



Stephanie A. Cuello  
SENIOR COUNSEL

January 17, 2025

**VIA ELECTRONIC FILING**

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

Re: *Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Debby, Helene and Milton by Duke Energy Florida, LLC; Docket No. 20240173-EI*

Dear Mr. Teitzman:

Please find attached for electronic filing Duke Energy Florida, LLC's Response to Staff's First Data Request.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1425.

Sincerely,

*/s/ Stephanie A. Cuello*

Stephanie A. Cuello

SAC/clg  
Attachment

**CERTIFICATE OF SERVICE**

*Docket No. 20240173-EI*

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 17th day of January, 2025.

/s/ Stephanie A. Cuello

Stephanie A. Cuello

<p>Daniel Dose Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:ddose@psc.state.fl.us">ddose@psc.state.fl.us</a> <a href="mailto:discovery-gcl@psc.state.fl.us">discovery-gcl@psc.state.fl.us</a></p>	<p>Walt Trierweiler / Charles J. Rehwinkel Office of Public Counsel 111 W. Madison St., Rm 812 Tallahassee, FL 32399 <a href="mailto:trierweiler.walt@leg.state.fl.us">trierweiler.walt@leg.state.fl.us</a> <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a></p>
<p>Peter J. Mattheis / Michael K. Lavanga Joseph R. Briscar Stone Mattheis Xenopoulos &amp; Brew, PC NUCOR 1025 Thomas Jefferson Street, NW Suite 800 West Washington, DC 20007-5201 <a href="mailto:pjm@smxblaw.com">pjm@smxblaw.com</a> <a href="mailto:mkl@smxblaw.com">mkl@smxblaw.com</a> <a href="mailto:jrb@smxblaw.com">jrb@smxblaw.com</a></p>	

**DUKE ENERGY FLORIDA, LLC'S (DEF), RESPONSE TO  
STAFF'S FIRST DATA REQUEST REGARDING DEF'S PETITION FOR LIMITED  
PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS  
RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

**Docket No. 20240173-EI**

1. Did the Company consider alternative recovery periods? If so, how was the decision made to use a period ending December 31, 2025?

**RESPONSE:**

No. The decision to use a 12-month recovery period (March 2025 - February 2026) is set forth in DEF's 2021 Settlement approved in Order No. PSC-2021-0202-AS-EI. Interim recovery of storm costs is governed by Paragraph 30c of the 2021 Settlement, which provides that "recovery from customers for storm damage costs will begin, subject to Commission approval on an interim basis, sixty (60) days following the filing of a cost recovery petition with the Commission, and subject to true-up pursuant to further proceedings before the Commission, and will be based on a 12-month recovery period." Similar language is included in the 2024 Settlement approved in Order No.PSC-2024-047-AS-EI. However, even if the 12-month recovery period was not required by the Settlement, extending recovery beyond 12 months has several negative impacts and risks.

First, extending the recovery beyond 12 months risks pancaking storm cost recovery for potential future storms. DEF notes that the past three years (2022-2024) have seen hurricane activity that has resulted in the depletion of the storm reserve and implementation of a storm surcharge. While DEF cannot predict future storm activity, a recovery that extends through 2026 risks pancaking storm recovery from both the 2025 and 2026 storm seasons, especially if the 2025 and/or 2026 seasons have similar activity to the preceding periods.

Second, extending the recovery beyond 12 months delays the rebuilding of the storm reserve. Under a 22-month recovery scenario, DEF would not start to rebuild the storm reserve until September 2026, resulting in most of the 2026 hurricane season having no storm reserve; the 12-month recovery, as proposed by DEF and approved in DEF's 2021 and 2024 settlements, would result in a full storm reserve, of approximately \$132 million, available for the 2026 storm season.

