

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, by Duke Energy Florida, LLC.

DOCKET NO. 20230020-EI

Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Idalia, by Duke Energy Florida, LLC.

DOCKET NO. 20230116-EI

DATED: May 12, 2025

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

Pursuant to the Order Establishing Procedure No. PSC-2025-0067-PCO-EI (the "OEP"), Duke Energy Florida, LLC ("DEF"), hereby submits its Prehearing Statement with respect to its actual recoverable storm restoration costs related to Hurricane Idalia:

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

Direct

20230116

Witness	Subject Matter	Issues#
Christopher Menendez	True-up of any final over or under recovery amount related to the interim storm surcharge effective the first billing cycle of April 2023 and as amended by Order No. PSC-2023-0375-PCO-EI, ending the earlier of full recovery or with the last billing cycle of December 2024.	1, 2, 15, 17

Compliance with the Independent Audit requirement included in the 2019 Storm Process Improvements

Jimmy New Calculation and accounting of costs associated with Hurricane Idalia 1-16

Todd Fountain Operation of the Company's storm preparedness plans and processes used during Hurricane Idalia. 2, 3-10, 16

Compliance with 2019 Storm Process Improvements.

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

Docket No. 20230116

Witness	Proffered By	Exhibit #	Description	Issue #
Christopher Menendez	DEF	(CAM-1)	Total recoverable restoration costs, along with monthly revenues and interest collected through July 2024	1, 2, 17
Jimmy New	DEF	(JN-1)	Cost Summary-Storm Reserve	1-16
Jimmy New	DEF	(JN-2)	Hurricane Idalia Cost Summary	1-16
Jimmy New	DEF	(JN-3)	Remaining Recovery from Docket No. 20230020	14
Jimmy New	DEF	(JN-4)	Interest and Unrecovered Costs Calculation	15

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

3. **Statement of Basic Position** - Not applicable. DEF's positions on specific issues are listed below.

4. **Statement of Facts**

ISSUES

ISSUE 1: Should the incremental cost and capitalization approach (ICCA) found in Rule 25-6.0143, F.A.C., be used to determine the reasonable and prudent amounts to be included in restoration costs for Hurricane Idalia?

DEF: The ICCA approach in Rule 25-6.0143, F.A.C. and the terms of the 2019 Irma Settlement Agreement approved by Order No. PSC-2019-0232-AS-EI should be used to determine the reasonable and prudent amounts included in the restoration costs. (Menendez, New)

ISSUE 2: Have the terms of DEF's 2021 Settlement Agreement, approved by Order No. PSC-2021-0202A-AS-EI, issued June 28, 2021, been compiled with? If not, why not?

DEF: Yes. (Menendez, New, Fountain)

ISSUE 3: What is the reasonable and prudent amount of regular payroll expense to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$2,727,108 (system) (New, Fountain)

ISSUE 4: What is the reasonable and prudent amount of overtime payroll expense to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$6,240,229 (system) (New, Fountain)

ISSUE 5: What is the reasonable and prudent amount of contractor costs, including vegetation and line clearing, to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$77,261,347 (system) (New, Fountain)

ISSUE 6: What is the reasonable and prudent amount of vehicle and fuel expense to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$1,199,229 (system) (New, Fountain)

ISSUE 7: What is the reasonable and prudent amount of employee expenses to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$721,666 (system) (New, Fountain)

ISSUE 8: What is the reasonable and prudent amount of materials and supplies expense to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$12,265,808 (system) (New, Fountain)

ISSUE 9: What is the reasonable and prudent amount of other costs to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: Logistics = \$17,592,325 (system)
Other = \$5,033,852 (system)
Total = \$22,626,178 (system)
(New, Fountain)

ISSUE 10: What is the reasonable and prudent total amount of costs to be included in Total Storm Related Restoration Costs for Hurricane Idalia?

DEF: \$123,041,564 (system) (New, Fountain)

ISSUE 11: What is the reasonable and prudent amount of storm-related costs that should be capitalized for Hurricane Idalia?

DEF: \$18,110,417 (system) (New)

ISSUE 12: What is the reasonable and prudent amount of storm-related costs that should be ICCA non-incremental O&M adjustments for Hurricane Idalia?

DEF: \$4,510,971 (system) (New)

ISSUE 13: What is the reasonable and prudent amount of retail Recoverable Storm Costs for Hurricane Idalia?

DEF: \$97,052,694 (retail) (New)

ISSUE 14: What is the reasonable and prudent amount of the combined retail Recoverable Storm Costs for Hurricanes Elsa, Eta, Isaias, Ian, Nicole, Tropical Storm Fred, and Hurricane Idalia?

DEF: \$165,990,185 (retail) (New)

ISSUE 15: What is the combined amount of Recoverable Storm Costs recovered through the Storm Cost Recovery Surcharge for Hurricanes Elsa, Eta, Isaias, Ian, Nicole, Tropical Storm Fred, and Hurricane Idalia?

DEF: \$535,373,165 (Menendez, New)

ISSUE 16: What is the appropriate accounting treatment associated with any storm costs for Hurricanes Elsa, Eta, Isaias, Ian, Nicole, Tropical Storm Fred, and Hurricane Idalia found to have been imprudently recovered?

DEF: Imprudently incurred storm costs should not be charged to the storm reserve or recovered through a storm restoration charge on customer bills. No storm restoration costs were imprudently incurred; therefore, no such adjustment is necessary. (New, Fountain)

ISSUE 17: If applicable, how should any under-recovery or over-recovery be handled?

DEF: DEF will refund or collect any over- or under-recovery, as appropriate, through the fuel clause as directed by the Commission in Order No. PSC-2024-0377-FOF-EI. (Menendez)

ISSUE 18: Should this docket be closed?

DEF: No. This docket should remain open so that DEF can file supplemental schedules that compare the final storm recovery amount approved by the Commission to actual revenues from the storm restoration charge and calculate the resulting excess or shortfall for recovery through the fuel clause.

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

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

7. **Requests for Confidentiality** -
 - April 17, 2025: DEF's Request for Confidential Classification regarding Staff's Audit Workpapers ACN 2024-285-3-1 (Docket Number 02962-2025).
8. **Objections to Qualifications** - DEF objects to any witness testimony that goes beyond the scope of their expertise, and more specifically objects to any witness testimony purporting to offer expert testimony on the interpretation of statutes or rules, as such a determination is the exclusive province of the Commission.
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 Orders Establishing Procedure of which it will be unable to comply.

RESPECTFULLY SUBMITTED this 12th day of May, 2025.

/s/Matthew R. Bernier

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CERTIFICATE OF SERVICE

Docket No. 20230116-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 12th day of May, 2025 to all parties of record as indicated below.

/s/Matthew R. Bernier

Attorney

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CERTIFICATE OF SERVICE

Docket No. 20230020-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 12th day of May, 2025 to all parties of record as indicated below.

/s/Matthew R. Bernier

Attorney

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