BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Application for authority to issue and sell securities during 12 months ending December 31, 2022, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Duke Energy Florida, LLC. | DOCKET NO. 20210154-EI  ORDER NO. PSC-2021-0413-FOF-EI  ISSUED: November 4, 2021 |

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman

ART GRAHAM

ANDREW GILES FAY

MIKE LA ROSA

GABRIELLA PASSIDOMO

FINAL ORDER GRANTING DUKE ENERGY FLORIDA, LLC APPROVAL FOR AUTHORITY TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Duke Energy Florida, LLC (DEF or Company) seeks authority to issue, sell, or otherwise incur during 2022 up to $1.5 billion of any combination of equity securities, long-term debt securities, and other long-term obligations. Additionally, the Company requests authority to issue, sell, or otherwise incur during 2022 and 2023, up to $1.5 billion outstanding at any time of short-term debt securities and other obligations.

In connection with its application, DEF confirms that the capital raised pursuant to its application will be used in connection with the regulated activities of the Company and not the unregulated activities of its unregulated affiliates.

The amount requested by the Company ($3.0 billion) exceeds its expected capital expenditures ($2.2 billion). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility with regard to unexpected events such as hurricanes, financial market disruptions, and other unforeseen circumstances.

Notice of the Company’s application was given in the Florida Administrative Register on October 22, 2021.

1. **Proposed Transactions**

DEF seeks authority from the Commission to issue, sell or otherwise incur during 2022 up to $1,500,000,000 of any combination of equity securities and long-term debt securities and other long term obligations (exclusive of bank loans issued under the Company's long-term credit facilities as mentioned below). Additionally, the Company requests authority to issue, sell or otherwise incur during 2022 and 2023 up to $1,500,000,000 outstanding at any time of short term debt securities and other obligations, which amount shall be in addition to and in excess of the amount the Company is authorized to issue pursuant to Section 366.04, F.S., which permits the Company to issue short-term securities aggregating to not more than five percent of the par value of the Company's other outstanding securities. Short-term borrowings under this authority would most likely consist of borrowings under the utility money pool and/or master credit facility in which DEF is a participant along with the other utility subsidiaries of Duke Energy Corporation, or through direct, pre-payable bank loans.

The Company currently holds $209 million in pollution control or solid waste disposal bonds issued by Citrus County, Florida, which were originally offered and sold to the public. Citrus County loaned the proceeds of such sale to the Company in return for its obligation to pay interest and principal upon the bonds. The Company may choose to resell such bonds to the public in the future prior to their maturity. From time to time, the Company has redeemed certain outstanding first mortgage bonds and shares of its cumulative preferred stock, but such bonds and shares are canceled upon redemption or reacquisition.

From time to time, the Company issues first mortgage bonds that are secured by the lien of its Indenture, dated as of January 1, 1944 with The Bank of New York Mellon (formerly JPMorgan Chase Bank, N.A.) as successor trustee, as supplemented by supplemental indentures (the "Mortgage"). The Mortgage constitutes a first mortgage lien, subject only to permitted encumbrances and liens, on substantially all of the fixed properties owned by the Company except miscellaneous properties that are specifically excepted. After-acquired property is covered by the lien of the Mortgage, subject to existing liens at the time such property is acquired.

All of the Company's outstanding LLC membership interests are owned by the Company's parent, Florida Progress Corporation. The Company has no other equity or debt owned by affiliated corporations.

The Company seeks authority to issue and sell and/or exchange equity securities and issue, sell, exchange and/or assume short-term or long-term debt securities and/or to assume liabilities or obligations as guarantor, endorser or surety during the period covered by the Application. The Company ultimately may issue any combination of the types of securities described below, subject to the aggregate dollar limitations requested in its Application.

The kind and the nature of the securities that the Company seeks authority to issue and sell during 2022 (and 2023 with respect to short-term debt securities and obligations) are equity securities and short-term and long-term debt securities and other obligations, including, but not limited to, borrowings from banks that are participants in credit facilities the Company may establish from time to time, uncommitted bank facilities, and affiliate loans which are available through the utility money pool. The Company also seeks authority to enter into interest rate derivative contracts intended to reduce financial risk, and/or costs associated with its existing and future debt obligations.

The equity securities that the Company may issue include newly issued classes of LLC membership interests or warrants, options or rights to acquire such securities, or other equity securities, with such terms and conditions, and relative rights and preferences as are deemed appropriate by the Company and permitted by its LLC agreement, as they may be amended from time to time.

Short-term debt securities and obligations may include loans from affiliates (via the money pool or other means) and bank loans, credit agreements, or other forms of securities and debt obligations, with maturities of less than one year.

The long-term debt securities and obligations may take the form of first mortgage bonds, debentures, medium-term notes or other notes, loans from affiliates and bank loans, installment contracts, credit agreements, securitization of storm cost and other receivables or other forms of securities and debt obligations, whether secured or unsecured, with maturities greater than one year. In addition, the Company may enter into options, rights, interest rate swaps, or other derivative instruments. The Company also may enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the State of Florida or pledge debt securities or issue guarantees in connection with such political subdivisions' issuance, for the ultimate benefit of the Company, of pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes. Or other "private activity bonds" with maturities ranging from one to forty years, or bond anticipation notes. Such obligations may or may not bear interest exempt from federal tax.

