



February 15, 2018

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 December 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 December 31, 2017. The demand-related separation factors used for the jurisdictional amounts were from Order No. PSC-2017-0451-AS-EU.

The report also includes the AFUDC Rate Computation Report provided annually in compliance with the FPSC Rule 25-6.0141(6), the Commercial/Industrial Rider Report provided annually in compliance with Order No. PSC-14-0197-PAA-EI, and the Summary of Osprey 2017 Outage O&M and Deferral Costs in compliance with Order No. PSC-2016-0521-TRF-EI.

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

Sincerely,

A handwritten signature in blue 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  
Dec 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	\$ 771,132,689 (a)	\$ (66,769,378) (b)	\$ 704,363,311	\$ 9,414,583	\$ 713,777,893
Average Rate Base	\$ 12,058,676,306	\$ (1,009,902,448)	\$ 11,048,773,858	\$ -	\$ 11,048,773,858
Average Rate of Return	6.39%		6.38%		6.46%
<b>I. YEAR END RATE OF RETURN (Jurisdictional)</b>					
Net Operating Income	\$ 709,770,227	\$ (5,406,916)	\$ 704,363,311		
Average Rate Base	\$ 12,487,973,708	\$ (1,149,057,057)	\$ 11,338,916,651		
Average Rate of Return	5.68%		6.21%		

(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	6.24%	6.13%
Mid Point	6.68%	6.57%
High Point	7.12%	7.02%
<b>Pro Forma Adjusted Basis</b>		
Low Point	6.24%	6.13%
Mid Point	6.68%	6.57%
High Point	7.12%	7.02%
<b>IV. FINANCIAL INTEGRITY INDICATORS</b>		
A. T.I.E. with AFUDC	3.59	(System Per Books Basis)
B. T.I.E without AFUDC	3.35	(System Per Books Basis)
C. AFUDC to Net Income	8.35%	(System Per Books Basis)
D. Internally Generated Funds	69.21%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.65%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(1.82%)	(FPSC Adjusted Basis)
F. Return on Common Equity	9.80%	(FPSC Adjusted Basis)
	10.00%	(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

