

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm Protection Plan Cost Recovery
Clause

Docket No. 20240010-EI

Dated: July 31, 2024

**DUKE ENERGY FLORIDA, LLC'S
PREHEARING STATEMENT**

Pursuant to the Order Establishing Procedure, Order No. PSC-2024-0032-PCO-EI, First Order Revising Order Establishing Procedure, Order No. PSC-2024-0110-PCO-EI, and Second Order Modifying Order Establishing Procedure, Order No. PSC-2024-0216-PCO-EI (collectively, the "OEP"), Duke Energy Florida, LLC ("DEF") hereby submits its Prehearing Statement for the Storm Protection Plan Cost Recovery Clause docket.

1. **Known Witnesses** - DEF intends to offer the testimony of:

Direct

Witness	Subject Matter	Issues#
Christopher A. Menendez	True-up costs associated with the SPPCRC activities for the period January 2023 through December 2023. Actual/Estimated true-up for the period January 2024 through December 2024, Updated projected costs for the SPPCRC for the period January 2025 through December 2025, and DEF's Storm Protection Plan cost recovery factors for the period January 2025 through December 2025.	1D-9D
Robert E. McCabe	Distribution-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm Protection Plan Cost Recovery Clause ("SPPCRC").	1D-3D
Robert E. Brong	Transmission-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm	1D-3D

Protection Plan Cost Recovery Clause
 (“SPPCRC”).

2. **Known Exhibits** - DEF intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description	Issue(s)
Christopher A. Menendez	DEF	(CAM-1)	True-up costs associated with the SPPCRC activities for the period January 2023 through December 2023.	1D, 4D, 7D
Christopher A. Menendez	DEF	(CAM-2)	Actual/estimated true-up for the period January 2024 through December 2024.	2D, 4D, 7D
Christopher A. Menendez	DEF	(CAM-3)	Projected costs for the SPPCRC for the period January 2025 through December 2025, and DEF’s Storm Protection Plan cost recovery factors for the period January 2025 through December 2025.	3D, 4D, 7D
Christopher A. Menendez	DEF	Updated (CAM-3)	Updated Projected costs for the SPPCRC for the period January 2025 through December 2025, and DEF’s Storm Protection Plan cost recovery factors for the period January 2025 through December 2025.	3D, 4D, 7D
Robert E. McCabe	DEF	(CAM-1)	Distribution-related costs associated with DEF’s Storm Protection Plan (“SPP”) proposed for recovery through the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) for 2023.	1D, 4D, 7D
Robert E. McCabe	DEF	(CAM-2)	Distribution-related costs associated with DEF’s Storm Protection Plan (“SPP”) proposed for recovery through the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) for 2024.	2D, 4D, 7D
Robert E. McCabe	DEF	(CAM-3)	Distribution-related costs associated with DEF’s Storm Protection Plan (“SPP”) proposed for recovery through the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) for 2025.	3D, 4D, 7D
Robert E. McCabe	DEF	Updated (CAM-3)	Updated Distribution-related costs associated with DEF’s Storm Protection Plan (“SPP”) proposed for recovery through the Storm Protection Plan Cost Recovery Clause (“SPPCRC”) for 2025.	3D, 4D, 7D

Robert Brong	E.	DEF	(CAM-1)	Transmission-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") for 2023.	1D, 4D, 7D
Robert Brong	E.	DEF	(CAM-2)	Transmission-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") for 2024.	2D, 4D, 7D
Robert Brong	E.	DEF	(CAM-3)	Transmission-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") for 2025.	3D, 4D, 7D
Robert Brong	E.	DEF	Updated (CAM-3)	Updated Transmission-related costs associated with DEF's Storm Protection Plan ("SPP") proposed for recovery through the Storm Protection Plan Cost Recovery Clause ("SPPCRC") for 2025	3D, 4D, 7D

DEF reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

- Statement of Basic Position** - As required by the OEP, on April 1 and May 1, DEF made its 2023 True-Up and 2024 Actual/Estimated and 2025 Projection filings, respectively. Subsequently, in Docket No. 20240025-EI, DEF filed the Joint Motion for Approval of 2024 Settlement Agreement. *See* doc. no. 07553-2024. The 2024 Settlement Agreement, if approved by the Commission, would authorize DEF to earn a mid-point 10.3% ROE (9.3%-11.3% authorized range). *See id.* at Attachment 1, Par. 2. However, DEF's May 1 Projection filing incorporated the ROE DEF requested in its as-filed Rate Case Petition of 11.15%. The Commission is currently scheduled to hold a hearing to consider the 2024 Settlement Agreement beginning on August 21. Therefore, because DEF cannot know at this time whether the Settlement Agreement will be approved, and while it urges the Commission to do so, concurrent with this prehearing statement, DEF is also filing an Updated 2024 Actual/Estimated and 2025 Projection Petition, Updated Testimony of Christopher Menendez, and an Updated Exhibit CAM-3. The purpose of these Updated filings is to recalculate applicable projected capital recovery amounts and revenue requirements for 2025 based on the reduction in ROE as agreed in the 2024 Settlement Agreement versus as originally filed on May 1 in this docket. This results in lower capital revenue requirements and SPPCRC recovery factors in 2025. Below, in the applicable individual issues, DEF will provide its positions based on the original May 1 filing as

