



May 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 March 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 March 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 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
Mar-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	\$787,555,092 (a)	(\$65,841,971) (b)	\$721,713,122	\$10,786,593	\$732,499,714
Average Rate Base	\$13,524,753,038	(\$1,481,314,139)	\$12,043,438,899	\$0	\$12,043,438,899
Average Rate of Return	5.82%		5.99%		6.08%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$740,079,573	(\$18,366,452)	\$721,713,122		
Average Rate Base	\$14,425,640,063	(\$1,273,108,717)	\$13,152,531,346		
Average Rate of Return	5.13%		5.49%		

(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	6.02%	5.71%
Mid Point	6.45%	6.12%
High Point	6.89%	6.52%
Pro Forma Adjusted Basis		
Low Point	6.02%	5.71%
Mid Point	6.45%	6.12%
High Point	6.89%	6.52%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.23	(System Per Books Basis)
B. T.I.E. without AFUDC	3.04	(System Per Books Basis)
C. AFUDC to Net Income	9.00%	(System Per Books Basis)
D. Internally Generated Funds	58.15%	(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	(1.36%)	(FPSC Adjusted Basis)
F. Return on Common Equity	9.44%	(FPSC Adjusted Basis)
	9.64%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	6.46%	Docket 20190069-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
 Marcia Olivier, Director Rates & Regulatory Planning

3/14/19
 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
System Per Books	\$17,226,187,367	\$5,631,459,842	\$11,594,727,525	\$132,147,487	\$1,485,847,693	\$13,212,722,705	\$1,748,447,918	\$14,961,170,624
Regulatory Base - Retail	\$15,639,979,955	\$5,224,313,506	\$10,415,666,449	\$116,023,102	\$1,295,484,422	\$11,827,173,973	\$1,697,579,065	\$13,524,753,038
FPSC Adjustments								
ARO	(21,650,512)	(17,197,101)	(4,453,411)			(4,453,411)	(13,151,301)	(17,604,712)
ECCR	(27,308,902)	(18,127,584)	(9,181,318)			(9,181,318)	(19,631,714)	(28,813,032)
ECRC	(186,068,937)	(24,711,073)	(161,357,864)		(62,991,147)	(224,349,011)	(5,470,960)	(229,819,971)
FUEL	(18,555,415)	(17,329,166)	(1,226,249)			(1,226,249)	(74,023,062)	(75,249,311)
CCR							(101,879,083)	(101,879,083)
NUCLEAR							(53,354,776)	(53,354,776)
Over\Under Recovery-Clauses							(189,607,900)	(189,607,900)
Derivatives							165,201	165,201
Employee Related							206	206
Investments Earning a Return							(191,035,929)	(191,035,929)
Jobbing Accounts							(590,653)	(590,653)
Non-Regulated and Miscellaneous	(45,892,674)	(36,975,991)	(8,916,683)	(87,379,077)		(96,295,760)	61,040,439	(35,255,322)
CWIP - AFUDC					(668,964,326)	(668,964,326)		(668,964,326)
Imputed Off Balance Sheet Obligations							471,322,834	471,322,834
Capital Lease	(213,703,896)		(213,703,896)			(213,703,896)	190,196,102	(23,507,794)
Storm							(337,119,570)	(337,119,570)
Total FPSC Adjustments	(513,180,336)	(114,340,914)	(398,839,422)	(87,379,077)	(731,955,473)	(1,218,173,972)	(263,140,167)	(1,481,314,139)
FPSC Adjusted	\$15,126,799,619	\$5,109,972,592	\$10,016,827,027	\$28,644,025	\$563,528,949	\$10,609,000,001	\$1,434,438,898	\$12,043,438,899

