



July 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 May 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 May 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, appearing to read "Christopher King".

Christopher King, Senior Rates & Reg Planning Analyst
Signing For:
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
May-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	\$820,989,970 (a)	(\$53,865,983) (b)	\$767,123,987	(\$630,709)	\$766,493,277
Average Rate Base	\$13,757,201,552	(\$1,505,633,573)	\$12,251,567,979	\$0	\$12,251,567,979
Average Rate of Return	5.97%		6.26%		6.26%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$785,232,876	(\$18,108,889)	\$767,123,987		
Average Rate Base	\$14,575,048,687	(\$1,317,296,270)	\$13,257,752,417		
Average Rate of Return	5.39%		5.79%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

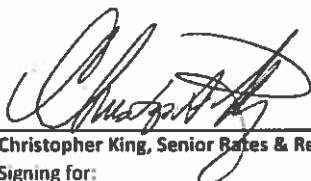
III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	5.97%	5.72%
Mid Point	6.40%	6.13%
High Point	6.83%	6.54%
Pro Forma Adjusted Basis		
Low Point	5.97%	5.72%
Mid Point	6.40%	6.13%
High Point	6.83%	6.54%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.33	(System Per Books Basis)
B. T.I.E without AFUDC	3.19	(System Per Books Basis)
C. AFUDC to Net Income	6.44%	(System Per Books Basis)
D. Internally Generated Funds	60.49%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.32%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(0.59%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	10.18%	(FPSC Adjusted Basis)
	10.16%	(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



Christopher King, Senior Rates & Reg Planning Analyst

Signing for:

Marcia Olivier, Director Rates & Regulatory Planning

7/17/2019

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	\$17,626,089,648	\$5,602,455,675	\$12,023,633,973	\$132,234,059	\$1,339,522,002	\$13,495,390,035	\$1,714,012,609	\$15,209,402,644
Regulatory Base - Retail	\$16,003,751,050	\$5,190,424,061	\$10,813,326,989	\$116,103,805	\$1,154,819,809	\$12,084,250,603	\$1,672,950,949	\$13,757,201,552
FPSC Adjustments								
ARO	(22,182,438)	(17,075,668)	(5,106,770)			(5,106,770)	(12,341,975)	(17,448,745)
ECCR	(26,296,204)	(17,826,932)	(8,469,272)			(8,469,272)	(19,986,579)	(28,455,851)
ECRC	(197,825,322)	(25,770,040)	(172,055,282)		(44,817,747)	(216,873,029)	(5,182,406)	(222,055,435)
FUEL	(16,116,345)	(14,517,709)	(1,598,636)			(1,598,636)	(89,410,650)	(91,009,285)
CCR							(99,792,362)	(99,792,362)
NUCLEAR							(46,087,414)	(46,087,414)
Over\Under Recovery-Clauses							(190,375,578)	(190,375,578)
Derivatives							227,478	227,478
Employee Related							147	147
Investments Earning a Return							(196,786,578)	(196,786,578)
Jobbing Accounts							(424,754)	(424,754)
Non-Regulated and Miscellaneous	(45,826,440)	(36,812,323)	(9,014,117)	(87,379,077)		(96,393,195)	53,250,369	(43,142,826)
CWIP - AFUDC					(514,274,239)	(514,274,239)		(514,274,239)
Imputed Off Balance Sheet Obligations							377,058,267	377,058,267
Capital Lease	(277,901,171)		(277,901,171)			(277,901,171)	186,036,091	(91,865,080)
Storm							(341,201,321)	(341,201,321)
Total FPSC Adjustments	(586,147,920)	(112,002,672)	(474,145,248)	(87,379,077)	(559,091,986)	(1,120,616,311)	(385,017,263)	(1,505,633,573)
FPSC Adjusted	\$15,417,603,130	\$5,078,421,389	\$10,339,181,741	\$28,724,728	\$595,727,823	\$10,963,634,293	\$1,287,933,686	\$12,251,567,979

