	5,385,142,297	(84,653,227)		5,300,489,070	40.26%	4.65%	1.87%	4.65%	1.87%	4.65%	1.87%
Short Term Debt *	221,029,000	197,379,788	(3,102,766)	(144,467,945)	49,809,077	0.38%	(6.28%)	(0.02%)	(6.28%)	(0.02%)	(6.28%)	(0.02%)
Customer Deposits												
Active	198,184,477	198,184,477	(3,115,415)		195,069,061	1.48%	2.38%	0.04%	2.38%	0.04%	2.38%	0.04%
Inactive	1,730,460	1,730,460	(27,202)		1,703,258	0.01%						
Investment Tax Credits **	42,013,177	37,517,936	(589,774)		36,928,162	0.28%	7.09%	0.02%	7.60%	0.02%	8.10%	0.02%
Deferred Income Taxes	2,832,453,482	2,529,392,374	(39,761,480)	(287,586,512)	2,202,044,383	16.72%						
Total	15,465,180,614	13,831,858,705	(217,433,711)	(447,195,608)	13,167,229,386	100.00%		5.79%		6.20%		6.61%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	781,863,450
AFUDC - DEBT	\$	23,444,825
INCOME TAXES		101,081,567
TOTAL	\$	906,389,842
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	287,117,857
TIE WITH AFUDC		<u>3.16</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	781,863,450
AFUDC - EQUITY		(43,198,596)
INCOME TAXES		101,081,567
TOTAL	\$	839,746,422
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	287,117,857
TIE WITHOUT AFUDC		<u>2.92</u>

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

AFUDC DEBT	\$	23,444,825
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	17,502,734
AFUDC - EQUITY	\$	43,198,596
TOTAL	\$	60,701,330
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	518,054,698
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>11.72%</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 December 2018 (updated quarterly)

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

Common Equity	\$	5,238,879,280
Long Term Debt	\$	4,712,325,782
Short Term Debt	\$	(204,977,830)
TOTAL	\$	<u>9,746,227,232</u>
% LONG TERM DEBT TO TOTAL		48.35%
% SHORT TERM DEBT TO TOTAL		(2.10%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	5.86%	5.80%
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	0.01%	0.01%
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.89%	1.89%
TOTAL	3.97%	3.91%
DIVIDED BY COMMON EQUITY RATIO	44.07%	44.07%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.02%</u>	<u>8.87%</u>