  
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>\$15,661,105,565</b>	<b>\$5,523,165,815</b>	<b>\$10,137,939,749</b>	<b>\$130,336,607</b>	<b>\$1,503,505,977</b>	<b>\$11,771,782,333</b>	<b>\$1,551,847,736</b>	<b>\$13,323,630,070</b>
<b>Regulatory Base - Retail</b>	<b>\$14,225,043,537</b>	<b>\$5,127,485,627</b>	<b>\$9,097,557,910</b>	<b>\$114,428,323</b>	<b>\$1,340,139,463</b>	<b>\$10,552,125,695</b>	<b>\$1,506,550,611</b>	<b>\$12,058,676,306</b>
<b>FPSC Adjustments</b>								
ARO	(18,763,715)	(16,447,220)	(2,316,494)			(2,316,494)	2,938,065	621,571
ECCR	(51,074,532)	(18,929,577)	(32,144,956)			(32,144,956)	(15,861,530)	(48,006,485)
ECRC	(174,079,356)	(18,137,519)	(155,941,837)		(116,955)	(156,058,792)	(9,119,049)	(165,177,841)
FUEL	(26,662,769)	(26,149,512)	(513,258)			(513,258)	(3,407,219)	(3,920,477)
CCR							(144,792,914)	(144,792,914)
NUCLEAR					(364,092)	(364,092)	(169,543,109)	(169,907,201)
Net Clause Under Recovery							(156,459,799)	(156,459,799)
Derivatives							(601,442)	(601,442)
Employee Related							363	363
Investments Earning a Return							(183,890,595)	(183,890,595)
Jobbing Accounts							(609,314)	(609,314)
Non-Regulated and Miscellaneous	(45,799,888)	(36,037,142)	(9,762,746)	(6,721,467)	(483,346)	(16,967,560)	97,590,534	80,622,974
CWIP - AFUDC					(916,011,407)	(916,011,407)		(916,011,407)
Imputed Off Balance Sheet Obligations							701,927,330	701,927,330
Capital Lease	(130,591,846)		(130,591,846)			(130,591,846)	126,894,636	(3,697,210)
<b>Total FPSC Adjustments</b>	<b>(446,972,107)</b>	<b>(115,700,969)</b>	<b>(331,271,137)</b>	<b>(6,721,467)</b>	<b>(916,975,800)</b>	<b>(1,254,968,405)</b>	<b>245,065,957</b>	<b>(1,009,902,448)</b>
<b>FPSC Adjusted</b>	<b>\$13,778,071,430</b>	<b>\$5,011,784,658</b>	<b>\$8,766,286,772</b>	<b>\$107,706,855</b>	<b>\$423,163,663</b>	<b>\$9,297,157,290</b>	<b>\$1,751,616,568</b>	<b>\$11,048,773,858</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>	\$4,512,660,683	\$1,808,151,737	\$780,108,462	\$506,034,904	\$345,569,570	(\$155,577,005)	\$460,511,705	(\$114,792)		\$3,744,684,581	\$767,976,102
<b>Regulatory Base - Retail</b>	\$4,252,408,562	\$1,716,633,830	\$738,089,250	\$470,931,018	\$332,598,195	(\$145,146,132)	\$429,636,067	(\$103,893)		\$3,542,638,335	\$709,770,227
<b>FPSC Adjustments</b>											
ECCR	(106,499,662)	-	(95,415,373)	(6,442,838)	-	(1,790,439)	-	-	-	(103,648,651)	(2,851,011)
ECRC	(56,067,478)	-	(31,073,711)	(6,788,033)	(1,300,477)	(6,521,203)	-	-	-	(45,683,423)	(10,384,054)