	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	4,953,126,071	2,036,443,044	955,613,798	604,178,806	384,472,966	109,432,949	3,411,749	(18,721)		4,093,534,591	859,591,480
Regulatory Base - Retail	4,700,871,203	1,965,367,330	916,567,286	562,733,496	370,571,433	147,710,675	(47,294,957)	(16,935)		3,915,638,328	785,232,876
FPSC Adjustments											
ECCR	(109,193,071)		(102,666,139)	(4,623,184)		(482,505)				(107,771,828)	(1,421,243)
ECRC	(58,379,648)		(28,192,029)	(9,237,494)	(1,300,469)	(4,980,205)				(43,710,198)	(14,669,450)
FUEL	(1,580,136,764)	(1,577,800,735)	(1,136,315)	(8,177,959)		1,768,636				(1,585,346,373)	5,209,609
CCR	(408,920,085)	(387,566,595)	(294,422)	(11,097,394)		(2,524,786)				(401,483,198)	(7,436,888)
NUCLEAR	(47,132,851)		(73,201)	(45,946,052)		(282,241)				(46,301,495)	(831,356)
Non-Regulated and Miscellaneous				11,392,678		(2,887,474)				8,505,204	(8,505,204)
CORPORATE AIRCRAFT ALLOCATION			(2,039,526)			516,918				(1,522,608)	1,522,608
FRANCHISE FEE & GROSS RECEIPTS	(225,461,726)					(57,143,275)				(57,143,275)	(168,318,452)
FRANCHISE FEES & GROSS REC TAX - TOI					(229,406,849)	58,143,166				(171,263,683)	171,263,683
GAIN/LOSS ON DISPOSITION & OTHER						66,150		(261,000)		(194,849)	194,849
INST./PROMOTIONAL ADVERTISING			(3,466,551)			878,597				(2,587,953)	2,587,953
MISCELLANEOUS INTEREST EXPENSE			98,267			(24,906)				73,361	(73,361)
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						(11,071,712)				(11,071,712)	11,071,712
DIRECTORS & OFFICERS PREMIUM			(1,078,855)			273,436				(805,419)	805,419
INTEREST SYNCHRONIZATION - FPSC						9,619,878				9,619,878	(9,619,878)
Total FPSC Adjustments	(2,429,224,146)	(1,965,367,330)	(138,997,601)	(67,689,405)	(230,707,318)	(8,092,602)			(261,000)	(2,411,115,257)	(18,108,889)
FPSC Adjusted	2,271,647,058		777,569,685	495,044,090	139,864,115	139,618,073	(47,294,957)	(16,935)	(261,000)	1,504,523,071	767,123,987
Pro Forma Adjustments											
Weather Normalization	(844,832)					(214,123)				(214,123)	(630,709)
Total Pro Forma Adjustments	(844,832)					(214,123)				(214,123)	(630,709)
Pro Forma Adjusted	2,270,802,226		777,569,685	495,044,090	139,864,115	139,403,950	(47,294,957)	(16,935)	(261,000)	1,504,308,948	766,493,277
Current Month											
System Per Books	442,231,505	162,444,770	75,554,177	55,967,254	33,585,666	6,557,855	12,497,260			346,606,983	95,624,522
FPSC Adjusted	222,046,859		61,732,142	45,283,629	13,317,838	20,643,387	643,591		(21,262)	141,599,325	80,447,534

(a) The addition of earnings from AFUDC charges would increase the System NOI by 41,476,094 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 35,757,094 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(17,448,745)	(17,448,745)
	ECCR	F	(54,752,055)	(28,455,851)
	ECRC	F	(236,394,430)	(222,055,435)
	FUEL	F	(91,131,741)	(91,009,285)
	CCR	F	(99,792,362)	(99,792,362)
	NUCLEAR	F	(46,087,414)	(46,087,414)
	Over/Under Recovery-Clauses	F	(190,375,578)	(190,375,578)
	Derivatives	F	227,478	227,478
	Employee Related	F	155	147
	Investments Earning a Return	F	(196,786,578)	(196,786,578)
	Jobbing Accounts	F	(446,375)	(424,754)
	Non-Regulated and Miscellaneous	F	(49,836,071)	(43,142,826)
(1)	CWIP - AFUDC	F	(565,258,863)	(514,274,239)
(3)	Imputed Off Balance Sheet Obligations	F	405,940,967	377,058,267
(2)	Capital Lease - EPIS	F	(298,110,051)	(277,901,171)
(2)	Capital Lease - Working Capital	F	199,564,573	186,036,091
	Storm	F	(341,201,321)	(341,201,321)
	Total		(1,581,888,410)	(1,505,633,573)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,903,748)	482,505	(1,903,748)	482,505
	ECRC	F	(17,285,711)	4,381,063	(19,649,656)	4,980,205
	FUEL	F	7,230,607	(1,832,597)	6,978,245	(1,768,636)
	CCR	F	(9,961,674)	2,524,786	(9,961,674)	2,524,786
	NUCLEAR	F	(1,113,598)	282,241	(1,113,598)	282,241
	Non-Regulated and Miscellaneous	F	(11,392,678)	2,887,474	(11,392,678)	2,887,474
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,187,840	(554,508)	2,039,526	(516,918)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(225,461,726)	57,143,275	(225,461,726)	57,143,275
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	229,406,849	(58,143,166)	229,406,849	(58,143,166)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	280,993	(71,218)	261,000	(66,150)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,718,637	(942,489)	3,466,551	(878,597)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(105,413)	26,717	(98,267)	24,906
(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		12,258,589		11,071,712
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,157,309	(293,320)	1,078,855	(273,436)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(10,235,119)		(9,619,878)
	Total		(23,082,661)	7,873,770	(26,201,491)	8,092,602

