



Stephanie A. Cuello  
SENIOR COUNSEL

February 27, 2026

**VIA ELECTRONIC FILING**

Adam J. Teitzman, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

*Re: Petition for Limited Proceeding for Recovery of Incremental Storm Restoration Costs  
Related to Hurricanes Debby, Helene and Milton by Duke Energy Florida, LLC;  
Docket No. 20240173-EI*

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC ("DEF"), please find enclosed for electronic filing in the above-referenced docket:

- DEF's Petition for Approval of Actual Incremental Storm Restoration Costs Related to Hurricanes Debby, Helene and Milton;
- Direct Testimony of William Todd Fountain.
- Direct Testimony of Jimmy New and Exhibit JN-1, Exhibit JN-2, Exhibit JN-3, Exhibit JN-4, Exhibit JN-5; and
- Direct Testimony of Christopher A. Menendez and Exhibit CAM-1.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1425 should you have any questions concerning this filing.

Respectfully,

*/s/ Stephanie A. Cuello*

Stephanie A. Cuello

SAC/clg  
Attachments

**CERTIFICATE OF SERVICE**

*Docket No. 20240173-EI*

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 27<sup>th</sup> day of February, 2026, to the following:

s/ Stephanie A. Cuello  
Stephanie A. Cuello

<p>Daniel Dose Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:ddose@psc.state.fl.us">ddose@psc.state.fl.us</a> <a href="mailto:discovery-gcl@psc.state.fl.us">discovery-gcl@psc.state.fl.us</a></p>	<p>Walt Trierweiler / Charles J. Rehwinkel Office of Public Counsel 111 W. Madison St., Rm 812 Tallahassee, FL 32399 <a href="mailto:trierweiler.walt@leg.state.fl.us">trierweiler.walt@leg.state.fl.us</a> <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a></p>
<p>Peter J. Mattheis / Michael K. Lavanga Joseph R. Briscar Stone Mattheis Xenopoulos &amp; Brew, PC NUCOR 1025 Thomas Jefferson Street, NW Suite 800 West Washington, DC 20007-5201 <a href="mailto:pjm@smxblaw.com">pjm@smxblaw.com</a> <a href="mailto:mkl@smxblaw.com">mkl@smxblaw.com</a> <a href="mailto:jrb@smxblaw.com">jrb@smxblaw.com</a></p>	<p>James W. Brew Laura Wynn Baker Sarah B. Newman Stone Mattheis Xenopoulos &amp; Brew, PC PSC Phosphate - White Springs 1025 Thomas Jefferson Street, NW Suite 800 West Washington, DC 20007-5201 <a href="mailto:jwb@smxblaw.com">jwb@smxblaw.com</a> <a href="mailto:lwb@smxblaw.com">lwb@smxblaw.com</a> <a href="mailto:sbn@smxblaw.com">sbn@smxblaw.com</a></p>
<p>Corey Allain Nucor Steel Florida, Inc. 22 Nucor Drive Frostproof FL 33843 <a href="mailto:corey.allain@nucor.com">corey.allain@nucor.com</a></p>	

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition by Duke Energy Florida, LLC,  
for limited proceeding for recovery of  
incremental storm restoration costs related  
to Hurricanes Debby, Helene and Milton

Docket No. 20240173-EI

Dated: February 27, 2026

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**PETITION BY DUKE ENERGY FLORIDA, LLC, FOR APPROVAL  
OF ACTUAL INCREMENTAL STORM RESTORATION COSTS  
RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

Duke Energy Florida, LLC (“DEF” or the “Company”), pursuant to Section 366.076(1), Florida Statutes, Rules 25-6.0143 and 25-6.0431, Florida Administrative Code, the 2024 Settlement Agreement approved by the Florida Public Service Commission (the “Commission”) in Order No. PSC-2024-0472-AS-EI, and Order No. PSC-2025-0061-PCO-EI (authorizing recovery of an interim storm cost recovery charge), hereby files this petition requesting approval of (a) DEF’s actual recoverable storm restoration costs related to Hurricanes Debby, Helene and Milton (the “Storms”), including replenishment of DEF’s storm reserve as contemplated by the 2024 Settlement Agreement and financing costs (the “Recoverable Storm Costs”), in the amount of \$915.3 million; and (b) the process for refunding or collecting any overcollection or shortfall in Recoverable Storm Costs at the conclusion of the interim charge previously authorized by this Commission. In support of this Petition, DEF states as follows:

**INTRODUCTION**

1. DEF is an investor-owned utility operating under the jurisdiction of the Commission pursuant to the provisions of Chapter 366, F.S. The Company’s principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

2. This Petition is being filed in accordance with the requirements of Rule 28-106.201, F.A.C.<sup>1</sup>

3. The Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399, is the agency affected by this Petition. The Commission has jurisdiction over this matter pursuant to Sections 366.04, 366.05, 366.06 and 366.076, F.S., and Rules 25-6.0143 and 25-6.0431, F.A.C.

4. For purposes of this Petition and the resulting proceeding, Petitioner's address shall be that of its undersigned counsel. Any pleading, motion, notice, order or other document required to be served upon DEF or filed by any party to this proceeding should be served upon DEF's undersigned counsel.

5. DEF does not know which, if any, of the issues of material fact set forth in the body of this Petition, or the supporting testimony and exhibits, may be disputed by any others who may plan to participate in this proceeding.

### **BACKGROUND AND OVERVIEW**

6. DEF serves more than 2.0 million retail customers in Florida. Its service area comprises approximately 20,000 square miles, including the densely populated areas of Pinellas and western Pasco Counties and the greater Orlando area in Orange, Osceola and Seminole Counties. DEF supplies electricity at retail to approximately 350 communities and at wholesale to municipalities, utilities, and power agencies in Florida.

7. On December 27, 2024, DEF filed a petition for a limited proceeding seeking authority to implement an interim storm restoration recovery charge to recover estimated

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<sup>1</sup> Portions of subsections (2)(b)(c) and (f) of Rule 28-106.201, F.A.C., do not apply to this proceeding and are, therefore, not being addressed in this Petition.

Recoverable Storm Costs that DEF incurred in the amount of \$1.09 billion in connection with the Storms (the “Interim Storm Charge”). On January 31, 2025, DEF submitted updated rate calculations for all rate classes (Appendix A) and revised tariffs (Appendix B). The updated calculations reflected revised cost allocation factors resulting in minor changes to storm recovery factors for all customers. The Commission approved the Interim Storm Charge for collection over the March 2025 through February 2026 timeframe. *See* Order No. PSC-2025-0061-PCO-EI. The Commission further ordered DEF to “file documentation of the total storm costs for our review and true-up of any excess or shortfall” after actual storm costs are known. *See id.* at p. 4.

8. On January 5, 2026, DEF filed a letter notifying the Commission that DEF’s storm restoration costs will be fully recovered and the storm cost recovery surcharge can be removed from customer bills at the end of January 2026. Updated tariff sheets showing removal of the storm costs were attached to the letter as Exhibit A for Staff Administrative approval. *See document no. 00039-2026.*

9. In accordance with Order No. PSC-2025-0061-PCO-EI, DEF is contemporaneously filing documentation demonstrating the actual storm costs DEF incurred in connection with the Storms. This documentation consists of the pre-filed testimony, with accompanying exhibits, of DEF witnesses William Todd Fountain, Jimmy New, and Christopher Menendez which (a) document DEF’s actual Recoverable Storm Cost amount of \$915.3 million; (b) demonstrate that those costs were prudently incurred; (c) demonstrate that DEF accounted for those costs in accordance with the Incremental Cost and Capitalization Approach (“ICCA”) contained in Rule 25-6.0143, F.A.C. and the Irma Settlement Agreement<sup>2</sup>; and (d) propose a

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<sup>2</sup> *See* Order No. PSC-2019-0232A-AS-EI, Docket No. 20170272-EI.

process for refunding or collecting any overcollection or shortfall in Recoverable Storm Costs at the conclusion of the Interim Storm Charge previously authorized by this Commission.

10. In his pre-filed testimony, Mr. Fountain describes the operation of the Company's storm plan, including the storm-related preparedness plans and processes that DEF utilized during the Storms. Mr. Fountain provides a discussion of the number of resources brought to bear in response to the Storms, the timeline DEF followed for onboarding resources (both native and non-native resources, including mutual assistance), mobilizing and demobilizing resources, and completing restoration efforts. Mr. Fountain also provides an overview of the storm-related costs incurred in responding to each of Storms.

11. As detailed in Mr. New's pre-filed testimony, DEF's actual Recoverable Storm Cost amount of \$915.3 million was calculated in accordance with the ICCA methodology required by Rule 25-6.0143, F.A.C., and following the Storm Restoration Cost Process Improvements included in the Irma Settlement. Mr. New describes how DEF tracked, recorded, and accounted storm costs during and after the storms, and explains the processes DEF has in place to ensure costs assigned to storms are in fact attributable to those storms. DEF's accounting records thoroughly track all storm restoration costs charged to DEF and the Company's payment of those charges.

12. In Mr. Menendez's testimony, he describes the process for recovering the Recoverable Storm Costs as well as the Company's proposal for handling any true-up after the cessation of the Interim Storm Charge.

13. Mr. Menendez's testimony also includes Deloitte & Touche LLP Independent Accountant's Report and Management Representation Letter as Exhibit CAM-1. This Report was

prepared and submitted as required in the Amended Joint Stipulations filed by DEF and Office of Public Counsel with the Commission on November 19, 2025, in the instant docket.

### **CONCLUSION**

Wherefore, DEF respectfully requests that the Commission (a) determine that DEF's actual Recoverable Storm Cost amount of \$915.3 million was prudently incurred; (b) determine that DEF's actual Recoverable Storm Costs were appropriately calculated in compliance with Rule 25-6.0143 and the Irma Settlement; (c) enter an order permitting DEF to collect or refund any under or overcollection of Storm Costs through the fuel clause as described in Mr. Menendez's pre-filed direct testimony; and (d) grant other such relief as the Commission determines appropriate.

Respectfully submitted,

/s/ Stephanie A. Cuello

**DIANNE M. TRIPLETT**

Deputy General Counsel

299 1<sup>st</sup> Avenue North

St. Petersburg, Florida 33701

T: (727) 820-4692

E: [dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com)

**MATTHEW R. BERNIER**

Associate General Counsel

106 East College Avenue, Suite 800

Tallahassee, Florida 32301

T: (850) 521-1428

E: [matt.bernier@duke-energy.com](mailto:matt.bernier@duke-energy.com)

**STEPHANIE A. CUELLO**

Senior Counsel

106 East College Avenue, Suite 800

Tallahassee, Florida 32301

T: (850) 521-1425

E: [stephanie.cuello@duke-energy.com](mailto:stephanie.cuello@duke-energy.com)

[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)

Attorneys for Duke Energy Florida, LLC

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

**DOCKET NO. 20240173-EI**

**DIRECT TESTIMONY OF WILLIAM TODD FOUNTAIN**

**February 27, 2026**

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 **A.** My name is William Todd Fountain. I am employed by Duke Energy Florida, LLC  
4 ("DEF" or the "Company"). My business address is 6571 38<sup>th</sup> Ave. N., St Petersburg,  
5 FL 33710.

6  
7 **Q. Please tell us your position with DEF and describe your duties and**  
8 **responsibilities in that position.**

9 **A.** I am the General Manager of Emergency Preparedness for Power Grid Operations  
10 responsible for Duke Energy Florida's ("DEF" or the "Company") annual hurricane  
11 season readiness, and when hurricanes strike, I serve as the Incident Commander  
12 for restoration.

13  
14 **Q. Please summarize your educational background and employment experience.**

1 **A.** I have over 34 years of experience in the utility industry. I began my career in 1991  
2 with then Florida Power Corporation and have worked my way up from my  
3 apprenticeship to making Journeyman Lineman. After spending time as a lineman, I  
4 moved into the Control Room as a dispatcher and later became the Director of the  
5 Dispatch Control Room. After spending a number of years in the Control Room, I  
6 became the Director of DEF's Distribution Vegetation Management program. After  
7 approximately four-and-a-half (4½) years as the Director of Vegetation Management,  
8 in June 2021, I assumed my current role as GM, Emergency Preparedness.  
9

10 **II. PURPOSE AND SUMMARY OF TESTIMONY**

11 **Q. What is the purpose of your testimony in this proceeding?**

12 **A.** I am testifying on behalf of the Company in support of recovery of DEF's incremental  
13 storm-related costs incurred responding to Hurricanes Debby, Helene and Milton  
14 ("the Storms"). I will begin by providing an overview of the total storm-related costs.  
15 I will discuss the operation of the Company's Storm Response Plan "(the Plan)",  
16 including the Company's goals and priorities as it prepares for, responds to, and  
17 recovers from a storm's impact on its system. I will conclude my testimony by  
18 describing DEF's successful efforts at implementing the Plan in response to the  
19 Storms and, ultimately, restoring electric service safely and efficiently to its  
20 customers.  
21

22 **Q. Are you sponsoring any exhibits to your testimony?**

1 A. No.

2

3 **Q. Please summarize your testimony.**

4 A. My testimony explains the Plan as well as implementation of the Plan in response to  
5 the Storms. My testimony demonstrates that the Company's preparations in  
6 advance of the Storms, actions in response to the Storms, and ultimately costs  
7 incurred responding to the Storms were prudent, and therefore the Company  
8 should be permitted to fully recover its Incremental Storm Restoration Costs.

