

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 22, 2026

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis *LD*

RE: Docket No.: 20260001-EI
Company Name: Duke Energy Florida, LLC
Company Code: EI801
Audit Purpose: A3a: Capacity Cost Recovery Clause
Audit Control No.: 2026-012-1-4

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachment: Audit Report

Cc: Office of Auditing & Performance Analysis

State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Duke Energy Florida, LLC
Capacity Cost Recovery Clause

Twelve Months Ended December 31, 2025

Docket No. 20260001-EI
Audit Control No. 2026-012-1-4
May 12, 2026

A handwritten signature in blue ink, appearing to read "Wesley Thurmond", written over a horizontal line.

Wesley Thurmond
Audit Manager

A handwritten signature in blue ink, appearing to read "Lynn M. Deamer", written over a horizontal line.

Lynn M. Deamer
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting & Finance in its audit service request dated January 6, 2026. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Duke Energy Florida, LLC in support of its 2025 filing for the Capacity Cost Recovery Clause in Docket No. 20260001-EI.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Utility refers to the Duke Energy Florida, LLC.
CCRC refers to the Capacity Cost Recovery Clause.

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual Kilowatt Hours (KWH) sold for the period January 1, 2025, through December 31, 2025, and to determine whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the CCRC.

Procedures: We reconciled the 2025 filing to the Company's monthly Capacity Revenue Reports. The recalculation of customer bills was performed in Docket No. 20260001-EI, ACN 2026-012-1-3. No exceptions were noted.

Transmission Revenues

Objectives: The objective was to determine whether Transmission Revenues derived from the non-separated, non-energy broker network, wholesale energy sales were credited to the CCRC per Commission Order No. PSC 1999-2512-FOF-EI, issued December 22, 1999.

Procedures: We verified that Transmission Revenues were a net component of capacity costs recorded in the CCRC by reconciling the Company's Capacity Purchases and Capacity Sales Detail Schedules to the invoices and other supporting documentation to Schedule A-12. No exceptions were noted.

Expense

Objectives: The objectives were to determine whether Capacity costs listed on the Company's filing was supported by adequate documentation and that the expenses were appropriately recoverable through the Capacity Cost Recovery Clause.

Procedures: We traced capacity costs in the filing to the general ledger. We reviewed selected items to ensure the costs were related to the Capacity Cost Recovery Clause and that the costs were charged to the correct accounts. No exceptions were noted.

Incremental and Cyber Security Cost

Objectives: The objective was to verify that there were no incremental security or cyber security costs recovered through the Capacity Clause.

Procedures: We reviewed the general ledger account detail for vendors charging security costs to the Company and inquired with the company. No exceptions were noted.

Purchased Power Contracts

Objectives: The objective was to determine whether invoices for the capacity purchase were in accordance with the terms and conditions of the contract.

Procedures: We reviewed the three largest purchased power contract. We traced these purchased power capacity costs from the filing to the general ledger. We reconciled invoices for capacity purchases to the contract to determine whether they were recorded according to the terms and conditions of the contract. No exceptions were noted.

Other

Objective: The objective was to verify that the revenue expansion factor applied to any capital investment being recovered through the capacity clause did not contain a component for bad debt expense.

Procedures: We requested and received information that the Company does not recover any investments in the capacity clause for which bad debt is applied. Further follow-up was not needed.

True-up

Objective: The objective was to determine whether the True-Up and Interest Provision, as filed, was properly calculated.

Procedures: We recalculated the True-Up as of December 31, 2025, using the beginning balance as of December 31 2024, the Financial Commercial Paper rates, and the 2025 CCRC revenues and costs. No further work was performed.

Analytical Review

Objective: The objective was to perform an analytical review of the Utility's CCRC Revenues and Expenses to determine if there were any material changes or inconsistencies from the prior year.

Procedures: We compared 2025 revenues and expenses to 2024. We requested explanations from the Utility for any significant changes to revenues and expenses. The Utility provided explanations provided were sufficient and further follow-up was not required.

