



July 13, 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 May 31, 2018.

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 May 31, 2018. The demand-related separation factors used for the jurisdictional amounts were from Order No. PSC-2017-0451-AS-EU.

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

Sincerely,

A handwritten signature in cursive script 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
 May-18

SCHEDULE 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. AVERAGE RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$767,553,101 (a)	(\$80,859,492) (b)	\$686,693,609	(\$408,348)	\$686,285,261
Average Rate Base	\$12,536,354,960	(\$1,196,507,710)	\$11,339,847,250	\$0	\$11,339,847,250
Average Rate of Return	6.12%		6.06%		6.05%
II. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$701,875,360	(\$15,181,750)	\$686,693,609		
Average Rate Base	\$12,978,916,742	(\$1,359,151,982)	\$11,619,764,760		
Average Rate of Return	5.41%		5.91%		
(a) INCLUDES AFUDC EARNINGS					
(b) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	6.18%	6.06%
Mid Point	6.62%	6.51%
High Point	7.06%	6.95%
Pro Forma Adjusted Basis		
Low Point	6.18%	6.06%
Mid Point	6.62%	6.51%
High Point	7.06%	6.95%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.45	(System Per Books Basis)
B. T.I.E. without AFUDC	3.18	(System Per Books Basis)
C. AFUDC to Net Income	9.36%	(System Per Books Basis)
D. Internally Generated Funds	80.49%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.22%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.07%)	(FPSC Adjusted Basis)
F. Return on Common Equity		
	9.24%	(FPSC Adjusted Basis)
	9.23%	(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
 Marcia Olivier, Director Rates & Regulatory Planning

7/13/18
 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
System Per Books	\$16,004,511,706	\$5,601,870,642	\$10,402,641,064	\$130,819,503	\$1,627,949,445	\$12,161,410,012	\$1,666,987,320	\$13,828,397,333
Regulatory Base - Retail	\$14,530,659,647	\$5,198,495,912	\$9,332,163,735	\$114,785,142	\$1,451,301,441	\$10,898,250,317	\$1,638,104,642	\$12,536,354,960
FPSC Adjustments								
ARO	(18,961,939)	(16,835,819)	(2,126,120)	-	-	(2,126,120)	3,017,023	890,902
ECCR	(42,443,008)	(19,005,893)	(23,437,116)	-	-	(23,437,116)	(17,013,092)	(40,450,208)
ECRC	(175,434,291)	(20,227,002)	(155,207,290)	-	(15,824,064)	(171,031,354)	(7,286,605)	(178,317,959)
FUEL	(26,662,769)	(26,145,842)	(516,927)	-	-	(516,927)	(2,009,602)	(2,526,529)
CCR	-	-	-	-	-	-	(131,904,227)	(131,904,227)
NUCLEAR	-	-	-	-	-	-	(113,704,511)	(113,704,511)
Over/Under Recovery-Clauses	-	-	-	-	-	-	(196,074,793)	(196,074,793)
Derivatives	-	-	-	-	-	-	(373,374)	(373,374)
Employee Related	-	-	-	-	-	-	358	358
Investments Earning a Return	-	-	-	-	-	-	(182,731,667)	(182,731,667)
Jobbing Accounts	-	-	-	-	-	-	(600,224)	(600,224)
Non-Regulated and Miscellaneous	(45,135,115)	(36,031,816)	(9,103,299)	(40,328,805)	(478,974)	(49,911,078)	95,096,659	45,185,581
CWIP - AFUDC	-	-	-	-	(968,939,693)	(968,939,693)	-	(968,939,693)
Imputed Off Balance Sheet Obligations	-	-	-	-	-	-	664,616,499	664,616,499
Capital Lease	(125,558,558)	-	(125,558,558)	-	-	(125,558,558)	121,391,899	(4,166,659)
SCRC	-	-	-	-	-	-	(87,411,206)	(87,411,206)
Total FPSC Adjustments	(434,195,681)	(118,246,371)	(315,949,310)	(40,328,805)	(985,242,730)	(1,341,520,845)	145,013,136	(1,196,507,710)
FPSC Adjusted	\$14,096,463,966	\$5,080,249,541	\$9,016,214,424	\$74,456,337	\$466,058,711	\$9,556,729,472	\$1,783,117,778	\$11,339,847,250

