



KATHLEEN PASSIDOMO
President of the Senate

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
SUITE 812
TALLAHASSEE, FLORIDA 32399-1400
850-488-9330

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV



PAUL RENNER
*Speaker of the House of
Representatives*

June 26, 2024

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

Re: Docket No. 20240025 - EI

Dear Mr. Teitzman,

Please find enclosed for filing in the above referenced docket three pages of revised testimony and one revised exhibit of the Direct Testimony and Exhibits of Helmuth W. Schultz, III, filed by OPC on June 11, 2024. None of the revised pages of testimony or the revised exhibit contain information previously redacted as confidential by DEF on June 21, 2024.

To summarize, the revisions to Mr. Schultz's testimony and exhibit include:

- 1) Testimony:
 - a. Page 5, Line 21;
 - b. Page 6, Lines 5-6, and 11; and
 - c. Page 73, Lines 14-15.

- 2) Exhibits
 - a. Various numbers throughout Exhibit HWS-2.

The revisions to the testimony are underlined but not highlighted in order avoid confusion about whether the revisions were confidential. As for the revisions to Exhibit HWS-2, since the revisions impacted (in a small way) several of the values in some schedules, OPC thought it best to provide a complete copy of revised HWS-2, rather than just the individually revised schedules. The revised schedules within HWS-2 are highlighted where any revisions have been made in order to clearly identify which numbers have been revised; however, nothing in either the original or revised HWS-2 was previously redacted as confidential by DEF. The word "Revised" was also added to the top of each revised page of testimony and all of the pages of Exhibit HWS-2 for clarity.

If you have any questions or concerns; please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,

Walter Trierweiler
Public Counsel

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Florida Bar No. 93590

CERTIFICATE OF SERVICE
DOCKET NO. 20240025-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail on this 26th day of June, 2024, to the following:

Major Thompson
Shaw Stiller
Florida Public Service Commission
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
mthompso@psc.state.fl.us
sstiller@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Matthew R. Bernier
Stephanie A. Cuello
Duke Energy Florida, LLC
106 E. College Avenue, Suite 800
Tallahassee, FL 32301
FLRegulatoryLegal@duke-energy.com
Matthew.Bernier@duke-energy.com
Stephanie.Cuello@duke-energy.com

Robert Pickels
Duke Energy Florida, LLC
106 East College Avenue, Suite 800
Tallahassee, FL 32301-7740
Robert.Pickels@duke-energy.com

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

Molly Jagannathan
Melissa O. New
Troutman Pepper, LLC
600 Peachtree Street NE, Suite 3000
Atlanta, GA 30308
Molly.jagannathan@troutman.com
Melissa.butler@troutman.com

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Finn, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com

Bradley Marshall
Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, Florida 32301
bmarshall@earthjustice.org
jluebke@earthjustice.org

Tony Mendoza
Patrick Woolsey
Sierra Club
2101 Webster Street, Suite 1300
Oakland, CA 94612
tony.mendoza@sierraclub.org
patrick.woolsey@sierraclub.org

Hema Lochan
Earthjustice
48 Wall Street, 15th Floor
New York, NY 10005
hlochan@earthjustice.org
flcaseupdates@earthjustice.org

Robert Scheffel Wright
John T. La Via, III
Gardner Bist Law Firm
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Sari Amiel
Sierra Club
50 F St. NW, Eighth Floor
Washington, DC 20001
sari.amiel@sierraclub.org

William C. Garner
Law Office of William C. Garner, PLLC
3425 Bannerman Road
Unit 105, No. 414
Tallahassee, FL 32312
bgarner@wzglawoffice.com

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

Peter J. Mattheis
Michael K. Lavanga
Joseph R. Briscar
Stone Mattheis Xenopoulos & Brew
1025 Thomas Jefferson St. NW
Suite 800 West
Washington, DC 20007-5201
pjm@smxblaw.com
mkl@smxblaw.com
jrb@smxblaw.com

Frederick L. Aschauer, Jr.
Allan J. Charles
Lori Killinger
J. Melchior
Lewis, Longman & Walker, PA
106 E. College Ave, Suite 1500
Tallahassee, FL 32301
fashauer@llw-law.com
acharles@llw-law.com
lkillinger@llw-law.com
jmelchior@llw-law.com

Lindsey Stegall
EVgo Services, LLC
11835 W. Olympic Blvd., Suite 900E
Los Angeles, CA 90064
Lindsey.Stegall@evgo.com

Nikhil Vijaykar
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, CA 94104
nvijaykar@keyesfox.com

Robert Adler
Jamey Goldin
Ben Smith
Kilpatrick Townsend & Stockton LLP
4208 Six Forks Drive, Suite 1400
Raleigh, North Carolina 27609
Telephone: (919) 420-1700
Fax: (919) 420-1800
radler@ktslaw.com
jgoldin@ktslaw.com
bwsmith@ktslaw.com

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Wessling.mary@leg.state.fl.us

1 III. ORGANIZATION OF TESTIMONY
2

3 **Q. HOW WILL YOUR TESTIMONY BE ORGANIZED?**

4 A. In Section IV, without conceding the appropriateness of the 2026 and 2027 test years for
5 establishing rates, I present the overall financial summary for the base rate change, showing
6 the revenue requirement increase (decrease) for the test years ended December 31, 2025,
7 December 31, 2026, and December 31, 2027, on behalf of OPC and the customers of DEF.
8 In section V, I discuss Citizens' proposed adjustments to rate base. In section VI, I discuss
9 Citizens' adjustments to operating income. In Section VII, I discuss the capital structure.
10 Exhibit HWS-2 presents the schedules and calculations in support of the respective test
11 years ended December 31 revenue requirement. Exhibit HWS-3 is a compilation of
12 discovery responses referenced in my testimony. Exhibit HWS-4 is a 1986 Staff
13 Memorandum that I reference in my testimony.

14
15 IV. OVERALL FINANCIAL SUMMARY
16

17 **Q. WHAT IS THE DECEMBER 31, 2025, BASE RATE REVENUE REQUIREMENT**
18 **DEFICIENCY OR EXCESS FOR DEF?**

19 A. As shown on Exhibit HWS-2, Schedule A, Page 1 of 3, based on the information provided
20 by DEF as of the date of development of my testimony, the OPC's appropriate adjustments
21 in this case result in a revenue sufficiency of at least \$26,745 million for DEF for the

to reconcile the notice with the filing and extensive discovery. I will review the Notice of Identified Adjustments, and, if warranted, file supplemental testimony incorporating the impact.

Revised

1 December 31, 2025. This eliminates the proposed base rate revenue increase of \$593.446
2 million requested by DEF in its filing. Exhibit HWS-2, Schedule A, Page 2 of 3, is shown
3 on a contingent basis and under protest given the OPC position about the legality of the
4 second projected test year being entertained by the Commission and reflects the OPC's
5 appropriate adjustments in this case resulting in a revenue sufficiency of \$13.314 million
6 in 2026, which is \$704.660 million less than the \$691.346 million requested by DEF.
7 Finally, Exhibit HWS-2, Schedule A, Page 3 of 3, is shown on a contingent basis and under
8 protest given the OPC position about the legality of the third projected test year being
9 entertained by the Commission and reflects the OPC's appropriate adjustments in this case
10 that limit the allowable revenue increase for DEF for the December 31, 2027, test year to
11 no more than \$87.472 million. This is \$732.473 million less than the proposed base rate
12 revenue increase of \$819.945 million requested by DEF in its filing and significantly less
13 than the \$2.105 billion, three-year cumulative revenue collection proposed by DEF.

14

15 **Q. DO YOU MAKE ADJUSTMENTS TO THE 2026 AND 2027 PROJECTED TESTS**
16 **YEAR THAT COULD YIELD A POSITIVE REVENUE REQUIREMENT ABOVE**
17 **CURRENT REVENUES?**

18 A. Yes.

1 reflected in Exhibit HWS – 2, Schedule D has been adjusted for the reconciliation of rate
2 base to capital structure factoring in Citizens’ recommended adjustments. Below, I reflect
3 the proper interest synchronization adjustment necessitated by the reconciliation of
4 projected rate base and projected capital structure.

5
6 **INTEREST SYNCHRONIZATION**
7

8 **Q. PLEASE EXPLAIN THE INTEREST SYNCHRONIZATION ADJUSTMENT.**

9 A. Because rate base changes occur, the amount of estimated interest for tax purposes changes.
10 That change, along with changes in the interest rate for financing rate base, impacts income
11 taxes. As shown on Exhibit HWS - 2, Schedule C-16, my recommended reduction to rate
12 base results adjusts OPC witness Daniel Lawton’s capital structure increasing the interest
13 deduction. Factoring in the Company adjustment for interest synchronization, the result is
14 an increase to income tax expense of \$12,787,000 in 2025, \$14,801,000 in 2026, and
15 \$14,991,000 in 2027.

16
17 **Q. Does this conclude your direct testimony?**

18 A. Yes, it does at this time. Because of the limited time allowed to review a filing that the
19 Company has significantly more time to assemble, there may be a need to supplement.
20 As noted earlier the Company’s filing of a Notice of Identified Adjustments may have an
21 effect on my analysis and recommendations. The timing of this notice made it impossible
22 to reconcile the notice with the filing and extensive discovery. I will review the Notice of

Revised

Docket No. 20240025-EI
HWS Exhibit - 2

Schedules of Helmuth Schultz III
Table of Contents

DUKE ENERGY FLORIDA

SCHEDULES OF HELMUTH SCHULTZ III TABLE OF CONTENTS

<u>Schedule No.</u>	<u>Schedule Title</u>
A	Revenue Requirement
A-1	Net Operating Income Multiplier
B	Adjusted Rate Base
B-1	Rate Base Adjustments
B-2	Plant In Service Adjustment
B-3	Capital Expenditures
B-4	Accumulated Depreciation Adjustment
C	Adjusted Net Operating Income
C-1	Net Operating Income Adjustments
C-2	Revenue
C-3	Payroll Expense
C-4	Incentive Compensation
C-5	Payroll Benefits & Taxes
C-6	Directors & Officers Liability Insurance Expense
C-7	Rate Case Expense
C-8	Uncollectible Expense
C-9	Amortization of Projected Gain on Disposition
C-10	Revision to Proposed Depreciation Rates
C-11	Impact of Adjustments to PIS on Depreciation
C-12	Property Taxes
C-13	Dismantlement Study
C-14	Inflation Adjustment
C-15	Income Tax Expense
C-16	Interest Synchronization Adjustment
D	Cost of Capital
D-1	Deferred Income Tax

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revenue Requirement

Revenue Requirement
 (Thousands of Dollars)

Schedule A
 Page 1 of 3

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 20,534,271	\$ 19,610,985	Schedule B-1
2	Required Rate of Return	7.01%	6.19%	Schedule D
3	Jurisdictional Income Required	\$ 1,438,461	\$ 1,214,492	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ 996,671	\$ 1,234,407	Schedule C-1
5	Income Deficiency (Sufficiency)	\$ 441,790	\$ (19,915)	Line 3 - Line 4
6	Earned Rate of Return	4.85%	6.29%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.34330	1.342961	Schedule A-1
8	Revenue Deficiency (Sufficiency)	\$ 593,446	\$ (26,745)	Line 5 x Line 7

Source/Notes

Col. A: Company MFR Schedule A-1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revenue Requirement

Revenue Requirement
 (Thousands of Dollars)

Schedule A
 Page 2 of 3

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 21,428,995	\$ 20,236,947	Schedule B-1
2	Required Rate of Return	<u>7.02%</u>	<u>6.20%</u>	Schedule D
3	Jurisdictional Income Required	\$ 1,505,216	\$ 1,255,188	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	<u>\$ 990,688</u>	<u>\$ 1,265,101</u>	Schedule C-1
5	Income Deficiency (Sufficiency)	\$ 514,528	\$ (9,914)	Line 3 - Line 4
6	Earned Rate of Return	4.62%	6.25%	Line 4 / Line 1
7	Net Operating Income Multiplier	<u>1.34365</u>	<u>1.342961</u>	Schedule A-1
8	Revenue Deficiency (Sufficiency)	<u><u>\$ 691,346</u></u>	<u><u>\$ (13,314)</u></u>	Line 5 x Line 7

Source/Notes

Col. A: Company MFR Schedule A-1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revenue Requirement

Revenue Requirement
 (Thousands of Dollars)

Schedule A
 Page 3 of 3

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 22,198,158	\$ 21,090,843	Schedule B-1
2	Required Rate of Return	7.07%	6.25%	Schedule D
3	Jurisdictional Income Required	\$ 1,568,367	\$ 1,317,463	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ 958,304	\$ 1,252,329	Schedule C-1
5	Income Deficiency (Sufficiency)	\$ 610,062	\$ 65,134	Line 3 - Line 4
6	Earned Rate of Return	4.32%	5.94%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.3440	1.342961	Schedule A-1
8	Revenue Deficiency (Sufficiency)	\$ 819,945	\$ 87,472	Line 5 x Line 7

Source/Notes
 Col. A: Company MFR Schedule A-1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Net Operating Income Multiplier
 Schedule A-1
 Page 1 of 3

Net Operating Income Multiplier

Line No.	Description	Per Company Percent	Percent
1	Revenue Requirement	100.000%	100.0000%
4	Bad Debt Rate, per OPC	<u>0.282%</u>	<u>0.258%</u>
5	Net Before Income Taxes	99.718%	99.742%
6	State Income Tax Rate (Effective)	<u>5.500%</u>	<u>5.500%</u>
7	State Income Tax	<u>5.484%</u>	<u>5.486%</u>
8	Net Before Federal Income Tax	94.234%	94.256%
9	Federal Income Tax Rate (Effective)	<u>21.000%</u>	<u>21.000%</u>
10	Federal Income Tax	<u>19.789%</u>	<u>19.794%</u>
11	Revenue Expansion Factor	74.444%	74.462%
12	Net Operating Income Multiplier	<u>1.34328</u>	<u>1.34296</u>