well as an “Alternative” position that should be approved if the Commission approves the 2024 Settlement Agreement.

4. **Statement of Facts**

GENERIC STORM PROTECTION PLAN COST RECOVERY ISSUES

ISSUE 1A: What jurisdictional amounts should the Commission approve as FPL’s final 2023 prudently incurred costs and final true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 1B: What jurisdictional amounts should the Commission approve as TECO’s final 2023 prudently incurred costs and final true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 1C: What jurisdictional amounts should the Commission approve as the FPUC’s final 2023 prudently incurred costs and final true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 1D: What jurisdictional amounts should the Commission approve as the DEF’s final 2023 prudently incurred costs and final true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: Investments of \$684,389,980 (System). Over-recovery of \$5,364,450. (Menendez, McCabe, Brong)

ISSUE 2A: What jurisdictional amounts should the Commission approve as the FPL’s reasonably estimated 2024 costs and estimated true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 2B: What jurisdictional amounts should the Commission approve as TECO’s reasonably estimated 2024 costs and estimated true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 2C: What jurisdictional amounts should the Commission approve as FPUC's reasonably estimated 2024 costs and estimated true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 2D: What jurisdictional amounts should the Commission approve as DEF's reasonably estimated 2024 costs and estimated true-up revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: Investments of \$771,943,413 (System). Over-recovery of \$10,259,107. (Menendez, McCabe, Brong)

ISSUE 3A: What jurisdictional amounts should the Commission approve as FPL's reasonably projected 2025 costs and projected revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 3B: What jurisdictional amounts should the Commission approve as TECO's reasonably projected 2025 costs and projected revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 3C: What jurisdictional amounts should the Commission approve as FPUC's reasonably projected 2025 costs and projected revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: No position.

ISSUE 3D: What jurisdictional amounts should the Commission approve as DEF's reasonably projected 2025 costs and projected revenue requirement amounts for the Storm Protection Plan Cost Recovery Clause?

DEF: Investments of \$845,476,201 (System).

May 1: Revenue requirement \$301,075,815. (Menendez, McCabe, Brong)
Alternative: Revenue requirement \$285,580,616. (Menendez, McCabe, Brong)

ISSUE 4A: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing 2025 Storm Protection Plan Cost Recovery factors for FPL?

DEF: No position.

ISSUE 4B: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing 2025 Storm Protection Plan Cost Recovery factors for TECO?

DEF: No position

ISSUE 4C: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing 2025 Storm Protection Plan Cost Recovery factors for FPUC?

DEF: No position

ISSUE 4D: What are the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing 2025 Storm Protection Plan Cost Recovery factors for DEF?

DEF: May 1: Revenue requirement \$285,452,258. (Menendez, McCabe, Brong)
Alternative: Revenue requirement \$269,957,058. (Menendez, McCabe, Brong)

ISSUE 5A: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for FPL?

DEF: No position.

ISSUE 5B: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for TECO?

DEF: No position.

ISSUE 5C: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for FPUC?

DEF: No position.

ISSUE 5D: What depreciation rates should be used to develop the depreciation expense included in the total 2025 Storm Protection Plan Cost Recovery Clause amounts for DEF?

DEF: May 1: DEF should use the depreciation rates that were presented in Docket No. 20240025-EI - Petition for Rate Increase by Duke Energy Florida, LLC. (Menendez).

Alternative: DEF should use the depreciation rates that were approved in Final Order No. PSC-2021-0202A-AS-EI, consistent with DEF's settlement agreement filed on July 15, 2024, in Docket No. 20240025-EI. (Menendez)

ISSUE 6A: What are the appropriate 2025 jurisdictional separation factors for FPL?

DEF: No position.

ISSUE 6B: What are the appropriate 2025 jurisdictional separation factors for TECO?

DEF: No position.

ISSUE 6C: What are the appropriate 2025 jurisdictional separation factors for FPUC?

DEF: No position.

ISSUE 6D: What are the appropriate 2025 jurisdictional separation factors for DEF?

DEF: DEF should apply the appropriate jurisdictional separation factors that were presented in Docket 20240025-EI.