	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	4,854,492,773	2,027,627,688	953,508,587	591,087,696	377,165,175	(75,968,313)	175,713,098	(18,721)		4,049,115,210	805,377,563
Regulatory Base - Retail	4,613,139,971	1,955,204,969	914,408,850	549,814,692	363,605,176	(106,526,629)	196,570,265	(16,925)		3,873,060,398	740,079,573
FPSC Adjustments											
ECCR	(109,464,311)		(102,654,683)	(4,840,463)		(499,085)				(107,994,231)	(1,470,080)
ECRC	(58,493,175)		(28,589,544)	(8,651,841)	(1,300,469)	(5,056,662)				(43,598,516)	(14,894,658)
FUEL	(1,570,656,590)	(1,567,524,190)	(1,130,101)	(5,999,787)		1,013,163				(1,573,640,915)	2,984,325
CCR	(410,786,297)	(387,680,779)	(295,766)	(14,268,078)		(2,164,887)				(404,409,510)	(6,376,786)
NUCLEAR	(48,121,396)		(58,531)	(46,647,395)		(358,751)				(47,064,677)	(1,056,719)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
CORPORATE AIRCRAFT ALLOCATION			(2,029,271)			514,319				(1,514,952)	1,514,952
FRANCHISE FEE & GROSS RECEIPTS	(221,803,061)					(56,215,986)				(56,215,986)	(165,587,075)
FRANCHISE FEES & GROSS REC TAX - TOI					(225,847,630)	57,241,082				(168,606,548)	168,606,548
GAIN/LOSS ON DISPOSITION & OTHER						65,680		(259,145)		(193,464)	193,464
INST./PROMOTIONAL ADVERTISING			(4,174,480)			1,058,022				(3,116,458)	3,116,458
MISCELLANEOUS INTEREST EXPENSE			99,854			(25,308)				74,546	(74,546)
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						(11,165,226)				(11,165,226)	11,165,226
DIRECTORS & OFFICERS PREMIUM			(1,094,313)			277,354				(816,959)	816,959
INTEREST SYNCHRONIZATION - FPSC						8,877,121				8,877,121	(8,877,121)
Total FPSC Adjustments	(2,419,324,829)	(1,955,204,969)	(140,075,664)	(68,970,277)	(227,148,099)	(9,300,223)			(259,145)	(2,400,958,378)	(18,366,452)
FPSC Adjusted	2,193,815,142		774,333,185	480,844,415	136,457,077	(115,826,852)	196,570,265	(16,925)	(259,145)	1,472,102,020	721,713,122
Pro Forma Adjustments											
Weather Normalization	14,448,587					3,661,994				3,661,994	10,786,593
Total Pro Forma Adjustments	14,448,587					3,661,994				3,661,994	10,786,593
Pro Forma Adjusted	2,208,263,729		774,333,185	480,844,415	136,457,077	(112,164,858)	196,570,265	(16,925)	(259,145)	1,475,764,015	732,499,714
Current Month											
System Per Books	355,357,339	137,388,645	71,323,570	51,186,677	30,709,432	(15,960,211)	21,776,185			296,424,299	58,933,040
FPSC Adjusted	169,001,928		58,432,958	43,383,389	13,235,284	(6,539,725)	15,126,245		(21,262)	123,616,890	45,385,039

