



April 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 February 28, 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 February 28, 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 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
Feb-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	\$771,749,666 (a)	(\$71,737,600) (b)	\$700,012,067	\$10,764,668	\$710,776,735
Average Rate Base	\$13,407,092,893	(\$1,444,463,192)	\$11,962,629,701	\$0	\$11,962,629,701
Average Rate of Return	5.76%		5.85%		5.94%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$718,586,426	(\$18,574,360)	\$700,012,067		
Average Rate Base	\$13,846,875,424	(\$758,844,553)	\$13,088,030,871		
Average Rate of Return	5.19%		5.35%		

(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	6.05%	5.73%
Mid Point	6.48%	6.14%
High Point	6.92%	6.54%
Pro Forma Adjusted Basis		
Low Point	6.05%	5.73%
Mid Point	6.48%	6.14%
High Point	6.92%	6.54%
IV. FINANCIAL INTEGRITY INDICATORS		
A. T.I.E. with AFUDC	3.17	(System Per Books Basis)
B. T.I.E without AFUDC	2.96	(System Per Books Basis)
C. AFUDC to Net Income	10.43%	(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	48.37%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(1.75%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.05%	(FPSC Adjusted Basis)
	9.26%	(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	\$16,964,351,717	\$5,646,648,078	\$11,317,703,640	\$132,033,688	\$1,551,293,266	\$13,001,030,594	\$1,841,834,759	\$14,842,865,353
Regulatory Base - Retail	\$15,390,813,037	\$5,238,477,110	\$10,152,335,927	\$115,917,017	\$1,359,541,570	\$11,627,794,514	\$1,779,298,378	\$13,407,092,893
FPSC Adjustments								
ARO	(21,384,549)	(17,250,624)	(4,133,925)			(4,133,925)	(13,163,007)	(17,296,932)
ECCR	(27,800,279)	(18,250,305)	(9,549,975)			(9,549,975)	(19,431,249)	(28,981,224)
ECRC	(180,045,250)	(24,241,258)	(155,803,992)		(59,761,078)	(215,565,069)	(5,620,014)	(221,185,083)
FUEL	(19,772,570)	(18,736,677)	(1,035,893)			(1,035,893)	(66,297,611)	(67,333,504)
CCR							(103,098,357)	(103,098,357)
NUCLEAR							(57,027,213)	(57,027,213)
Over\Under Recovery-Clauses							(190,141,296)	(190,141,296)
Derivatives							134,708	134,708
Employee Related							235	235
Investments Earning a Return							(190,607,215)	(190,607,215)
Jobbing Accounts							(590,790)	(590,790)
Non-Regulated and Miscellaneous	(45,926,338)	(37,058,094)	(8,868,244)	(87,379,077)		(96,247,321)	62,458,507	(33,788,814)
CWIP - AFUDC					(743,421,894)	(743,421,894)		(743,421,894)
Imputed Off Balance Sheet Obligations							518,455,117	518,455,117
Capital Lease	(116,140,225)		(116,140,225)			(116,140,225)	111,055,620	(5,084,605)
Storm							(304,496,327)	(304,496,327)
Total FPSC Adjustments	(411,069,211)	(115,536,958)	(295,532,253)	(87,379,077)	(803,182,971)	(1,186,094,302)	(258,368,890)	(1,444,463,192)
FPSC Adjusted	\$14,979,743,826	\$5,122,940,153	\$9,856,803,673	\$28,537,940	\$556,358,599	\$10,441,700,213	\$1,520,929,488	\$11,962,629,701

