



January 15, 2019

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 November 30, 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 November 30, 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 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
Nov-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	\$805,551,539 (a)	(\$95,207,428) (b)	\$710,344,111	\$13,087,361	\$723,431,472
Average Rate Base	\$13,120,723,114	(\$1,390,284,054)	\$11,730,439,061	\$0	\$11,730,439,061
Average Rate of Return	6.14%		6.06%		6.17%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$736,220,032	(\$25,875,921)	\$710,344,111		
Average Rate Base	\$13,727,335,463	(\$473,372,285)	\$13,253,963,178		
Average Rate of Return	5.36%		5.36%		

(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	6.10%	6.04%
Mid Point	6.54%	6.48%
High Point	6.99%	6.92%
Pro Forma Adjusted Basis		
Low Point	6.10%	6.04%
Mid Point	6.54%	6.48%
High Point	6.99%	6.92%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.66	(System Per Books Basis)
B. T.I.E. without AFUDC	3.39	(System Per Books Basis)
C. AFUDC to Net Income	3.54%	(System Per Books Basis)
D. Internally Generated Funds	74.78%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	48.16%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	(2.23%)	(FPSC Adjusted Basis)
F. Return on Common Equity	9.41%	(FPSC Adjusted Basis)
	9.67%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate		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

1/15/19

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	\$16,519,241,048	\$5,672,414,357	\$10,846,826,691	\$131,680,595	\$1,731,553,439	\$12,710,060,725	\$1,796,141,202	\$14,506,201,928
Regulatory Base - Retail	\$14,992,668,086	\$5,261,158,198	\$9,731,509,888	\$115,587,861	\$1,536,142,280	\$11,383,240,029	\$1,737,483,086	\$13,120,723,114
FPSC Adjustments								
ARO	(20,586,659)	(17,414,397)	(3,172,262)			(3,172,262)	3,793,796	621,534
ECCR	(32,130,703)	(18,850,875)	(13,279,828)			(13,279,828)	(18,685,991)	(31,965,820)
ECRC	(178,057,522)	(22,620,442)	(155,437,080)		(44,626,484)	(200,063,563)	(6,086,016)	(206,149,580)
FUEL	(23,435,156)	(22,963,897)	(471,259)			(471,259)	551,512	80,253
CCR							(150,608,261)	(150,608,261)
NUCLEAR							(68,081,485)	(68,081,485)
Over\Under Recovery-Clauses							(194,307,025)	(194,307,025)
Derivatives							163,535	163,535
Employee Related							323	323
Investments Earning a Return							(190,154,770)	(190,154,770)
Jobbing Accounts							(574,534)	(574,534)
Non-Regulated and Miscellaneous	(45,846,203)	(37,206,172)	(8,640,031)	(80,657,610)		(89,297,641)	74,228,285	(15,069,355)
CWIP - AFUDC					(942,721,317)	(942,721,317)		(942,721,317)
Imputed Off Balance Sheet Obligations							625,693,888	625,693,888
Capital Lease	(119,337,844)		(119,337,844)			(119,337,844)	114,571,024	(4,766,819)
SCRC							(212,444,620)	(212,444,620)
Total FPSC Adjustments	(419,394,086)	(119,055,783)	(300,338,304)	(80,657,610)	(987,347,801)	(1,368,343,714)	(21,940,340)	(1,390,284,054)
FPSC Adjusted	\$14,573,274,000	\$5,142,102,415	\$9,431,171,585	\$34,930,251	\$548,794,479	\$10,014,896,315	\$1,715,542,746	\$11,730,439,061