The Company also may enter into various agreements that provide financial or performance assurances to third parties. These agreements include guarantees, standby letters of credit, and surety bonds. Specific purposes of the agreements include supporting payments of trade payables, securing obligations under private activity bonds, securing performance under contracts and lease obligations, providing workers' compensation coverage, obtaining licenses, permits, and rights of way, and supporting other payments that are subject to contingencies.

The manner of issuance and sale of securities will be dependent upon the type of securities being offered, the type of transaction in which the securities are being issued and sold, and market conditions at the time of the issuance and sale. Securities may be issued through negotiated underwritten public offerings, public offerings at competitive biddings, private sales or sales through agents, and may be issued in both domestic and foreign markets. Credit agreements may be with banks or other lenders.

Contemplated to be included as long-term or short-term debt securities, as appropriate, are borrowings from banks and other lenders under the Company's credit facilities, as those may be entered into and amended from time to time. As of August 1, 2021 the Company has an $850 million borrowing sublimit under Duke Energy's approximately $8.0 billion master credit facility with a group of banks. Duke Energy Florida's maximum borrowing sub limit under the master credit facility is $1.2 billion; such an increase may be done to increase liquidity and financial flexibility for DEF. Borrowings under the facility are available for general corporate purposes. The current five-year facility will expire on March 16, 2026.

The maximum principal amount of short-term securities and obligations proposed to be issued, sold, or otherwise incurred during 2022 and 2023 is $1.5 billion outstanding at any time, including bank loans or money pool borrowings, which amount shall be in addition to and in excess of the amount the Company is authorized to issue pursuant to Section 366.04, Florida Statutes, which permits the Company to issue short-term securities aggregating not more than five percent of the par value of the Company's other outstanding securities. The maximum principal amount of equity securities, long-term debt securities and other long-term obligations (exclusive of bank loans issued under the Company's long-term credit facilities as mentioned above) proposed to be issued, sold, or otherwise incurred during 2021 is $1.5 billion.

The Company's current estimate of the potential range of interest rates for

securities proposed to be issued by the Company is as follows:

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| 1. 10-year to 30-year A- rated senior unsecured debt: | 2.50%-4.00% |
| 2. 10-year to 30-year A rated first mortgage bonds: | 2.25%-3.75% |
| 3. Borrowings through the Duke Energy utility money pool: | 0.25%-1.75% |
| 4. Accounts receivable securitized debt | 0.75%-2.25% |

The actual rates to be paid by the Company on securities issued will be determined by the

market conditions at the time of issuance.

**II. Purpose of Issuance**

A detailed statement of the Projected Sources and Uses of Funds during 2022 was included in the Company’s application as Exhibit B1. The net proceeds to be received from the sale of the additional securities will be added to the Company's general funds and may be used to provide additional electric facilities during 2022 pursuant to the Company's construction program, to repay maturing long-term debt or short-term debt, to refund, retire or redeem existing obligations, or for other corporate purposes.

The Company's construction program is developed from its long-range plan to determine needed capital investments. While the final 2022 construction budget is not yet available, the Company's most recently approved construction expenditures forecast for 2022, excluding Allowance for Funds Used During Construction (AFUDC), is approximately $2.2 billion, as included in the Company’s application as Exhibit B2. These construction estimates are subject to periodic review and revision to adjust for changes in such factors as economic conditions, environmental requirements, regulatory matters and customer usage patterns.

**III**. **Conclusion**

Having reviewed the Company’s application, it is the finding of this Commission that the transaction described in the application will not impair the ability of the Company to perform the services of a public utility. These transactions are for such lawful purposes within the Company’s corporate powers and, as such, the application is granted.

Our approval of the proposed issuance and/or sale of securities does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for our review within the context of a rate proceeding. Our approval of the issuance of securities constitutes approval only as to the legality of the issue. In approving the subject financing, we retain the right to disallow any of the costs incurred for ratemaking purposes.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that that the application of Duke Energy Florida, LLC for authority to issue and sell securities during 12 months ending December 31, 2022, is hereby granted. It is further

ORDERED that Duke Energy Florida, LLC’s request for authority to issue, sell, or otherwise incur during 2022 up to $1.5 billion of any combination of equity securities, long-term debt securities, and other long-term obligations is hereby granted. It is further

ORDERED that Duke Energy Florida, LLC’s requests authority to issue, sell, or otherwise incur during 2022 and 2023, up to $1.5 billion outstanding at any time of short-term debt securities and other obligations is hereby granted. It is further

ORDERED that Duke Energy Florida, LLC’s will file a consummation report with the us in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the close of the 2022 calendar year to report any securities issued during that year and to report the interest rate hedging activities for the previous year per Florida Public Service Commission Order No. PSC-13-0193-PAA-EI. It is further

ORDERED that that this docket shall remain open until May 5, 2023, to monitor the issuance and/or sale of securities until Duke Energy Florida, LLC submits and Commission staff has reviewed the Consummation Report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 4th day of November, 2021.

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|  | /s/ Adam J. Teitzman |
|  | ADAM J. TEITZMAN  Commission Clerk |

Florida Public Service Commission

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply.  This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court.  This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure.  The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.