



**Matthew R. Bernier**  
ASSOCIATE GENERAL COUNSEL

December 27, 2018

**VIA ELECTRONIC FILING**

Mr. Adam Teitzman, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: *Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Duke Energy Florida, LLC; Docket No. 20180047-EI*

Dear Mr. Teitzman:

Enclosed for filing in the above-subject Docket is Duke Energy Florida, LLC's ("DEF") Notice of Filing Updated Exhibits to its Petition for Approval of Calculation of Tax Impacts. The exhibits outlined below have been updated pursuant to DEF's 2017 tax return:

1. Exhibit No. (MG-1) to the Direct Testimony of Matt Gordon (pp. 1-2); and
2. Exhibit No. (MJO-1) to the Direct Testimony of Marcia J. Olivier (p. 3).

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

*/s/ Matthew R. Bernier*

Matthew R. Bernier

MRB/cmK  
Enclosure

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Consideration of the tax impacts  
associated with Tax Cuts and Jobs Act of  
2017 for Duke Energy Florida, LLC.

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Docket No. 20180047-EI

Dated: December 27, 2018

**DUKE ENERGY FLORIDA, LLC'S, NOTICE OF FILING UPDATED EXHIBITS**

Duke Energy Florida, LLC, ("DEF") hereby gives notice of filing the following updated exhibits regarding DEF's Petition for Approval of Calculation of Tax Impacts. These exhibits have been updated pursuant to DEF's 2017 tax return:

1. Exhibit No. \_\_\_(MG-1) to the Direct Testimony of Matt Gordon (Pages 1 and 2 of 2);  
and
2. Exhibit No. \_\_\_(MJO-1) to the Direct Testimony of Marcia J. Olivier (Page 3 of 3).

*/s/ Matthew R. Bernier*

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 27<sup>th</sup> day of December, 2018.

/s/ Matthew R. Bernier

Attorney

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## DEF Summary of Excess Deferred Income Taxes (EDIT)

Line		12/31/2017 and 2018 TrueUp EDIT	12/31/2017 and 2018 TrueUp EDIT	12/31/2017 and 2018 TrueUp EDIT	
		Protected	Not Protected	Total	
4	Total Non PP&E (0190,0283) **1	75,302,240	(173,300,615)	(97,998,375)	See Page 2 of 2
5	Total PP&E (0282)	(694,432,638)	1,532,416	(692,900,222)	See below
6	Total	(619,130,398)	(171,768,199)	(790,898,597)	

\*\*1 The protected component of the Non PP&E EDIT is from the NOL

## 1. PP&amp;E Protected EDIT from Method / Life Differences:

Book Tax Difference	EDIT	Protected/Unprotected
PP&E Method/Life Differences	(694,432,638)	Protected

## 2. PP&amp;E Unprotected Deferred Taxes from Book Tax Basis Differences:

Below is a summary report from our PowerTax System of every book vs. tax basis difference for PPE on all existing assets. These differences have accumulated over many years and many assets.

Book Tax Basis Difference	EDIT	Protected/Unprotected
AFUDC Debt	(7,829,021)	Unprotected
AFUDC Debt Contra - WS	62,768	Unprotected
ARO	1,101,827	Unprotected
CAPITALIZED SPARES	8,374	Unprotected
Casualty Loss	(4,945,427)	Unprotected
Casualty Restoration Addback	17,132,477	Unprotected
CIAC	39,583,275	Unprotected
Depr Cap Trans Equip	(164,982)	Unprotected
FL Bonus Basis Reduce Auto Calc	5,822,948	Unprotected
FL Bonus Basis Reduction PY/481a	4,324,853	Unprotected
FL Bonus To Amortize	(6,266,333)	Unprotected
Hardware Capitalized	76,171	Unprotected
Impairment Adjustment	84,610,866	Unprotected
Load Mgmt Devices	(2,605)	Unprotected
Method/Life/State Offset	28,029,493	Unprotected
Misc Diffs	(410,790)	Unprotected
NONTAX CIAC/HIWAY REIMB	262,527	Unprotected
Other Adj	(305,782)	Unprotected
PGN Benefits	7,709,365	Unprotected
PGN Conversion Adjs	(35,907)	Unprotected
PGN FL Adjustment	(8,631,357)	Unprotected
PGN FL Adjustment FL Addback	(6,760)	Unprotected
PGN FPC Basis	6,383,932	Unprotected
PGN Tax Expense T&D	(31,886,468)	Unprotected
RAR Adjustment	(67,767)	Unprotected
Salvage Artificial Loss	4,274,003	Unprotected
Salvaged Inventory Proceeds	(14,679,633)	Unprotected
Sect. 174 Adjust	(1,459,896)	Unprotected
Software Capitalized	156,846	Unprotected
TAX ADJ FED	2,537,992	Unprotected
Tax Expensing	(164,882,104)	Unprotected
Tax Repair Retirements	1,447,594	Unprotected
TIC	32,206,634	Unprotected
TIC Tax Adj	(174,998)	Unprotected
CWIP Basis Diffs	7,550,307	Unprotected
<b>Total PP&amp;E Book/Tax Basis Diffs</b>	<b>1,532,416</b>	Unprotected
Total PP&E EDIT (Acct 0282)	<b>(692,900,222)</b>	