FUEL	(1,381,365,557)	(1,375,263,978)	(996,018)	-	-	(1,969,470)	-	-	-	(1,378,229,466)	(3,136,091)
CCR	(367,067,001)	(341,369,852)	(264,288)	(19,024,110)	-	(2,472,176)	-	-	-	(363,130,426)	(3,936,575)
NUCLEAR	(51,737,586)	-	(46,445)	(48,474,395)	-	(1,240,860)	-	-	-	(49,761,699)	(1,975,886)
Non-Regulated and Miscellaneous	-	-	-	(91,646)	-	35,352	-	-	-	(56,294)	56,294
Corporate Aircraft Allocation	-	-	(2,080,981)	-	-	802,738	-	-	-	(1,278,242)	1,278,242
Franchise Fee & Gross Receipts	(203,735,943)	-	-	-	-	(78,591,140)	-	-	-	(78,591,140)	(125,144,803)
Franchise Fees & Gross Rec Tax - TOI	-	-	-	-	(200,714,812)	77,425,739	-	-	-	(123,289,073)	123,289,073
Gain/Loss on Disposition & Other	-	-	-	-	-	47,094	-	-	(122,085)	(74,991)	74,991
Inst./Promotional Advertising	-	-	(2,019,011)	-	-	778,834	-	-	-	(1,240,178)	1,240,178
Miscellaneous Interest Expense	-	-	113,277	-	-	(43,697)	-	-	-	69,581	(69,581)
Remove Assoc/Organization Dues	-	-	(92,059)	-	-	35,512	-	-	-	(56,547)	56,547
Parent Debt Adjustment	-	-	-	-	-	(15,253,516)	-	-	-	(15,253,516)	15,253,516
Directors & Officers Premium	-	-	(1,179,048)	-	-	454,818	-	-	-	(724,230)	724,230
Interest Synchronization - FPSC	-	-	-	-	-	(118,015)	-	-	-	(118,015)	118,015
<b>Total FPSC Adjustments</b>	<b>(2,166,473,226)</b>	<b>(1,716,633,830)</b>	<b>(133,053,656)</b>	<b>(80,821,021)</b>	<b>(202,015,289)</b>	<b>(28,420,429)</b>	<b>-</b>	<b>-</b>	<b>(122,085)</b>	<b>(2,161,066,310)</b>	<b>(5,406,916)</b>
<b>FPSC Adjusted</b>	<b>\$2,085,935,336</b>	<b>-</b>	<b>\$605,035,594</b>	<b>\$390,109,997</b>	<b>\$130,582,907</b>	<b>(\$173,566,561)</b>	<b>\$429,636,067</b>	<b>(\$103,893)</b>	<b>(\$122,085)</b>	<b>\$1,381,572,025</b>	<b>\$704,363,311</b>
<b>Pro Forma Adjustments</b>											
Weather Normalization	15,326,956					5,912,373				5,912,373	9,414,583
<b>Total Pro Forma Adjustments</b>	<b>15,326,956</b>					<b>5,912,373</b>				<b>5,912,373</b>	<b>9,414,583</b>
<b>Pro Forma Adjusted</b>	<b>\$2,101,262,292</b>		<b>\$605,035,594</b>	<b>\$390,109,997</b>	<b>\$130,582,907</b>	<b>(\$167,654,187)</b>	<b>\$429,636,067</b>	<b>(\$103,893)</b>	<b>(\$122,085)</b>	<b>\$1,387,484,398</b>	<b>\$713,777,893</b>
<b>Current Month</b>											
System Per Books	\$334,534,039	\$129,031,519	\$73,664,239	\$39,804,499	\$25,179,900	(\$35,313,452)	\$52,311,863	(\$9,566)	\$0	\$284,669,003	\$49,865,037
FPSC Adjusted	\$157,881,419	\$0	\$59,222,951	\$30,474,469	\$11,755,134	(\$7,616,492)	\$22,545,001	(\$8,658)	(\$43,914)	\$116,328,492	\$41,552,927

