



March 1, 2024

Mr. Matthew Vogel
Public Utility Supervisor
Surveillance Section
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0820

Dear Mr. Vogel:

Pursuant to Commission Rule 25-6.1353, please find enclosed Duke Energy Florida's Forecasted Earnings Surveillance Report for the calendar year 2024. The computations incorporate the separation factors and other elements from the 2021 Settlement Agreement approved in Order No. PSC-2021-0202A-AS-EI.

Should you have any questions, please do not hesitate 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. Walt Trierweiler, Office of the Public Counsel

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
YEAR: 2024**

SCHEDULE 1

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$1,263,141,638 (a)	(\$87,458,173) (b)	\$1,175,683,464
AVERAGE RATE BASE	\$21,946,902,344	(\$2,440,104,189)	\$19,506,798,155
AVERAGE RATE OF RETURN	5.76%		6.03%

(a) INCLUDES AFUDC EARNINGS

(b) INCLUDES REVERSAL OF AFUDC EARNINGS

**III. REQUIRED RATES OF RETURN
AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	6.04%
MIDPOINT	6.50%
HIGH	6.96%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.71	(System Per Books Basis)
B. T.I.E without AFUDC	3.68	(System Per Books Basis)
C. AFUDC to Net Income	1.47%	(System Per Books Basis)
D. Internally Generated Funds	59.02%	(System Per Books Basis)
E. LT Debt-Fixed to Total Investor Funds	47.03%	(FPSC Adjusted Basis)
F. ST Debt to Total Investor Funds	0.16%	(FPSC Adjusted Basis)
G. Return on Common Equity	9.05%	(FPSC Adjusted Basis)

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
AVERAGE RATE OF RETURN
YEAR: 2024

	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	28,248,275,494	7,548,646,006	20,699,629,488	62,187,039	1,768,129,618	22,529,946,145	1,099,525,645	23,629,471,790
Regulatory Base - Retail	26,228,318,298	7,179,461,122	19,048,857,177	54,575,811	1,766,268,269	20,869,701,257	1,077,201,086	21,946,902,344
FPSC Adjustments								
ARO	(60,837,621)	(60,309,431)	(528,190)			(528,190)	(32,868,355)	(33,396,545)
ECCR	(6,873,434)	(1,465,764)	(5,407,670)			(5,407,670)	(6,978,674)	(12,386,344)
ECRC	(36,897,517)	(6,905,150)	(29,992,367)		(4,241,049)	(34,233,416)	(9,519,898)	(43,753,314)
FUEL							(64,967,460)	(64,967,460)
CCR							(96,346,409)	(96,346,409)
SPPCRC	(741,568,983)	(19,561,607)	(722,007,376)		(511,502,172)	(1,233,509,548)		(1,233,509,548)
Clause Under-Recovery							(299,554,163)	(299,554,163)
Derivatives							455,563	455,563
Investments Earning a Return							(322,077,021)	(322,077,021)
Non-Regulated and Miscellaneous	(110,640,207)	(19,644,807)	(90,995,399)	(26,949,413)	(735,461)	(118,680,274)	44,782,868	(73,897,406)
CWIP - AFUDC					(221,221,568)	(221,221,568)		(221,221,568)
Capital & Operating Leases	(730,803,785)	(393,060,327)	(337,743,458)			(337,743,458)	305,482,029	(32,261,429)
Storm Cost Recovery							(8,613,017)	(8,613,017)
Total FPSC Adjustments	(1,687,621,547)	(500,947,087)	(1,186,674,459)	(26,949,413)	(737,700,251)	(1,951,324,124)	(488,780,065)	(2,440,104,189)
FPSC Adjusted	24,540,696,752	6,678,514,034	17,862,182,717	27,626,398	1,028,568,018	18,918,377,134	588,421,021	19,506,798,155

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
AVERAGE RATE OF RETURN
YEAR: 2024