(a) The addition of earnings from AFUDC charges would increase the System NOI by 54,451,747 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 47,475,519 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(17,604,712)	(17,604,712)
	ECCR	F	(56,121,934)	(28,813,032)
	ECRC	F	(244,350,013)	(229,819,971)
	FUEL	F	(75,343,242)	(75,249,311)
	CCR	F	(101,879,083)	(101,879,083)
	NUCLEAR	F	(53,354,776)	(53,354,776)
	Over/Under Recovery-Clauses		(189,607,900)	(189,607,900)
	Derivatives	F	165,201	165,201
	Employee Related	F	217	206
	Investments Earning a Return	F	(195,995,227)	(191,035,929)
	Jobbing Accounts	F	(620,958)	(590,653)
	Non-Regulated and Miscellaneous	F	(41,948,568)	(35,255,322)
(1)	CWIP - AFUDC	F	(729,824,093)	(668,964,326)
(3)	Imputed Off Balance Sheet Obligations	F	507,426,208	471,322,834
(2)	Capital Lease - EPIS	F	(229,244,372)	(213,703,896)
(2)	Capital Lease - Working Capital	F	204,027,099	190,196,102
	Storm	F	(337,119,570)	(337,119,570)
	Total		(1,561,395,722)	(1,481,314,139)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,969,165)	499,085	(1,969,165)	499,085
	ECRC	F	(17,580,681)	4,455,824	(19,951,320)	5,056,662
	FUEL	F	4,145,559	(1,050,692)	3,997,488	(1,013,163)
	CCR	F	(8,541,674)	2,164,887	(8,541,674)	2,164,887
	NUCLEAR	F	(1,415,470)	358,751	(1,415,470)	358,751
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,176,839	(551,720)	2,029,271	(514,319)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(221,803,061)	56,215,986	(221,803,061)	56,215,986
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	225,847,630	(57,241,082)	225,847,630	(57,241,082)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	278,995	(70,711)	259,145	(65,680)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,478,047	(1,134,961)	4,174,480	(1,058,022)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(107,115)	27,148	(99,854)	25,308
(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		12,259,779		11,165,226
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,173,891	(297,523)	1,094,313	(277,354)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,448,135)		(8,877,121)
	Total		(24,593,840)	9,044,952	(27,666,675)	9,300,223

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	\$18,652,556,909	\$5,454,302,515	\$13,198,254,394	\$132,065,400	\$877,967,933	\$14,208,287,727	\$1,746,893,254	\$15,955,180,981
Regulatory Base - Retail	\$16,951,965,875	\$5,054,506,621	\$11,897,459,254	\$115,946,579	\$714,655,164	\$12,728,060,998	\$1,697,579,065	\$14,425,640,063
FPSC Adjustments								
ARO	(22,578,040)	(16,298,584)	(6,279,456)			(6,279,456)	(13,151,301)	(19,430,757)
ECCR	(22,439,138)	(15,160,283)	(7,278,855)			(7,278,855)	(19,631,714)	(26,910,569)
ECRC	(257,545,062)	(28,125,619)	(229,419,443)		(78,034,295)	(307,453,739)	(5,470,960)	(312,924,699)
FUEL	(10,839,754)	(7,860,114)	(2,979,639)			(2,979,639)	(74,023,062)	(77,002,701)
CCR							(101,879,083)	(101,879,083)
NUCLEAR							(53,354,776)	(53,354,776)
Over\Under Recovery-Clauses							(189,607,900)	(189,607,900)
Derivatives							165,201	165,201
Employee Related							206	206
Investments Earning a Return							(191,035,929)	(191,035,929)
Jobbing Accounts							(590,653)	(590,653)
Non-Regulated and Miscellaneous	(45,669,398)	(35,671,384)	(9,998,014)	(87,379,077)		(97,377,091)	61,040,439	(36,336,653)
CWIP - AFUDC					(48,043,235)	(48,043,235)		(48,043,235)
Imputed Off Balance Sheet Obligations							471,322,834	471,322,834
Capital Lease	(540,556,535)		(540,556,535)			(540,556,535)	190,196,102	(350,360,433)
Storm							(337,119,570)	(337,119,570)
Total FPSC Adjustments	(899,627,927)	(103,115,985)	(796,511,942)	(87,379,077)	(126,077,531)	(1,009,968,550)	(263,140,167)	(1,273,108,717)
FPSC Adjusted	16,052,337,949	4,951,390,637	11,100,947,312	28,567,502	588,577,634	11,718,092,448	1,434,438,898	13,152,531,346