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

68,842,707 pretax

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

61,362,462 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$621,571	\$621,571
	ECCR	F	(48,006,485)	(48,006,485)
	ECRC	F	(176,591,797)	(165,177,841)
	FUEL	F	(3,959,792)	(3,920,477)
	CCR	F	(146,561,171)	(144,792,914)
	NUCLEAR	F	(166,876,359)	(169,907,201)
	Net Clause Under Recovery	F	(156,459,799)	(156,459,799)
	Derivatives	F	(601,442)	(601,442)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,503,458)	(183,890,595)
	Jobbing Accounts	F	(647,076)	(609,314)
	Non-Regulated and Miscellaneous	F	80,108,109	80,622,974
(1)	CWIP - AFUDC	F	(992,571,950)	(916,011,407)
(3)	Imputed Off Balance Sheet Obligations	F	755,695,032	701,927,330
(2)	Capital Lease - EPIS	F	(140,088,442)	(130,591,846)
(2)	Capital Lease - Working Capital	F	136,122,372	126,894,636
	<b>Total</b>		<b>(\$1,049,320,302)</b>	<b>(\$1,009,902,448)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(\$4,641,450)	\$1,790,439	(\$4,641,450)	\$1,790,439
	ECRC	F	(14,383,975)	5,548,618	(16,905,258)	6,521,203
	FUEL	F	(5,377,751)	2,074,468	(5,105,561)	1,969,470
	CCR	F	(6,408,751)	2,472,176	(6,408,751)	2,472,176
	NUCLEAR	F	(3,216,746)	1,240,860	(3,216,746)	1,240,860
	Non-Regulated and Miscellaneous	F	91,646	(35,352)	91,646	(35,352)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,232,309	(861,113)	2,080,981	(802,738)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,735,943)	78,591,140	(203,735,943)	78,591,140
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	200,714,812	(77,425,739)	200,714,812	(77,425,739)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	131,437	(50,702)	122,085	(47,094)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,165,833	(835,470)	2,019,011	(778,834)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(121,515)	46,874	(113,277)	43,697
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,753	(38,094)	92,059	(35,512)
(2)	PARENT DEBT ADJUSTMENT	F		16,828,866		15,253,516
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,264,788	(487,892)	1,179,048	(454,818)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		659,523		118,015
	<b>Total</b>		<b>(\$31,186,554)</b>	<b>\$29,518,602</b>	<b>(\$33,827,345)</b>	<b>\$28,420,429</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>\$16,083,320,451</b>	<b>\$5,589,360,221</b>	<b>\$10,493,960,230</b>	<b>\$130,511,018</b>	<b>\$1,623,150,313</b>	<b>\$12,247,621,561</b>	<b>\$1,551,847,736</b>	<b>\$13,799,469,298</b>
Regulatory Base - Retail	\$14,600,190,523	\$5,186,265,980	\$9,413,924,544	\$114,492,246	\$1,453,006,307	\$10,981,423,097	\$1,506,550,611	\$12,487,973,708
<b>FPSC Adjustments</b>								
ARO	(19,120,519)	(16,837,725)	(2,282,794)			(2,282,794)	2,938,065	655,271
ECCR	(50,852,958)	(21,921,022)	(28,931,936)			(28,931,936)	(15,861,530)	(44,793,466)
ECRC	(174,872,970)	(20,452,694)	(154,420,276)			(154,420,276)	(9,119,049)	(163,539,325)
FUEL	(26,662,769)	(26,140,375)	(522,395)			(522,395)	(3,407,219)	(3,929,614)
CCR							(144,792,914)	(144,792,914)
NUCLEAR					(101,247)	(101,247)	(169,543,109)	(169,644,357)
Net Clause Under Recovery							(156,459,799)	(156,459,799)