Above amounts are from the Company's filing Schedule C-44, with the exception of the bad debt rate, which is based on the OPC recommended rate.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Net Operating Income Multiplier
 Schedule A-1
 Page 2 of 3

Net Operating Income Multiplier

Line No.	Description	Per Company Percent	Percent
1	Revenue Requirement	100.000%	100.000%
4	Bad Debt Rate, per OPC	<u>0.309%</u>	<u>0.258%</u>
5	Net Before Income Taxes	99.691%	99.742%
6	State Income Tax Rate (Effective)	<u>5.500%</u>	<u>5.500%</u>
7	State Income Tax	<u><u>5.483%</u></u>	<u><u>5.486%</u></u>
8	Net Before Federal Income Tax	94.208%	94.256%
9	Federal Income Tax Rate (Effective)	<u>21.000%</u>	<u>21.000%</u>
10	Federal Income Tax	<u><u>19.784%</u></u>	<u><u>19.794%</u></u>
11	Revenue Expansion Factor	74.424%	74.462%
12	Net Operating Income Multiplier	<u><u>1.34365</u></u>	<u><u>1.34296</u></u>

Above amounts are from the Company's filing Schedule C-44, with the exception of the bad debt rate, which is based on the OPC recommended rate.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Net Operating Income Multiplier
 Schedule A-1
 Page 3 of 3

Net Operating Income Multiplier

Line No.	Description	Per Company Percent	Percent
1	Revenue Requirement	100.000%	100.000%
4	Bad Debt Rate, per OPC	<u>0.338%</u>	<u>0.258%</u>
5	Net Before Income Taxes	99.662%	99.742%
6	State Income Tax Rate (Effective)	<u>5.500%</u>	<u>5.500%</u>
7	State Income Tax	<u>5.481%</u>	<u>5.486%</u>
8	Net Before Federal Income Tax	94.181%	94.256%
9	Federal Income Tax Rate (Effective)	<u>21.000%</u>	<u>21.000%</u>
10	Federal Income Tax	<u>19.778%</u>	<u>19.794%</u>
11	Revenue Expansion Factor	74.403%	74.462%
12	Net Operating Income Multiplier	<u>1.34403</u>	<u>1.34296</u>

Above amounts are from the Company's filing Schedule C-44, with the exception of the bad debt rate, which is based on the OPC recommended rate.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base

Adjusted Rate Base
 (Thousands of Dollars)

Schedule B
 Page 1 of 3

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	Citizens Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 26,060,891	\$ (900,121)	\$ 25,160,770
2	Accumulated Depreciation & Amortization	7,310,021	(73,695)	7,236,326
3	Net Plant in Service	18,750,870	(826,426)	17,924,444
4	Construction Work in Progress	1,090,299		1,090,299
5	Plant Held for Future Use	115,262	(94,468)	20,794
6	Total Net Plant	19,956,431	(920,894)	19,035,537
7	Total Working Capital	577,840	(2,392)	575,448
8	Other Rate Base Adjustments	-	-	-
9	Total Rate Base	<u>\$ 20,534,271</u>	<u>\$ (923,286)</u>	<u>\$ 19,610,985</u>

Source/Notes

Col. A: Company MFR Schedule B-1

Col. B: See Schedule B-1, page 1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base

Adjusted Rate Base
 (Thousands of Dollars)

Schedule B
 Page 2 of 3

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	Citizens Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 27,773,075	\$ (1,304,979)	\$ 26,468,096
2	Accumulated Depreciation & Amortization	<u>7,918,508</u>	<u>(209,024)</u>	<u>7,709,484</u>
3	Net Plant in Service	19,854,567		18,758,612
4	Construction Work in Progress	890,853		890,853
5	Plant Held for Future Use	<u>122,482</u>	<u>(94,468)</u>	<u>28,014</u>
6	Total Net Plant	20,867,902		19,677,479
7	Total Working Capital	561,093	(1,625)	559,468
8	Other Rate Base Adjustments	<u>-</u>		<u>-</u>
9	Total Rate Base	<u><u>\$ 21,428,995</u></u>	<u><u>\$ (1,192,048)</u></u>	<u><u>\$ 20,236,947</u></u>

Source/Notes

Col. A: Company MFR Schedule B-1

Col. B: See Schedule B-1, page 2

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base

Adjusted Rate Base
 (Thousands of Dollars)

Schedule B
 Page 3 of 3

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	Citizens Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 29,243,305	\$ (1,362,483)	\$ 27,880,822
2	Accumulated Depreciation & Amortization	8,652,982	(350,389)	8,302,593
3	Net Plant in Service	20,590,323	(1,012,094)	19,578,229
4	Construction Work in Progress	922,405		922,405
5	Plant Held for Future Use	122,424	(94,468)	27,956
6	Total Net Plant	21,635,153		20,528,590
7	Total Working Capital	563,004	(751)	562,253
8	Other Rate Base Adjustments	-		-
9	Total Rate Base	\$ 22,198,157	\$ (1,107,314)	\$ 21,090,843

Source/Notes

Col. A: Company MFR Schedule B-1
 Col. B: See Schedule B-1, page 3

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base-Summary of Adjustments

Adjusted Rate Base-Summary of Adjustments
 (Thousands of Dollars)

Schedule B-1
 Page 1 of 3

Line No.	Adjustment Title	Witness Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Plant in Service Adjustments					
1	Overstatement of Projected Plant in Service 2025	B-2; Page 2	\$ (966,636)	0.931190	\$ (900,121)
2			-		\$ -
3			-		-
4	<i>Total Plant in Service</i>		<u>\$ (966,636)</u>		<u>\$ (900,121)</u>
Accumulated Depreciation Adjustments					
5	Revision to Proposed Depreciation Rates	William Dunkel/C-10	(37,756)	Various	\$ (37,008)
6	Reduction to Dismantlement Costs	William Dunkel/C-13	(12,158)	0.995788	(12,107)
7	Overstatement of Projected 2025 Accum. Deprec. Balance	B-2; Page 2/B-4	\$ (25,543)	0.962290	\$ (24,580)
8			-		-
9			-		-
10	<i>Total Accumulated Depreciation</i>		<u>\$ (75,457)</u>		<u>\$ (73,695)</u>
Construction Work in Progress					
11	Remove Construction Work in Progress		\$ -		\$ -
12	<i>Total Construction Work in Progress</i>		<u>\$ -</u>		<u>\$ -</u>
Plant Held for Future Use					
13	Levy Land	Testimony	\$ (94,468)	0.999998	\$ (94,468)
14			-		-
15	<i>Total Plant Held for Future Use</i>		<u>\$ (94,468)</u>		<u>\$ (94,468)</u>
Working Capital Adjustments					
16					\$ -
17	Remove Unamortized Rate Case Expense	C-7	(2,392)	1.000000	(2,392)
18	<i>Total Working Capital</i>		<u>(2,392)</u>		<u>\$ (2,392)</u>
19	Rate Base Adjustments				<u>(923,286)</u>

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base-Summary of Adjustments

Adjusted Rate Base-Summary of Adjustments
 (Thousands of Dollars)

Schedule B-1
 Page 2 of 3

Line No.	Adjustment Title	Witness Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Plant in Service Adjustments					
1	Overstatement of Projected Plant in Service 2026	B-2; Page 2	\$ (1,402,028)	0.93078	(1,304,979)
2			-		0
3			-		0
4	<i>Total Plant in Service</i>		<u>\$ (1,402,028)</u>		<u>(1,304,979)</u>
Accumulated Depreciation Adjustments					
5	Revision to Proposed Depreciation Rates	William Dunkel/C-10	\$ (112,537)	Various	(110,272)
6	Reduction to Dismantlement Costs	William Dunkel/C-13	(36,473)	0.998455	(36,417)
7	Overstatement of Projected 2026 Accum. Deprec. Balance	B-2; Page 2/B-4	(64,792)	0.96208	(62,335)
8			-		0
9			-		0
10	<i>Total Accumulated Depreciation</i>		<u>\$ (213,802)</u>		<u>(209,024)</u>
Construction Work in Progress					
11	Remove Construction Work in Progress		\$ -		0
12	<i>Total Construction Work in Progress</i>		<u>\$ -</u>		<u>0</u>
Plant Held for Future Use					
13	Levy Land		\$ (94,468)	0.999998	(94,468)
14					0
15	<i>Total Plant Held for Future Use</i>		<u>\$ (94,468)</u>		<u>(94,468)</u>
Working Capital Adjustments					
16					0
17	Remove Unamortized Rate Case Expense	C-7	(1,625)	1.000000	(1,625)
18	<i>Total Working Capital</i>		<u>(1,625)</u>		<u>(1,625)</u>
19	Rate Base Adjustments				(1,192,048)

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Rate Base-Summary of Adjustment

Adjusted Rate Base-Summary of Adjustments
 (Thousands of Dollars)

Schedule B-1
 Page 3 of 3

Line No.	Adjustment Title	Witness Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Plant in Service Adjustments					
1	Overstatement of Projected Plant in Service 2027	B-2; Page 2	\$(1,465,114)	0.929950	(1,362,483)
2			-		0
3			-		0
4	<i>Total Plant in Service</i>		<u>\$(1,465,114)</u>		<u>(1,362,483)</u>
Accumulated Depreciation Adjustments					
5	Revision to Proposed Depreciation Rates	William Dunkel/C-10	\$ (185,513)	Various	(181,707)
6	Reduction to Dismantlement Costs	William Dunkel/C-13	(60,789)	0.998547	(60,701)
7	Overstatement of Projected 2026 Accum. Deprec. Balance	B-2; Page 2/B-4	(112,300)	0.961550	(107,982)
8			-		0
9			-		0
10	<i>Total Accumulated Depreciation</i>		<u>\$ (358,602)</u>		<u>(350,389)</u>
Construction Work in Progress					
11	Remove Construction Work in Progress		\$ -		\$ -
12	<i>Total Construction Work in Progress</i>		<u>\$ -</u>		<u>\$ -</u>
Plant Held for Future Use					
13	Levy Land		\$ (94,468)	0.999998	\$ (94,468)
14			-		-
15	<i>Total Plant Held for Future Use</i>		<u>\$ (94,468)</u>		<u>\$ (94,468)</u>
Working Capital Adjustments					
16	Adjustment to Working Capital				\$ -
17	Remove Unamortized Rate Case Expense	C-7	(751)	1.000000	(751)
18	<i>Total Working Capital</i>		<u>(751)</u>		<u>(751)</u>
19	Rate Base Adjustments				(1,107,313)

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Plant in Service Adjustments

Summary of Plant Additions
 (Thousands of Dollars)

Schedule B-2
 Page 1 of 2

Line No.	Plant Category	(A) 2019	(B) 2020	(C) 2021	(D) 2022	(E) 2023	Annual Five Year Avg.	2020-2023 Four Year Avg.
ACTUALS								
1	Production Base	247,093	137,985	181,008	219,351	102,201	177,528	160,136
2	Production Intermediate	10,348	3,251	8,138	10,515	5,623	7,575	6,882
3	Production Peaking	24,456	16,781	15,590	19,956	38,692	23,095	22,755
4	Production Solar	161,818	202,690	293,927	428,325	437,725	304,897	340,667
5	Transmission Plant	455,808	482,294	793,517	430,932	523,622	537,235	557,591
6	Distribution Plant	743,168	697,291	633,416	762,968	821,537	731,676	728,803
7	General Plant	80,961	103,691	73,698	112,774	114,510	97,127	101,168
8	Intangible Plant	35,648	29,076	97,827	32,960	85,486	56,199	54,425
9	Transportation	(2,622)	1,427	79	3,156	2,709	950	1,486
10	Energy Storage				24,056	7,037	6,219	7,773
11	Grand Total	<u>1,756,676</u>	<u>1,674,484</u>	<u>2,097,200</u>	<u>2,044,994</u>	<u>2,139,142</u>	<u>1,942,499</u>	<u>1,981,686</u>
12	Retirements to Plant	384,603	265,191	379,744	377,515	206,023	322,615	307,118
FORECASTED								
		2023	2024	2025	2026	2027	Five Year Avg.	2024-2027 Four Year Avg.
13	Production Base	129,511	158,005	167,029	184,235	163,931	160,542	168,300
14	Production Intermediate	5,573	9,009	42,941	14,080	33,044	20,929	24,769
15	Production Peaking	30,372	9,821	11,670	16,996	9,328	15,637	11,954
16	Production Solar	439,477	469,623	684,318	458,596	456,732	501,749	517,317
17	Transmission Plant	699,597	874,550	684,711	598,785	604,824	692,493	690,718
18	Distribution Plant	1,120,274	1,168,104	1,501,438	895,381	748,128	1,086,665	1,078,263
19	General Plant	97,940	69,995	47,245	29,747	27,206	54,427	43,548
20	Intangible Plant	83,123	40,343	27,042	24,931	19,273	38,942	27,897
21	Transportation	5,725	5,732	3,848	2,616	3,551	4,294	3,937
22	Energy Storage	8,500	0	0	0	164,486		
23	Total Depreciable Plant	<u>2,620,092</u>	<u>2,805,182</u>	<u>3,170,242</u>	<u>2,225,367</u>	<u>2,230,503</u>	<u>2,575,680</u>	<u>2,566,702</u>
24	Retirements to Plant	308,328	347,074	380,189	293,324	213,236	308,430	308,456
25	Retirements to Accum. Deprec.	(192,174)	347,074	380,189	293,324	213,236		
26	Projected Difference vs Historica	(480,950)	(666,040)	(1,031,100)	(86,225)	(91,361)	(633,181)	(585,016)
27	Average Plant Adds		1,402,591	1,585,121	1,112,684	1,115,252		
28	Excess Plant 2023 & 2024		(666,040)	(666,040)	(666,040)	(666,040)		
29	Excess Plant 2025			(515,550)	(1,031,100)	(1,031,100)		
30	Excess Plant 2026				(43,113)	(86,225)		
31	Excess Plant 2027					(45,681)		
32	Proposed Adjustment		<u>(666,040)</u>	<u>(1,181,590)</u>	<u>(1,740,253)</u>	<u>(1,829,046)</u>		