	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 Disp. & Other	Total Operating Expenses	Net Operating Income
System Per Books	\$4,651,044,423	\$1,924,679,719	\$838,985,052	\$535,936,325	\$357,503,789	(\$276,259,156)	\$511,252,264	(\$66,962)	-	\$3,892,031,030	\$759,013,393
Regulatory Base - Retail	\$4,386,070,362	\$1,826,767,192	\$793,002,523	\$499,881,376	\$344,163,617	(\$235,604,246)	\$456,045,246	(\$60,705)	-	\$3,684,195,002	\$701,875,360
FPSC Adjustments											
ECCR	(109,495,651)	-	(99,938,088)	(5,883,070)	-	(931,300)	-	-	-	(106,752,458)	(2,743,192)
ECRC	(57,869,189)	-	(31,428,404)	(8,285,063)	(1,300,478)	(4,271,961)	-	-	-	(45,285,907)	(12,583,282)
FUEL	(1,465,166,395)	(1,462,999,718)	(1,058,972)	-	-	(280,748)	-	-	-	(1,464,339,438)	(826,957)
CCR	(391,707,295)	(363,767,473)	(282,029)	(19,024,110)	-	(2,188,207)	-	-	-	(385,261,820)	(6,445,476)
NUCLEAR	(50,882,918)	-	(87,267)	(48,172,228)	-	(664,907)	-	-	-	(48,924,402)	(1,958,517)
Non-Regulated and Miscellaneous	-	-	-	(91,646)	-	23,228	-	-	-	(68,418)	68,418
Corporate Aircraft Allocation	-	-	(2,085,484)	-	-	528,566	-	-	-	(1,556,918)	1,556,918
Franchise Fee & Gross Receipts	(211,936,265)	-	-	-	-	(53,715,246)	-	-	-	(53,715,246)	(158,221,019)
Franchise Fees & Gross Rec Tax - TOI	-	-	-	-	(208,620,031)	52,874,747	-	-	-	(155,745,284)	155,745,284
Gain/Loss on Disposition & Other	-	-	-	-	-	49,887	-	-	(196,833)	(146,945)	146,945
Inst./Promotional Advertising	-	-	(2,750,639)	-	-	697,150	-	-	-	(2,053,490)	2,053,490
Miscellaneous Interest Expense	-	-	108,182	-	-	(27,419)	-	-	-	80,763	(80,763)
Remove Assoc/Organization Dues	-	-	(92,054)	-	-	23,331	-	-	-	(68,723)	68,723
Parent Debt Adjustment	-	-	-	-	-	(13,498,786)	-	-	-	(13,498,786)	13,498,786
Directors & Officers Premium	-	-	(1,153,403)	-	-	292,330	-	-	-	(861,073)	861,073
Interest Synchronization - FPSC	-	-	-	-	-	6,322,182	-	-	-	6,322,182	(6,322,182)
Total FPSC Adjustments	(2,287,057,713)	(1,826,767,192)	(138,768,159)	(81,456,116)	(209,920,510)	(14,767,154)	-	-	(196,833)	(2,271,875,963)	(15,181,750)
FPSC Adjusted	\$2,099,012,649	\$-	\$654,234,364	\$418,425,260	\$134,243,108	(\$250,371,400)	\$456,045,246	(\$60,705)	(\$196,833)	\$1,412,319,040	\$686,693,609
Pro Forma Adjustments											
Weather Normalization	(546,980)	-	-	-	-	(138,632)	-	-	-	(138,632)	(408,348)
Total Pro Forma Adjustments	(546,980)	-	-	-	-	(138,632)	-	-	-	(138,632)	(408,348)
Pro Forma Adjusted	\$2,098,465,669	\$-	\$654,234,364	\$418,425,260	\$134,243,108	(\$250,510,032)	\$456,045,246	(\$60,705)	(\$196,833)	\$1,412,180,407	\$686,285,261
Current Month											
System Per Books	\$ 378,586,747	\$ 152,453,768	\$ 71,367,381	\$ 47,992,384	\$ 29,022,918	\$ (169,875,025)	\$ 189,706,942	\$ -	\$ -	\$ 320,668,368	\$ 57,918,379
FPSC Adjusted	\$ 178,807,650	\$ -	\$ 56,153,642	\$ 37,973,323	\$ 11,471,220	\$ (23,396,890)	\$ 43,298,884	\$ -	\$ (20,334)	\$ 125,479,845	\$ 53,327,805

