

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

DOCKET NO. 20250001-EI

DATED: October 6, 2025

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

Pursuant to the Order Establishing Procedure No. PSC-2025-0025-PCO-EI (the “OEP”), Duke Energy Florida, LLC (“DEF”), hereby submits its Prehearing Statement with respect to its levelized fuel and capacity cost recovery factors and its Generating Performance Incentive Factor (GPIF) for the period of January 2026 through December 2026:

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

Witness	Direct Subject Matter	Issues#
Gary P. Dean	Fuel Cost Recovery True-Up (2024); Capacity Cost Recovery True-Up (2025); Actual / Estimated and Projection Schedules; Other Matters	1B-1D, 5-8, 14-18, 19A, and 22-31
Adam R. Bingham	Calculation of GPIF Reward for (2024); GPIF Targets/Ranges (2026)	12 and 13
James (“Jim”) McClay	Risk Management Plan	1A

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

Witness	Proffered By	Exhibit #	Description	Issue #
Gary Dean	DEF	(GPD-1T)	Fuel Cost Recovery True-Up (Jan – Dec. 2024)	5

Gary Dean	DEF	(GPD-2T)	Capacity Cost Recovery True-Up (Jan – Dec. 2024)	22
Gary Dean	DEF	(GPD-3T)	Schedules A1 through A3, A6 and A12 for Dec 2024	
Gary Dean	DEF	(GPD-4T)	2024 Capital Structure and Cost Rates Applied to Capital Projects	
Gary Dean	DEF	(GPD-5T)	Annual Clean Energy Impact Program report	
Gary Dean	DEF	(GPD-2)	Actual/Estimated True-up Schedules for period January – December 2025	1D, 6, 23
Gary Dean	DEF	(GPD-3)	Projection Factors for January - December 2026	1B, 1C, 7, 8, 14, 15, 16, 17, 18, 19A, 24, 25, 26, 27, 28, 29,
Adam R. Bingham	DEF	(ARB-1T)	Calculation of GPIF Reward for January - December 2024	12
Adam R. Bingham	DEF	(ARB-1P)	GPIF Targets/Ranges Schedules for January – December 2026	13
James (“Jim”) McClay	DEF	(JM-1P)	2026 Risk Management Plan CONFIDENTIAL	1A

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**

FUEL ISSUES

COMPANY SPECIFIC FUEL ADJUSTMENT ISSUES

Duke Energy Florida, LLC

ISSUE 1A: Should the Commission approve DEF's 2026 Risk Management Plan?

DEF: Yes. (McClay)

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2026?

DEF: \$66,834,509. (Dean)

ISSUE 1C: What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-2023-0191-TRF-EI, to be included in the fuel clause in 2026?

DEF: \$19,283(Dean)

ISSUE 1D: What is the appropriate amount of the storm cost recovery true-up to be credited to the fuel clause in the period January 2025 through December 2025 per Order No. PSC-2025-0204-FOF-EI?

DEF: \$6,921,081 over-recovery. (Dean)

Florida Power and Light

ISSUE 2A: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL may recover for the period January 2024 through December 2024, and how should that gain to be shared between FPL and its customers?

DEF: No position.

ISSUE 2B: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2024 through December 2024?

DEF: No position.

ISSUE 2C: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-

System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2024 through December 2024?

DEF: No position.

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2024 through December 2024?

DEF: No position.

ISSUE 2E: What is the appropriate subscription credit associated with FPL's SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2026?

DEF: No position.

ISSUE 2F: Should the Commission approve FPL's 2026 Risk Management Plan?

DEF: No position.

Florida Public Utilities Company

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 3A, 3B, 3C, and so forth, as appropriate.

Tampa Electric Company

ISSUE 4A: What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2021-0423-S-EI that TECO may recover for the period January 2024 through December 2024, and how should that gain be shared between TECO and its customers?

DEF: No position.

ISSUE 4B: Should the Commission approve TECO's 2026 Risk Management Plan?

DEF: No position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate final fuel adjustment true-up amounts for the period January 2024 through December 2024?

DEF: \$75,686,464 over-recovery. (Dean)

ISSUE 6: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2025 through December 2025?

DEF: \$76,919,829 under-recovery. (Dean)

ISSUE 7: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2026 through December 2026?

DEF: \$1,233,365 under-recovery. (Dean)

ISSUE 8: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2026 through December 2026?

DEF: \$1,744,798,871, adjusted for line losses and excludes prior period true-up, GPIF, CEC Bill Credits and CEI. (Dean)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC

No company-specific GPIF issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 9A, 9B, 9C, and so forth, as appropriate.

Florida Power & Light, Co.

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 10A, 10B, 10C, and so forth, as appropriate.

Tampa Electric Company

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 11A, 11B, 11C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 12: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2024 through December 2024 for each investor-owned electric utility subject to the GPIF?

DEF: \$1,146,970 reward. (Bingham)

ISSUE 13: What should the GPIF targets/ranges be for the period January 2026 through December 2026 for each investor-owned electric utility subject to the GPIF?

DEF: The appropriate targets and ranges are shown on Page 4 of Exhibit ARB-1P filed on September 4, 2025 with the Direct Testimony of Adam Ross Bingham. (Bingham)

FUEL FACTOR CALCULATION ISSUES

ISSUE 14: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2026 through December 2026?

DEF: \$1,814,032,999. (Dean)

ISSUE 15: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2026 through December 2026?