Derivatives							(601,442)	(601,442)
Employee Related							363	363
Investments Earning a Return							(183,890,595)	(183,890,595)
Jobbing Accounts							(609,314)	(609,314)
Non-Regulated and Miscellaneous	(45,703,418)	(36,521,414)	(9,182,004)	(87,379,077)		(96,561,081)	97,590,534	1,029,452
CWIP - AFUDC					(986,697,907)	(986,697,907)		(986,697,907)
Imputed Off Balance Sheet Obligations							701,927,330	701,927,330
Capital Lease	(124,605,378)		(124,605,378)			(124,605,378)	126,894,636	2,289,258
<b>Total FPSC Adjustments</b>	<b>(441,818,012)</b>	<b>(121,873,229)</b>	<b>(319,944,783)</b>	<b>(87,379,077)</b>	<b>(986,799,154)</b>	<b>(1,394,123,014)</b>	<b>245,065,957</b>	<b>(1,149,057,057)</b>
<b>FPSC Adjusted</b>	<b>\$14,158,372,511</b>	<b>\$5,064,392,750</b>	<b>\$9,093,979,761</b>	<b>\$27,113,169</b>	<b>\$466,207,153</b>	<b>\$9,587,300,083</b>	<b>\$1,751,616,568</b>	<b>\$11,338,916,651</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>	\$4,512,660,683	\$1,808,151,737	\$780,108,462	\$506,034,904	\$345,569,570	(\$155,577,005)	\$460,511,705	(\$114,792)		\$3,744,684,581	\$767,976,102
<b>Regulatory Base - Retail</b>	\$4,252,408,562	\$1,716,633,830	\$738,089,250	\$470,931,018	\$332,598,195	(\$145,146,132)	\$429,636,067	(\$103,893)		\$3,542,638,335	\$709,770,227
<b>FPSC Adjustments</b>											
ECCR	(106,499,662)		(95,415,373)	(6,442,838)		(1,790,439)				(103,648,651)	(2,851,011)
ECRC	(56,067,478)		(31,073,711)	(6,788,033)	(1,300,477)	(6,521,203)				(45,683,423)	(10,384,054)
FUEL	(1,381,365,557)	(1,375,263,978)	(996,018)	-		(1,969,470)				(1,378,229,466)	(3,136,091)
CCR	(367,067,001)	(341,369,852)	(264,288)	(19,024,110)		(2,472,176)				(363,130,426)	(3,936,575)
NUCLEAR	(51,737,586)		(46,445)	(48,474,395)		(1,240,860)				(49,761,699)	(1,975,886)
Non-Regulated and Miscellaneous				(91,646)		35,352				(56,294)	56,294
Corporate Aircraft Allocation			(2,080,981)			802,738				(1,278,242)	1,278,242
Franchise Fee & Gross Receipts	(203,735,943)					(78,591,140)				(78,591,140)	(125,144,803)
Franchise Fees & Gross Rec Tax - TOI					(200,714,812)	77,425,739				(123,289,073)	123,289,073
Gain/Loss on Disposition & Other						47,094		(122,085)		(74,991)	74,991
Inst./Promotional Advertising			(2,019,011)			778,834				(1,240,178)	1,240,178
Miscellaneous Interest Expense			113,277			(43,697)				69,581	(69,581)
Remove Assoc/Organization Dues			(92,059)			35,512				(56,547)	56,547
Parent Debt Adjustment						(15,253,516)				(15,253,516)	15,253,516
Directors & Officers Premium			(1,179,048)			454,818				(724,230)	724,230
Interest Synchronization - FPSC						(118,015)				(118,015)	118,015
<b>Total FPSC Adjustments</b>	<b>(\$2,166,473,226)</b>	<b>(\$1,716,633,830)</b>	<b>(\$133,053,656)</b>	<b>(\$80,821,021)</b>	<b>(\$202,015,289)</b>	<b>(\$28,420,429)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$122,085)</b>	<b>(\$2,161,066,310)</b>	<b>(\$5,406,916)</b>
<b>FPSC Adjusted</b>	<b>\$2,085,935,336</b>	<b>\$0</b>	<b>\$605,035,594</b>	<b>\$390,109,997</b>	<b>\$130,582,907</b>	<b>(\$173,566,561)</b>	<b>\$429,636,067</b>	<b>(\$103,893)</b>	<b>(\$122,085)</b>	<b>\$1,381,572,025</b>	<b>\$704,363,311</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

