



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

May 19, 2020

VIA ELECTRONIC DELIVERY

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 Hurricane Michael and Tropical Storm Alberto by Duke Energy Florida, LLC; Docket No. 20190110-EI*

Dear Mr. Teitzman:

Please find enclosed for filing on behalf of Duke Energy Florida, LLC ("DEF"), Supplemental Exhibits TM-1, TM-2, and TM-3.

To explain, the changes begin with Tom Morris's Exhibit TM-2, page 1 of 2 which was originally filed on November 22, 2019. Exhibit TM-2, Page 1(a) of 2 provides the adjustments (with notes at the bottom explaining those adjustments) and Page 1(b) of 2 provides the adjusted amounts. These adjusted amounts are then reflected in Exhibits TM-1 and TM-3. The total reduction in DEF's actual costs incurred in responding to the above-referenced storms is approximately \$2.5 million.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmK
Enclosure
cc: Parties of Record

(\$000's)

Line No.	Description	Reference	Incremental Storm Cost
1	Total Storm Costs		
2	Michael	Exhibit TM-2, Page 1(b), line 29	\$188,227
3	Alberto	Exhibit TM-2, Page 2, line 29	571
4	Total Recoverable Restoration Costs - Retail	line 2 + line 3	<u>188,798</u>
5	Plus: Interest	Exhibit TM-3	<u>3,676</u>
6	Total Storm Recovery Amount - Retail	line 4 + line 5	<u><u>\$192,474</u></u>

(\$'000's)

As filed on 11/22/19

(A) (B) (C) (D) (E) (F) (G)

Line No.	Description	REF.	Estimated Storm Costs By Function						Total
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service	
1	Pre-Storm Reserve Balance								0 [a]
2	Storm Related Restoration Costs - Michael								
3	Regular Payroll		1,079	1,208				46	2,332
4	Overtime Payroll		1,460	3,381				119	4,960
5	Labor Burdens/Incentives		1,792	2,170				114	4,077
6	Overhead Allocations		12,266	1,532				38	13,836
7	Employee Expenses		5,436	5,743				47	11,225
8	Contractor Costs		109,058	143,440				145	252,643
9	Materials & Supplies		13,222	13,911				8	27,142
10	Internal Fleet Costs		165	117				-	282
11	Uncollectible Account Expenses		-	-				-	-
12	Other		(3)	-				1	(2)
13	Subtotal - Storm Related Restoration Costs - Michael	lines 3:12	144,475	171,502	-	-	-	518	316,496
14	Less: Estimated Non-Incremental Costs - Michael								
15	Regular Payroll		(362)	(710)				(20)	(1,092)
16	Overtime Payroll		(29)	(429)				(27)	(485)
17	Labor Burdens/Incentives		(110)	(597)				(68)	(775)
18	Overhead Allocations		(1,378)	-				(35)	(1,413)
19	Employee Expenses		-	-				-	-
20	Contractor Costs		-	-				-	-
21	Materials & Supplies		(940)	-				-	(940)
22	Internal Fleet Costs		(1)	(80)				-	(81)
23	Uncollectible Account Expenses		-	-				-	-
24	Other		-	-				(1)	(1)
25	Subtotal - Estimated Non-Incremental Costs - Michael	lines 15:24	(2,820)	(1,815)	-	-	-	(151)	(4,786)
26	Less: Capitalizable Costs		(90,596)	(14,444)					(105,040)
27	Total Recoverable Restoration Costs - Michael - System	lines (13 + 25 + 26)	51,059	155,243	-	-	-	367	206,670
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%	
29	Total Recoverable Restoration Costs - Michael - Retail	lines (27 x 28)	\$35,845	\$154,562	\$0	\$0	\$0	\$367	\$190,774

Notes:

[a] - The Storm Reserve was depleted after Hurricane Irma and Nate. See Order No. PSC-2019-0232-AS-EI.

