

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240173-EI

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

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, February 4, 2025

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: Let's move now to a similar
3 discussion but slightly different into Item No. 4,
4 and -- we are all there.

5 Mr. Mason, you are recognized.

6 MR. MASON: Good morning, Commissioners. I am
7 Ian Mason with the Division of Accounting and
8 Finance.

9 Item 4 is staff's recommendation on Duke
10 Energy Florida, LLC's request for approval to
11 implement an interim storm restoration recovery
12 charge.

13 On December 27th, 2024, DEF filed a petition
14 for I limited proceeding seeking authority to
15 implement an interim storm restoration recovery
16 charge to recover an estimated \$1.09 billion for
17 incremental storm restoration costs related to
18 Hurricanes Debby, Helene and Milton. This amount
19 includes approximately \$19.1 million interest
20 expenses, as well as \$131.9 million to replenish
21 its storm reserve.

22 Additionally, on January 31st, DEF filed an
23 amended petition to remove distribution costs from
24 transmission class customers. The filing of
25 amended tariffs necessitated the revised

1 recommendation that was filed yesterday.

2 The approval of an interim storm restoration
3 recovery charge is preliminary in nature and is
4 subject to refund pending further review once the
5 total actual storm restoration costs are known.

6 Based on a review of the information provided
7 by DEF in its petition, staff recommends the
8 Commission authorize DEF to implement this interim
9 storm restoration recovery charge, subject to
10 refund. Once the total actual storm costs are
11 known, DEF should be required to file documentation
12 of the storm costs for Commission review.

13 The Office of Public Counsel has intervened in
14 this docket. There are nine consumer comments in
15 the correspondence file, and representatives from
16 DEF are in attendance to answer any questions in
17 addition to staff.

18 Thank you.

19 CHAIRMAN LA ROSA: Excellent. Thank you.

20 And just checking, does anyone want to speak
21 on this, or we are just here to answer questions?
22 That's what I thought.

23 All right. Certainly, I have got a similar
24 concern to the impact of residential customers, but
25 I believe that we find ourselves in a little bit --

1 a little more limited position to set longer
2 recovery periods. My thought, but we will
3 obviously go through that.

4 Quick questions for staff. Page five, you
5 include a response from the company as to why they
6 did not consider a longer period. If I could just
7 kind of clarify that in your response. Second to
8 left paragraph.

9 MS. McCLELLAND: The company stated that their
10 settlement required them to remain within a
11 12-month recovery period.

12 CHAIRMAN LA ROSA: Thank you.

13 Commissioners, any thoughts or questions?

14 Commissioner Clark, you are recognized.

15 COMMISSIONER CLARK: Just to take a stab at
16 it, Mr. Chairman.

17 Yeah, I think we are kind of in a little bit
18 different posture when it comes to this one, we are
19 constrained, is my understanding, by the settlement
20 agreement that capped the recovery period for a
21 12-month period.

22 We are also in a little bit different position
23 in terms of what's happening within the rates of
24 Duke, as I understand. And the proposals possibly
25 can see some rate changes that won't have quite the

1 net impact. Can we get an estimate of what the net
2 impact of this would be from Duke?

3 CHAIRMAN LA ROSA: Let's do that.

4 MS. CUELLO: Hi, Stephanie Cuello with Duke
5 Energy.

6 Do you want the actual net impact numbers?

7 COMMISSIONER CLARK: Yes, please.

8 MS. CUELLO: Okay. That would be Mr.
9 Menendez.

10 MR. MENENDEZ: Commissioner, for a residential
11 customer using a thousand kilowatt hours, the net
12 impact would be \$22.62.

13 CHAIRMAN LA ROSA: On a 12-month recovery?

14 MR. MENENDEZ: On a 24-month recovery,
15 correct, Mr. Chairman.

16 CHAIRMAN LA ROSA: Commissioner Clark, any
17 other thoughts or questions?

18 COMMISSIONER CLARK: Yes. Is that after the
19 bill changes that are going into effect, that went
20 in effect in January?