Audit Findings

None

Exhibit

Exhibit 1: True Up

Docket No. 20260001-EI
 Witness: Dean
 Revised Exhibit No. (GPD-2T)
 Sheet 2 of 3

Duke Energy Florida, LLC
 Capacity Cost Recovery Clause
 Calculation of Actual True-Up
 January 2025 - December 2025

	ACT Jan-25	ACT Feb-25	ACT Mar-25	ACT Apr-25	ACT May-25	ACT Jun-25	ACT Jul-25	ACT Aug-25	ACT Sep-25	ACT Oct-25	ACT Nov-25	ACT Dec-25	Total
1 Base Production Level Capacity Costs													
2 Orange Cogen (ORANGE CO)	7,056,748	7,528,944	7,549,572	7,711,516	7,519,874	7,219,066	6,352,776	6,004,900	6,380,119	6,470,010	6,745,430	7,188,413	83,727,367
3 Orlando Cogen Limited (ORLACOGL)	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Pasco County Resource Recovery (PASCOUNT)	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Pinellas County Resource Recovery (PINCOUNT)	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Polk Power Partners, L.P. (MULBERRY/ROYSTER)	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Subtotal - Base Level Capacity Costs	7,056,748	7,528,944	7,549,572	7,711,516	7,519,874	7,219,066	6,352,776	6,004,900	6,380,119	6,470,010	6,745,430	7,188,413	83,727,367
8 Base Production Jurisdictional Responsibility	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	
9 Base Level Jurisdictional Capacity Costs	7,056,748	7,528,944	7,549,572	7,711,516	7,519,874	7,219,066	6,352,776	6,004,900	6,380,119	6,470,010	6,745,430	7,188,413	83,727,368
10 Intermediate Production Level Capacity Costs													
11 Southern Franklin	0	0	0	0	0	0	0	0	0	0	0	0	-
12 Schedule H Capacity Sales	0	206,910	0	0	344,650	0	0	0	0	0	0	0	551,760
13 Subtotal - Intermediate Level Capacity Costs	0	206,910	0	0	344,650	0	0	0	0	0	0	0	551,760
14 Intermediate Production Jurisdictional Responsibility	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	95.212%	
15 Intermediate Level Jurisdictional Capacity Costs	0	197,063	0	0	328,139	0	0	0	0	0	0	0	524,342
16 Peaking Production Level Capacity Costs													
17 Shady Hills	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Vandoloh	3,242,074	2,793,675	2,036,900	2,017,368	2,902,060	6,009,510	6,097,384	5,971,727	2,836,775	2,005,239	2,056,007	3,122,916	41,093,656
19 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Subtotal - Peaking Level Capacity Costs	3,242,074	2,793,675	2,036,900	2,017,368	2,902,060	6,009,510	6,097,384	5,971,727	2,836,775	2,005,239	2,056,007	3,122,916	41,093,656
21 Peaking Production Jurisdictional Responsibility	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	97.632%	
22 Peaking Level Jurisdictional Capacity Costs	3,165,302	2,727,521	1,968,686	1,989,616	2,833,339	5,887,205	5,952,998	5,830,317	2,769,600	1,957,755	2,009,274	3,048,966	40,120,558
23 Other Capacity Costs													
24 Retail Wheeling	(62,306)	(36,018)	(47,271)	(55,841)	(7,303)	(35,520)	(31,121)	(4,251)	(91,622)	(90,158)	(9,865)	(16,951)	(508,226)
25 SoBRA True-Up - Charlie Creek	-	-	-	-	-	-	-	-	-	-	-	-	-
26 SoBRA True-Up - Charlie Creek (Base Rate Adjmt) 1	-	-	-	-	-	-	-	-	-	-	-	-	-
27 SoBRA True-Up - Sandy Creek	-	-	-	-	-	-	-	-	-	-	-	-	-
