DUKE ENERGY
FLORIDA

Matthew R. Bernier
Associate General Counsel
Duke Energy Florida, LLC.

July 24, 2020

VIA ELECTRONIC FILING

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

Re: *Storm Protection Cost Recovery Clause; Docket No. 20200092-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 Storm Protection Plan Costs to be Recovered During the Period January Through December 2021. The filing includes the following:

- Direct Testimony of Thomas G. Foster and Exhibit No. ___(TGF-1); and
- Direct Testimony of Jay W. Oliver.

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.

Respectfully,

s/Matthew R. Bernier

Matthew R. Bernier
Matth.Bernier@duke-energy.com

MRB/mw
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm Protection Plan Cost Recovery Clause	Docket No. 20200092-EI Filed: July 24, 2020

DUKE ENERGY FLORIDA, LLC'S PETITION FOR APPROVAL OF STORM PROTECTION PLAN COSTS TO BE RECOVERED DURING THE PERIOD JANUARY – DECEMBER 2021

Pursuant to Section 366.96(7), Florida Statutes ("Fla. Stat."), and Rules 25-6.031 and 28-106.201, Florida Administrative Code ("FAC"), Duke Energy Florida, LLC ("DEF" or "the Company") hereby petitions this Commission for approval of its Storm Protection Plan ("SPP") Costs to be recovered through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") during the Period January – December 2021. Under section 366.96(7), Fla. Stat. and 25-6.031(7), F.A.C., DEF is permitted to recover $9,986,027 through the SPPCRC during the period January – December 2021, which is the revenue requirements for its projected SPP related costs that are being passed through the SPPCRC in 2021 of approximately $100.9M (capital) and $4.6M (O&M). In support of this Petition, DEF states the following:[1]

1. DEF[2] is an investor-owned utility operating under the jurisdiction of the Commission pursuant to the provisions of Chapter 366, F.S. DEF's principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

[1] This petition seeks original agency action and is not filed in response to any previous action of the Commission, therefore the provisions of Rule 28-106.201(2)(c) & (f) are inapplicable.

[2] DEF is a wholly-owned subsidiary of Duke Energy Corporation.

2. For purposes of this Petition and the resulting proceeding, DEF'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.

3. DEF serves more than 1.8 million retail customers in Florida. Its service area comprises approximately 20,000 square miles in 35 of the state's 67 counties, including the densely populated areas of Pinellas and western Pasco Counties and the Greater Orlando area in Orange, Osceola, and Seminole Counties.

4. In 2006, in response to the damage caused by the active 2004-2005 hurricane seasons, the Commission adopted Rule 25-6.042, F.A.C. (the "Storm Hardening Rule"). As required by the Rule, under the Commission's direction, DEF has made significant investments in storm hardening to prepare its electric system to withstand and/or quickly recover from storm damage. Luckily, Florida enjoyed relatively calm storm seasons from 2006 through 2016.

5. However, over the last several years, Florida has experienced active storm seasons including landfalls and near landfalls from several named storms, including multiple major storms. In response, during the 2019 legislative session, the Florida legislature passed the Storm Protection Plan Cost Recovery Statute, codified as section 366.96, Florida Statutes ("SPPCRC Statute").

6. The SPPCRC Statute requires the Commission to "conduct an annual proceeding to determine the utility's prudently incurred transmission and distribution storm protection plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, to be referred to as the storm protection plan cost recovery clause."

7. Pursuant to the SPPCRC Statute, this Commission promulgated Rule 25-6.031, F.A.C. ("SPPCRC Rule"). The SPPCRC Rule states that after a utility has filed its SPP, it may file a petition for recovery of associated costs through the SPPCRC, and the petition "shall be supported by testimony that provides details on the annual Storm Protection Plan implementation activities and associated costs, and how those activities and costs are consistent with its Storm Protection Plan." *Id.* at (2).

8. The instant Petition seeks recovery of DEF's 2021 projected SPP costs and associated revenue requirements, pursuant to Rule 25-6.031(7)(c), F.A.C. As DEF is seeking recovery of projected costs to be incurred in the coming year, the issues for determination in this proceeding are limited to the reasonableness of those projected costs. *Id.* at (3).

9. Attached to this petition, and incorporated herein by reference, are the testimony and exhibit of Mr. Thomas G. Foster, (Exhibit No. __ (TGF-1), and the testimony of Mr. Jay Oliver, who is co-sponsoring a portion of Exhibit No. __ (TGF-1). These testimonies and exhibits satisfy all filing requirements of Rule 25-6.031(2) & (7), F.A.C.

10. The SPP related costs DEF is seeking to recover through the SPPCRC are consistent with DEF's SPP filed in Docket No. 20200069-EI[3] and with the 2020 SPP/SPPCRC Settlement between DEF, OPC, and PCS Phosphate, filed on July 17, 2020, currently pending approval.[4]

11. DEF is not aware of any disputed issue of material fact pertaining to the petition.

WHEREFORE, Duke Energy Florida, LLC, requests that the Commission approve its Storm Protection Plan ("SPP") Costs and associated revenue requirements to be recovered

[3] *See* Testimonies and Exhibits of Jay Oliver and Geoff Foster, filed April 10, 2020, as corrected on April 14, 2020 and update June 24, 2020 ("DEF's SPP"), incorporated herein by reference.
[4] Document No. 03874-2020.

through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") during the Period January – December 2021.

Respectfully submitted,

/s/ Matthew R. Bernier

DIANNE M. TRIPLETT
299 First Avenue North
St. Petersburg, FL 33701
T: 727.820.4692; F: 727.820.5519
E: Dianne.Triplett@Duke-Energy.com
FLRegulatoryLegal@Duke-Energy.com

MATTHEW R. BERNIER
106 East College Avenue, Suite 800
Tallahassee, FL 32301
T: 850.521.1428; F: 727.820.5519
E: Matthew.Bernier@Duke-Energy.com

Attorneys for Duke Energy Florida, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 24th day of July, 2020.

/s/ Matthew R. Bernier
Attorney

Jennifer Crawford Office of General Counsel FL Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 jcrawfor@psc.state.fl.us Ken Hoffman / Mark Bubriski 134 West Jefferson St. Tallahassee, FL 32301-1713 ken.hoffman@fpl.com mark.bubriski@nexteraenergy.com John T. Burnett / Christopher T. Wright / Jason A. Higginbotham Florida Power & Light Company 700 Universe Blvd. Juno Beach, FL 33408-0420 john.t.burnett@fpl.com christopher.wright@fpl.com jason.higginbotham@fpl.com Stephanie Eaton 110 Oakwood Dr., Ste. 500 Winston-Salem, NC 27013 seaton@spilmanlaw.com Derrick Price Williamson / Barry Naum 1100 Bent Creek Blvd., Ste. 101 Mechanicsburg, PA 17050 dwilliamson@spilmanlaw.com bnaum@spilmanlaw.com	J.R. Kelly / Charles Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us Russell A. Badders Gulf Power Company One Energy Place Pensacola, FL 32520 russell.badders@nexteraenergy.com Mike Cassel 208 Wildlight Ave. Yulee, FL 32097 mcassel@fpuc.com Paula K. Brown Regulatory Affairs P.O. Box 11 Tampa, FL 33601-0111 regdept@tecoenergy.com James A. Brew / Laura Wynn Baker 1025 Thomas Jefferson St., N.W., Ste. 800W Washington, DC 20007 jbrew@smxblaw.com lwb@smxblaw.com

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE PURSUANT TO RULE 25-6.031, F.A.C., DUKE ENERGY FLORIDA, LLC

FPSC DOCKET NO. 20200092-EI
DIRECT TESTIMONY OF THOMAS G. FOSTER
JULY 24, 2020

Q. Please state your name and business address.

A. My name is Thomas G. Foster. My business address is Duke Energy Florida, LLC, 299 1st Avenue North, St. Petersburg, Florida 33701.

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

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

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

A. I am responsible for the Company's regulatory planning and cost recovery, including the Company's Storm Protection Plan Cost Recovery Clause ("SPPCRC") filing.

Q. Please describe your educational background and professional experience.

A. I joined the Company on October 31, 2005 in the Regulatory group. In 2012, following the merger with Duke Energy Corporation ("Duke Energy"), I was promoted to my current position. I have 6 years of experience related to the operation and maintenance of power plants obtained while serving in the United States Navy as a Nuclear Operator.

I received a Bachelors of Science degree in Nuclear Engineering Technology from Thomas Edison State College. I received a Masters of Business Administration with a focus on finance from the University of South Florida and I am a Certified Public Accountant in the State of Florida.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present, for Commission review and approval, Duke Energy Florida, LLC's ("DEF" or "Company") calculation of revenue requirements and SPPCRC factors for customer billings for the period January 2021 through December 2021 as permitted by Rule 25-6.031, F.A.C.. My testimony also addresses implementation activities, associated capital and O&M costs, and how these activities and costs are consistent with DEF's filed Storm Protection Plan ("SPP") for the year 2021.

Q. Have you prepared, or caused to be prepared under your direction, supervision, or control, exhibits in this proceeding?

A. Yes. I am sponsoring Exhibit No. __ (TGF-1) attached to my direct testimony; Mr. Oliver is co-sponsoring the schedules and forms identified in his direct testimony. This is true and accurate to the best of my knowledge and belief.

Q. Please summarize your testimony.

A. My testimony supports the approval of an average SPPCRC billing factor of 0.025 cents per kWh which includes projected jurisdictional capital and O&M revenue requirements for the period January 2021 through December 2021 of approximately $10 million associated with a total of two (2) SPP Programs, as shown on Form 1P line 5 of Exhibit No. __(TGF-1). My testimony also supports that the projected SPP expenditures for 2021 are appropriate for recovery through the SPPCRC.

Q. Has DEF complied with the requirements of Rule 25-6.031(6)(a) such that this filing only includes costs incurred after the filing of DEF's SPP?

A. Yes. DEF is only requesting recovery of costs projected to be incurred after the filing of its Storm Protection Plan on April 10, 2020.

Q. Has DEF complied with the requirements of Rule 25-6.031(6)(b) such that the SPP costs sought for recovery through this clause do not include costs recovered through DEF's base rates or any other clause mechanism?

A. Yes. As discussed below and in Witness Oliver's testimony, the costs being requested for recovery are not being recovered in DEF's base rates or any other clause mechanism.

Q. Are costs associated with all Programs previously submitted to the Commission in DEF's SPP filed on April 10, 2020, being sought for recovery through the SPPCRC in 2021?

A. No, only costs for 2021 activities associated with two of DEF's SPP Programs, Feeder Hardening - Distribution System and Structure Hardening – Transmission System, are included in DEF's SPPCRC filing for cost recovery.