Distribution: 1.000000

Transmission: 0.703692

(Menendez)

ISSUE 7A: What are the appropriate 2025 Storm Protection Plan Cost Recovery Clause factors for each rate class for FPL?

DEF: No position.

ISSUE 7B: What are the appropriate 2025 Storm Protection Plan Cost Recovery Clause factors for each rate class for TECO?

DEF: No position.

ISSUE 7C: What are the appropriate 2025 Storm Protection Plan Cost Recovery Clause factors for each rate class for FPUC?

DEF: No position.

ISSUE 7D: What are the appropriate 2025 Storm Protection Plan Cost Recovery Clause factors for each rate class for DEF?

DEF:

May 1:

Customer Class	SPPCRC Factor
Residential	0.847 cents/kWh
General Service Non-Demand	0.734 cents/kWh
@ Primary Voltage	0.727 cents/kWh
@ Transmission Voltage	0.719 cents/kWh
General Service 100% Load Factor	0.375 cents/kWh
General Service Demand	2.03 \$/kW
@ Primary Voltage	2.01 \$/kW
@ Transmission Voltage	0.35 \$/kW
Curtable	1.22 \$/kW
@ Primary Voltage	1.21 \$/kW
@ Transmission Voltage	1.20 \$/kW
Interruptible	1.63 \$/kW
@ Primary Voltage	1.33 \$/kW
@ Transmission Voltage	0.25 \$/kW
Standby Monthly	0.180 \$/kW
@ Primary Voltage	0.178 \$/kW
@ Transmission Voltage	0.176 \$/kW
Standby Daily	0.086 \$/kW
@ Primary Voltage	0.085 \$/kW
@ Transmission Voltage	0.084 \$/kW
Lighting	0.622 cents/kWh

(Menendez)

Alternative 1:

Customer Class	SPPCRC Factor
Residential	0.801 cents/kWh
General Service Non-Demand	0.694 cents/kWh
@ Primary Voltage	0.687 cents/kWh
@ Transmission Voltage	0.680 cents/kWh
General Service 100% Load Factor	0.355 cents/kWh
General Service Demand	1.92 \$/kW
@ Primary Voltage	1.90 \$/kW
@ Transmission Voltage	0.33 \$/kW
Curtable	1.15 \$/kW
@ Primary Voltage	1.14 \$/kW
@ Transmission Voltage	1.13 \$/kW
Interruptible	1.54 \$/kW
@ Primary Voltage	1.26 \$/kW
@ Transmission Voltage	0.25 \$/kW
Standby Monthly	0.170 \$/kW
@ Primary Voltage	0.168 \$/kW
@ Transmission Voltage	0.167 \$/kW
Standby Daily	0.081 \$/kW
@ Primary Voltage	0.080 \$/kW
@ Transmission Voltage	0.079 \$/kW
Lighting	0.586 cents/kWh

(Menendez)

ISSUE 8A: What should be the effective date of the 2025 Storm Protection Plan Cost Recovery Clause factors for billing purposes for FPL?

DEF: No position.

ISSUE 8B: What should be the effective date of the 2025 Storm Protection Plan Cost Recovery Clause factors for billing purposes for TECO?

DEF: No position.

ISSUE 8C: What should be the effective date of the 2025 Storm Protection Plan Cost Recovery Clause factors for billing purposes for FPUC?

DEF: No position.

ISSUE 8D: What should be the effective date of the 2025 Storm Protection Plan Cost Recovery Clause factors for billing purposes for DEF?

DEF: The factors shall be effective beginning with the specified Storm Protection Plan Cost Recovery Clause cycle and thereafter for the period January 2025 through December 2025. Billing cycles may start before January 1, 2025, and the last cycle may be read after December 31, 2025, so that each customer is billed for twelve months, regardless of when the adjustment factor became effective. These charges shall continue in effect until modified by subsequent order of this Commission. (Menendez)

ISSUE 9A: Should the Commission approve revised tariffs reflecting the 2025 Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for FPL?

DEF: No position.

ISSUE 9B: Should the Commission approve revised tariffs reflecting the 2025 Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for TECO?

DEF: No position.

ISSUE 9C: Should the Commission approve revised tariffs reflecting the 2025 Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for FPUC?

DEF: No. position.

ISSUE 9D: Should the Commission approve revised tariffs reflecting the 2025 Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding for DEF?

DEF: Yes. The Commission should approve DEF's revised tariffs reflecting the Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding. The Commission should direct Staff to verify that the revised tariffs

are consistent with the Commission’s decision. The Commission should grant Staff Administrative authority to approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding. (Menendez)

ISSUE 10: Should this docket be closed?

