



December 13, 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 October 31, 2019.

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, 2019. 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
Oct-19

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	\$830,555,003 (a)	(\$12,484,241) (b)	\$818,070,762	(\$17,725,388)	\$800,345,374
Average Rate Base	\$14,228,092,330	(\$1,301,610,080)	\$12,926,482,250	\$0	\$12,926,482,250
Average Rate of Return	5.84%		6.33%		6.19%
I. YEAR END RATE OF RETURN (Jurisdictional)					
Net Operating Income	\$822,695,672	(\$4,624,910)	\$818,070,762		
Average Rate Base	\$14,936,365,925	(\$1,388,043,802)	\$13,548,322,123		
Average Rate of Return	5.51%		6.04%		

(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	5.90%	5.88%
Mid Point	6.32%	6.30%
High Point	6.74%	6.72%
Pro Forma Adjusted Basis		
Low Point	5.90%	5.88%
Mid Point	6.32%	6.30%
High Point	6.74%	6.72%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.46	(System Per Books Basis)
B. T.I.E without AFUDC	3.43	(System Per Books Basis)
C. AFUDC to Net Income	1.42%	(System Per Books Basis)
D. Internally Generated Funds	71.60%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	47.44%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	1.37%	(FPSC Adjusted Basis)
F. Return on Common Equity	10.52%	(FPSC Adjusted Basis)
	10.20%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	6.46%	Docket 20190069-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

12/13/19
 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	\$18,692,288,863	\$5,577,115,727	\$13,115,173,136	\$133,046,160	\$949,400,984	\$14,197,620,280	\$1,512,200,887	\$15,709,821,167
Regulatory Base - Retail	\$16,989,902,498	\$5,149,710,426	\$11,840,192,072	\$116,862,736	\$783,174,210	\$12,740,229,017	\$1,487,863,313	\$14,228,092,330
FPSC Adjustments								
ARO	(22,163,630)	(19,004,188)	(3,159,442)			(3,159,442)	(15,001,766)	(18,161,208)
ECCR	(23,810,619)	(16,986,266)	(6,824,353)			(6,824,353)	(20,553,349)	(27,377,703)
ECRC	(223,830,866)	(25,284,693)	(198,546,173)		(24,074,607)	(222,620,780)	(4,250,604)	(226,871,384)
FUEL	(8,427,401)	(8,156,556)	(270,845)			(270,845)	(103,904,616)	(104,175,460)
CCR							(117,017,962)	(117,017,962)
NUCLEAR							(28,163,491)	(28,163,491)
Over\Under Recovery-Clauses							(154,991,205)	(154,991,205)
Derivatives							3,798,109	3,798,109
Employee Related							(0)	(0)
Investments Earning a Return							(199,002,973)	(199,002,973)
Jobbing Accounts							(7,211)	(7,211)
Non-Regulated and Miscellaneous	(44,807,981)	(36,231,924)	(8,576,057)	(87,379,077)		(95,955,134)	45,487,935	(50,467,199)
CWIP - AFUDC					(132,039,655)	(132,039,655)		(132,039,655)
Imputed Off Balance Sheet Obligations							141,396,850	141,396,850
Capital Lease	(465,396,400)	(43,822,340)	(421,574,060)			(421,574,060)	413,262,137	(8,311,923)
Storm							(380,217,663)	(380,217,663)
Total FPSC Adjustments	(788,436,897)	(149,485,967)	(638,950,930)	(87,379,077)	(156,114,262)	(882,444,269)	(419,165,811)	(1,301,610,080)
FPSC Adjusted	\$16,201,465,602	\$5,000,224,459	\$11,201,241,142	\$29,483,658	\$627,059,947	\$11,857,784,748	\$1,068,697,502	\$12,926,482,250