	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	6,534,707,926	2,475,398,585	997,939,073	972,655,578	484,647,431	376,560,852	(152,422,546)	(651,159)		5,154,127,815	1,380,580,111
Regulatory Base - Retail	6,226,919,246	2,426,133,112	975,500,918	915,479,140	470,677,954	332,812,329	(140,646,938)	(651,159)		4,979,305,355	1,247,613,891
FPSC Adjustments											
ECCR	(118,448,264)		(122,729,143)	7,002,526		(689,802)				(116,416,419)	(2,031,846)
ECRC	(17,686,839)		(9,349,508)	(5,387,336)	(82,457)	(726,778)				(15,546,079)	(2,140,761)
FUEL	(2,105,939,815)	(2,094,668,060)		(6,551,340)		(1,196,389)				(2,102,415,790)	(3,524,025)
CCR	(339,336,824)	(331,465,051)				(1,995,101)				(333,460,152)	(5,876,672)
SPPCRC	(175,663,200)		(73,355,708)	3,595,269	(4,107,167)	(25,800,093)				(99,667,700)	(75,995,500)
Non-Regulated and Miscellaneous				(4,042,099)		1,024,470				(3,017,629)	3,017,629
Corporate Aircraft			(3,123,215)			791,579				(2,331,636)	2,331,636
Revenue Tax	(305,252,228)		(4,255,331)		(300,996,896)					(305,252,228)	
Gain/Loss on Disposition & Other						(444,713)		1,754,638		1,309,925	(1,309,925)
Promotional Advertising			(3,165,948)			802,409				(2,363,538)	2,363,538
Miscellaneous Interest Expense			1,360,812			(344,898)				1,015,914	(1,015,914)
Organization Dues			(101,599)			25,750				(75,849)	75,849
Economic Development			(267,030)			67,679				(199,351)	199,351
Parent Debt Adjustment						(10,383,321)				(10,383,321)	10,383,321
Directors & Officers Liability Insurance			(1,260,885)			319,571				(941,314)	941,314
Interest Synchronization						11,830,470				11,830,470	(11,830,470)
LTIP & SERP			(16,719,635)			4,237,592				(12,482,044)	12,482,044
Storm Cost Recovery	(200,000,000)		(200,000,004)			1				(200,000,003)	3
Total FPSC Adjustments	(3,262,327,170)	(2,426,133,112)	(432,967,196)	(5,382,981)	(305,186,521)	(22,481,572)			1,754,638	(3,190,396,744)	(71,930,427)
FPSC Adjusted	2,964,592,076		542,533,722	910,096,158	165,491,433	310,330,757	(140,646,938)	(651,159)	1,754,638	1,788,908,611	1,175,683,464

A) The addition of earnings from AFUDC would increase:

Pre-Tax System NOI by: 15,544,110 pretax
Pre-Tax Jurisdictional NOI by: 15,527,747 pretax

B) Economic Development costs related to the period are:

Total Company: 5,340,599
Jurisdictional: 5,340,599

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
AVERAGE RATE OF RETURN
YEAR: 2024

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(33,396,545)	(33,396,545)
	ECCR	F	(12,526,767)	(12,386,344)
	ECRC	F	(44,291,131)	(43,753,314)
	FUEL	F	(64,967,460)	(64,967,460)
	CCR	F	(96,346,409)	(96,346,409)
	SPPCRC	F	(1,370,436,314)	(1,233,509,548)
	Clause Under-Recovery	F	(299,554,163)	(299,554,163)
	Derivatives	F		455,563
	Investments Earning a Return	F	(322,077,021)	(322,077,021)
	Jobbing Accounts	F		
	Non-Regulated and Miscellaneous	F	(74,615,943)	(73,897,406)
(1)	CWIP - AFUDC	F	(297,393,466)	(221,221,568)
(2)	Capital & Operating Leases - EPIS	F	(356,720,408)	(337,743,458)
(2)	Capital & Operating Leases - Working Capital	F	313,414,551	305,482,029
	Storm Cost Recovery	F	(8,613,017)	(8,613,017)
	Total		(2,667,524,093)	(2,441,528,661)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(2,721,647)	689,802	(2,721,647)	689,802
	ECRC	F	(2,715,987)	688,367	(2,867,538)	726,778
	FUEL	F	(4,816,268)	1,220,683	(4,720,414)	1,196,389
	CCR	F	(7,871,773)	1,995,101	(7,871,773)	1,995,101
	SPPCRC	F	(101,795,593)	25,800,093	(101,795,593)	25,800,093
	Non-Regulated and Miscellaneous	F	4,042,099	(1,024,470)	4,042,099	(1,024,470)
(2)	Corporate Aircraft	F	3,225,246	(817,439)	3,123,215	(791,579)
(4)	Gain/Loss on Disposition & Other	F	(1,801,421)	456,570	(1,754,638)	444,713
(1)	Promotional Advertising	F	3,269,290	(828,602)	3,165,948	(802,409)
(1)	Miscellaneous Interest Expense	F	(1,405,267)	356,165	(1,360,812)	344,898
(1)	Organization Dues	F	104,919	(26,592)	101,599	(25,750)
(3)	Economic Development	F	273,964	(69,436)	267,030	(67,679)
(2)	Parent Debt Adjustment	F		11,284,023		10,383,321
(2)	Directors & Officers Liability Insurance	F	1,302,076	(330,011)	1,260,885	(319,571)
(1)	Interest Synchronization	F		(12,922,781)		(11,830,470)
(4)	LTIP & SERP	F	17,265,840	(4,376,027)	16,719,635	(4,237,592)
	Storm Cost Recovery	F	4	(1)	4	(1)
	Total		(93,644,517)	22,095,445	(94,411,999)	22,481,572