9

10 **Q. Will you please provide a summary of the three Storms at issue?**

11 A. Yes.

12 Hurricane Debby

13 Hurricane Debby made landfall around 7AM EDT on Monday, August 05, 2024 near  
14 Steinhatchee, FL in the Big Bend region as a Category 1 hurricane with maximum sustained  
15 winds of 80 mph. The storm made landfall almost exactly where Hurricane Idalia moved  
16 ashore the previous year.

17

18 Debby slowly inched east-northeastward over Florida-North Coastal while weakening to a  
19 tropical storm. Significant rainfall and tropical-storm-force wind gusts continued through  
20 the afternoon across Monticello and eastward. Greatest impacts were seen across the  
21 Perry, Madison, Jasper, High Springs, and western Trenton region. Tropical-storm-force

1 winds were also observed from St Petersburg north to Crystal River and inland to  
2 Ocala/Gainesville. Strongest wind gusts across hardest-hit Coastal zones ranged 50-60  
3 mph, and isolated peak gusts to 65 mph. The Central Zones were less impacted due to  
4 Debby's wind field; however, wind gusts around 40 mph were observed.

5  
6 Extreme rainfall was observed around Suwannee County. Radar-indicated rainfall ranged  
7 10-14" in this area, including Live Oak and Suwannee Power Plant, which caused significant  
8 river flooding regionally at the Suwannee and Sante Fe Rivers. Total rainfall ranged 4-8"  
9 farther south along the I-75 corridor.

10  
11 Duke Meteorology began communication with Incident Command Leaders around July 26,  
12 nearly 10 days prior to Debby's eventual landfall, and advised initial planning procedures.  
13 The first outage and resource model was issued on August 1<sup>st</sup> showing two model scenarios,  
14 either riding northward along the Atlantic Coast or Gulf Coast. Eventually, DEF had enough  
15 confidence to focus on the Gulf Coast scenario and gradually increased the wind speed  
16 projections for South Coastal Zone, which increased the outage and resource forecasts.

17  
18 Actual wind speeds were close to forecast; however, there were stronger peak gusts from  
19 St. Petersburg to Brooksville and north to Ocala causing more outages and events than the  
20 model projections. Debby slowly organized into a Category 1 hurricane, and the wind field  
21 expanded farther east rather than constrict and compact toward the center of circulation.  
22 Duke Meteorology accurately predicted the outage peak of 50k to 100k but underestimated

1 on the total outages. The last high-range outage forecast prior to landfall was ~285K  
2 compared to actual outages ~370K.

#### 4 Hurricane Helene

5 Helene was a major Category 4 hurricane with peak winds of 140 mph at landfall just  
6 southwest of Perry, FL in Taylor County on September 26, 2024 around 11:10 PM. The storm  
7 devastated Florida’s Big Bend and Gulf Coast with extreme wind gusts and record storm  
8 surge inundation. Helene became the third hurricane to move ashore the Big Bend area  
9 within 13 months (Idalia, Debby, Helene). Helene quickly moved east-northeastward over  
10 Florida-North Coastal while gradually weakening overnight. The storm had essentially  
11 exited the Florida service area by sunrise the following morning. Greatest impacts were  
12 seen across Perry, Madison, Jasper, High Springs, Trenton, Ocala, Inverness and South  
13 Coastal, including the Barrier Islands of Pinellas County which were devastated by storm  
14 surge. Strongest wind gusts across hardest-hit Coastal zones ranged 80-90 mph, with gusts  
15 near 100 mph in the Perry area. The Central Zones were less impacted due to Helene’s wind  
16 field; however, wind gusts up to 60 mph were observed around the Orlando area.

17  
18 Helene rapidly exited the service area which helped cut down on major rainfall totals,  
19 however, 6-12” of rain was generally seen along the Florida Gulf Coast and Panhandle, with  
20 isolated higher amounts.

1 Equally as devastating as the wind field, Helene produced record storm surge levels and  
2 coastal flooding along the western Gulf Coast of Florida. Major flooding, debris and damage  
3 to structures were observed from the Tampa Bay Basin north to the Big Bend region. Among  
4 the hardest hit areas were those in the direct path of the storm including Steinhatchee,  
5 Horseshoe Beach and Cedar Key. Peak storm surge of 9.3 feet was observed in Cedar Key,  
6 surpassing 6.89 feet from Idalia the previous year, and rivals a record estimated to be near  
7 10 feet from an unnamed 1896 storm. Record storm surge up to 15 feet was estimated at  
8 Taylor and Dixie Counties and surge caused extensive damage to DEF's Crystal River Plant.

9  
10 Areas further south saw major coastal flooding and damage as well, particularly across  
11 Pinellas, Hillsborough and Manatee Counties. Tampa reported record storm surge up to 7  
12 feet. Estimated peak storm surge observed at the Barrier Islands ranged 7-9 feet.

13  
14 Duke Energy Meteorology began high-level communication with Incident Command  
15 Leaders around September 19<sup>th</sup> and issued the first resource model September 23<sup>rd</sup>. The  
16 forecast evolved through the 26<sup>th</sup> as models became better aligned with rapid intensification  
17 and faster timing. DEF tried to account for this bias leading up to Helene's landfall, and  
18 calculated a MID level customer projection between 400-600K (the HIGH range was around  
19 750K) which was low compared to actual outages of ~850K. Meteorology correctly advised  
20 the track would be farther east of the National Hurricane Center ("NHC") track toward Taylor  
21 County, resource adjustments were made to align with the HIGH range model.

1 Actual wind speeds were close to forecast; however, there were stronger 1-2 hour-duration  
2 peak gusts from St. Petersburg to Brooksville and hardest-hit North Coastal causing more  
3 outages and events than the model projections. Storm surge played a critical factor in  
4 outages for coastal counties, specifically in the Pinellas and Pasco areas.

### 6 Hurricane Milton

7 Hurricane Milton was an extremely powerful and devastating tropical cyclone which  
8 became the second-most intense Atlantic hurricane ever recorded over the Gulf of Mexico,  
9 behind only Hurricane Rita in 2005. Milton is one of three occurrences since records began  
10 in the 1840s to form in the western Gulf of Mexico and move eastward toward the FL Gulf  
11 Coast.

12  
13 The storm rapidly intensified to a powerful Category 5 hurricane on October 07, 2024 with  
14 winds of 180 miles per hour. The rate at which the storm intensified has only been observed  
15 twice in recent history (Wilma 2005, Felix 2007). At peak intensity, it had a pressure of 897  
16 millibars, making it the fifth-most intense Atlantic hurricane on record. Increasing wind  
17 shear caused the hurricane to weaken as it turned northeast toward Florida, falling to a  
18 Category 3 storm before landfall near Siesta Key around 8:30 PM October 9<sup>th</sup>.

19  
20 Milton quickly tracked eastward across central Florida impacting approximately 90% of the  
21 Florida service area customer base. Peak wind gusts were as high as 100 mph in coastal

1 Pinellas, Pasco, Hillsborough, and Manatee Counties. Strong wind gusts 60-80 mph were  
2 observed along the track into Central Florida and then weakened.

3 Milton underwent a common transition from tropical to extra-tropical due to its interaction  
4 with a front and upper-level trough. This resulted in extraordinarily strong wind gusts on  
5 Milton's rear as the storm was exiting the Atlantic coast. For some Central Zone locations,  
6 the winds on the backside were stronger than Milton's initial tropical wind field. Orlando  
7 and surrounding areas observed wind gusts as high as 86 mph resulting in considerable  
8 damage well east of where the storm moved inland.

9  
10 The track, timing and trough interaction resulted in a favorable environment to produce  
11 tornadoes prior to landfall. There were over 100 tornado warnings issued, and several  
12 tornadoes were EF-2 and EF-3, which is exceedingly uncommon for tropical systems. The  
13 number of tornado warnings was a Florida record. These tornadoes caused localized  
14 damage, including a DEF solar field in Lake Placid.

15  
16 Milton's track was originally feared to be the 'worst-case' scenario north of the Tampa Bay  
17 basin resulting in catastrophic storm surge. The storm came inland just south of Tampa/St.  
18 Petersburg avoiding significant storm surge for the Bay area. Total storm surge was only 1-  
19 3' in the worst areas. Water pushed away from the coast due to persistent easterly winds.

20  
21 Torrential rain across the I-4 corridor north resulted in significant rain totals of 16-20" in  
22 South Coastal and 8-16" north along I-75. Heavy rain also fell across the Central Zones.

1 Lakes and rivers quickly rose through the following weekend. Several rivers around Orlando  
2 area, like the St. John’s River, had moderate to major flood status due to Milton.

3  
4 Duke Energy Meteorology began high-level communication with Incident Command  
5 Leaders immediately following Hurricane Helene and started detailed discussions on  
6 October 4th, issuing the first resource model the weekend of the 5th. Meteorology favored  
7 the worst-case track across central Florida that would result in significant impacts.  
8 Surprisingly, forecast models were consistent with Milton’s track (despite the lack in  
9 intensity) allowing the resource model to remain consistent, though there were forecast  
10 adjustments. Once confidence was high, Meteorology communicated there was a high  
11 likelihood for 1M to 1.5M outages to unfold with Milton’s track and extreme peak wind gusts.  
12 Actual customers without power were 1.37M.

### 14 **III. THE COMPANY’S STORM RESPONSE PLAN**

#### 15 **Q. Please describe DEF’s Plan.**

16 **A.** DEF prepares for major storms year-round. Hurricane season readiness begins  
17 several months before the start of the season and includes training, drills, and  
18 implementation of lessons learned from the prior year. DEF’s comprehensive Storm  
19 Response Plan is modeled on Homeland Security’s Incident Command Structure  
20 (“ICS”) and incorporates the best practices the Company has developed from

1 experiences with past storms. The ICS affords rapid scalability in response to a  
2 specific threat.

3  
4 The scalability of ICS is reflected in DEF's three distinct levels of restoration  
5 response. Level 1 is for restoration events lasting 6-12 hours, Level 2 is for 12-24-  
6 hour events, and level 3 is for major events exceeding 24 hours and is designed for  
7 restoration on the scale of a hurricane. The same basic functions are performed at  
8 all storm levels, but as resources increase to match the storm's anticipated threat,  
9 the organization expands to ensure efficient restoration of the Company's system.  
10 While it is appropriate for an individual in a lower-level event to perform parts of  
11 several storm roles, those same roles are broken out and staffed by an increasing  
12 number of dedicated resources as the scope of restoration work increases. The  
13 decision to activate at a particular response level is made by the storm management  
14 team, and is guided by weather forecasts, resource modeling, and expected  
15 restoration duration. The flexibility of the Plan is such that, for any given restoration  
16 event, DEF may have an area operating at Level 2 while another area is activated at  
17 Level 3. This allows areas within the Company operating at a lower restoration level  
18 to finish sooner and release resources to work in regions operating at higher  
19 restoration levels.

20 The ICS is built upon three phases of storm restoration: (1) pre-storm activation, (2)  
21 outage repair and restoration, and (3) returning the electrical grid to normal. Pre-

1 storm activation begins as early as 120 hours prior to landfall, and includes detailed  
2 weather forecasting, modeling of potential damage and resource requirements, and  
3 preparation for support of logistics needs. The outage repair and restoration phase  
4 includes operational activities after storm impact to restore service to all customers  
5 capable of receiving it. Returning the grid to normal is necessary to restore DEF's  
6 electrical infrastructure to its pre-hurricane condition.

7  
8 **Q. Can you please describe the different roles within DEF's Storm Restoration**  
9 **Plan?**

10 **A.** Yes. Within the Plan there are a multitude of roles that facilitate an efficient  
11 restoration process. These roles are organized along five functional lines:

12 (1) Operations (restoration of service)

13 (2) Planning (forecasts, modeling, damage assessment, and situational awareness)

14 (3) Logistics (resources, staging, materials, and supplies)

15 (4) Governmental Liaison (coordination with state and county Governmental  
16 Agencies)

17 (5) External Communication (outreach and communication to customers,  
18 community leaders and media).