Docket No. 20180047  
 Protected and Unprotected Detail of Deferred Accounts  
 Exhibit No. \_\_\_(MG-1), page 2 of 2 (Supplemental 12/27/18)

DEF Tax Reform - Non PP&E Protected/Unprotected Details

Line	Code	Name	Excess ADIT	Protected/Unprotected
1	190001/2	ADIT: Prepaid: Taxes		
2	T11A02	Bad Debts - Tax over Book	623,930	Unprotected
3	T11A18	Imputed Interest Income	-	Unprotected
4	T11B06	Surplus Materials Write-off Liab	1,338	Unprotected
5	T11B08	Surplus Materials Write-Off Asset	19,113	Unprotected
6	T13B08	ASSET RETIREMENT OBLIGATION	88,169,906	Unprotected
7	T13B28	LT Cap Lease Oblig-Tax Oper	(106,988)	Unprotected
8	T13B45	Asset Retirement Obligation - Coal Ash	2,379,262	Unprotected
9	T13B47	L TSA - O&M Cost	(3,342,212)	Unprotected
10	T15A22	Mark to Market - LT	1,168,938	Unprotected
11	T15A23	Mark to Market Reg - LT	(972,639)	Unprotected
12	T15A45	Amort Int Inc Tax Deficiency	134,290	Unprotected
13	T15A62	OCI Book Addback	(860,356)	Unprotected
14	T15B07	Cash Flow Hedge - Reg Asset/Liab	(564,085)	Unprotected
15	T15B58	Storm Cost Deferral- Liab	989,461	Unprotected
16	T15B65	Storm Reserve	-	Unprotected
17	T16A01	Joint Owner Settlement - NC	-	Unprotected
18	T17A02	Accrued Vacation	3,835,634	Unprotected
19	T17A30	Property Tax Reserves	-	Unprotected
20	T17A40	SEVERANCE RESERVE - LT	209,386	Unprotected
21	T17A54	MGP Sites	1,142,014	Unprotected
22	T19A02	Deferred Compensation	152,431	Unprotected
23	T19A55	Workers Com Reserve	1,498,841	Unprotected
24	T19A94	UNBILLED REVENUE - FUEL	10,728,552	Unprotected
25	T19A95	Reserve for Claims	49,180	Unprotected
26	T19A96	Lawsuit Contingency	112,515	Unprotected
27	T19A98	Rate Settlement - LT	-	Unprotected
28	T19B01	FAS 5 Non-income Tax Reserves	7,211,063	Unprotected
29	T20A41	Rate Refunds	4,725	Unprotected
30	T22A01	Emission Allowance Expense	(378,169)	Unprotected
31	T22A03	Gain on Emission Allowances	95	Unprotected
32	T22A07	Charitable Contribution Carryover	116,927	Unprotected
33	T22A28	Retirement Plan Expense - Underfunded	6,107,191	Unprotected
34	T22A29	Non-qualified Pension - Accrual	5,507,867	Unprotected
35	T22A30	Retirement Plan Funding - Underfunded	142,198	Unprotected
36	T22A39	Unbilled Revenue	648,248	Unprotected
37	T22A56	Environmental Reserve	19,447	Unprotected
38	T22B13	ANNUAL INCENTIVE PLAN COMP	3,549,108	Unprotected
39	T22B15	PAYABLE 401 (K) MATCH	203,557	Unprotected
40	T22B29	Tax Int Accrual - Non-cur Liab	301,851	Unprotected
41	T22B37	Nuclear Refueling Outage Reserve Current	-	Unprotected
42	T22B40	Generating Performance Incentive Factor	(32,039)	Unprotected
43	T22B42	Claim Reserve LT	4,887,427	Unprotected
44	T22E02	OPEB Expense Accrual	19,106,055	Unprotected
45	T22E06	FAS 112 Medical Expenses Accrual	1,177,555	Unprotected
46	T22H09	Decommissioning Liability	11,365,842	Unprotected
47	T22H16	Nuclear Decommissioning Funds - Gross Income	-	Unprotected