	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	4,851,851,690	2,042,551,873	968,261,833	586,012,386	375,066,670	(81,000,764)	179,827,143	(18,721)		4,070,700,420	781,151,270
Regulatory Base - Retail	4,607,875,760	1,966,057,961	928,354,581	543,880,664	361,699,654	(117,479,244)	206,792,633	(16,915)		3,889,289,334	718,586,426
FPSC Adjustments											
ECCR	(110,474,730)		(103,220,645)	(4,942,454)		(585,883)				(108,748,982)	(1,725,748)
ECRC	(59,077,551)		(29,556,498)	(8,940,953)	(1,300,469)	(4,886,422)				(44,684,343)	(14,393,208)
FUEL	(1,578,269,251)	(1,574,709,675)	(1,137,588)	(4,910,701)		630,764				(1,580,127,200)	1,857,949
CCR	(415,338,709)	(391,348,286)	(299,044)	(15,853,420)		(1,986,531)				(409,487,281)	(5,851,428)
NUCLEAR	(48,624,522)		(57,474)	(46,999,211)		(397,368)				(47,454,053)	(1,170,469)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
CORPORATE AIRCRAFT ALLOCATION			(2,017,468)			511,327				(1,506,141)	1,506,141
FRANCHISE FEE & GROSS RECEIPTS	(221,946,712)					(56,252,394)				(56,252,394)	(165,694,318)
FRANCHISE FEES & GROSS REC TAX - TOI					(225,964,847)	57,270,790				(168,694,056)	168,694,056
GAIN/LOSS ON DISPOSITION & OTHER						66,630			(262,892)	(196,262)	196,262
INST./PROMOTIONAL ADVERTISING			(4,498,311)			1,140,097				(3,358,214)	3,358,214
MISCELLANEOUS INTEREST EXPENSE			100,647			(25,509)				75,138	(75,138)
REMOVE ASSOC/ORGANIZATION DUES			(109,042)			27,637				(81,406)	81,406
REMOVE ECONOMIC DEVELOPMENT			(56,775)			14,390				(42,386)	42,386
PARENT DEBT ADJUSTMENT						(11,109,941)				(11,109,941)	11,109,941
DIRECTORS & OFFICERS PREMIUM			(1,102,042)			279,313				(822,729)	822,729
INTEREST SYNCHRONIZATION - FPSC						8,794,629				8,794,629	(8,794,629)
Total FPSC Adjustments	(2,433,731,475)	(1,966,057,961)	(141,954,242)	(70,209,451)	(227,265,316)	(9,407,252)			(262,892)	(2,415,157,115)	(18,574,360)
FPSC Adjusted	2,174,144,285		786,400,339	473,671,213	134,434,338	(126,886,496)	206,792,633	(16,915)	(262,892)	1,474,132,218	700,012,067
Pro Forma Adjustments											
Weather Normalization	14,419,219					3,654,551				3,654,551	10,764,668
Total Pro Forma Adjustments	14,419,219					3,654,551				3,654,551	10,764,668
Pro Forma Adjusted	2,188,563,504		786,400,339	473,671,213	134,434,338	(123,231,945)	206,792,633	(16,915)	(262,892)	1,477,786,769	710,776,735
Current Month											
System Per Books	335,499,409	136,215,320	72,215,713	52,768,658	30,878,397	(36,725,831)	27,142,770			282,495,028	53,004,380
FPSC Adjusted	150,419,267		60,932,557	42,251,615	13,301,305	3,064,920	(6,804,329)		(20,334)	112,725,734	37,693,532

(a) The addition of earnings from AFUDC charges would increase the System NOI by 60,661,460 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 53,163,240 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
Feb-19

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(17,296,932)	(17,296,932)
	ECCR	F	(28,981,224)	(28,981,224)
	ECRC	F	(235,421,744)	(221,185,083)
	FUEL	F	(67,412,853)	(67,333,504)
	CCR	F	(103,098,357)	(103,098,357)
	NUCLEAR	F	(57,027,213)	(57,027,213)
	Over/Under Recovery-Clauses		(190,141,296)	(190,141,296)
	Derivatives	F	134,708	134,708
	Employee Related	F	248	235
	Investments Earning a Return	F	(195,638,900)	(190,607,215)
	Jobbing Accounts	F	(621,686)	(590,790)
	Non-Regulated and Miscellaneous	F	(40,482,059)	(33,788,814)
(1)	CWIP - AFUDC	F	(809,142,062)	(743,421,894)
(3)	Imputed Off Balance Sheet Obligations	F	558,168,829	518,455,117
(2)	Capital Lease - EPIS	F	(124,585,904)	(116,140,225)
(2)	Capital Lease - Working Capital	F	119,131,548	111,055,620
	Storm	F	(304,496,327)	(304,496,327)
	Total		(1,496,911,222)	(1,444,463,192)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,311,631)	585,883	(2,311,631)	585,883
	ECRC	F	(16,832,587)	4,266,219	(19,279,631)	4,886,422
	FUEL	F	2,585,543	(655,306)	2,488,714	(630,764)
	CCR	F	(7,837,959)	1,986,531	(7,837,959)	1,986,531
	NUCLEAR	F	(1,567,837)	397,368	(1,567,837)	397,368
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,164,178	(548,511)	2,017,468	(511,327)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(221,946,712)	56,252,394	(221,946,712)	56,252,394
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	225,964,847	(57,270,790)	225,964,847	(57,270,790)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	283,030	(71,734)	262,892	(66,630)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,825,427	(1,223,004)	4,498,311	(1,140,097)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(107,966)	27,364	(100,647)	25,509
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	116,972	(29,647)	109,042	(27,637)
(4)	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,257,352		11,109,941
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,182,182	(299,624)	1,102,042	(279,313)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,245,154)		(8,794,629)
	Total		(24,858,897)	9,312,685	(27,981,611)	9,407,252

