



Arnold Garcia
Director, Insurance
525 South Tryon Street
Mail Code: 16A
Charlotte, NC 28202

February 13, 2025

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-850

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Dear Mr. Teitzman:

By Rule 25-6.0143(1)(m) F.A.C, issued June 11, 2007, Duke Energy Florida, LLC is required to file an annual report providing information on four specific items related to its self-insured program for transmission and distribution line (“T&D”) property damage.

The following are changes since our last report for the required items:

1. **Update on Efforts to Obtain Traditional T&D Insurance** – The property insurance markets continue to be restrictive. Traditional insurance coverage for storm-related damages to T&D at reasonable costs and deductibles on a standalone basis remains unavailable. There is an exception to T&D assets with regards to substations; these are insured under Duke’s Conventional Property Insurance program.
2. **Status of the proposed Industry-Wide T&D Program** – An industry-wide program covering catastrophic storm damage to above ground transmission and distribution assets remains economically unfeasible.

At least once per year, Duke surveys the marketplace through its insurance brokers and partners for an economical means of insuring T&D assets. There continues to be no economical insurance coverage available, except for substations.

Duke Energy Florida continues to monitor activity in this area.

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3. **Update on the Evaluation of Duke Energy Florida's Exposure and the Adequacy of the Storm Damage Reserve** – As a result of Order No. PSC-2010-0131-FOF-EI, Duke Energy Florida (DEF) is not collecting in base rates any funds to replenish or increase its storm damage reserve. However, pursuant to Duke Energy Florida's 2024 Settlement Agreement, approved in Order No. PSC-2024-0472-AS-EI, effective January 2025 through December 2027, Duke Energy Florida is allowed to maintain its existing storm reserve of \$132 million and defer filing its next storm reserve study until no later than when DEF files its next rate case.

4. **Feasibility and Cost-Effectiveness of a Risk-Sharing Plan among Investor-Owned Electric Utilities in Florida** – See Item 2 above.

Also enclosed for filing as Attachment 1 to this report is a summary schedule of the amounts recorded in Account 228.1 as of December 31, 2024.

Duke Energy Florida respectfully requests that this letter serve as its annual report. Updated information will be provided to the Commission if a significant change should occur in the Company's exposure, the adequacy of the storm reserve, or the cost and availability of traditional insurance.

Please call me with any questions regarding this annual report.

Sincerely,



Arnold Garcia
Director, Insurance
Duke Energy
Corporation

Attachment 1

Summary Schedule of the Amounts Recorded in Account 228.1 as of December 31, 2024

Duke Energy Florida, LLC Net Storm Balances (In Thousands) Dr/(Cr)	*Account 186.295/182.370 Deferred Storm Reserve	Account 228.100 Retail Storm Reserve	Account 228.101 Non- Retail Storm Reserve	Total Net Balance
December 2023 GL Balance	\$ 41,742	\$ 0	\$ (3,500)	\$ 38,242
<u>Storm costs for PY storms - with 2024 charges</u>				
Hurricane Ian ¹	\$ 10	\$ -	\$ -	\$ 10
Hurricane Idalia ²	\$ (2,098)	\$ 47	\$ -	\$ (2,052)
Hurricane Nicole ¹	\$ (1,544)	\$ -	\$ -	\$ (1,544)
Hurricane Idalia Storm Expenses True-up	\$ (1,597)	\$ (1,770)	\$ 3,367	\$ -
Miscellaneous Charges	\$ 28	\$ -	\$ -	\$ 28
Transmission Wholesale True-Up	\$ (227)	\$ -	\$ 227	\$ -
Subtotal	\$ (5,429)	\$ (1,724)	\$ 3,595	\$ (3,559)
<u>2024 Storm Costs:</u>				
Hurricane Debby ³	\$ 40,431	\$ -	\$ -	\$ 40,431
Hurricane Helene ³	\$ 285,316	\$ -	\$ -	\$ 285,316
Hurricane Milton ³	\$ 744,751	\$ -	\$ -	\$ 744,751
Customer Collection Storm Amortization	\$ (36,196)	\$ (136,448)	\$ (2,935)	\$ (175,579)
Interest Collected on Unrecoverable Balance - related to Storm Amortization	\$ 211	\$ -	\$ -	\$ 211
Net Storm Reserve JE	\$ (147,026)	\$ 132,033	\$ 14,993	\$ -
Over Collection of Reserve Replenishment to be refunded through fuel clause	\$ -	\$ 6,138	\$ -	\$ 6,138
Subtotal	\$ 887,487	\$ 1,724	\$ 12,057	\$ 901,268
December 2024 Balance	\$ 923,799	\$ 0	\$ 12,152	\$ 935,951

* Duke Energy Florida, LLC uses Account No. 186, Miscellaneous Deferred Debits to defer recoverable storm costs. The balances are held in this account until filed for recovery, at which time they are reclassified to the proper 228.1 Storm Reserve accounts.

1) per Order No. PSC-2024-0377-FOF-EI

2) per Docket No. 20230116

3) per Docket No. 20240173