



December 14, 2017

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 October 31, 2017.

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 October 31, 2017. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-13-0598-FOF-EI.

If you have any questions, please feel free to contact me at (727) 820-5653.

Sincerely,

A handwritten signature in black 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  
Oct 2017**

**SCHEDULE 1**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. AVERAGE RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 724,734,075 (a)	\$ (56,335,041) (b)	\$ 668,399,034	\$ 10,948,862	\$ 679,347,896
Average Rate Base	\$ 11,836,972,175	\$ (973,376,146)	\$ 10,863,596,029	\$ -	\$ 10,863,596,029
Average Rate of Return	6.12%		6.15%		6.25%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 665,013,550	\$ 3,385,484	\$ 668,399,034		
Average Rate Base	\$ 12,226,030,977	\$ (1,000,324,608)	\$ 11,225,706,369		
Average Rate of Return	5.44%		5.95%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

<b>III. REQUIRED RATES OF RETURN</b>	Average Capital Structure	End of Period Capital Structure
<b>FPSC Adjusted Basis</b>		
Low Point	6.29%	6.20%
Mid Point	6.73%	6.64%
High Point	7.18%	7.08%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.29%	6.20%
Mid Point	6.74%	6.64%
High Point	7.18%	7.08%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. T.I.E. with AFUDC	3.39	(System Per Books Basis)
B. T.I.E without AFUDC	3.15	(System Per Books Basis)
C. AFUDC to Net Income	13.10%	(System Per Books Basis)
D. Internally Generated Funds	70.20%	(System Per Books Basis)
<b>E. STD/LTD to Total Investor Funds</b>		
LT Debt-Fixed to Total Investor Funds	48.37%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(1.77%)	(FPSC Adjusted Basis)
<b>F. Return on Common Equity</b>		
	9.19%	(FPSC Adjusted Basis)
	9.41%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-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, Director Rates & Regulatory Planning

12/14/17  
 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
<b>System Per Books</b>	<b>\$15,482,991,510</b>	<b>\$5,477,056,160</b>	<b>\$10,005,935,350</b>	<b>\$129,696,101</b>	<b>\$1,455,867,455</b>	<b>\$11,591,498,906</b>	<b>\$1,489,076,925</b>	<b>\$13,080,575,831</b>
<b>Regulatory Base - Retail</b>	<b>\$14,071,505,022</b>	<b>\$5,084,379,478</b>	<b>\$8,987,125,544</b>	<b>\$113,866,080</b>	<b>\$1,299,567,773</b>	<b>\$10,400,559,397</b>	<b>\$1,436,412,778</b>	<b>\$11,836,972,175</b>
<b>FPSC Adjustments</b>								
ARO	(18,950,038)	(16,583,575)	(2,366,463)			(2,366,463)	2,988,034	621,571
ECCR	(51,173,832)	(17,956,199)	(33,217,633)			(33,217,633)	(15,461,216)	(48,678,849)
ECRC	(174,119,371)	(17,323,996)	(156,795,375)		(164,876)	(156,960,251)	(9,896,161)	(166,856,412)
FUEL	(26,662,769)	(26,149,588)	(513,182)			(513,182)	(3,339,066)	(3,852,248)
CCR							(148,969,910)	(148,969,910)
NUCLEAR					(471,316)	(471,316)	(198,463,739)	(198,935,056)
Net Clause Under Recovery							(130,274,316)	(130,274,316)
Derivatives							(593,880)	(593,880)
Employee Related							363	363
Investments Earning a Return							(183,915,461)	(183,915,461)
Jobbing Accounts							(673,068)	(673,068)
Non-Regulated and Miscellaneous	(46,338,894)	(36,279,415)	(10,059,479)		(483,346)	(10,542,825)	105,860,326	95,317,501
CWIP - AFUDC					(894,725,128)	(894,725,128)		(894,725,128)
Imputed Off Balance Sheet Obligations							711,677,976	711,677,976
Capital Lease	(132,287,834)		(132,287,834)			(132,287,834)	128,768,605	(3,519,230)
<b>Total FPSC Adjustments</b>	<b>(449,532,738)</b>	<b>(114,292,772)</b>	<b>(335,239,966)</b>		<b>(895,844,666)</b>	<b>(1,231,084,632)</b>	<b>257,708,487</b>	<b>(973,376,146)</b>
<b>FPSC Adjusted</b>	<b>\$13,621,972,284</b>	<b>\$4,970,086,706</b>	<b>\$8,651,885,578</b>	<b>\$113,866,080</b>	<b>\$403,723,107</b>	<b>\$9,169,474,765</b>	<b>\$1,694,121,264</b>	<b>\$10,863,596,029</b>