Source Columns A-D lines 1-10 are from OPC 3-63 and Column E is from Schedule B-7.
 Columns B-E , lines 13-24 are from MFR Schedule B-7, column A is from response to OPC 12-332.
 Columns A-E , line 25 is from MFR Schedule B-9.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Plant in Service Adjustments

Summary of Plant Adjustment - SPP Factored
(Thousands of Dollars)

Schedule B-2
Page 2 of 2

Line No.	Description	(A) 2023	(B) 2024	(C) 2025	(D) 2026	(E) 2027	Source
1	Total Depreciable Plant	2,620,092	2,805,182	3,170,242	2,225,367	2,230,503	
2	Less Transportation	(5,725)	(5,732)	(3,848)	(2,616)	(3,551)	
3		<u>2,614,367</u>	<u>2,799,450</u>	<u>3,166,394</u>	<u>2,222,751</u>	<u>2,226,952</u>	
4	Excess Plant 2024		(666,040)	(666,040)	(666,040)	(666,040)	Page 1 of 2
5	Excess Plant 2025			(515,550)	(1,031,100)	(1,031,100)	Page 1 of 2
6	Excess Plant 2026				(43,113)	(86,225)	Page 1 of 2
7	Excess Plant 2027					(45,681)	Page 1 of 2
8	Proposed Adjustment	<u>0</u>	<u>(666,040)</u>	<u>(1,181,590)</u>	<u>(1,740,253)</u>	<u>(1,829,046)</u>	
9	Prorate SPP		108,971	108,971	108,971	108,971	
10	Excess Plant 2025			105,983	211,967	211,967	
11	Excess Plant 2026				17,287	34,575	
12	Excess Plant 2027					8,419	
		<u>0</u>	<u>(557,069)</u>	<u>(966,636)</u>	<u>(1,402,028)</u>	<u>(1,465,114)</u>	
13	EOY SPP Plant Adjustment	348,152	806,171	1,457,097	2,348,377	2,758,802	Co Sch. B-2
14	BOY SPP Plant Adjustment	(185,957)	(348,152)	(806,171)	(1,457,097)	(2,348,377)	
15	SPP Plant Adds By Year	<u>162,195</u>	<u>458,019</u>	<u>650,926</u>	<u>891,280</u>	<u>410,425</u>	
16	Percentage of SPP Plant Adds	6.20%	16.36%	20.56%	40.10%	18.43%	L. 15/L. 3
17	Depreciation Rate	3.42%	3.42%	3.31%	3.31%	3.31%	
18	Depreciation Adjustment	0	(9,526)	(32,034)	(46,463)	(48,554)	
19	Accumulated Depreciation			(25,543)	(64,792)	(112,300)	

Source: Columns B-E , lines 1-2 are from MFR Schedule B-7, column A is from response to OPC 12-332.
Line 17, Columns A & B is DEF Composite Rate and Columns C-E are based on William Dunkel recommendation.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Summary of Plant Expenditures

Summary of Plant Expenditures
 (Millions of Dollars)

Schedule B-3

Line No.	Year	Maintenance	Expansion	Major Projects	Recoverable	Projected Total	Actual
1	2018	470	793	212	38	1,512	1,663
2	2019	455	1,044	302	7	1,809	1,949
3	2020	473	1,075	326	7	1,881	1,929
4	2021	442	1,305	331	60	2,138	2,115
5	2022	547	1,214	111	383	2,255	2,452
6	2023	631	1,184	82	598	2,494	2,648
7	2024	733	975	147	691	2,545	
8	2025	709	1,196	129	786	2,819	
9	2026	532	1,225	138	772	2,666	
10	2027	540	1,200	136	739	2,614	

Line No.	Year	Plant Additions	Actual Expenditures	Projected Expenditures	Difference
11	2019	1,757	1,949		192
12	2020	1,674	1,929		254
13	2021	2,097	2,115		18
14	2022	2,045	2,452		407
15	2023	2,139	2,648		509
16	2024	2,805		2,545	(260)
17	2025	3,170		2,819	(351)
18	2026	2,225		2,666	441
19	2027	2,231		2,614	383

Source: Lines 1-10 Company response to OPC1-1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Accumulated Depreciation Adjustment

Summary of Accumulation of Depreciation Adjustment
 (Thousands of Dollars)

Schedule B-4

Line No.	Plant Category	(A) 2024	(B) 2025	(C) 2026	(D) 2027	Source
1	Plant Adjustment 2024	(666,040)	(666,040)	(666,040)	(666,040)	Sch. B-2, P. 2
2	Plant Adjustment 2025		(515,550)	(1,031,100)	(1,031,100)	Sch. B-2, P. 2
3	Plant Adjustment 2026			(43,113)	(86,225)	Sch. B-2, P. 2
4	Plant Adjustment 2027				(45,681)	Sch. B-2, P. 2
5	Prorate SPP	108,971	108,971	108,971	108,971	Sch. B-2, P. 2
6	Excess Plant 2025		105,983	211,967	211,967	Sch. B-2, P. 2
7	Excess Plant 2026			17,287	34,575	Sch. B-2, P. 2
8	Excess Plant 2027				8,419	Sch. B-2, P. 2
9		<u>(557,069)</u>	<u>(966,636)</u>	<u>(1,402,028)</u>	<u>(1,465,114)</u>	
10	Depreciation Rate	3.42%	3.31%	3.31%	3.31%	William Dunkel
11	Depreciation Adjustment	(9,526)	(32,034)	(46,463)	(48,554)	
12	Accumulated Depreciation		(25,543)	(64,792)	(112,300)	

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Net Operating Income

Adjusted Net Operating Income
 (Thousands of Dollars)

Schedule C
 Page 1 of 3

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	Citizens Adjustments (B)	Adjusted Jurisdictional Total per Citizens (C)
1	Revenues from Sales	2,823,161	94,000	2,917,161
2	Other Operating Revenues	146,624		146,624
3				
4	Total Operating Revenues	2,969,785		3,063,785
5				
6	Operating Expenses			
7	Fuel and Interchange (Non-recoverable)	-		-
8	Other Operation & Maintenance	598,089	(74,993)	523,096
9	Depreciation & Amortization	1,080,827	(130,405)	950,422
10	Taxes Other Than Income	195,889	(18,833)	177,056
11	Income Taxes	99,634	82,577	182,211
12	Gain/Loss on Disposition of Utility Plant	(1,323)	(2,084)	(3,407)
13				
14	Total Operating Expenses	1,973,115	(143,738)	1,829,378
15				
16	Net Operating Income	996,671	237,738	1,234,407

Source/Notes

Col. A: Company Schedule C-1
 Col. B See Schedule C-1, Page 1

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Net Operating Income

Adjusted Net Operating Income
 (Thousands of Dollars)

Schedule C
 Page 2 of 3

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	Citizens Adjustments (B)	Adjusted Jurisdictional Total per Citizens (C)
1	Revenues from Sales	2,857,304	110,000	2,967,304
2	Other Operating Revenues	<u>149,451</u>		<u>149,451</u>
3				
4	Total Operating Revenues	3,006,755		3,116,755
5				
6	Operating Expenses			
7	Fuel and Interchange (Non-recoverable)	-		-
8	Other Operation & Maintenance	624,340	(81,800)	542,540
9	Depreciation & Amortization	1,136,295	(145,732)	990,563
10	Taxes Other Than Income	209,642	(32,361)	177,281
11	Income Taxes	46,927	97,750	144,677
12	Gain/Loss on Disposition of Utility Plant	(1,137)	(2,270)	(3,407)
13				
14	Total Operating Expenses	<u>2,016,068</u>	(164,413)	1,851,654
15				
16	Net Operating Income	<u>990,688</u>	274,413	1,265,101

Source/Notes

Col. A: See Company Schedule C-1

Col. B See Schedule C-1, Page 2

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Adjusted Net Operating Income

Adjusted Net Operating Income
 (Thousands of Dollars)

Schedule C
 Page 3 of 3

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	Citizens Adjustments (B)	Adjusted Jurisdictional Total per Citizens (C)
1	Revenues from Sales	2,870,546	136,000	3,006,546
2	Other Operating Revenues	152,841		152,841
3				
4	Total Operating Revenues	3,023,386	136,000	3,159,387
5				
6	Operating Expenses			
7	Fuel and Interchange (Non-recoverable)	-		-
8	Other Operation & Maintenance	666,176	(88,740)	577,436
9	Depreciation & Amortization	1,180,386	(147,428)	1,032,958
10	Taxes Other Than Income	220,615	(24,063)	196,552
11	Income Taxes	(1,113)	104,632	103,519
12	Gain/Loss on Disposition of Utility Plant	(982)	(2,425)	(3,407)
13				
14	Total Operating Expenses	2,065,082	(158,024)	1,907,058
15				
16	Net Operating Income	958,304	294,024	1,252,329

Source/Notes

Col. A: See Company Schedule C-1
 Col. B See Schedule C-1, Page 3

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
HWS Exhibit - 2
Net Operating Income-Summary of Adjustments

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Schedule C-1
Page 1 of 3

Line No.	Adjustment Title	Witness/Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Operating Revenue Adjustments					
1	Increase in Base Revenues from Retail Sales	C-2	\$ 53,157	1.000000	\$ 53,157
2	Additional Revenue Adjustment	David Dismukes	40,843	1.000000	40,843
3				1.000000	-
4	subtotal				<u>\$ 94,000</u>
Other O & M					
5	Payroll Adjustment	C-3	(17,917)	0.973274	\$ (17,438)
6	Excess Incentive Compensation Payroll Adjustment	C-4	(25,100)	0.967790	(24,292)
7	Long-Term Incentive Compensation	C-4	(13,739)	0.967790	(13,296)
8	SERP	OPC 1-32	(2,949)	0.967790	(2,854)
9	Pension & Benefit Adjustment	C-5	(4,694)	0.973660	(4,570)
10	Directors & Officers Liability Insurance	C-6	(2,998)	0.967790	(2,901)
11	Uncollectible Expense Reduction	C-8	(1,294)	1.000000	(1,294)
12	Uncollectible Expense Increase Associated w/ Revenue Adj.	C-8	243	1.000000	243
13	Inflation Adjustment	C-14	(4,365)	0.973274	(4,249)
14				0.999370	-
15	Distribution Contractor Expense	Testimony	(4,461)	0.973274	(4,342)
16				0.988480	-
17	subtotal				<u>\$ (74,993)</u>
Depreciation & Amortization					
18	Revision to Proposed Depreciation Rates	William Dunkel/C-10	(75,512)	Various	(74,016)
19	Dismantlement Amortization	William Dunkel/C-13	(25,013)	0.998300	(24,971)
20	Remove Rate Case Expense Amortization	C-7	(874)	1.000000	(874)
21	Impact of Adjustments to PIS on Depreciation	C-11	(32,034)	0.953478	(30,544)
22	subtotal				<u>\$ (130,405)</u>
Taxes Other Than Income					
23	Payroll Tax Adjustment	C-5	(3,986)	0.973660	\$ (3,881)
24	Property Taxes	C-12	(16,255)	0.919807	(14,952)
25	subtotal				<u>\$ (18,833)</u>
Income Taxes					
26	Impact of other adjustments	C-15		Various	\$ 81,184
27	Interest Synchronization Adjustment	C-16	12,787	0.920970	11,776
28	Parent Debt Adjustment	Testimony	(11,284)	0.920180	(10,383)
29	subtotal				<u>\$ 82,577</u>
30	Gain/Loss on Disposition of Utility Plant	C-9	\$ (2,084)	1.000000	(2,084)
31	NOI Adjustment				<u>\$ 237,738</u>

Notes

Jurisdictional Separation Factors from MFR Schedule C-4 or other schedules within the Company's filing.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
HWS Exhibit - 2
Net Operating Income-Summary of Adjustments