(\$000's)

Adjustments to 11/22/19 Filing

(A) (B) (C) (D) (E) (F) (G)

Line No.	Description	REF.	Estimated Storm Costs By Function						Total
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service	
1	Pre-Storm Reserve Balance								0
2	Storm Related Restoration Costs - Michael								
3	Regular Payroll		26	-				(0)	26
4	Overtime Payroll		11	-				27	38
5	Labor Burdens/Incentives		48	-				(27)	21
6	Overhead Allocations		718	-				0	718
7	Employee Expenses		4	-				0	5
8	Contractor Costs		499	(2,115)				(0)	(1,616)
9	Materials & Supplies		(79)	-				-	(79)
10	Internal Fleet Costs		94	-				-	94
11	Uncollectible Account Expenses		-	-				-	-
12	Other		0	-				-	0
13	Subtotal - Storm Related Restoration Costs - Michael	lines 3:12	1,322	(2,115)	-	-	-	0	(793)
14	Less: Estimated Non-Incremental Costs - Michael								
15	Regular Payroll		(0)	0				(0)	(0)
16	Overtime Payroll		(0)	0				0	0
17	Labor Burdens/Incentives		0	0				0	-
18	Overhead Allocations		0	0				0	-
19	Employee Expenses		0	(15)				(6)	(21)
20	Contractor Costs		(940)	0				0	(940)
21	Materials & Supplies		939	0				0	939
22	Internal Fleet Costs		0	0				0	-
23	Uncollectible Account Expenses		0	0				0	-
24	Other		0	0				0	-
25	Subtotal - Estimated Non-Incremental Costs - Michael	lines 15:24	(1)	(15)	-	-	-	(6)	(23)
26	Less: Capitalizable Costs		(1,920)	-				-	(1,920)
27	Total Recoverable Restoration Costs - Michael - System	lines (13 + 25 + 26)	(599)	(2,130)	-	-	-	(6)	(2,735)
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%	
29	Total Recoverable Restoration Costs - Michael - Retail	lines (27 x 28)	(\$421)	(\$2,121)	\$0	\$0	\$0	(\$6)	(\$2,547)

Notes: (A) (B) (C)

- Notes:**
- (A) *Transmission - Variance due to \$1.3M increase in Storm Related Restoration Costs for higher overhead allocations and contractor costs, offset by a \$1.9M increase in capital costs for the PX Line Rebuild to true-up to actual costs.
 Note> The initial filing inadvertently categorized (\$940k) of non-incremental Vegetation Management Contractors Costs in Materials & Supplies (Line 21). This filing corrects the non-incremental costs to Contractor Costs (Line 20).*
 - (B) *Distribution - Variance due to \$2.1M decrease in contractor costs as result of invoices incorrectly charged (\$1.7M) and a reduction in the overall estimate of outstanding invoices (\$0.4M).*
 - (C) *Customer Service - Variance due to slight increase in Non-Incremental Costs to adjust for final billed costs.*

(\$000's)

Adjusted Storm Costs

(A) (B) (C) (D) (E) (F) (G)

Line No.	Description	REF.	Estimated Storm Costs By Function						Total
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service	
1	Pre-Storm Reserve Balance								0 [a]
2	Storm Related Restoration Costs - Michael								
3	Regular Payroll		1,105	1,208				46	2,359
4	Overtime Payroll		1,471	3,381				146	4,999
5	Labor Burdens/Incentives		1,841	2,170				87	4,098
6	Overhead Allocations		12,984	1,532				38	14,554
7	Employee Expenses		5,440	5,743				47	11,230
8	Contractor Costs		109,557	141,326				145	251,028
9	Materials & Supplies		13,143	13,911				8	27,062
10	Internal Fleet Costs		259	117				-	376
11	Uncollectible Account Expenses		-	-				-	-
12	Other		(3)	-				1	(2)
13	Subtotal - Storm Related Restoration Costs - Michael	lines 3:12	145,797	169,387	-	-	-	518	315,703
14	Less: Estimated Non-Incremental Costs - Michael								
15	Regular Payroll		(362)	(710)				(20)	(1,092)
16	Overtime Payroll		(29)	(429)				(27)	(485)
17	Labor Burdens/Incentives		(110)	(597)				(68)	(775)
18	Overhead Allocations		(1,378)	-				(35)	(1,413)
19	Employee Expenses		-	(15)				(6)	(21)
20	Contractor Costs		(940)	-				-	(940)
21	Materials & Supplies		(1)	-				-	(1)
22	Internal Fleet Costs		(1)	(80)				-	(81)
23	Uncollectible Account Expenses		-	-				-	-
24	Other		-	-				(1)	(1)
25	Subtotal - Estimated Non-Incremental Costs - Michael	lines 15:24	(2,821)	(1,831)	-	-	-	(157)	(4,809)
26	Less: Capitalizable Costs		(92,515)	(14,444)				-	(106,959)
27	Total Recoverable Restoration Costs - Michael - System	lines (13 + 25 + 26)	50,460	153,113	-	-	-	361	203,935
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%	
29	Total Recoverable Restoration Costs - Michael - Retail	lines (27 x 28)	\$35,425	\$152,441	\$0	\$0	\$0	\$361	\$188,227