Third, extending the recovery to 22 months would increase borrowing costs. Borrowing costs would be increased due to both an increase in the borrowing rate and extended recovery period. For a recovery that extends 22 months, DEF would request a debt rate higher than commercial paper to reflect the increased cost of borrowing for longer-term debt greater than 12 months. Additionally, extending the recovery to 22 months will nearly double the interest expense at the current commercial paper rate. Please refer to Appendix A, page 5 of 7, line 7, column Total in DEF's Interim Storm Recovery petition filed on December 27, 2024. This shows the estimated total interest expense, for a 12-month recovery, at approximately \$19 million. Compare that to DEF's response to Staff Data Request 1.2, page 5 of 7, line 7, column Total, which has total interest expense of approximately \$36 million. Please note both of the provided schedules currently use commercial

paper, but in the event of a greater than 12-month recovery, DEF would require a debt rate equivalent to its actual borrowing cost, resulting in interest expense even higher than \$36 million.

Fourth, extending the recovery beyond 12 months may negatively impact DEF’s credit metrics, which can further impact DEF’s borrowing costs and the debt costs that customers pay. DEF notes that credit agencies view a 12-month recovery period as credit positive.

Finally, implementation of DEF’s 2024 settlement resulted in an overall decrease in customer bills in January 2025. A 1,000 kWh residential customer saw a \$9.77 decrease in January 2025. Additionally, the seasonal structure of DEF’s base rates also results in a \$10.24 decrease in the base rate beginning March 2025, helping offset the proposed storm cost recovery surcharge. Therefore, when comparing the March 2025 bill for a Residential 1,000 kWh customer to December 2024, the customer will see a net increase of \$11.59; that is, approximately two-thirds of the storm surcharge is offset by other decreases in the customer bill.

For the reasons explained above, DEF believes that the 12-month recovery period previously agreed to by the signatories to both the 2021 and 2024 Settlement Agreements and approved by the Commission is appropriate for the recovery of Hurricanes Debby, Helene and Milton costs.

2. Please refer to Appendix A, page 7 of 7. Please provide an updated table to show the charges if the storm restoration surcharge recovery period was to be extended to the last billing cycle of December 2026.

**RESPONSE:**

Please see attached Excel file. DEF has also provided Appendix A page 5 to show the calculation of interest for a 22-month recovery period referenced in the response to Staff Data Request 1.1, and Appendix A page 6 to show the full derivation of the 22-month surcharge for all rate classes.

3. Please provide a comparison of the storm recovery surcharge amount per 1,000 kWh for a residential customer monthly bill for a 12-month recovery period and a 22-month recovery period.

**RESPONSE:**

Customer Class	SCRC Factor @ 1000 KWH	
	12 Months	22 Months
Residential	\$ 31.18	\$ 17.06

Duke Energy Florida, LLC  
 Storm Cost Recovery  
 Interest Calculation  
 (\$000's)

Response to DR-1-2

Line No.	Description	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Total
1	Unrecovered Eligible Costs - Beg Balance	1,070,443	1,032,874	994,032	950,337	896,746	840,138	779,797	721,341	669,665	629,062	589,727	545,501	503,792	463,874	421,544	376,204	320,086	260,825	197,878	140,161	84,830	41,733	
2	Less: Estimated Current Month Surcharge Revenue (a)	(41,137)	(42,263)	(46,956)	(56,663)	(59,466)	(62,972)	(60,856)	(53,864)	(42,610)	(41,188)	(45,917)	(43,233)	(41,283)	(43,537)	(46,376)	(56,957)	(59,877)	(63,326)	(57,861)	(55,330)	(43,098)	(41,733)	(1,106,502)
3	Unrecovered Eligible Costs Before Interest	1,029,306	990,612	947,077	893,674	837,280	777,166	718,941	667,478	627,054	587,874	543,810	502,268	462,509	420,338	375,168	319,247	260,210	197,499	140,016	84,830	41,733	-	
4	Monthly Average Eligible Costs	1,049,874	1,011,743	970,555	922,006	867,013	808,652	749,369	694,409	648,359	608,468	566,768	523,884	483,150	442,106	398,356	347,725	290,148	229,162	168,947	112,495	63,282	20,866	
5	Annual Interest Rate (b)	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%	4.665%
6	Monthly Interest Rate	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%	0.39%
7	Monthly Interest on Unrecovered Storm Costs	3,568.8	3,420.6	3,260.5	3,071.7	2,858.0	2,631.1	2,400.6	2,187.0	2,007.9	1,852.9	1,690.8	1,524.0	1,365.7	1,206.1	1,036.1	839.2	615.4	378.3	144.2	-	-	-	36,058.9
8	Unrecovered Storm Costs	901,027	862,185	818,490	764,898	708,290	647,950	589,494	537,817	497,215	457,879	413,653	371,944	332,027	289,696	244,356	188,239	128,977	66,030	8,313	-	-	-	
9	Approved Storm Reserve Balance	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	131,848	84,830	41,733	-	
10	Unrecovered Costs - Ending Balance	1,032,874	994,032	950,337	896,746	840,138	779,797	721,341	669,665	629,062	589,727	545,501	503,792	463,874	421,544	376,204	320,086	260,825	197,878	140,161	84,830	41,733	-	