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Schedule C-1
Page 2 of 3

Line No.	Adjustment Title	Witness/Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Operating Revenue Adjustments					
1	Increase in Base Revenues from Retail Sales	C-2	\$ 46,994	1.000000	\$ 46,994
2	Additional Revenue Adjustment	David Dismukes	63,006	1.000000	63,006
3				1.000000	-
4	subtotal				<u>\$ 110,000</u>
Other O & M					
5	Payroll Adjustment	C-3	(21,084)	0.972930	\$ (20,513)
6	Excess Incentive Compensation Payroll Adjustment	C-4	(25,733)	0.967790	(24,904)
7	Long-Term Incentive Compensation	C-4	(14,123)	0.967790	(13,668)
8	SERP	OPC 1-32	(2,949)	0.967790	(2,854)
9	Pension & Benefit Adjustment	C-5	(5,920)	0.973414	(5,762)
10	Directors & Officers Liability Insurance	C-6	(2,998)	0.967790	(2,901)
11	Uncollectible Expense Reduction	C-8	(2,786)	1.000000	(2,786)
12	Uncollectible Expense Increase Associated w/ Revenue Adj.	C-8	284	1.000000	284
13	Inflation Adjustment	C-14	(4,478)	0.972930	(4,356)
14	Distribution Contractor Expense	Testimony	(4,461)	0.972930	(4,340)
15					-
16					-
17	subtotal				<u>\$ (81,800)</u>
Depreciation & Amortization					
18	Revision to Proposed Depreciation Rates	William Dunkel/C-10	(74,050)	Various	(72,511)
19	Dismantlement Amortization	William Dunkel/C-13	(28,137)	0.998650	(28,099)
20	Remove Rate Case Expense Amortization	C-7	(874)	1.000000	(874)
21	Impact of Adjustments to PIS on Depreciation	C-11	(46,463)	0.952326	(44,248)
22	subtotal				<u>\$ (145,732)</u>
Taxes Other Than Income					
23	Payroll Tax Adjustment	C-5	(4,185)	0.973414	\$ (4,074)
24	Property Taxes	C-12	(30,757)	0.919680	(28,287)
25	subtotal				<u>\$ (32,361)</u>
Income Taxes					
26	Impact of other adjustments	C-15		Various	\$ 94,325
27	Interest Synchronization Adjustment	C-16	14,801	0.932940	13,808
28	Parent Debt Adjustment	Testimony	(11,284)	0.920180	(10,383)
29	subtotal				<u>\$ 97,750</u>
30	Gain/Loss on Disposition of Utility Plant	C-9	\$ (2,270)	1.000000	<u>(2,270)</u>
31	NOI Adjustment				<u>\$ 274,413</u>

Notes

Jurisdictional Separation Factors from MFR Schedule C-4 or other schedules within the Company's filing.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Net Operating Income-Summary of Adjustments

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Schedule C-1
Page 3 of 3

Line No.	Adjustment Title	Witness/Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Operating Revenue Adjustments					
1	Increase in Base Revenues from Retail Sales	C-2	\$ 56,562	1.000000	\$ 56,562
2	Additional Revenue Adjustment	David Dismukes	79,438	1.000000	79,438
3				1.000000	-
4	subtotal				<u>\$ 136,000</u>
Other O & M					
5	Payroll Adjustment	C-3	(24,251)	0.972948	\$ (23,595)
6	Excess Incentive Compensation Payroll Adjustment	C-4	(26,366)	0.967790	(25,517)
7	Long-Term Incentive Compensation	C-4	(14,506)	0.967790	(14,039)
8	SERP	OPC 1-32	(2,949)	0.967790	(2,854)
9	Pension & Benefit Adjustment	C-5	(7,248)	0.973300	(7,055)
10	Directors & Officers Liability Insurance	C-6	(2,998)	0.967790	(2,901)
11	Uncollectible Expense Reduction	C-8	(4,320)	1.000000	(4,320)
12	Uncollectible Expense Increase Associated w/ Revenue Adj.	C-8	351	1.000000	351
13	Inflation Adjustment	C-14	(4,594)	0.972948	(4,470)
14	Distribution Contractor Expense	Testimony	(4,461)	0.972948	(4,340)
15					-
16					
17	subtotal				<u>\$ (88,740)</u>
Depreciation & Amortization					
18	Revision to Proposed Depreciation Rates	William Dunkel/C-10	(71,902)	Various	(70,358)
19	Dismantlement Amortization	William Dunkel/C-13	(30,059)	0.998800	(30,023)
20	Remove Rate Case Expense Amortization	C-7	(874)	1.000000	(874)
21	Impact of Adjustments to PIS on Depreciation	C-11	(48,554)	0.950961	(46,173)
22	subtotal				<u>\$ (147,428)</u>
Taxes Other Than Income					
23	Payroll Tax Adjustment	C-5	(4,376)	0.973300	\$ (4,259)
24	Property Taxes	C-12	(21,563)	0.918409	(19,804)
25	subtotal				<u>\$ (24,063)</u>
Income Taxes					
26	Impact of other adjustments	C-15		Various	\$ 101,039
27	Interest Synchronization Adjustment	C-16	14,991	0.932310	\$ 13,976
28	Parent Debt Adjustment	Testimony	(11,284)	0.920180	(10,383)
29	subtotal				<u>\$ 104,632</u>
30	Gain/Loss on Disposition of Utility Plant	C-9	\$ (2,425)	1.000000	<u>(2,425)</u>
31	NOI Adjustment				<u>\$ 294,024</u>

Notes

Jurisdictional Separation Factors from MFR Schedule C-4 or other schedules within the Company's filing.

Revised

Revenue
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Revenue

Revenue
(Thousands of Dollars)

Schedule C-2

Line No.	Description	12/31/2027 Revenue	12/31/2026 Revenue	12/31/2025 Revenue	12/31/2024 Revenue
1	Revenue Per DEF	2,870,546	2,857,304	2,823,161	2,807,161
2	Revenue Requirement Reduction	56,562	46,994	53,157	
3	Added Revenue Adjustment	<u>79,438</u>	<u>63,006</u>	<u>40,843</u>	
4	Revenue Adjustment	<u>136,000</u>	<u>110,000</u>	<u>94,000</u>	
5	Adjusted Revenue	<u><u>3,006,546</u></u>	<u><u>2,967,304</u></u>	<u><u>2,917,161</u></u>	

Source:

Line 1 is from MFR C-1

Line 2 is from response to Staff Interrogatory 1-2.

Liine 4 is recommendation of Citizen's witness David Dismukes.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Payroll
Schedule C-3
Page 1 of 2

Payroll

Line No.	Year	(A) O&M	(B) Capital	(C) Other	(D) Recoverable	(E) Total	(F) O&M%	(G) Capital%
1	2018	240,904,790	159,690,807	33,225,458	17,986,773	451,807,828	53.32%	35.34%
2	2019	223,763,036	169,053,816	34,657,365	16,949,663	444,423,880	50.35%	38.04%
3	2020	218,964,114	182,260,449	16,897,255	14,753,252	432,875,070	50.58%	42.10%
4	2021	224,391,865	179,144,064	11,756,637	20,618,866	435,911,432	51.48%	41.10%
5	2022	226,238,588	189,416,250	30,078,115	18,797,568	464,530,521	48.70%	40.78%
6	2023	221,758,195	218,160,145	19,028,855	21,263,406	480,210,601	46.18%	45.43%
7	2023 *	223,368,557	196,305,607	9,391,912	22,504,019	451,570,095	49.46%	43.47%
8	2024	234,926,702	209,457,176	10,788,293	22,414,737	477,586,908	49.19%	43.86%
9	2025	240,354,521	209,457,176	11,776,448	22,495,520	484,083,665	49.65%	43.27%
10	2026	245,782,341	209,457,176	12,764,603	22,576,304	490,580,424	50.10%	42.70%
11	2027	251,210,159	209,457,176	13,752,757	22,657,087	497,077,179	50.54%	42.14%
		<u>Employees</u>	<u>Total</u>	<u>Avg Per</u>	<u>O&M%</u>	<u>O&M</u>	<u>DEF O&M</u>	<u>PR Adjust.</u>
12	2022	3,050	464,530,521	152,305				
13	2023	2,957	480,210,601	162,398				
14	2024	2,957	477,586,908	161,511				
15	2025	2,957	484,083,665	163,708	46.18%	223,546,751	240,354,521	(16,807,770)
16	2026	2,957	490,580,424	165,905	46.18%	226,546,913	245,782,341	(19,235,428)
17	2027	2,957	497,077,179	168,102	46.18%	229,547,073	251,210,159	(21,663,086)
				<u>Adds</u>	<u>O&M</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
18	Citizens Adjustment to O&M					(16,807,770)	(19,235,428)	(21,663,086)
19	DEF Solar Tech - 2025			12	92,429	(1,109,148)	(1,109,148)	(1,109,148)
20	DEF Solar Tech - 2026			8	92,429		(739,432)	(739,432)
21	DEF Solar Tech - 2027			8	92,429			(739,432)
						<u>(17,916,918)</u>	<u>(21,084,008)</u>	<u>(24,251,098)</u>

Source: Lines 1-6, Columns A-E are from response to OPC-1-15.
Lines 7-11, Columns A-E are from response to OPC-1-16.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Payroll
 Schedule C-3
 Page 2 of 2

Payroll

Line No.		(A) 2018	(B) 2019	(C) 2020	(D) 2021	(E) 2022	(F) 2023	(G) YTD 2024	(H) 2024	(I) 2025	(J) 2026	(K) 2027
1	January	3,201	3,379	3,226	2,991	3,035	2,981	2,972				
2	February	3,205	3,356	3,225	2,993	3,047	2,963	2,965				
3	March	3,239	3,334	3,211	2,984	3,029	2,957	2,935				
4	April	3,259	3,313	3,208	2,998	3,042	2,937					
5	May	3,280	3,277	3,195	2,990	3,053	2,930					
6	June	3,307	3,281	3,183	3,044	3,060	2,937					
7	July	3,313	3,233	3,135	3,034	3,048	2,954					
8	August	3,342	3,204	3,115	3,015	3,050	2,936					
9	September	3,337	3,185	3,088	3,012	3,055	2,979					
10	October	3,346	3,210	3,048	3,015	3,057	2,969					
11	November	3,334	3,227	3,033	3,021	3,072	2,974					
12	December	3,306	3,251	3,023	3,024	3,053	2,965					
13	Average Excluding Affili	3,289	3,271	3,141	3,010	3,050	2,957	2,957	0	0	0	0
14	Part Time Average	8	6	8	7	5	5	5				
15	Avg Per C-35					3,943	3,874		3,874	3,874	3,874	3,874
16	Est. Affiliate Employees	897	898	861	926	940	958		958	968	958	958
	Total	2018	2019	2020	2021	2022	2023	YTD 2024	2024	2025	2026	2027
17	O&M-Base	214,540,995	198,959,847	195,245,960	200,580,910	199,657,360	195,859,208	0	211,194,373	215,931,516	220,668,659	225,405,801
18	O&M - OT	26,363,795	24,803,189	23,718,154	23,810,955	26,581,228	25,898,987	0	23,732,329	24,423,005	25,113,682	25,804,358
19	O&M Total	240,904,790	223,763,036	218,964,114	224,391,865	226,238,588	221,758,195	0	234,926,702	240,354,521	245,782,341	251,210,159
20	Capital-Base	144,521,396	154,856,282	168,501,479	165,843,058	173,609,764	195,604,255	0	194,171,343	194,171,343	194,171,343	194,171,343
21	Capital - OT	15,169,411	14,197,534	13,758,970	13,301,006	15,806,486	22,555,890	0	15,285,833	15,285,833	15,285,833	15,285,833
22	Capital Total	159,690,807	169,053,816	182,260,449	179,144,064	189,416,250	218,160,145	0	209,457,176	209,457,176	209,457,176	209,457,176
23	Other - Base	23,144,229	29,226,809	13,441,604	8,183,654	16,484,309	11,711,447	0	9,506,635	10,457,460	11,408,285	12,359,110
24	Other -OT	10,081,229	5,430,556	3,455,651	3,572,983	13,593,806	7,317,408	0	1,281,658	1,318,988	1,356,318	1,393,647
25	Other Total	33,225,458	34,657,365	16,897,255	11,756,637	30,078,115	19,028,855	0	10,788,293	11,776,448	12,764,603	13,752,757
26	Recoverable - Base	16,221,029	15,636,917	13,885,633	18,937,530	17,768,177	20,176,326	0	22,414,737	22,495,520	22,576,304	22,657,087
27	Recoverable - OT	1,765,744	1,312,746	867,619	1,681,336	1,029,391	1,087,080	0	0	0	0	0
28	Recoverable Total	17,986,773	16,949,663	14,753,252	20,618,866	18,797,568	21,263,406	0	22,414,737	22,495,520	22,576,304	22,657,087
29	Total	451,807,828	444,423,880	432,875,070	435,911,432	464,530,521	480,210,601	0	477,586,908	484,083,665	490,580,424	497,077,179
30	ST Incentive	43,837,025	68,282,880	29,077,788	83,200,126	51,310,974	37,771,548		46,769,851	47,407,637	48,045,423	48,683,209
31	LT Incentive	10,179,352	12,661,287	12,177,158	12,125,074	13,870,690	15,008,732		15,727,667	16,111,867	16,496,068	16,880,268
32	Total Incentive	54,016,377	80,944,167	41,254,946	95,325,200	65,181,664	52,780,280		62,497,518	63,519,504	64,541,491	65,563,477
33	Total Payroll	505,824,205	525,368,047	474,130,016	531,236,632	529,712,185	532,990,881		540,084,426	547,603,169	555,121,915	562,640,656
34	Per C-35					529,712	532,991		540,084	547,603	555,122	562,641
35	Capital %	35.34%	38.04%	42.10%	41.10%	40.78%	45.43%		43.86%	43.27%	42.70%	42.14%

Sourc Lines 1-12 and averages on lines 13 and 14 are from response to OPC 1-21.

Line 16 is from response to OPC 12-327.

Lines 17-33, Columns A-F are from response to OPC-1-15.