Notes:

[a] - The Storm Reserve was depleted after Hurricane Irma and Nate. See Order No. PSC-2019-0232-AS-EI.

(\$000's)

As filed on 11/22/19

(A) (B) (C) (D) (E) (F) (G)

Line No.	Description	REF.	Estimated Storm Costs By Function						Total
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service	
1	Pre-Storm Reserve Balance								0 [a]
2	Storm Related Restoration Costs - Alberto								
3	Regular Payroll		-	50				-	50
4	Overtime Payroll		-	200				-	200
5	Labor Burdens/Incentives		-	117				-	117
6	Overhead Allocations		-	45				-	45
7	Employee Expenses		-	48				-	48
8	Contractor Costs		-	441				-	441
9	Materials & Supplies		-	57				-	57
10	Internal Fleet Costs		-	18				-	18
11	Uncollectible Account Expenses		-	-				-	-
12	Other		-	-				-	-
13	Subtotal - Storm Related Restoration Costs - Alberto	lines 3:12	-	976	-	-	-	-	976
14	Less: Estimated Non-Incremental Costs - Alberto								
15	Regular Payroll		-	(50)				-	(50)
16	Overtime Payroll		-	(196)				-	(196)
17	Labor Burdens/Incentives		-	(41)				-	(41)
18	Overhead Allocations		-	(43)				-	(43)
19	Employee Expenses		-	-				-	-
20	Contractor Costs		-	-				-	-
21	Materials & Supplies		-	-				-	-
22	Internal Fleet Costs		-	(15)				-	(15)
23	Uncollectible Account Expenses		-	-				-	-
24	Other		-	-				-	-
25	Subtotal - Estimated Non-Incremental Costs - Alberto	lines 15:24	-	(345)	-	-	-	-	(345)
26	Less: Capitalizable Costs		-	(57)				-	(57)
27	Total Recoverable Restoration Costs - Alberto - System	lines (13 + 25 + 26)	-	574	-	-	-	-	574
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%	
29	Total Recoverable Restoration Costs - Alberto - Retail	lines (27 x 28)	\$0	\$571	\$0	\$0	\$0	\$0	\$571

Notes:

[a] - The Storm Reserve was depleted after Hurricane Irma and Nate. See Order No. PSC-2019-0232-AS-EI.

(\$000's)

Beginning Storm Reserve Balance per Exhibit BB-1 Filed 1/28/2019, in Docket No. 20170272-EI	(\$367,153)
Bond Issuance Costs	(1,264)
Adjusted Beginning Storm Reserve Balance	<u>(\$368,417)</u>
Interest (@ Bond rate of 2.1%)	(7,764)
Storm Cost Settlement Agreement (Note 1)	23,895
Amortization	<u>352,287</u>
Ending Storm Reserve Balance	<u>(\$0)</u>