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	\$18,102,465,416	\$5,489,986,806	\$12,612,478,609	\$132,065,400	\$810,522,894	\$13,555,066,903	\$1,837,335,512	\$15,392,402,416
Regulatory Base - Retail	\$16,387,334,574	\$5,092,484,655	\$11,294,849,919	\$115,946,579	\$656,780,548	\$12,067,577,045	\$1,779,298,378	\$13,846,875,424
FPSC Adjustments								
ARO	(22,578,040)	(16,233,872)	(6,344,168)			(6,344,168)	(13,163,007)	(19,507,175)
ECCR	(22,706,223)	(15,578,658)	(7,127,565)			(7,127,565)	(19,431,249)	(26,558,814)
ECRC	(181,383,707)	(27,669,837)	(153,713,870)		(78,177,843)	(231,891,713)	(5,620,014)	(237,511,727)
FUEL	(10,722,514)	(7,840,191)	(2,882,324)			(2,882,324)	(66,297,611)	(69,179,934)
CCR							(103,098,357)	(103,098,357)
NUCLEAR							(57,027,213)	(57,027,213)
Over\Under Recovery-Clauses							(190,141,296)	(190,141,296)
Derivatives							134,708	134,708
Employee Related							235	235
Investments Earning a Return							(190,607,215)	(190,607,215)
Jobbing Accounts							(590,790)	(590,790)
Non-Regulated and Miscellaneous	(45,574,243)	(35,542,343)	(10,031,901)	(87,379,077)		(97,410,978)	62,458,507	(34,952,470)
CWIP - AFUDC					(45,233,111)	(45,233,111)		(45,233,111)
Imputed Off Balance Sheet Obligations							518,455,117	518,455,117
Capital Lease	(109,585,804)		(109,585,804)			(109,585,804)	111,055,620	1,469,816
Storm							(304,496,327)	(304,496,327)
Total FPSC Adjustments	(392,550,531)	(102,864,900)	(289,685,631)	(87,379,077)	(123,410,955)	(500,475,663)	(258,368,890)	(758,844,553)
FPSC Adjusted	15,994,784,043	4,989,619,755	11,005,164,288	28,567,502	533,369,593	11,567,101,383	1,520,929,488	13,088,030,871

	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	4,851,851,690	2,042,551,873	968,261,833	586,012,386	375,066,670	(81,000,764)	179,827,143	(18,721)		4,070,700,420	781,151,270
Regulatory Base - Retail	4,607,875,760	1,966,057,961	928,354,581	543,880,664	361,699,654	(117,479,244)	206,792,633	(16,915)		3,889,289,334	718,586,426
FPSC Adjustments											
ECCR	(110,474,730)		(103,220,645)	(4,942,454)		(585,883)				(108,748,982)	(1,725,748)
ECRC	(59,077,551)		(29,556,498)	(8,940,953)	(1,300,469)	(4,886,422)				(44,684,343)	(14,393,208)
FUEL	(1,578,269,251)	(1,574,709,675)	(1,137,588)	(4,910,701)		630,764				(1,580,127,200)	1,857,949
CCR	(415,338,709)	(391,348,286)	(299,044)	(15,853,420)		(1,986,531)				(409,487,281)	(5,851,428)
NUCLEAR	(48,624,522)		(57,474)	(46,999,211)		(397,368)				(47,454,053)	(1,170,469)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
CORPORATE AIRCRAFT ALLOCATION			(2,017,468)			511,327				(1,506,141)	1,506,141
FRANCHISE FEE & GROSS RECEIPTS	(221,946,712)					(56,252,394)				(56,252,394)	(165,694,318)
FRANCHISE FEES & GROSS REC TAX - TOI					(225,964,847)	57,270,790				(168,694,056)	168,694,056
GAIN/LOSS ON DISPOSITION & OTHER						66,630		(262,892)		(196,262)	196,262
INST./PROMOTIONAL ADVERTISING			(4,498,311)			1,140,097				(3,358,214)	3,358,214
MISCELLANEOUS INTEREST EXPENSE			100,647			(25,509)				75,138	(75,138)
REMOVE ASSOC/ORGANIZATION DUES			(109,042)			27,637				(81,406)	81,406
REMOVE ECONOMIC DEVELOPMENT			(56,775)			14,390				(42,386)	42,386
PARENT DEBT ADJUSTMENT						(11,109,941)				(11,109,941)	11,109,941
DIRECTORS & OFFICERS PREMIUM			(1,102,042)			279,313				(822,729)	822,729
INTEREST SYNCHRONIZATION - FPSC						8,794,629				8,794,629	(8,794,629)
Total FPSC Adjustments	(2,433,731,475)	(1,966,057,961)	(141,954,242)	(70,209,451)	(227,265,316)	(9,407,252)			(262,892)	(2,415,157,115)	(18,574,360)
FPSC Adjusted	2,174,144,285		786,400,339	473,671,213	134,434,338	(126,886,496)	206,792,633	(16,915)	(262,892)	1,474,132,218	700,012,067