Lines 17-33, Columns H-K are from response to OPC-1-16.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Incentive Compensenation

Incentive Compensenation
 (Thousands of Dollars)

Schedule C-4
 Page 1 of 1

Line No.	Year	Short Term	O&M	Capital	Other	Recoverable	O&M %	Capital %	
1	2018	43,837	26,003	7,943	8,374	1,517	59.32%	18.12%	43,837
2	2019	68,283	35,658	22,024	8,984	1,617	52.22%	32.25%	68,283
3	2020	29,078	16,905	2,238	8,679	1,256	58.14%	7.70%	29,078
4	2021	83,200	34,659	37,846	8,614	2,081	41.66%	45.49%	83,200
5	2022	51,311	24,501	15,528	9,881	1,400	47.75%	30.26%	51,311
6	2023	37,772	17,432	9,396	9,575	1,368	46.15%	24.88%	37,772
FORECASTED									
7	2023	44,267	23,036	10,569	8,834	1,829	52.04%	23.88%	44,267
8	2024	46,770	24,467	11,431	8,998	1,873	52.31%	24.44%	46,770
9	2025	47,408	25,100	11,431	8,998	1,878	52.95%	24.11%	47,408
10	2026	48,045	25,733	11,431	8,998	1,883	53.56%	23.79%	48,045
11	2027	48,683	26,366	11,431	8,998	1,888	54.16%	23.48%	48,683
FORECASTED									
		Long Term	O&M	Capital	Other	Recoverable	O&M %	Capital %	
12	2018	10,179	8,868	244	948	119	87.12%	2.39%	10,179
13	2019	12,661	10,931	309	1,322	99	86.33%	2.44%	12,661
14	2020	12,177	10,338	217	1,517	105	84.90%	1.78%	12,177
15	2021	12,125	9,984	298	1,728	114	82.34%	2.46%	12,125
16	2022	13,871	11,854	335	1,593	88	85.46%	2.42%	13,871
17	2023	15,009	12,771	414	1,731	92	85.09%	2.76%	15,009
FORECASTED									
18	2023	14,920	12,618	331	1,880	92	84.57%	2.22%	14,920
19	2024	15,728	13,355	341	1,937	95	84.92%	2.17%	15,728
20	2025	16,112	13,739	341	1,937	95	85.27%	2.12%	16,112
21	2026	16,496	14,123	341	1,937	95	85.61%	2.07%	16,496
22	2027	16,880	14,506	341	1,937	96	85.94%	2.02%	16,880
FORECASTED									
		Short Term			Long Term				
		Per DEF	Per OPC	Adjustment	Per DEF	Per OPC	Adjustment		
23	2025	25,100	0	(25,100)	13,739	0	(13,739)		
24	2026	25,733	0	(25,733)	14,123	0	(14,123)		
25	2027	26,366	0	(26,366)	14,506	0	(14,506)		

Source: Lines 1 - 6 and 12-17 are from response to OPC 1-15.
 Lines 7 - 11 and 18-22 are from response to OPC 1-16.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Payroll Benefits and Taxes

Payroll Benefits and Taxes
 (Thousands of Dollars)

Schedule C-5
 Page 1 of 2

Line No.	Year	2023	2024	2025	2026	2027
1	DEF O&M Payroll	221,758	234,927	240,355	245,782	251,210
2	O&M Payroll Taxes (C-4)	15,565	16,879	16,879	16,879	16,879
3	Payroll Tax Rate	7.02%	7.18%	7.02%	6.87%	6.72%
4	Citizens Payroll Adjustment			(17,917)	(21,084)	(24,251)
5	Incentive Comp. Adjustment			(38,839)	(39,856)	(40,872)
6	Total Compensation Adjustment			<u>(56,756)</u>	<u>(60,940)</u>	<u>(65,123)</u>
7	Payroll Tax Adjustment			<u>(3,986)</u>	<u>(4,185)</u>	<u>(4,376)</u>
8	O&M Pension & Benefits (C-4)	859	14,974	26,138	42,124	59,614
9	Pension & Benefit Rate (C-4)	0.39%	6.37%	10.87%	17.14%	23.73%
10	O&M Pension & Benefits (C-35)	68,276	80,263	86,604	90,722	95,162
11	Pension & Benefits (C-35)	100,991	123,976	138,243	157,632	178,801
12	Payroll Taxes	<u>(36,038)</u>	<u>(37,731)</u>	<u>(37,731)</u>	<u>(37,731)</u>	<u>(37,731)</u>
13		64,953	86,246	100,512	119,901	141,071
14	O&M Percentage	<u>67.61%</u>	<u>64.74%</u>	<u>62.65%</u>	<u>57.55%</u>	<u>53.22%</u>
15	O&M Pension & Benefits	<u>43,912</u>	<u>55,836</u>	<u>62,967</u>	<u>69,007</u>	<u>75,081</u>
16	Pension & Benefit Rate (C-35)	19.80%	23.77%	26.20%	28.08%	29.89%
17	Pension & Benefit Adjustment			<u>(4,694)</u>	<u>(5,920)</u>	<u>(7,248)</u>

Source: Line 1 is from response to OPC-1-15
 Lines 10-12 are from response to OPC 12-326.
 Lines 18-22 are from MFR Schedule C-6.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Payroll Benefits and Taxes

Payroll Benefits and Taxes
 (Thousands of Dollars)

Schedule C-5
 Page 2 of 2

Line No.	Year	2019	2020	2021	2022	2023	Average
<u>Account 926 MFR C-4</u>							
1	Budgeted	44,231	42,513	40,290	5,179	11,449	28,732
2	Actual	42,059	21,244	13,583	29,774	859	21,504
3	Actual Over (Under) Budget	(2,172)	(21,269)	(26,707)	24,595	(10,590)	(7,229)
<u>Account 926 Employee Benefits</u>							
<u>Employee Savings Active</u>							
4	Budgeted	24,166	23,274	25,008	28,920	28,815	26,037
5	Actual	19,795	19,188	21,399	22,467	21,908	20,951
6	Actual Over (Under) Budget	(4,372)	(4,086)	(3,609)	(6,453)	(6,907)	(5,085)
<u>Medical Active</u>							
7	Budgeted	39,953	38,386	40,881	40,339	42,270	40,366
8	Actual	35,644	32,138	36,313	31,934	37,945	34,795
9	Actual Over (Under) Budget	(4,309)	(6,247)	(4,568)	(8,406)	(4,325)	(5,571)
<u>Pension Non Service Cost</u>							
10	Budgeted	(23,153)	(30,879)	(36,474)	(56,280)	(48,150)	(38,987)
11	Actual	(16,651)	(37,893)	(50,101)	(22,983)	(49,721)	(35,470)
12	Actual Over (Under) Budget	6,503	(7,014)	(13,627)	33,298	(1,571)	3,518
<u>Total Benefit Costs</u>							
13	Budgeted	44,231	42,513	40,290	5,179	11,449	28,732
14	Actual	42,059	21,244	13,583	30,284	1,148	21,664
15	Actual Over (Under) Budget	(2,172)	(21,269)	(26,707)	25,106	(10,301)	(7,069)

Source: Lines 1-3 are based on MFR C-6.

Lines 4-15 are based on response to OPC Interrogatory No. 7-146.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 D & O Liability Insurance Expense

Directors & Officers Liability Insurance Expense
 (Thousands of Dollars)

Schedule C-6
 Page 1 of 1

Line No.	Description/Year	(A) D&O Liability Insurance Expense	(B) D&O Liability Insurance Expense	(C) Percentage Increase	(D) FPSC Adjustment
1	2018	2,398	2,398		(1,117)
2	2019	2,199	2,199	-8.30%	(1,025)
3	2020	2,216	2,216	0.79%	(1,033)
4	2021	2,387	2,387	7.74%	(1,113)
5	2022	2,642	2,642	10.68%	(1,261)
6	2023	2,604	2,647	0.16%	(1,281)
7	2024	2,728	2,629	-0.66%	(1,451)
8	2025	2,837	2,998	14.01%	
9	2026	2,951	2,998	0.00%	
10	2027	3,069	2,998	0.00%	
11	Percentage Change 2018 to 2027			<u>125.03%</u>	
12	Adjustment to remove D&O Liability Insurance Expense	<u>(2,998)</u>	<u>(2,998)</u>	<u>(2,998)</u>	

Source:
 Column A, Lines 1 -10: Response to OPC 1-4
 Column B, Lines 1 -10: Response to OPC 1-51

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2006

Docket No. 20240025-EI
 HWS Exhibit - 2
 Rate Case Expense

Rate Case Expense
 (Thousands of Dollars)

Schedule C-7
 Page 1 of 1

Line No.	Description	2025 Amount	2026 Amount	2027 Amount	Reference
1	Company Rate Case Expense Adjustment	874	874	874	MFR Sch. C-2
2	Rate Case Expense in Base O&M				
3	Total Rate Case Expense in Test Year	874	874	874	
4	Citizens Adjustment to Remove Rate Case Expense	(874)	(874)	(874)	
5	Citizens Adjustment to Remove Unamortized Rate Case Expense Balance from Rate Base	(2,392)	(1,625)	(751)	MFR Sch. B-2
	<u>Outside Consultants</u>	<u>PER DEF</u>			
6	Dismantlement Study	305,000			
7	Depreciation Study	97,106			
8	Legal (other)	295,865			
9	Legal	1,304,382			
10	Outside Consulting	9,625			
11	ROE	25,375			
12	Pension Expense	5,746			
13	EY Fees	116,000			
14	Outside Consulting Total	2,159,099			
	<u>Various</u>				
15	Depreciation/Dismantlement Study	51,395			
16	FP&A Support	239,091			
17	Trans/Distrib/Gas Supt Fin IAN Rate Case Support	3,387			
18	Asset Accounting	60,000			
19	Travel	110,000			
20	Various Total	463,873			
21	Total	2,622,972			

Source/Notes:

Lines 6-21 are from excel spread sheet for MFR Schedule C-10

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Uncollectible Expense

Uncollectible Expense
 (Thousands of Dollars)

Schedule C-8
 Page 1 of 1

Line No.	Year	Net Write-Offs	Adjusted Gross Revenues	Bad Debt Factor	
1	2018	10,647,763	4,486,175,572	0.237%	
2	2019	10,124,131	4,651,005,447	0.218%	
3	2020	13,691,639	4,563,926,660	0.300%	
4	2021	12,885,772	4,646,648,340	0.277%	
5	2022	34,379,964	5,419,632,248	0.634%	
6	2023	41,910,151	6,437,722,027	0.651%	
7	Total 2018 - 2023	123,639,420	30,205,110,294	<u>0.409%</u>	
8	Total 2018 - 2021	47,349,305	18,347,756,019	<u><u>0.258%</u></u>	
9	Adjusted Gross Revenues, per Duke		<u>2025</u> 5,495,587	<u>2026</u> 5,442,324	<u>2027</u> 5,418,721
10	DEF Requested Bad Debt Rate		<u>0.282%</u>	<u>0.309%</u>	<u>0.338%</u>
11	Bad Debt Expense (Net Write-Offs), per DEF		<u>15,473</u>	<u>16,827</u>	<u>18,300</u>
12	OPC Recommended Bad Debt Rate		<u>0.258%</u>	<u>0.258%</u>	<u>0.258%</u>
13	OPC Recommended Bad Debt Expense		<u>14,179</u>	<u>14,041</u>	<u>13,980</u>
14	Adjustment to Bad Debt Expense		<u><u>(1,294)</u></u>	<u><u>(2,786)</u></u>	<u><u>(4,320)</u></u>
15	OPC Recommended Revenue Adjustment		94,000	110,000	136,000
16	OPC Recommended Bad Debt Rate		<u>0.258%</u>	<u>0.258%</u>	<u>0.258%</u>
17	Expense Adjustment Based on Added Revenue		<u><u>243</u></u>	<u><u>284</u></u>	<u><u>351</u></u>

Source:
 Amounts from Company MFR Sch. C-11.
 Lines 1-6 are from OPC 1-3.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 050045-EI
 HWS Exhibit - 2
 Amortization of Projected Gain on Disposition

Amortization of Projected Gain on Disposition
 (Thousands of Dollars)

Schedule C-9
 Page 1 of 1

Line No.	Description				Gain/(Loss) on Disposition
1	2021				2,867
2	2022				4,342
3	2023				<u>3,012</u>
4	Subtotal - 2021 through 2023				<u>10,221</u>
5	3-year Average Gain on Disposition				<u>3,407</u> L. 5 / 3
	<u>Forecasted</u>				
6	2023				1,339
7	2024				1,291
		<u>2025</u>	<u>2026</u>	<u>2027</u>	
8	Gain per Company	1,323	1,137	982	
9	Gain Per Citizens	<u>3,407</u>	<u>3,407</u>	<u>3,407</u>	
10	Gain Adjustment	<u>(2,084)</u>	<u>(2,270)</u>	<u>(2,425)</u>	

Source: Lines 1 - 3 from DEF MFR Sch. C-29
 Lines 6 -8 are from DEF MFR Sch. C-1.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Revision to Proposed Depreciation Rates

Revision to Proposed Depreciation Rates
(Thousands of Dollars)

Schedule C-10
Page 1 of 5

Line No.	Description	Jurisdictional			Reference
		12/31/2027 Rates	12/31/2026 Rates	12/31/2025 Rates	
1	Adjustment to Base Production Plant Deprec. Exp.	(24,533)	(28,041)	(32,720)	Pages 2-4
2	Adjustment to Intermediate Prod. Plant Deprec. Exp.	(29,567)	(29,041)	(27,717)	Pages 2-4
3	Adjustment to Peaking Production Plant Deprec. Exp.	(2,924)	(3,603)	(4,189)	Pages 2-4
4	Adjustment to Solar Production Plant Deprec. Exp.	(10,901)	(9,393)	(6,389)	Pages 2-4
5	Adjustment to Distribution Plant Deprec. Exp.	<u>(2,433)</u>	<u>(2,433)</u>	<u>(3,002)</u>	Pages 2-4
6	Revised Depreciation Rate Adjustment	<u>(70,358)</u>	<u>(72,511)</u>	<u>(74,016)</u>	
7	Adjust Accum. Deprec. For Change In Deprec. Rates	<u>(35,179)</u>	<u>(36,256)</u>	<u>(37,008)</u>	
8	Cumulative Adjustment to Accumulated Depreciation	<u>(181,707)</u>	<u>(110,272)</u>	<u>(37,008)</u>	
		<u>Total</u>			
9	Revised Depreciation Rate Adjustment	<u>(71,902)</u>	<u>(74,050)</u>	<u>(75,512)</u>	Pages 2-4
10	Adjust Accum. Deprec. For Change In Deprec. Rates	<u>(35,951)</u>	<u>(37,025)</u>	<u>(37,756)</u>	Pages 2-4
11	Cumulative Adjustment to Accumulated Depreciation	<u>(185,513)</u>	<u>(112,537)</u>	<u>(37,756)</u>	

The above adjustment reflects the impact of the depreciation rates recommended by Citizens witness William Dunkel.