DEF: Pursuant to the 2021 Settlement approved in Order No. PSC-2021-0202-AS-EI, DEF removed the Regulatory Assessment Fee beginning with its 2022 Projection Filing and includes it with the Gross Receipts Tax on customer bills. (Dean)

ISSUE 16: What are the appropriate levelized fuel cost recovery factors for the period January 2026 through December 2026?

DEF: 4.414 cents/kWh (adjusted for jurisdictional losses). (Dean)

ISSUE 17: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

DEF:

<u>Group</u>	<u>Delivery Voltage Level</u>	<u>Line Loss Multiplier</u>
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A	Transmission	0.9800
B	Distribution Primary	0.9900
C	Distribution Secondary	1.0000
D	Lighting Service	1.0000

(Dean)

ISSUE 18: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

DEF:

Fuel Cost Factors (cents/kWh)							
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	Time of Use		
					On-Peak	Off-Peak	Discount
A	Transmission			4.334	4.936	4.299	3.974
B	Distribution Primary			4.378	4.987	4.343	4.015
C	Distribution Secondary	4.127	5.197	4.422	5.037	4.387	4.055
D	Lighting Secondary			4.325			

(Dean)

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC

ISSUE 19A: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement for 2026?

DEF: \$11,181,188. (Dean)

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 20A, 20B, 20C, and so forth, as appropriate.

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 21A, 21B, 21C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 22: What are the appropriate final capacity cost recovery true-up amounts for the period January 2024 through December 2024?

DEF: \$3,308,008 over-recovery. (Dean)

ISSUE 23: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2025 through December 2025?

DEF: \$2,086,641 under-recovery. (Dean)

ISSUE 24: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2026 through December 2026?

DEF: \$1,221,368 over-recovery. (Dean)

ISSUE 25: What are the appropriate projected total capacity cost recovery amounts for the period January 2026 through December 2026?

DEF: \$37,294,039. (Dean)

ISSUE 26: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2026 through December 2026?

DEF: \$47,253,859. (Dean)

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2026 through December 2026?

DEF: Base – 100.000%, Intermediate – 95.212%, Peaking – 97.632%, consistent with the 2024 Settlement in Docket No. 20240025 - Petition for Rate Increase by Duke

Energy Florida, LLC - Joint Motion for Approval of Settlement Agreement filed 7/15/24 and approved by the Commission on 8/21/24. (Dean)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January 2026 through December 2026?

DEF:

Rate Class	Jan-Dec 2026 CCR Factor
Residential	0.133 cents/kWh
General Service Non-Demand @ Primary Voltage	0.120 cents/kWh 0.119 cents/kWh
@ Transmission Voltage	0.118 cents/kWh
General Service 100% Load Factor	0.077 cents/kWh
General Service Demand @ Primary Voltage	0.34 \$/kW-month 0.34 \$/kW-month
@ Transmission Voltage	0.33 \$/kW-month
Curtailable @ Primary Voltage	0.30 \$/kW-month 0.30 \$/kW-month
@ Transmission Voltage	0.29 \$/kW-month
Interruptible @ Primary Voltage	0.28 \$/kW-month 0.28 \$/kW-month
@ Transmission Voltage	0.27 \$/kW-month
Standby Monthly @ Primary Voltage	0.033 \$/kW-month 0.033 \$/kW-month
@ Transmission Voltage	0.032 \$/kW-month
Standby Daily @ Primary Voltage	0.016 \$/kW-month 0.016 \$/kW-month
@ Transmission Voltage	0.016 \$/kW-month
Lighting	0.038 cents/kWh

(Dean)

III. EFFECTIVE DATE

ISSUE 29: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

DEF: The new factors should be effective beginning with the first billing cycle for January 2026 through the last billing cycle for December 2026. The first billing cycle may start before January 1, 2026, and the last billing cycle may end after December 31, 2026, so long as each customer is billed for twelve months regardless of when the factors became effective. (Dean)

ISSUE 30: Should the Commission approve revised tariffs reflecting the fuel adjustment

factors and capacity cost recovery factors determined to be appropriate in this proceeding?

DEF: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding. The Commission should direct Staff to verify that the revised tariffs are consistent with the Commission decision. (Dean)

MISCELLANEOUS ISSUES

ISSUE 31: Should this docket be closed?

DEF: No, the docket should remain open because it is a continuing docket. (Dean)

CONTESTED ISSUES

No contested issues have been identified in this proceeding; to the extent any such issues are identified between the filing of this prehearing statement and the prehearing conference, DEF reserves the right to supply a position at a later date.

5. **Pending Motions** - None at this time.
6. **Requests for Confidentiality:** DEF does not have any pending requests for confidential classification at this time.
7. **Objections to Qualifications** - DEF has no objection to the qualifications of any expert witnesses in this proceeding at this time, subject to further discovery in this matter.
8. **Sequestration of Witnesses** - DEF has not identified any witnesses for sequestration at this time.
9. **Requirements of Order** - At this time, DEF is unaware of any requirements of the Order Establishing Procedure of which it will be unable to comply.

RESPECTFULLY SUBMITTED this 6th day of October, 2025.

/s/Stephanie A Cuello

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CERTIFICATE OF SERVICE

Docket No. 20250001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 6th day of October, 2025 to all parties of record as indicated below.

/s/Stephanie A. Cuello

Attorney

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