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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION STAFF

DIRECT TESTIMONY OF CURT MOURING

DOCKET NO. 20230116-EI

APRIL 14, 2025

Q. Please state your name and business address.

A. My name is Curt Mouring. My business address is 2540 Shumard Oak Boulevard, Tallahassee, FL, 32399.

Q. By whom are you presently employed and in what capacity?

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as the Director of the Office of Auditing and Performance Analysis. I have been employed by the Commission since April 2008.

Q. Please give a brief description of your educational background and professional experience.

A. I received a Bachelor of Science Degree in Finance from Florida State University in 2007. I have worked for the FPSC for 17 years, and I have experience in electric, gas, and water and wastewater regulation. I have worked on multiple utility dockets, including rate cases and cost recovery clauses, which require the review and implementation of Auditor's reports. In the course of my career, I have reviewed numerous Auditor's reports and the accompanying work papers. I am also familiar with sections of the Commission's Administrative Procedures Manual related to auditing and the Commission's Auditing Standard Operating Procedures that dictate how audits are to be performed.

Q. Please describe your current responsibilities.

A. As Director, my responsibilities include the oversight of both the financial and

1 performance based audits in my division.

2 **Q. Have you previously presented testimony before this Commission?**

3 A. Yes. I presented testimony before this Commission in the Sunshine Water Services
4 Company rate case, Docket No. 20240068-WS.

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to sponsor the staff Auditor's Report of Duke Energy
7 Florida, LLC. which addresses the Utility's filing in Docket No. 20230116-EI. This report is
8 filed with my testimony and is identified as Exhibit CM-1.

9 **Q. Was this audit completed by you or under your direction?**

10 A. Yes. It was completed under my direction.

11 **Q. Please describe the objectives of the audit and the procedures performed during
12 the audit?**

13 A. The objectives and procedures are listed in the Objectives and Procedures section of
14 the attached Exhibit CM-1 pages 4 through 6.

15 **Q. Please review the audit findings in this audit report.**

16 A. There were no findings in this audit report.

17 **Q. Does that conclude your testimony?**

18 A. Yes.

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State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing
Tallahassee District Office

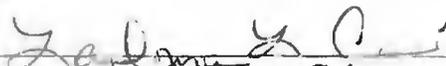
Auditor's Report

Duke Energy Florida, LLC
Storm Restoration Cost Audit – Hurricane Idalia

As of December 31, 2024

Docket No. 20230116-EI
Audit Control No. 2024-285-3-1
March 18, 2025


Jerry Hallenstein
Audit Manager


LaDonna Cain
Staff


Victor Cordiano
Staff


James Lyons
Staff


Curt Mouring
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting and Finance in its audit service request dated October 10, 2024. We have applied these procedures to the attached schedules prepared by Duke Energy Florida, LLC in support of its filing for storm restoration costs in Docket No. 20230116-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Duke or Utility refers to Duke Energy Florida, LLC.

Background

On October 16, 2023, Duke filed a petition seeking interim cost recovery for incremental storm costs associated with Hurricane Idalia. Interim recovery was granted in Order No. PSC-2023-0375-PCO-EI, issued on December 19, 2023. On September 23, 2024, Duke filed a petition seeking final approval of actual incremental storm costs related to Hurricane Idalia. According to the petition, Duke incurred \$97.7 million of incremental restoration costs related to Hurricane Idalia which made landfall on August 30, 2023.

Expense

Contractors

Objectives: The objectives were to determine whether contractor costs were properly stated, recorded in the period incurred, and related to Hurricane Idalia.

Procedures: We calculated the contractor costs from the General Ledger provided by Duke Energy Florida, LLC in Docket No. 20230116-EI, Exhibit JN-2 from line 8. We took all Contractor Costs and applied a filter of \$40,000 or greater. We selected a statistical sample with a confidence level of 95 percent and a 10 percent margin of error resulting in a sample of 94 transactions. The selected sample of 94 transactions totaled \$29,917,440. The sample was split between \$23,303,029 in invoiced cost items and \$6,614,410 in non-invoiced cost items. The supporting documentation for the 94 transactions was requested and tested. No exceptions were noted.

Materials and Supplies

Objectives: The objectives were to determine whether materials and supplies were properly stated, recorded in the period incurred, and related to Hurricane Idalia.

Procedures: We calculated material and supplies costs from the General Ledger provided by Duke Energy Florida, LLC in Docket No. 20230116-EI, Exhibit JN-2 from line 9. We selected a judgmental sample of costs to test. The sample consisted of 10 transactions totaling \$5,727,394 which represents 43.32 percent of the total incremental Materials and Supplies costs. No exceptions were noted.

Other Storm Related Restoration Costs

Objectives: The objectives were to determine whether regular payroll, overtime, labor burden/incentives, overhead allocations, employee expenses, and internal fleet costs were properly stated, recorded in the period incurred, and related to Hurricane Idalia.

Procedures: We calculated other costs from the General Ledger provided by Duke Energy Florida, LLC, in Docket No. 20230116-EI on Exhibit JN-2 from lines 3, 4, 5, 6, 7, 10, 11, and 12. We selected a judgmental sample of other costs to test. The sample consisted of 10 transactions totaling \$6,750,678 which represented 34.82 percent of the costs in these cost categories. No exceptions were noted.

Capitalizable Costs

Objectives: The objectives were to determine whether the capitalizable costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143(1)(d), Florida Administrative Code (F.A.C.).