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	\$18,905,669,097	\$5,490,125,230	\$13,415,543,868	\$132,065,400	\$853,459,830	\$14,401,069,098	\$1,712,949,569	\$16,114,018,667
Regulatory Base - Retail	\$17,171,270,408	\$5,078,599,787	\$12,092,670,621	\$115,946,579	\$693,480,538	\$12,902,097,739	\$1,672,950,949	\$14,575,048,687
FPSC Adjustments								
ARO	(22,578,040)	(16,545,556)	(6,032,484)			(6,032,484)	(12,341,975)	(18,374,459)
ECCR	(22,251,667)	(15,603,805)	(6,647,862)			(6,647,862)	(19,986,579)	(26,634,441)
ECRC	(254,163,385)	(28,891,065)	(225,272,320)		(2,336,898)	(227,609,218)	(5,182,406)	(232,791,624)
FUEL	(10,834,822)	(7,897,120)	(2,937,702)			(2,937,702)	(89,410,650)	(92,348,351)
CCR							(99,792,362)	(99,792,362)
NUCLEAR							(46,087,414)	(46,087,414)
Over\Under Recovery-Clauses							(190,375,578)	(190,375,578)
Derivatives							227,478	227,478
Employee Related							147	147
Investments Earning a Return							(196,786,578)	(196,786,578)
Jobbing Accounts							(424,754)	(424,754)
Non-Regulated and Miscellaneous	(45,676,558)	(35,896,585)	(9,779,974)	(87,379,077)		(97,159,051)	53,250,369	(43,908,682)
CWIP - AFUDC					(53,614,978)	(53,614,978)		(53,614,978)
Imputed Off Balance Sheet Obligations							377,058,267	377,058,267
Capital Lease	(538,277,713)		(538,277,713)			(538,277,713)	186,036,091	(352,241,622)
Storm							(341,201,321)	(341,201,321)
Total FPSC Adjustments	(893,782,185)	(104,834,130)	(788,948,054)	(87,379,077)	(55,951,876)	(932,279,008)	(385,017,263)	(1,317,296,270)
FPSC Adjusted	16,277,488,223	4,973,765,656	11,303,722,567	28,567,502	637,528,662	11,969,818,731	1,287,933,686	13,257,752,417

	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	4,953,126,071	2,036,443,044	955,613,798	604,178,806	384,472,966	109,432,949	3,411,749	(18,721)		4,093,534,591	859,591,480
Regulatory Base - Retail	4,700,871,203	1,965,367,330	916,567,286	562,733,496	370,571,433	147,710,675	(47,294,957)	(16,935)		3,915,638,328	785,232,876
FPSC Adjustments											
ECCR	(109,193,071)		(102,666,139)	(4,623,184)		(482,505)				(107,771,828)	(1,421,243)
ECRC	(58,379,648)		(28,192,029)	(9,237,494)	(1,300,469)	(4,980,205)				(43,710,198)	(14,669,450)
FUEL	(1,580,136,764)	(1,577,800,735)	(1,136,315)	(8,177,959)		1,768,636				(1,585,346,373)	5,209,609
CCR	(408,920,085)	(387,566,595)	(294,422)	(11,097,394)		(2,524,786)				(401,483,198)	(7,436,888)
NUCLEAR	(47,132,851)		(73,201)	(45,946,052)		(282,241)				(46,301,495)	(831,356)
Non-Regulated and Miscellaneous				11,392,678		(2,887,474)				8,505,204	(8,505,204)
CORPORATE AIRCRAFT ALLOCATION			(2,039,526)			516,918				(1,522,608)	1,522,608
FRANCHISE FEE & GROSS RECEIPTS	(225,461,726)					(57,143,275)				(57,143,275)	(168,318,452)
FRANCHISE FEES & GROSS REC TAX - TOI					(229,406,849)	58,143,166				(171,263,683)	171,263,683
GAIN/LOSS ON DISPOSITION & OTHER						66,150		(261,000)		(194,849)	194,849
INST./PROMOTIONAL ADVERTISING			(3,466,551)			878,597				(2,587,953)	2,587,953
MISCELLANEOUS INTEREST EXPENSE			98,267			(24,906)				73,361	(73,361)
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						(11,071,712)				(11,071,712)	11,071,712
DIRECTORS & OFFICERS PREMIUM			(1,078,855)			273,436				(805,419)	805,419
INTEREST SYNCHRONIZATION - FPSC						9,619,878				9,619,878	(9,619,878)
Total FPSC Adjustments	(2,429,224,146)	(1,965,367,330)	(138,997,601)	(67,689,405)	(230,707,318)	(8,092,602)			(261,000)	(2,411,115,257)	(18,108,889)
FPSC Adjusted	2,271,647,058		777,569,685	495,044,090	139,864,115	139,618,073	(47,294,957)	(16,935)	(261,000)	1,504,523,071	767,123,987