(a) The addition of earnings from AFUDC charges would increase the System NOI by 60,661,460 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 53,163,240 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(19,507,175)	(19,507,175)
	ECCR	F	(26,558,814)	(26,558,814)
	ECRC	F	(249,444,403)	(237,511,727)
	FUEL	F	(69,400,721)	(69,179,934)
	CCR	F	(103,098,357)	(103,098,357)
	NUCLEAR	F	(57,027,213)	(57,027,213)
	Over/Under Recovery-Clauses		(190,141,296)	(190,141,296)
	Derivatives	F	134,708	134,708
	Employee Related	F	248	235
	Investments Earning a Return	F	(195,638,900)	(190,607,215)
	Jobbing Accounts	F	(621,686)	(590,790)
	Non-Regulated and Miscellaneous	F	(41,645,716)	(34,952,470)
	CWIP - AFUDC	F	(64,431,878)	(45,233,111)
	Imputed Off Balance Sheet Obligations	F	558,168,829	518,455,117
(3)	Capital Lease - EPIS	F	(117,554,847)	(109,585,804)
(2)	Capital Lease - Working Capital	F	119,131,548	111,055,620
(2)	Storm	F	(304,496,327)	(304,496,327)
	Total		(762,131,999)	(758,844,553)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,311,631)	585,883	(2,311,631)	585,883
	ECRC	F	(16,832,587)	4,266,219	(19,279,631)	4,886,422
	FUEL	F	2,585,543	(655,306)	2,488,714	(630,764)
	CCR	F	(7,837,959)	1,986,531	(7,837,959)	1,986,531
	NUCLEAR	F	(1,567,837)	397,368	(1,567,837)	397,368
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,164,178	(548,511)	2,017,468	(511,327)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(221,946,712)	56,252,394	(221,946,712)	56,252,394
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	225,964,847	(57,270,790)	225,964,847	(57,270,790)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	283,030	(71,734)	262,892	(66,630)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,825,427	(1,223,004)	4,498,311	(1,140,097)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(107,966)	27,364	(100,647)	25,509
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	116,972	(29,647)	109,042	(27,637)
	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,257,352		11,109,941
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,182,182	(299,624)	1,102,042	(279,313)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,245,154)		(8,794,629)
	Total		(24,858,897)	9,312,685	(27,981,611)	9,407,252

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	5,963,541,912	5,378,764,320	(636,248,016)	489,605,441	5,232,121,745	43.74%	9.50%	4.16%	10.50%	4.59%	11.50%	5.03%
Long Term Debt	5,962,115,931	5,377,478,169	(636,095,878)		4,741,382,291	39.63%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(145,708,942)	(131,420,902)	15,545,632	(55,732,741)	(171,608,012)	(1.43%)	1.42%	(0.02%)	1.42%	(0.02%)	1.42%	(0.02%)
Customer Deposits												
Active	198,791,813	198,791,813	(23,514,861)		175,276,952	1.47%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,115,023	2,115,023	(250,184)		1,864,839	0.02%						
Investment Tax Credits **	17,119,098	15,440,420	(1,826,430)		13,613,990	0.11%	7.23%	0.01%	7.75%	0.01%	8.28%	0.01%
Deferred Income Taxes	2,844,890,518	2,565,924,049	(303,520,286)	(292,425,868)	1,969,977,895	16.47%						
Total	14,842,865,353	13,407,092,893	(1,585,910,023)	141,446,831	11,962,629,701	100.00%		6.05%		6.48%		6.92%

