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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**ON BEHALF OF COMMISSION STAFF**

**DIRECT TESTIMONY OF TOMER KOPELOVICH**

**DOCKET NO. 20230020-EI**

**MARCH 29, 2024**

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

A. My name is Tomer Kopelovich. My business address is 24715 Portofino Drive; Lutz, FL; 33559.

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

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a Public Utility Analyst III. I have been employed by the Commission since October 2002.

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

A. I graduated from University of South Florida in 1991 with a Bachelor of Science degree in Finance. I have worked for the Florida Public Service Commission for 21 years, and I have varied experience in the electric, gas, and water and wastewater industries. My work experience includes various types of rate cases, cost recovery clauses, and utility audits. I am also a Certified Public Accountant.

**Q. Please describe your current responsibilities.**

A. My responsibilities consist of planning and conducting utility audits of manual and automated accounting systems for historical and forecasted data.

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

A. Yes. I presented testimony in several dockets before this Commission. Those dockets include Dockets 2009001-EI; and 20110001-EI.

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

2 A. The purpose of my testimony is to sponsor staff's Auditor Report of Duke Energy  
3 Florida, LLC., which addresses the Utility's filing in Docket No. 20230020-EI. An Auditor's  
4 Report was filed in the docket on February 16, 2024. This report is filed with my testimony  
5 and is identified as Exhibit (TK-1).

6 **Q. Was this audit prepared by you or under your direction?**

7 A. Yes. It was prepared under my direction

8 **Q. Please describe the objectives of the audit and the procedures performed during**  
9 **the audit?**

10 A. The objectives and procedures are listed in the Objectives and Procedures section of  
11 the attached Exhibit (TK-1), pages 2 through 4.

12 **Q. Were there any audit findings in the Auditor's Report (Exhibit TK-1) which**  
13 **address the schedules prepared by the Utility in support of its filing in Docket No.**  
14 **20230020-EI?**

15 A. No.

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

17 A. Yes.

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State of Florida



## Public Service Commission

Office of Auditing and Performance Analysis  
Bureau of Auditing

### Auditor's Report

Duke Energy Florida, LLC  
Storm Recovery Cost Audit

**January 1, 2020 through September 30, 2023**

Docket No. 20230020-EI  
Audit Control No. 2023-285-2-1

**February 13, 2024**

Handwritten signature of Tomer Kopelovich in black ink.

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Tomer Kopelovich  
Audit Manager

Handwritten signature of Lily Sampson in black ink.

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Lily Sampson  
Audit Staff

Handwritten signature of Donna Brown in black ink.

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Donna Brown  
Reviewer

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**Purpose**

**To: Florida Public Service Commission**

**We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated October 9, 2023. We have applied these procedures to the attached schedules prepared by Duke Energy Florida, LLC, in support of its filing for rate relief in Docket No. 20230020-EI.**

**The report is intended only for internal Commission use.**

## Objectives and Procedures

### **General**

#### Definitions

Duke Energy Florida, LLC, hereinafter referred to as DEF, Duke, and or Utility.

**Incremental Costs** are costs that are incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm.

**Non-incremental Costs** are costs that are not incremental to costs normally charged to non-cost recovery clause operating expenses in the absence of a storm.

#### Background

On September 29, 2023, DEF filed a Petition for Approval of Actual Storm Restoration Costs related to Hurricane Nicole, Ian, Elsa, Isaias, Eta and Tropical Storm Fred (the “Storms”). The Petition also included the interest on the balance of unamortized Storm Restoration Costs. In this filed petition, DEF is requesting approval of (i) DEF’s actual recoverable storm restoration costs, including replenishment of the Utility’s storm reserve as contemplated by the 2021 Settlement Agreement and financing costs; and (ii) the process for refunding or collecting any over-collection or shortfall in Recoverable Storm Costs at the conclusion of the interim charge previously authorized by this Commission.

DEF is seeking total retail recovery in the amount of \$431,381,000. This is pursuant to Section 366.076(1), Florida Statutes, Rules 25-6.0143 and 25-6.0431, Florida Administrative Code, and the 2021 Settlement Agreement approved by the Florida Public Service Commission in Order No. PSC-2023-0111-PCO-EI.

### **Expense**

#### Payroll, Overtime, and Related Costs

**Objectives:** The objective was to determine whether payroll, overhead, and related costs were properly stated, storm related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled payroll, overhead, and related costs by cost type and storm. We reconciled the recoverable costs for the six named storms listed in Exhibit SR-1, in the testimony filed by Shelly Ross, to general ledger Account 186-Miscellaneous Deferred Debits. We selected a statistical sample of costs for detail testing and traced the amounts to the payroll register and allocation schedules. No exceptions were noted.

### Employee Expense

**Objectives:** The objective was to determine whether employee expense was properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled employee expense by storm. We selected a statistical sample of costs for testing which included meals, travel and lodging, and traced the amounts to the invoice and/or supporting documentation. No exceptions were noted.