Notes:

- (a) Based on estimated billed kWh sales. Storm charge revenues are allocated to the amortization of unrecovered eligible restoration costs
- (b) Calculated based on November 2024 average commercial paper rate.

Duke Energy Florida, LLC  
 Storm Cost Recovery  
 Calculation of Rate Factors by Rate Class  
 Response to DR-1-2

Appendix A  
 Page 6 of 7

Line No.	Rate Class	(1) Average 12CP Load Factor at Meter (%)	(2) Sales at Meter (mWh)	(3) Average 12 CP at Meter (MW)	(4) NCP Class Max Load Factor	(5) Delivery Efficiency Factor	(6) Sales at Source Generation (mWh)	(7) Average 12 CP at Source (MW)	(8) Sales at Source (Distrib Svc Only) (mWh)	(9) Class Max MW at Source (Distrib Svc) (MW)	(10) Average Number of Billed Accts (#)	(11) mWh Sales at Source Energy Allocator (%)	(12) 12CP Demand Transmission Allocator (%)	(13) NCP Distribution Allocator (%)	(14) 12 CP & 25% AD Demand Allocator (%)	(15) Customer Service Allocator (%)
1	<b>Residential</b>															
2	<b>RS-1, RST-1, RSL-1, RSL-2</b>															
3	Secondary	0.534	40,058,424	8,560	0.423	0.9476928	42,269,418	9,032	42,269,418	11,394.0	1,802,949	62.708%	52.951%	62.060%	55.390%	87.448%
5	<b>General Service Non-Demand</b>															
6	<b>GS-1, GST-1</b>															
7	Secondary	0.651	4,518,955	792.00	0.483	0.9476928	4,768,376	835.71	4,768,376	1,127.8		5.802%	5.973%	6.143%	5.931%	0.000%
8	Primary	0.651	58,261	10.21	0.483	0.9743973	59,792	10.48	59,792	14.1		0.073%	0.075%	0.077%	0.074%	0.000%
9	Sec Del/Primary Mtr	0.651	0	0.00	0.483	0.9743973	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
9	Transmission	0.651	9,089	1.59	0.483	0.9843973	9,233	1.62	9,233	2.2		0.011%	0.012%	0.012%	0.011%	0.000%
10											129,344	5.886%	6.060%	6.232%	6.016%	6.274%
11	<b>General Service</b>															
12	<b>GS-2</b> Secondary	1.000	389,382	44.45	1.000	0.9476928	410,873	46.90	410,873	46.9	14,759	0.326%	0.515%	0.255%	0.467%	0.716%
14	<b>General Service Demand</b>															
15	<b>GSD-1, GSDD-1</b>															
16	Secondary	0.777	20,679,352	3,038.33	0.634	0.9476928	21,820,733	3,206.03	21,820,733	3,930.8		22.259%	27.335%	21.410%	26.066%	0.000%
17	Primary	0.777	3,196,895	469.71	0.634	0.9743973	3,280,894	482.05	3,280,894	591.0		3.347%	4.110%	3.219%	3.919%	0.000%
18	Sec Del/Primary Mtr	0.777	45,699	6.71	0.634	0.9743973	46,900	6.89	46,900	8.4		0.048%	0.059%	0.046%	0.056%	0.000%
18	Primary Del/Secondary Mtr	0.777	9,812	1.44	0.634	0.9476928	10,354	1.52	10,354	1.9		0.011%	0.013%	0.010%	0.012%	0.000%
19	Transm Del/ Primary Mtr	0.777	0	0.00	0.634	0.9743973	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
20	Transmission	0.777	985,015	144.72	0.634	0.9843973	1,000,628	147.02	1,000,628	180.3		1.021%	1.253%	0.982%	1.195%	0.000%
21	<b>SS-1</b> Primary	0.985	86,207	9.99	0.345	0.9743973	88,472	10.25	88,472	29.3		0.071%	0.111%	0.160%	0.101%	0.000%