Q. Please describe the SPP activities and costs that are associated with the Feeder Hardening - Distribution System Program?

A. As more fully described by Witness Oliver, the Feeder Hardening Program is new and will enable the feeder backbone to better withstand extreme weather events. DEF has never had a proactive Program like this before and as such has never budgeted spend for these proactive activities. The $62M of capital costs and $2.4M of associated O&M presented for recovery in the SPPCRC filing are all incremental activities whose costs are not currently recovered through base rates or any other clause mechanism.

Q. Please describe the SPP activities and costs that are associated with the Structure Hardening – Transmission System Program - Cathodic Protection?

A. DEF will install passive cathodic protection ("CP") systems comprised of anodes on each leg of lattice towers. As described more fully by Witness Oliver, the anodes serve as sacrificial assets that corrode in place of structural steel, preventing loss of structure strength to corrosion. This is a new activity and has never been included in base rates or any other clause mechanism. As such, the $1M of capital costs and $0.2M of associated O&M presented for recovery in the SPPCRC filing are all incremental and properly recoverable through the SPPCRC.

Q. Please describe the SPP activities and costs that are associated with the Structure Hardening – Transmission System Program - Tower Upgrade?

A. As more fully described by Witness Oliver, this is a new activity and focuses on the replacement of towers identified through enhanced engineering inspections of similar towers in age and vicinity as the towers that failed during Hurricane Irma. This is a new activity and has never been included in base rates or any other clause mechanism. As such, the $2.2M of capital costs and $20K of associated O&M presented for recovery in the SPPCRC filing is incremental and properly recoverable through the SPPCRC.

Q. Please describe the SPP activities and costs that are associated with the Structure Hardening – Transmission System Program - Drone Inspections?

A. As more fully described in the testimony of Witness Oliver, beginning in 2021, DEF will conduct drone inspections on targeted lattice tower lines. The intent of this additional inspection is to identify otherwise difficult to see structure, hardware, or insulation vulnerabilities through high resolution imagery.

This is a new activity and has never been included in base rates or any other clause mechanism. As such, the $0.1M of associated O&M presented for recovery in the SPPCRC filing is incremental and properly recoverable through the SPPCRC.

Q. Please describe the SPP activities and costs that are associated with the Structure Hardening – Transmission System Program Wood to Non-Wood Pole Upgrade?

A. As more fully described in the testimony of Witness Oliver, this program will upgrade wood poles to non-wood material such as steel or concrete. The new structures will be more resistant to damage from extreme weather events. The $70.5M of capital costs and $3.8M of associated O&M presented in the SPPCRC filing are not all incremental expenses - approximately half of the costs for this activity will be recovered through base rates in 2021.

DEF is seeking to increase its investment in the wood pole replacement activities associated with its Transmission Structure Hardening program. DEF has averaged $34.8M of Transmission wood pole replacement spend over the 2017-2019 period, which is a reasonable estimate of what is currently included in base rates. In 2021, DEF will include an adjustment in the SPPCRC to remove the revenue requirements associated with $34.8 million of pole replacement costs; any amount in excess of $34.8 million will be eligible for recovery through the SPPCRC. For purposes of developing this credit, DEF will reflect the spend evenly over the 12-month period where the total YTD adjustment amount used to develop the credit cannot exceed YTD total spend in the activity in any month. In addition, for ease of accounting, any wood to non-wood pole projects expected to go in service in 2021 will be tracked using SPPCRC accounting. To ensure amounts incurred in 2020 related to these projects are not included for recovery through the SPPCRC in 2021, an adjustment will be made in the SPPCRC filing to zero out the 2021 SPPCRC wood to non-wood beginning balance SPPCRC Rate Base. The two adjustments mentioned above will not be necessary once base rates are reset after expiration of the 2017 Settlement Agreement.

Q. Would you please explain why there are beginning balances in your 2021 cost schedules, although DEF did not file for cost recovery in 2020 and how these balances will be treated in 2021?

A. The Distribution Feeder Hardening Program and the transmission cathodic protection and lattice tower replacement activities (incorporated within DEF's Transmission Structure Hardening Program in its proposed SPP) are new activities. For any of these activities approved by the Commission in DEF's SPP in 2020, any dollars prudently spent on these activities are eligible for recovery through the SPPCRC in 2021. To the extent such Program/activity-related costs are incurred in 2020, DEF will not request recovery of any revenue requirements associated with these costs incurred in 2020. DEF will include the CWIP balances in 2021 as the beginning SPPCRC Rate Base balances and calculate a return on these costs from January 1, 2021 forward for cost recovery through the SPPCRC.

Q. Have you prepared schedules showing the calculation of the SPPCRC recoverable O&M project costs for 2021?

A. Yes. Form 2P of Exhibit No. __ (TGF-1) summarizes recoverable jurisdictional O&M cost estimates for these projects of approximately $4.0 million, shown on Line 10.

Q. Has DEF included any cost estimates related to Administrative costs associated with the SPP and/or SPPCRC filings for 2021?

A. No. It is likely that DEF will incur some level of incremental costs related to things like IT, billing, legal, regulatory, and accounting costs in 2021 but it is hard to quantify these costs at this time. As such, rather than speculating, DEF will record those cost to the deferred account for SPPCRC and will submit those costs in future filings.

Q. Have you prepared schedules showing the calculation of the recoverable capital project costs for 2021?

A. Yes. Form 3P of Exhibit No. __ (TGF-1) summarizes recoverable jurisdictional capital cost estimates for these projects of approximately $6 million, shown on Line 4b. Form 4P pages 1 through 6 show detailed calculations of these costs.

Q. What are the total projected jurisdictional costs for SPPCRC recovery for the year 2021?

A. The total jurisdictional capital and O&M costs to be recovered through the SPPCRC are approximately $10 million, shown on Form 1P line 5 of Exhibit No. __ (TGF-1).

Q. Please describe how the proposed SPPCRC factors are developed.

A. The SPPCRC factors are calculated on Forms 5P and 6P of Exhibit No. __(TGF-1). The demand component of class allocation factors is calculated by determining the percentage each rate class contributes to monthly system peaks adjusted for losses for each rate class which is obtained from DEF's load research study filed with the Commission in July 2018. The energy allocation factors are calculated by determining the percentage each rate class contributes to total kilowatt-hour sales adjusted for losses for each rate class. Form 6P presents the calculation of the proposed SPPCRC billing factors by rate class.

Q. Please explain why DEF is showing the estimated rate impacts with rates collected on an energy basis?

A. This is consistent both with what DEF had proposed in the Rule development workshops and with Staff's draft SPP schedules that were discussed at an informal meeting held on February 26, 2020, noticed in Docket 20200000-OT. On page SPPCRC Form 5P of Staff's draft SPP cost recovery clause schedules, the rates were shown on a per kWh basis. Additionally, three recent examples of collecting on a kwh basis are: FPL's recovery of costs associated with Hurricane Matthew, Gulf's recovery of costs associated with Hurricane Michael, and DEF's recovery of costs associated with Hurricane Dorian. These examples illustrate that the Commission has recently found it appropriate to bill customers for the types of costs the SPPs are designed to prevent on an energy basis.

Q. When is DEF requesting that the proposed SPPCRC billing factors be effective?

A. DEF is requesting that its proposed SPPCRC billing factors be effective with the first bill group for January 2021 and continue through the last bill group for December 2021.

Q. What capital structure and cost rates did DEF rely on to calculate the revenue requirement rate of return for the period January 2021 through December 2021?

A. DEF used the capital structure and cost rates consistent with the language in Order No. PSC-2020-0165-PAA-EU. As such, DEF used the projected mid-point ROE 13-month average Weighted Average Cost of Capital for 2021 and applied a proration adjustment to the depreciation-related accumulated deferred federal income tax (ADFIT). These calculations are shown on Form 7P, Exhibit No. ___(TGF-1). Form 7P includes the derivation of debt and equity components used in the Return on Average Net Investment, Form 4P lines 7a and b.

Q. How is DEF treating cost of removal and depreciation related to existing assets retired as a result of implementing SPP programs?

A. For assets being retired and replaced with new assets as part of a program approved by the Commission in the Company's proposed SPP, the Company will not seek to recover the cost of removal net of salvage associated with the related assets to be retired through the SPPCRC. Rather, such net cost of removal will be debited to the Company's accumulated depreciation reserve according to normal regulatory plant accounting procedures.

For SPP capital projects, any depreciation expense from the SPP asset additions will be reduced by the depreciation expense savings that result from the retirement of assets removed from service during the SPP project. Only the net of the two depreciation amounts will be included for recovery through the SPPCRC.

Q. Is DEF's SPPCRC filing and requested recovery consistent with the SPP/SPPCRC Settlement filed July 17, 2020 in Docket No. 20200069?

A. Yes.

Q. Does that conclude your testimony?

A. Yes.

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021

Summary of Projected Period Recovery Amount
(in Dollars)

Line	Energy ($)	Demand ($)	Total ($)
1. Total Jurisdictional Revenue Requirements for the Projected Period			
a. Overhead Distribution Hardening Programs (SPPCRC Form 2P, Line 11 + SPPCRC Form 3P, Line 5)	$ -	$ 6,947,193	$ 6,947,193
b. Overhead Transmission Hardening Programs (SPPCRC Form 2P, Line 12 + SPPCRC Form 3P, Line 6)	-	3,031,649	3,031,649
c. Vegetation Management Programs (SPPCRC Form 2P, Line 13 + SPPCRC Form 3P, Line 7)	-	-	-
d. Legal, Accounting, and Administrative (SPPCRC Form 2P, Line 14)	-	-	-
e. Total Projected Period Rev. Req.	$ -	$ 9,978,842	$ 9,978,842
2. Estimated True up of Over/(Under) Recovery for the Current Period (N/A)	$ -	$ -	$ -
3. Final True Up of Over/(Under) Recovery for the Prior Period (N/A)	$ -	$ -	$ -
4. Jurisdictional Amount to be Recovered/(Refunded) (Line 1e - Line 2 - Line 3)	$ -	$ 9,978,842	$ 9,978,842
5. Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier of 1.00072)	$ -	$ 9,986,027	$ 9,986,027

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021

Calculation of Annual Revenue Requirements for O&M Programs
(in Dollars)