(a) The addition of earnings from AFUDC charges would increase the System NOI by 41,476,094 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 35,757,094 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(18,374,459)	(18,374,459)
	ECCR	F	(48,886,108)	(26,634,441)
	ECRC	F	(249,638,788)	(232,791,624)
	FUEL	F	(92,573,380)	(92,348,351)
	CCR	F	(99,792,362)	(99,792,362)
	NUCLEAR	F	(46,087,414)	(46,087,414)
	Over/Under Recovery-Clauses	F	(190,375,578)	(190,375,578)
	Derivatives	F	227,478	227,478
	Employee Related	F	155	147
	Investments Earning a Return	F	(196,786,578)	(196,786,578)
	Jobbing Accounts	F	(446,375)	(424,754)
	Non-Regulated and Miscellaneous	F	(50,601,928)	(43,908,682)
	CWIP - AFUDC	F	(75,562,481)	(53,614,978)
	Imputed Off Balance Sheet Obligations	F	405,940,967	377,058,267
(3)	Capital Lease - EPIS	F	(577,421,088)	(538,277,713)
(2)	Capital Lease - Working Capital	F	199,564,573	186,036,091
(2)	Storm	F	(341,201,321)	(341,201,321)
	Total		(1,382,014,686)	(1,317,296,270)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,903,748)	482,505	(1,903,748)	482,505
	ECRC	F	(17,285,711)	4,381,063	(19,649,656)	4,980,205
	FUEL	F	7,230,607	(1,832,597)	6,978,245	(1,768,636)
	CCR	F	(9,961,674)	2,524,786	(9,961,674)	2,524,786
	NUCLEAR	F	(1,113,598)	282,241	(1,113,598)	282,241
	Non-Regulated and Miscellaneous	F	(11,392,678)	2,887,474	(11,392,678)	2,887,474
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,187,840	(554,508)	2,039,526	(516,918)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(225,461,726)	57,143,275	(225,461,726)	57,143,275
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	229,406,849	(58,143,166)	229,406,849	(58,143,166)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	280,993	(71,218)	261,000	(66,150)
(1)	INST./PROMOTIONAL ADVERTISING	F	3,718,637	(942,489)	3,466,551	(878,597)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(105,413)	26,717	(98,267)	24,906
(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		12,258,589		11,071,712
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,157,309	(293,320)	1,078,855	(273,436)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(10,235,119)		(9,619,878)
	Total		(23,082,661)	7,873,770	(26,201,491)	8,092,602