	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	5,103,689,329	2,028,732,903	992,855,741	639,382,145	398,760,077	3,455,274	130,320,650	(18,721)		4,193,488,069	910,201,260
Regulatory Base - Retail	4,808,588,335	1,941,150,368	948,402,993	596,128,313	384,038,981	4,415,380	111,773,584	(16,955)		3,985,892,663	822,695,672
FPSC Adjustments											
ECCR	(105,743,600)		(99,923,240)	(4,086,714)		(439,393)				(104,449,346)	(1,294,254)
ECRC	(56,398,666)		(25,357,264)	(8,830,614)	(1,413,316)	(5,271,119)				(40,872,313)	(15,526,352)
FUEL	(1,565,172,378)	(1,566,727,325)	(1,124,012)	(6,551,340)		2,339,419				(1,572,063,258)	6,890,879
CCR	(390,903,775)	(374,423,043)	(281,451)	(8,058,955)		(2,063,166)				(384,826,614)	(6,077,160)
NUCLEAR	(44,764,784)		(89,022)	(44,208,315)		(118,474)				(44,415,812)	(348,973)
Non-Regulated and Miscellaneous				(136,252)		34,533				(101,719)	101,719
CORPORATE AIRCRAFT ALLOCATION			(2,407,275)			610,124				(1,797,151)	1,797,151
FRANCHISE FEE & GROSS RECEIPTS	(231,156,694)		(166,433)			(58,544,482)				(58,710,915)	(172,445,780)
FRANCHISE FEES & GROSS REC TAX - TOI					(235,094,391)	59,584,673				(175,509,717)	175,509,717
GAIN/LOSS ON DISPOSITION & OTHER						63,725		(251,432)		(187,706)	187,706
INST./PROMOTIONAL ADVERTISING			(2,030,115)			514,533				(1,515,583)	1,515,583
MISCELLANEOUS INTEREST EXPENSE			94,303			(23,901)				70,402	(70,402)
REMOVE ASSOC/ORGANIZATION DUES			(92,055)			23,331				(68,724)	68,724
REMOVE ECONOMIC DEVELOPMENT			(56,775)			14,390				(42,386)	42,386
PARENT DEBT ADJUSTMENT						(11,231,422)				(11,231,422)	11,231,422
DIRECTORS & OFFICERS PREMIUM			(1,040,214)			263,642				(776,572)	776,572
INTEREST SYNCHRONIZATION - FPSC						6,983,849				6,983,849	(6,983,849)
Total FPSC Adjustments	(2,394,139,898)	(1,941,150,368)	(132,473,554)	(71,872,190)	(236,507,707)	(7,259,737)			(251,432)	(2,389,514,988)	(4,624,910)
FPSC Adjusted	2,414,448,437		815,929,439	524,256,123	147,531,274	(2,844,357)	111,773,584	(16,955)	(251,432)	1,596,377,675	818,070,762
Pro Forma Adjustments											
Weather Normalization	(23,743,068)					(6,017,681)				(6,017,681)	(17,725,388)
Total Pro Forma Adjustments	(23,743,068)					(6,017,681)				(6,017,681)	(17,725,388)
Pro Forma Adjusted	2,390,705,369		815,929,439	524,256,123	147,531,274	(8,862,038)	111,773,584	(16,955)	(251,432)	1,590,359,995	800,345,374
Current Month											
System Per Books	453,276,128	181,107,072	102,342,378	54,550,101	35,126,323	14,978,059	(4,395,119)			383,708,815	69,567,313
FPSC Adjusted	213,440,076		85,885,774	45,201,079	13,061,916	336,131	12,677,671	(21,262)		157,141,309	56,298,767

(a) The addition of earnings from AFUDC charges would increase the System NOI by 9,527,454 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 7,859,331 pretax