* 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	6,154,642,031	5,479,894,937	(169,184,235)	(15,080,571)	5,295,630,132	40.46%	9.50%	3.84%	10.50%	4.25%	11.50%	4.65%
Long Term Debt	6,030,980,569	5,369,790,757	(165,784,920)		5,204,005,837	39.76%	4.66%	1.85%	4.66%	1.85%	4.66%	1.85%
Short Term Debt *	239,581,000	213,315,202	(6,585,814)	(31,416,977)	175,312,411	1.34%	(1.44%)	(0.02%)	(1.44%)	(0.02%)	(1.44%)	(0.02%)
Customer Deposits												
Active	198,572,045	198,572,045	(6,130,639)		192,441,406	1.47%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	1,758,383	1,758,383	(54,288)		1,704,095	0.01%						
Investment Tax Credits **	42,013,177	37,407,179	(1,154,895)		36,252,283	0.28%	7.10%	0.02%	7.61%	0.02%	8.11%	0.02%
Deferred Income Taxes	2,859,646,305	2,546,136,921	(78,608,483)	(284,843,731)	2,182,684,707	16.68%						
Total	15,527,193,509	13,846,875,424	(427,503,274)	(331,341,279)	13,088,030,871	100.00%		5.73%		6.14%		6.54%

* 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	5,963,541,912	5,378,764,320	(636,248,016)	489,605,441	5,232,121,745	43.74%	9.50%	4.16%	10.50%	4.59%	11.50%	5.03%
Long Term Debt	5,962,115,931	5,377,478,169	(636,095,878)		4,741,382,291	39.63%	4.72%	1.87%	4.72%	1.87%	4.72%	1.87%
Short Term Debt *	(145,708,942)	(131,420,902)	15,545,632	(55,732,741)	(171,608,012)	(1.43%)	1.42%	(0.02%)	1.42%	(0.02%)	1.42%	(0.02%)
Customer Deposits												
Active	198,791,813	198,791,813	(23,514,861)		175,276,952	1.47%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,115,023	2,115,023	(250,184)		1,864,839	0.02%						
Investment Tax Credits **	17,119,098	15,440,420	(1,826,430)		13,613,990	0.11%	7.23%	0.01%	7.75%	0.01%	8.28%	0.01%
Deferred Income Taxes	2,844,890,518	2,565,924,049	(303,520,286)	(292,425,868)	1,969,977,895	16.47%						
Total	14,842,865,353	13,407,092,893	(1,585,910,023)	141,446,831	11,962,629,701	100.00%		6.05%		6.48%		6.92%
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Feb-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	6,154,642,031	5,479,894,937	(169,184,235)	(15,080,571)	5,295,630,132	40.46%	9.50%	3.84%	10.50%	4.25%	11.50%	4.65%
Long Term Debt	6,030,980,569	5,369,790,757	(165,784,920)		5,204,005,837	39.76%	4.66%	1.85%	4.66%	1.85%	4.66%	1.85%
Short Term Debt *	239,581,000	213,315,202	(6,585,814)	(31,416,977)	175,312,411	1.34%	(1.44%)	(0.02%)	(1.44%)	(0.02%)	(1.44%)	(0.02%)
Customer Deposits												
Active	198,572,045	198,572,045	(6,130,639)		192,441,406	1.47%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	1,758,383	1,758,383	(54,288)		1,704,095	0.01%						
Investment Tax Credits **	42,013,177	37,407,179	(1,154,895)		36,252,283	0.28%	7.10%	0.02%	7.61%	0.02%	8.11%	0.02%
Deferred Income Taxes	2,859,646,305	2,546,136,921	(78,608,483)	(284,843,731)	2,182,684,707	16.68%						
Total	15,527,193,509	13,846,875,424	(427,503,274)	(331,341,279)	13,088,030,871	100.00%		5.73%		6.14%		6.54%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	797,248,961
AFUDC - DEBT	\$	21,340,372
INCOME TAXES		97,468,201
TOTAL	\$	916,057,534
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	288,950,039
TIE WITH AFUDC		<u>3.17</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	797,248,961
AFUDC - EQUITY		(39,321,088)
INCOME TAXES		97,468,201
TOTAL	\$	855,396,074
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	288,950,039
TIE WITHOUT AFUDC		<u>2.96</u>

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

AFUDC DEBT	\$	21,340,372
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	15,931,655
AFUDC - EQUITY	\$	39,321,088
TOTAL	\$	55,252,743
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	529,503,207
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>10.43%</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)	\$	<u>1,633,876,384</u>
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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	\$	5,232,121,745
Long Term Debt	\$	4,741,382,291
Short Term Debt	\$	(171,608,012)
TOTAL	\$	<u>9,801,896,024</u>

% LONG TERM DEBT TO TOTAL **48.37%**

% SHORT TERM DEBT TO TOTAL **(1.75%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	5.94%	5.85%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.87%	1.87%
SHORT TERM DEBT	(0.02%)	(0.02%)
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	4.05%	3.96%
DIVIDED BY COMMON EQUITY RATIO	43.74%	43.74%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.26%</u>	<u>9.05%</u>