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revision to Proposed Depreciation Rates

Revision to Proposed Depreciation Rates
 (Thousands of Dollars)

Schedule C-10
 Page 2 of 5

Line No.	Description	2024 Amount	2025 Amount	Total Amount	Reference:
<u>Base Production Plant</u>					
1	13-Month Average Base Production Plant, per Duke	6,878,531	93,382	6,971,913	MFR Sch. B-7
2	Citizens Recommended Base Depreciation Rate	4.20%	4.20%	4.20%	William Dunkel
3	Citizens Base Production Plant Depreciation Expense	289,227	3,922	293,154	L.1 x L.2
4	DEF Recommended Base Depreciation Rate	4.51%	4.51%		William Dunkel
5	Base Production Plant Depreciation Expense, per DEF	310,230	4,212	325,874	MFR Sch. C-4, p. 33, L. 4
6	Adjustment to Base Production Plant Depreciation Expense	(21,003)	(289)	(32,720)	L. 3 - L.5
7	Jurisdictional Separation Factor			0.999998	MFR Sch. C-4
8	Jurisdictional Adjustment			(32,720)	
<u>Intermediate Production Plant</u>					
9	13-Month Average Intermediate Production Plant, per Duke	589,253	15,635	604,888	MFR Sch. B-7
10	Citizens Recommended Intermediate Depreciation Rate	3.20%	3.20%	3.20%	William Dunkel
11	Citizens Intermediate Production Plant Depreciation Expense	18,877	500	19,378	L.9 x L.10
12	DEF Recommended Intermediate Depreciation Rate	8.90%	8.90%		William Dunkel
13	Intermediate Production Plant Depreciation Expense, per DEF	52,418	1,392	48,489	MFR Sch. C-4, p. 33, L. 5
14	Adjustment to Intermediate Production Plant Depreciation Expense	(33,541)	(891)	(29,111)	L. 11 - L.13
15	Jurisdictional Separation Factor			0.952120	MFR Sch. C-4
16	Jurisdictional Adjustment			(27,717)	
<u>Peaking Production Plant</u>					
17	13-Month Average Peaking Production Plant, per DEF	647,332	13	647,345	MFR Sch. B-7
18	Citizens Recommended Peaking Depreciation Rate	2.07%	2.07%	2.07%	William Dunkel
19	Citizens Peaking Production Plant Depreciation Expense	13,394	0	13,394	L.17 x L.19
20	DEF Recommended Peaking Depreciation Rate	4.28%	4.28%		William Dunkel
21	Peaking Production Plant Depreciation Expense, per DEF	27,685	1	17,685	MFR Sch. C-4, p. 33, L. 6
22	Adjustment to Peaking Production Plant Depreciation Expense	(14,292)	(0)	(4,291)	L. 19 - L.21
23	Jurisdictional Separation Factor			0.976316	MFR Sch. C-4
24	Jurisdictional Adjustment			(4,189)	
<u>Solar Production Plant</u>					
25	13-Month Average Solar Production Plant, per Duke	2,125,236	171,124	2,296,360	MFR Sch. B-7
26	Citizens Recommended Solar Depreciation Rate	3.00%	3.00%	3.00%	William Dunkel
27	Citizens Solar Production Plant Depreciation Expense	63,851	5,134	68,992	
28	DEF Recommended Solar Depreciation Rate	3.44%	3.44%		William Dunkel
29	Solar Production Plant Depreciation Expense, per Duke	73,157	5,887	75,381	MFR Sch. C-4, p. 33, L. 7
30	Adjustment in Solar Production Plant Deprec. Exp.	(9,306)	(753)	(6,389)	L. 27 - L.29
31	Jurisdictional Separation Factor			0.999999	MFR Sch. C-4
32	Jurisdictional Adjustment			(6,389)	
<u>Distribution Plant</u>					
33	13-Month Average Energy Storage Distribution Plant, per Duke	78,530	3,479	82,009	MFR Sch. B-7, page 20
34	Citizens Recommended Energy Storage Depreciation Rate	6.87%	6.87%	6.87%	William Dunkel
35	Citizens Energy Storage Depreciation Expense	5,398	239	5,634	
36	DEF Recommended Energy Storage Depreciation Rate	10.53%	10.53%	10.53%	William Dunkel
37	Energy Storage Plant Depreciation Expense, per DEF	8,272	366	8,636	L. 33 x L. 36
38	Adjustment in Distribution Plant Depr Expense	(2,874)	(127)	(3,002)	L. 35 - L.37
39	Jurisdictional Separation Factor			1.000000	MFR Sch. C-4
40	Jurisdictional Adjustment			(3,002)	
41	Total Adjustment	(81,015)	(2,061)	(75,512)	
42	Total Jurisdictional Adjustment Adjustment			(74,016)	

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revision to Proposed Depreciation Rates

Revision to Proposed Depreciation Rates
 (Thousands of Dollars)

Schedule C-10
 Page 3 of 5

Line No.	Description	Amount	Reference:
<u>Base Production Plant</u>			
1	13-Month Average Base Production Plant, per DEF	7,064,756	MFR Sch. B-7
2	Citizens Recommended Base Depreciation Rate	4.20%	William Dunkel
3	Citizens Base Production Plant Depreciation Expense	297,058	
4	Base Production Plant Depreciation Expense, per Duke	325,099	MFR Sch. C-4, p. 21, L. 16
5	Adjustment to Base Production Plant Depreciation Expense	(28,041)	L.3 - L.4
6	Jurisdictional Separation Factor	0.999999	MFR Sch. C-4
7	Jurisdictional Adjustment	(28,041)	
<u>Intermediate Production Plant</u>			
8	13-Month Average Intermediate Production Plant, per DEF	634,451	MFR Sch. B-7
9	Citizens Recommended Intermediate Depreciation Rate	3.20%	William Dunkel
10	Citizens Intermediate Production Plant Depreciation Expense	20,325	
11	Intermediate Production Plant Depreciation Expense, per Duke	50,818	MFR Sch. C-4, p. 21, L. 17
12	Adjustment to Intermediate Production Plant Depreciation Expense	(30,493)	L.10 - L.11
13	Jurisdictional Separation Factor	0.952398	MFR Sch. C-4
14	Jurisdictional Adjustment	(29,041)	
<u>Peaking Production Plant</u>			
15	13-Month Average Peaking Production Plant, per DEF	656,598	MFR Sch. B-7
16	Citizens Recommended Peaking Depreciation Rate	2.07%	William Dunkel
17	Citizens Peaking Production Plant Depreciation Expense	13,586	
18	Peaking Production Plant Depreciation Expense, per Duke	17,276	MFR Sch. C-4, p. 21, L. 18
19	Adjustment to Peaking Production Plant Depreciation Expense	(3,690)	L.17 - L.18
20	Jurisdictional Separation Factor	0.976451	MFR Sch. C-4
21	Jurisdictional Adjustment	(3,603)	
<u>Solar Production Plant</u>			
22	13-Month Average Solar Production Plant, per DEF	3,001,418	MFR Sch. B-7
23	Citizens Recommended Solar Depreciation Rate	3.00%	William Dunkel
24	Citizens Solar Production Plant Depreciation Expense	90,175	
25	Solar Production Plant Depreciation Expense, per Duke	99,568	MFR Sch. C-4, p. 21, L. 19
26	Adjustment to Solar Production Plant Depreciation Expense	(9,393)	L.24 - L.25
27	Jurisdictional Separation Factor	0.999999	MFR Sch. C-4
28	Jurisdictional Adjustment	(9,393)	
<u>Distribution Plant</u>			
29	13-Month Average Energy Storage Distribution Plant, per DEF	84,990	MFR Sch. B-7, page 13
30	Citizens Recommended Transmission Composite Depreciation Rate	6.87%	William Dunkel
31	Citizens Energy Storage Depreciation Expense	5,839	
32	DEF Recommended Energy Storage Depreciation Rate	10.53%	William Dunkel
33	Energy Storage Plant Depreciation Expense, per DEF	8,272	L. 29 x L. 32
34	Adjustment in Distribution Plant Depr Expense	(2,433)	L.31 - L.33
35	Jurisdictional Separation Factor	1.000000	MFR Sch. C-4
36	Jurisdictional Adjustment	(2,433)	
37	Total Adjustment	(74,050)	
38	Total Jurisdictionl Adjustment Adjustment	(72,511)	

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Revision to Proposed Depreciation Rates

Revision to Proposed Depreciation Rates
(Thousands of Dollars)

Schedule C-10
Page 4 of 5

Line No.	Description	Amount	Reference:
<u>Base Production Plant</u>			
1	13-Month Average Base Production Plant, per DEF	7,168,983	MFR Sch. B-7
2	Citizens Recommended Base Depreciation Rate	4.20%	William Dunkel
3	Citizens Base Production Plant Depreciation Expense	301,440	
4	Base Production Plant Depreciation Expense, per DEF	325,973	MFR Sch. C-4, p. 9, L. 10
5	Adjustment to Base Production Plant Depreciation Expense	(24,533)	
6	Jurisdictional Separation Factor	0.999998	MFR Sch. C-4
7	Jurisdictional Adjustment	(24,533)	
<u>Intermediate Production Plant</u>			
8	13-Month Average Intermediate Production Plant, per DEF	648,022	MFR Sch. B-7
9	Citizens Recommended Intermediate Depreciation Rate	3.20%	William Dunkel
10	Citizens Intermediate Production Plant Depreciation Expense	20,760	
11	Intermediate Production Plant Depreciation Expense, per DEF	51,805	MFR Sch. C-4, p. 9, L. 11
12	Adjustment to Intermediate Production Plant Depreciation Expense	(31,045)	
13	Jurisdictional Separation Factor	0.952398	MFR Sch. C-4
14	Jurisdictional Adjustment	(29,567)	
<u>Peaking Production Plant</u>			
15	13-Month Average Peaking Production Plant, per DEF	665,363	MFR Sch. B-7
16	Citizens Recommended Peaking Depreciation Rate	2.07%	William Dunkel
17	Citizens Peaking Production Plant Depreciation Expense	13,767	
18	Peaking Production Plant Depreciation Expense, per DEF	16,757	MFR Sch. C-4, p. 9, L. 12
19	Adjustment to Peaking Production Plant Depreciation Expense	(2,990)	
20	Jurisdictional Separation Factor	0.977923	MFR Sch. C-4
21	Jurisdictional Adjustment	(2,924)	
<u>Solar Production Plant</u>			
22	13-Month Average Solar Production Plant, per DEF	3,459,132	MFR Sch. B-7
23	Citizens Recommended Solar Depreciation Rate	3.00%	William Dunkel
24	Citizens Solar Production Plant Depreciation Expense	103,927	
25	Solar Production Plant Depreciation Expense, per DEF	114,828	MFR Sch. C-4, p. 21, L. 13
26	Adjustment to Solar Production Plant Depreciation Expense	(10,901)	
27	Jurisdictional Separation Factor	0.999999	MFR Sch. C-4
28	Jurisdictional Adjustment	(10,901)	
<u>Distribution Plant</u>			
29	13-Month Average Energy Storage Distribution Plant, per DEF	84,990	MFR Sch. B-7, page 13
30	Citizens Recommended Transmission Composite Depreciation Rate	6.87%	William Dunkel
31	Citizens Energy Storage Depreciation Expense	5,839	
32	DEF Recommended Energy Storage Depreciation Rate	10.53%	William Dunkel
33	Energy Storage Plant Depreciation Expense, per DEF	8,272	L. 29 x L. 32
34	Adjustment in Distribution Plant Depr Expense	(2,433)	L.31 - L.33
35	Jurisdictional Separation Factor	1.000000	MFR Sch. C-4
36	Jurisdictional Adjustment	(2,433)	
37	Total Adjustment	(71,902)	
38	Total Jurisdictional Adjustment Adjustment	(70,358)	

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revision to Proposed Depreciation Rates

Revision to Proposed Depreciation Rates
 (Thousands of Dollars)