	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	4,843,652,203	2,063,709,219	919,078,972	564,114,368	361,148,197	(90,408,620)	223,529,719	(9,566)		4,041,162,289	802,489,914
Regulatory Base - Retail	4,590,765,961	1,973,753,393	880,512,802	527,039,611	348,258,002	(56,254,279)	181,245,053	(8,653)		3,854,545,930	736,220,032
FPSC Adjustments											
ECCR	(112,305,665)		(104,577,216)	(5,206,072)		(639,296)				(110,422,585)	(1,883,080)
ECRC	(60,016,771)		(32,635,701)	(7,933,056)	(1,300,482)	(4,599,492)				(46,468,732)	(13,548,040)
FUEL	(1,583,548,061)	(1,579,012,722)	(1,143,791)			(859,588)				(1,581,016,100)	(2,531,960)
CCR	(421,627,345)	(394,740,671)	(303,572)	(21,753,835)		(1,223,978)				(418,022,056)	(3,605,289)
NUCLEAR	(49,827,539)		(40,266)	(47,775,220)		(509,955)				(48,325,441)	(1,502,098)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,071,331)			524,979				(1,546,352)	1,546,352
Franchise Fee & Gross Receipts	(220,986,324)					(56,008,984)				(56,008,984)	(164,977,340)
Franchise Fees & Gross Rec Tax - TOI					(217,463,877)	55,116,220				(162,347,657)	162,347,657
Gain/Loss on Disposition & Other						74,976		(295,823)		(220,847)	220,847
Inst./Promotional Advertising			(4,134,149)			1,047,800				(3,086,349)	3,086,349
Miscellaneous Interest Expense			102,988			(26,102)				76,886	(76,886)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,327,050)				(11,327,050)	11,327,050
Directors & Officers Premium			(1,122,629)			284,530				(838,099)	838,099
Interest Synchronization - FPSC						8,647,798				8,647,798	(8,647,798)
Total FPSC Adjustments	(2,448,311,704)	(1,973,753,393)	(146,017,721)	(71,230,897)	(218,764,359)	(12,373,591)			(295,823)	(2,422,435,783)	(25,875,921)
FPSC Adjusted	2,142,454,257		734,495,082	455,808,714	129,493,643	(68,627,870)	181,245,053	(8,653)	(295,823)	1,432,110,146	710,344,111
Pro Forma Adjustments											
Weather Normalization	17,530,455					4,443,094				4,443,094	13,087,361
Total Pro Forma Adjustments	17,530,455					4,443,094				4,443,094	13,087,361
Pro Forma Adjusted	2,159,984,712		734,495,082	455,808,714	129,493,643	(64,184,776)	181,245,053	(8,653)	(295,823)	1,436,553,240	723,431,472
Current Month											
System Per Books	389,145,541	169,036,152	86,157,253	52,079,528	19,866,758	26,189,201	(10,911,647)			342,417,244	46,728,298
FPSC Adjusted	167,885,344		70,832,973	41,386,733	1,535,066	(6,945,973)	17,173,488		(20,334)	123,961,953	43,923,391

(a) The addition of earnings from AFUDC charges would increase the System NOI by 78,151,100 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 69,331,507 pretax