19  
20 Personnel are assigned roles under the Plan that may differ from their regular daily  
21 responsibilities and, as a result, it is imperative that they are adequately trained. This

1 training is normally completed in the second quarter of each year throughout the  
2 Company and within each of the functional areas of responsibility. To further ensure  
3 storm preparedness, DEF conducts storm readiness drills to test the effectiveness  
4 of the training program and employees' ability to execute their assigned storm roles.  
5 DEF's Storm Restoration Plan is coordinated with the state-wide storm preparedness  
6 efforts through participation in the state Emergency Operations Center ("EOC")  
7 coordinated storm drill conducted each May.

8  
9 **Q. When and how do you activate your ICS major storm organization?**

10 **A.** DEF's formal ICS activation process kicks off as soon as a threat is identified, which  
11 is typically 72 to 96 hours prior to forecasted landfall. DEF's initial focus is to  
12 ascertain the most detailed weather information available including date, time, and  
13 strength of the storm, path, size and wind fields, precipitation, and exact time when  
14 wind is anticipated to diminish and fall below 39 mph (DEF's limit for safe travel).

15 At 48 to 72 hours, DEF uses storm modeling tools to predict the amount of damage  
16 to DEF's system, where that damage will likely occur, and the quantity of resources  
17 required to quickly restore outages. Also considered are potential forecast variables  
18 including track and intensity changes, early hurricane arrival, and when travel  
19 conditions will deteriorate affecting travel to the DEF mustering locations. More  
20 specifically, the modeling tools estimate the number of personnel required, such as  
21 linemen, tree trimmers and damage assessors, providing the Company an estimate

1 of the necessary scale of restoration response. At this point, efforts are focused on  
2 notifying DEF customers and employees of potential impact and beginning storm  
3 readiness activities and initial efforts to acquire resources. A progression of pre-  
4 landfall checklists is followed to ensure orderly preparation each day thereafter.

5  
6 **Q. How does DEF use the information from predictive hurricane damage models?**

7 **A.** Once DEF has estimated the number of resources required and where and to what  
8 extent each region within DEF's service territory will be impacted, several processes  
9 begin in unison. DEF's Resource Management function secures commitments for  
10 restoration manpower and Staging and Logistics prepares to open mustering and  
11 base camp sites to receive them.

12 Resource Management

13 Resource Management first secures internal line and tree resource commitments  
14 from other Duke Energy jurisdictions. Internal Duke Energy personnel are available  
15 immediately and can be moved into forward positions to expedite restoration. Next,  
16 DEF contacts the Southeastern Electric Exchange Mutual Assistance Group ("SEE  
17 Mutual Assistance" or "Mutual Assistance") to secure commitments from the  
18 participating companies for remaining resource needs. SEE Mutual Assistance is  
19 governed by an existing agreement between all participating utilities. Most Mutual  
20 Assistance utilities assess the impact of the storm and hold resources until it is  
21 determined that their service territory will not be impacted. Utilities not in the storm's

1 projected path typically must travel from significant distances and must be activated  
2 several days prior to landfall.

### 3 Staging

4 Depending on the time, path, and confidence in the storm's expected impact,  
5 decisions concerning when committed crews are activated, paid to be mobilized,  
6 and sent to an off-site mustering location are made prior to landfall. To expedite the  
7 restoration process, DEF mobilizes crews to mustering sites located along  
8 Interstates 75, 4, and 95. Safety is the highest priority, so the sites ultimately used  
9 depend upon the path of the storm; DEF seeks sites as close as possible to expected  
10 damage without unnecessarily placing crews in harm's way. The number of crews  
11 mobilized and where they are mustered depends greatly on confidence in the  
12 weather forecast. Restoration is fastest when resources are pre-staged before  
13 driving conditions deteriorate.

### 14 Logistics

15 Concurrent with the acquisition of resources, DEF's Logistics function establishes a  
16 coordinated schedule to open mustering sites and base camps, and to secure  
17 anticipated lodging needs. The use of mustering sites allows the Company to  
18 validate rosters and crew compliments for billing; orient non-native crews to DEF's  
19 safety policies, switching practices, and technical specifications; and prepare crews  
20 for reassignment to a restoration base camp that accommodates truck parking,  
21 inventory storage, refueling, meals, and lodging.

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**Q. Is pre-staging restoration crews part of DEF’s Storm Restoration Plan, and is the practice supported by industry experience and regulatory guidance?**

**A.** Yes. About 24 hours before impact DEF focuses on pre-staging, which is an integral part of DEF’s Plan, a well-established industry best practice, and a hedge against uncertain hurricane forecasts (timing and location). When combined with strong logistics and operational procedures, acquiring resources prior to landfall reduces restoration time.

Rebuilding and repairing the electric grid after a hurricane requires more resources than native staffing. Not only must the area of impact and extent of direct damage be considered, but also the hurricane’s subsequent path that could affect travel to the state, access to damage, and availability of remaining resources. Securing, mobilizing, on-boarding, and strategically locating Mutual Assistance crews takes several days and must be initiated before weather impact is certain. Pre-staging decisions are based on detailed forecast data and advanced modeling tools developed and continuously improved through years of experience.

Pre-staging reduces overall restoration days and total customer outage hours. During a hurricane state of emergency, communities suffer economic loss and deal with threats to public health and safety. For these reasons, DEF’s primary objective

1 in storm response is the safest, fastest, most transparent restoration managed  
2 responsibly from a cost perspective.

3  
4 Pre-staging greatly improves the accuracy of Estimated Times of Restoration  
5 (“ETRs”). Accurate and early ETRs are vital to community first responders who are  
6 managing threats to public health and safety, and to customers who evacuated and  
7 are seeking to return home. ETRs are a combination of estimated repair man-hours  
8 and resources available to do the work. When available resources are in place and  
9 engaged in work, the resulting ETRs can be provided sooner and are far more  
10 accurate than when acquisition and mobilization uncertainties must be included.

11  
12 **Q. How does the Company on-board crews and what steps does the Company take**  
13 **to ensure that they are effectively utilized?**

14 **A.** The Company on-boards newly arriving crews at staging and logistics sites where  
15 rosters are verified, and arrival times documented. Crews go through a detailed  
16 overview of Company safety rules and protocols, as well as information on  
17 construction standards. Once restoration begins, crews are assigned to Restoration  
18 Coordinators (“RC”). The RC is a key oversight role for managing work. RCs assign  
19 their crews daily work packages that are prepared in advance and monitor progress  
20 of restoration. RCs also review time sheets and provide feedback to the storm center  
21 about crew effectiveness. This information is used by Operations and Logistics

1 during demobilization to sequence crew releases so that the more productive and  
2 lower cost crews are among the last to be released.

3  
4 **Q. How is DEF's resource plan developed?**

5 **A.** Resource plan commitments must be made far enough in advance to allow  
6 mobilization to strategically place mustering sites. The timing of crew mobilization is  
7 based on getting resources into position before driving conditions deteriorate and  
8 crew safety is endangered. The resource plan is continuously checked and adjusted  
9 as information becomes more certain. Adjustments can include both additions and  
10 releases of resources.

11  
12 Predictive damage modeling provides a target number of resources and is the basis  
13 for Mutual Assistance requests. The resource plan covers many risks including early  
14 hurricane arrival and increased strength (as Hurricane Michael quickly did in 2018,  
15 attaining Category 5 status at landfall), shifting of storm track, widening of wind field,  
16 tornadoes, and flooding. These risks are mitigated by the number of resources  
17 secured, skill type (e.g., line, tree, damage assessment), pre-position location, and if  
18 not pre-positioned, the influence of the hurricane on post-landfall highway travel.  
19 While these decisions are made, by necessity, with imperfect forecast information,  
20 the consequences of inaction are enormous and well-documented.

21  
22 **Q. What occurs as the storm begins to impact DEF's service territory?**

1 **A.** When the storm-force winds commence in DEF's service territory, the Distribution  
2 Control Center ("DCC") is in constant communication with the Energy Control  
3 Center ("ECC") and the Transmission Storm Center. The ECC gives both storm  
4 centers a thorough description of what transmission lines and substations are  
5 dropping out of service as the storm passes, giving the Company a real-time  
6 assessment of the location of the storm damage. Crews in the storm's direct path  
7 shelter in place where safe to do so, while crews on the boundaries respond to  
8 emergency calls. The ECC and storm centers jointly establish restoration priorities  
9 and coordinate restoration strategies to maintain grid stability.

10  
11 **Q. What happens after the storm passes?**

12 **A.** DEF's storm response has three main components: (1) governmental and Emergency  
13 Operation Center ("EOC") support and response; (2) statistical damage assessment;  
14 and (3) Assess, Isolate, and Restore ("AIR") feeder backbone restoration. These  
15 three components enable local and state governments to respond to the storm's  
16 impact and allow DEF to both estimate the amount of storm damage actually  
17 incurred by the Distribution system and begin restoration of the highest priority  
18 feeders.

19  
20 DEF can promptly respond as local governments and county EOCs encounter issues  
21 that require immediate attention. These issues may involve, for example, support for  
22 road clearing teams, or removing a downed power line with police personnel standing

1 by at the site. By having DEF personnel assigned to county EOCs, DEF can facilitate  
2 communication with various governmental agencies also at the EOCs, such as fire  
3 departments, to quickly respond to the site, take care of the downed line, and allow  
4 the government agency staff to pursue other critical assignments.

5  
6 Concurrent with these activities, DEF rapidly assesses a statistically valid sample of  
7 its total facilities to validate the damage and associated resources that were  
8 predicted by the model, and to provide operations management with more  
9 information for determining the best restoration strategy. As part of pre-storm  
10 season preparation, DEF identifies segments of feeders and associated branch lines  
11 in each area served by an Operation Center that are representative of the overall  
12 network of feeders and branch lines for the local area. As soon as the storm winds  
13 drop below 39 miles per hour, damage assessment teams are activated to get a  
14 better understanding of the damage to the Distribution system. The previously  
15 identified representative Distribution line segments are assigned to damage  
16 assessment teams who are responsible for a pole-by-pole survey of those segments,  
17 to inventory the extent of damage incurred, and return damage information to be  
18 compiled and analyzed. Based upon the storm damage found in this representative  
19 sample, DEF extrapolates the amount of storm damage for the rest of the local  
20 Distribution network and aggregates these assessments to get a system-wide storm  
21 damage estimate. These estimates are used to adjust the pre-landfall resource  
22 mobilization plan as needed.

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The AIR feeder backbone restoration process is a method by which DEF restores core infrastructure and catalogues storm damage for further repair. This process is intended to quickly restore the feeder backbone through the operation of switches only, inventory sections of the feeder that DEF cannot immediately restore and identify devices off the feeder that are not in service. DEF begins planning for the AIR effort prior to the storm season when each of the local management teams prioritize the order of restoration for critical feeders within their jurisdiction. Highest priority is assigned to feeders that are crucial to the health, safety, and welfare of the public.

**Q. How is the restoration phase of the storm plan carried out?**

**A.** At this juncture of the restoration efforts, DEF deploys resources to the local operating areas. To efficiently use this first wave of resources, DEF assigns them to the storm damage that was identified through the feeder AIR process. This allows the Company to assign the first wave to the highest priority work on the most critical components of the Distribution infrastructure. Based upon the information collected from the statistical assessment, including aerial storm damage assessments using drones and helicopters, information reported to DEF’s outage management system, and the knowledge of local management, the storm management team has the information it needs to determine what feeders require detailed damage assessment. When the detailed assessment of a feeder segment is complete, the results of that effort are compiled into an associated work package. This package

1 allows DEF to effectively communicate the scope of the work to be done and further  
2 assists the Company in managing productivity expectations of line and tree crew  
3 resources. Additionally, work package information assists local management in  
4 allocating resources and determining ETRs.

5  
6 **Q. How does the Company communicate information to its customers prior to,**  
7 **during and after a storm?**

8 **A.** Before a storm, the Company issues news releases, posts social media information  
9 related to storm and safety tips, issues public service announcements, sends  
10 customers emails focused on preparedness, and proactively shares stories with the  
11 media focused on DEF's preparedness efforts to inform customers. To address the  
12 needs of customers with medical or special needs, DEF conducts outbound call  
13 campaigns to ensure these customers are aware of pending severe weather and to  
14 prepare for potentially extended outages.

15  
16 The Company also launches a dedicated webpage focused on the specific storm  
17 event where the public can find news releases, safety tips, videos, restoration  
18 information and links to other valuable resources. Banners on the Company's main  
19 page direct customers to the storm and safety information and eventually to the  
20 dedicated storm webpage once it is launched. All pre-storm communications  
21 include storm and safety tips, and instructions on how to report outages. DEF's

1 proactive outreach to the media often results in interviews and stories focused on  
2 storm preparedness.