(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

73,671,837 pretax
65,677,742 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
May-18

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$890,902	\$890,902
	ECCR	F	(40,450,208)	(40,450,208)
	ECRC	F	(191,001,149)	(178,317,959)
	FUEL	F	(2,566,126)	(2,526,529)
	CCR	F	(133,126,654)	(131,904,227)
	NUCLEAR	F	(112,415,515)	(113,704,511)
	Net Clause Under Recovery	F	(196,074,793)	(196,074,793)
	Derivatives	F	(373,374)	(373,374)
	Employee Related	F	395	358
	Investments Earning a Return	F	(192,076,301)	(182,731,667)
	Jobbing Accounts	F	(664,632)	(600,224)
	Non-Regulated and Miscellaneous	F	42,096,391	45,185,581
(1)	CWIP - AFUDC	F	(1,045,906,824)	(968,939,693)
(3)	Imputed Off Balance Sheet Obligations	F	715,526,187	664,616,499
(2)	Capital Lease - EPIS	F	(134,689,135)	(125,558,558)
(2)	Capital Lease - Working Capital	F	130,219,478	121,391,899
	SCRC	F	(87,411,206)	(87,411,206)
	Total		(\$1,248,022,564)	(\$1,196,507,710)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,674,492)	931,300	(3,674,492)	931,300
	ECRC	F	(14,250,937)	3,611,900	(16,855,244)	4,271,961
	FUEL	F	(1,167,076)	295,796	(1,107,705)	280,748
	CCR	F	(8,633,683)	2,188,207	(8,633,683)	2,188,207
	NUCLEAR	F	(2,623,424)	664,907	(2,623,424)	664,907
	Non-Regulated and Miscellaneous	F	91,646	(23,228)	91,646	(23,228)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,237,140	(567,003)	2,085,484	(528,566)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,936,265)	53,715,246	(211,936,265)	53,715,246
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	208,620,031	(52,874,747)	208,620,031	(52,874,747)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	211,910	(53,709)	196,833	(49,887)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,950,665	(747,846)	2,750,639	(697,150)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(116,049)	29,413	(108,182)	27,419
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F	-	14,919,083	-	13,498,786
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,237,278	(313,588)	1,153,403	(292,330)
(1)	INTEREST SYNCHRONIZATION - FPSC	F	-	(6,614,405)	-	(6,322,182)
	Total		(\$26,954,508)	\$15,136,298	(\$29,948,904)	\$14,767,154

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
System Per Books	\$16,382,086,699	\$5,670,065,932	\$10,712,020,767	\$132,427,719	\$1,815,554,839	\$12,660,003,324	\$1,666,987,320	\$14,326,990,645
Regulatory Base - Retail	\$14,868,329,364	\$5,257,638,408	\$9,610,690,955	\$116,284,336	\$1,613,836,808	\$11,340,812,100	\$1,638,104,642	\$12,978,916,742
FPSC Adjustments								
ARO	(19,120,519)	(17,583,360)	(1,537,159)			(1,537,159)	3,017,023	1,479,864
ECCR	(28,680,102)	(17,882,638)	(10,797,464)		0	(10,797,464)	(17,013,092)	(27,810,556)
ECRC	(177,194,638)	(22,380,684)	(154,813,953)		(47,729,696)	(202,543,650)	(7,286,605)	(209,830,255)
FUEL	(26,662,769)	(26,154,568)	(508,202)			(508,202)	(2,009,602)	(2,517,804)
CCR						-	(131,904,227)	(131,904,227)
NUCLEAR					0	-	(113,704,511)	(113,704,511)
Net Clause Under Recovery						-	(196,074,793)	(196,074,793)
Derivatives						-	(373,374)	(373,374)
Employee Related						-	358	358
Investments Earning a Return						-	(182,731,667)	(182,731,667)
Jobbing Accounts	0	0	0	0	0	-	(600,224)	(600,224)
Non-Regulated and Miscellaneous	(46,105,305)	(37,621,660)	(8,483,644)	(87,379,077)	0	(95,862,722)	95,096,659	(766,062)
CWIP - AFUDC					(1,073,619,191)	(1,073,619,191)		(1,073,619,191)
Imputed Off Balance Sheet Obligations						-	664,616,499	664,616,499
Capital Lease	(119,296,731)		(119,296,731)			(119,296,731)	121,391,899	2,095,168
SCRC	0		0			-	(87,411,206)	(87,411,206)
Total FPSC Adjustments	(417,060,064)	(121,622,910)	(295,437,154)	(87,379,077)	(1,121,348,887)	(1,504,165,118)	145,013,136	(1,359,151,982)
FPSC Adjusted	\$14,451,269,300	\$5,136,015,499	\$9,315,253,802	\$28,905,259	\$492,487,921	\$9,836,646,981	\$1,783,117,778	\$11,619,764,760