Line	O&M Activities	T/D	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1.	Overhead: Distribution														
1.1	Feeder Hardening - Distribution	D	$ 217,111	$ 249,491	$ 272,429	$ 274,500	$ 283,734	$ 278,362	$ 243,284	$ 190,951	$ 144,103	$ 92,563	$ 69,944	$ 67,054	$ 2,383,525
1.a	Adjustments														0
1.b	Subtotal of Overhead O&M Programs - Distribution		217,111	249,491	272,429	274,500	283,734	278,362	243,284	190,951	144,103	92,563	69,944	67,054	2,383,525
2	Overhead: Transmission														
2.1	Structure Hardening - Trans - Pole Replacements	T	$ 378,781	$ 369,212	$ 384,115	$ 397,658	$ 329,214	$ 249,468	$ 302,323	$ 260,067	$ 280,165	$ 452,901	$ 217,458	$ 144,586	$ 3,765,949
2.2	Structure Hardening - Trans - Tower Replacements	T	0	0	0	2,537	7,611	7,611	2,537	0	0	0	0	0	20,296
2.3	Structure Hardening - Trans - Cathodic Protection	T	0	0	0	0	0	49,890	56,542	66,520	39,912	0	0	0	212,864
2.4	Structure Hardening - Trans - Drone Inspections	T	0	0	0	0	0	35,100	35,100	34,800	0	0	0	0	105,000
2.a	Adjustments (Remove Base O&M for Pole Replacements)		(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(155,019)	(1,860,228)
2.b	Subtotal of Overhead O&M Programs - Transmission		$ 223,762	$ 214,193	$ 229,096	$ 245,176	$ 181,806	$ 187,050	$ 241,483	$ 206,368	$ 165,058	$ 297,882	$ 62,439	$ (10,433)	$ 2,243,881
3	Veg. Management O&M Programs														
3.1	Vegetation Management - Distribution	D	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2	Vegetation Management - Transmission	T	0	0	0	0	0	0	0	0	0	0	0	0	0
3.a	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
3.b	Subtotal of Vegetation Management O&M Programs		0	0	0	0	0	0	0	0	0	0	0	0	0
4	Legal, Accounting, and Administrative O&M	A&G	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Total of O&M Programs		$ 440,873	$ 463,684	$ 501,524	$ 519,676	$ 465,540	$ 465,412	$ 484,767	$ 397,319	$ 309,161	$ 390,446	$ 132,383	$ 56,621	$ 4,627,405
6	Allocation of O&M Costs														
	a. Distribution O&M Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Distribution O&M Allocated to Demand		217,111	249,491	272,429	274,500	283,734	278,362	243,284	190,951	144,103	92,563	69,944	67,054	2,383,525
	c. Transmission O&M Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Transmission O&M Allocated to Demand		223,762	214,193	229,096	245,176	181,806	187,050	241,483	206,368	165,058	297,882	62,439	(10,433)	2,243,881
	e. Legal, Accounting, and Administrative O&M Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Retail Jurisdictional Factors														
	a. Distribution Energy Jurisdictional Factor	D	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000
	b. Distribution Demand Jurisdictional Factor	D	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100	0.9956100
	c. Transmission Energy Jurisdictional Factor	T	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000	0.9500000
	d. Transmission Demand Jurisdictional Factor	T	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300	0.7020300
	e. Administrative & General Jurisdictional Factor	A&G	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100	0.9322100
8	Jurisdictional Energy Revenue Requirements		-	-	-	-	-	-	-	-	-	-	-	-	-
9	Jurisdictional Demand Revenue Requirements		373,246	398,765	432,065	445,416	410,121	408,455	411,744	334,989	259,346	301,280	113,471	59,435	3,948,333
10	Total Jurisdictional O&M Revenue Requirements		373,246	398,765	432,065	445,416	410,121	408,455	411,744	334,989	259,346	301,280	113,471	59,435	3,948,333
	O&M Revenue Requirements by Category of Activity														
11	Overhead: Distribution Hardening O&M Programs (System)		$ 217,111	$ 249,491	$ 272,429	$ 274,500	$ 283,734	$ 278,362	$ 243,284	$ 190,951	$ 144,103	$ 92,563	$ 69,944	$ 67,054	$ 2,383,525
	a. Allocated to Energy (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Allocated to Demand (Retail)		$ 216,158	$ 248,395	$ 271,233	$ 273,295	$ 282,488	$ 277,140	$ 242,216	$ 190,113	$ 143,470	$ 92,157	$ 69,637	$ 66,760	$ 2,373,061
12	Overhead: Transmission O&M Programs (System)		$ 223,762	$ 214,193	$ 229,096	$ 245,176	$ 181,806	$ 187,050	$ 241,483	$ 206,368	$ 165,058	$ 297,882	$ 62,439	$ (10,433)	$ 2,243,881
	a. Allocated to Energy (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Allocated to Demand (Retail)		$ 157,088	$ 150,370	$ 160,832	$ 172,121	$ 127,633	$ 131,315	$ 169,528	$ 144,877	$ 115,876	$ 209,122	$ 43,834	$ (7,324)	$ 1,575,271
13	Veg. Management O&M Programs (System)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	a. Allocated to Energy (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Allocated to Demand (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Legal, Accounting, and Administrative O&M (System)		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	a. Allocated to Energy (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Allocated to Demand (Retail)		0	0	0	0	0	0	0	0	0	0	0	0	0

Footnote:
(1) In 2021 DEF is not requesting vegetation management costs through the SPPCRC. This may change after expiration of the 2017 Settlement.
(2) For the 2021 Projection filing DEF has not attempted to forecast Legal, Accounting, and Administrative O&M but as projects are implemented and the need for these incremental costs are incurred they will be included in future recovery requests.

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021
Project Listing by Each O&M Program

Line	O&M Activities			OH or UG
1.	**Distribution**			
1.1	**Feeder Hardening - Distribution**			
	Substation	**Feeder**	**Operations Center**	**OH / UG**
1.1.1	Maitland	W0087	FL Longwood Ops	OH
1.1.2	Deltona	W4564	FL Deland Ops	OH
1.1.3	Deland	W0806	FL Deland Ops	OH
1.1.4	Deland	W0808	FL Deland Ops	OH
1.1.5	Port Richey West	C209	FL Seven Springs Ops	OH
1.1.6	Tarpon Springs	C308	FL Seven Springs Ops	OH
1.1.7	Port St Joe Ind	N202	FL Monticello Ops	OH
1.1.8	Taft	K1028	FL SE Orlando Ops	OH
1.1.9	Northridge	K1822	FL Lake Wales Ops	OH
1.1.10	Winter Garden	K203	FL Winter Garden Ops	OH
1.1.11	Winter Garden	K206	FL Winter Garden Ops	OH
1.1.12	Ocoee	M1095	FL Winter Garden Ops	OH
1.1.13	Seminole	J895	FL Walsingham Ops	OH
1.1.14	Ulmerton	J240	FL Walsingham Ops	OH
1.1.15	Highlands	C2808	FL Clearwater Ops	OH
1.1.16	East Clearwater	C902	FL Clearwater Ops	OH
1.1.17	Pasadena	X211	FL St Pete Ops	OH
2.	**Transmission**			
2.1	**Structure Hardening - Pole Replacements**	**Line ID**		**OH / UG**
2.1.1	Please refer to Form 2P page 3 of 3			
2.2	**Structure Hardening - Tower Replacements**			
2.2.1	Bayview - Tri City	(HD-2)		OH
2.2.2	East Clearwater - Safety Harbor	(HD-4)		OH
2.2.3	Tri City - Ulmerton	(HD-8)		OH
2.2.4	Holopaw - West Lake Wales	(WLXF-3)		OH
2.3	**Structure Hardening - Cathodic Protection**			
2.3.1	Crystal River - Central Florida	(CCF)		OH
2.3.2	Crystal River - Curlew	(CC)		OH
2.4	**Structure Hardening - Drone Inspections**			
2.4.1	Crystal River - Lake Tarpon 500kV	(CLT)		OH
2.4.2	Crystal River - Central Florida - 500kV	(CRCF)		OH
2.4.3	Central Florida - Kathleen - 500kV	(CFK)		OH

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021
Project Listing by Each O&M Program

Line		O&M Activities		OH or UG
2.	**Transmission**			
2.1		**Structure Hardening - Pole Replacements**	**Line ID**	**OH / UG**
	2.2.1	Avon Park Pl - South Polk	(AF-1)	OH
	2.2.2	Fisheating Creek - Sun N Lakes	(ALP-SUC-1)	OH
	2.2.3	Apopka South – Clarcona	(ASC-1)	OH
	2.2.4	Bayboro - Central Plaza	(BCP-1)	OH
	2.2.5	Bushnell East - Center Hill Radial	(BW-1)	OH
	2.2.6	Brookridge - Brooksville West (BWX CKT)	(BWX-1)	OH
	2.2.7	Brookridge - Fl Crushed Stone Cogen Pl	(BWX-2)	OH
	2.2.8	Zephyrhills North - Dade City (TECO)	(BZ-6)	OH
	2.2.9	Bronson – Newberry	(CF-2)	OH
	2.2.10	Ft White – Newberry	(CF-3)	OH
	2.2.11	Belleview - Maricamp	(CFO-SSB-1)	OH
	2.2.12	Florida Gas Transmision - St Marks East	(CP-3)	OH
	2.2.13	Monticello - Boston (Ga Pwr)	(DB-2)	OH
	2.2.14	Disston - Kenneth	(DK-1)	OH
	2.2.15	Taylor Ave - Walsingham	(DL-LTW-1)	OH
	2.2.16	Seminole - Starkey Road	(DLW-5)	OH
	2.2.17	Davenport - West Davenport Radial	(DWD-1)	OH
	2.2.18	Palm Harbor - Tarpon Springs	(ECTW-4)	OH
	2.2.19	Deland - Deland West	(ED-1)	OH
	2.2.20	Ft White - High Springs	(FH-1)	OH
	2.2.21	Clearwater - Highlands	(HCL-1)	OH
	2.2.22	Higgins Pl - Curlew CKT #2	(HGC-1)	OH
	2.2.23	Alderman - Tarpon Springs	(HTW-2)	OH
	2.2.24	Cypresswood - Haines City	(ICLW-2)	OH
	2.2.25	Dundee - Lake Wales	(ICLW-3)	OH
	2.2.26	Ft White – Jasper	(JF-1)	OH
	2.2.27	Jackson Bluff - Tallahassee	(JT-1)	OH
	2.2.28	Cross Bayou - GE Pinellas	(LD-2)	OH
	2.2.29	Clearwater - East Clearwater	(LECW-3)	OH
	2.2.30	Largo - Taylor Ave	(LTW-1)	OH
	2.2.31	Altamonte - North Longwood CKT #2	(NLA-1)	OH
	2.2.32	Atwater - Quincy	(QX-1)	OH
	2.2.33	Lake Wales - West Lake Wales CKT #2	(WLL-1)	OH
	2.2.34	Altamonte – Maitland	(WO-1)	OH
	2.2.35	Altamonte - North Longwood CKT #1	(WO-2)	OH
	2.2.36	Lockwood Tap	-	OH
	2.2.37	Miccosukee Tap (TEC)	-	OH