Schedule C-10
 Page 5 of 5

Line No.	DEF Plant Stratification	Cost 2024	Company Depr.	Company Rate	OPC Depr.	OPC Rate	B-7 Average Plant		
							2025	2026	2027
<u>Base</u>									
1	Storage						24,056	24,056	24,056
2	Crystal River Steam 4&5	2,824,927	136,111	4.82%	138,648	4.91%	2,829,546	2,835,735	2,841,907
3	Rail Cars	3,679	135	3.67%	139	3.79%	3,488	3,104	2,721
4	Miscellaneous						46,286	46,263	46,240
5	Bartow Combined Cycle	782,535	33,420	4.27%	28,581	3.65%	778,953	783,632	789,246
6	Citrus Combined Cycle	1,418,521	55,824	3.94%	50,559	3.56%	1,425,786	1,460,923	1,498,556
7	Osprey Combined Cycle	434,683	15,438	3.55%	12,659	2.91%	435,534	436,881	441,333
8	Hines Combined Cycle	1,352,889	67,718	5.01%	56,760	4.20%	1,364,298	1,408,478	1,454,416
9	University of Florida Cogeneration	61,296	1,583	2.58%	1,880	3.07%	63,967	65,684	70,508
10		<u>6,878,531</u>	<u>310,230</u>	4.51%	<u>289,227</u>	4.20%	<u>6,971,914</u>	<u>7,064,756</u>	<u>7,168,983</u>
<u>Intermediate</u>									
11	Ancolte Steam	495,431	44,266	8.93%	12,469	2.52%	504,842	523,908	535,800
12	Tiger Bay Cogeneration	93,822	8,152	8.69%	6,409	6.83%	100,046	110,543	112,222
13		<u>589,253</u>	<u>52,418</u>	8.90%	<u>18,877</u>	3.20%	<u>604,888</u>	<u>634,451</u>	<u>648,022</u>
<u>Simple</u>									
14	Avon Park Peaking						23	23	23
15	Bartow 1 and 3	25,657	1,061	4.14%	696	2.71%	26,741	27,164	27,296
16	Bartow 2 and 4	21,615	4,959	22.94%	1,271	5.88%	20,622	20,616	20,611
17	Bayboro	27,652	3,676	13.30%	(1,659)	-6.00%	27,671	27,669	27,667
18	Debary New	59,513	964	1.62%	(1,804)	-3.03%	123,077	122,303	121,842
19	Debary Old	124,211	2,708	2.18%	3,342	2.69%	59,490	59,405	59,321
20	Intersession Misc						45	45	45
21	Intersession 1-6	57,489	2,736	4.76%	1,924	3.35%	57,522	57,296	56,475
22	Intersession 7-10	131,638	4,457	3.39%	3,903	2.96%	131,619	133,025	131,834
23	Intersession 11	38,477	476	1.24%	836	2.17%	38,451	38,688	39,485
24	Intersession 12-14	100,978	3,211	3.18%	2,764	2.74%	102,201	109,098	118,735
25	Suwanee	60,102	3,438	5.72%	2,122	3.53%	59,883	61,266	62,029
26		<u>647,332</u>	<u>27,685</u>	4.28%	<u>13,394</u>	2.07%	<u>647,345</u>	<u>656,598</u>	<u>665,363</u>
27	Solar	2,125,236	73,157	3.44%	63,851	3.00%	2,296,360	3,001,418	3,459,132
28	Total Production	<u>10,240,352</u>	<u>463,490</u>	4.53%	<u>385,350</u>	3.76%	<u>10,520,507</u>	<u>11,357,223</u>	<u>11,941,500</u>

Source: William Dunkel

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2025

Impact of Adjustments to PIS on Depreciation
(Thousands of Dollars)

Docket No. 20240025-EI
HWS Exhibit - 2
Impact of Adjustments to PIS on Depreciation

Schedule C-11
Page 1 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>
1	2025 Overstatement of Projected Plant in Service	(966,636)	Sch. 2, P.2
2			
3	Subtotal	<u>(966,636)</u>	
4	Citizens Overall Composite Depreciation Rate	<u>3.31%</u>	William Dunkel
5	Reduction to Depreciation Expense	<u>(32,034)</u>	(32,034) Sch. 2, P.2
6	Other Adjustments	-	<u> </u>
7	Total Reductions to Depreciation Expense for Adjustments to Plant In Service		<u>(32,034)</u>

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2026

Impact of Adjustments to PIS on Depreciation
(Thousands of Dollars)

Docket No. 20240025-EI
HWS Exhibit - 2
Impact of Adjustments to PIS on Depreciation

Schedule C-11
Page 2 of 3

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>
1	2026 Overstatement of Projected Plant in Service	(1,402,028)	Sch. 2, P.2
2			
3	Subtotal	<u>(1,402,028)</u>	
4	Citizens Overall Composite Depreciation Rate	<u>3.31%</u>	William Dunkel
5	Reduction to Depreciation Expense	<u>(46,463)</u>	(46,463) Sch. 2, P.2
6	Other Adjustments	-	<u> </u>
7	Total Reductions to Depreciation Expense for Adjustments to Plant In Service		<u>(46,463)</u>

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Impact of Adjustments to PIS on Depreciation

Impact of Adjustments to PIS on Depreciation
 (Thousands of Dollars)

Schedule C-11
 Page 3 of 3

Line No.	Description	<u>Amount</u>	<u>Adjustment</u>
1	2027 Overstatement of Projected Plant in Service	(1,465,114)	Sch. 2, P.2
2			
3	Subtotal	<u>(1,465,114)</u>	
4	Citizens Overall Composite Depreciation Rate	<u>3.31%</u>	William Dunkel
5	Reduction to Depreciation Expense	<u>(48,554)</u>	(48,554) Sch. 2, P.2
6	Other Adjustments		
7	Total Reductions to Depreciation Expense for Adjustments to Plant In Service		<u>(48,554)</u>

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Property Taxes

Property Taxes
(Thousands of Dollars)

Schedule C-12

Line No.	Description	12/31/2027 Taxes	12/31/2026 Taxes	12/31/2025 Taxes	12/31/2024 Taxes	Reference
<u>Plant Adjustment</u>						
1	Property Tax Per DEF	245,682	229,829	206,123	188,675	MFR C-4
2	Property Tax Increase Per DEF	15,853	23,706	17,448	188,675	
3	Plant Adjustment Per DEF	2,207,679	2,197,820	3,139,352	2,759,107	MFR B-7
4	Increase Based on Change in Plant	0.72%	1.08%	0.56%	6.84%	
5	Plant Adjustment Per Citizens	(1,208,686)	(1,117,325)	(1,031,100)		
6	Estimated Property Tax Adjustment	(8,679)	(12,052)	(5,731)		
<u>Rate Adjustment</u>						
7	Property Tax Per DEF	245,682	229,829	206,123	188,675	
8	Estimated Property Tax Adjustment	<u>(8,679)</u>	<u>(12,052)</u>	<u>(5,731)</u>		
9	Adjusted Expense	237,003	217,777	200,392		
10	Ratio Of Adjusted Taxes	96.47%	94.76%	97.22%		
11	Estimated Taxable Values	15,176,804	13,708,703	12,735,871	11,735,821	OPC 1-50
12	2023 Tax Rate	0.015210	0.015210	0.015210		OPC 1-47
13	DEF Estimated Tax Rate	0.016090	0.016650	0.016060	0.015940	OPC 1-49
14	Reduction to 2023 Rate	<u>(0.000880)</u>	<u>(0.001440)</u>	<u>(0.000850)</u>		
		(13,356)	(19,741)	(10,825)		
15	Ratio	<u>96.47%</u>	<u>94.76%</u>	<u>97.22%</u>		
16	Rate Adjustment	(12,884)	(18,705)	(10,525)		
17	Total Property Tax Adjustment	(21,563)	(30,757)	(16,255)		
18	Jurisdictional Factor	0.918409	0.91968	0.919807		
19	Jurisdictional Adjustment	(19,804)	(28,287)	(14,952)		

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Revision to Dismantelment Request

Revision to Dismantelment Request
 (Thousands of Dollars)

Schedule C-13

Line No.	Description	Jurisdictional			Reference
		12/31/2027 Rates	12/31/2026 Rates	12/31/2025 Rates	
1	Dismantelment Base	10,217	10,217	10,217	MFR B-9 & JTK-2
2	Dismantelment Intermediate	1,213	1,213	1,213	MFR B-9 & JTK-2
3	Dismantlement Peaking	2,050	2,050	2,050	MFR B-9 & JTK-2
4	Dismantelment Solar	7,118	7,118	7,118	MFR B-9 & JTK-2
5	Current Accrual	20,598	20,598	20,598	
6	Dismantelment Base Study	7,651	7,651	7,651	JTK-2
7	Dismantelment Intermediate Study	647	647	647	JTK-2
8	Dismantlement Peaking Study	(316)	(316)	(316)	JTK-2
9	Dismantelment Solar Study	5,529	5,529	5,529	JTK-2
10	DEF Adjustment	13,510	13,510	13,510	
11	DEF Total	34,108	34,108	34,108	
12	Citizens Recommended Dismantelment Cost	9,793	9,793	9,793	William Dunkel
13	Adjust Dismantelment Expense	(24,316)	(24,316)	(24,316)	Line 12 - Line 11
14	Adjust Accumulated Depreciation	(60,789)	(36,473)	(12,158)	
15	DEF Expensed	19,254	17,332	14,208	MFR C-2
16	Added Adjustment For Unexplained	(5,744)	(3,822)	(698)	
17	Total Expense Adjustment	(30,059)	(28,137)	(25,013)	Line 13 + Line 15

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Inflation Adder Adjustment

Inflation Adder Adjustment
 (Thousands of Dollars)

Schedule C-14

Line No.	Description	Amount
1	2025 Inflationary Adder Increase (Includes Cumulative Amount for 2024 and 2025)	\$28,129
2	Incremental 2025 Inflationary Adder Increase (Line 1 divided by 2)	14,064
3	DEF's Inflation Rate Utilized	3.00%
4	2025 forecasted CPI-U	2.00%
5	Reduction % Factor [(Line 4/Line 3)-1]	<u>-33.33%</u>
6	2025 O&M Expense Reduction to DEF's 2022 12x0 Base Recoverable Amount (Line 2 * Line 5)	(\$4,688)
7	MFR Schedule C-1, Page 3 of 5, Line 10, Column 8 - 2025 Adjusted Retail Other O&M Expense Amount	598,089
8	DEF's 2022 12x0 Base Recoverable Amount for 2025 with Inflationary Factor	642,310
9	Ratio of MFR Amount to 2022 12x0 Base Recoverable Amount to 2025 (Line 7/Line 8)	93.12%
10	Estimated Adjustment to 2025 MFR Adjusted Retail Other O&M Expense Amount (Line 6 * Line 9)	<u>(\$4,365)</u>
11	2026 Cumulative Inflationary Adder Increase	\$42,331
12	2025 Inflationary Adder Increase	<u>28,129</u>
13	Incremental 2026 Inflationary Adder Increase (Line 11 - Line 12)	14,202
14	DEF's Inflation Rate Utilized	3.00%
15	2025 forecasted CPI-U	2.00%
16	Reduction % Factor [(Line 15/Line 14)-1]	<u>-33.33%</u>
17	2026 O&M Expense Reduction (Line 13 * Line 16)	(\$4,734)
18	MFR Schedule C-1, Page 2 of 5, Line 10, Column 8 - 2026 Adjusted Retail Other O&M Expense Amount	624,340
19	DEF's 2022 12x0 Base Recoverable Amount for 2026 with Inflationary Factor	660,111
20	Ratio of MFR Amount to 2022 12x0 Base Recoverable Amount to 2026 (Line 18/Line 19)	94.58%
21	Estimated Adjustment to 2026 MFR Adjusted Retail Other O&M Expense Amount (Line 17 * Line 20)	<u>(\$4,478)</u>
22	2027 Cumulative Inflationary Adder Increase	\$56,604
23	2026 Inflationary Adder Increase	<u>42,331</u>
24	Incremental 2027 Inflationary Adder Increase (Line 22 - Line 23)	14,273
25	DEF's Inflation Rate Utilized	3.00%
26	2025 forecasted CPI-U	2.00%
27	Reduction % Factor [(Line 26/Line 25)-1]	<u>-33.33%</u>
28	2027 O&M Expense Reduction (Line 24 * Line 27)	(\$4,758)
29	MFR Schedule C-1, Page 1 of 5, Line 10, Column 8 - 2027 Adjusted Retail Other O&M Expense Amount	666,176
30	DEF's 2022 12x0 Base Recoverable Amount for 2027 with Inflationary Factor	689,965
31	Ratio of MFR Amount to 2022 12x0 Base Recoverable Amount to 2027 (Line 29/Line 30)	96.55%
32	Estimated Adjustment to 2027 MFR Adjusted Retail Other O&M Expense Amount (Line 28 * Line 31)	<u>(\$4,594)</u>

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Income Tax Expense

Income Tax Expense
 (Thousands of Dollars)

Schedule C-15

Line No.	Description	Amount
<u>Projected Test Year Ending December 31, 2027</u>		
1	Jurisdictional Operating Income Adjustments (1)	\$ 398,656
2	Composite Income Tax Rate (2)	<u>25.345%</u>
3	Adjustment to Income Tax Expense	<u>\$ 101,039</u>
<u>Projected Test Year Ending December 31, 2026</u>		
4	Jurisdictional Operating Income Adjustments (1)	\$ 372,163
5	Composite Income Tax Rate (2)	<u>25.345%</u>
6	Adjustment to Income Tax Expense	<u>\$ 94,325</u>
<u>Projected Test Year Ending December 31, 2025</u>		
7	Jurisdictional Operating Income Adjustments (1)	\$ 320,315
8	Composite Income Tax Rate (2)	<u>25.345%</u>
9	Adjustment to Income Tax Expense	<u>\$ 81,184</u>

Source:

(1) Schedule C-1, Page 2

(2) Calculated using Florida state income tax rate of 5.50% and federal income tax rate of 21%.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2025