Hurricane Irma						
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Month	Beginning Storm Reserve Balance	Amortization (Exh. MJO-2 Docket No. 20180047)	4/9/19 Storm Cost Settlement Agreement	Interest (2.10% APR)	Ending Storm Reserve Balance
					col. (C) + (D) + (E)	
1	Jan-18	(\$368,417)	\$12,892		\$12,892	(\$355,525)
2	Feb-18	(355,525)	12,892		12,892	(342,633)
3	Mar-18	(342,633)	12,892		(588)	(330,329)
4	Apr-18	(330,329)	12,892		(567)	(318,003)
5	May-18	(318,003)	12,892		(545)	(305,656)
6	Jun-18	(305,656)	12,892		(524)	(293,288)
7	Jul-18	(293,288)	12,892		(502)	(280,897)
8	Aug-18	(280,897)	12,892		(480)	(268,486)
9	Sep-18	(268,486)	12,892		(459)	(256,052)
10	Oct-18	(256,052)	12,892		(437)	(243,596)
11	Nov-18	(243,596)	12,892		(415)	(231,119)
12	Dec-18	(231,119)	12,892		(393)	(218,620)
13	Annual Total		154,707		(4,910)	149,797
14	Jan-19	(218,620)	12,892		(371)	(206,099)
15	Feb-19	(206,099)	12,892		(349)	(193,556)
16	Mar-19	(193,556)	12,892		(327)	(180,991)
17	Apr-19	(180,991)	12,892		(305)	(168,405)
18	May-19	(168,405)	12,892		(283)	(155,796)
19	Jun-19	(155,796)	12,892	23,895	(240)	(139,149)
20	Jul-19	(139,149)	12,892		(197)	(126,060)
21	Aug-19	(126,060)	12,892		(175)	(113,073)
22	Sep-19	(113,073)	12,892		(153)	(100,083)
23	Oct-19	(100,083)	12,892		(131)	(87,093)
24	Nov-19	(87,093)	12,892		(108)	(74,100)
25	Dec-19	(74,100)	12,892		(86)	(61,106)
26	Annual Total		154,707	23,895	(2,728)	175,874
27	Jan-20	(61,106)	12,892		(64)	(48,278)
28	Feb-20	(48,278)	12,892		(41)	(35,386)
29	Mar-20	(35,386)	12,892		(19)	(22,494)
30	Apr-20	(22,494)	4,196		(4)	18,294
31	May-20	0	0		0	0
32	Jun-20	0	0		0	0
33	Jul-20	0	0		0	0
34	Aug-20	0	0		0	0
35	Sep-20	0	0		0	0
36	Oct-20	0	0		0	0
37	Nov-20	0	0		0	0
38	Dec-20	0	0		0	0
39	Annual Total		42,873		(127)	42,746
40	Jan-21	0	0		0	0
41	Feb-21	0	0		0	0
42	Mar-21	0	0		0	0
43	Apr-21	0	0		0	0
44	May-21	0	0		0	0
45	Jun-21	0	0		0	0
46	Jul-21	0	0		0	0
47	Aug-21	0	0		0	0
48	Sep-21	0	0		0	0
49	Oct-21	0	0		0	0
50	Nov-21	0	0		0	0
51	Dec-21	0	0		0	0
52	Annual Total		0		0	0
53	Totals		<u>\$352,287</u>		<u>(\$7,764)</u>	<u>\$368,417</u>

Note 1: Total Adjustment on page 7 of Storm Cost Settlement Agreement Approved in Order PSC-2019-0232-AS-EI Approved June 13, 2019:

Page 7, Par 2.A.	18,000
Page 7, Par 2.B.	995
Page 7, Par 3	5,005
Total System Adjustment	<u>24,000</u>
Distrib Retail Sep Factor	<u>99.561%</u>
Total Retail Adjustment	<u>23,895</u>

Note 2: Although these illustrative schedules only show through 2021, tax savings will be applied to replenish the Storm Reserve until it reaches the level contemplated in the 2017 Revised and Restated Stipulation and Settlement Agreement of approximately \$132 million (Retail).