	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
System Per Books	\$4,651,044,423	\$1,924,679,719	\$838,985,052	\$535,936,325	\$357,503,789	(\$276,259,156)	\$511,252,264	(\$66,962)	-	\$3,892,031,030	\$759,013,393
Regulatory Base - Retail	\$4,386,070,362	\$1,826,767,192	\$793,002,523	\$499,881,376	\$344,163,617	(\$235,604,246)	\$456,045,246	(\$60,705)	-	\$3,684,195,002	\$701,875,360
FPSC Adjustments											
ECCR	(109,495,651)	-	(99,938,088)	(5,883,070)	-	(931,300)	-	-	-	(106,752,458)	(2,743,192)
ECRC	(57,869,189)	-	(31,428,404)	(8,285,063)	(1,300,478)	(4,271,961)	-	-	-	(45,285,907)	(12,583,282)
FUEL	(1,465,166,395)	(1,462,999,718)	(1,058,972)	-	-	(280,748)	-	-	-	(1,464,339,438)	(826,957)
CCR	(391,707,295)	(363,767,473)	(282,029)	(19,024,110)	-	(2,188,207)	-	-	-	(385,261,820)	(6,445,476)
NUCLEAR	(50,882,918)	-	(87,267)	(48,172,228)	-	(664,907)	-	-	-	(48,924,402)	(1,958,517)
Non-Regulated and Miscellaneous	-	-	-	(91,646)	-	23,228	-	-	-	(68,418)	68,418
Corporate Aircraft Allocation	-	-	(2,085,484)	-	-	528,566	-	-	-	(1,556,918)	1,556,918
Franchise Fee & Gross Receipts	(211,936,265)	-	-	-	-	(53,715,246)	-	-	-	(53,715,246)	(158,221,019)
Franchise Fees & Gross Rec Tax - TOI	-	-	-	-	(208,620,031)	52,874,747	-	-	-	(155,745,284)	155,745,284
Gain/Loss on Disposition & Other	-	-	-	-	-	49,887	-	-	(196,833)	(146,945)	146,945
Inst./Promotional Advertising	-	-	(2,750,639)	-	-	697,150	-	-	-	(2,053,490)	2,053,490
Miscellaneous Interest Expense	-	-	108,182	-	-	(27,419)	-	-	-	80,763	(80,763)
Remove Assoc/Organization Dues	-	-	(92,054)	-	-	23,331	-	-	-	(68,723)	68,723
Parent Debt Adjustment	-	-	-	-	-	(13,498,786)	-	-	-	(13,498,786)	13,498,786
Directors & Officers Premium	-	-	(1,153,403)	-	-	292,330	-	-	-	(861,073)	861,073
Interest Synchronization - FPSC	-	-	-	-	-	6,322,182	-	-	-	6,322,182	(6,322,182)
Total FPSC Adjustments	\$ (2,287,057,713)	\$ (1,826,767,192)	\$ (138,768,159)	\$ (81,456,116)	\$ (209,920,510)	\$ (14,767,154)	\$ -	\$ -	\$ (196,833)	\$ (2,271,875,963)	\$ (15,181,750)
FPSC Adjusted	\$ 2,099,012,649	\$ -	\$ 654,234,364	\$ 418,425,260	\$ 134,243,108	\$ (250,371,400)	\$ 456,045,246	\$ (60,705)	\$ (196,833)	\$ 1,412,319,040	\$ 686,693,609