	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
<b>System Per Books</b>	\$4,471,784,225	\$1,801,910,174	\$824,244,387	\$511,663,361	\$341,922,996	(\$159,191,892)	\$434,083,284	(\$119,993)		\$3,754,512,318	\$717,271,907
<b>Regulatory Base - Retail</b>	\$4,213,708,132	\$1,703,031,755	\$781,270,275	\$477,195,914	\$329,301,769	(\$149,411,947)	\$407,415,402	(\$108,587)		\$3,548,694,582	\$665,013,550
<b>FPSC Adjustments</b>											
ECCR	(106,313,194)		(95,193,562)	(6,451,165)		(1,800,861)				(103,445,588)	(2,867,606)
ECRC	(57,822,956)		(33,593,803)	(6,198,783)	(1,300,468)	(6,453,560)				(47,546,614)	(10,276,342)
FUEL	(1,355,924,699)	(1,349,923,126)	(966,174)	-		(1,942,405)				(1,352,831,705)	(3,092,994)
CCR	(374,440,481)	(353,108,629)	(269,597)	(15,853,425)		(2,009,306)				(371,240,957)	(3,199,524)
NUCLEAR	(52,524,625)		(46,322)	(49,021,119)		(1,333,609)				(50,401,049)	(2,123,575)
Non-Regulated and Miscellaneous				(11,809,114)		4,555,366				(7,253,748)	7,253,748
Corporate Aircraft Allocation			(1,974,295)			761,584				(1,212,711)	1,212,711
Franchise Fee & Gross Receipts	(201,197,263)					(77,611,844)				(77,611,844)	(123,585,419)
Franchise Fees & Gross Rec Tax - TOI					(201,161,616)	77,598,093				(123,563,523)	123,563,523
Gain/Loss on Disposition & Other						74,286		(192,576)		(118,290)	118,290
Inst./Promotional Advertising			(2,012,156)			776,189				(1,235,967)	1,235,967
Miscellaneous Interest Expense			115,266			(44,464)				70,802	(70,802)
Remove Assoc/Organization Dues			(87,209)			33,641				(53,568)	53,568
Parent Debt Adjustment						(15,299,218)				(15,299,218)	15,299,218
Directors & Officers Premium			(1,190,525)			459,245				(731,280)	731,280
Interest Synchronization - FPSC						866,560				866,560	(866,560)
<b>Total FPSC Adjustments</b>	<b>(2,148,223,217)</b>	<b>(1,703,031,755)</b>	<b>(135,218,378)</b>	<b>(89,333,606)</b>	<b>(202,462,085)</b>	<b>(21,370,301)</b>	<b>-</b>	<b>-</b>	<b>(192,576)</b>	<b>(2,151,608,700)</b>	<b>3,385,484</b>
<b>FPSC Adjusted</b>	<b>\$2,065,484,915</b>	<b>\$-</b>	<b>\$646,051,898</b>	<b>\$387,862,308</b>	<b>\$126,839,684</b>	<b>(\$170,782,248)</b>	<b>\$407,415,402</b>	<b>(\$108,587)</b>	<b>(\$192,576)</b>	<b>\$1,397,085,882</b>	<b>\$668,399,034</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	17,824,765					6,875,903				6,875,903	10,948,862
<b>Total Pro Forma Adjustments</b>	<b>17,824,765</b>					<b>6,875,903</b>				<b>6,875,903</b>	<b>10,948,862</b>
<b>Pro Forma Adjusted</b>	<b>\$2,083,309,680</b>		<b>\$646,051,898</b>	<b>\$387,862,308</b>	<b>\$126,839,684</b>	<b>(\$163,906,345)</b>	<b>\$407,415,402</b>	<b>(\$108,587)</b>	<b>(\$192,576)</b>	<b>\$1,403,961,785</b>	<b>\$679,347,896</b>
<b>Current Month</b>											
System Per Books	\$395,842,733	\$159,467,934	\$71,356,916	\$42,137,778	\$30,097,721	(\$6,652)	\$27,290,061	(\$9,566)	\$-	\$330,334,192	\$65,508,541
FPSC Adjusted	\$182,733,810	\$-	\$55,222,989	\$32,617,725	\$10,850,214	(\$14,724,129)	\$40,149,646	(\$8,657)	(\$6,106)	\$124,101,683	\$58,632,127