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

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	621,534	621,534
	ECCR	F	(31,965,820)	(31,965,820)
	ECRC	F	(219,877,878)	(206,149,580)
	FUEL	F	44,155	80,253
	CCR	F	(150,608,261)	(150,608,261)
	NUCLEAR	F	(68,081,485)	(68,081,485)
	Net Clause Under Recovery	F	(194,307,025)	(194,307,025)
	Derivatives	F	163,535	163,535
	Employee Related	F	341	323
	Investments Earning a Return	F	(195,400,739)	(190,154,770)
	Jobbing Accounts	F	(606,168)	(574,534)
	Non-Regulated and Miscellaneous	F	(21,247,736)	(15,069,355)
(1)	CWIP - AFUDC	F	(1,014,933,861)	(942,721,317)
(3)	Imputed Off Balance Sheet Obligations	F	673,622,100	625,693,888
(2)	Capital Lease - EPIS	F	(128,016,052)	(119,337,844)
(2)	Capital Lease - Working Capital	F	122,902,591	114,571,024
	SCRC	F	(212,444,620)	(212,444,620)
	Total		(1,440,135,390)	(1,390,284,054)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,522,376)	639,296	(2,522,376)	639,296
	ECRC	F	(15,504,924)	3,929,723	(18,147,531)	4,599,492
	FUEL	F	(3,546,122)	898,765	(3,391,548)	859,588
	CCR	F	(4,829,267)	1,223,978	(4,829,267)	1,223,978
	NUCLEAR	F	(2,012,052)	509,955	(2,012,052)	509,955
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,221,957	(563,155)	2,071,331	(524,979)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(220,986,324)	56,008,984	(220,986,324)	56,008,984
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	217,463,877	(55,116,220)	217,463,877	(55,116,220)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	318,483	(80,720)	295,823	(74,976)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,434,783	(1,123,996)	4,134,149	(1,047,800)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(110,477)	28,000	(102,988)	26,102
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		12,542,439		11,327,050
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,204,266	(305,221)	1,122,629	(284,530)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,096,990)		(8,647,798)
	Total		(35,206,715)	12,368,591	(38,249,511)	12,373,591

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	\$18,050,809,896	\$5,781,603,199	\$12,269,206,697	\$132,062,007	\$1,002,149,416	\$13,403,418,120	\$1,795,398,166	\$15,198,816,287
Regulatory Base - Retail	\$16,398,695,572	\$5,360,303,122	\$11,038,392,450	\$115,943,416	\$835,516,512	\$11,989,852,377	\$1,737,483,086	\$13,727,335,463
FPSC Adjustments								
ARO	(24,938,101)	(17,949,728)	(6,988,373)			(6,988,373)	3,793,796	(3,194,577)
ECCR	(28,680,101)	(20,427,641)	(8,252,460)			(8,252,460)	(18,685,991)	(26,938,451)
ECRC	(179,750,133)	(24,760,534)	(154,989,600)		(72,799,133)	(227,788,732)	(6,086,016)	(233,874,749)
FUEL	(8,082,918)	(7,820,369)	(262,549)			(262,549)	551,512	288,964
CCR							(150,608,261)	(150,608,261)
NUCLEAR							(68,081,485)	(68,081,485)
Net Clause Under Recovery							(194,307,025)	(194,307,025)
Derivatives							163,535	163,535
Employee Related							323	323
Investments Earning a Return							(190,154,770)	(190,154,770)
Jobbing Accounts							(574,534)	(574,534)
Non-Regulated and Miscellaneous	(45,996,013)	(38,161,614)	(7,834,399)	(87,379,077)		(95,213,476)	74,228,285	(20,985,191)
Imputed Off Balance Sheet Obligations							625,693,888	625,693,888
Capital Lease	(112,926,355)		(112,926,355)			(112,926,355)	114,571,024	1,644,669
SCRC							(212,444,620)	(212,444,620)
Total FPSC Adjustments	(400,373,620)	(109,119,885)	(291,253,735)	(87,379,077)	(72,799,133)	(451,431,945)	(21,940,340)	(473,372,285)
FPSC Adjusted	15,998,321,951	5,251,183,237	10,747,138,714	28,564,339	762,717,379	11,538,420,432	1,715,542,746	13,253,963,178