28 SoBRA True-Up - Sandy Creek (Base Rate Adjmt) 1	-	-	-	-	-	-	-	-	-	-	-	-	-
29 SoBRA True-Up - Santa Fe (Base Rate Adjmt) 1	-	-	-	-	-	-	-	-	-	-	-	-	-
30 SoBRA True-Up - Twin Rivers (Base Rate Adjmt) 1	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Production Tax Credits True-Up 2	-	-	1,967,272	-	-	(5,538,068)	-	-	(3,364,252)	-	-	-	(3,866,434)
32 Total Other Capacity Costs	(62,306)	(36,016)	1,940,001	(55,841)	(7,303)	(5,573,568)	(31,121)	(4,251)	(3,455,674)	(90,158)	(9,865)	3,031,661	(4,374,660)
33 Total Capacity Costs (line 9+15+22+31)	10,139,744	10,417,450	11,478,239	9,825,281	10,674,249	7,512,686	12,274,653	11,830,966	5,693,645	8,337,807	8,744,839	13,269,040	119,998,609
34 ISFSI Revenue Requirement ³	873,570	871,181	968,793	968,404	964,015	961,628	959,237	956,848	954,460	952,071	949,682	947,283	11,525,180
35 Total Recoverable Capacity & ISFSI Costs (line 32+33)	11,113,314	11,388,631	12,447,032	10,591,695	11,638,263	8,474,312	13,233,890	12,787,815	6,648,305	9,289,878	9,694,521	14,216,333	131,523,789
36 Capacity Revenues:													
37 Capacity Cost Recovery Revenues (net of tax)	11,346,423	10,428,223	9,352,061	10,408,799	11,634,366	13,950,760	14,261,158	15,208,028	13,668,147	12,410,497	9,920,105	9,472,007	142,060,574
38 Prior Period True-Up Provision Over/(Under) Recovery	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(566,579)	(8,798,948)
39 Current Period CCR Revenues (net of tax)	10,779,844	9,861,644	8,785,482	9,842,220	11,067,787	13,384,181	13,694,580	14,641,449	13,101,568	11,843,918	9,353,527	8,905,426	135,261,626
40 True-Up Provision													
41 True-Up Provision - Over/(Under) Recov (Line 38-34)	(333,470)	(1,526,987)	(3,661,550)	(749,475)	(570,477)	4,909,669	460,689	1,653,635	6,453,264	2,554,240	(340,694)	(5,310,906)	3,737,639
42 Interest Provision for the Month	(12,246)	(13,814)	(20,808)	(26,676)	(27,257)	(17,554)	(5,861)	321	16,738	33,155	37,843	29,533	(6,403)
43 Current Cycle Balance - Over/(Under)	(345,715)	(1,866,315)	(5,567,773)	(6,344,924)	(6,942,559)	(2,060,343)	(1,585,515)	256,441	6,738,444	3,315,839	8,012,769	3,751,436	(3,731,436)
44 Prior Period Balance - Over/(Under) Recovered	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)	(3,490,936)
45 Prior Period Cumulative True-Up Collected/(Refunded)	566,579	1,133,158	1,699,737	2,265,315	2,832,894	3,399,473	3,966,052	4,532,631	5,099,210	5,665,789	6,232,367	6,798,946	6,798,946
46 Prior Period True-Up Balance - Over/(Under)	(2,364,359)	(2,357,790)	(1,751,201)	(1,224,522)	(658,043)	(91,465)	475,114	1,241,653	1,602,772	2,141,430	3,308,056	3,308,056	(3,308,056)
47 Net Capacity True-up Over/(Under) (Line 42+45)	(3,270,073)	(4,244,095)	(7,358,975)	(7,569,547)	(7,600,703)	(2,141,607)	(1,120,401)	1,300,134	8,338,716	11,490,690	11,754,218	7,039,444	7,039,444

1 True-up of solar base rate adjustments consistent with the Rate Mitigation Plan approved in Order No. PSC-2021-0425-FOF-EI.
 2 Per DEF's Settlement Agreement in Docket No. 20240025, approved by Order No. PSC-2024-0472-AS-EI.
 3 As set forth in DEF's 2021 Settlement Agreement approved in Order No. PSC-2021-0202-AS-EI.