48	TFL050	FL Charitable Contribution Carryover	(46,585)	Unprotected
49	AT_OTH_190_FL_STATE_N	Other FL State NOLs	(4,928,257)	Unprotected
50	Total 190001/2		<b>160,332,618</b>	Unprotected
51				
52	283100/1	ADIT: Other		
53	T11A23	Deferred Regulatory Cost - Non Current	(10,211,296)	Unprotected
54	T15A24	Loss on Reacquired Debt-Amort	(1,308,303)	Unprotected
55	T15A58	2004 Ivan Storm Cleanup	(207,911)	Unprotected
56	T15B04	Reg Asset - Accr Pension FAS158 - FAS87Qual	37	Unprotected
57	T15B17	Reg Liab RSLI & Other Misc Dfd Costs	122,144	Unprotected
58	T15B29	Reg Asset-Pension Post Retirement PAA-FAS87Qual and Oth	(48,762,424)	Unprotected
59	T15B37	Reg Asset-Pension Post Retirement PAA-FAS87NQ and Oth	(1,307,005)	Unprotected
60	T15B38	Reg Asset-Pension Post Retirement PAA-FAS 106 and Oth	(5,893,946)	Unprotected
61	T15B40	Reg Asset - Accr Pension FAS158 - FAS87NQ	(59,918)	Unprotected
62	T15B45	Reg Asset - Plant Related Retirements	24,427	Unprotected
63	T15B52	Storm Cost Deferral- Asset	(53,580,145)	Unprotected
64	T15B62	Reg Asset - COR	(58,747,835)	Unprotected
65	T15B63	Reg Asset - Depreciation	3,740,573	Unprotected
66	T19A59	Dfd CR3 Dry Cask Storage Reg Asset	(13,455,765)	Unprotected
67	T19A86	Deferred Fuel Asset - LT	(26,440,500)	Unprotected
68	T20A38	Regulatory Asset - Deferred Plant Costs	(427,650)	Unprotected
69	T22A23	Retirement Plan Expense - Overfunded	(13,596,246)	Unprotected
70	T22H05	Non-Qualified Fund MTM Earnings	108,548	Unprotected
71	T22H07	Decommissioning Qualified Fund	(89,855,754)	Unprotected
72	T22H12	ARO Regulatory Asset	(12,697,148)	Unprotected
73	T22H46	ARO Regulatory Asset - Coal Ash	(1,077,114)	Unprotected
74	Reclass between protected/unprotected		-	Unprotected
75	Total 283100/1		<b>(333,633,233)</b>	
76				
77	190155	Deferred Tax - NOL		
78	AT_OTH_190_NC_Federal N	190155_Other NC Federal NOLs	75,302,240	Protected
79	Reclass between protected/unprotected		-	
80	Total 190155		<b>75,302,240</b>	
81				
82		Total Reg. Liability	<b>(97,998,375)</b>	
83				
84		Non PP&E Protected	75,302,240	
85		Non PP&E Unprotected	(173,300,615)	
86			<b>(97,998,375)</b>	

Calculation of Annual Retail Flow Back  
(\$000s)

1	Excess ADIT - Protected	\$619,130
2	ARAM 2018 Amortization Percentage	3.30%
3	Excess ADIT - Protected Amortization 2018	<u>20,431</u>
4		
5	Excess ADIT - Unprotected	171,768
6	Amortization Years - per Settlement	<u>5</u>
7	Excess ADIT - Unprotected Amortization 2018	34,354
8		
9	Total Excess ADIT 2018 Amortization (line 3 + line 7)	54,785
10	OATT Portion	3.73%
11	Less OATT Excess ADIT Amortization	<u>2,043</u>
12	Retail Excess ADIT Amortization (line 9 - line 11)	52,741
13		
14	Retail gross up to pretax amount (line 12 divided by 1 - 25.345%)	70,647
15	Add Annual Retail Impact per Exhibit B, Line 55	<u>84,060</u>
16	Retail Annual Projected Flow Back	<u><u>\$154,707</u></u>