(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

73,671,837 pretax
65,677,742 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	\$1,479,864	\$1,479,864
	ECCR	F	(27,810,556)	(27,810,556)
	ECRC	F	(225,858,661)	(209,830,255)
	FUEL	F	(2,556,732)	(2,517,804)
	CCR	F	(133,126,654)	(131,904,227)
	NUCLEAR	F	(112,415,515)	(113,704,511)
	Net Clause Under Recovery	F	(196,074,793)	(196,074,793)
	Derivatives	F	(373,374)	(373,374)
	Employee Related	F	395	358
	Investments Earning a Return	F	(192,076,301)	(182,731,667)
	Jobbing Accounts	F	(664,632)	(600,224)
	Non-Regulated and Miscellaneous	F	(7,459,308)	(766,062)
(1)	CWIP - AFUDC	F	(1,155,858,525)	(1,073,619,191)
(3)	Imputed Off Balance Sheet Obligations	F	715,526,187	664,616,499
(2)	Capital Lease - EPIS	F	(127,971,950)	(119,296,731)
(2)	Capital Lease - Working Capital	F	130,219,478	121,391,899
	SCRC	F	(87,411,206)	(87,411,206)
	Total		(\$1,422,432,285)	(\$1,359,151,982)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(3,674,492)	931,300	(3,674,492)	931,300
	ECRC	F	(14,250,937)	3,611,900	(16,855,244)	4,271,961
	FUEL	F	(1,167,076)	295,796	(1,107,705)	280,748
	CCR	F	(8,633,683)	2,188,207	(8,633,683)	2,188,207
	NUCLEAR	F	(2,623,424)	664,907	(2,623,424)	664,907
	Non-Regulated and Miscellaneous	F	91,646	(23,228)	91,646	(23,228)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,237,140	(567,003)	2,085,484	(528,566)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(211,936,265)	53,715,246	(211,936,265)	53,715,246
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	208,620,031	(52,874,747)	208,620,031	(52,874,747)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	211,910	(53,709)	196,833	(49,887)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,950,665	(747,846)	2,750,639	(697,150)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(116,049)	29,413	(108,182)	27,419
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		14,919,083		13,498,786
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,237,278	(313,588)	1,153,403	(292,330)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(6,614,405)		(6,322,182)
	Total		(\$26,954,508)	\$15,136,298	(\$29,948,904)	\$14,767,154

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

	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	\$5,450,354,280	\$4,933,489,816	(\$545,207,802)	\$634,177,220	\$5,022,459,234	44.29%	9.50%	4.21%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,585,449,212	5,055,773,512	(558,721,567)		4,497,051,945	39.66%	4.90%	1.94%	4.90%	1.94%	4.90%	1.94%
Short Term Debt *	(167,636,520)	(151,739,323)	16,768,954	(58,087,815)	(193,058,184)	(1.70%)	0.88%	(0.01%)	0.88%	(0.01%)	0.88%	(0.01%)
Customer Deposits												
Active	201,968,725	201,968,725	(22,319,885)		179,648,841	1.58%	2.35%	0.04%	2.35%	0.04%	2.35%	0.04%
Inactive	1,795,524	1,795,524	(198,426)		1,597,098	0.01%						
Investment Tax Credits **	6,507,474	5,890,361	(650,953)		5,239,408	0.05%	7.85%	0.00%	7.85%	0.00%	7.85%	0.00%
Deferred Income Taxes	2,749,958,639	2,489,176,344	(275,082,835)	(387,184,600)	1,826,908,909	16.11%						
Total	\$13,828,397,334	\$12,536,354,960	(\$1,385,412,514)	\$188,904,805	\$11,339,847,250	100.00%		6.18%		6.62%		7.06%
* 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	\$5,801,922,954	\$5,176,334,800	(\$624,712,919)	\$575,386,533	\$5,127,008,414	44.12%	9.50%	4.19%	10.50%	4.63%	11.50%	5.07%
Long Term Debt	5,687,493,643	5,074,243,747	(612,391,923)		4,461,851,824	38.40%	4.81%	1.85%	4.81%	1.85%	4.81%	1.85%
Short Term Debt *	(103,360,254)	(92,215,509)	11,129,153	(68,261,836)	(149,348,192)	(1.29%)	1.13%	(0.01%)	1.13%	(0.01%)	1.13%	(0.01%)
Customer Deposits												
Active	200,106,896	200,106,896	(24,150,170)		175,956,726	1.51%	2.37%	0.04%	2.37%	0.04%	2.37%	0.04%
Inactive	2,084,033	2,084,033	(251,514)		1,832,519	0.02%						
Investment Tax Credits **	9,341,260	8,334,045	(1,005,805)		7,328,240	0.06%	7.85%	0.00%	7.85%	0.00%	7.85%	0.00%
Deferred Income Taxes	2,925,464,868	2,610,028,731	(314,994,823)	(299,898,678)	1,995,135,229	17.17%						
Total	\$14,523,053,400	\$12,978,916,742	(\$1,566,378,001)	\$207,226,019	\$11,619,764,760	100.00%		6.06%		6.51%		6.95%