	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	4,854,492,773	2,027,627,688	953,508,587	591,087,696	377,165,175	(75,968,313)	175,713,098	(18,721)		4,049,115,210	805,377,563
Regulatory Base - Retail	4,613,139,971	1,955,204,969	914,408,850	549,814,692	363,605,176	(106,526,629)	196,570,265	(16,925)		3,873,060,398	740,079,573
FPSC Adjustments											
ECCR	(109,464,311)		(102,654,683)	(4,840,463)		(499,085)				(107,994,231)	(1,470,080)
ECRC	(58,493,175)		(28,589,544)	(8,651,841)	(1,300,469)	(5,056,662)				(43,598,516)	(14,894,658)
FUEL	(1,570,656,590)	(1,567,524,190)	(1,130,101)	(5,999,787)		1,013,163				(1,573,640,915)	2,984,325
CCR	(410,786,297)	(387,680,779)	(295,766)	(14,268,078)		(2,164,887)				(404,409,510)	(6,376,786)
NUCLEAR	(48,121,396)		(58,531)	(46,647,395)		(358,751)				(47,064,677)	(1,056,719)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
CORPORATE AIRCRAFT ALLOCATION			(2,029,271)			514,319				(1,514,952)	1,514,952
FRANCHISE FEE & GROSS RECEIPTS	(221,803,061)					(56,215,986)				(56,215,986)	(165,587,075)
FRANCHISE FEES & GROSS REC TAX - TOI					(225,847,630)	57,241,082				(168,606,548)	168,606,548
GAIN/LOSS ON DISPOSITION & OTHER						65,680		(259,145)		(193,464)	193,464
INST./PROMOTIONAL ADVERTISING			(4,174,480)			1,058,022				(3,116,458)	3,116,458
MISCELLANEOUS INTEREST EXPENSE			99,854			(25,308)				74,546	(74,546)
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						(11,165,226)				(11,165,226)	11,165,226
DIRECTORS & OFFICERS PREMIUM			(1,094,313)			277,354				(816,959)	816,959
INTEREST SYNCHRONIZATION - FPSC						8,877,121				8,877,121	(8,877,121)
Total FPSC Adjustments	(2,419,324,829)	(1,955,204,969)	(140,075,664)	(68,970,277)	(227,148,099)	(9,300,223)			(259,145)	(2,400,958,378)	(18,366,452)
FPSC Adjusted	2,193,815,142		774,333,185	480,844,415	136,457,077	(115,826,852)	196,570,265	(16,925)	(259,145)	1,472,102,020	721,713,122

(a) The addition of earnings from AFUDC charges would increase the System NOI by 54,451,747 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 47,475,519 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(19,430,757)	(19,430,757)
	ECCR	F	(49,349,707)	(26,910,569)
	ECRC	F	(329,453,637)	(312,924,699)
	FUEL	F	(77,230,942)	(77,002,701)
	CCR	F	(101,879,083)	(101,879,083)
	NUCLEAR	F	(53,354,776)	(53,354,776)
	Over/Under Recovery-Clauses		(189,607,900)	(189,607,900)
	Derivatives	F	165,201	165,201
	Employee Related	F	217	206
	Investments Earning a Return	F	(195,995,227)	(191,035,929)
	Jobbing Accounts	F	(620,958)	(590,653)
	Non-Regulated and Miscellaneous	F	(43,029,899)	(36,336,653)
	CWIP - AFUDC	F	(67,774,434)	(48,043,235)
	Imputed Off Balance Sheet Obligations	F	507,426,208	471,322,834
(3)	Capital Lease - EPIS	F	(579,865,626)	(540,556,535)
(2)	Capital Lease - Working Capital	F	204,027,099	190,196,102
(2)	Storm	F	(337,119,570)	(337,119,570)
	Total		(1,333,093,789)	(1,273,108,717)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,969,165)	499,085	(1,969,165)	499,085
	ECRC	F	(17,580,681)	4,455,824	(19,951,320)	5,056,662
	FUEL	F	4,145,559	(1,050,692)	3,997,488	(1,013,163)
	CCR	F	(8,541,674)	2,164,887	(8,541,674)	2,164,887
	NUCLEAR	F	(1,415,470)	358,751	(1,415,470)	358,751
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,176,839	(551,720)	2,029,271	(514,319)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(221,803,061)	56,215,986	(221,803,061)	56,215,986
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	225,847,630	(57,241,082)	225,847,630	(57,241,082)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	278,995	(70,711)	259,145	(65,680)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,478,047	(1,134,961)	4,174,480	(1,058,022)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(107,115)	27,148	(99,854)	25,308
(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		12,259,779		11,165,226
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,173,891	(297,523)	1,094,313	(277,354)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,448,135)		(8,877,121)
	Total		(24,593,840)	9,044,952	(27,666,675)	9,300,223