- 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) Rule 25-6.0426 Recovery of Econ Dev Expenses
(4) Docket No. 20210016-EI, Order No. PSC-2021-0202-AS-EI

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
AVERAGE - CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
YEAR: 2024

	System Per Books	Retail Per Books	Specific Adjustments	Pro Rata 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	10,474,787,658	9,723,771,148	23,938,028	(971,253,657)	8,776,455,519	44.99%	9.10%	4.09%	10.10%	4.54%	11.10%	4.99%
Long Term Debt	9,456,490,524	8,778,483,413	(97,451,277)	(864,970,842)	7,816,061,295	40.07%	4.63%	1.85%	4.63%	1.85%	4.63%	1.85%
Short Term Debt	31,197,136	28,960,378	(321,494)	(2,853,555)	25,785,330	0.13%	3.66%	0.00%	3.66%	0.00%	3.66%	0.00%
Customer Deposits											0.00%	
Active	160,201,858	160,201,858		(15,962,380)	144,239,477	0.74%	2.61%	0.02%	2.61%	0.02%	2.61%	0.02%
Inactive	1,666,455	1,666,455		(166,044)	1,500,411	0.01%				0.00%		
Investment Tax Credits *	242,050,868	224,696,416		(22,388,565)	202,307,851	1.04%	6.99%	0.07%	7.52%	0.08%	8.05%	0.08%
Deferred Income Taxes	3,263,077,291	3,029,122,675	(207,533,610)	(281,140,794)	2,540,448,271	13.02%				0.00%		
Total	23,629,471,790	21,946,902,344	(281,368,353)	(2,158,735,836)	19,506,798,155	100.00%		6.04%		6.50%		6.96%

* Investment Tax Credits cost rates are based on the weighted average cost of long term debt and common equity, Treasury Regulation section 1.46-6(b)(3)(ii).

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA
FINANCIAL INTEGRITY INDICATORS
Year 2024

SCHEDULE 4

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	1,429,517,711
AFUDC - DEBT	\$	4,294,596
INCOME TAXES		236,550,414
TOTAL	\$	1,670,362,721
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	450,201,784
TIE WITH AFUDC		<u>3.71</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	1,429,517,711
AFUDC - EQUITY		(11,249,514)
INCOME TAXES		236,550,414
TOTAL	\$	1,654,818,611
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	450,201,784
TIE WITHOUT AFUDC		<u>3.68</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC DEBT	\$	4,294,596
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	3,206,130
AFUDC -EQUITY	\$	11,249,514
TOTAL	\$	14,455,645
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	983,610,523
PERCENT AFUDC TO AVAILABLE NET INCOME		<u>1.47%</u>

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	983,610,523
COMMON DIVIDENDS		-
AFUDC (EQUITY)		(11,249,514)
DEPRECIATION & AMORTIZATION		972,655,578
DEFERRED INCOME TAXES		(152,422,546)
INVESTMENT TAX CREDITS		(651,159)
OTHER - INC NUCLEAR DECOMMISSIONING		556,876,224
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(928,806,090)
TOTAL FUNDS PROVIDED	\$	<u>1,420,013,016</u>