(a) The addition of earnings from AFUDC charges would increase the System NOI by  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

66,903,143 pretax  
59,720,525 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,571	\$621,571
	ECCR	F	(48,678,849)	(48,678,849)
	ECRC	F	(178,335,757)	(166,856,412)
	FUEL	F	(3,891,557)	(3,852,248)
	CCR	F	(151,398,456)	(148,969,910)
	NUCLEAR	F	(195,331,077)	(198,935,056)
	Net Clause Under Recovery	F	(130,274,316)	(130,274,316)
	Derivatives	F	(593,880)	(593,880)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,562,293)	(183,915,461)
	Jobbing Accounts	F	(715,191)	(673,068)
	Non-Regulated and Miscellaneous	F	95,317,501	95,317,501
(1)	CWIP - AFUDC	F	(970,593,204)	(894,725,128)
(3)	Imputed Off Balance Sheet Obligations	F	766,192,578	711,677,976
(2)	Capital Lease - EPIS	F	(141,907,762)	(132,287,834)
(2)	Capital Lease - Working Capital	F	138,132,615	128,768,605
	<b>Total</b>		<b>(\$1,011,017,690)</b>	<b>(\$973,376,146)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,668,467)	1,800,861	(4,668,467)	1,800,861
	ECRC	F	(14,105,598)	5,441,234	(16,729,902)	6,453,560
	FUEL	F	(5,327,755)	2,055,182	(5,035,399)	1,942,405
	CCR	F	(5,208,830)	2,009,306	(5,208,830)	2,009,306
	NUCLEAR	F	(3,457,184)	1,333,609	(3,457,184)	1,333,609
	Non-Regulated and Miscellaneous	F	11,809,114	(4,555,366)	11,809,114	(4,555,366)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,117,865	(816,966)	1,974,295	(761,584)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(201,197,263)	77,611,844	(201,197,263)	77,611,844
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,161,616	(77,598,093)	201,161,616	(77,598,093)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	207,327	(79,977)	192,576	(74,286)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,158,479	(832,633)	2,012,156	(776,189)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(123,648)	47,697	(115,266)	44,464
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,551	(36,087)	87,209	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F		16,879,288		15,299,218
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,277,100	(492,641)	1,190,525	(459,245)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(439,900)		(866,560)
	<b>Total</b>		<b>(\$15,263,691)</b>	<b>\$22,327,358</b>	<b>(\$17,984,817)</b>	<b>\$21,370,301</b>