Procedures: We reviewed Rule 25-6.0143, F.A.C. We reviewed the General Ledger provided by Duke Energy Florida, LLC in Docket No. 20230116-EI Exhibits JN-1, JN-2, JN-3, and JN-4 documentation of the capitalized cost calculation for Hurricane Idalia, and documentation of the process and policies for storm cost capitalization. We requested a detail listing of all capitalizable costs noted in the Utility filing. We reviewed the capitalizable costs and calculations noted in the Utility filing. No exceptions were noted.

Third-Party Reimbursements

Objectives: The objective was to determine whether third-party reimbursement costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143 (1)(b), F.A.C.

Procedures: We reviewed Rule 25-6.0143, F.A.C. We inquired regarding third party reimbursements for Hurricane Idalia. Duke Energy Florida, LLC stated that “DEF did not use insurance to cover any Idalia costs.” No further work performed.

Non-Incremental Costs

Objectives: The objective was to determine whether non-incremental costs have been accounted for correctly and removed in their entirety from the recoverable costs as per Rule 25-6.0143, F.A.C.

Procedures: We reviewed Rule 25-6.0143, F.A.C. We reviewed the non-incremental cost from the documentation provided by Duke Energy Florida, LLC in Docket No. 20230116-EI, Exhibit JN-2. No exceptions were noted.

Jurisdictional Factors

Objectives: The objective was to determine the jurisdictional factors used by the Utility.

Procedures: We requested a detailed explanation as to the basis of the jurisdictional factors. We reviewed the documentation provided and determined that the factor authorized in FPSC Order PSC-2021-0202-AS-EI was used.

Audit Findings

None

Exhibit 1: Hurricane Idalia Cost Summary - Storm Reserve

Duke Energy Florida, LLC
 Storm Cost Recovery
 Cost Summary - Storm Reserve
 (\$000's)

Docket No. 20230116-EI
 Witness: New
 Exhibit JN-1
 Page 1 of 1

| Line No. | Description | Reference | Incremental Storm Cost | Storm Reserve Balance |
|----------|---|--------------|------------------------|-----------------------|
| 1 | Approved Reserve Balance - Retail (a) | | | \$ 131,848 |
| 2 | Actual Collected Reserve Balance as of December 31, 2023 | JN-2 Line 1 | | 63,206 |
| 3 | Uncollected Reserve Balance (b) | JN-3 Line 11 | | 68,641 |
| 4 | Storm Costs (2023) Idalia | JN-2 Line 30 | -97,653 | |
| 5 | Total Recoverable Restoration Costs 2024 - Retail | JN-2 Line 31 | | -34,447 |
| 6 | Amount Required to Restore Storm Reserve to \$131.8M | JN-4 Line 1 | 166,294 | 131,848 |
| 7 | Interest on Unamortized Reserve Deficiency Balance | JN-4 Line 7 | 217 | |
| 8 | Total Storm Recovery Amount - Retail | | | \$ 166,511 |
| 9 | Estimated Surcharge Revenue Collected - Retail through December 2024 (c) | JN-4 Line 2 | | 169,497 |
| 10 | Estimated Over-Recovered Retail Amount at 12/31/24 (c) | JN-4 Line 10 | | 2,986 |

Notes:

- (a) Amount of Storm Reserve approved per 2021 Settlement Order PSC-2021-0202-AS-EI.
- (b) Uncollected Storm Reserve balance as of December 31, 2023.
- (c) Over-recovery was calculated using DEF's 2024 Spring Sales Forecast to estimate revenues for months August 2024 - December 2024.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Idalia, by Duke Energy Florida, LLC.

DOCKET NO. 202300116-EI

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC.

DOCKET NO. 20230020-EI

DATED: April 14, 2025

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the testimony of Curt Mouring on behalf of the staff of the Florida Public Service Commission was electronically filed with the Office of Commission Clerk, Florida Public Service Commission, and copies were furnished by electronic mail to the following on this 14th day of April, 2025.

Matthew R. Bernier/
Stephanie A. Cuello
Duke Energy Florida
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
matt.bernier@duke-energy.com
stephanie.cuello@duke-energy.com
FLRegulatoryLegal@dukeenergy.com

Dianne M. Triplett
Duke Energy Florida
299 First Avenue North
St. Petersburg, Florida 33701
Dianne.triplett@duke-energy.com

Walt Trierweiler
Charles Rehwinkel
Office of Public Counsel
111 W. Madison Street, Room 812
Tallahassee, Florida 32399
Trierweiler.walt@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us

Stephanie U. Eaton, Esq.
Spilman, Thomas, & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC. 27103
seaton@spilmanlaw.com

Derrick Price Williamson, Esq./
Steven W. Lee, Esq.
Spilman, Thomas, & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA. 17050
dwilliamson@spilmanlaw.com
slee@spilmanlaw.com

James W. Brew
Laura Wynn Baker/
Sarah B. Newman
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson Street, NW
Suite 800 West
Washington, DC 20007-5201
jbrew@smxblaw.com
lwb@smxblaw.com
sbn@smxblaw.com

/s/ Suzanne Brownless

SUZANNE BROWNLESS

Special Counsel, Office of the General Counsel

FLORIDA PUBLIC SERVICE COMMISSION

Gerald L. Gunter Building

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Telephone: (850) 413-6199

sbrownle@psc.state.fl.us

discovery-gcl@psc.state.fl