DUKE ENERGY FLORIDA
Average Rate of Return - Adjustment
Oct-19

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(18,161,208)	(18,161,208)
	ECCR	F	(27,377,703)	(27,377,703)
	ECRC	F	(250,248,033)	(226,871,384)
	FUEL	F	(104,196,207)	(104,175,460)
	CCR	F	(117,017,962)	(117,017,962)
	NUCLEAR	F	(28,163,491)	(28,163,491)
	Over\Under Recovery-Clauses	F	(154,991,205)	(154,991,205)
	Derivatives	F	3,798,109	3,798,109
	Employee Related	F	(0)	(0)
	Investments Earning a Return	F	(199,002,973)	(199,002,973)
	Jobbing Accounts	F	(7,211)	(7,211)
	Non-Regulated and Miscellaneous	F	(57,160,445)	(50,467,199)
(1)	CWIP - AFUDC	F	(158,663,947)	(132,039,655)
(3)	Imputed Off Balance Sheet Obligations	F	152,227,863	141,396,850
(2)	Capital Lease - EPIS	F	(455,417,531)	(421,574,060)
(2)	Capital Lease - Working Capital	F	443,314,421	413,262,137
	Storm	F	(380,217,663)	(380,217,663)
	Total		(1,351,285,188)	(1,301,610,080)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,733,646)	439,393	(1,733,646)	439,393
	ECRC	F	(18,305,864)	4,639,621	(20,797,472)	5,271,119
	FUEL	F	9,646,759	(2,444,971)	9,230,299	(2,339,419)
	CCR	F	(8,140,326)	2,063,166	(8,140,326)	2,063,166
	NUCLEAR	F	(467,447)	118,474	(467,447)	118,474
	Non-Regulated and Miscellaneous	F	136,252	(34,533)	136,252	(34,533)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,582,331	(654,492)	2,407,275	(610,124)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(230,990,261)	58,544,482	(230,990,261)	58,544,482
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	235,094,391	(59,584,673)	235,094,391	(59,584,673)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	270,691	(68,607)	251,432	(63,725)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,177,745	(551,949)	2,030,115	(514,533)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(101,161)	25,639	(94,303)	23,901
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,750	(25,028)	92,055	(23,331)
(4)	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,418,184		11,231,422
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,115,858	(282,814)	1,040,214	(263,642)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,292,126)		(6,983,849)
	Total		(8,555,025)	7,294,329	(11,884,647)	7,259,737

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
(4) Rule 25-6.0426 Recovery of Econ Dev Expenses

	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	\$19,519,748,661	\$5,704,312,329	\$13,815,436,332	\$134,615,088	\$1,036,453,545	\$14,986,504,965	\$1,512,306,205	\$16,498,811,170
Regulatory Base - Retail	\$17,737,431,875	\$5,273,045,571	\$12,464,386,304	\$118,320,091	\$865,796,218	\$13,448,502,613	\$1,487,863,313	\$14,936,365,925
FPSC Adjustments								
ARO	(19,579,855)	(22,660,954)	3,081,099			3,081,099	(15,001,766)	(11,920,667)
ECCR	(22,210,621)	(17,145,775)	(5,064,846)			(5,064,846)	(20,553,349)	(25,618,196)
ECRC	(248,335,452)	(27,571,687)	(220,763,766)		(5,410,077)	(226,173,842)	(4,250,604)	(230,424,446)
FUEL	(8,082,918)	(7,870,499)	(212,419)			(212,419)	(103,904,616)	(104,117,034)
CCR							(117,017,962)	(117,017,962)
NUCLEAR							(28,163,491)	(28,163,491)
Over\Under Recovery-Clauses							(154,991,205)	(154,991,205)
Derivatives							3,798,109	3,798,109
Employee Related							(0)	(0)
Investments Earning a Return							(199,002,973)	(199,002,973)
Jobbing Accounts							(7,211)	(7,211)
Non-Regulated and Miscellaneous	(43,802,801)	(36,463,237)	(7,339,564)	(87,379,077)		(94,718,641)	45,487,935	(49,230,707)
CWIP - AFUDC					(144,555,107)	(144,555,107)		(144,555,107)
Imputed Off Balance Sheet Obligations							141,396,850	141,396,850
Capital Lease	(650,566,963)	(149,332,728)	(501,234,234)			(501,234,234)	413,262,137	(87,972,098)
Storm							(380,217,663)	(380,217,663)
Total FPSC Adjustments	(992,578,610)	(261,044,880)	(731,533,730)	(87,379,077)	(149,965,184)	(968,877,991)	(419,165,811)	(1,388,043,802)
FPSC Adjusted	16,744,853,264	5,012,000,691	11,732,852,573	30,941,014	715,831,034	12,479,624,621	1,068,697,502	13,548,322,123