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

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
May-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	6,086,602,020	5,497,672,864	(608,914,943)	352,482,287	5,241,240,209	42.78%	9.50%	4.06%	10.50%	4.49%	11.50%	4.92%
Long Term Debt	6,032,153,896	5,448,493,047	(603,467,851)		4,845,025,196	39.55%	4.70%	1.86%	4.70%	1.86%	4.70%	1.86%
Short Term Debt *	(16,714,551)	(15,097,280)	1,672,155	(46,001,870)	(59,426,995)	(0.49%)	(0.36%)	0.00%	(0.36%)	0.00%	(0.36%)	0.00%
Customer Deposits												
Active	198,772,671	198,772,671	(22,015,797)		176,756,874	1.44%	2.38%	0.03%	2.38%	0.03%	2.38%	0.03%
Inactive	2,084,360	2,084,360	(230,861)		1,853,499	0.02%						
Investment Tax Credits **	24,658,771	22,272,831	(2,466,909)		19,805,922	0.16%	7.19%	0.01%	7.71%	0.01%	8.23%	0.01%
Deferred Income Taxes	2,881,845,477	2,603,003,059	(288,305,161)	(288,384,624)	2,026,313,275	16.54%						
Total	15,209,402,644	13,757,201,552	(1,523,729,367)	18,095,793	12,251,567,979	100.00%		5.97%		6.40%		6.83%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
May-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	6,315,543,882	5,788,089,049	(405,267,875)	(15,493,714)	5,367,327,460	40.48%	9.50%	3.85%	10.50%	4.25%	11.50%	4.66%
Long Term Debt	6,007,379,818	5,505,661,902	(385,493,015)		5,120,168,887	38.62%	4.72%	1.82%	4.72%	1.82%	4.72%	1.82%
Short Term Debt *	420,998,000	385,837,540	(27,015,403)	575,649	359,397,786	2.71%	0.06%	0.00%	0.06%	0.00%	0.06%	0.00%
Customer Deposits												
Active	199,970,414	199,970,414	(14,001,441)		185,968,974	1.40%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
Inactive	1,929,516	1,929,516	(135,100)		1,794,416	0.01%						
Investment Tax Credits **	42,013,177	38,504,365	(2,695,982)		35,808,383	0.27%	7.17%	0.02%	7.68%	0.02%	8.19%	0.02%
Deferred Income Taxes	2,897,004,850	2,655,055,901	(185,900,537)	(281,868,852)	2,187,286,511	16.50%						
Total	15,884,839,658	14,575,048,687	(1,020,509,354)	(296,786,917)	13,257,752,417	100.00%		5.72%		6.13%		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	6,086,602,020	5,497,672,864	(608,914,943)	352,482,287	5,241,240,209	42.78%	9.50%	4.06%	10.50%	4.49%	11.50%	4.92%
Long Term Debt	6,032,153,896	5,448,493,047	(603,467,851)		4,845,025,196	39.55%	4.70%	1.86%	4.70%	1.86%	4.70%	1.86%
Short Term Debt *	(16,714,551)	(15,097,280)	1,672,155	(46,001,870)	(59,426,995)	(0.49%)	(0.36%)	0.00%	(0.36%)	0.00%	(0.36%)	0.00%
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Total	15,209,402,644	13,757,201,552	(1,523,729,367)	18,095,793	12,251,567,979	100.00%		5.97%		6.40%		6.83%

* Daily Weighted Average
** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
May-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	6,315,543,882	5,788,089,049	(405,267,875)	(15,493,714)	5,367,327,460	40.48%	9.50%	3.85%	10.50%	4.25%	11.50%	4.66%
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Short Term Debt *	420,998,000	385,837,540	(27,015,403)	575,649	359,397,786	2.71%	0.06%	0.00%	0.06%	0.00%	0.06%	0.00%
Customer Deposits												
Active	199,970,414	199,970,414	(14,001,441)		185,968,974	1.40%	2.36%	0.03%	2.36%	0.03%	2.36%	0.03%
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Investment Tax Credits **	42,013,177	38,504,365	(2,695,982)		35,808,383	0.27%	7.17%	0.02%	7.68%	0.02%	8.19%	0.02%
Deferred Income Taxes	2,897,004,850	2,655,055,901	(185,900,537)	(281,868,852)	2,187,286,511	16.50%						
Total	15,884,839,658	14,575,048,687	(1,020,509,354)	(296,786,917)	13,257,752,417	100.00%		5.72%		6.13%		6.54%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	873,268,581
AFUDC - DEBT	\$	14,474,614
INCOME TAXES		111,186,216
TOTAL	\$	998,929,410
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	300,333,803
TIE WITH AFUDC		<u>3.33</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	873,268,581
AFUDC - EQUITY		(27,001,480)
INCOME TAXES		111,186,216
TOTAL	\$	957,453,316
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	300,333,803
TIE WITHOUT AFUDC		<u>3.19</u>

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

AFUDC DEBT	\$	14,474,614
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	10,806,023
AFUDC -EQUITY	\$	27,001,480
TOTAL	\$	37,807,503
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	587,365,919
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>6.44%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	587,365,919
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>1,058,579,906</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,749,909,233
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PERCENTAGE INTERNALLY GENERATED FUNDS	60.49%
*As of March 2019 (updated quarterly)	

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

Common Equity	\$	5,241,240,209
Long Term Debt	\$	4,845,025,196
Short Term Debt	\$	(59,426,995)
TOTAL	\$	<u>10,026,838,409</u>

% LONG TERM DEBT TO TOTAL	48.32%
% SHORT TERM DEBT TO TOTAL	(0.59%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.26%</u>	<u>6.26%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.86%	1.86%
SHORT TERM DEBT	0.00%	0.00%
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS	0.01%	0.01%
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>1.91%</u>	<u>1.91%</u>
TOTAL	<u>4.35%</u>	<u>4.35%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>42.78%</u>	<u>42.78%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.16%</u>	<u>10.18%</u>