68,842,707 pretax  
61,362,462 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$655,271	\$655,271
	ECCR	F	(44,793,466)	(44,793,466)
	ECRC	F	(174,081,836)	(163,539,325)
	FUEL	F	(3,969,629)	(3,929,614)
	CCR	F	(146,561,171)	(144,792,914)
	NUCLEAR	F	(166,593,380)	(169,644,357)
	Net Clause Under Recovery	F	(156,459,799)	(156,459,799)
	Derivatives	F	(601,442)	(601,442)
	Employee Related	F	385	363
	Investments Earning a Return	F	(189,503,458)	(183,890,595)
	Jobbing Accounts	F	(647,076)	(609,314)
	Non-Regulated and Miscellaneous	F	(5,663,793)	1,029,452
(1)	CWIP - AFUDC	F	(1,062,279,062)	(986,697,907)
(3)	Imputed Off Balance Sheet Obligations	F	755,695,032	701,927,330
(2)	Capital Lease - EPIS	F	(133,666,640)	(124,605,378)
(2)	Capital Lease - Working Capital	F	136,122,372	126,894,636
	<b>Total</b>		<b>(\$1,192,347,692)</b>	<b>(\$1,149,057,057)</b>

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(\$4,641,450)	\$1,790,439	(\$4,641,450)	\$1,790,439
	ECRC	F	(14,383,975)	5,548,618	(16,905,258)	6,521,203
	FUEL	F	(5,377,751)	2,074,468	(5,105,561)	1,969,470
	CCR	F	(6,408,751)	2,472,176	(6,408,751)	2,472,176
	NUCLEAR	F	(3,216,746)	1,240,860	(3,216,746)	1,240,860
	Non-Regulated and Miscellaneous	F	91,646	(35,352)	91,646	(35,352)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,232,309	(861,113)	2,080,981	(802,738)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(203,735,943)	78,591,140	(203,735,943)	78,591,140
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	200,714,812	(77,425,739)	200,714,812	(77,425,739)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	131,437	(50,702)	122,085	(47,094)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,165,833	(835,470)	2,019,011	(778,834)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(121,515)	46,874	(113,277)	43,697
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,753	(38,094)	92,059	(35,512)
(2)	PARENT DEBT ADJUSTMENT	F		16,828,866		15,253,516
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,264,788	(487,892)	1,179,048	(454,818)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		659,523		118,015
	<b>Total</b>		<b>(\$31,186,554)</b>	<b>\$29,518,602</b>	<b>(\$33,827,345)</b>	<b>\$28,420,429</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  
Dec 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	\$5,154,887,401	\$4,657,740,815	(\$460,633,311)	\$669,104,959	\$4,866,212,463	44.04%	9.50%	4.18%	10.50%	4.62%	11.50%	5.06%
Long Term Debt	5,467,663,019	4,940,351,791	(488,582,489)		4,451,769,302	40.29%	5.03%	2.03%	5.03%	2.03%	5.03%	2.03%
Short Term Debt *	(166,901,090)	(150,804,849)	14,914,041	(30,589,866)	(166,480,674)	(1.51%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
Customer Deposits												
Active	205,654,348	205,654,348	(20,338,453)		185,315,895	1.68%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,727,299	1,727,299	(170,823)		1,556,475	0.01%						
Investment Tax Credits **	3,909,058	3,532,061	(349,308)		3,182,753	0.03%	7.89%	0.00%	7.89%	0.00%	7.89%	0.00%
Deferred Income Taxes	2,656,690,875	2,400,474,842	(237,398,069)	(455,859,128)	1,707,217,645	15.45%						
<b>Total</b>	<b>\$13,323,630,908</b>	<b>\$12,058,676,306</b>	<b>(\$1,192,558,412)</b>	<b>\$182,655,964</b>	<b>\$11,048,773,858</b>	<b>100.00%</b>		<b>6.24%</b>		<b>6.68%</b>		<b>7.12%</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	\$5,610,942,847	\$5,012,340,583	(\$646,715,590)	\$656,931,278	\$5,022,556,271	44.29%	9.50%	4.21%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,735,269,482	5,123,403,457	(661,045,441)		4,462,358,016	39.35%	4.80%	1.89%	4.80%	1.89%	4.80%	1.89%