3  
4 During a storm, the Company develops daily messages for the media, customers,  
5 and field personnel. The Company publishes daily updates via news releases and  
6 social media on various topics, including storm damage, ETRs, and out-of-town  
7 resources. DEF secures TV, print, and radio advertising to provide restoration  
8 updates. Customers participating in DEF outage communication programs receive  
9 updates via email, phone, and text on restoration progress and ETRs. Ongoing  
10 updates regarding storm restoration are also provided on the Company's dedicated  
11 storm page which includes updated outage maps. Furthermore, during a storm  
12 event, updates are continuously provided to elected officials, community leaders  
13 and other stakeholders to ensure that they have the information needed to share with  
14 the public and to plan accordingly.

15  
16 After a storm, the Company prepares wrap-up messages to share with customers,  
17 community leaders, and other stakeholders. News releases are published to provide  
18 final outage-related numbers, thank customers for their patience, thank local first  
19 responders, and thank the companies that provided off-system resources.

20  
21 **Q. Does the Company update ETRs during the restoration process?**

1 **A.** Yes. DEF has three levels of ETRs: (1) an initial system level ETR; (2) a view of ETRs by  
2 city and county; and (3) device level ETRs. As the storm restoration progresses, DEF  
3 moves from higher level ETRs to increasing levels of detail, providing customers with  
4 immediate information. ETRs are continuously updated and expanded to greater  
5 levels of detail during restoration. Factors that influence ETR updates include  
6 integrating any new information the Company has collected; the extent and severity  
7 of the storm damage; the critical and priority restoration needs DEF may receive from  
8 ECC, state and local governments, and EOCs; and the availability of resources.  
9 Additionally, ETR's can be impacted by timing of resource arrival due to a number of  
10 external factors such as road and bridge closures, crews that have to travel through  
11 the path of the storm (after it has cleared), evacuee traffic, and lodging and fuel  
12 availability along major routes into the state. As required, DEF shifts line and tree  
13 crews, equipment, and material to address new priorities or to increase productivity.  
14 During restoration, DEF is constantly striving to improve ETRs and meet or exceed  
15 ETR goals.

16  
17 **Q. How does the Company wind down its restoration process?**

18 **A.** As the Company nears the completion of storm restoration work within any part of its  
19 service territory, DEF begins demobilization efforts. DEF makes a best faith effort to  
20 use the most productive and cost-effective resources during restoration. As a part of  
21 the demobilization plan, DEF surveys local management and RCs to assess  
22 productivity of the non-native line and tree personnel. Combining this information

1 with the daily cost of the personnel, DEF builds a restoration plan that retains the  
2 safest, most productive, cost-effective resources until no longer needed.

3  
4 **Q. Is there anything else that must be done after storm restoration is complete?**

5 **A.** Yes. The final phase of hurricane response is restoration of the system to its pre-  
6 storm status. When in the storm outage restoration phase, DEF performs the  
7 essential work necessary to restore the fundamental operating characteristics of the  
8 Distribution infrastructure. The initial primary focus is getting “lights on” and safety  
9 considerations rather than correcting all damaged facilities that are still capable of  
10 functioning. For example, during the storm outage restoration phase, DEF may leave  
11 in place poles that are damaged and in need of repair but are able to safely provide  
12 service to customers in the short term, capacitor banks and reclosers are returned  
13 to service only if immediately required, and animal mitigation hardware is not  
14 installed pursuant to DEF’s day-to-day standards. After the restoration efforts are  
15 concluded, DEF conducts electrical and physical condition sweeps of the feeder  
16 backbone and identifies the issues that require mitigation to return the Distribution  
17 system to its pre-storm state.

18  
19 The Company also conducts a “tree sweep” which is a detailed vegetation patrol of  
20 the feeder backbones to identify any storm damage to trees that were not mitigated  
21 during the storm restoration phase. The tree sweep is focused on cracked or broken  
22 limbs that are tenuously hanging over-top of facilities and will eventually come down.

1 Trained vegetation management personnel are responsible for identifying trees or  
2 branches damaged by the storm and immediately mitigating any such damage. This  
3 process requires considerable subject matter expertise because these issues can be  
4 camouflaged when the leaves are still green, meaning that only the most obvious can  
5 be easily identified.

6  
7 Once all restoration and sweeps have been completed the company then focuses on  
8 the After-Action Reviews and Lesson's Learned. Workgroups made up of Subject  
9 Matter Experts ("SME") are assembled and focus on areas that were successful so  
10 DEF can build on those practices as well as areas that did not go well so DEF can  
11 adjust the Plan to address any opportunities. The outcome of these workgroups and  
12 the identified adjustments are then incorporated into the upcoming storm drills and  
13 training sessions.

14  
15 **Q. How do you measure the effectiveness of your storm planning and restoration**  
16 **process?**

17 **A.** Beginning with restoration effectiveness, one of the main measures that the  
18 Company uses is the cumulative percentage of customers restored versus the  
19 projection of where DEF should be at the end of each day. Moving backward from  
20 DEF's final ETR goals, the Company sets milestones that must be achieved each day  
21 to achieve the overall goal. DEF generates these milestones down to the Operation  
22 Center level based on the amount of storm damage on DEF's system, the level of

1 resources at the Company's disposal, and DEF's restoration history. This analysis  
2 tells DEF whether it is being as effective as it needs to be and, if not, helps to highlight  
3 or correct any issues that may be impacting the Company's performance.

4  
5 Effective planning comes down to ensuring that the Company has the processes in  
6 place to provide maximum flexibility. Due to the nature of these storms, DEF will  
7 never be able to precisely predict the location and timing of the storms or the extent  
8 of damage they will create. It is more important that DEF's planning process ensures  
9 it has the flexibility to adapt to inevitable changes in the location, timing, and intensity  
10 of storms as they arise. In DEF's judgment, the planning process does in fact provide  
11 DEF with the flexibility needed to cope effectively with the hurricane season.

12  
13 Finally, safety of the restoration workforce is another critically important measure of  
14 effectiveness. There were no serious injuries and only one OSHA recordable injury  
15 occurred responding to the Storms. This injury was the result of sawdust getting into  
16 an employee's eye while operating a chainsaw.

17  
18 **IV. DEF'S INCREMENTAL COSTS INCURRED AS A RESULT OF HURRICANE DEBBY**

19  
20 **Q. Please identify what incremental costs the Company incurred in connection**  
21 **with Hurricane Debby.**

22 **A.** Incremental storm-related costs incurred by the Company attributable to Hurricane  
23 Debby are \$37.1M as shown on Exhibit JN-4 of the Direct Testimony of Jimmy New.

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**Q. Please describe Hurricane Debby and how DEF implemented the Plan you described above.**

**A.** Debby’s timeline and DEF’s response was as follows:

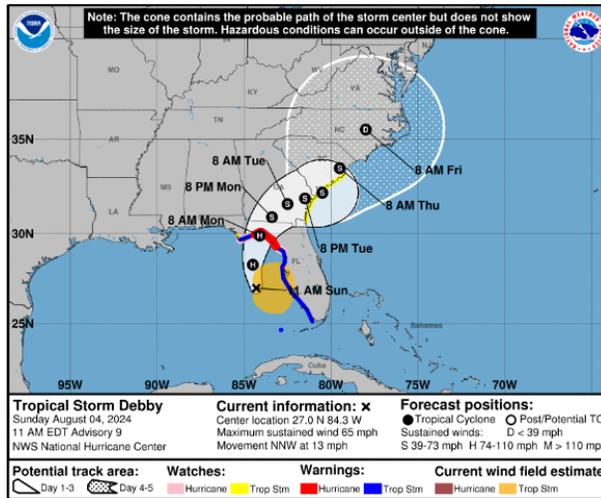
Duke Meteorology began communication with Incident Command Leaders around July 26,2024, nearly 10 days prior to Debby’s eventual landfall, and advised initial planning procedures. The first outage and resource model was issued on August 1<sup>st</sup> showing two scenarios either riding northward along the Atlantic Coast or Gulf Coast.

More than 3,700 Transmission and Distribution (“T & D’) line workers, damage assessors, tree-clearing crews and support personnel were mobilized. DEF opened six base camps across the state to support restoration efforts. These base camps included a mixture of alternate housing and offsite hotel lodging.

Prior to landfall, off-system resources were staged at three Base Camps – The Villages, Tropicana Field, and St Pete College Tarpon Base Camp. Once conditions were safe to travel, the resources were then assigned to the Operation Centers to begin restoration.

Early damage assessment and minor restoration began August 4<sup>th</sup> in the South Coastal zone. Distribution outages peaked at just under 83K on August 5<sup>th</sup> and the total customers impacted for the event was 370,642. Transmission teams restored

1 11 substations in the impacted areas, as well as 85-line segments and 28 Points of  
2 Delivery.



3  
4  
5 **Q. Please describe the Company’s process for seeking Mutual Assistance from**  
6 **outside sources and identify the date on which the Company communicated**  
7 **with Mutual Assistance organizations with respect to Hurricane Debby.**

8 **A.** Once a tropical system is identified that threatens DEF’s service territory, the  
9 process to acquire off-system restoration personnel is activated. There are primarily  
10 two avenues for acquiring off-system support. The first is through non-Investor-  
11 Owned Utility (“IOU”) vendors using pre-negotiated agreements. DEF had over 90  
12 vendor agreements in place prior to Hurricane Debby. The second avenue for off-  
13 system support is through the SEE Mutual Assistance process. Mutual Assistance  
14 calls are set up to assess resource availability from outside the projected storm  
15 impact area. Resources typically include linemen, vegetation management, damage  
16 assessment, support, and logistics personnel for both Distribution and Transmission

1 restoration work. Depending on the projected event timing and intensity, the  
2 objective is to have resources mobilized and pre-positioned ahead of impact. Due to  
3 the time it takes for crews outside Florida to mobilize, this requires the Company to  
4 incur costs for off-system resources based on NHC tropical weather forecasts,  
5 which are subject to change. Mobilization was based on travel distance and arrival  
6 at pre-stage locations south of the track before deterioration of safe driving  
7 conditions.

8  
9 **Q. When did the Company's Mutual Assistance costs for Hurricane Debby begin to**  
10 **accrue?**

11 **A.** Costs for Hurricane Debby began to substantially accrue on August 3, 2024, as crews  
12 were mobilized. Mobilization was based on travel distance and arrival at DEF  
13 mustering locations before driving conditions deteriorated to the point of being  
14 unsafe. As is industry standard, Mutual Assistance charging begins when the  
15 responding entities prepare to travel and work on DEF's system (examples include  
16 stocking material and preparing trucks and equipment for highway travel).

17  
18 **Q. Did the Company issue public announcements in connection with Hurricane**  
19 **Debby?**

20 **A.** Yes. To keep customers and the public updated on preparation and restoration  
21 efforts, DEF issued news releases in English and Spanish and responded to 20  
22 inquiries from TV, radio, and print media outlets.

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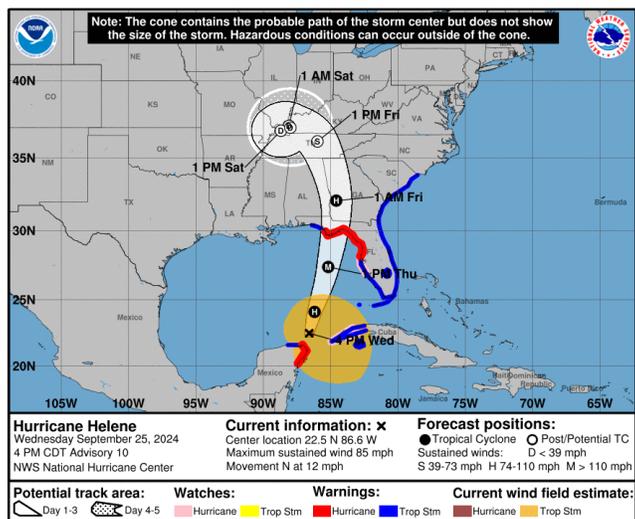
**Q. When was the Company fully restored from Hurricane Debby?**

**A.** DEF was fully restored by midnight on August 8, 2024.

**V. DEF'S INCREMENTAL COSTS INCURRED AS A RESULT OF HURRICANE HELENE**

**Q. Please describe your planning and response to Hurricane Helene and its impact on DEF's system?**

**A.** Hurricane Helene caused catastrophic damage across the Southeast U.S. in parts of Florida, Georgia, North and South Carolina, and Tennessee. Helene was a major Category 4 hurricane with peak winds of 140 mph at landfall just southwest of Perry, FL in Taylor County on September 26, 2024 around 11:10 PM. The storm devastated Florida's Big Bend and Gulf Coast with extreme wind gusts and record storm surge inundation.



1 Duke Energy Meteorology began high-level communication with Incident Command  
2 Leaders around September 19<sup>th</sup> and issued the first resource model September 23<sup>rd</sup>.  
3 The forecast evolved through the 26<sup>th</sup> as models became better aligned with rapid  
4 intensification and faster timing. Duke Energy Meteorology correctly advised the  
5 track would be farther east of the NHC track toward Taylor County.