	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	5,103,689,329	2,028,732,903	992,855,741	639,382,145	398,760,077	3,455,274	130,320,650	(18,721)		4,193,488,069	910,201,260
Regulatory Base - Retail	4,808,588,335	1,941,150,368	948,402,993	596,128,313	384,038,981	4,415,380	111,773,584	(16,955)		3,985,892,663	822,695,672
FPSC Adjustments											
ECCR	(105,743,600)		(99,923,240)	(4,086,714)		(439,393)				(104,449,346)	(1,294,254)
ECRC	(56,398,666)		(25,357,264)	(8,830,614)	(1,413,316)	(5,271,119)				(40,872,313)	(15,526,352)
FUEL	(1,565,172,378)	(1,566,727,325)	(1,124,012)	(6,551,340)		2,339,419				(1,572,063,258)	6,890,879
CCR	(390,903,775)	(374,423,043)	(281,451)	(8,058,955)		(2,063,166)				(384,826,614)	(6,077,160)
NUCLEAR	(44,764,784)		(89,022)	(44,208,315)		(118,474)				(44,415,812)	(348,973)
Non-Regulated and Miscellaneous				(136,252)		34,533				(101,719)	101,719
CORPORATE AIRCRAFT ALLOCATION			(2,407,275)			610,124				(1,797,151)	1,797,151
FRANCHISE FEE & GROSS RECEIPTS	(231,156,694)		(166,433)			(58,544,482)				(58,710,915)	(172,445,780)
FRANCHISE FEES & GROSS REC TAX - TOI					(235,094,391)	59,584,673				(175,509,717)	175,509,717
GAIN/LOSS ON DISPOSITION & OTHER						63,725		(251,432)		(187,706)	187,706
INST./PROMOTIONAL ADVERTISING			(2,030,115)			514,533				(1,515,583)	1,515,583
MISCELLANEOUS INTEREST EXPENSE			94,303			(23,901)				70,402	(70,402)
REMOVE ASSOC/ORGANIZATION DUES			(92,055)			23,331				(68,724)	68,724
REMOVE ECONOMIC DEVELOPMENT			(56,775)			14,390				(42,386)	42,386
PARENT DEBT ADJUSTMENT						(11,231,422)				(11,231,422)	11,231,422
DIRECTORS & OFFICERS PREMIUM			(1,040,214)			263,642				(776,572)	776,572
INTEREST SYNCHRONIZATION - FPSC						6,983,849				6,983,849	(6,983,849)
Total FPSC Adjustments	(2,394,139,898)	(1,941,150,368)	(132,473,554)	(71,872,190)	(236,507,707)	(7,259,737)			(251,432)	(2,389,514,988)	(4,624,910)
FPSC Adjusted	2,414,448,437		815,929,439	524,256,123	147,531,274	(2,844,357)	111,773,584	(16,955)	(251,432)	1,596,377,675	818,070,762

(a) The addition of earnings from AFUDC charges would increase the System NOI by 9,527,454 pretax
(b) The addition of earnings from AFUDC charges would increase the Jurisdictional NOI by 7,859,331 pretax

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	(11,920,667)	(11,920,667)
	ECCR	F	(25,618,196)	(25,618,196)
	ECRC	F	(253,982,409)	(230,424,446)
	FUEL	F	(104,133,306)	(104,117,034)
	CCR	F	(117,017,962)	(117,017,962)
	NUCLEAR	F	(28,163,491)	(28,163,491)
	Over\Under Recovery-Clauses	F	(154,991,205)	(154,991,205)
	Derivatives	F	3,798,109	3,798,109
	Employee Related	F	(0)	(0)
	Investments Earning a Return	F	(199,002,973)	(199,002,973)
	Jobbing Accounts	F	(7,211)	(7,211)
	Non-Regulated and Miscellaneous	F	(55,923,952)	(49,230,707)
	CWIP - AFUDC	F	(179,360,215)	(144,555,107)
	Imputed Off Balance Sheet Obligations	F	152,227,863	141,396,850
(3)	Capital Lease - EPIS	F	(548,543,247)	(501,234,234)
(2)	Capital Lease - Working Capital	F	443,314,421	413,262,137
(2)	Storm	F	(380,217,663)	(380,217,663)
	Total		(1,459,542,105)	(1,388,043,802)

Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(1,733,646)	439,393	(1,733,646)	439,393
	ECRC	F	(18,305,864)	4,639,621	(20,797,472)	5,271,119
	FUEL	F	9,646,759	(2,444,971)	9,230,299	(2,339,419)
	CCR	F	(8,140,326)	2,063,166	(8,140,326)	2,063,166
	NUCLEAR	F	(467,447)	118,474	(467,447)	118,474
	Non-Regulated and Miscellaneous	F	136,252	(34,533)	136,252	(34,533)
(2)	CORPORATE AIRCRAFT ALLOCATION	F	2,582,331	(654,492)	2,407,275	(610,124)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(230,990,261)	58,544,482	(230,990,261)	58,544,482
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	235,094,391	(59,584,673)	235,094,391	(59,584,673)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	270,691	(68,607)	251,432	(63,725)
(1)	INST./PROMOTIONAL ADVERTISING	F	2,177,745	(551,949)	2,030,115	(514,533)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(101,161)	25,639	(94,303)	23,901
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	98,750	(25,028)	92,055	(23,331)
	REMOVE ECONOMIC DEVELOPMENT	F	60,904	(15,436)	56,775	(14,390)
(2)	PARENT DEBT ADJUSTMENT	F		12,418,184		11,231,422
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,115,858	(282,814)	1,040,214	(263,642)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(7,292,126)		(6,983,849)
	Total		(8,555,025)	7,294,329	(11,884,647)	7,259,737

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

DUKE ENERGY FLORIDA
Average - Capital Structure
Pro Forma Adjusted Basis
Oct-19

	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	6,323,314,982	5,719,177,739	(433,342,979)	123,548,636	5,409,383,395	41.85%	9.50%	3.98%	10.50%	4.39%	11.50%	4.81%
Long Term Debt	5,997,371,340	5,424,375,151	(411,005,742)		5,013,369,409	38.78%	4.72%	1.83%	4.72%	1.83%	4.72%	1.83%
Short Term Debt *	251,040,220	227,055,530	(17,204,033)	(64,955,589)	144,895,909	1.12%	3.56%	0.04%	3.56%	0.04%	3.56%	0.04%
Customer Deposits												
Active	198,976,463	198,976,463	(15,076,477)		183,899,986	1.42%	2.44%	0.03%	2.44%	0.03%	2.44%	0.03%
Inactive	2,053,855	2,053,855	(155,621)		1,898,234	0.01%						
Investment Tax Credits **	37,032,103	33,494,010	(2,537,846)		30,956,164	0.24%	7.20%	0.02%	7.72%	0.02%	8.24%	0.02%
Deferred Income Taxes	2,900,032,203	2,622,959,581	(198,742,052)	(282,138,377)	2,142,079,153	16.57%						
Total	15,709,821,167	14,228,092,330	(1,078,064,750)	(223,545,330)	12,926,482,250	100.00%		5.90%		6.32%		6.74%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
Oct-19

	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	6,717,469,218	6,177,907,644	(454,303,443)	(13,640,678)	5,709,963,523	42.15%	9.50%	4.00%	10.50%	4.43%	11.50%	4.85%
Long Term Debt	5,910,413,000	5,435,675,917	(399,722,111)		5,035,953,806	37.17%	4.79%	1.78%	4.79%	1.78%	4.79%	1.78%
Short Term Debt *	356,360,000	327,736,398	(24,100,680)		303,635,719	2.24%	1.79%	0.04%	1.79%	0.04%	1.79%	0.04%
Customer Deposits												
Active	199,387,849	199,387,849	(14,662,341)		184,725,508	1.36%	2.43%	0.03%	2.43%	0.03%	2.43%	0.03%
Inactive	2,285,464	2,285,464	(168,066)		2,117,398	0.02%						
Investment Tax Credits **	41,693,776	38,344,842	(2,819,756)		35,525,086	0.26%	7.29%	0.02%	7.83%	0.02%	8.36%	0.02%
Deferred Income Taxes	2,995,644,413	2,755,027,811	(202,595,877)	(276,030,850)	2,276,401,084	16.80%						
Total	16,223,253,719	14,936,365,925	(1,098,372,274)	(289,671,528)	13,548,322,123	100.00%		5.88%		6.30%		6.72%
* 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	6,323,314,982	5,719,177,739	(433,342,979)	123,548,636	5,409,383,395	41.85%	9.50%	3.98%	10.50%	4.39%	11.50%	4.81%
Long Term Debt	5,997,371,340	5,424,375,151	(411,005,742)		5,013,369,409	38.78%	4.72%	1.83%	4.72%	1.83%	4.72%	1.83%
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Total	15,709,821,167	14,228,092,330	(1,078,064,750)	(223,545,330)	12,926,482,250	100.00%		5.90%		6.32%		6.74%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