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

	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
<b>System Per Books</b>	<b>\$15,909,812,781</b>	<b>\$5,592,937,032</b>	<b>\$10,316,875,749</b>	<b>\$130,505,307</b>	<b>\$1,592,081,149</b>	<b>\$12,039,462,206</b>	<b>\$1,489,076,925</b>	<b>\$13,528,539,131</b>
<b>Regulatory Base - Retail</b>	<b>\$14,458,547,420</b>	<b>\$5,197,109,224</b>	<b>\$9,261,438,196</b>	<b>\$114,492,246</b>	<b>\$1,413,687,758</b>	<b>\$10,789,618,200</b>	<b>\$1,436,412,778</b>	<b>\$12,226,030,977</b>
<b>FPSC Adjustments</b>								
ARO	(19,120,519)	(16,677,319)	(2,443,199)			(2,443,199)	2,988,034	544,835
ECCR	(50,962,636)	(20,958,842)	(30,003,794)			(30,003,794)	(15,461,216)	(45,465,010)
ECRC	(173,283,663)	(19,917,988)	(153,365,675)			(153,365,675)	(9,896,161)	(163,261,836)
FUEL	(26,662,769)	(26,125,968)	(536,801)			(536,801)	(3,339,066)	(3,875,867)
CCR							(148,969,910)	(148,969,910)
NUCLEAR					(94,118)	(94,118)	(198,463,739)	(198,557,857)
Net Clause Under Recovery							(130,274,316)	(130,274,316)
Derivatives							(593,880)	(593,880)
Employee Related							363	363
Investments Earning a Return							(183,915,461)	(183,915,461)
Jobbing Accounts							(673,068)	(673,068)
Non-Regulated and Miscellaneous	(43,931,257)	(34,899,794)	(9,031,463)			(9,031,463)	105,860,326	96,828,864
CWIP - AFUDC					(935,972,118)	(935,972,118)		(935,972,118)
Imputed Off Balance Sheet Obligations							711,677,976	711,677,976
Capital Lease	(126,585,927)		(126,585,927)			(126,585,927)	128,768,605	2,182,677
<b>Total FPSC Adjustments</b>	<b>(440,546,771)</b>	<b>(118,579,911)</b>	<b>(321,966,860)</b>	<b>-</b>	<b>(936,066,235)</b>	<b>(1,258,033,095)</b>	<b>257,708,487</b>	<b>(1,000,324,608)</b>
<b>FPSC Adjusted</b>	<b>\$14,018,000,649</b>	<b>\$5,078,529,313</b>	<b>\$8,939,471,336</b>	<b>\$114,492,246</b>	<b>\$477,621,523</b>	<b>\$9,531,585,105</b>	<b>\$1,694,121,264</b>	<b>\$11,225,706,369</b>

	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
<b>System Per Books</b>	\$4,471,784,225	\$1,801,910,174	\$824,244,387	\$511,663,361	\$341,922,996	(\$159,191,892)	\$434,083,284	(\$119,993)		\$3,754,512,318	\$717,271,907
<b>Regulatory Base - Retail</b>	\$4,213,708,132	\$1,703,031,755	\$781,270,275	\$477,195,914	\$329,301,769	(\$149,411,947)	\$407,415,402	(\$108,587)		\$3,548,694,582	\$665,013,550
<b>FPSC Adjustments</b>											
ECCR	(106,313,194)		(95,193,562)	(6,451,165)		(1,800,861)				(103,445,588)	(2,867,606)
ECRC	(57,822,956)		(33,593,803)	(6,198,783)	(1,300,468)	(6,453,560)				(47,546,614)	(10,276,342)
FUEL	(1,355,924,699)	(1,349,923,126)	(966,174)			(1,942,405)				(1,352,831,705)	(3,092,994)
CCR	(374,440,481)	(353,108,629)	(269,597)	(15,853,425)		(2,009,306)				(371,240,957)	(3,199,524)
NUCLEAR	(52,524,625)		(46,322)	(49,021,119)		(1,333,609)				(50,401,049)	(2,123,575)
Non-Regulated and Miscellaneous				(11,809,114)		4,555,366				(7,253,748)	7,253,748
Corporate Aircraft Allocation			(1,974,295)			761,584				(1,212,711)	1,212,711
Franchise Fee & Gross Receipts	(201,197,263)					(77,611,844)				(77,611,844)	(123,585,419)
Franchise Fees & Gross Rec Tax - TOI					(201,161,616)	77,598,093				(123,563,523)	123,563,523
Gain/Loss on Disposition & Other						74,286		(192,576)		(118,290)	118,290
Inst./Promotional Advertising			(2,012,156)			776,189				(1,235,967)	1,235,967
Miscellaneous Interest Expense			115,266			(44,464)				70,802	(70,802)
Remove Assoc/Organization Dues			(87,209)			33,641				(53,568)	53,568
Parent Debt Adjustment			-			(15,299,218)				(15,299,218)	15,299,218
Directors & Officers Premium			(1,190,525)			459,245				(731,280)	731,280
Interest Synchronization - FPSC			-			866,560				866,560	(866,560)
<b>Total FPSC Adjustments</b>	<b>(2,148,223,217)</b>	<b>(1,703,031,755)</b>	<b>(135,218,378)</b>	<b>(89,333,606)</b>	<b>(202,462,085)</b>	<b>(21,370,301)</b>	<b>-</b>	<b>-</b>	<b>(192,576)</b>	<b>(2,151,608,700)</b>	<b>3,385,484</b>
<b>FPSC Adjusted</b>	<b>\$2,065,484,915</b>	<b>\$-</b>	<b>\$646,051,898</b>	<b>\$387,862,308</b>	<b>\$126,839,684</b>	<b>(\$170,782,248)</b>	<b>\$407,415,402</b>	<b>(\$108,587)</b>	<b>(\$192,576)</b>	<b>\$1,397,085,882</b>	<b>\$668,399,034</b>