6 Actual wind speeds were close to forecast means; however, there were stronger 1-2  
7 hour-duration peak gusts from St. Petersburg to Brooksville and hardest-hit North  
8 Coastal causing more outages and events than the model projections. Storm surge  
9 played a factor in outages for coastal South and Mid-Coastal Zones.

10  
11 Seven base camps were opened across the state to support restoration efforts. The  
12 base camps included a mixture of alternate housing and offsite hotel lodging. Before  
13 landfall, off-system resources were staged at Tropicana Field, The Villages and St.  
14 Petersburg College Tarpon mustering locations. Once Helene cleared the state, the  
15 remaining base camps were activated.

16  
17 A total of 5,321 T&D native and off-system line resources, 1,559 native and off-system  
18 vegetation, and 1,811 support personnel participated in Distribution and  
19 Transmission restoration activities for Hurricane Helene.

20  
21 **Q. Please identify what incremental costs DEF incurred in connection with**  
22 **Hurricane Helene.**

1 **A.** The incremental costs incurred by the Company in connection with Hurricane Helene  
2 are \$215.9M, as shown on Exhibit JN-3 of the Direct Testimony of Jimmy New.

3  
4 **Q. When did the Company’s Mutual Assistance costs for Hurricane Helene begin to  
5 accrue?**

6 **A.** Costs for Hurricane Helene began to substantially accrue on September 24, 2024

7  
8 **Q. Did the Company issue public announcements in connection with Hurricane  
9 Helene?**

10 **A.** Yes. To keep customers and the public updated on preparation and restoration  
11 efforts, DEF issued news releases in English and Spanish. In addition, DEF published  
12 daily social media posts which covered several topics including safety, storm  
13 damage, resources, updated outage information and restoration progress.

14  
15 **Q. When was the Company fully restored from Hurricane Helene?**

16 **A.** As of October 1, 2024, all DEF customers that could receive power had been restored

17  
18 **VI. DEF’S INCREMENTAL COSTS INCURRED AS A RESULT OF HURRICANE MILTON**

19 **Q. Please describe your planning and response to Hurricane Milton and its impact  
20 on DEF’s system?**

21 **A.** Duke Energy Meteorology began high-level communication with Incident Command  
22 Leaders immediately following Hurricane Helene and started detailed discussions on

1 October 4, 2024, issuing the first resource model the weekend of the 5<sup>th</sup>. Meteorology  
 2 favored the worst-case track across central Florida that would result in significant  
 3 impacts. Surprisingly, forecast models were consistent with Milton's track (despite  
 4 the lack in intensity) allowing the resource model to remain consistent, though there  
 5 were forecast adjustments. Once confidence was high, Meteorology communicated  
 6 there was a high likelihood of 1M to 1.5M outages within Milton's track and extreme  
 7 peak wind gusts.

8  
 9 A total of 13,722 Transmission and Distribution native and off-system line resources,  
 10 3149 native and off-system vegetation, and 1846 support personnel participated in  
 11 restoration activities for Hurricane Milton.



12 Twelve base camps opened across the state to support restoration efforts. The base  
 13 camps included a mixture of alternate housing and offsite hotel lodging. Before  
 14

1 landfall, off-system resources staged at Ritchie Bros and The Villages mustering  
2 locations. Once Milton cleared the state, the remaining ten base camps were  
3 activated.

4  
5 **Q. Please identify what incremental costs DEF incurred in connection with**  
6 **Hurricane Milton.**

7 **A.** The incremental costs incurred by the Company in connection with Hurricane Milton  
8 are \$650.5M, as shown on Exhibit JN-2 of the Direct Testimony of Jimmy New.

9  
10 **Q. When did the Company's Mutual Assistance costs for Hurricane Milton begin to**  
11 **accrue?**

12 **A.** Costs for Hurricane Milton began to substantially accrue on October 8, 2024 as off-  
13 system crews began to arrive.

14  
15 **Q. Did the Company issue public announcements in connection with Hurricane**  
16 **Milton?**

17 **A.** Yes. To keep customers and the public updated on preparation and restoration  
18 efforts, DEF issued news releases in English and Spanish. In addition, DEF published  
19 daily social media posts which covered several topics including safety, storm  
20 damage, resources, updated outage information and restoration progress.

21  
22 **Q. When was the Company fully restored from Hurricane Milton?**

1 **A.** As of October 16, 2024, all DEF customers that could receive power had been  
2 restored.

3  
4 **X. COMPLIANCE WITH THE HURRICANE IRMA SETTLEMENT’S PROCESS**  
5 **IMPROVEMENTS**

6  
7 **Q. Did DEF comply with the Storm Restoration Cost Process Improvements**  
8 **included as part of the Hurricane Irma Settlement Agreement when responding**  
9 **to the Storms and calculating incremental costs?**

10 **A.** Yes. Since entering the Agreement, DEF has developed detailed practices and  
11 policies to ensure compliance with the Process Improvements during a restoration  
12 event. DEF has also entered into service agreements with many vendors that  
13 include acknowledgment of and compliance with the vendor-specific process  
14 improvements. That said, as was noted in the Order, “all parties are in agreement  
15 regarding DEF’s primary objective following a storm, which is power restoration to  
16 its customers, and that ‘the company will not allow the policies and procedures to  
17 impede speedy power restoration for its customers.’”<sup>1</sup> In recognition of the primary  
18 importance of safe and speedy restoration, if a situation occurs during a restoration  
19 event that would result in Process Improvement compliance hampering, rather than  
20 aiding, restoration efforts, the Company would document why compliance is  
21 causing unwarranted delays, and then implement a work-around.

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<sup>1</sup> Order No. PSC-2019-0232-AS-EI, pg. 4.

1

2 **Q. Does this conclude your testimony?**

3 **A.** Yes.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

**FPSC DOCKET NO. 20240173-EI**

**DIRECT TESTIMONY OF JIMMY NEW**

**FEBRUARY 27, 2026**

1 **I. INTRODUCTION AND QUALIFICATIONS.**

2 **Q. Please state your name and business address.**

3 **A.** My name is Jimmy New. My current business address is 525 South Tryon  
4 Street, Charlotte, NC 28202.

6 **Q. By whom are you employed and what are your responsibilities?**

7 **A.** I am employed by Duke Energy Business Services, LLC, a Service Company  
8 affiliate of Duke Energy Florida, LLC (“Duke Energy Florida,” “DEF,” or the  
9 “Company”) and a subsidiary of Duke Energy Corporation (“DE”). My current  
10 position is Manager Finance II of Power Grid Operations Regulatory Support.  
11 I oversee a group that has responsibility for providing financial support for  
12 regulatory filings for Power Grid Operations. I collaborate with other finance  
13 personnel with responsibilities for Power Grid Operations, Customer  
14 Operations and Fossil/Hydro Generation Operations, and thus I am

1 representing the finance and accounting organizations that provide support  
2 to the functional groups of DEF that incur expenses during major storm  
3 events.

4  
5 **Q. Please summarize your educational background and professional  
6 experience.**

7 **A.** I have a Bachelor of Science Degree in Business Administration – Accounting  
8 from Appalachian State University in 2007. I began my career at Deloitte &  
9 Touche LLP in their Audit and Enterprise Risk Services area. In 2013, I joined  
10 Duke Energy's Internal Audit Department in Charlotte. In 2016 I joined the  
11 Financial Planning and analysis group as a Senior Financial Analyst  
12 supporting the Information Technology group and was later promoted to Lead  
13 Financial Analyst in 2018. I moved to the Customer Delivery Finance team in  
14 2021 and was promoted to Manager I in 2022 and later to Manager II in 2024.  
15 During my time in the Customer Delivery Finance organization my roles have  
16 largely been related to process development for capital investment as well as  
17 overview of some regulatory reporting including the Florida Storm Protection  
18 Plan. In February 2024, the Customer Delivery function and the Transmission  
19 function merged within Duke Energy to become the Power Grid Operations  
20 organization. I am a licensed CPA in North Carolina.

21  
22 **II. PURPOSE OF TESTIMONY.**

1 **Q. What is the purpose of your direct testimony?**

2 **A.** On December 27, 2024, DEF filed estimated storm costs in the instant docket  
3 associated with Hurricanes Debby, Helene and Milton (collectively referred to  
4 herein as the “Storms”). DEF filed updated portions of Appendix A and  
5 Appendix B on January 31, 2025. The purpose of my testimony is to explain  
6 and support the actual incremental costs of the Storms and to discuss the  
7 methods used to comply with Rule 25-6.0143, F.A.C., and the Storm Cost  
8 Settlement Agreement approved in Order No. PSC-2019-0232-AS-EI  
9 (“Agreement”) to identify and remove non-incremental O&M and capitalized  
10 costs from total storm restoration costs.

11

12 **Q. Do you have any exhibits to your testimony?**

13 **A.** Yes, I am sponsoring the following exhibits to my testimony:

- 14 • Exhibit JN-1 – Cost Summary – Storm Recovery Amount
- 15 • Exhibit JN-2 – Cost Summary – Hurricane Milton
- 16 • Exhibit JN-3 – Cost Summary – Hurricane Helene
- 17 • Exhibit JN-4 – Cost Summary – Hurricane Debby
- 18 • Exhibit JN-5 – Over-Recovery Calculation

19 These exhibits were prepared based on information kept in the normal course  
20 of business in the books and records of the Company and are true and  
21 accurate to the best of my knowledge.

22

1 **Q. Please describe the net costs for which recovery is sought in this**  
2 **proceeding.**

3 **A.** DEF is seeking recovery of incremental costs incurred in responding to the  
4 named Storms as defined under the Incremental Cost and Capitalization  
5 Approach (“ICCA”) methodology required under Rule 25-6.0143, F.A.C. The  
6 Company has prudently incurred \$915.3 million (retail) of incremental  
7 restoration costs as shown in Exhibit JN-1. These costs exclude all non-  
8 incremental costs and capital costs, as defined under the ICCA methodology  
9 and adopted under the Agreement. Recovery of the total storm restoration  
10 costs will also allow DEF to replenish the storm reserve (\$131.8 million) which  
11 was depleted by the Storms and includes interest expense (\$11.8 million) as  
12 shown on Exhibit JN-5 calculated at the commercial paper rate from March  
13 2025 to January 2026.

14  
15 **Q. Please explain how storm-related costs are tracked and accounted for**  
16 **during and after each storm, and the process that the Company uses to**  
17 **verify that costs assigned to the Storm were in fact related to the Storm**  
18 **and were incremental.**

19 **A.** When a potential major storm event is approaching its service territory, DEF  
20 creates separate project codes for each function (Transmission, Distribution,  
21 Generation, and Customer Service) to process and aggregate the total  
22 amount of storm restoration costs incurred for financial reporting and

1 regulatory recovery purposes. DEF uses these codes to account for all costs  
2 directly related to storm restoration, including costs that will not be  
3 recoverable from DEF's storm reserve, based on the ICCA methodology and  
4 as further clarified in the Agreement. All storm restoration costs charged to  
5 these storm projects are initially recorded in FERC Account 186,  
6 Miscellaneous Deferred Debits except for Transmission capital projects. All  
7 costs charged to FERC Account 186 are subsequently reviewed, and based on  
8 the outcome of that review, are cleared and charged to either the storm  
9 reserve (FERC Account 228.1), normal O&M expense or capital. I will further  
10 discuss the Company's process to review incurred costs and ensure only  
11 allowable costs as defined in the ICCA methodology and Agreement are  
12 included for recovery later in my testimony.

13  
14 **Q. Please further explain the process for accumulating accounting data**  
15 **related to storm costs.**

16 **A.** For Distribution, major storm costs are initially accumulated in FERC Account  
17 186, including charges that are considered non-incremental or capital. Using  
18 the ICCA methodology and Agreement, non-incremental amounts are  
19 identified and subsequently credited from FERC Account 186 and debited to  
20 base rate O&M expense. Capital costs are also identified and subsequently  
21 credited from FERC Account 186 and debited to FERC Account 107,  
22 Construction Work in Progress and FERC account 108, Accumulated

1 Depreciation, for the cost of removal. After non-incremental and capital costs  
2 are removed from FERC Account 186, the remaining balance is then credited,  
3 and FERC Account 228.1 is debited to bring FERC Account 186 to zero leaving  
4 only allowable costs for recovery in Account 228.1. Transmission follows the  
5 same process except that any capital work that is done during the major storm  
6 is charged directly to specific projects that are mapped to FERC Account 107.

7

8 **Q. Please explain the recoverable incremental costs incurred by DEF for the**  
9 **Storms.**

10 **A.** Exhibit JN-1 summarizes total recoverable storm costs for all storms:

- 11 • Hurricane Milton - \$650.5 million
- 12 • Hurricane Helene - \$215.9 million
- 13 • Hurricane Debby - \$37.1 million

14 As shown on Exhibit JN-2 through Exhibit JN-4, DEF's incurred costs for the  
15 Storms are broken into the categories below, and, when netted with non-  
16 incremental and capitalizable costs, are consistent with the ICCA  
17 methodology and the Agreement. Although my testimony focuses on  
18 Hurricane Milton, cost accumulation and review processes were similar for  
19 the other storms.