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-E
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI
(3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
Mar-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	6,001,497,569	5,417,453,969	(633,610,495)	444,093,991	5,227,937,465	43.41%	9.50%	4.12%	10.50%	4.56%	11.50%	4.99%
Long Term Debt	5,982,899,551	5,400,665,841	(631,647,002)		4,769,018,840	39.60%	4.71%	1.87%	4.71%	1.87%	4.71%	1.87%
Short Term Debt *	(101,827,676)	(91,918,182)	10,750,497	(52,568,277)	(133,735,962)	(1.11%)	1.31%	(0.01%)	1.31%	(0.01%)	1.31%	(0.01%)
Customer Deposits												
Active	198,769,373	198,769,373	(23,247,518)		175,521,855	1.46%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,104,854	2,104,854	(246,178)		1,858,676	0.02%						
Investment Tax Credits **	19,632,323	17,721,777	(2,072,690)		15,649,087	0.13%	7.22%	0.01%	7.74%	0.01%	8.26%	0.01%
Deferred Income Taxes	2,858,094,630	2,579,955,405	(301,744,478)	(291,021,989)	1,987,188,938	16.50%						
Total	14,961,170,624	13,524,753,038	(1,581,817,864)	100,503,724	12,043,438,899	100.00%		6.02%		6.45%		6.89%

