



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

February 26, 2021

VIA ELECTRONIC FILING

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

Re: *Duke Energy Florida, LLC's Request to Change AFUDC Rate; Undocketed*

Dear Mr. Teitzman:

Pursuant to Rule 25-6.0141, F.A.C., Duke Energy Florida, LLC ("DEF") requests that the Florida Public Service Commission approve a change to the rate DEF uses to capitalize the allowance for funds used during construction ("AFUDC") from 6.07% to 6.18%, effective January 1, 2021, using the 10.5% midpoint return on common equity approved by the Commission in Order No. PSC-2017-0451-AS-EL.

Please file this request in Undocketed Matters, forward it to the appropriate Staff departments and advise the undersigned when this matter is scheduled for approval.

Thank you for your assistance in this matter. If you have any questions or concerns, please do not hesitate to contact me at (850) 521-1428.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmw
Enclosures

DUKE ENERGY FLORIDA, LLC
Capital Structure Used for AFUDC Calculation
As of December 2020

SCHEDULE A

	13 Month Average Jurisdictional Balance	Capital Ratio	Cost Rates	AFUDC Weighted Average Cost of Capital
Long Term Debt	\$ 5,599,696,473	39.25%	4.31%	1.69%
Short Term Debt	108,058,377	0.76%	2.01%	0.02%
Customer Deposits				
Active	183,971,077	1.29%	2.46%	0.03%
Inactive	1,673,414	0.01%	0.00%	0.00%
Common Equity	6,030,755,282	42.27%	10.50%	4.44%
Deferred Income Taxes	2,236,277,607	15.67%	0.00%	0.00%
Investment Tax Credits	106,137,436	0.74%	0.00%	0.00%
Total	<u>\$ 14,266,569,666</u>	<u>100.00%</u>		<u>6.18%</u>

DUKE ENERGY FLORIDA, LLC
Capital Structure Adjustments
As of December 2020

SCHEDULE B

	<u>13 Month Average Unadjusted Balance (System)</u>	+	<u>Jurisdictional Allocation %</u>	+	<u>13 Month Average Unadjusted Balance (Retail)</u>	+	<u>Specific Adjustments (Retail)</u>	+	<u>Prorata FPSC Adjustments (Retail)</u>	=	<u>13 Month Average System Adjusted Balance (Retail)</u>
Long Term Debt	\$ 6,633,395,940		90.06%		\$ 5,974,035,780		\$ -		\$ (374,339,306)		\$ 5,599,696,473
Short Term Debt	192,383,203		90.06%		\$ 173,260,295		(54,345,248)		(10,856,671)		\$ 108,058,377
Customer Deposits											
Active	196,269,530		100.00%		\$ 196,269,530		-		(12,298,453)		\$ 183,971,077
Inactive	1,785,282		100.00%		\$ 1,785,282		-		(111,868)		\$ 1,673,414
Common Equity	7,159,588,902		90.06%		\$ 6,447,925,113		(13,136,126)		(404,033,706)		\$ 6,030,755,282
Deferred Income Taxes	2,953,385,151		90.06%		\$ 2,659,818,398		(256,873,799)		(166,666,992)		\$ 2,236,277,607
Investment Tax Credits	125,730,322		90.06%		\$ 113,232,716		-		(7,095,280)		\$ 106,137,436
Total	<u>\$ 17,262,538,329</u>		<u>90.17%</u>		<u>\$ 15,566,327,114</u>		<u>\$ (324,355,173)</u>		<u>\$ (975,402,275)</u>		<u>\$ 14,266,569,666</u>

DUKE ENERGY FLORIDA, LLC
Methodology for Compounding AFUDC Rate
As of December 2020

SCHEDULE C

Time Period	AFUDC Expenditures (\$)	AFUDC Base (\$)	Monthly AFUDC (\$)	Cumulative AFUDC (\$)
1	1.0	1	0.005008	0.005008
2			0.005033	0.010041
3			0.005058	0.015099
4			0.005083	0.020182
5			0.005109	0.025291
6			0.005135	0.030426
7			0.005160	0.035586
8			0.005186	0.040772
9			0.005212	0.045984
10			0.005239	0.051223
11			0.005264	0.056487
12			0.005291	0.061778

Annual Rate (R) = 0.061778

Monthly Rate = $((1 + R)^{(1/12)}) - 1 = 0.005008$

Note: Monthly rate is rounded to six decimal places per rule 25-6.0141 F.A.C.