(a) The addition of earnings from AFUDC charges would increase the System NOI by  
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by

66,903,143 pretax  
59,720,525 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$544,835	\$544,835
	ECCR	F	(45,465,010)	(45,465,010)
	ECRC	F	(175,373,281)	(163,261,836)
	FUEL	F	(3,916,986)	(3,875,867)
	CCR	F	(151,398,456)	(148,969,910)
	NUCLEAR	F	(194,924,984)	(198,557,857)
	Net Clause Under Recovery	F	(130,274,316)	(130,274,316)
	Derivatives	F	(593,880)	(593,880)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,562,293)	(183,915,461)
	Jobbing Accounts	F	(715,191)	(673,068)
	Non-Regulated and Miscellaneous	F	96,828,864	96,828,864
(1)	CWIP - AFUDC	F	(1,014,379,758)	(935,972,118)
(3)	Imputed Off Balance Sheet Obligations	F	766,192,578	711,677,976
(2)	Capital Lease - EPIS	F	(135,791,214)	(126,585,927)
(2)	Capital Lease - Working Capital	F	138,132,615	128,768,605
	<b>Total</b>		<b>(\$1,040,696,092)</b>	<b>(\$1,000,324,608)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(4,668,467)	1,800,861	(4,668,467)	1,800,861
	ECRC	F	(14,105,598)	5,441,234	(16,729,902)	6,453,560
	FUEL	F	(5,327,755)	2,055,182	(5,035,399)	1,942,405
	CCR	F	(5,208,830)	2,009,306	(5,208,830)	2,009,306
	NUCLEAR	F	(3,457,184)	1,333,609	(3,457,184)	1,333,609
	Non-Regulated and Miscellaneous	F	11,809,114	(4,555,366)	11,809,114	(4,555,366)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,117,865	(816,966)	1,974,295	(761,584)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(201,197,263)	77,611,844	(201,197,263)	77,611,844
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	201,161,616	(77,598,093)	201,161,616	(77,598,093)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	207,327	(79,977)	192,576	(74,286)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,158,479	(832,633)	2,012,156	(776,189)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(123,648)	47,697	(115,266)	44,464
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	93,551	(36,087)	87,209	(33,641)
(2)	PARENT DEBT ADJUSTMENT	F		16,879,288		15,299,218
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,277,100	(492,641)	1,190,525	(459,245)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(439,900)		(866,560)
	<b>Total</b>		<b>(\$15,263,691)</b>	<b>\$22,327,358</b>	<b>(\$17,984,817)</b>	<b>\$21,370,301</b>