* 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	\$5,450,354,280	\$4,933,489,816	(\$545,207,802)	\$634,177,220	\$5,022,459,234	44.29%	9.50%	4.21%	10.50%	4.65%	11.50%	5.09%
Long Term Debt	5,585,449,212	5,055,773,512	(558,721,567)		4,497,051,945	39.66%	4.90%	1.94%	4.90%	1.94%	4.90%	1.94%
Short Term Debt *	(167,636,520)	(151,739,323)	16,768,954	(58,087,815)	(193,058,184)	(1.70%)	0.88%	(0.01%)	0.88%	(0.01%)	0.88%	(0.01%)
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Deferred Income Taxes	2,749,958,639	2,489,176,344	(275,082,835)	(387,184,600)	1,826,908,909	16.11%						
Total	\$13,828,397,334	\$12,536,354,960	(\$1,385,412,514)	\$188,904,805	\$11,339,847,250	100.00%		6.18%		6.62%		7.06%
* 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	\$5,801,922,954	\$5,176,334,800	(\$624,712,919)	\$575,386,533	\$5,127,008,414	44.12%	9.50%	4.19%	10.50%	4.63%	11.50%	5.07%
Long Term Debt	5,687,493,643	5,074,243,747	(612,391,923)		4,461,851,824	38.40%	4.81%	1.85%	4.81%	1.85%	4.81%	1.85%
Short Term Debt *	(103,360,254)	(92,215,509)	11,129,153	(68,261,836)	(149,348,192)	(1.29%)	1.13%	(0.01%)	1.13%	(0.01%)	1.13%	(0.01%)
Customer Deposits												
Active	200,106,896	200,106,896	(24,150,170)		175,956,726	1.51%	2.37%	0.04%	2.37%	0.04%	2.37%	0.04%
Inactive	2,084,033	2,084,033	(251,514)		1,832,519	0.02%						
Investment Tax Credits **	9,341,260	8,334,045	(1,005,805)		7,328,240	0.06%	7.85%	0.00%	7.85%	0.00%	7.85%	0.00%
Deferred Income Taxes	2,925,464,868	2,610,028,731	(314,994,823)	(299,898,678)	1,995,135,229	17.17%						
Total	\$14,523,053,400	\$12,978,916,742	(\$1,566,378,001)	\$207,226,019	\$11,619,764,760	100.00%		6.06%		6.51%		6.95%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	964,485,551
AFUDC - DEBT		25,920,029
INCOME TAXES		(20,991,095)
TOTAL	\$	969,414,485
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	281,238,216
TIE WITH AFUDC		<u>3.45</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	964,485,551
AFUDC - EQUITY		(47,751,808)
INCOME TAXES		(20,991,095)
TOTAL	\$	895,742,648
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	281,238,216
TIE WITHOUT AFUDC		<u>3.18</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$	25,920,029
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	19,350,598
AFUDC -EQUITY	\$	47,751,808
TOTAL	\$	67,102,406
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	716,795,784
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>9.36%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	726,128,729
COMMON DIVIDENDS		-
AFUDC (EQUITY)		(45,933,475)
DEPRECIATION & AMORTIZATION		534,468,590
DEFERRED INCOME TAXES		173,767,453
INVESTMENT TAX CREDITS		(86,094)
OTHER - INC NUCLEAR DECOMMISSIONING		35,168,443
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(419,355,710)
TOTAL FUNDS PROVIDED	\$	<u>1,004,157,936</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	1,247,585,138
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PERCENTAGE INTERNALLY GENERATED FUNDS **80.49%**

*As of March 2018 (updated quarterly)

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

Common Equity	\$	5,022,459,234
Long Term Debt	\$	4,497,051,945
Short Term Debt	\$	(193,058,184)
TOTAL	\$	<u>9,326,452,995</u>

% LONG TERM DEBT TO TOTAL **48.22%**
% SHORT TERM DEBT TO TOTAL **(2.07%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.05%	6.06%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.94%	1.94%
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	1.96%	1.96%
TOTAL	4.09%	4.09%
DIVIDED BY COMMON EQUITY RATIC	44.29%	44.29%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.23%</u>	<u>9.24%</u>