



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL
Duke Energy Florida, LLC

January 28, 2019

VIA ELECTRONIC DELIVERY

Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 20170272-EI
Application for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Irma and Nate, by Duke Energy Florida, LLC

Dear Mr. Teitzman:

Pursuant to the Second Order Establishing Procedure in the above-referenced matter, please find enclosed for filing on behalf of Duke Energy Florida, LLC ("DEF"), Supplemental Exhibits BB-1, BB-2, and MJO-1.

To explain, the changes begin with Brian Buckler's Exhibit BB-2, page 2 of 7 which was originally filed on May 31, 2018. Exhibit BB-2, Page 2(a) of 7 provides the adjustments (with notes at the bottom explaining those adjustments) and Page 2(b) of 7 provides the adjusted amounts. These adjusted amounts are then reflected in Exhibits BB-2, Page 1 of 7 and Exhibit BB-1.

In addition, Marcia Olivier's Exhibit MJO-1 was modified to reflect the changes in Brian Buckler's exhibits as well as the change in the storm amortization amount based on the supplemental filing made on December 27, 2018 in Tax Docket No. PSC-20180047.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB:at
Enclosures

Line No.	Description	REF.	(A) Storm Costs (\$000's)	(B) Storm Reserve Balance (\$000's)
1	Reserve Balance (Pre-2017 Storm) - Retail	BB-3 line 7 column D		(\$56,734)
2				
3	Total Storm Costs (2017)			
4	Irma	BB-2p2 line 32 column H	\$418,802	
5	Nate	BB-2p1 line 32 column H	5,085	
6	Total Recoverable Restoration Costs - Retail	lines 4:5		423,886
7				
8	Net Recoverable Retail Restoration Costs	line 1 + line 6		367,152
9				
10	Bond Issuance Costs	Exh. No. MJO-1		1,264
11				
12	Beginning Balance for Recovery	lines 8:10		368,417
13				
14	Plus: Interest on Unamortized Reserve Deficiency Balance	Exh. No. MJO-1 line 46		8,216
15				
16	Plus: Amount to Replenish Reserve	BB-3 line 1 column D		131,847
17				
18	Total Retail Storm Recovery Amount	lines 12:16		\$508,480

Notes:

Pursuant to Rule No. 25-6.0431(3), F.A.C., line 12 reflects the rate base component on which DEF seeks recover interest expense.

Pursuant to Rule No. 25-6.0431(4), F.A.C., lines 12 and 14 reflect the amortization and interest expense, respectively, that DEF seeks to recover.

(A) (B) (C) (D) (E) (F) (G) (H)

Line No.	Description	REF.	Storm Costs By Function (\$000's)						Total	Storm Reserve Balance
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service		
1	Pre-Storm Reserve Balance	BB-3 line 8 column D								(\$362,068)
2										
3	Storm Related Restoration Costs									
4	Regular Payroll		3	33	-	-	-	-	36	
5	Overtime Payroll		5	193	-	-	-	-	199	
6	Labor Burdens/Incentives		3	76	-	-	-	-	79	
7	Overhead Allocations		26	28	-	-	-	-	54	
8	Employee Expenses		1	26	-	-	-	-	28	
9	Contractor Costs		361	4,386	-	-	-	-	4,747	
10	Materials & Supplies		0	168	-	-	-	-	168	
11	Internal Fleet Costs		0	12	-	-	-	-	12	
12	Uncollectible Account Expenses		-	-	-	-	-	-	-	
13	Other		-	-	-	-	-	-	-	
14	Subtotal - Storm Related Restoration Costs	lines 4:13	400	4,923	-	-	-	-	5,323	
15										
16	Less: Estimated Non-Incremental Costs									
17	Regular Payroll		(3)	(21)	-	-	-	-	(24)	
18	Overtime Payroll		-	(4)	-	-	-	-	(4)	
19	Incentives		(3)	(14)	-	-	-	-	(17)	
20	Overhead Allocations		(25)	(28)	-	-	-	-	(53)	
21	Internal Fleet Costs		(0)	(9)	-	-	-	-	(9)	
22	Vegetation Management Costs		-	-	-	-	-	-	-	
23	Other		-	-	-	-	-	-	-	
24	Subtotal - Estimated Non-Incremental Costs	lines 17:23	(31)	(76)	-	-	-	-	(107)	
25										
26	Less: Capitalizable Costs		-	-	-	-	-	-	-	
27										
28	Total Recoverable Restoration Costs - System	lines (14 + 24 + 26)	369	4,847	-	-	-	-	5,216	
29										
30	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
31										
32	Total Recoverable Restoration Costs - Retail	lines (28 x 30)	\$259	\$4,826	\$0	\$0	\$0	\$0	\$5,085	\$5,085
33										
34	Net Recoverable Retail Restoration Costs	lines (32 - 1)								(367,152)