20

- 21 1. Regular Payroll – Amounts in this category represent regular labor  
22 payroll costs incurred by DEF employees or employees of affiliate

1 entities of DEF for time spent related to storm restoration activities. For  
2 Transmission and Distribution (“T&D”), the difference between the  
3 actual (October 2024) and 3-year historical average (October 2021-  
4 2023) O&M base payroll for the month(s) of the activities directly related  
5 to the storm in the absence of a storm was excluded from recoverable  
6 storm costs as the non-incremental amount.

7  
8 2. Overtime Payroll – Amounts in this category represent overtime labor  
9 costs incurred by DEF employees or employees of affiliate entities of  
10 DEF for time spent related to storm restoration activities. For T&D, the  
11 difference between the actual (October 2024) and the 3-year historical  
12 average (October 2021-2023) O&M overtime for the month(s) of the  
13 activities directly related to the storm in the absence of a storm was  
14 excluded from recoverable storm costs as the non-incremental amount.

15  
16 3. Labor Burdens/Incentives – Amounts in this category include employee  
17 bonuses and costs such as medical, payroll tax and other non-incentive  
18 benefits incurred by DEF employees or affiliate entities of DEF for time  
19 spent related to storm restoration activities. For T&D, the difference  
20 between the actual (October 2024) and the three-year historical average  
21 (October 2021-2023) O&M labor burdens/incentives for the months(s) of  
22 the activities directly related to the storm in the absence of a storm was  
23 excluded from recoverable storm costs as the non-incremental amount.

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Bonuses paid to employees for their extraordinary efforts and dedication to DEF’s customers were removed from this Storm cost recovery request. Note, while the Company believes the bonuses paid to overtime-eligible employees are properly recoverable, DEF is not seeking recovery of those costs. In this matter, DEF did not perform the calculation to remove bonuses paid prior to the Deloitte engagement, resulting in a slight difference of approximately \$670 thousand between the recoverable actual costs and the amount reviewed by Deloitte.

- 4. Overhead Allocations – Amounts in this category include costs, such as employee labor from support organizations, related to employees of DEF or employees of affiliate entities of DEF that are allocated to the storm project based on payroll and overtime charges. Overhead Allocations are non-incremental except where such costs are included in capital. The capitalizable amounts are ultimately removed from the recovery amount.
  
- 5. Employee Expenses – Amounts in this category include costs of lodging for employee and contractor crews and expenses such as meals and mileage reimbursement for employees using their personal vehicles during storm restoration.

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- 6. Contractor Costs – Amounts in this category include time and equipment costs incurred by third party contractors hired for storm restoration activities. For T&D, the difference between the actual (October 2024) and the three-year historical average (October 2021-2023) contractor costs for the month(s) of the activities directly related to the storm in the absence of a storm was excluded from recoverable storm costs as the non-incremental amount.
  
- 7. Materials and Supplies – Amounts in this category include materials and supplies used to repair and restore service and facilities to pre-storm condition and exclude the portion of materials and supplies used in restoration activities that are included in capitalized cost. Fuel costs associated with fueling services utilized during restoration to re-fuel contractor vehicles are also included as part of materials and supplies.
  
- 8. Internal Fleet Costs – Amounts in this category include fuel and maintenance costs for DEF fleet vehicles. For T&D, the difference between the actual (October 2024) and the three-year historical average (October 2021-2023) variable fleet costs for the month(s) of the activities directly related to the storm in the absence of a storm was excluded from recoverable storm costs as the non-incremental amount.

1 9. Uncollectible Account Expenses – DEF is not seeking recovery of  
2 uncollectible account expenses.

3  
4 10. Other Expenses – Amounts in this category include other minor amounts  
5 of storm-related expenses not included in one of the categories above.

6  
7 The Company has support for the Storm costs on Exhibit JN-1 available for  
8 Commission review.

9

10 **Q. Is the Company including for recovery in this filing any costs prohibited**  
11 **from recovery under the ICCA methodology and the Agreement?**

12 **A.** No. DEF is not including any costs prohibited from recovery under the ICCA  
13 methodology (that is, the types of costs identified in paragraph (1)(f) of the  
14 Rule) or the Agreement. In the preceding section of my testimony, I discussed  
15 allowable costs as well as amounts DEF excluded from this recovery request  
16 based on DEF’s determination that certain of the costs were non-incremental  
17 or capitalizable.

18

19 **Q. Please explain the amounts capitalized to property, plant and equipment**  
20 **by the Company.**

21 **A.** The ICCA methodology states, “. . . capital expenditures for the removal,  
22 retirement and replacement of damaged facilities charged to cover storm-

1 related damages must exclude the normal cost for the removal, retirement  
2 and replacement of those facilities in the absence of a storm.” Rule 25-  
3 6.0143(1)(d), F.A.C.

4  
5 DEF has a process to ensure all units of property (“UOP”) installed during  
6 storm restoration are capitalized at reasonable material and labor amounts  
7 (i.e., resulting in capital amounts at the normal cost for the removal,  
8 retirement, and replacement of those facilities), to ensure a storm cost  
9 recovery request that is incremental under the ICCA methodology.

10  
11 For Transmission, specific projects were issued for capital work allowing real-  
12 time tracking of those projects for material and equipment costs. As capital  
13 work was performed, associated labor costs were moved to the capital  
14 projects per the ICCA methodology.

15  
16 For Distribution, the Company’s tracking of materials allows for accounting of  
17 all units of property used during storm restoration resulting in the proper  
18 capitalization of those units of property. DEF’s Supply Chain organization  
19 issues materials directly to the storm project when shipped from the  
20 distribution center to the various base camps, and Supply Chain personnel at  
21 Operating Centers issue materials used during the storm to the storm project.  
22 Once the restoration effort was completed, all unused materials from the

1 base camps were picked up and brought back to the distribution center where  
2 they were placed in a specific area for return processing. All returned  
3 materials were segregated and tagged to be identified as materials initially  
4 charged to the storm restoration. The materials were then returned by  
5 applying the same accounting that was used during the restoration effort. As  
6 a result, only the actual units installed during storm restoration were  
7 capitalized.

8  
9 Once the number of UOPs were confirmed, the Company's Finance  
10 organization determined a normal, reasonable total dollar amount to  
11 capitalize those UOPs.

- 12
- 13 • Materials Costs – the number of each UOP was identified and grouped  
14 (e.g., poles, transformers, wire, etc.). The material costs associated with  
15 the UOP and the number of UOP then became the basis of the calculation  
16 to determine the estimated total capital amount. A material burden was  
17 applied to all materials which represents the cost associated with  
18 warehousing, handling, and shipping, and was reflected in the capital  
19 calculation. Working stock, which is generally accounted for as a burden  
20 of chargeable materials, was directly charged to the storm project.
  - 21 • Contract Labor - For each grouping of UOP, DEF's Resource Optimization  
22 group estimated the average number of hours to install under normal

1 conditions for that type of UOP and number of line resources needed. The  
2 average number of hours was multiplied by the number of resources to  
3 derive the total hours to install that UOP. Then a simple average was  
4 calculated of internal labor and native contractor rates and that rate was  
5 multiplied by the number of hours for each UOP to determine the  
6 estimated capital labor to install.

- 7 • Other costs – As part of the normal amount of capital cost for a UOP, an  
8 overhead allocation rate was applied based on the total number of  
9 estimated hours to install the UOP. This overhead rate is consistent with  
10 the rate used in DEF’s work management system – Maximo.

11  
12 The amount of storm costs capitalized is outlined in Exhibit JN-2 through  
13 Exhibit JN-4.

14  
15 **Q. In addition to T&D, please describe the other functional areas that**  
16 **incurred costs related to the Storm.**

17 **A.** Customer Service incurred incremental, non-budgeted costs for some of the  
18 same categories of costs as T&D. Generation and Transmission Incurred  
19 insurance deductible amounts that were included in recoverable storm  
20 costs as well.

21

1 **Q. Please explain why there could be further adjustments to the costs for**  
2 **which DEF is seeking recovery in this filing.**

3 **A.** As of the date of this filing, the Company has not yet finalized payment of all  
4 contractor services related to the Storms. The Company reserves the right to  
5 file supplemental schedules with any necessary adjustments with the  
6 Commission as appropriate.

7

8 **Q. Does this conclude your testimony?**

9 **A.** Yes.

10

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Line No.	Description	Reference	Incremental Storm Cost	Storm Reserve Balance
1	Reserve Balance (a)			\$ 131,848
2	<b>Storm Costs (2024)</b>			
3	Milton	JN-2, Line 30	-650,482	
4	Helene	JN-3, Line 30	-215,880	
5	Debby	JN-4, Line 30	-37,110	
6	Sub-Total		<u>-903,471</u>	
7	<b>Total Recoverable Restoration Costs 2024 - Retail</b>			<b>-771,623</b>
8	<b>Amount Required to Restore Storm Reserve to \$131.8M</b>		<u>903,471</u>	<u>131,848</u>
9	Interest on Unamortized Reserve Deficiency Balance	JN-5, Line 7	<u>-11,837</u>	
10	<b>Total Storm Recovery Amount - Retail</b>			<b>\$ 915,308</b>
11	<b>Surcharge Revenue Collected - Retail through January 2026</b>	JN-5, Line 2		<b>\$ 1,005,824</b>
12	<b>Estimated Over-Recovered Retail Amount at 01/31/2026</b>	JN-5, Line 10		<b>\$ 90,516</b>

**Notes:**

(a) Amount of Storm Reserve approved per 2024 Settlement Order PSC-2024-0472-AS-EI.

Line No.	Description	Actual Storm Costs By Function							Total	Storm Reserve Balance
		Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Solar	Customer Service		
1	Pre-Storm Reserve Balance								0	\$0
2	<b>Storm Related Restoration Costs - Milton</b>									
3	Regular Payroll	944	3,727					271	4,942	
4	Overtime Payroll	2,167	12,509					675	15,351	
5	Labor Burdens/Incentives	1,250	7,198					462	8,910	
6	Overhead Allocations	252	2,240					296	2,788	
7	Employee Expenses	3,328	36,576					106	40,009	
8	Contractor Costs	25,629	573,728					1,273	600,629	
9	Materials & Supplies	257	17,315					19	17,591	
10	Internal Fleet Costs	24	363					-	386	
11	Uncollectible Account Expenses	-	-					-	-	
12	Other	-	-					-	495	495
13	Insurance Deductible	500	-	552	221	357	370	-	2,000	2,000
14	<b>Subtotal - Storm Related Restoration Costs</b>	<b>34,349</b>	<b>653,654</b>	<b>552</b>	<b>221</b>	<b>357</b>	<b>370</b>	<b>3,103</b>	<b>495</b>	<b>693,102</b>
15	<b>Less: Estimated Non-Incremental Costs - Milton</b>									
16	Regular Payroll	(251)	(89)					(271)	(612)	
17	Overtime Payroll	(5)	(166)					-	(171)	
18	Labor Burdens/Incentives	(271)	(2,384)					(244)	(2,900)	
19	Overhead Allocations	(200)	-					(296)	(497)	
20	Employee Expenses	(8)	(48)					-	(56)	
21	Contractor Costs	(454)	(12)					-	(466)	
22	Materials & Supplies	(47)	(164)					-	(211)	
23	Internal Fleet Costs	-	(27)					-	(27)	
24	Uncollectible Account Expenses	-	-					-	-	
25	Other	-	-					-	-	
26	<b>Subtotal - Estimated Non-Incremental Costs</b>	<b>(1,238)</b>	<b>(2,890)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(812)</b>	<b>-</b>	<b>(4,939)</b>
27	Less: Capitalizable Costs	(1,094)	(27,578)							(28,672)
28	<b>Total Recoverable Restoration Costs - Milton - System</b>	<b>32,018</b>	<b>623,186</b>	<b>552</b>	<b>221</b>	<b>357</b>	<b>370</b>	<b>2,291</b>	<b>495</b>	<b>659,491</b>
29	Jurisdictional Factor (Order PSC-2021-0202-AS-EI)	72.042%	100.000%	97.403%	92.637%	95.110%	97.403%	100.000%	100.000%	
30	<b>Total Recoverable Restoration Costs - Milton - Retail</b>	<b>\$23,066</b>	<b>\$623,186</b>	<b>\$537</b>	<b>\$204</b>	<b>\$340</b>	<b>\$361</b>	<b>\$2,291</b>	<b>\$495</b>	<b>650,482</b>
31	<b>Post-Storm Reserve Balance</b>									<b>(\$650,482)</b>

Note: (a) Deloitte audit fee.

