



January 27, 2015

VIA NEXT DAY COURIER

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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15 JAN 29 AM 10:58
COMMISSION
CLERK

Dear Ms. Stauffer:

By order No. PSC-93-1522-FOF-EI, issued October 15, 1993 in Docket No. 930867-EI, Florida Power Corp. d/b/a Progress Energy Florida, Inc. (n/k/a Duke Energy Florida, Inc.) was directed to provide an annual report providing updated information on four specific items related to its self-insurance program for transmission and distribution ("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 – Traditional T&D insurance for storm-related damage to T&D facilities at reasonable costs and deductibles on a standalone basis remains unavailable.
- 2.
3. Status of the Proposed Industry-Wide T&D Program – An industry-wide program covering catastrophic storm damage to aboveground distribution assets remains economically unfeasible. Duke Energy Florida continues to monitor activity on this issue.
4. Update on the Evaluation of Duke Energy Florida's Exposure and the Adequacy of the Storm Damage Reserve - As a result of the Florida PSC's January 11, 2010 decision during the retail rate case, Duke Energy Florida may not collect in base rates additional funds for storm damage reserve. In the event future storms cause the reserve to be depleted, Duke Energy Florida can petition the Florida PSC for the implementation of an interim surcharge to cover the deficiency. The balance of the storm reserve as of December 31, 2014 is \$124.8 million.
5. Feasibility and Cost-Effectiveness of a Risk-Sharing Plan among Investor-Owned Electric Utilities in Florida – See Item 2 above.

Duke Energy Florida respectfully requests that this letter serve as its annual report for 2015. 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. Thank you.

Ms. Carlotta Stauffer
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Sincerely,

A handwritten signature in black ink, appearing to read "Edward C. Adams", with a long horizontal flourish extending to the right.

Edward C. Adams, CPCU, MBA
Lead Insurance Analyst
Duke Energy Corporation

Cc: Mr. Jim Dean – FPSC Director, Economics
Mr. Javier Portuondo – Duke Energy Florida
Ms. Cynthia lee – Duke Energy Florida