As filed on 05/31/18

Line No.	Description	REF.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
			Storm Costs By Function (\$000's)						Total	Storm Reserve Balance
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service		
1	Pre-Storm Reserve Balance	BB-3 line 7 column D								\$56,734
2										
3	Storm Related Restoration Costs									
4	Regular Payroll		1,385	5,397	-	-	-	895	7,677	
5	Overtime Payroll		2,147	14,908	549	87	77	1,471	19,240	
6	Labor Burdens/Incentives		1,137	7,679	-	-	-	621	9,437	
7	Overhead Allocations		1,188	5,508	(21)	-	-	581	7,256	
8	Employee Expenses		1,642	20,644	39	11	2	649	22,986	
9	Contractor Costs		21,078	355,063	662	215	148	895	378,061	
10	Materials & Supplies		2,176	12,998	389	501	47	49	16,159	
11	Internal Fleet Costs		151	1,358	-	-	-	-	1,509	
12	Uncollectible Account Expenses		-	-	-	-	-	1,642	1,642	
13	Other [a]		12	110	-	-	-	-	122	
14	Subtotal - Storm Related Restoration Costs	lines 4:13	30,917	423,665	1,617	814	275	6,801	464,088	
15										
16	Less: Estimated Non-Incremental Costs									
17	Regular Payroll		(1,140)	(1,145)	-	-	-	(119)	(2,404)	
18	Overtime Payroll		(194)	(467)	-	-	-	-	(662)	
19	Incentives		(1,126)	(1,711)	-	-	-	(91)	(2,928)	
20	Overhead Allocations		(229)	(26)	21	-	-	-	(234)	
21	Internal Fleet Costs		(66)	-	-	-	-	-	(66)	
22	Vegetation Management Costs		(289)	(1,806)	-	-	-	-	(2,096)	
23	Other[b]		(12)	(245)	-	-	-	(5)	(262)	
24	Subtotal - Estimated Non-Incremental Costs	lines 17:23	(3,057)	(5,400)	21	-	-	(216)	(8,651)	
25										
26	Less: Capitalizable Costs		(6,143)	(20,248)	-	-	-	-	(26,391)	
27										
28	Total Recoverable Restoration Costs - System	lines (14 + 24 + 26)	21,717	398,017	1,638	814	275	6,585	429,046	
29										
30	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
31										
32	Total Recoverable Restoration Costs - Retail	lines (28 x 30)	\$15,246	\$396,270	\$1,522	\$592	\$264	\$6,585	\$420,478	\$420,478
33										
34	Net Recoverable Retail Restoration Costs	lines (32 - 1)								(363,744)

Notes:

- [a] Transmission - \$12k relates to damage billing. Distribution - \$75k relates to vehicle fuel; \$13k relates to Federal, State and Local tax on undyed diesel; \$20k in purchase card.
[b] Transmission - \$12k relates to damage billing. Distribution - \$182k relates to material expense and \$63k relates to employee expenses.

Adjustments to 05/31/18 Filing

(A) (B) (C) (D) (E) (F) (G) (H)