Docket No. 20200092-EI
Duke Energy Florida, LLC
Witness: T.G. Foster
Exh. No. __ (TGF-1) Page 5 of 15
Form 3P
Page 1 of 2

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021

Calculation of Annual Revenue Requirements for Capital Investment Programs
(in Dollars)

Line	Capital Investment Activities	E/D	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1.	Overhead: Distribution														
1.1	Feeder Hardening - Distribution	D	33,630	95,333	164,646	238,175	312,820	386,151	455,469	514,037	557,275	587,739	606,952	621,905	4,574,132
1.a	Adjustments (N/A)	D	0	0	0	0	0	0	0	0	0	0	0	0	0
1.b	Subtotal of Overhead Distribution Feeder Hardening Capital Programs		33,630	95,333	164,646	238,175	312,820	386,151	455,469	514,037	557,275	587,739	606,952	621,905	4,574,132
2	Overhead: Transmission														
2.1	Structure Hardening - Trans - Pole Replacements	D	17,351	40,832	54,023	70,026	99,012	104,013	114,907	119,271	131,258	165,393	184,005	244,822	1,344,914
2.2	Structure Hardening - Trans - Tower Replacements	D	0	0	105	1,215	4,332	8,079	10,130	10,543	10,534	10,806	11,359	11,913	79,016
2.3	Structure Hardening - Trans - Cathodic Protection	D	0	0	0	0	0	805	2,538	4,280	5,884	6,321	6,314	6,306	32,448
2.4	Structure Hardening - Trans - Drone Inspections	D	0	0	0	0	0	0	0	0	0	0	0	0	0
2.a	Adjustments (A)	D	0	0	0	0	0	0	0	0	0	0	0	0	0
2.b	Subtotal of Overhead Transmission Structure Hardening Capital Programs		17,351	40,832	54,129	71,241	103,344	112,897	127,576	134,094	147,675	182,520	201,678	263,041	1,456,377
3	Veg. Management Programs														
	3.1. Vegetation Management - Distribution	D	0	0	0	0	0	0	0	0	0	0	0	0	0
	3.2. Vegetation Management - Transmission	D	0	0	0	0	0	0	0	0	0	0	0	0	0
3.a	Adjustments (N/A)	D	0	0	0	0	0	0	0	0	0	0	0	0	0
3.b.	Subtotal of Vegetation Management Capital Invest. Programs		0	0	0	0	0	0	0	0	0	0	0	0	0
4a	a Jurisdictional Energy Revenue Requirements		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4b	b Jurisdictional Demand Revenue Requirements		$ 50,981	$ 136,165	$ 218,775	$ 309,416	$ 416,165	$ 499,048	$ 583,044	$ 648,131	$ 704,950	$ 770,259	$ 808,630	$ 884,946	$ 6,030,509
	Capital Revenue Requirements (B)														
5.	Overhead: Distribution Hardening Capital Programs		$ 33,630	$ 95,333	$ 164,646	$ 238,175	$ 312,820	$ 386,151	$ 455,469	$ 514,037	$ 557,275	$ 587,739	$ 606,952	$ 621,905	$ 4,574,132
	a. Allocated to Energy		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	b. Allocated to Demand		$ 33,630	$ 95,333	$ 164,646	$ 238,175	$ 312,820	$ 386,151	$ 455,469	$ 514,037	$ 557,275	$ 587,739	$ 606,952	$ 621,905	$ 4,574,132
6.	Overhead: Transmission Capital Programs		$ 17,351	$ 40,832	$ 54,129	$ 71,241	$ 103,344	$ 112,897	$ 127,576	$ 134,094	$ 147,675	$ 182,520	$ 201,678	$ 263,041	$ 1,456,377
	a. Allocated to Energy		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	b. Allocated to Demand		$ 17,351	$ 40,832	$ 54,129	$ 71,241	$ 103,344	$ 112,897	$ 127,576	$ 134,094	$ 147,675	$ 182,520	$ 201,678	$ 263,041	$ 1,456,377
7.	Veg. Management Capital Programs		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	a. Allocated to Energy		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	b. Allocated to Demand		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes:
(A) Any necessary adjustments are shown within the calculations on the detailed Form 4P
(B) Jurisdictional Energy and Demand Revenue Requirements are calculated on the detailed Form 4P

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Initial Projection
Projected Period: January 2021 through December 2021
Project Listing by Each Capital Program

Line	Capital Activities	OH or UG
1.	**Overhead: Distribution**	
1.1	**Feeder Hardening - Distribution**	
1.1.1	Please refer to Form 2P for Project Details	OH
2.	**Transmission**	
2.1	**Structure Hardening - Pole Replacements**	
2.1.1	Please refer to Form 2P for Project Details	OH
2.2	**Structure Hardening - Tower Replacements**	
2.2.1	Please refer to Form 2P for Project Details	OH
2.3	**Structure Hardening - Cathodic Protection**	
2.3.1	Please refer to Form 2P for Project Details	OH
2.4	**Structure Hardening - Drone Inspections**	
2.4.1	N/A - No Capital Expenditures Associated with this Activity	N/A

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Feeder Hardening - Distribution - Pole Replacement
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		2,107,220	$4,604,163	$5,346,439	$5,912,194	$6,077,240	$6,296,836	$6,179,717	$5,415,629	$4,233,425	$3,160,897	$1,982,415	$1,545,787	$1,518,182	$54,380,143
	b. Clearings to Plant			0	5,130,968	5,873,244	6,438,998	6,604,044	6,296,836	6,179,717	5,415,629	3,811,488	2,738,960	1,560,479	1,123,851	51,174,215
	c. Retirements			0	0	0	0	0	0	0	0	0	0	0	0	
	d. Other			0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base			0	5,130,968	11,004,212	17,443,211	24,047,255	30,344,091	36,523,808	41,939,437	45,750,925	48,489,885	50,050,364	51,174,215	
3	Less: Accumulated Depreciation			0	(17,958)	(56,473)	(117,524)	(201,690)	(307,894)	(435,727)	(582,515)	(742,644)	(912,358)	(1,087,535)	(1,266,644)	
4	CWIP - Non-Interest Bearing		$2,107,220	6,711,383	6,926,854	6,965,803	6,604,044	6,296,836	6,179,717	5,415,629	4,233,425	3,582,833	2,826,289	2,811,597	3,205,928	
5	Net Investment (Lines 2 + 3 + 4)		$2,107,220	$6,711,383	$12,039,864	$17,913,543	$23,929,731	$30,142,402	$36,215,914	$41,503,710	$45,590,346	$48,591,115	$50,403,816	$51,774,427	$53,113,499	
6	Average Net Investment			$4,409,301	$9,375,623	$14,976,703	$20,921,637	$27,036,066	$33,179,158	$38,859,812	$43,547,028	$47,090,731	$49,497,465	$51,089,121	$52,443,963	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$6,714	$14,276	$22,804	$31,857	$41,167	$50,521	$59,170	$66,307	$71,703	$75,368	$77,792	$79,854	597,534
	b. Equity Component Grossed Up For Taxes	6.10%		$22,399	$47,627	$76,080	$106,279	$137,339	$168,546	$197,402	$221,213	$239,214	$251,440	$259,526	$266,408	1,993,473
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	4.2%		$0	$17,958	$38,515	$61,051	$84,165	$106,204	$127,833	$146,788	$160,128	$169,715	$175,176	$179,110	1,266,644
	b. Amortization			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		$0	$3,271	$7,016	$11,121	$15,332	$19,346	$23,286	$26,739	$29,169	$30,915	$31,910	$32,627	230,731
	e. Other (D)	4.2%		0	(131)	(289)	(471)	(667)	(878)	(1,089)	(1,275)	(1,420)	(1,513)	(1,566)	(1,606)	(10,904)
9	Total System Recoverable Expenses (Lines 7 + 8)			$29,113	$83,002	$144,126	$209,837	$277,336	$343,739	$406,604	$459,772	$498,795	$525,925	$542,837	$556,393	$4,077,478
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$29,113	$83,002	$144,126	$209,837	$277,336	$343,739	$406,604	$459,772	$498,795	$525,925	$542,837	$556,393	$4,077,478
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			28,985	82,637	143,493	208,916	276,119	342,230	404,819	457,754	496,605	523,616	540,454	553,950	4,059,578
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$28,985	$82,637	$143,493	$208,916	$276,119	$342,230	$404,819	$457,754	$496,605	$523,616	$540,454	$553,950	$4,059,578

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11
(D) Credit for depreciation expense related to rate base asset retirements resulting from this SPP Program

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Feeder Hardening - Distribution : Overhead Wire Upgrade
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		262,536	$752,928	$808,740	$807,751	$691,955	$699,825	$684,449	$583,320	$475,350	$393,150	$301,235	$179,074	$134,857	$6,775,170
	b. Clearings to Plant			0	818,563	874,374	873,385	757,589	699,825	684,449	583,320	422,781	340,581	248,666	126,505	6,430,039
	c. Retirements			0	0	0	0	0	0	0	0	0	0	0	0	
	d. Other			0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base			0	818,563	1,692,937	2,566,321	3,323,911	4,023,736	4,708,185	5,291,505	5,714,286	6,054,867	6,303,534	6,430,039	
3	Less: Accumulated Depreciation			0	(1,842)	(5,651)	(11,425)	(18,904)	(27,957)	(38,551)	(50,457)	(63,314)	(76,937)	(91,120)	(105,588)	
4	CWIP - Non-Interest Bearing		$262,536	1,015,465	1,005,642	939,019	757,589	699,825	684,449	583,320	475,350	445,718	406,372	336,780	345,131	
5	Net Investment (Lines 2 + 3 + 4)		$262,536	$1,015,465	$1,822,363	$2,626,305	$3,312,486	$4,004,832	$4,680,228	$5,252,954	$5,716,398	$6,096,691	$6,384,302	$6,549,193	$6,669,582	
6	Average Net Investment			$639,001	$1,418,914	$2,224,334	$2,969,395	$3,658,659	$4,342,530	$4,966,591	$5,484,676	$5,906,545	$6,240,497	$6,466,748	$6,609,388	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$973	$2,161	$3,387	$4,521	$5,571	$6,612	$7,562	$8,351	$8,994	$9,502	$9,847	$10,064	77,545
	b. Equity Component Grossed Up For Taxes	6.10%		$3,246	$7,208	$11,299	$15,084	$18,585	$22,059	$25,230	$27,861	$30,004	$31,701	$32,850	$33,575	258,704
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	2.7%		$0	$1,842	$3,809	$5,774	$7,479	$9,053	$10,593	$11,906	$12,857	$13,623	$14,183	$14,468	105,588
	b. Amortization			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		$0	$522	$1,079	$1,636	$2,119	$2,565	$3,002	$3,374	$3,643	$3,860	$4,019	$4,100	29,919
	e. Other (D)	2.7%		0	(124)	(260)	(401)	(525)	(656)	(788)	(901)	(992)	(1,057)	(1,104)	(1,129)	(7,939)
9	Total System Recoverable Expenses (Lines 7 + 8)			$4,219	$11,608	$19,314	$26,615	$33,229	$39,634	$45,599	$50,591	$54,506	$57,630	$59,794	$61,076	$463,817
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$4,219	$11,608	$19,314	$26,615	$33,229	$39,634	$45,599	$50,591	$54,506	$57,630	$59,794	$61,076	$463,817
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			4,200	11,557	19,229	26,498	33,083	39,460	45,399	50,369	54,267	57,377	59,532	60,808	461,781
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$4,200	$11,557	$19,229	$26,498	$33,083	$39,460	$45,399	$50,369	$54,267	$57,377	$59,532	$60,808	$461,781