	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	4,843,652,203	2,063,709,219	919,078,972	564,114,368	361,148,197	(90,408,620)	223,529,719	(9,566)		4,041,162,289	802,489,914
Regulatory Base - Retail	4,590,765,961	1,973,753,393	880,512,802	527,039,611	348,258,002	(56,254,279)	181,245,053	(8,653)		3,854,545,930	736,220,032
FPSC Adjustments											
ECCR	(112,305,665)		(104,577,216)	(5,206,072)		(639,296)				(110,422,585)	(1,883,080)
ECRC	(60,016,771)		(32,635,701)	(7,933,056)	(1,300,482)	(4,599,492)				(46,468,732)	(13,548,040)
FUEL	(1,583,548,061)	(1,579,012,722)	(1,143,791)			(859,588)				(1,581,016,100)	(2,531,960)
CCR	(421,627,345)	(394,740,671)	(303,572)	(21,753,835)		(1,223,978)				(418,022,056)	(3,605,289)
NUCLEAR	(49,827,539)		(40,266)	(47,775,220)		(509,955)				(48,325,441)	(1,502,098)
Non-Regulated and Miscellaneous				11,437,287		(2,898,780)				8,538,507	(8,538,507)
Corporate Aircraft Allocation			(2,071,331)			524,979				(1,546,352)	1,546,352
Franchise Fee & Gross Receipts	(220,986,324)					(56,008,984)				(56,008,984)	(164,977,340)
Franchise Fees & Gross Rec Tax - TOI					(217,463,877)	55,116,220				(162,347,657)	162,347,657
Gain/Loss on Disposition & Other						74,976		(295,823)		(220,847)	220,847
Inst./Promotional Advertising			(4,134,149)			1,047,800				(3,086,349)	3,086,349
Miscellaneous Interest Expense			102,988			(26,102)				76,886	(76,886)
Remove Assoc/Organization Dues			(92,054)			23,331				(68,723)	68,723
Parent Debt Adjustment						(11,327,050)				(11,327,050)	11,327,050
Directors & Officers Premium			(1,122,629)			284,530				(838,099)	838,099
Interest Synchronization - FPSC						8,647,798				8,647,798	(8,647,798)
Total FPSC Adjustments	(2,448,311,704)	(1,973,753,393)	(146,017,721)	(71,230,897)	(218,764,359)	(12,373,591)			(295,823)	(2,422,435,783)	(25,875,921)
FPSC Adjusted	2,142,454,257		734,495,082	455,808,714	129,493,643	(68,627,870)	181,245,053	(8,653)	(295,823)	1,432,110,146	710,344,111

(a) The addition of earnings from AFUDC charges would increase the System NOI by 78,151,100 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 69,331,507 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(3,194,577)	(3,194,577)
	ECCR	F	(26,938,451)	(26,938,451)
	ECRC	F	(247,585,412)	(233,874,749)
	FUEL	F	268,852	288,964
	CCR	F	(150,608,261)	(150,608,261)
	NUCLEAR	F	(68,081,485)	(68,081,485)
	Over\Under Recovery-Clauses	F	(194,307,025)	(194,307,025)
	Derivatives	F	163,535	163,535
	Employee Related	F	341	323
	Investments Earning a Return	F	(195,400,739)	(190,154,770)
	Jobbing Accounts	F	(606,168)	(574,534)
	Non-Regulated and Miscellaneous	F	(27,678,436)	(20,985,191)
	Imputed Off Balance Sheet Obligations	F	673,622,100	625,693,888
(3)	Capital Lease - EPIS	F	(121,138,322)	(112,926,355)
(2)	Capital Lease - Working Capital	F	122,902,591	114,571,024
(2)	SCRC	F	(212,444,620)	(212,444,620)
	Total		(451,026,078)	(473,372,285)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,522,376)	639,296	(2,522,376)	639,296
	ECRC	F	(15,504,924)	3,929,723	(18,147,531)	4,599,492
	FUEL	F	(3,546,122)	898,765	(3,391,548)	859,588
	CCR	F	(4,829,267)	1,223,978	(4,829,267)	1,223,978
	NUCLEAR	F	(2,012,052)	509,955	(2,012,052)	509,955
	Non-Regulated and Miscellaneous	F	(11,437,287)	2,898,780	(11,437,287)	2,898,780
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,221,957	(563,155)	2,071,331	(524,979)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(220,986,324)	56,008,984	(220,986,324)	56,008,984
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	217,463,877	(55,116,220)	217,463,877	(55,116,220)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	318,483	(80,720)	295,823	(74,976)
(1)	INST./PROMOTIONAL ADVERTISING	F	4,434,783	(1,123,996)	4,134,149	(1,047,800)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(110,477)	28,000	(102,988)	26,102
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,748	(25,028)	92,054	(23,331)
(2)	PARENT DEBT ADJUSTMENT	F		12,542,439		11,327,050
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,204,266	(305,221)	1,122,629	(284,530)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(9,096,990)		(8,647,798)
	Total		(35,206,715)	12,368,591	(38,249,511)	12,373,591