Line No.	Description	REF.	Storm Costs By Function (\$000's)						Total	Storm Reserve Balance
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service		
1	Pre-Storm Reserve Balance	BB-3 line 7 column D								
2										
3	Storm Related Restoration Costs									
4	Regular Payroll		0	6				6		
5	Overtime Payroll		-	1	(339)	(54)	(48)	(440)		
6	Labor Burdens/Incentives		2	3				5		
7	Overhead Allocations		6	3				9		
8	Employee Expenses		10	2	(24)	(7)	(2)	(21)		
9	Contractor Costs		204	(418)	(413)	(188)	(93)	(907)		
10	Materials & Supplies		8	66	(244)	(279)	(30)	(479)		
11	Internal Fleet Costs		1	0				2		
12	Uncollectible Account Expenses		-	-				-		
13	Other [a]		-	-				-		
14	Subtotal - Storm Related Restoration Costs	lines 4:13	230	(336)	(1,020)	(528)	(172)	-	(1,826)	
15										
16	Less: Estimated Non-Incremental Costs									
17	Regular Payroll			-				-		
18	Overtime Payroll			-				-		
19	Incentives			(1)				(1)		
20	Overhead Allocations			-				-		
21	Internal Fleet Costs			-				-		
22	Vegetation Management Costs			-				-		
23	Other[b]			(2)				(2)		
24	Subtotal - Estimated Non-Incremental Costs	lines 17:23	-	(2)	-	-	-	-	(2)	
25										
26	Less: Capitalizable Costs		(7)					(7)		
27										
28	Total Recoverable Restoration Costs - System	lines (14 + 24 + 26)	224	(339)	(1,020)	(528)	(172)	-	(1,834)	
29										
30	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
31										
32	Total Recoverable Restoration Costs - Retail	lines (28 x 30)	\$157	(\$337)	(\$947)	(\$384)	(\$165)	\$0	(\$1,676)	
33		Notes:	(A)	(B)	(C)	(C)	(C)			
34	Net Recoverable Retail Restoration Costs	lines (32 - 1)							(\$1,676)	

Notes:

- A) Transmission \$157,000; additional contractor invoices and employee expenses received after May filing
- B) Distribution (\$337,000); Adjustments primarily to remove certain contractor invoice amounts
- C) Generation (\$1,496,000); insurance reimbursement of \$1,720,000, multiplied by jurisdictional factors on line 30

Adjusted Storm Costs

Line No.	Description	REF.	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
			Storm Costs By Function (\$000's)						Total	Storm Reserve Balance
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service		
1	Pre-Storm Reserve Balance	BB-3 line 7 column D								\$56,734
2										
3	Storm Related Restoration Costs									
4	Regular Payroll		1,386	5,403	-	-	-	895	7,683	
5	Overtime Payroll		2,147	14,909	210	33	29	1,471	18,800	
6	Labor Burdens/Incentives		1,139	7,683	-	-	-	621	9,442	
7	Overhead Allocations		1,194	5,511	(21)	-	-	581	7,265	
8	Employee Expenses		1,651	20,646	15	4	1	649	22,965	
9	Contractor Costs		21,282	354,646	249	27	55	895	377,154	
10	Materials & Supplies		2,184	13,064	145	221	18	49	15,680	
11	Internal Fleet Costs		152	1,359	-	-	-	-	1,510	
12	Uncollectible Account Expenses		-	-	-	-	-	1,642	1,642	
13	Other [a]		12	110	-	-	-	-	122	
14	Subtotal - Storm Related Restoration Costs	lines 4:13	31,147	423,329	597	286	102	6,801	462,262	
15										
16	Less: Estimated Non-Incremental Costs									
17	Regular Payroll		(1,140)	(1,145)	-	-	-	(119)	(2,404)	
18	Overtime Payroll		(194)	(467)	-	-	-	-	(662)	
19	Incentives		(1,126)	(1,711)	-	-	-	(91)	(2,929)	
20	Overhead Allocations		(229)	(26)	21	-	-	-	(234)	
21	Internal Fleet Costs		(66)	-	-	-	-	-	(66)	
22	Vegetation Management Costs		(289)	(1,806)	-	-	-	-	(2,096)	
23	Other[b]		(12)	(246)	-	-	-	(5)	(263)	
24	Subtotal - Estimated Non-Incremental Costs	lines 17:23	(3,057)	(5,402)	21	-	-	(216)	(8,653)	
25										
26	Less: Capitalizable Costs		(6,149)	(20,248)	-	-	-	-	(26,397)	
27										
28	Total Recoverable Restoration Costs - System	lines (14 + 24 + 26)	21,941	397,679	619	286	102	6,585	427,212	
29										
30	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
31										
32	Total Recoverable Restoration Costs - Retail	lines (28 x 30)	\$15,403	\$395,933	\$575	\$208	\$98	\$6,585	\$418,802	\$418,802
33										
34	Net Recoverable Retail Restoration Costs	lines (32 - 1)								(362,068)