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11
(D) Credit for depreciation expense related to rate base asset retirements resulting from this SPP Program

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Feeder Hardening - Distribution : Transformers, Capacitors, & Network Protection
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		32,353	$70,689	$82,085	$90,771	$93,305	$96,677	$94,879	$83,148	$64,997	$48,530	$30,437	$23,733	$23,309	$834,913
	b. Clearings to Plant			0	78,777	90,174	98,860	101,394	96,677	94,879	83,148	58,519	42,052	23,958	17,255	785,691
	c. Retirements			0	0	0	0	0	0	0	0	0	0	0	0	
	d. Other			0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base			0	78,777	168,951	267,810	369,204	465,881	560,760	643,907	702,426	744,478	768,437	785,691	
3	Less: Accumulated Depreciation			0	(190)	(599)	(1,246)	(2,138)	(3,264)	(4,619)	(6,175)	(7,873)	(9,672)	(11,529)	(13,428)	
4	CWIP - Non-Interest Bearing		$32,352	103,041	106,349	106,947	101,393	96,677	94,878	83,147	64,996	55,008	43,392	43,167	49,221	
5	Net Investment (Lines 2 + 3 + 4)		$32,352	$103,041	$184,936	$275,299	$367,958	$463,742	$557,495	$639,288	$702,729	$749,561	$778,199	$800,074	$821,485	
6	Average Net Investment			$67,697	$143,989	$230,118	$321,628	$415,850	$510,619	$598,392	$671,008	$726,145	$763,880	$789,136	$810,780	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$103	$219	$350	$490	$633	$778	$911	$1,022	$1,106	$1,163	$1,202	$1,235	9,211
	b. Equity Component Grossed Up For Taxes	6.10%		$344	$731	$1,169	$1,634	$2,112	$2,594	$3,040	$3,409	$3,689	$3,880	$4,009	$4,119	30,729
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	2.9%		$0	$190	$408	$647	$892	$1,126	$1,355	$1,556	$1,698	$1,799	$1,857	$1,899	13,428
	b. Amortization			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		$0	$50	$108	$171	$235	$297	$358	$411	$448	$475	$490	$501	3,542
	e. Other (D)	2.9%		0	(47)	(103)	(169)	(239)	(314)	(390)	(457)	(508)	(542)	(561)	(575)	(3,904)
9	Total System Recoverable Expenses (Lines 7 + 8)			$447	$1,144	$1,932	$2,773	$3,634	$4,480	$5,274	$5,940	$6,431	$6,776	$6,996	$7,178	$53,006
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$447	$1,144	$1,932	$2,773	$3,634	$4,480	$5,274	$5,940	$6,431	$6,776	$6,996	$7,178	$53,006
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	0.99561	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			445	1,139	1,924	2,761	3,618	4,460	5,251	5,914	6,403	6,746	6,966	7,146	52,774
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$445	$1,139	$1,924	$2,761	$3,618	$4,460	$5,251	$5,914	$6,403	$6,746	$6,966	$7,146	$52,774

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11
(D) Credit for depreciation expense related to rate base asset retirements resulting from this SPP Program

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Structure Hardening - Transmission: Wood Pole Replacements
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		1,037,390	$10,386,490	$5,545,315	$5,946,483	$6,758,281	$6,314,653	$4,639,862	$4,651,520	$4,559,921	$5,668,507	$8,898,961	$4,253,372	$2,827,676	$70,451,040
	b. Clearings to Plant			2,413,839	990,684	5,064,099	2,851,903	8,426,927	0	4,125,427	1,387,305	3,656,704	8,892,127	3,628,733	27,975,903	$69,413,650
	c. Adjustments for Base Activity		(1,037,390)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(2,900,000)	(34,800,000)
	d. Monthly Amount of 2021 SPPCRC Investment (Lines 1a - 1c)			7,486,490	2,645,315	3,046,483	3,858,281	3,414,653	1,739,862	1,751,520	1,659,921	2,768,507	5,998,961	1,353,372	(72,324)	
	e. YTD Amount of 2021 SPPCRC Recoverable Investment			7,486,490	10,131,805	13,178,288	17,036,568	20,451,221	22,191,083	23,942,603	25,602,524	28,371,031	34,369,992	35,723,364	35,651,040	35,651,040
2	Plant-in-Service/Depreciation Base			0	0	0	0	5,247,451	2,347,451	3,572,878	2,060,183	2,816,887	8,809,014	9,537,747	34,613,650	
3	Less: Accumulated Depreciation			0	0	0	0	(14,430)	(20,886)	(30,711)	(36,377)	(44,123)	(68,348)	(94,577)	(189,764)	
4	CWIP - Non-Interest Bearing			7,486,490	10,131,805	13,178,288	17,036,568	15,203,770	19,843,632	20,369,725	23,542,341	25,554,144	25,560,978	26,185,617	1,037,390	
5	Net Investment (Lines 2 + 3 + 4)		$0	$7,486,490	$10,131,805	$13,178,288	$17,036,568	$20,436,790	$22,170,197	$23,911,892	$25,566,147	$28,326,907	$34,301,644	$35,628,787	$35,461,275	
6	Average Net Investment			$3,743,245	$8,809,147	$11,655,046	$15,107,428	$18,736,679	$21,303,494	$23,041,044	$24,739,020	$26,946,527	$31,314,276	$34,965,215	$35,545,031	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$5,700	$13,413	$17,747	$23,004	$28,530	$32,438	$35,084	$37,669	$41,030	$47,681	$53,240	$54,123	389,659
	b. Equity Component Grossed Up For Taxes	6.10%		$19,015	$44,749	$59,206	$76,744	$95,180	$108,219	$117,045	$125,671	$136,885	$159,072	$177,618	$180,564	1,299,968
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	3.3%		$0	$0	$0	$0	$14,430	$6,455	$9,825	$5,666	$7,746	$24,225	$26,229	$95,188	189,764
	b. Amortization			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		$0	$0	$0	$0	$3,346	$1,497	$2,278	$1,313	$1,796	$5,616	$6,081	$22,068	43,995
	e. Other (D)	3.3%		0	0	0	0	(449)	(449)	(553)	(424)	(489)	(1,001)	(1,064)	(3,208)	(7,637)
9	Total System Recoverable Expenses (Lines 7 + 8)			$24,715	$58,163	$76,953	$99,747	$141,037	$148,160	$163,679	$169,895	$186,969	$235,593	$262,105	$348,735	$1,915,749
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$24,715	$58,163	$76,953	$99,747	$141,037	$148,160	$163,679	$169,895	$186,969	$235,593	$262,105	$348,735	$1,915,749
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			17,351	40,832	54,023	70,026	99,012	104,013	114,907	119,271	131,258	165,393	184,005	244,822	1,344,914
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$17,351	$40,832	$54,023	$70,026	$99,012	$104,013	$114,907	$119,271	$131,258	$165,393	$184,005	$244,822	$1,344,914

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11
(D) Credit for depreciation expense related to rate base asset retirements resulting from this SPP Program

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Structure Hardening - Transmission: Tower Replacements
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		$0	$0	$0	$45,510	$318,570	$682,650	$591,630	$182,040	$0	$0	$121,360	$121,360	$121,360	$2,184,480
	b. Clearings to Plant			0	0	0	227,550	682,650	682,650	227,550	0	0	0	0	0	1,820,400
	c. Retirements			0	0	0	0	0	0	0	0	0	0	0	0	
	d. Other			0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base			0	0	0	227,550	910,200	1,592,850	1,820,400	1,820,400	1,820,400	1,820,400	1,820,400	1,820,400	
3	Less: Accumulated Depreciation			0	0	0	(247)	(1,233)	(2,958)	(4,930)	(6,902)	(8,874)	(10,847)	(12,819)	(14,791)	
4	CWIP - Non-Interest Bearing		0	0	0	45,510	136,530	136,530	45,510	0	0	0	121,360	242,720	364,080	
5	Net Investment (Lines 2 + 3 + 4)		$0	$0	$0	$45,510	$363,833	$1,045,497	$1,635,402	$1,815,470	$1,813,498	$1,811,526	$1,930,913	$2,050,301	$2,169,689	
6	Average Net Investment			$0	$0	$22,755	$204,672	$704,665	$1,340,450	$1,725,436	$1,814,484	$1,812,512	$1,871,220	$1,990,607	$2,109,995	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$0	$0	$35	$312	$1,073	$2,041	$2,627	$2,763	$2,760	$2,849	$3,031	$3,213	20,703
	b. Equity Component Grossed Up For Taxes	6.10%		$0	$0	$116	$1,040	$3,580	$6,809	$8,765	$9,217	$9,207	$9,506	$10,112	$10,718	69,070
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	1.3%		$0	$0	$0	$247	$986	$1,726	$1,972	$1,972	$1,972	$1,972	$1,972	$1,972	14,791
	b. Amortization			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		$0	$0	$0	$145	$580	$1,016	$1,161	$1,161	$1,161	$1,161	$1,161	$1,161	8,705
	e. Other (D)	1.3%		0	0	0	(12)	(48)	(83)	(95)	(95)	(95)	(95)	(95)	(95)	(715)
9	Total System Recoverable Expenses (Lines 7 + 8)			$0	$0	$150	$1,731	$6,171	$11,508	$14,430	$15,018	$15,005	$15,392	$16,180	$16,969	$112,554
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$0	$0	$150	$1,731	$6,171	$11,508	$14,430	$15,018	$15,005	$15,392	$16,180	$16,969	$112,554
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			0	0	105	1,215	4,332	8,079	10,130	10,543	10,534	10,806	11,359	11,913	79,016
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$0	$0	$105	$1,215	$4,332	$8,079	$10,130	$10,543	$10,534	$10,806	$11,359	$11,913	$79,016