* 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	6,193,420,867	5,674,666,106	(355,637,587)	(15,554,966)	5,303,473,553	40.32%	9.50%	3.83%	10.50%	4.23%	11.50%	4.64%
Long Term Debt	6,006,159,891	5,503,089,923	(344,884,718)		5,158,205,204	39.22%	4.70%	1.84%	4.70%	1.84%	4.70%	1.84%
Short Term Debt *	399,299,000	365,854,114	(22,928,481)	(70,528,044)	272,397,589	2.07%	(0.65%)	(0.01%)	(0.65%)	(0.01%)	(0.65%)	(0.01%)
Customer Deposits												
Active	198,828,136	198,828,136	(12,460,779)		186,367,358	1.42%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	1,805,687	1,805,687	(113,164)		1,692,523	0.01%						
Investment Tax Credits **	42,013,177	38,494,195	(2,412,474)		36,081,721	0.27%	7.13%	0.02%	7.64%	0.02%	8.15%	0.02%
Deferred Income Taxes	2,884,505,182	2,642,901,902	(165,633,579)	(282,954,925)	2,194,313,397	16.68%						
Total	15,726,031,940	14,425,640,063	(904,070,782)	(369,037,935)	13,152,531,346	100.00%		5.71%		6.12%		6.52%
* 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	6,001,497,569	5,417,453,969	(633,610,495)	444,093,991	5,227,937,465	43.41%	9.50%	4.12%	10.50%	4.56%	11.50%	4.99%
Long Term Debt	5,982,899,551	5,400,665,841	(631,647,002)		4,769,018,840	39.60%	4.71%	1.87%	4.71%	1.87%	4.71%	1.87%
Short Term Debt *	(101,827,676)	(91,918,182)	10,750,497	(52,568,277)	(133,735,962)	(1.11%)	1.31%	(0.01%)	1.31%	(0.01%)	1.31%	(0.01%)
Customer Deposits												
Active	198,769,373	198,769,373	(23,247,518)		175,521,855	1.46%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	2,104,854	2,104,854	(246,178)		1,858,676	0.02%						
Investment Tax Credits **	19,632,323	17,721,777	(2,072,690)		15,649,087	0.13%	7.22%	0.01%	7.74%	0.01%	8.26%	0.01%
Deferred Income Taxes	2,858,094,630	2,579,955,405	(301,744,478)	(291,021,989)	1,987,188,938	16.50%						
Total	14,961,170,624	13,524,753,038	(1,581,817,864)	100,503,724	12,043,438,899	100.00%		6.02%		6.45%		6.89%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Mar-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	6,193,420,867	5,674,666,106	(355,637,587)	(15,554,966)	5,303,473,553	40.32%	9.50%	3.83%	10.50%	4.23%	11.50%	4.64%
Long Term Debt	6,006,159,891	5,503,089,923	(344,884,718)		5,158,205,204	39.22%	4.70%	1.84%	4.70%	1.84%	4.70%	1.84%
Short Term Debt *	399,299,000	365,854,114	(22,928,481)	(70,528,044)	272,397,589	2.07%	(0.65%)	(0.01%)	(0.65%)	(0.01%)	(0.65%)	(0.01%)
Customer Deposits												
Active	198,828,136	198,828,136	(12,460,779)		186,367,358	1.42%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	1,805,687	1,805,687	(113,164)		1,692,523	0.01%						
Investment Tax Credits **	42,013,177	38,494,195	(2,412,474)		36,081,721	0.27%	7.13%	0.02%	7.64%	0.02%	8.15%	0.02%
Deferred Income Taxes	2,884,505,182	2,642,901,902	(165,633,579)	(282,954,925)	2,194,313,397	16.68%						
Total	15,726,031,940	14,425,640,063	(904,070,782)	(369,037,935)	13,152,531,346	100.00%		5.71%		6.12%		6.52%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	823,525,685
AFUDC - DEBT	\$	19,155,796
INCOME TAXES		98,971,941
TOTAL	\$	941,653,423
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	291,368,369
TIE WITH AFUDC		<u>3.23</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	823,525,685
AFUDC - EQUITY		(35,295,951)
INCOME TAXES		98,971,941
TOTAL	\$	887,201,675
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	291,368,369
TIE WITHOUT AFUDC		<u>3.04</u>

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

AFUDC DEBT	\$	19,155,796
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	14,300,760
AFUDC - EQUITY	\$	35,295,951
TOTAL	\$	49,596,711
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	551,283,264
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>9.00%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	551,283,264
COMMON DIVIDENDS		(75,000,000)
AFUDC (EQUITY)		(35,295,950)
DEPRECIATION & AMORTIZATION		795,548,233
DEFERRED INCOME TAXES		175,982,083
INVESTMENT TAX CREDITS		-
OTHER - INC NUCLEAR DECOMMISSIONING		(41,099,427)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(348,920,952)
TOTAL FUNDS PROVIDED	\$	<u>1,022,497,251</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,749,909,233
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PERCENTAGE INTERNALLY GENERATED FUNDS **58.43%**

*As of March 2019 (updated quarterly)

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

Common Equity	\$	5,227,937,465
Long Term Debt	\$	4,769,018,840
Short Term Debt	\$	(133,735,962)
TOTAL	\$	<u>9,863,220,343</u>

% LONG TERM DEBT TO TOTAL **48.35%**

% SHORT TERM DEBT TO TOTAL **(1.36%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.08%	5.99%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.87%	1.87%
SHORT TERM DEBT	(0.01%)	(0.01%)
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS	0.01%	0.01%
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.90%	1.90%
TOTAL	4.19%	4.10%
DIVIDED BY COMMON EQUITY RATIO	43.41%	43.41%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.64%</u>	<u>9.44%</u>