Short Term Debt *	(313,046,865)	(279,649,526)	36,081,688	108,874,057	(134,693,781)	(1.19%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
Customer Deposits												
Active	200,073,978	200,073,978	(25,814,479)		174,259,499	1.54%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,871,004	1,871,004	(241,406)		1,629,598	0.01%						
Investment Tax Credits **	9,341,260	8,344,689	(1,076,671)		7,268,018	0.06%	7.82%	0.01%	7.82%	0.01%	7.82%	0.01%
Deferred Income Taxes	2,710,789,538	2,421,589,523	(312,444,789)	(303,605,704)	1,805,539,029	15.92%						
<b>Total</b>	<b>\$13,955,241,244</b>	<b>\$12,487,973,708</b>	<b>(\$1,611,256,688)</b>	<b>\$462,199,631</b>	<b>\$11,338,916,651</b>	<b>100.00%</b>		<b>6.13%</b>		<b>6.57%</b>		<b>7.02%</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	\$5,154,887,401	\$4,657,740,815	(\$460,633,311)	\$669,104,959	\$4,866,212,463	44.04%	9.50%	4.18%	10.50%	4.62%	11.50%	5.06%
Long Term Debt	5,467,663,019	4,940,351,791	(488,582,489)		4,451,769,302	40.29%	5.03%	2.03%	5.03%	2.03%	5.03%	2.03%
Short Term Debt *	(166,901,090)	(150,804,849)	14,914,041	(30,589,866)	(166,480,674)	(1.51%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
Customer Deposits												
Active	205,654,348	205,654,348	(20,338,453)		185,315,895	1.68%	2.27%	0.04%	2.27%	0.04%	2.27%	0.04%
Inactive	1,727,299	1,727,299	(170,823)		1,556,475	0.01%						
Investment Tax Credits **	3,909,058	3,532,061	(349,308)		3,182,753	0.03%	7.89%	0.00%	7.89%	0.00%	7.89%	0.00%
Deferred Income Taxes	2,656,690,875	2,400,474,842	(237,398,069)	(455,859,128)	1,707,217,645	15.45%						
<b>Total</b>	<b>\$13,323,630,908</b>	<b>\$12,058,676,306</b>	<b>(\$1,192,558,412)</b>	<b>\$182,655,964</b>	<b>\$11,048,773,858</b>	<b>100.00%</b>		<b>6.24%</b>		<b>6.68%</b>		<b>7.12%</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	5,735,269,482	5,123,403,457	(661,045,441)		4,462,358,016	39.35%	4.80%	1.89%	4.80%	1.89%	4.80%	1.89%
Short Term Debt *	(313,046,865)	(279,649,526)	36,081,688	108,874,057	(134,693,781)	(1.19%)	0.58%	(0.01%)	0.58%	(0.01%)	0.58%	(0.01%)
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Active	200,073,978	200,073,978	(25,814,479)		174,259,499	1.54%	2.33%	0.04%	2.33%	0.04%	2.33%	0.04%
Inactive	1,871,004	1,871,004	(241,406)		1,629,598	0.01%						
Investment Tax Credits **	9,341,260	8,344,689	(1,076,671)		7,268,018	0.06%	7.82%	0.01%	7.82%	0.01%	7.82%	0.01%
Deferred Income Taxes	2,710,789,538	2,421,589,523	(312,444,789)	(303,605,704)	1,805,539,029	15.92%						
<b>Total</b>	<b>\$13,955,241,244</b>	<b>\$12,487,973,708</b>	<b>(\$1,611,256,688)</b>	<b>\$462,199,631</b>	<b>\$11,338,916,651</b>	<b>100.00%</b>		<b>6.13%</b>		<b>6.57%</b>		<b>7.02%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$ 963,182,968
AFUDC - DEBT	24,221,214
INCOME TAXES	24,971,057
TOTAL	\$ 1,012,375,239
INTEREST CHARGES (before deducting AFUDC-Debt)	\$ 281,661,000
TIE WITH AFUDC	<u>3.59</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$ 963,182,968
AFUDC - EQUITY	(44,621,493)
INCOME TAXES	24,971,057
TOTAL	\$ 943,532,532
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$ 281,661,000
TIE WITHOUT AFUDC	<u>3.35</u>