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11
(D) Credit for depreciation expense related to rate base asset retirements resulting from this SPP Program

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
Calculation of Projected Period Amount
January 2021 - December 2021

Return on Capital Investments, Depreciation and Taxes
For Project: Structure Hardening -Transmission: Cathodic Protection
(in Dollars)

Line	Description		Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Total
1	Investments															
	a. Expenditures/Additions		$0	$0	$0	$0	$0	$0	$240,000	$272,000	$320,000	$192,000	$0	$0	$0	$1,024,000
	b. Clearings to Plant			0	0	0	0	0	160,000	352,000	240,000	272,000	0	0	0	1,024,000
	c. Retirements			0	0	0	0	0	0	0	0	0	0	0	0	
	d. Other			0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base			0	0	0	0	0	160,000	512,000	752,000	1,024,000	1,024,000	1,024,000	1,024,000	
3	Less: Accumulated Depreciation			0	0	0	0	0	(253)	(1,064)	(2,255)	(3,876)	(5,497)	(7,119)	(8,740)	
4	CWIP - Non-Interest Bearing		0	0	0	0	0	0	80,000	0	80,000	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)		$0	$0	$0	$0	$0	$0	$239,747	$510,936	$829,745	$1,020,124	$1,018,503	$1,016,881	$1,015,260	
6	Average Net Investment			$0	$0	$0	$0	$0	$119,873	$375,341	$670,341	$924,935	$1,019,313	$1,017,692	$1,016,071	
7	Return on Average Net Investment (A)	Jan-Dec														
	a. Debt Component	1.83%		$0	$0	$0	$0	$0	$183	$572	$1,021	$1,408	$1,552	$1,550	$1,547	7,832
	b. Equity Component Grossed Up For Taxes	6.10%		$0	$0	$0	$0	$0	$609	$1,907	$3,405	$4,699	$5,178	$5,170	$5,161	26,129
	c. Other			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	0
8	Investment Expenses															
	a. Depreciation	1.9%		$0	$0	$0	$0	$0	$253	$811	$1,191	$1,621	$1,621	$1,621	$1,621	8,740
	b. Amortization			0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Dismantlement			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	d. Property Taxes	0.007651		0	0	0	0	0	102	326	479	653	653	653	653	3,519
	e. Other			0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)			$0	$0	$0	$0	$0	$1,147	$3,615	$6,096	$8,381	$9,004	$8,994	$8,983	$46,220
	a. Recoverable Costs Allocated to Energy			0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand			$0	$0	$0	$0	$0	$1,147	$3,615	$6,096	$8,381	$9,004	$8,994	$8,983	$46,220
10	Energy Jurisdictional Factor			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
11	Demand Jurisdictional Factor - Distribution			0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	0.70203	
12	Retail Energy-Related Recoverable Costs (B)			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Retail Demand-Related Recoverable Costs (C)			0	0	0	0	0	805	2,538	4,280	5,884	6,321	6,314	6,306	32,448
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)			$0	$0	$0	$0	$0	$805	$2,538	$4,280	$5,884	$6,321	$6,314	$6,306	$32,448

Notes:

(A) Line (6 x 7)/12. Based on ROE of 10.5%, weighted cost of equity component of capital structure and statutory income tax rate of 24.522% (inc tax multiplier = 1.3249). Using the 2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.
(B) Line 9a x Line 10
(C) Line 9b x Line 11

Duke Energy Florida
Storm Protection Cost Recovery Clause
Calculation of the Energy & Demand Allocation % by Rate Class
January 2021 - December 2021

Docket No. 20200092-EI
Duke Energy Florida, LLC
Witness: T.G. Foster
Exh. No. __ (TGF-1) Page 13 of 15
Form 5P

Rate Class	(1) 12 CP Load Factor at Meter (%)	(2) NCP Load Factor at Meter (%)	(3) Sales at Meter System Total (mWh)	(4) Sales at Meter Distrib. Total (mWh)	(5) Delivery Efficiency Factor	(6) Sales at Source System Total (mWh)	(7) Sales at Source Distrib. Total (mWh)	(8) 12 CP at Source System Total (MW)	(9) NCP at Source Distrib. Total (MW)	(10) mWh Sales at Source Energy Allocator (%)	(11) 12 CP Demand Transmission Allocator (%)	(12) NCP Distrib. Total Allocator (%)	(13) 12 CP & 1/13 AD Demand Allocator (%)
Residential													
RS-1, RST-1, RSL-1, RSL-2, RSS-1													
Secondary	0.5478	0.370	21,141,521	21,141,521	0.9307248	22,715,115	22,715,115	4,733.7	7,007.8	53.677%	61.440%	66.399%	60.843%
General Service Non-Demand													
GS-1, GST-1													
Secondary	0.576	0.451	2,057,599	2,057,599	0.9307248	2,210,749	2,210,749	438.4	559.4	5.224%	5.690%	5.300%	5.654%
Primary	0.576	0.451	14,043	14,043	0.9736607	14,423	14,423	2.9	3.6	0.034%	0.037%	0.035%	0.037%
Transmission	0.576	0.451	2,593		0.9836607	2,636		0.5	0.0	0.006%	0.007%	0.000%	0.007%
			2,074,235	2,071,642		2,227,808	2,225,172	441.8	563.0	5.264%	5.734%	5.335%	5.698%
General Service													
GS-2 Secondary	1.000	1.000	194,563	194,563	0.9307248	209,044	209,044	23.9	23.9	0.494%	0.310%	0.226%	0.324%
General Service Demand													
GSD-1, GSDT-1													
Secondary	0.742	0.626	10,950,999	10,950,999	0.9307248	11,766,098	11,766,098	1,809.3	2,145.7	27.804%	23.483%	20.331%	23.815%
Primary	0.742	0.626	2,001,891	2,001,891	0.9736607	2,056,046	2,056,046	316.2	374.9	4.859%	4.104%	3.553%	4.162%
Secondary Del/ Primary Mtr	0.742	0.626	28,262	28,262	0.9736607	29,027	29,027	4.5	5.3	0.069%	0.058%	0.050%	0.059%
Transm Del/ Primary Mtr	0.742	0.626	0		0.9736607	0		0.0	0.0	0.000%	0.000%	0.000%	0.000%
Transmission	0.742	0.626	103,104		0.9836607	104,817		16.1	0.0	0.248%	0.209%	0.000%	0.212%
SS-1 Primary	0.796	0.324	36,645	36,645	0.9736607	37,636	37,636	5.4	13.3	0.089%	0.070%	0.126%	0.072%
Transm Del/ Transm Mtr	0.796	0.324	5,412		0.9836607	5,502		0.8	0.0	0.013%	0.010%	0.000%	0.010%
Transm Del/ Primary Mtr	0.796	0.324	1,821		0.9736607	1,870		0.3	0.0	0.004%	0.003%	0.000%	0.004%
			13,128,134	13,017,797		14,000,995	13,888,806	2,152.4	2,539.2	33.085%	27.938%	24.059%	28.334%
Curtailable													
CS-1, CST-1, CS-2, CST-2, SS-3													
Secondary	1.082	0.334	0	0	0.9307248	0	0	0.0	0.0	0.000%	0.000%	0.000%	0.000%
Primary	1.082	0.334	61,840	61,840	0.9736607	63,513	63,513	6.7	21.7	0.150%	0.087%	0.206%	0.092%
SS-3 Primary	1.248	0.380	68,295	68,295	0.9736607	70,142	70,142	6.4	21.1	0.166%	0.083%	0.200%	0.090%
			130,135	130,135		133,655	133,655	13.1	42.8	0.316%	0.170%	0.405%	0.181%
Interruptible													
IS-1, IST-1, IS-2, IST-2													
Secondary	0.911	0.707	445,099	445,099	0.9307248	478,228	478,228	59.9	77.2	1.130%	0.778%	0.732%	0.805%
Sec Del/Primary Mtr	0.911	0.707	5,866	5,866	0.9736607	6,025	6,025	0.8	1.0	0.014%	0.010%	0.009%	0.010%
Primary Del / Primary Mtr	0.911	0.707	1,226,102	1,226,102	0.9736607	1,259,270	1,259,270	157.8	203.4	2.976%	2.048%	1.927%	2.119%
Primary Del / Transm Mtr	0.911	0.707	301	301	0.9836607	306	306	0.0	0.0	0.001%	0.000%	0.000%	0.001%
Transm Del/ Transm Mtr	0.911	0.707	459,412		0.9836607	467,043		58.5	0.0	1.104%	0.759%	0.000%	0.786%
Transm Del/ Primary Mtr	0.911	0.707	369,971		0.9736607	379,979		47.6	0.0	0.898%	0.618%	0.000%	0.639%
SS-2 Primary	0.686	0.272	14,726	14,726	0.9736607	15,124	15,124	2.5	6.3	0.036%	0.033%	0.060%	0.033%
Transm Del/ Transm Mtr	0.686	0.272	3,450		0.9836607	3,507		0.6	0.0	0.008%	0.008%	0.000%	0.008%
Transm Del/ Primary Mtr	0.686	0.272	45,318		0.9736607	46,544		7.7	0.0	0.110%	0.101%	0.000%	0.101%
			2,570,245	1,692,094		2,656,027	1,758,954	335.4	287.9	6.276%	4.353%	2.728%	4.501%
Lighting													
LS-1 (Secondary)	10.191	0.479	349,344	349,344	0.9307248	375,347	375,347	4.2	89.5	0.887%	0.055%	0.848%	0.119%
			39,588,176	38,597,095		42,317,991	41,306,092	7,705	10,554	100%	100%	100%	100%

Notes:

(1) Average 12CP load factor based on load research study filed July 31, 2018
(2) NCP load factor based on load research study filed July 31, 2018
(3) Projected kWh sales for the period January 2021 to December 2021
(4) Projected kWh sales for the period January 2021 to December 2021 excluding transmission service
(5) Based on system average line loss analysis for 2019
(6) Column 3 / Column 5
(7) Column 6 excluding transmission service
(8) Calculated: (Column 3 / (8,760hours * Column 1)) x Column 5
(9) Calculated: (Column 4 / (8,760hours * Column 2)) x Column 5
(10) Column 6/ Total Column 6
(11) Column 8/ Total Column 8
(12) Column 9/ Total Column 9
(13) Column 10 x 1/13 + Column 11 x 12/13