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 Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,829,923,871	5,265,272,724	(658,576,325)	594,940,896	5,201,637,296	44.34%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,863,321,969	5,295,436,084	(662,349,135)		4,633,086,949	39.50%	4.75%	1.88%	4.75%	1.88%	4.75%	1.88%
Short Term Debt *	(226,083,775)	(204,186,669)	25,539,514	(35,580,438)	(214,227,593)	(1.83%)	1.55%	(0.03%)	1.55%	(0.03%)	1.55%	(0.03%)
Customer Deposits												
Active	199,249,085	199,249,085	(24,921,925)		174,327,161	1.49%	2.31%	0.03%	2.31%	0.03%	2.31%	0.03%
Inactive	2,127,550	2,127,550	(266,112)		1,861,437	0.02%						
Investment Tax Credits **	9,261,882	8,364,832	(1,046,267)		7,318,565	0.06%	7.26%	0.00%	7.79%	0.00%	8.32%	0.01%
Deferred Income Taxes	2,828,401,347	2,554,459,508	(319,509,861)	(308,514,402)	1,926,435,245	16.42%						
Total	14,506,201,928	13,120,723,114	(1,641,130,110)	250,846,056	11,730,439,061	100.00%		6.10%		6.54%		6.99%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	6,128,733,196	5,554,063,394	(261,086,336)	584,642,226	5,877,619,284	44.35%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	6,079,152,394	5,509,131,610	(258,974,175)		5,250,157,435	39.61%	4.58%	1.81%	4.58%	1.81%	4.58%	1.81%
Short Term Debt *	(174,639,254)	(158,263,944)	7,439,698	(125,865,232)	(276,689,477)	(2.09%)	1.31%	(0.03%)	1.31%	(0.03%)	1.31%	(0.03%)
Customer Deposits												
Active	197,952,081	197,952,081	(9,305,364)		188,646,717	1.42%	2.33%	0.03%	2.33%	0.03%	2.33%	0.03%
Inactive	2,649,455	2,649,455	(124,546)		2,524,909	0.02%						
Investment Tax Credits **	10,115,298	9,166,822	(430,915)		8,735,906	0.07%	7.18%	0.00%	7.71%	0.01%	8.23%	0.01%
Deferred Income Taxes	2,882,961,200	2,612,636,046	(122,815,230)	(286,852,411)	2,202,968,406	16.62%						
Total	15,126,924,370	13,727,335,463	(645,296,869)	171,924,583	13,253,963,178	100.00%		6.04%		6.48%		6.92%
* Daily Weighted Average ** Cost Rates Calculated Per IRS Ruling												

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,829,923,871	5,265,272,724	(658,574,287)	594,935,504	5,201,633,941	44.34%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	5,863,321,969	5,295,436,084	(662,347,086)		4,633,088,998	39.50%	4.75%	1.88%	4.75%	1.88%	4.75%	1.88%
Short Term Debt *	(226,083,775)	(204,186,669)	25,539,435	(35,580,115)	(214,227,349)	(1.83%)	1.55%	(0.03%)	1.55%	(0.03%)	1.55%	(0.03%)
Customer Deposits												
Active	199,249,085	199,249,085	(24,921,848)		174,327,238	1.49%	2.31%	0.03%	2.31%	0.03%	2.31%	0.03%
Inactive	2,127,550	2,127,550	(266,111)		1,861,438	0.02%						
Investment Tax Credits **	9,261,882	8,364,832	(1,046,264)		7,318,568	0.06%	7.26%	0.00%	7.79%	0.00%	8.32%	0.01%
Deferred Income Taxes	2,828,401,347	2,554,459,508	(319,508,872)	(308,514,410)	1,926,436,226	16.42%						
Total	14,506,201,928	13,120,723,114	(1,641,125,033)	250,840,979	11,730,439,061	100.00%		6.10%		6.54%		6.99%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Nov-18