Notes:

(\$ thousands)

Beginning Storm Reserve Balance per Exh. BB-1	(\$367,152)
Bond Issuance Costs	(1,264)
Adjusted Beginning Storm Reserve Balance	<u>(368,417)</u>
Interest	(8,216)
Amortization	508,479
Ending Storm Reserve Balance per 2017 Settlement Par. 38	<u><u>\$131,847</u></u>

Line	(A) Month	(B) Beginning Storm Reserve Balance	(C) Amortization (Exh. MJO-1 suppl. 12/27/18 Docket No. 20180047)	(D) Interest (2.10% APR)	(E) Net Monthly Activity col. (D) + (E)	(F) Ending Storm Reserve Balance
1	Jan-18	(\$368,417)	\$12,892		\$12,892	(\$355,524)
2	Feb-18	(355,524)	12,892		12,892	(342,632)
3	Mar-18	(342,632)	12,892	(588)	12,304	(330,328)
4	Apr-18	(330,328)	12,892	(567)	12,325	(318,003)
5	May-18	(318,003)	12,892	(545)	12,347	(305,656)
6	Jun-18	(305,656)	12,892	(524)	12,369	(293,287)
7	Jul-18	(293,287)	12,892	(502)	12,390	(280,897)
8	Aug-18	(280,897)	12,892	(480)	12,412	(268,485)
9	Sep-18	(268,485)	12,892	(459)	12,434	(256,051)
10	Oct-18	(256,051)	12,892	(437)	12,455	(243,596)
11	Nov-18	(243,596)	12,892	(415)	12,477	(231,119)
12	Dec-18	(231,119)	12,892	(393)	12,499	(218,619)
13	Annual Total		154,707	(4,910)	149,797	
14	Jan-19	(218,619)	12,892	(371)	12,521	(206,099)
15	Feb-19	(206,099)	12,892	(349)	12,543	(193,556)
16	Mar-19	(193,556)	12,892	(327)	12,565	(180,991)
17	Apr-19	(180,991)	12,892	(305)	12,587	(168,404)
18	May-19	(168,404)	12,892	(283)	12,609	(155,795)
19	Jun-19	(155,795)	12,892	(261)	12,631	(143,164)
20	Jul-19	(143,164)	12,892	(239)	12,653	(130,511)
21	Aug-19	(130,511)	12,892	(217)	12,675	(117,836)
22	Sep-19	(117,836)	12,892	(195)	12,697	(105,139)
23	Oct-19	(105,139)	12,892	(173)	12,720	(92,419)
24	Nov-19	(92,419)	12,892	(150)	12,742	(79,678)
25	Dec-19	(79,678)	12,892	(128)	12,764	(66,913)
26	Annual Total		154,707	(3,001)	151,706	
27	Jan-20	(66,913)	12,892	(106)	12,786	(54,127)
28	Feb-20	(54,127)	12,892	(83)	12,809	(41,318)
29	Mar-20	(41,318)	12,892	(61)	12,831	(28,487)
30	Apr-20	(28,487)	12,892	(39)	12,854	(15,633)
31	May-20	(15,633)	12,892	(16)	12,876	(2,757)
32	Jun-20	(2,757)	12,892	-	12,892	10,135
33	Jul-20	10,135	12,892	-	12,892	23,027
34	Aug-20	23,027	12,892	-	12,892	35,920
35	Sep-20	35,920	12,892	-	12,892	48,812
36	Oct-20	48,812	12,892	-	12,892	61,704
37	Nov-20	61,704	12,892	-	12,892	74,596
38	Dec-20	74,596	12,892	-	12,892	87,489
39	Annual Total		154,707	(305)	154,402	
40	Jan-21	87,489	12,892	-	12,892	100,381
41	Feb-21	100,381	12,892	-	12,892	113,273
42	Mar-21	113,273	12,892	-	12,892	126,165
43	Apr-21	126,165	5,682	-	5,682	131,847
44	May-21	131,847	-	-	-	131,847
45	Annual Total		44,358	-	44,358	
46	Totals		\$508,479	(\$8,216)	\$500,264	