### Contractor Costs

**Objectives:** The objective was to determine whether contractor costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled contractor costs by storm. We selected a statistical sample of costs for detail testing and traced the amounts to the supporting documentation. No exceptions were noted.

### Materials and Supplies

**Objectives:** The objective was to determine whether materials and supplies were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled material and supplies by storm. We selected a statistical sample of costs for detail testing and traced the items to the documentation or supporting invoices. No exceptions were noted.

### Internal Fleet Costs

**Objectives:** The objective was to determine whether Internal Fleet costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled internal fleet costs by storm. We selected a statistical sample of costs for detail testing and traced the amounts to the supporting documentation. No exceptions were noted.

### Other Costs

**Objectives:** The objective was to determine whether other costs were properly stated, storm-related, and recoverable pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We scheduled other operating costs by storm. We selected a statistical sample of costs for detail testing and traced the items to supporting invoices and documentation. No exceptions were noted.

## **Other**

### Capitalized Costs

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

**Procedures:** We requested a detailed description of the capitalized costs as well as the policies and procedures for recording these costs. We tested a sample of the capitalized costs to determine if the Utility included for recovery, only those costs that are allowed by the applicable Rule. No exceptions were noted.

### Non-Incremental Costs

**Objectives:** The objective was to determine whether the non-incremental costs have been accounted for correctly and removed in their entirety from the recoverable costs pursuant to Rule 25-6.0143, Florida Administrative Code (F.A.C.).

**Procedures:** We requested a detailed description of non-incremental costs as well as the policies and procedures for recording these costs. We selected a sample of costs for detail testing and traced the items to supporting documentation. No exceptions were noted.

### Third-Party Reimbursements

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

**Procedures:** We requested a detail listing of any third-party reimbursements or insurance claims. We noted that there was one insurance policy pertaining to property coverage that included generation sites. The utility met the deductible for insured storm damage, so this amount was chargeable to the storm reserve per Rule 25-6.0143, Florida Administrative Code (F.A.C.). No exceptions were noted.

### Jurisdictional Factors

**Objectives:** The objective was to determine whether the Utility used the appropriate jurisdictional factors for the filing.

**Procedures:** We obtained and reviewed Order No. PSC-2021-0202-AS-EI in Docket No. 20230020-EI, issued June 28, 2021. We reconciled the jurisdictional factors to the utility filing. No exceptions were noted.

**Audit Findings**

**None.**

Exhibit

**Exhibit 1: Summary of Storm Cost Recovery**

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

Docket No. 20230020  
Exhibit SR-1  
Page 1 of 1

Line No.	Description	Reference	Incremental Storm Cost	Storm Reserve Balance
1	Reserve Balance - Retail			\$ 131,848
2	Storm Costs (2020)			
3	Ela	SR-7 Line 30	-20,160	
4	Isaias	SR-6 Line 30	-259	
5	Sub-Total		<u>-20,419</u>	
6	Plus: Over-Recovery from Hurricane Dorian		3,397	
7	Plus: Amount Recovered through Storm Surcharge August 2021-December 2021		7,579	
8	Total Recoverable Restoration Costs 2020 - Retail (a)		<u>10,976</u>	<u>122,405</u>
9	Storm Costs (2021)			
10	Elsa	SR-5 Line 30	-14,609	
11	Fred	SR-4 Line 30	-155	
12	Total Recoverable Restoration Costs 2021 - Retail	Line 10 + Line 11	<u>-14,764</u>	<u>107,641</u>
13	Storm Costs (2022)			
14	Ian	SR-3 Line 30	-359,576	
15	Nicole	SR-2 Line 30	-42,928	
16	Total Recoverable Restoration Costs 2022 - Retail		<u>-402,504</u>	<u>(284,863)</u>
17	Amount Required to Restore Storm Reserve to \$131.8M (b)		<u>426,711</u>	<u>131,848</u>
18	Interest on Unamortized Reserve Deficiency Balance	SR-8 Line 7	<u>-4,670</u>	
19	Total Storm Recovery Amount - Retail		<u>\$</u>	<u>431,381</u>

Notes:

(a) An interim storm restoration recovery charge for Hurricanes Ela & Isaias was approved to begin August 2021 in Order PSC-2021-0271-PCO-EI. This Order also approved Ela & Isaias costs to be offset by the over-recovery of storm restoration costs collected for Hurricane Dorian and Tropical Storm Nestor. The interim storm restoration recovery charge for Ela & Isaias was suspended at the end of 2021, and the uncollected balance moved to the Storm Reserve per the Rate Mitigation Agreement approved in Order No. PSC-2021-0425-FOF-EI.

(b) Amount of Storm Reserve approved per 2021 Settlement Order PSC-2021-0202-AS-EI.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20230020-EI

DATED: March 29, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the testimony of Tomer Kopelovich on behalf of the staff of the Florida Public Service Commission was electronically filed with the Office of Commission Clerk, Florida Public Service Commission, and copies were furnished by electronic mail to the following on this 29<sup>th</sup> day of March, 2024.

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CERTIFICATE OF SERVICE

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*/s/ Suzanne S. Brownless*

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