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	2,406,019,000
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PERCENTAGE INTERNALLY GENERATED FUNDS **59.02%**

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

Common Equity	\$	8,776,455,519
Long Term Debt	\$	7,816,061,295
Short Term Debt	\$	25,785,330
TOTAL	\$	<u>16,618,302,144</u>

% LONG TERM DEBT TO TOTAL **47.03%**
 % SHORT TERM DEBT TO TOTAL **0.16%**

F. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN RETURN ON COMMON EQUITY

FPSC AVERAGE EARNED RATE OF RETURN	<u>6.03%</u>
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:	
LONG TERM DEBT	1.85%
SHORT TERM DEBT	0.00%
CUSTOMER DEPOSITS	0.02%
DEFERRED INCOME TAXES	
INVESTMENT TAX CREDITS	0.08%
DEFERRED INCOME TAX (FAS 109)	
SUBTOTAL	<u>1.96%</u>
TOTAL	4.07%
DIVIDED BY COMMON EQUITY RATIO	<u>44.99%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.05%</u>

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 COMPANY: DUKE ENERGY FLORIDA
 FORECAST ASSUMPTIONS
 YEAR: 2024

SCHEDULE 5

FORECAST ASSUMPTIONS

	Forecast Year		Prior Year Actual	
	Customers	MWH Sales	Customers	MWH Sales
Residential	1,778,702	21,746,005	1,753,585	21,750,264
Commercial	189,760	12,062,349	186,521	12,450,255
Industrial	1,786	3,236,528	1,773	3,395,705
Other	26,298	3,152,480	26,333	3,235,962
Total	1,996,546	40,197,362	1,968,212	40,832,186

OTHER MAJOR FORECAST ASSUMPTIONS

Revenues

2024 retail base revenues include a \$79M annual increase associated with the 2021 Settlement (Order No. PSC-2021-0202A-AS-EI).

Depreciation & Amortization Expense

Depreciation expense is based on depreciation rates effective January 1, 2022 consistent with Exhibit 8 to the 2021 Settlement Agreement approved in Order No. PSC-2021-0202A-AS-EI. Par. 3 of the 2021 Settlement Agreement authorizes Duke Energy Florida to include a portion of the expected \$173 million DOE award (retail) as a "credit to income through the use of a regulatory liability or asset as necessary in an amount to be determined each year by the Company" from 2022 through 2024. The 2024 budget includes the remaining \$32M of the DOE award.

Dismantlement Accrual


The retail portion of the 2024 increase in the dismantlement accrual is being deferred to a regulatory asset pursuant to Par. 19 in the 2021 Settlement Agreement approved in Order No. PSC-2021-0202A-AS-EI.

Financing Activity

The 2024 budget has no debt issuances. A dividend of \$125M is paid to the parent company in August 2024.

I am the person responsible for preparation of this document and 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 sec. 775.082 or sec. 775.083.

Marcia Olivier Name	 Signature
Director Rates & Regulatory Planning - FL Title	3/1/2024 Date

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
COMPANY: DUKE ENERGY FLORIDA**

Construction Projects Exceeding .4% of sum of balances in FERC accounts 101 and 106 in accordance with Rule 25-6.0141(9), F.A.C.

YEAR: 2024

25-6.0141(9)(a)		25-6.0141(9)(b)	25-6.0141(9)(c)	25-6.0141(9)(d)
Project Name	Project Description	Estimated Total cost of the Project* (excl. AFUDC)	Estimated Construction Commencement Date	Estimated In-Service Date
1 Mondon Hill	Mondon Hill – New 230/115 kV Substation and 230 kV Lines to Brooksville West and Bushnell East	\$ 126,090,527	1/3/2024	10/31/2025
2 Osprey to Kathleen	Osprey to Kathleen - New 230kV Line	\$ 170,051,936	4/8/2024	5/15/2025
3 Disston to 40th Street	Disston to 40th Street - New 230kV Line	\$ 148,640,446	5/1/2024	5/5/2026

* Sum of balances in FERC accounts 101 and 106 is \$107,283,228.