Line No.	Description	Estimated Storm Costs By Function							Total	Storm Reserve Balance
		Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Solar	Customer Service		
1	Pre-Storm Reserve Balance								0	\$0
2	<b>Storm Related Restoration Costs - Helene</b>									
3	Regular Payroll	604	2,199					111	2,914	
4	Overtime Payroll	1,842	7,347					452	9,641	
5	Labor Burdens/Incentives	1,000	4,538					264	5,803	
6	Overhead Allocations	114	827					198	1,139	
7	Employee Expenses	512	8,971					98	9,582	
8	Contractor Costs	8,504	191,952					157	200,613	
9	Materials & Supplies	399	22,112					3	22,515	
10	Internal Fleet Costs	20	193					-	213	
11	Uncollectible Account Expenses	-	-					-	-	
12	Other	-	39					-	39	
13	Insurance Deductible	46	-	454				-	500	
14	<b>Subtotal - Storm Related Restoration Costs</b>	<b>13,042</b>	<b>238,179</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,284</b>	<b>252,959</b>	
15	<b>Less: Estimated Non-Incremental Costs - Helene</b>									
16	Regular Payroll	(560)	(1,048)					(111)	(1,719)	
17	Overtime Payroll	(28)	(76)					(64)	(168)	
18	Labor Burdens/Incentives	(613)	(2,259)					(149)	(3,021)	
19	Overhead Allocations	(42)	-					(198)	(240)	
20	Employee Expenses	(1)	(207)					-	(208)	
21	Contractor Costs	(0)	(1,404)					-	(1,404)	
22	Materials & Supplies	(30)	(97)					-	(127)	
23	Internal Fleet Costs	(6)	-					-	(6)	
24	Uncollectible Account Expenses	-	-					-	-	
25	Other	-	-					-	-	
26	<b>Subtotal - Estimated Non-Incremental Costs</b>	<b>(1,280)</b>	<b>(5,090)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(522)</b>	<b>(6,892)</b>	
27	Less: Capitalizable Costs	(1,498)	(25,807)					-	(27,305)	
28	<b>Total Recoverable Restoration Costs - Helene - System</b>	<b>10,264</b>	<b>207,282</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>762</b>	<b>218,761</b>	
29	Jurisdictional Factor (Order PSC-2021-0202-AS-EI)	72.042%	100.000%	97.403%	92.637%	95.110%	97.403%	100.000%	100.000%	
30	<b>Total Recoverable Restoration Costs - Helene - Retail</b>	<b>\$7,394</b>	<b>\$207,282</b>	<b>\$442</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$762</b>	<b>\$0</b>	<b>\$215,880</b>
31	<b>Post-Storm Reserve Balance</b>									<b>(\$215,880)</b>

Line No.	Description	Estimated Storm Costs By Function							Total	Storm Reserve Balance
		Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Solar	Customer Service		
1	Pre-Storm Reserve Balance								0	\$0
2	<b>Storm Related Restoration Costs - Debby</b>									
3	Regular Payroll	355	1,218	-	-	-	-	7	-	1,580
4	Overtime Payroll	880	3,495	10	-	3	-	106	-	4,493
5	Labor Burdens/Incentives	507	2,185	1	(0)	2	0	53	-	2,748
6	Overhead Allocations	73	758	-	-	-	-	43	-	874
7	Employee Expenses	118	1,810	0	-	-	-	18	-	1,946
8	Contractor Costs	2,821	28,420	200	1	187	3	-	-	31,633
9	Materials & Supplies	177	3,283	14	20	16	-	-	-	3,510
10	Internal Fleet Costs	21	262	-	-	-	-	-	-	283
11	Uncollectible Account Expenses	-	-	-	-	-	-	-	-	-
12	Other	-	-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-	-
14	<b>Subtotal - Storm Related Restoration Costs</b>	<b>4,952</b>	<b>41,430</b>	<b>226</b>	<b>21</b>	<b>208</b>	<b>3</b>	<b>228</b>	<b>-</b>	<b>47,067</b>
15	<b>Less: Estimated Non-Incremental Costs - Debby</b>									
16	Regular Payroll	(289)	(416)	-	-	-	-	(7)	-	(712)
17	Overtime Payroll	(90)	(147)	-	-	-	-	(16)	-	(253)
18	Labor Burdens/Incentives	(272)	(1,057)	-	-	-	-	(33)	-	(1,362)
19	Overhead Allocations	(9)	(154)	-	-	-	-	(43)	-	(207)
20	Employee Expenses	(17)	(3)	-	-	-	-	-	-	(20)
21	Contractor Costs	(549)	(672)	-	-	-	-	-	-	(1,221)
22	Materials & Supplies	(12)	(38)	-	-	-	-	-	-	(49)
23	Internal Fleet Costs	(2)	(72)	-	-	-	-	-	-	(74)
24	Uncollectible Account Expenses	-	-	-	-	-	-	-	-	-
25	Other	-	-	-	-	-	-	-	-	-
26	<b>Subtotal - Estimated Non-Incremental Costs</b>	<b>(1,239)</b>	<b>(2,560)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(98)</b>	<b>-</b>	<b>(3,898)</b>
27	Less: Capitalizable Costs	(708)	(4,495)	-	-	-	-	-	-	(5,202)
28	<b>Total Recoverable Restoration Costs - Debby - System</b>	<b>3,005</b>	<b>34,375</b>	<b>226</b>	<b>21</b>	<b>208</b>	<b>3</b>	<b>129</b>	<b>-</b>	<b>37,967</b>
29	Jurisdictional Factor (Order PSC-2021-0202-AS-EI)	72.042%	100.000%	97.403%	92.637%	95.110%	97.403%	100.000%	100.000%	
30	<b>Total Recoverable Restoration Costs - Debby - Retail</b>	<b>\$2,165</b>	<b>\$34,375</b>	<b>\$220</b>	<b>\$20</b>	<b>\$198</b>	<b>\$3</b>	<b>\$129</b>	<b>\$0</b>	<b>37,110</b>
31	<b>Post-Storm Reserve Balance</b>									<b>(\$37,110)</b>

Duke Energy Florida, LLC  
Storm Cost Recovery  
Actuals: Mar 2025 - Jan 2026  
Over-Recovery Calculation  
(\$000's)

Line No.	Description	Actual March 2025	Actual April 2025	Actual May 2025	Actual June 2025	Actual July 2025	Actual August 2025	Actual September 2025	Actual October 2025	Actual November 2025	Actual December 2025	Actual January 2026	Total
1	Unrecovered Eligible Costs - Beg Balance	903,471	841,762	765,535	677,903	569,971	459,013	339,418	232,179	135,112	60,590	(9,854)	
2	Less: Current Month Surcharge Revenue	(64,378)	(78,628)	(89,751)	(109,706)	(112,333)	(120,550)	(107,762)	(97,240)	(74,523)	(70,443)	(80,510)	(1,005,824)
3	Unrecovered Eligible Costs Before Interest	839,093	763,134	675,784	568,197	457,638	338,463	231,656	134,939	60,590	(9,854)	(90,364)	
4	Monthly Average Eligible Costs	871,282	802,448	720,659	623,050	513,804	398,738	285,537	183,559	97,851	25,368	(50,109)	
5	Annual Interest Rate	4.33%	4.30%	4.32%	4.33%	4.32%	4.30%	4.08%	4.02%	3.92%	3.78%	3.64%	
6	Monthly Interest Rate	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.34%	0.34%	0.33%	0.32%	0.30%	
7	Monthly Interest on Unrecovered Storm Costs (a)	2,669	2,401	2,120	1,773	1,375	955	523	173	-	-	(152)	11,837
8	Unrecovered Storm Costs	709,915	633,687	546,056	438,123	327,165	207,571	100,331	3,265	-	-	-	
9	Approved Storm Reserve Balance	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	60,590	(9,854)	(90,516)	
10	Unrecovered Costs - Ending Balance	841,762	765,535	677,903	569,971	459,013	339,418	232,179	135,112	60,590	(9,854)	(90,516)	

**Note:**  
(a) Calculated using commercial paper rate

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**RE: PETITION BY DUKE ENERGY FLORIDA, LLC, FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

**DOCKET NO. 20240173-EI**

**DIRECT TESTIMONY OF CHRISTOPHER A. MENENDEZ**

**February 27, 2026**

1 **Q. Please state your name and business address.**

2 **A.** My name is Christopher A. Menendez. My business address is 299 1st Avenue  
3 North, St. Petersburg, Florida 33701.

4

5 **Q. By whom are you employed and what is your position?**

6 **A.** I am employed by Duke Energy Florida, LLC (“DEF” or the “Company”), as  
7 Director of Rates and Regulatory Planning.

8

9 **Q. Please describe your duties and responsibilities in that position.**

10 **A.** I am responsible for the Company’s regulatory planning and cost recovery,  
11 including the Company’s Storm Cost Recovery Filings.

12

13 **Q. Please describe your educational background and professional**  
14 **experience.**

1 **A.** I joined the Company on April 7, 2008. Since joining the Company, I have held  
2 various positions in the Florida Planning & Strategy group, DEF Fossil Hydro  
3 Operations Finance, and DEF Rates and Regulatory Strategy. I was promoted  
4 to my current position in April 2021. Prior to working at DEF, I was the Manager  
5 of Inventory Accounting and Control for North American Operations at Cott  
6 Beverages. I received a Bachelor of Science degree in Accounting from the  
7 University of South Florida, and I am a Certified Public Accountant in the State  
8 of Florida.

9

10 **Q. What is the purpose of your direct testimony?**

11 **A.** The purpose of my testimony is to explain DEF’s proposed true-up of any final  
12 over- or under-recovered amount related to the Interim Storm Restoration  
13 Recovery Charge approved by the Commission in Order No. PSC-2025-0061-  
14 PCO-EI (“the Order”). The Storm Charge was effective beginning the first  
15 billing cycle of March 2025 and ended with the last billing cycle of January  
16 2026, one month earlier than anticipated, because the amount intended for  
17 recovery was fully recovered<sup>1</sup>.

18

19 **Q. Do you have any exhibits to your testimony?**

---

<sup>1</sup> See document no. 00039-2026, the letter and related tariff sheets filed on January 5, 2026 in the instant docket notifying the Commission that DEF’s storm restoration costs will be fully recovered and the storm cost recovery surcharge can be removed from customer bills at the end of January 2026.

1 **A.** Yes, I am sponsoring Exhibit CAM-1 “Deloitte & Touche LLP Independent  
2 Accountant’s Report and Management Representation Letter”.  
3 I am also co-sponsoring Exhibit JN-5 attached to Mr. New’s direct testimony.  
4

5 **Q. Please describe the Interim Storm Restoration Recovery Charge.**

6 **A.** The Interim Storm Restoration Recovery Charge (“Storm Charge”) was  
7 designed to recover estimated incremental storm restoration costs of  
8 approximately \$1.09 billion associated with Hurricanes Debby, Helene, and  
9 Milton (the “Storms”), including interest and replenishment of the storm  
10 reserve, over a 12-month period from March 2025 through February 2026, or  
11 until fully recovered – as noted above, the estimated costs were fully  
12 recovered as of the last billing cycle of January 2026 and thus the Storm  
13 Charge was removed beginning with the first billing cycle for February 2026.  
14 The Order states “once the total actual storm costs are known, DEF shall file  
15 documentation of the total storm costs for our review and true-up of any  
16 excess or shortfall.” That is the purpose of this filing.  
17

18 **Q. How will DEF determine the final over- or under-recovery true-up amount**  
19 **related to the Storm Charge, and what is DEF’s proposal to refund or**  
20 **charge customers for any excess or shortfall?**

21 **A.** DEF will compare the final Storm Recovery Amount approved for recovery by  
22 the Commission to actual revenues from the Storm Charge to determine any  
23 excess (over-recovery) or shortfall (under-recovery). Interest will be applied

1 to this amount at the 30-day commercial paper rate. Thereafter, DEF  
2 proposes to collect or refund the excess or shortfall through the fuel clause  
3 as stated in Order No. PSC-2024-0377-FOF-EI, issued August 27, 2024.

4

5 **Q. How will DEF handle any additional invoiced costs received by DEF**  
6 **subsequent to this true-up filing?**

7 **A.** In the event DEF receives additional invoices for storm-related work from  
8 vendors or mutual-aid partners, any amounts properly paid will be charged  
9 against DEF's storm reserve and presented for Commission review in the next  
10 proceeding where DEF petitions for review and recovery of such amounts.

11

12 **Q. Does this conclude your testimony?**

13 **A.** Yes.