Duke Energy Florida
Storm Protection Cost Recovery Clause
Calculation Rate Factors by Rate Class
January 2021 - December 2021

Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12 CP Demand Transmission Allocator (%)	(3) NCP Distribution Total Allocator (%)	(4) 12 CP & 1/13 AD Demand Allocator (%)	(5) Energy-Related Costs ($)	(6) Transmission Demand Costs ($)	(7) Distribution Demand Costs ($)	(8) Production Demand Costs ($)	(9) Total SPP Costs ($)	(10) Projected Effective Sales at Meter Level (mWh)	(11) **SPP Factors (¢/kWh)**
Residential											
RS-1, RST-1, RSL-1, RSL-2, RSS-1											
Secondary	53.677%	61.440%	66.399%	60.843%	$0	$1,862,658	$4,612,877	$0	$6,475,536	21,141,521	**0.031**
General Service Non-Demand											
GS-1, GST-1											
Secondary	5.224%	5.690%	5.300%	5.654%	$0	$172,503	$368,198		$540,701	2,057,599	**0.026**
Primary	0.034%	0.037%	0.035%	0.037%	$0	$1,125	$2,402		$3,528	13,903	**0.026**
Transmission	0.006%	0.007%	0.000%	0.007%	$0	$206	$0		$206	2,541	**0.025**
TOTAL GS	5.264%	5.734%	5.335%	5.698%	$0	$173,834	$370,600	$0	$544,435	**2,074,042**	
General Service											
GS-2 Secondary	0.494%	0.310%	0.226%	0.324%	$0	$9,390	$15,708	$0.00	$25,098	194,563	**0.013**
General Service Demand											
GSD-1, GSDT-1, SS-1											
Secondary	27.873%	23.541%	20.381%	23.874%	$0	$713,682	$1,415,892		$2,129,574	10,950,999	**0.019**
Primary	4.947%	4.174%	3.678%	4.233%	$0	$126,528	$255,545		$382,074	2,047,933	**0.019**
Transmission	0.265%	0.223%	0.000%	0.226%	$0	$6,758	$0		$6,758	106,346	**0.019**
TOTAL GSD	33.085%	27.938%	24.059%	28.334%	$0	$846,969	$1,671,437	$0	$2,518,406	**13,105,277**	
Curtailable											
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3											
Secondary	0.000%	0.000%	0.000%	0.000%	$0	$0	$0		$0	-	**0.026**
Primary	0.316%	0.170%	0.405%	0.181%	$0	$5,161	$28,149		$33,310	128,834	**0.026**
Transmission					$0	$0	$0		$0	-	**0.025**
TOTAL CS	0.316%	0.170%	0.405%	0.181%	$0	$5,161	$28,149	$0	$33,310	**128,834**	
Interruptible											
IS-1, IST-1, IS-2, IST-2, SS-2											
Secondary	1.144%	0.787%	0.741%	0.815%	$0	$23,871	$51,474		$75,345	445,099	**0.013**
Primary	3.012%	2.081%	1.987%	2.152%	$0	$63,080	$138,065		$201,145	1,645,363	**0.013**
Transmission	2.120%	1.485%	0.000%	1.534%	$0	$45,031	$0		$45,031	453,900	**0.013**
TOTAL IS	6.276%	4.353%	2.728%	4.501%	$0	$131,982	$189,539	$0	$321,521	**2,544,362**	
Lighting											
LS-1 Secondary	0.887%	0.055%	0.848%	0.119%	$0	$1,654	$58,882	$0	$60,536	349,344	**0.017**
	100.000%	100.000%	100.000%	100.000%	$0	$3,031,649	$6,947,193	$0	$9,978,842	39,537,943	**0.025**

Notes:

(1)	From Form 5P, Column 10
(2)	From Form 5P, Column 11
(3)	From Form 5P, Column 12
(4)	From Form 5P, Column 13
(5)	Column 1 x Total Energy Jurisdictional Dollars from Form 42-1P, line 5
(6)	Column 2 x Total Transmission Demand Jurisdictional Dollars from Form 42-1P, line 5
(7)	Column 3 x Total Distribution Demand Jurisdictional Dollars from Form 42-1P, line 5
(8)	N/A
(9)	Column 5 + Column 6 + Column 7 + Column 8
(10)	From Form 5P, Column 3
(11)	(Column 9 / Column 10)/10

Duke Energy Florida
Storm Protection Cost Recovery Clause
January 2021 - December 2021
Approved Capital Structure and Cost Rates

	System Per Sys Per Book	Proration Adjustment	System Per Books Adj'd	Retail Per Books	Pro Rata Adj	Specific Adj	Adjusted Retail	Cap Ratio	Cost Rate	Weighted Cost	Revenue Requirement Rate	Monthly Revenue Requirement Rate
1 Common Equity	$7,823,047	$ 652	$ 7,823,699	$ 7,015,615	$ (360,480)	$ (13,675)	$ 6,641,460	43.82%	10.50%	4.60%	6.10%	0.51%
2 Long Term Debt	$6,994,112	583	6,994,695	6,272,236	(322,283)		5,949,953	39.26%	4.37%	1.72%	1.72%	0.14%
3 Short Term Debt	($84,189)	(7)	(84,196)	(75,499)	3,879		(71,620)	-0.47%	1.80%	-0.01%	-0.01%	0.00%
4 Cust Dep Active	$199,531	17	199,548	199,548	(10,253)		189,295	1.25%	2.37%	0.03%	0.03%	0.00%
5 Cust Dep Inactive	$1,680	0	1,680	1,680	(86)		1,593	0.01%			0.00%	0.00%
6 Invest Tax Cr	$211,684	18	211,702	189,836	(9,754)		180,082	1.19%	7.60%	0.09%	0.09%	0.01%
7 Deferred Inc Tax	$2,959,469	(1,263)	2,958,206	2,652,663	(136,300)	(250,609)	2,265,754	14.95%			0.00%	0.00%
8 **Total**	$ 18,105,334	$ -	$ 18,105,334	$16,256,078	$ (835,278)	$ (264,283)	$ 15,156,516	100.00%		6.43%	7.92%	0.66%

Proration Adjustment to Reflect Projected ADFIT Consistent with Projection Year:

	Month	ADIT Bal.	Deprec-Related ADFIT Bal.	Deprec-Related ADFIT Activity	Days to Prorate	Future Days in Period	Prorated Deprec-Related ADFIT Activity	Prorated Deprec-Related ADFIT Bal
9	Dec-20	$ 2,968,806	$ 2,090,218					$ 2,090,218
10 projected	Jan-21	$ 2,973,506	$ 2,098,450	$ 8,231	31	335	$ 7,555	2,097,773
11 projected	Feb-21	$ 2,974,118	$ 2,102,838	4,388	31	304	3,655	2,101,428
12 projected	Mar-21	$ 2,972,864	$ 2,105,472	2,634	28	276	1,992	2,103,419
13 projected	Apr-21	$ 2,974,157	$ 2,110,499	5,028	31	245	3,375	2,106,794
14 projected	May-21	$ 2,972,297	$ 2,112,564	2,065	30	215	1,216	2,108,010
15 projected	Jun-21	$ 2,951,032	$ 2,096,388	(16,176)	31	184	(8,154)	2,099,856
16 projected	Jul-21	$ 2,948,494	$ 2,097,815	1,427	30	154	602	2,100,458
17 projected	Aug-21	$ 2,946,321	$ 2,099,585	1,771	31	123	597	2,101,055
18 projected	Sep-21	$ 2,945,125	$ 2,102,273	2,688	31	92	678	2,101,732
19 projected	Oct-21	$ 2,945,908	$ 2,106,822	4,549	30	62	773	2,102,505
20 projected	Nov-21	$ 2,948,510	$ 2,113,080	6,258	31	31	532	2,103,036
21 projected	Dec-21	$ 2,951,965	$ 2,120,141	7,060	30	1	19	2,103,056
22 13 Mo Avg Bal		$ 2,959,469	$ 2,104,319		365		$ 12,837	$ 2,103,056
23							13 Mo Avg Bal	2,104,319
24							Proration Adj.	$ (1,263)

Breakdown of Revenue Requirement Rate of Return between Debt and Equity:

25	Total Debt Component (Lines 2,3,4, and 6)	1.83%	0.00152
26	Total Equity Component (Line 1)	6.10%	0.00508
27	Total Revenue Requirement Rate of Return	7.92%	0.00660

Notes:

Effective Tax Rate: 24.522%

2021 WACC methodology prescribed in Order No. PSC-2020-0165-PAA-EU Docket No. 20200118-EU.

IN RE: STORM PROTECTION PLAN COST RECOVERY CLAUSE PURSUANT TO RULE 25-6.031, F.A.C., DUKE ENERGY FLORIDA, LLC

FPSC DOCKET NO. 20200092-EI

DIRECT TESTIMONY OF JAY W. OLIVER

JULY 24, 2020

I. INTRODUCTION AND QUALIFICATIONS.

Q. Please state your name and business address.

A. My name is Jay W. Oliver. My current business address is 400 South Tryon Street, Charlotte, NC 28202.

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

A. I am employed by Duke Energy Business Services, LLC ("DEBS") as General Manager, Grid Strategy and Asset Management Governance. DEBS is a wholly-owned subsidiary of Duke Energy Corporation ("Duke Energy") that provides various administrative and other services to Duke Energy Florida, LLC ("DEF" or the "Company") and other affiliated companies of Duke Energy.

Q. What are your responsibilities as General Manager, Grid Strategy and Asset Management Governance?

A. My duties and responsibilities include planning for grid upgrades, system planning, and overall Distribution asset management strategy across Duke Energy.

Q. Please summarize your educational background and work experience.

A. I have a Bachelor of Science degree in Electrical Engineering from the Georgia Institute of Technology and a Master's degree in Business Administration from the University of South Florida. I am a licensed Electrical Engineer and a registered Professional Engineer in Florida. From 30 years working in the electric utility business, I have experience in electric transmission, distribution, and information technology and telecommunications systems that support utility transmission and distribution networks. I began working at Duke Energy in 1996, joining one of its predecessor companies, Florida Progress. Over the past 10 years, I have held the positions of General Manager Grid Strategy and Asset Management Governance, General Manager Engineering and Technology, Director Distribution Services, Major Projects Manager, and Director, Grid Automation. I have been in my current role since January 2020.

II. PURPOSE AND SUMMARY OF TESTIMONY.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to support the Company's request for recovery of costs through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") associated with DEF's Storm Protection Plan ("SPP"). My testimony supports the Company's projected costs, details the Company's SPP implementation activities, and explains how those activities and costs are consistent with DEF's SPP.