DUKE ENERGY FLORIDA
End of Period - Capital Structure
FPSC Adjusted Basis
Oct-19

	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	6,717,469,218	6,177,907,644	(454,303,443)	(13,640,678)	5,709,963,523	42.15%	9.50%	4.00%	10.50%	4.43%	11.50%	4.85%
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Short Term Debt *	356,360,000	327,736,398	(24,100,680)		303,635,719	2.24%	1.79%	0.04%	1.79%	0.04%	1.79%	0.04%
Customer Deposits												
Active	199,387,849	199,387,849	(14,662,341)		184,725,508	1.36%	2.43%	0.03%	2.43%	0.03%	2.43%	0.03%
Inactive	2,285,464	2,285,464	(168,066)		2,117,398	0.02%						
Investment Tax Credits **	41,693,776	38,344,842	(2,819,756)		35,525,086	0.26%	7.29%	0.02%	7.83%	0.02%	8.36%	0.02%
Deferred Income Taxes	2,995,644,413	2,755,027,811	(202,595,877)	(276,030,850)	2,276,401,084	16.80%						
Total	16,223,253,719	14,936,365,925	(1,098,372,274)	(289,671,528)	13,548,322,123	100.00%		5.88%		6.30%		6.72%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$	920,979,882
AFUDC - DEBT	\$	2,959,305
INCOME TAXES		130,637,074
TOTAL	\$	1,054,576,262
INTEREST CHARGES (before deducting AFUDC-Debt)	\$	305,119,000
TIE WITH AFUDC		3.46

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$	920,979,882
AFUDC - EQUITY		(6,568,150)
INCOME TAXES		130,637,074
TOTAL	\$	1,045,048,807
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg asset carrying charge)	\$	305,119,000
TIE WITHOUT AFUDC		3.43

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

AFUDC DEBT	\$	2,959,305
X (1- INCOME TAX RATE)		0.74655
SUBTOTAL	\$	2,209,269
AFUDC -EQUITY	\$	6,568,150
TOTAL	\$	8,777,419
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS	\$	618,738,215
PERCENT AFUDC TO AVAILABLE NET INCOME		1.42%

D. PERCENT INTERNALLY GENERATED FUNDS*

NET INCOME	\$	626,024,166
COMMON DIVIDENDS		-
AFUDC (EQUITY)		(11,063,161)
DEPRECIATION & AMORTIZATION		804,759,062
DEFERRED INCOME TAXES		154,106,676
INVESTMENT TAX CREDITS		-
OTHER - INC NUCLEAR DECOMMISSIONING		(6,565,270)
OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL		(317,820,205)
TOTAL FUNDS PROVIDED	\$	1,249,441,268

CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$	1,745,104,787
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PERCENTAGE INTERNALLY GENERATED FUNDS **71.60%**

*As of September 2019 (updated quarterly)

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

Common Equity	\$	5,409,383,395
Long Term Debt	\$	5,013,369,409
Short Term Debt	\$	144,895,909
TOTAL	\$	10,567,648,713

% LONG TERM DEBT TO TOTAL **47.44%**

% SHORT TERM DEBT TO TOTAL **1.37%**

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

	Pro Forma	FPSC
FPSC AVERAGE		
EARNED RATE OF RETURN	6.19%	6.33%
LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:		
LONG TERM DEBT	1.83%	1.83%
SHORT TERM DEBT	0.04%	0.04%
CUSTOMER DEPOSITS	0.03%	0.03%
DEFERRED INCOME TAXES		
INVESTMENT TAX CREDITS	0.02%	0.02%
DEFERRED INCOME TAX (FAS 109)		
SUBTOTAL	1.92%	1.92%
TOTAL	4.27%	4.40%
DIVIDED BY COMMON EQUITY RATIO	41.85%	41.85%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.20%	10.52%