22	Transmission	0.985	9,869	1.14	0.345	0.9843973	10,026	1.16	10,026	3.3		0.008%	0.013%	0.018%	0.011%	0.000%
23	Transm Del/Primary Mtr	0.985	7,431	0.86	0.345	0.9743973	7,626	0.88	7,626	2.5		0.006%	0.010%	0.014%	0.009%	0.000%
24											50,930	26.770%	32.903%	25.858%	31.370%	2.470%
25	<b>Curtable</b>															
26	<b>CS-2, CST-2, CS-3, CST-3</b>															
27	Secondary	1.002	0	0.00	0.778	0.9476928	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
28	Primary	1.002	114,961	13.10	0.778	0.9743973	117,981	13.45	117,981	17.3		0.093%	0.148%	0.094%	0.134%	0.000%
29	<b>SS-3</b> Primary	2.390	0	0.00	0.576	0.9743973	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
30											3	0.093%	0.148%	0.094%	0.134%	0.000%
31	<b>Interruptible</b>															
32	<b>IS-2, IST-2</b>															
33	Secondary	1.012	733,119	82.68	0.740	0.9476928	773,583	87.24	773,583	119.3		0.606%	0.969%	0.650%	0.878%	0.000%
34	Sec Del/Primary Mtr	1.012	-	0.00	0.740	0.9743973	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
35	Primary	1.012	1,968,192	221.97	0.740	0.9743973	2,019,907	227.80	2,019,907	311.5		1.582%	2.530%	1.697%	2.293%	0.000%
36	Primary Del /Transm Mtr	1.012	-	0.00	0.740	0.9843973	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	0.000%
37	Trans Del/Trans Mtr	1.012	1,930,721	217.74	0.740	0.9843973	1,961,323	221.19	1,961,323	302.5		1.536%	2.457%	1.647%	2.227%	0.000%
38	Transm Del/ Primary Mtr	1.012	412,470	46.52	0.740	0.9743973	423,308	47.74	423,308	65.3		0.331%	0.530%	0.356%	0.481%	0.000%
39	<b>SS-2</b> Primary	0.838	24,633	3.36	0.237	0.9743973	25,280	3.45	25,280	12.2		0.024%	0.032%	0.066%	0.030%	0.000%
40	Trans Del/Trans Mtr	0.838	12,098	1.65	0.237	0.9843973	12,289	1.68	12,289	5.9		0.012%	0.015%	0.032%	0.014%	0.000%
41	Transm Del/ Primary Mtr	0.838	97,416	13.28	0.237	0.9743973	99,976	13.63	99,976	48.1		0.095%	0.125%	0.262%	0.118%	0.000%
42											151	4.185%	6.659%	4.709%	6.040%	0.007%
43	<b>Lighting</b>															
44	<b>LS-1 (Secondary)</b>	14.969	577,895	4.41	0.479	0.9476928	609,792	4.65	609,792	145.3	63,610	0.032%	0.764%	0.792%	0.581%	3.085%
45	<b>Total</b>		75,925,896	13,685.39			79,826,766	14,403.30	79,826,766	18,359.9	2,061,747	100.000%	100.000%	100.000%	100.000%	100.000%

Notes:

(1) Average 12CP load factor based on load research study filed April 28, 2023	(6) Column 2 / Column 5	(11) Column 6 / Total Column 6
(2) Projected kWh sales for the period March 2025 to December 2026	(7) Column 3 / Column 5	(12) Column 7 / Total Column 7
(3) Calculated: Column 2 / (8,760 hours x Column 1)	(8) Column 6 excluding transmission delivery	(13) Column 9 / Total Column 9
(4) NCP load factor based on load research study filed April 28, 2023	(9) Column 8 / 8,760 hours / Column 4	(14) (Column 11 x .25) + (Column 12 x .75)
(5) Based on system average line loss analysis for 2023	(10) Projected # of billed accounts for the period Mar 2025 - Dec 2026	(15) Column 10 / Total Column 10