Q. Do you have any exhibits to your testimony?

A. No, but I am co-sponsoring portions of the schedules attached to Mr. Foster's direct testimony, included as part of Exhibit No. __(TGF-1). Specifically, I am sponsoring the project level information shown on Schedule Form 2P Projects and Form 3P and the cost portions of Schedule:

- Form 2P (Page 1 of 3, Lines 1 through 2b); and
- Form 4P (Pages 1 through 6, Lines 1a and 1b).

Q. Please summarize your testimony.

A. DEF will incur reasonable costs in 2020 and 2021 to complete work presented in its SPP filed with the Commission on April 10, 2020. Both the Distribution Feeder Hardening Program and Transmission Structure Hardening-Pole Replacement activities are expected to incur costs to procure material and equipment and perform analytical and engineering work later in 2020 for the work to be completed in 2021; these investment balances are shown in the beginning balances on Schedule Forms 4P (Line 1a). DEF is not requesting recovery of any of the 2020 revenue requirements associated with this spend but is including in the SPPCRC rate base beginning in 2021 and recovering associated revenue requirements from that point forward. The costs presented are consistent with the estimates filed as part of DEF's SPP on April 10, 2020. The costs are also not being recovered through base rates or any other clause mechanism. As such, if the Commission approves DEF's SPP, these costs should be approved for recovery through the SPPCRC.

III. OVERVIEW OF SPP PROGRAMS SOUGHT FOR CURRENT COST RECOVERY

Q. Please identify what SPP Programs and activities you are seeking cost recovery for during 2021?

A. DEF is seeking cost recovery for the Distribution Feeder Hardening and Transmission Structure Hardening Programs. Within the Transmission Structure Hardening Program, DEF is seeking recovery for Pole Replacement, Tower Replacement, Cathodic Protection, and Drone Inspection activities. These programs and activities are explained in further detail in Exhibit JWO-2 of DEF's SPP filing made on April 10, 2020, in Docket No. 20200069.

Q. Describe the activities that will be performed for Distribution Feeder Hardening and its related costs?

A. The Feeder Hardening program will enable the feeder backbone to better withstand extreme weather events. This includes increasing pole sizes, reducing span lengths, updating the basic insulation level ("BIL"), updating the conductor, relocating difficult to access facilities, and replacing equipment to align with current standards, as appropriate. The existing backbone is approximately 6,300 miles on 1,325 feeders.

DEF expects to incur approximately $62M of total capital costs related to this Program in 2021, as shown on Schedule Form 4P, pages 1-3, Line 1a, and an associated amount of O&M totaling approximately $2.4M related to this Program, shown on Schedule Form 2P, page 1 of 3, Line 1b in Exhibit No. __(TGF-1). The beginning balance for engineering work performed in 2020 for 2021 has been included in the SPPCRC rate base used to calculate 2021 revenue requirements.

Q. Describe the activities that will be performed for Transmission Structure Hardening-Wood Pole Replacements and its related costs?

A. The Structure Hardening program focuses on DEF's Transmission structures throughout the state. As part of the program, all wood poles on the Florida Transmission system will be replaced with non-wood structures within 15 years. Wood pole failure has been the predominate structure damage to the transmission system during extreme weather. This activity will upgrade wood poles to non-wood material such as steel or concrete. The new structures will be more resistant to damage from extreme weather events. Other related hardware upgrades will occur simultaneously, such as insulators, crossarms, switches, and down guys.

DEF expects to incur approximately $70.5M of total capital costs related to this Program in 2021, as shown on Schedule Form 4P, page 4 of 6, Line 1a, and an associated amount of O&M totaling approximately $3.8M related to this activity, shown on Schedule Form 2P, page 1 of 3, Line 2.1, in Exhibit No. __(TGF-1). As more fully described by DEF Witness Foster, there is some amount of recovery for this activity currently included in base rates; however, only the amount in excess of what is currently being recovered through base rates is included in the requested SPPCRC recovery. The Beginning balance for engineering work performed in 2020 to prepare for 2021 work will not be incorporated into the 2021 SPPCRC revenue requirement. Please refer to Mr. Foster's testimony for details regarding the calculation of the 2021 SPPCRC revenue requirement for this activity.

Q. Describe the activities that will be performed for Transmission Structure Hardening-Tower Replacements and its related costs?

A. The Tower Replacement activities within the Structure Hardening Program will prioritize towers based on visual ground inspections, aerial drone inspections, and data from cathodic protection installations. This will improve the ability of the transmission grid to sustain operations during extreme weather events by reducing outages and improving restoration times.

DEF expects to incur approximately $2.2M of total capital costs related to this activity in 2021, as shown in the on Schedule Form 4P, page 5 of 6, Line 1a, and an associated amount of O&M totaling approximately $21k to this activity, shown on Schedule Form 2P, page 1 of 3, Line 2.2, in Exhibit No. __(TGF-1).

Q. Describe the activities that will be performed for Transmission Structure Hardening-Cathodic Protection and its related costs?

A. The Cathodic Protection activities included in the Structure Hardening Program will mitigate active groundline corrosion on the lattice tower system and produce site and soil corrosion classification. The site and soil classification will be used to aid in condition-based maintenance and prioritization for proactive tower replacements (as part of the Tower Replacement activity). This activity installs passive cathodic protection systems which are comprised of anodes on each leg of lattice towers. The anodes serve as sacrificial assets that corrode in place of structural steel, thereby preventing loss of structure strength to corrosion. This will help reduce outages during extreme weather events by limiting the loss of base metal and protecting leg strength on aged assets with protective zinc coatings that are approaching their end of life.

DEF expects to incur approximately $1M of total capital costs related to this activity in 2021, as shown in the on Schedule Form 4P, page 6 of 6, Line 1a, and an associated amount of O&M totaling approximately $0.2M related to this program, shown on Schedule Form 2P, page 1 of 3, Line 2.3 in Exhibit No. __(TGF-1).

Q. Describe the activities that will be performed for Transmission Structure Hardening-Drone Inspections and its related costs?

A. The Drone Inspection activities included in the Structure Hardening Program will identify otherwise difficult to see structure, hardware, or insulation vulnerabilities through high resolution imagery. DEF is incorporating drone patrols into the inspections because drones have the unique ability to provide a close vantage point with multiple angles on structures that is unattainable through aerial or ground patrols with binoculars.

DEF does not expect to incur any capital costs related to this activity in 2021, however, an amount of O&M totaling approximately $0.1M related to this activity is shown on Schedule Form 2P, page 1 of 3, Line 2.4, in Exhibit No. __(TGF-1).

Q. Are the Programs and activities discussed above consistent with DEF's SPP?

A. Yes, the planned activities are consistent with the Programs described in detail in DEF's SPP, specifically JWO-2.

Q. Are there any activities related to the Transmission Structure Hardening Program included in the Exhibits which you are not seeking recovery for through the SPPCRC?

A. Yes. As reflected in Schedule Form 4P, of Mr. Foster's Exhibit No. __ (TGF-1), the total 2021 Transmission Structure Hardening – Pole replacement wood to non-wood activity will incur costs of approximately $70.5M, of which the revenue requirements on approximaetly $34.8M will not be included for recovery through the SPPCRC. This is a reasonable estimate of what is currently included in base rates, based on DEF's actual average annual expense over the 3-year period 2017-2019. O&M incurred as part of this activity is directly tied to the amount of capital work done in a given year. As such, DEF has also adjusted out a portion of the O&M costs consistent with the amount of capital costs being removed from the SPPCRC recovery request. This equates to removing approximately $1.8M, or about 49%, of the total O&M costs. The 49% was derived by dividing the base level of capital ($34.8M) by the total capital ($70.5M). This adjustment can be seen on Schedule Form 2P, page 1 of 3, Line 2a, in Exhibit No. __(TGF-1).

Q. In total, how much SPPCRC eligible Capital investment are you planning to incur related to these Programs?

A. As reflected in Schedule Form 4P, of Mr. Foster's Exhibit No. __ (TGF-1), the total 2021 projected costs for the two Programs DEF is seeking SPPCRC recovery for in 2021 are: Distribution Feeder Hardening cost of $62 million; and Transmission Structure Hardening costs of $38.9 million, broken down into three activities: $35.7 million for Wood to Non-wood Pole Replacement ($34.8M of the total $70.5M 2021 investment is characterized as Base spend); $2.2 million for Tower Replacement; and $1 million Cathodic Protection.

Q. In total, how much SPPCRC eligible O&M costs are you planning to incur related to these Programs?

A. As reflected in Schedule Form 2P, of Mr. Foster's Exhibit No. __ (TGF-1), the total 2021 projected costs for the two Programs DEF is seeking SPPCRC recovery for in 2021 are: Distribution Feeder Hardening cost of $2.4 million; and Transmission Structure Hardening costs of $2.2 million, broken down into four activities: $1.9 million for Wood to Non-wood Pole Replacement ($1.8M of the total $3.7M 2021 investment is characterized as Base spend); $0.2 million for Cathodic Protection; $0.1 million for Drone Inspections; and $21k for Tower Replacements.

Q. Please explain how the costs associated with these Programs are consistent with DEF's SPP filing made on April 10, 2020?

A. Projected capital investments in 2021 of $60M for Feeder Hardening and $40M for Structure Hardening were included in DEF's SPP based on average unit costs. The current request includes a total of approximately $100M capital for the same activities included in the SPP filing, but incorporates additional knowledge gained as projects have been identified and further reviewed by DEF's subject matter experts.

Q. Have your cost estimates for 2021 investments changed from the filing in DEF's SPP Filing on April 10, 2020?

A. Yes, in some instances, DEF's estimates have changed for the work expected to be performed in 2021. In fact, DEF estimates that it will be able to complete more units of work than originally estimated for some activities. For example, in Exhibit JWO-2 in the SPP filing, the assumption of the number of wood-to-non-wood pole changeouts in the

Transmission Structure Hardening Program was predicated on the assumption that all work was to be performed by contractors. However, further alignment and refinement of the 2021 plan concluded that DEF expects to undertake some of this work using internal labor. The inclusion of internal crews to complete this work increased the total number of estimated pole replacements for 2021, while keeping overall capital costs the same. Further, O&M was originally estimated with the assumption that O&M costs would be consistent regardless of crew mix and work methods (de-energized versus hot work). However, this cost was further refined and aligned more closely with the anticipated crew mix and work methods for 2021. Additionally, an increase in units completed overall results in a corresponding increase in overall O&M costs.

Q. Does this conclude your testimony?

A. Yes, it does.