DEF: No, this is an on-going docket and should remain open until a subsequent year’s docket is established.

COMPANY SPECIFIC STORM PROTECTION PLAN COST RECOVERY ISSUES

Duke Energy Florida, LLC

No company-specific issues for Duke Energy Florida, LLC have been identified at this time.

Florida Power & Light, Co.

No company-specific issues for Florida Power and Light Company have been identified at this time.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time.

CONTESTED ISSUES

None at this time.

5. **Stipulated Issues** - None at this time.

6. **Pending Motions** - None at this time.

7. **Requests for Confidentiality** -

DEF has the following pending requests for confidential classification:

- June 14, 2024 - DEF’s Request for Confidential Classification regarding its response to Staff’s First Request to Produce Documents (DN 06445-2024).
- May 16, 2024-DEF’s First Request for Extension of Confidential Classification regarding its response to Staff’s First Request to Produce Documents in docket no. 20220010 (DN 03247-2024).

8. **Objections to Qualifications** - DEF does not object to the qualifications of Staff’s witness.

9. **Sequestration of Witnesses** - DEF has not identified any witnesses for sequestration at this time.
10. **Requirements of Order** - At this time, DEF is unaware of any requirements of the Order Establishing Procedure, First Order Revising Order Establishing Procedure or Second Order Modifying Order Establishing Procedure of which it will be unable to comply.

RESPECTFULLY SUBMITTED this 31st day of July, 2024.

/s/ Matthew R. Bernier
DIANNE M. TRIPLETT
Deputy General Counsel
299 1st Avenue North
St. Petersburg, Florida 33701
T: (727) 820-4692
E: dianne.triplett@duke-energy.com

MATTHEW R. BERNIER
Associate General Counsel
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
T: (850) 521-1428
E: matt.bernier@duke-energy.com

STEPHANIE A. CUELLO
Senior Counsel
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
T: (850) 521-1425
E: Stephanie.Cuello@duke-energy.com
FLRegulatoryLegal@duke-energy.com

Attorneys for Duke Energy Florida, LLC

CERTIFICATE OF SERVICE

Docket No. 20240010-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 31st day of July, 2024.

/s/ Matthew R. Bernier

Attorney

<p>Shaw Stiller / Daniel Dose / Jennifer Crawford Office of General Counsel FL Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 sstiller@psc.state.fl.us ddose@psc.state.fl.us jcrawfor@psc.state.fl.us</p> <p>Kenneth Hoffman Florida Power & Light 134 West Jefferson St. Tallahassee, FL 32301-1713 ken.hoffman@fpl.com</p> <p>Christopher T. Wright / Davide Lee Florida Power & Light 700 Universe Boulevard (JB/LAW) Juno Beach FL 33408-0420 christopher.wright@fpl.com david.lee@fpl.com</p> <p>Peter J. Mattheis / Michael K. Lavanga / Joseph R. Briscar Stone Mattheis Xenopoulos & Brew, PC NUCOR 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 20007 pjm@smxblaw.com mkl@smxblaw.com jrb@smxblaw.com</p>	<p>Beth Keating Gunster, Yoakley, & Stewart, P.A. FPUC 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 bkeating@gunster.com</p> <p>Michelle Napier / Phuong Nguyen Florida Public Utilities Company 1635 Meathe Drive West Palm Beach, Florida 33411 mnapiier@fpuc.com pnguyen@chpk.com</p> <p>Jon C. Moyle Jr. Moyle Law Firm FIPUG 118 North Gadsden St. Tallahassee, FL 32301 jmoyle@moylelaw.com mqualls@moylelaw.com</p> <p>James W. Brew / Laura Wynn Baker / Sarah B. Newman Stone Mattheis Xenopoulos & Brew, P.C. PCS Phosphate –White Springs 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 20007 jbrew@smxblaw.com lwb@smxblaw.com sbn@smxblaw.com</p>	<p>W. Trierweiler / P. Christensen / C. Rehwinkel / M. Wessling / O. Ponce/ A. Watrous Office of Public Counsel 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400 trierweiler.walt@leg.state.fl.us christensen.patty@leg.state.fl.us rehwinkel.charles@leg.state.fl.us wessling.mary@leg.state.fl.us ponce.octavio@leg.state.fl.us watrous.austin@leg.state.fl.us</p> <p>Paula K. Brown Tampa Electric Company Regulatory Affairs P.O. Box 11 Tampa, FL 33601-0111 regdept@tecoenergy.com</p> <p>J. Wahlen / M. Means / V. Ponder Ausley McMullen Tampa Electric Company P.O. Box 391 Tallahassee, FL 32302 jwahlen@ausley.com mmeans@ausley.com vponder@ausley.com</p>
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