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  
Oct 2017

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,062,790,931	\$4,573,621,345	(\$436,122,074)	\$678,269,489	\$4,815,768,760	44.33%	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Long Term Debt	5,337,742,571	4,822,007,009	(459,807,129)		4,362,199,880	40.15%	5.10%	2.05%	5.10%	2.05%	5.10%	2.05%
Short Term Debt *	(134,210,946)	(121,243,412)	11,561,282	(50,035,584)	(159,717,714)	(1.47%)	0.54%	(0.01%)	0.54%	(0.01%)	0.54%	(0.01%)
Customer Deposits												
Active	207,879,775	207,879,775	(19,822,576)		188,057,198	1.73%	2.28%	0.04%	2.28%	0.04%	2.28%	0.04%
Inactive	1,688,767	1,688,767	(161,034)		1,527,733	0.01%						
Investment Tax Credits **	3,192,397	2,883,946	(275,001)		2,608,944	0.02%	7.93%	0.00%	7.93%	0.00%	7.93%	0.00%
Deferred Income Taxes	2,832,879,916	2,559,165,533	(244,031,697)	(472,884,153)	1,842,249,682	16.96%						
FAS 109 DIT - Net	(231,387,580)	(209,030,787)	19,932,332		(189,098,455)	(1.74%)						
<b>Total</b>	<b>\$13,080,575,831</b>	<b>\$11,836,972,175</b>	<b>(\$1,128,725,897)</b>	<b>\$155,349,752</b>	<b>\$10,863,596,029</b>	<b>100.00%</b>		<b>6.29%</b>		<b>6.74%</b>		<b>7.18%</b>

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

DUKE ENERGY FLORIDA  
End of Period - Capital Structure  
Pro Forma Adjusted Basis  
Oct 2017

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,314,880,757	\$4,744,605,235	(\$439,821,168)	\$656,745,778	\$4,961,529,845	44.20%	9.50%	4.20%	10.50%	4.64%	11.50%	5.08%
Long Term Debt	5,335,905,547	4,763,374,109	(441,561,027)		4,321,813,081	38.50%	5.10%	1.96%	5.10%	1.96%	5.10%	1.96%
Short Term Debt *	(53,658,654)	(47,901,194)	4,440,403	(62,551,174)	(106,011,965)	(0.94%)	0.54%	(0.01%)	0.54%	(0.01%)	0.54%	(0.01%)
Customer Deposits												
Active	202,075,628	202,075,628	(18,732,251)		183,343,376	1.63%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
Inactive	1,684,765	1,684,765	(156,176)		1,528,588	0.01%						
Investment Tax Credits **	5,222,760	4,662,368	(432,198)		4,230,171	0.04%	7.99%	0.00%	7.99%	0.00%	7.99%	0.00%
Deferred Income Taxes	3,107,627,557	2,774,185,659	(257,164,825)	(461,175,772)	2,055,845,061	18.31%						
FAS 109 DIT - Net	(242,696,406)	(216,655,592)	20,083,803		(196,571,790)	(1.75%)						
<b>Total</b>	<b>\$13,671,041,953</b>	<b>\$12,226,030,977</b>	<b>(\$1,133,343,440)</b>	<b>\$133,018,832</b>	<b>\$11,225,706,369</b>	<b>100.00%</b>		<b>6.20%</b>		<b>6.64%</b>		<b>7.08%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,062,790,931	\$4,573,621,345	(\$436,122,074)	\$678,269,489	\$4,815,768,760	44.33%	9.50%	4.21%	10.50%	4.65%	11.50%	5.10%
Long Term Debt	5,337,742,571	4,822,007,009	(459,807,129)		4,362,199,880	40.15%	5.10%	2.05%	5.10%	2.05%	5.10%	2.05%
Short Term Debt *	(134,210,946)	(121,243,412)	11,561,282	(50,035,584)	(159,717,714)	(1.47%)	0.54%	(0.01%)	0.54%	(0.01%)	0.54%	(0.01%)
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Inactive	1,688,767	1,688,767	(161,034)		1,527,733	0.01%						
Investment Tax Credits **	3,192,397	2,883,946	(275,001)		2,608,944	0.02%						
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FAS 109 DIT - Net	(231,387,580)	(209,030,787)	19,932,332		(189,098,455)	(1.74%)						
<b>Total</b>	<b>\$13,080,575,831</b>	<b>\$11,836,972,175</b>	<b>(\$1,128,725,897)</b>	<b>\$155,349,752</b>	<b>\$10,863,596,029</b>	<b>100.00%</b>		<b>6.29%</b>		<b>6.73%</b>		<b>7.18%</b>
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
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Long Term Debt	5,335,905,547	4,763,374,109	(441,561,027)		4,321,813,081	38.50%	5.10%	1.96%	5.10%	1.96%	5.10%	1.96%
Short Term Debt *	(53,658,654)	(47,901,194)	4,440,403	(62,551,174)	(106,011,965)	(0.94%)	0.54%	(0.01%)	0.54%	(0.01%)	0.54%	(0.01%)
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Active	202,075,628	202,075,628	(18,732,251)		183,343,376	1.63%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
Inactive	1,684,765	1,684,765	(156,176)		1,528,588	0.01%						
Investment Tax Credits **	5,222,760	4,662,368	(432,198)		4,230,171	0.04%						
Deferred Income Taxes	3,107,627,557	2,774,185,659	(257,164,825)	(461,175,772)	2,055,845,061	18.31%						
FAS 109 DIT - Net	(242,696,406)	(216,655,592)	20,083,803		(196,571,790)	(1.75%)						
<b>Total</b>	<b>\$13,671,041,953</b>	<b>\$12,226,030,977</b>	<b>(\$1,133,343,440)</b>	<b>\$133,018,832</b>	<b>\$11,225,706,369</b>	<b>100.00%</b>		<b>6.20%</b>		<b>6.64%</b>		<b>7.08%</b>