21 MR. MENENDEZ: Yes, sir, that is the net.

22 COMMISSIONER CLARK: 22.

23 MR. MENENDEZ: Actually, Commissioner, if I
24 may. No, that is just the change from February to
25 March. There was an additional decrease of a

1 little over \$9 for the residential customers that
2 took place in January. So I misunderstood your
3 question. That -- the 22 is outside of that. The
4 \$9 would be in addition to the 22.

5 COMMISSIONER CLARK: Would be deducted from?

6 MR. MENENDEZ: Correct.

7 COMMISSIONER CLARK: So it's going to be
8 afloat of 11, roughly?

9 MR. MENENDEZ: Yes, sir.

10 COMMISSIONER CLARK: Okay. That's the number
11 I was trying to get to, is you are actually,
12 instead of a 22-dollar increase, we are looking at
13 closer to a net 11-dollar increase? Okay. Thank
14 you. That's what I needed.

15 CHAIRMAN LA ROSA: Thank you. That's what I
16 thought I was calculating too by reading how this
17 was laid out.

18 Commissioners, any other thoughts or
19 questions?

20 Commissioner Fay, you are second recognized.

21 COMMISSIONER FAY: Thank you, Mr. Chairman.

22 I just have one comment on this. I think,
23 when we look at the rate impact components with
24 everything else that occurred on the ratemaking
25 side, and then this storm recovery, I think Duke

1 and all the parties to their rate case settlement
2 did their customers a lot of justice.

3 You don't know this is coming, but the rate
4 settlement that was put forward by Duke was a very,
5 very good settlement. And I think that probably
6 minimized impact to customers in a lot of ways.
7 And so I think, once again, not a great -- we don't
8 want to make this decision, but I think those
9 parties that negotiated that really did a fantastic
10 job to put customers in the right position for
11 something like this type of adjustment, even though
12 we don't -- thank you.

13 CHAIRMAN LA ROSA: Agreed. Right. This -- I
14 mean, this is a balance, and it's -- we are talking
15 about storms today. But obviously, when we are
16 talking, you know, about rate design and structure,
17 we are talking about a whole lot of other things.
18 There is certainly a lot. I don't want to make
19 this decision, but I understand what's before us
20 and a decision has to be made.

21 Commissioners, any other further thoughts or
22 questions?

23 Commissioner Fay, you are recognized.

24 COMMISSIONER FAY: I just have one quick
25 question for staff, Mr. Chairman.

1 So these are all presented based on the
2 language in the 2021 settlement agreement, which is
3 included on page five of the recommendation. The
4 timeline going forward I would imagine would be
5 that any storms post this date would then fall
6 under the 2024 settlement agreement, is that
7 accurate?

8 MR. DOSE: That's accurate.

9 COMMISSIONER FAY: Okay. And then is it fair
10 to say -- I think the recommendation says that
11 similar language is presented in the 2024
12 settlement as to the 2021 settlement. When I look
13 at this 2024 language, it seems, to a large degree,
14 it does the same thing. It says it will be based
15 on a 24-month recovery period.

16 So I would presume that on this
17 recommendation, and going forward, the same
18 principles would apply, that the Commission has
19 approved a settlement agreement that states
20 recovery for storms, no matter over a certain
21 amount or under, is done in a 12-month period for
22 Duke?

23 MR. DOSE: That's correct.

24 COMMISSIONER FAY: Okay. Thank you, Mr.
25 Chairman.

1 CHAIRMAN LA ROSA: Great. Thank you.

2 If there is no further thoughts or questions,
3 open for a motion.

4 COMMISSIONER PASSIDOMO SMITH: Well, I --
5 yeah, I move approval of staff's recommendation for
6 the 12-month recovery period.

7 COMMISSIONER GRAHAM: Second.

8 CHAIRMAN LA ROSA: Hearing a motion and
9 hearing a second.

10 All those in favor signify by saying yay.

11 (Chorus of yays.)

12 CHAIRMAN LA ROSA: Yay.

13 Opposed no?

14 (No response.)

15 CHAIRMAN LA ROSA: Show that Item No. 4
16 passes.

17 (Agenda item concluded.)

18

19

20

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)
4

5 I, DEBRA KRICK, Court Reporter, do hereby
6 certify that the foregoing proceeding was heard at the
7 time and place herein stated.


8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.

18 DATED this 26th day of February, 2025.
19

20

21


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028

22

23

24

25