Duke Energy Florida, LLC  
 Storm Cost Recovery  
 Calculation of Cost Recovery Factors by Rate Class  
 Response to DR-1-2

Appendix A  
 Page 7 of 7

Line No.	Rate Class	(1) mWh Sales at Source Allocator (%)	(2) 12CP Transmission Demand Allocator (%)	(3) NCP Distribution Demand Allocator (%)	(4) 12 CP & 25% AD Production Allocator (%)	(5) Customer Service Allocator (%)	(6) Transmission Demand Costs (\$)	(7) Distribution Demand Costs (\$)	(8a) Generation Demand Costs (\$)	(8b) Solar Demand Costs (\$)	(9) Customer Service Costs (\$)	(10) Total Storm Costs (\$)	(11) Projected Effective Sales at Meter (mWh)	(12) Storm Cost Recovery Factors (¢/kWh)
1	<b>Residential</b>													
2	RS-1, RST-1, RSL-1, RSL-2													
3	Secondary	62.708%	52.951%	62.060%	55.390%	87.448%	\$21,112,169	\$658,791,040	\$604,911	\$736,917	\$2,327,085	\$683,572,122	40,058,424	1.706
4														
5	<b>General Service Non-Demand</b>													
6	GS-1, GST-1													
7	Secondary												4,518,955	1.502
8	Primary												57,678	1.487
9	Transmission												8,907	1.472
10	Total GS	5.886%	6.060%	6.232%	6.016%	6.274%	\$2,416,121	\$66,150,783	\$65,705	\$80,043	\$166,945	\$68,879,598	4,585,541	
11														
12	<b>General Service</b>													
13	GS-2													
14	Secondary	0.326%	0.515%	0.255%	0.467%	0.716%	\$205,218	\$2,711,898	\$5,105	\$6,219	\$19,050	\$2,947,489	389,382	0.757
15	<b>General Service Demand</b>													
16	GSD-1, GSDT-1, SS-1													
17	Secondary												20,679,352	1.156
18	Primary												3,302,870	1.144
19	Transmission												974,987	1.133
20	Total GSD	26.770%	32.903%	25.858%	31.370%	2.470%	\$13,118,810	\$274,498,226	\$342,587	\$417,348	\$65,736	\$288,442,708	24,957,209	
21														
22	<b>Curtailable</b>													
23	CS-2, CST-2, CS-3, CST-3, SS-3													
24	Secondary												-	0.934
25	Primary												113,811	0.925
26	Transmission												-	0.915
27	Total CS	0.093%	0.148%	0.094%	0.134%	0.0002%	\$58,928	\$1,001,139	\$1,465	\$1,785	\$4	\$1,063,322	113,811	
28														
29	<b>Interruptible</b>													
30	IS-2, IST-2, SS-2													
31	Secondary												733,119	1.032
32	Primary												2,477,684	1.022
33	Transmission												1,903,962	1.011
34	Total IS	4.185%	6.659%	4.709%	6.040%	0.007%	\$2,654,999	\$49,991,652	\$65,966	\$80,362	\$194	\$52,793,173	5,114,766	
35														
36	<b>Lighting</b>													
37	LS-1													
38	Secondary	0.032%	0.764%	0.792%	0.581%	3.085%	\$304,571	\$8,402,555	\$6,345	\$7,730	\$82,102	\$8,803,302	577,895	1.523
39	<b>Total</b>	100.000%	100.000%	100.000%	100.000%	100.000%	\$39,870,815	\$1,061,547,293	\$1,092,085	\$1,330,404	\$2,661,117	\$1,106,501,714	75,797,027	1.460

Notes: (1) From Page 9, Column 11  
 (2) From Page 9, Column 12  
 (3) From Page 9, Column 13  
 (4) From Page 9, Column 14  
 (6) - (9) Total Retail Storm Recovery Amount on Page 1, Line 10 allocated by function  
 (10) Sum of Columns 6 through 9  
 (11) From Page 9, Column 2, then adjusted by voltage factors  
 (12) (Column 10 / Column 11) / 10