14

15

16

17

18

19

20

21

22



**Deloitte & Touche LLP**  
650 South Tryon Street  
Suite 1800  
Charlotte, NC 28202  
USA

## INDEPENDENT ACCOUNTANT'S REPORT

Tel: +1 704 887 1500  
www.deloitte.com

To Duke Energy Florida  
299 First Avenue North St. Petersburg, FL 33701

We have examined management of Duke Energy Florida (the "Company") assertions in the Management Assertion on the Summary of Hurricane Milton Incremental Storm Restoration Costs Report ("Management's Assertion Report") that \$659,661,736 of incremental storm restoration costs (the "Restoration Costs") were incurred by the Company during the period from October 5, 2024 to January 31, 2025 (the "Eligible Period"), and that the Restoration Costs meet the Restoration Costs Criteria described in Note 1 to Management's Assertion Report (the "Criteria"). The Company's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination was not conducted for the purpose of evaluating the completeness of the amount of Restoration Costs in accordance with the defined Criteria during the Eligible Period. Accordingly, we do not express an opinion or any other form of assurance other than on management's assertions included in the accompanying Management's Assertion Report.

In our opinion, management's assertions in Management's Assertion Report that the \$659,661,736 of Restoration Costs were incurred by the Company during the Eligible Period in accordance with the Criteria are fairly stated, in all material respects.

A handwritten signature in black ink that reads "Deloitte &amp; Touche LLP".

February 23, 2026

### **Management Assertion on the Summary of Hurricane Milton Incremental Storm Restoration Costs**

Management of Duke Energy Florida (“DEF” or the “Company”) has prepared and is responsible for the completeness, accuracy, and validity of the accompanying Summary of Hurricane Milton Incremental Storm Restoration Costs Report for the period from October 5, 2024 to January 31, 2025 (the “Report”). Management asserts that \$659,661,736 of incremental storm restoration costs (the “Restoration Costs”) were incurred by the Company during the period from October 5, 2024 to January 31, 2025 and that the Restoration Costs meet the Restoration Costs Criteria described in Note 1 of the Report below.

Duke Energy Florida  
Summary of Hurricane Milton Incremental Storm Restoration Costs Report  
For the period from October 5, 2024 through January 31, 2025

	Amount (\$000)	Criteria Reference
Regular Payroll	\$ 4,330	A
Overtime Payroll	15,180	B
Labor Burdens/Incentives	6,676	C
Overhead Allocations	2,291	D
Employee Expenses	39,953	E
Contractor Costs	600,163	F
Materials and Supplies	17,380	G
Internal Fleet Costs	360	H
Insurance Deductible	2,000	I
Capitalizable Costs	<u>(28,672)</u>	J
 Total Restoration Costs	 \$ 659,661	

The accompanying note contains the criteria used to aggregate the Restoration Costs and is an integral part of this Report.

Duke Energy Florida  
Note on Criteria used for the Summary of Hurricane Milton Incremental Storm Restoration Costs Report  
For the period from October 5, 2024 through January 31, 2025

## 1. Cost Identification and Basis of Preparation

Restoration Costs are costs incurred from October 5, 2024 through January 31, 2025 that are directly related to the Hurricane Milton for which 1) employees, or employees of affiliated companies, have delivered a service for which base pay, overtime, and related costs and overheads have been paid, or 2) vendors have delivered a service for which an amount has been paid or is owed to the vendor. The Company maintains its accounting books and records in accordance with the accounting requirements and ratemaking practices of generally accepted accounting principles ("GAAP"), the Florida Public Service Commission ("FPSC"), and Federal Energy Regulatory Commission ("FERC"). The incremental Restoration Costs reflected in the Report have been accounted for in accordance with GAAP, FPSC, and FERC; and were recorded using storm project IDs designed to track Restoration Costs incurred to repair or replace the Company's electric transmission and distribution system and supporting operations, and the incurrence of liabilities which would not have otherwise occurred if not for Hurricane Milton. The Report reflects incremental Restoration Costs by cost category, which are described further in the following definitions:

- A. **Regular Payroll** represents regular labor payroll costs incurred by employees of DEF or employees of affiliate entities of DEF for time spent related to storm restoration activities. Regular payroll costs were evaluated on a monthly basis and only included those actual labor costs charged to storm project IDs that were (a) comprised of base pay for employees of DEF and employees of affiliate entities of DEF and (b) greater than the actual monthly average of base pay charged to operation and maintenance expense for the same month in the previous three calendar years\* supported by storm working papers.
- B. **Overtime Payroll** represents overtime labor costs incurred by employees of DEF or employees of affiliate entities of DEF for time spent related to storm restoration activities. Overtime payroll costs were evaluated on a monthly basis and only included those actual labor costs charged to storm project IDs that were (a) comprised of overtime pay for employees of DEF and employees of affiliate entities of DEF and (b) greater than the actual monthly average of overtime pay charged to the operation and maintenance expense for the same month in the previous three calendar years\* supported by storm working papers.
- C. **Labor Burdens/Incentives** represent costs such as medical, payroll tax, and other non-incentive benefits incurred by employees of DEF or employees of affiliate entities of DEF for time spent related to storm restoration activities. Labor burden costs were evaluated on a monthly basis and only included those actual labor costs charged to storm project IDs that were (a) comprised of labor burdens for employees of DEF and employees of affiliate entities of DEF and (b) greater than the actual monthly average of labor burdens charged to the operation and maintenance expense for the same month in the previous three calendar years\* supported by storm working papers.
- D. **Overhead Allocations** include costs, such as employee labor from support organizations, related to employees of DEF or employees of affiliate entities of DEF that are allocated to this storm project based on payroll and overtime charges.
- E. **Employee Expenses** include the cost of lodging for employees and contractor crews and expenses such as meals and mileage reimbursement for employees using their personal vehicles during storm restoration and supported by storm working papers.
- F. **Contractor Costs** represent the time and equipment costs incurred by third party contractors

hired for storm restoration activities. Contractor costs were evaluated on a monthly basis and only include those actual contractor costs charged to storm project IDs that were greater than the actual monthly average of contractor costs charged to the operation and maintenance expense for the same month in the previous three calendar years\* supported by storm working papers. Contractors are third-party vendors providing contract services in the utility industry.

- G. Materials and Supplies** include the materials and supplies used to repair and restore service and facilities to pre-storm condition that were charged to storm project IDs and supported by storm working papers. Fuel costs associated with fueling services utilized during restoration to re-fuel contractor vehicles are also included as part of materials and supplies.
- H. Internal Fleet Costs** include the fuel and maintenance costs for DEF fleet vehicles. Fleet costs were evaluated on a monthly basis and only included those actual fleet costs charged to storm reserve project work orders (i.e., charge codes) that were greater than the actual monthly average of fleet costs charged to the operation and maintenance expense for the same month in the previous three calendar years\* supported by storm working papers.
- I. Insurance Deductible** applied to certain storm damages. These costs were incurred by DEF to restore certain generation sites and transmission substations damaged by the storm and supported by insurance policy and claim. The insurance policy carries a \$2M deductible before the policy reimburses the company for any claim above the \$2M deductible.
- J. Capitalizable Costs** represent incremental materials, labor, and overhead costs that have been capitalized to property, plant, and equipment. Capitalizable costs are portrayed as a reduction to the incremental storm costs report because they are recovered via other rate case mechanisms. Capitalizable costs are calculated based off assumed non-storm conditions and are tracked and supported by the Company's capitalization workpapers.

*\*DEF is only seeking recovery for incremental storm restoration activities (i.e., transmission and distribution ("T&D") utility field activities) when greater than the actual monthly average of internal and contract labor (or related) costs and fuel costs, respectively, charged to operation and maintenance expense for the same month in the three previous calendar years. The three-year average was based on calendar years 2021-2023 with 2021 base case data used to represent 2022 and 2023. As applicable, management adjusted the historical monthly internal and contract labor (or related) costs and fuel costs charged to operation and maintenance expense from calculated monthly averages. Each adjustment was properly documented, including a detailed explanation of the nature and derivation of the adjustment.*

Duke Energy Corporation  
525 South Tryon Street  
Charlotte, NC 28202

February 23, 2026

Deloitte & Touche LLP  
650 South Tryon Street, Suite 1800  
Charlotte, NC 28202

We are providing this representation letter in connection with your examination engagement of Duke Energy Florida's (the "Company") assertion that \$659,661,736 of storm restoration costs (the "Restoration Costs") were incurred by the Company during the period from October 5, 2024 to January 31, 2025 (the "Eligible Period") in connection with a storm that National Weather Service has officially named Hurricane Milton (the "Storm"), and that the Restoration Costs meet the restoration costs criteria described in Note 1 to Management's Assertion.

We understand your engagement was designed for the purpose of expressing an opinion as to whether Management's Assertion is fairly stated in all material respects.

We confirm that we are responsible for the following:

- a. Our assertion that \$659,661,736 of Restoration Costs were incurred by the Company during the Eligible Period in connection with the Storm, and that Restoration Costs meet the criteria.
- b. Preparation and fair presentation of Management's Assertion is in accordance with the criteria.
- c. Selection of the criteria to measure or evaluate Management's Assertion.
- d. Determining the criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.
- e. The design, implementation, and maintenance of internal control:
  - Relevant to the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.
  - To prevent and detect fraud and error.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of Management's Assertion that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on Management's Assertion would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your examination engagement:

1. We have provided you with all information relevant to the engagement and access as agreed to in the terms of the engagement and reflected all relevant matters in the measurement or evaluation of the Management's Assertion.
2. We have measured or evaluated Management's Assertion against the applicable criteria, including that all relevant matters are reflected in the Management's Assertion.
3. All known matters contradicting Management's Assertion and any communication from regulatory agencies or others affecting Management's Assertion have been disclosed to you, including communications received between the end of the period addressed in Management's Assertion, and the date of the practitioner's report.
4. We have disclosed to you all deficiencies in internal control relevant to the engagement of which we are aware.
5. We are not aware of any actual, suspected, or alleged fraud or noncompliance with law or regulation affecting Management's Assertion, or potential contingent consequences which may arise therefrom.
6. We have complied with all contractual agreements that may affect Management's Assertion.
7. We have responded fully and truthfully to all inquiries made to us by you during your examination engagement.
8. We assert that the Restoration Costs include valid storm costs that are directly related to Hurricane Milton. These costs were incurred during the Eligible Period and are supported by appropriate documentation and appropriately charged to a valid category as required by the Company's policies and procedures. Costs included in the Restoration Costs were incurred to repair or replace the Company's electric transmission and distribution system as well as other operations, and the incurrence of liabilities which would not have otherwise occurred.
9. Your report is intended solely for the information and use of the specified parties, and is not intended to be, and will not be, used by anyone other than the specified parties.
10. We have prepared and reported Storm restoration costs in accordance with the incremental cost and capitalization approach (ICCA) required by the Florida Public Service Commission for rate-regulated utilities in the state of Florida and the application of ICCA has been determined appropriately in all material respects.

Except where otherwise stated below, immaterial matters collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, Management's Assertion.

11. There are no transactions, events, or amounts that have not been recorded or reflected in Management's Assertion.
12. There are no known events subsequent to the period (or point in time) of Management's Assertion reported, and through the date of this letter, that would have a material effect on Management's Assertion.

*Cynthia S. Lee*

---

Cynthia S. Lee  
SVP, CAO and Controller

*Casey O. Reedy*

---

Casey Reedy  
Director of Accounting – Midwest and Florida

*Christopher Menendez*

---

Christopher Menendez  
Director of Rates & Regulatory Planning

cc: Audit Committee of Duke Energy Florida

### Certificate Of Completion

Envelope Id: FF915BE5-20E1-486D-A658-F8D94B741C9B	Status: Completed
Subject: Complete with DocuSign: Management Rep Letter - Hurricane Milton Restoration Costs.pdf	
Source Envelope:	
Document Pages: 3	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Madeline Grace Doiron
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	4022 Sells Drive
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### Signer Events

Signer Events	Signature	Timestamp
Casey O. Reedy  Director of Accounting Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 192.234.122.28	Sent: 2/23/2026 10:37:22 AM Viewed: 2/23/2026 12:14:08 PM Signed: 2/23/2026 12:16:15 PM

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 Company Name: Deloitte

Christopher Menendez  Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 192.234.122.28	Sent: 2/23/2026 10:37:24 AM Viewed: 2/23/2026 10:42:42 AM Signed: 2/23/2026 11:08:59 AM
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 ID: 954feff5-2ff6-4fd3-bd10-6ed630e9fca0  
 Company Name: Deloitte

Cynthia S. Lee  SVP, Chief Accounting Officer & Controller Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 192.234.122.28	Sent: 2/23/2026 10:37:23 AM Viewed: 2/23/2026 1:29:00 PM Signed: 2/23/2026 1:31:03 PM
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Envelope Sent	Hashed/Encrypted	2/23/2026 10:37:24 AM
Certified Delivered	Security Checked	2/23/2026 1:29:00 PM
Signing Complete	Security Checked	2/23/2026 1:31:03 PM
Completed	Security Checked	2/23/2026 1:31:03 PM

Payment Events	Status	Timestamps
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**Required hardware and software**

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
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Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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