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

AFUDC DEBT	\$ 24,221,214
X (1- INCOME TAX RATE)	0.61425
SUBTOTAL	\$ 14,877,881
AFUDC -EQUITY	44,621,493
TOTAL	\$ 59,499,374
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$ 712,223,616
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>8.35%</u>

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

NET INCOME	\$ 712,223,616
COMMON DIVIDENDS	-
AFUDC (EQUITY)	(44,621,493)
DEPRECIATION & AMORTIZATION	516,537,005
DEFERRED INCOME TAXES	244,889,575
INVESTMENT TAX CREDITS	(114,792)
OTHER - INC NUCLEAR DECOMMISSIONING	60,713,952
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(494,731,598)
TOTAL FUNDS PROVIDED	<u>\$ 994,896,265</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	<u>\$ 1,437,491,505</u>
--	-------------------------

PERCENTAGE INTERNALLY GENERATED FUNDS **69.21%**  
\*As of December 2017 (updated quarterly)

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

Common Equity	\$ 4,866,212,463
Long Term Debt	4,451,769,302
Short Term Debt	(166,480,674)
TOTAL	<u>\$ 9,151,501,090</u>

% LONG TERM DEBT TO TOTAL **48.65%**  
% SHORT TERM DEBT TO TOTAL (1.82%)

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	<u>6.46%</u>	<u>6.38%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	2.03%	2.03%
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>2.06%</u>	<u>2.06%</u>
TOTAL	4.40%	4.32%
DIVIDED BY COMMON EQUITY RATIO	<u>44.04%</u>	<u>44.04%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.00%</u>	<u>9.80%</u>

**DUKE ENERGY FLORIDA**  
**AFUDC Rate Computation Report**  
**Calculation of Jurisdictional Capital Structure**  
**Dec 2017**

**Schedule A & B**  
**(Combined)**

		13 Month Average Unadjusted Balance - System	Jurisdictional Allocation Percentage	13 Month Average Unadjusted Balance - Retail	Pro Rata FPSC Adjustments - Retail	Specific Adjustments - Retail	Adjusted Average Balance - Retail	Ratio	Cost Rate	AFUDC Weighted Average Cost of Capital
Common Equity	(1)	\$5,154,887,401	90.36%	\$4,657,740,815	(\$460,633,311)	\$669,104,959	4,866,212,463	44.04%	10.50%	4.62%
Long Term Debt	(2)	5,467,663,019	90.36%	4,940,351,791	(488,582,489)		4,451,769,302	40.29%	4.80%	1.93%
Short Term Debt	(3)	(166,901,090)	90.36%	(150,804,849)	14,914,041	(30,589,866)	(166,480,674)	(1.51%)	0.58%	(0.01%)
Customer Deposits										
Active	(4)	205,654,348	100.00%	205,654,348	(20,338,453)		185,315,895	1.68%	2.27%	0.04%
Inactive	(4)	1,727,299	100.00%	1,727,299	(170,823)		1,556,475	0.01%		
Investment Tax Credits	(5)	3,909,058	90.36%	3,532,061	(349,308)		3,182,753	0.03%		
Deferred Income Taxes	(4)	2,656,690,875	90.36%	2,400,474,842	(237,398,069)	(455,859,128)	1,707,217,645	15.45%		
<b>Total</b>		<b>\$13,323,630,908</b>	<b>90.51%</b>	<b>\$12,058,676,306</b>	<b>(\$1,192,558,412)</b>	<b>\$182,655,964</b>	<b>\$11,048,773,858</b>	<b>100.00%</b>		<b>6.58%</b>

**Footnotes:**

- (1) Common Equity cost rate is mid-point authorized in Docket No. 20170183
- (2) Cost rates are year end.
- (3) Balances and cost rates are daily weighted average for 13 months.
- (4) Balances and cost rates are 13 month average.
- (5) ITC credits assigned a zero-cost rate.

**DUKE ENERGY FLORIDA**  
**Summary of Osprey 2017 Outage O&M and Deferral**

	<b>Actual Costs</b>
Osprey 2017 Outage O&M	\$10,382,128
Osprey Outage Deferral *	<u>(3,500,000)</u>
Net 2017 O&M Costs	\$6,882,128

\* Per Order No. PSC-2016-0521-TRF-EI, the outage deferral balance will be fully amortized by the end of 2019.

**Commercial / Industrial Service Rider (CISR)  
Annual Report**

Year Represented	2017 <u>Year to date</u>
CISR Applications Received	0
Number of CISR applications cancelled by customer prior to quote	0
Number of CISR applications in process	0
Number of CISR applications rejected	0
Number of CISR applications accepted and prices quoted	0
Number of CISR quotes awaiting decision by customers	0
Number of CISR quotes rejected by customers	0
Number of Contract Service Agreements ("CSAs") in negotiation	0
Number of CSAs executed	0

**For all CSAs executed during the year:**

Customer	Description / Justification	Rates & Charges	Contract Period