Docket No. 20240025-EI
 HWS Exhibit - 2
 Interest Synchronization Adjustment

Interest Synchronization Adjustment
 (Thousands of Dollars)

Schedule C-16
 Page 1 of 3

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 19,610,985	Schedule B-1
2	Weighted Cost of Debt	1.83%	Note (1)
3	Interest Deduction for Income Taxes	\$ 359,116	
4	Interest Deduction, per Company	\$ 456,474	MFR Schedule C-23
5	Increase (Decrease) in Deductible Interest	\$ (97,358)	
6	Consolidated Income Tax Rate	25.345%	
7	Reduction (Increase) to Income Tax Expense	\$ (24,675)	
8	DEF Interest Synchronization Adjustment	\$ (11,888)	MFR Schedule C-3
9	Citizens Adjustment to Interest Synchronization	\$ (12,787)	

Notes

(1) Based on weighted cost of debt and weighted cost of customer deposits, as shown on Schedule D.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2026

Docket No. 20240025-EI
 HWS Exhibit - 2
 Interest Synchronization Adjustment

Interest Synchronization Adjustment
 (Thousands of Dollars)

Schedule C-16
 Page 2 of 3

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 20,236,947	Schedule B-1
2	Weighted Cost of Debt	<u>1.84%</u>	Note (1)
3	Interest Deduction for Income Taxes	<u>\$ 372,579</u>	
4	Interest Deduction, per Company	<u>\$ 492,980</u>	MFR Schedule C-23
5	Increase (Decrease) in Deductible Interest	<u>\$ (120,401)</u>	
6	Consolidated Income Tax Rate	<u>25.345%</u>	
7	Reduction (Increase) to Income Tax Expense	<u>\$ (30,516)</u>	
8	DEF Interest Synchronization Adjustment	<u>\$ (15,715)</u>	MFR Schedule C-3
9	Citizens Adjustment to Interest Synchronization	<u><u>\$ (14,801)</u></u>	

Notes

(1) Based on weighted cost of debt and weighted cost of customer deposits, as shown on Schedule D.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Interest Synchronization Adjustment

Interest Synchronization Adjustment
 (Thousands of Dollars)

Schedule C-16
 Page 3 of 3

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 21,090,843	Schedule B-1
2	Weighted Cost of Debt	1.87%	Note (1)
3	Interest Deduction for Income Taxes	\$ 395,312	
4	Interest Deduction, per Company	\$ 532,541	MFR Schedule C-23
5	Increase (Decrease) in Deductible Interest	\$ (137,229)	
6	Consolidated Income Tax Rate	25.345%	
7	Reduction (Increase) to Income Tax Expense	\$ (34,781)	
8	DEF Interest Synchronization Adjustment	\$ (19,790)	MFR Schedule C-3
9	Citizens Adjustment to Interest Synchronization	\$ (14,991)	

Notes

(1) Based on weighted cost of debt and weighted cost of customer deposits, as shown on Schedule D.

Revised

Duke Energy Florida
Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
HWS Exhibit - 2
Cost of Capital

Cost of Capital
(Thousands of Dollars)

Schedule D
Page 1 of 2

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
	Per Company	Adjs. To Reflect OPC Cap. Struct. (col. (d), below)	Adjusted Amounts	OPC Def. Inc. Tax Adjustments D-1	Adjusted OPC Amounts	Ratio	Cost Rate*	Weighted Cost Rate	
<u>December 31, 2027</u>									
1	Common Equity	10,173,270	(586,717)	9,586,553	21,222	9,607,775	45.55%	9.45%	4.30%
2	Long Term Debt	8,783,290	(506,554)	8,276,736	18,323	8,295,059	39.33%	4.63%	1.82%
3	Short Term Debt	243,501	(14,043)	229,458	508	229,966	1.09%	3.20%	0.03%
4	Customer Deposits Active	149,096		149,096		149,096	0.71%	2.61%	0.02%
5	Customer Deposits Inactive	1,433		1,433		1,433	0.01%	0.00%	0.00%
6	Investment Tax Credits	196,997		196,997		196,997	0.93%	7.22%	0.07%
7	Deferred Income Tax	2,650,570		2,650,570	(40,053)	2,610,517	12.38%	0.00%	0.00%
8	Total	22,198,157	(1,107,314)	21,090,843	-	21,090,843	100.00%		6.25%
<u>December 31, 2026</u>									
9	Common Equity	9,798,611	(631,577)	9,167,034	21,890	9,188,925	45.41%	9.45%	4.29%
10	Long Term Debt	8,696,777	(560,557)	8,136,220	19,429	8,155,649	40.30%	4.52%	1.82%
11	Short Term Debt	(1,328)	86	(1,242)	(3)	(1,245)	-0.01%	3.20%	0.00%
12	Customer Deposits Active	152,630		152,630		152,630	0.75%	2.61%	0.02%
13	Customer Deposits Inactive	1,467		1,467		1,467	0.01%	0.00%	0.00%
14	Investment Tax Credits	199,879		199,879		199,879	0.99%	7.13%	0.07%
15	Deferred Income Tax	2,580,960		2,580,960	(41,316)	2,539,644	12.55%	0.00%	0.00%
16	Total	21,428,996	(1,192,048)	20,236,948	(0)	20,236,948	100.00%		6.20%
<u>December 31, 2025</u>									
17	Common Equity	9,366,552	(489,145)	8,877,407	19,728	8,897,135	45.37%	9.45%	4.29%
18	Long Term Debt	8,353,323	(436,232)	7,917,091	17,594	7,934,686	40.46%	4.49%	1.82%
19	Short Term Debt	(40,045)	2,091	(37,954)	(84)	(38,038)	-0.19%	3.25%	-0.01%
20	Customer Deposits Active	156,494		156,494		156,494	0.80%	2.61%	0.02%
21	Customer Deposits Inactive	1,504		1,504		1,504	0.01%	0.00%	0.00%
22	Investment Tax Credits	205,256		205,256		205,256	1.05%	7.11%	0.07%
23	Deferred Income Tax	2,491,187		2,491,187	(37,238)	2,453,949	12.51%	0.00%	0.00%
24	Total	20,534,271	(923,286)	19,610,985	-	19,610,985	100.00%		6.19%
<u>December 31, 2027</u>									
<u>Ratio of Debt & Equity Components</u>		<u>Per DEF Amounts</u>	<u>Effective DEF Ratio</u>	<u>Capitalization Ratio Per OPC*</u>	<u>Adjusted Allocations</u>	<u>Adjs. To Reflect OPC Cap. Struct.</u>		<u>Rate Base</u>	
		(a)	(b)	(c)	(d)	(e) = (a - d)	Per DEF	22,198,157	
25	Common Equity	10,173,270	52.99%	52.99%	(586,717)	9,586,553	Per OPC	21,090,843	
26	Long Term Debt	8,783,290	45.75%	45.75%	(506,554)	8,276,736	Adjustment	(1,107,314)	
27	Short Term Debt	243,501	1.27%	1.27%	(14,043)	229,458			
28		19,200,061	100.00%	100.00%	(1,107,314)	18,092,747			
<u>December 31, 2026</u>									
<u>Ratio of Debt & Equity Components</u>		<u>Per DEF Amounts</u>	<u>Effective DEF Ratio</u>	<u>Ratio Per OPC*</u>	<u>Adjusted Allocations</u>	<u>Reflect OPC Cap. Struct.</u>		<u>Rate Base</u>	
		(a)	(b)	(c)	(d)	(e) = (a - d)	Per DEF	21,428,996	
29	Common Equity	9,798,611	52.98%	52.98%	(631,577)	9,167,034	Per OPC	20,236,947	
30	Long Term Debt	8,696,777	47.02%	47.02%	(560,557)	8,136,220	Adjustment	(1,192,048)	
31	Short Term Debt	(1,328)	-0.01%	-0.01%	86	(1,242)			
32		18,494,060	100.00%	100.00%	(1,192,048)	17,302,012			
<u>December 31, 2026</u>									
<u>Ratio of Debt & Equity Components</u>		<u>Per DEF Amounts</u>	<u>Effective DEF Ratio</u>	<u>Ratio Per OPC*</u>	<u>Adjusted Allocations</u>	<u>Reflect OPC Cap. Struct.</u>		<u>Rate Base</u>	
		(a)	(b)	(c)	(d)	(e) = (a - d)	Per DEF	20,534,271	
33	Common Equity	9,366,552	52.98%	52.98%	(489,145)	8,877,407	Per OPC	19,610,985	
34	Long Term Debt	8,353,323	47.25%	47.25%	(436,232)	7,917,091	Adjustment	(923,286)	
35	Short Term Debt	(40,045)	-0.23%	-0.23%	2,091	(37,954)			
36		17,679,830	100.00%	100.00%	(923,286)	16,756,544			

The per Company amounts are from MFR Sch. D-1a.

* The Capitalization Ratio and cost rates are sponsored by Citizens Witness Daniel Lawton.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Cost of Capital

Cost of Capital
 (Thousands of Dollars)

Schedule D
 Page 2 of 2

Line No.	Per Company	Ratio	Cost Rate	Company Weighted Cost Rate	OPC	Citizens Capital Structure	Citizens Cost Rate	Ratio	Citizens Weighted Cost Rate
					Rate Base & Def. Inc. Tax Adjustments				
<u>December 31, 2027</u>									
1	Common Equity	10,173,270	45.83%	11.15%	5.11%	10,173,270	9.45%	45.91%	4.34%
2	Long Term Debt	8,783,290	39.57%	4.63%	1.83%	8,783,290	4.63%	39.64%	1.84%
3	Short Term Debt	243,501	1.10%	3.20%	0.04%	243,501	3.20%	1.10%	0.04%
4	Customer Deposits Active	149,096	0.67%	2.61%	0.02%	149,096	2.61%	0.67%	0.02%
5	Customer Deposits Inactive	1,433	0.01%	0.00%	0.00%	1,433	0.00%	0.01%	0.00%
6	Investment Tax Credits	196,997	0.89%	8.13%	0.07%	196,997	7.03%	0.89%	0.06%
7	Deferred Income Tax	2,650,670	11.94%	0.00%	0.00%	(40,053) 2,610,617	0.00%	11.78%	0.00%
8	Total	22,198,257	100.00%		7.07%	22,158,204		100.00%	6.29%
<u>December 31, 2026</u>									
9	Common Equity	9,798,611	45.73%	11.15%	5.10%	9,798,611	9.45%	45.81%	4.33%
10	Long Term Debt	8,696,777	40.58%	4.52%	1.83%	8,696,777	4.63%	40.66%	1.88%
11	Short Term Debt	(1,328)	-0.01%	3.20%	0.00%	(1,328)	3.20%	-0.01%	0.00%
12	Customer Deposits Active	152,630	0.71%	2.61%	0.02%	152,630	2.61%	0.71%	0.02%
13	Customer Deposits Inactive	1,467	0.01%	0.00%	0.00%	1,467	0.00%	0.01%	0.00%
14	Investment Tax Credits	199,879	0.93%	8.03%	0.07%	199,879	7.05%	0.93%	0.07%
15	Deferred Income Tax	2,580,960	12.04%	0.00%	0.00%	(41,316) 2,539,644	0.00%	11.87%	0.00%
16	Total	21,428,995	100.00%		7.02%	21,387,680		100.00%	6.30%
<u>December 31, 2025</u>									
17	Common Equity	9,366,552	45.62%	11.15%	5.09%	9,366,552	9.45%	45.70%	4.32%
18	Long Term Debt	8,353,323	40.69%	4.49%	1.83%	8,353,323	4.49%	40.76%	1.83%
19	Short Term Debt	(40,045)	-0.20%	3.25%	-0.01%	(40,045)	3.25%	-0.20%	-0.01%
20	Customer Deposits Active	156,494	0.76%	2.61%	0.02%	156,494	2.61%	0.76%	0.02%
21	Customer Deposits Inactive	1,504	0.01%	0.00%	0.00%	1,504	0.00%	0.01%	0.00%
22	Investment Tax Credits	202,256	0.99%	8.01%	0.08%	202,256	6.99%	0.99%	0.07%
23	Deferred Income Tax	2,491,187	12.13%	0.00%	0.00%	(37,238) 2,453,949	0.00%	11.97%	0.00%
24	Total	20,531,271	100.00%		7.01%	20,494,033		100.00%	6.23%

The per Company amounts are from MFR Sch. D-1a.

* The Capitalization Ratio and cost rates are sponsored by Citizens Witness Daniel Lawton.

Revised

Duke Energy Florida
 Projected Test Year Ended December 31, 2027

Docket No. 20240025-EI
 HWS Exhibit - 2
 Income Tax Expense

Deferred Income Tax (Estimated)
 (Thousands of Dollars)

Schedule D-1

Line No.	Description	2025 Amount	2026 Amount	2027 Amount	Tax Impact
1	DEF BOOK	1,077,630	1,155,271	1,206,449	
2	DEF TAX	1,514,265	1,612,954	1,636,096	
3	Ratio	1.4052	1.3962	1.3561	
4	Citizens Depreciation Adjustment 2027			(116,531)	
5	2027 Deferred Tax Adjustment Rate Base			(158,030)	(40,053)
6	Citizens Depreciation Adjustment 2026		(116,759)		
7	2026 Deferred Tax Adjustment Rate Base		(163,016)		(41,316)
8	Citizens Depreciation Adjustment 2025	(104,560)			
9	2025 Deferred Tax Adjustment Rate Base	(146,926)			(37,238)

Note: Used tax rate of 25.345%
 Source: Lines 1 & 2 are from MFR C-22.