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	6,128,733,196	5,554,063,394	(261,086,336)	584,642,226	5,877,619,284	44.35%	9.50%	4.21%	10.50%	4.66%	11.50%	5.10%
Long Term Debt	6,079,152,394	5,509,131,610	(258,974,175)		5,250,157,435	39.61%	4.58%	1.81%	4.58%	1.81%	4.58%	1.81%
Short Term Debt *	(174,639,254)	(158,263,944)	7,439,698	(125,865,232)	(276,689,477)	(2.09%)	1.31%	(0.03%)	1.31%	(0.03%)	1.31%	(0.03%)
Customer Deposits												
Active	197,952,081	197,952,081	(9,305,364)		188,646,717	1.42%	2.33%	0.03%	2.33%	0.03%	2.33%	0.03%
Inactive	2,649,455	2,649,455	(124,546)		2,524,909	0.02%						
Investment Tax Credits **	10,115,298	9,166,822	(430,915)		8,735,906	0.07%	7.18%	0.00%	7.71%	0.01%	8.23%	0.01%
Deferred Income Taxes	2,882,961,200	2,612,636,046	(122,815,230)	(286,852,411)	2,202,968,406	16.62%						
Total	15,126,924,370	13,727,335,463	(645,296,869)	171,924,583	13,253,963,178	100.00%		6.04%		6.48%		6.92%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	1,106,193,013
AFUDC - DEBT	\$	27,493,144
INCOME TAXES		(77,968,407)
TOTAL	\$	1,055,717,750
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	288,555,861
TIE WITH AFUDC		<u>3.66</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	1,106,193,013
AFUDC - EQUITY		(50,657,957)
INCOME TAXES		(77,968,407)
TOTAL	\$	977,566,650
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	288,555,861
TIE WITHOUT AFUDC		<u>3.39</u>

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

AFUDC DEBT	\$	27,493,144
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	20,525,007
AFUDC - EQUITY	\$	50,657,957
TOTAL	\$	71,182,963
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	850,317,379
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>8.37%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	857,366,604
COMMON DIVIDENDS		(75,000,000)
AFUDC (EQUITY)		(51,660,531)
DEPRECIATION & AMORTIZATION		672,406,117
DEFERRED INCOME TAXES		47,559,903
INVESTMENT TAX CREDITS		(28,698)
OTHER - INC NUCLEAR DECOMMISSIONING		39,712,649
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(422,620,622)
TOTAL FUNDS PROVIDED	\$	<u>1,067,735,422</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,427,907,799
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PERCENTAGE INTERNALLY GENERATED FUNDS **74.78%**

*As of September 2018 (updated quarterly)

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

Common Equity	\$	5,201,633,941
Long Term Debt	\$	4,633,088,998
Short Term Debt	\$	(214,227,349)
TOTAL	\$	<u>9,620,495,590</u>

% LONG TERM DEBT TO TOTAL **48.16%**
% SHORT TERM DEBT TO TOTAL **(2.23%)**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.17%	6.06%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.88%	1.88%
SHORT TERM DEBT	(0.03%)	(0.03%)
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS		
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.88%	1.88%
TOTAL	4.29%	4.17%
DIVIDED BY COMMON EQUITY RATIO	44.34%	44.34%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.67%</u>	<u>9.41%</u>