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

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 693,944,593
AFUDC - DEBT	23,536,816
INCOME TAXES	<u>227,877,262</u>
TOTAL	\$ 945,358,671
INTEREST CHARGES (before deducting AFUDC-Debt)	\$ 278,735,656
TIE WITH AFUDC	<u><u>3.39</u></u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 693,944,593
AFUDC - EQUITY	(43,366,327)
INCOME TAXES	<u>227,877,262</u>
TOTAL	\$ 878,455,528
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 278,735,656
TIE WITHOUT AFUDC	<u><u>3.15</u></u>

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

AFUDC DEBT	\$ 23,536,816
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 14,457,489
AFUDC -EQUITY	<u>43,366,327</u>
TOTAL	\$ 57,823,816
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 441,506,876
PERCENT AFUDC TO AVAILABLE NET INCOME	<u><u>13.10%</u></u>

**D. PERCENT INTERNALLY GENERATED FUNDS\***

NET INCOME	\$ 432,208,243
COMMON DIVIDENDS	\$ -
AFUDC (EQUITY)	\$ (42,397,236)
DEPRECIATION & AMORTIZATION	\$ 506,140,796
DEFERRED INCOME TAXES	\$ 455,076,658
INVESTMENT TAX CREDITS	\$ (122,594)
OTHER - INC NUCLEAR DECOMMISSIONING	\$ 44,807,902
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(303,664,087)
TOTAL FUNDS PROVIDED	<u>\$ 1,092,049,681</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,555,545,973</u>
PERCENTAGE INTERNALLY GENERATED FUNDS *As of Sept 2017 (updated quarterly)	<b>70.20%</b>

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

Common Equity	\$ 4,815,768,760
Long Term Debt	\$ 4,362,199,880
Short Term Debt	\$ (159,717,714)
TOTAL	<u>\$ 9,018,250,926</u>
% LONG TERM DEBT TO TOTAL	<b>48.37%</b>
% SHORT TERM DEBT TO TOTAL	<b>(1.77%)</b>

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.25%</u>	<u>6.15%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.05%	2.05%
SHORT TERM DEBT	(0.01%)	(0.01%)
CUSTOMER DEPOSITS	0.04%	0.04%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	<u>2.08%</u>	<u>2.08%</u>
TOTAL	<u>4.17%</u>	<u>4.07%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>44.33%</u>	<u>44.33%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u><b>9.41%</b></u>	<u><b>9.19%</b></u>