Note 3: For Hurricane Michael/Tropical Storm Alberto, DEF has projected interest at a rate of 0.95% to finance storm restoration costs based on commercial paper rates as of April 2020. Actual interest costs will be based on Monthly Average Interest Rate consistent with the Fuel & Purchased Power Cost Recovery Clause.

Note 4: The rates used to calculate interest for October 2019 - March 2020 in DEF's Quarterly Storm Cost Amortization Schedule filed in Docket PSC-20190110-EI dated April 13, 2020 have been revised to calculate interest on this schedule. The rates used on this schedule reflect the Monthly Average Interest Rates consistent with the Fuel & Purchased Power Cost Recovery Clause for those months.

(\$000's)

Beginning Storm Reserve Balance	(\$188,798)
Bond Issuance Costs	-
Adjusted Beginning Storm Reserve Balance	<u>(188,798)</u>
Interest (@ Estimated Commercial Paper Rate)	(3,676)
Amortization	<u>266,541</u>
Ending Storm Reserve Balance	<u>\$74,067</u>

Hurricane Michael & Tropical Storm Alberto					
(A)	(B)	(C)	(D)	(E)	(F)
Line	Month	Beginning Storm Reserve Balance	Amortization	Interest (Notes 3&4)	Ending Storm Reserve Balance
				col. (C) + (D)	
1	Jan-18				
2	Feb-18				
3	Mar-18				
4	Apr-18				
5	May-18				
6	Jun-18				
7	Jul-18				
8	Aug-18				
9	Sep-18				
10	Oct-18				
11	Nov-18				
12	Dec-18				
13	Annual Total				
14	Jan-19				
15	Feb-19				
16	Mar-19				
17	Apr-19				
18	May-19				
19	Jun-19	(188,798)	-	(308)	(189,106)
20	Jul-19	(189,106)	-	(290)	(189,396)
21	Aug-19	(189,396)	-	(273)	(189,669)
22	Sep-19	(189,669)	-	(266)	(189,935)
23	Oct-19	(189,935)	-	(239)	(190,174)
24	Nov-19	(190,174)	-	(220)	(190,394)
25	Dec-19	(190,394)	-	(224)	(190,618)
26	Annual Total		-	(1,820)	(1,820)
27	Jan-20	(190,618)	-	(214)	(190,832)
28	Feb-20	(190,832)	-	(212)	(191,044)
29	Mar-20	(191,044)	-	(250)	(191,294)
30	Apr-20	(191,294)	8,696	(148)	(182,746)
31	May-20	(182,746)	12,892	(140)	(169,993)
32	Jun-20	(169,993)	12,892	(129)	(157,230)
33	Jul-20	(157,230)	12,892	(119)	(144,457)
34	Aug-20	(144,457)	12,892	(109)	(131,674)
35	Sep-20	(131,674)	12,892	(99)	(118,881)
36	Oct-20	(118,881)	12,892	(89)	(106,078)
37	Nov-20	(106,078)	12,892	(79)	(93,265)
38	Dec-20	(93,265)	12,892	(69)	(80,441)
39	Annual Total		111,834	(1,657)	110,177
40	Jan-21	(80,441)	12,892	(59)	(67,607)
41	Feb-21	(67,607)	12,892	(48)	(54,764)
42	Mar-21	(54,764)	12,892	(38)	(41,910)
43	Apr-21	(41,910)	12,892	(28)	(29,045)
44	May-21	(29,045)	12,892	(18)	(16,171)
45	Jun-21	(16,171)	12,892	(8)	(3,286)
46	Jul-21	(3,286)	12,892	-	9,606
47	Aug-21	9,606	12,892	-	22,498
48	Sep-21	22,498	12,892	-	35,390
49	Oct-21	35,390	12,892	-	48,283
50	Nov-21	48,283	12,892	-	61,175
51	Dec-21	61,175	12,892	-	74,067
52	Annual Total (Note 2)		154,707	(199)	154,508
53	Totals		<u>\$266,541</u>	<u>(\$3,676)</u>	<u>\$262,865</u>