



September 27, 2016

Ms. Carlotta Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Ms. Stauffer:

Pursuant to Commission Rule 25-6.0143(1)(d), F.A.C., Use of Accumulated Provision Accounts (i.e., Storm Rule), Duke Energy Florida must notify the Commission in writing for each storm incident expected to exceed \$10 million. Duke Energy Florida incurred incremental costs in the process of restoring our customers from outages created by Hurricane Hermine which made landfall in the early hours of Friday, September 2, 2016.

Hurricane Hermine was a broad, slow moving tropical system that affected nearly all of Duke Energy Florida's territory. The center of circulation made landfall September 2<sup>nd</sup> near St. Marks, in the Big Bend area. The storm created localized tornados and high wind gusts, as well as excessive rainfall in some areas. Duke Energy Florida restored service to approximately 240,000 customers.

Duke Energy Florida has prepared our initial estimate of the incremental storm costs using the Incremental Cost and Capitalization Approach (ICCA) as indicated in Rule 25-6.0143. The initial incremental storm estimate is approximately \$20.5 million.

If you have any questions, please feel free to contact me at (704) 382-0241.

Sincerely,

A handwritten signature in black ink that reads "Crystal Jordening". The signature is written in a cursive, flowing style.

Crystal Jordening  
Manager, Florida Accounting and Reporting

cc: Mr. Bobby Pickels  
Mr. Jason Cutliffe