

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**COMMISSION STAFF**

**DIRECT TESTIMONY OF GABRIELLE DEARMOND**

**DOCKET NO. 20250010-EI**

**AUGUST 18, 2025**

**Q. Please state your name and business address.**

A. My name is Gabrielle Dearmond. My business address is 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399.

**Q. By whom are you presently employed and in what capacity?**

A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a Public Utility Analyst in the Office of Auditing and Performance Analysis.

**Q. Briefly review your educational and professional background.**

A. I received a Bachelor of Science degree in Political Science from Florida State University in 2021. I have been employed by the Florida Public Service Commission since February 2025.

**Q. Please describe your current responsibilities.**

A. My responsibilities consist of planning and conducting utility audits of manual and automated accounting systems for historical data.

**Q. Have you presented testimony before this Commission or any other regulatory agency?**

A. No.

**Q. What is the purpose of your testimony today?**

A. The purpose of my testimony is to sponsor the staff audit report of Duke Energy Florida, LLC which addresses the Company's filing in Docket No. 20250010-EI. This audit report is filed with my testimony and is identified as Exhibit GD-1.

1 **Q. Was this audit prepared by you or under your direction?**

2 A. Yes, it was prepared under my direction.

3 **Q. What audit period did you use in this audit?**

4 A. We audited the 12 Months Ended December 31, 2024.

5 **Q. Please describe the work you performed in this audit?**

6 A. The procedures that we performed in this audit are listed in the Objectives and  
7 Procedures section of the attached Exhibit GD-1, pages 4 of 9 through 6 of 9.

8 **Q. Please review the audit findings in this audit report.**

9 A. There was one finding which is presented on page 7 of 9 of the attached Exhibit GD-1.  
10 This finding discusses that the Company used a different Financial Commercial Paper  
11 Rate than audit staff used when calculating the Interest Provision for the months of  
12 January to July 2025. The calculated difference is \$1,306. The effect on the True-up  
13 for the year is immaterial.

14 **Q. Does that conclude your testimony?**

15 A. Yes.

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State of Florida



**Public Service Commission**

Office of Auditing and Performance Analysis  
Bureau of Auditing

**Auditor's Report**

Duke Energy Florida, LLC  
Storm Protection Plan Cost Recovery Clause

**Twelve Months Ended December 31, 2024**

Docket No. 20250010-EI  
Audit Control No. 2025-007-1-2

**June 2, 2025**

A handwritten signature in black ink, appearing to read 'Gabrielle Dearmond', written over a horizontal line.

Gabrielle Dearmond  
Audit Manager

A handwritten signature in blue ink, appearing to read 'Lynn M. Deamer', written over a horizontal line.

Lynn M. Deamer  
Reviewer

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Office of Industry Development & Market Analysis in its audit service request dated January 7, 2025. We have applied these procedures to the attached summary exhibit and to several related schedules prepared by Duke Energy Florida, LLC in support of its 2024 filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 20250010-EI.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definitions

Duke/Company refers to Duke Energy Florida, LLC.

SPPCRC refers to the Storm Protection Plan Cost Recovery Clause.

#### Background

On April 1, 2025 Duke Energy Florida, LLC filed support for its Storm Protection Plan Cost Recovery factor, for the period January 2024 through December 2024, and the 2024 Storm Protection Plan Accomplishments.

### **Rate Base**

#### Plant

**Objectives:** The objective was to determine that the plant additions, retirements, and adjustments for the year ended December 31, 2024, related to the Storm Protection Plan Cost Recovery Clause (SPPCRC) programs.

**Procedures:** We obtained the plant additions and retirements of SPPCRC for 2024. We recalculated the total plant additions by program, and reconciled to Form 7A. We judgmentally selected plant transactions of each program for sample testing, and traced to the supporting documentation. We obtained the supporting documentation of plant additions and transfer adjustments, and traced to Form 7A. No exceptions were noted.

#### Capital Investment

**Objectives:** The objectives were to determine whether: 1) The capital investment for Feeder Hardening, Distribution Lateral Undergrounding, and Transmission Wooden Pole Replacement programs were properly booked and recorded, 2) The corresponding Plant-in-Service and Depreciation Base are appropriately recorded, 3) CWIP Non Interest Bearing Accounts are calculated correctly for the test year ended December 31, 2024.

**Procedures:** We recalculated the capital investment activities for each program, and reconciled to Forms 6A and 7A. We selected a judgmental sample from the Feeder Hardening, Distribution Lateral Undergrounding, and Transmission Wooden Structure Hardening programs and reconciled the transactions to supporting documentation. No exceptions were noted.

### **True-up**

**Objective:** The objective was to determine if the True-Up and Interest Provision, as filed, was properly calculated for SPPCRC.

**Procedures:** We traced the December 31, 2023, True-Up Provision to Order PSC-2024-0459-FOF-EI. We recalculated the True-Up and Interest Provision amounts as of December 31, 2024,

using the Commission-approved beginning balance as of December 31, 2023, the applicable Commercial Paper rates, and the 2024 revenues and costs. Audit staff determined that the Utility did not use the Commission-approved Commercial Paper rate for several months. See Finding 1.

## **Net Operating Income**

### **Operating Revenue**

**Objectives:** The objectives were to determine whether the revenue filed by the Company is supported by Company documentation and agrees to the general ledger.

**Procedures:** We computed revenues using the factors in the Order PSC-2024-0459-FOF-EI and actual Kilowatt Hours (kWh) sales from the Revenue Reports and reconciled them to the general ledger and the SPPCRC. We selected a sample of residential and commercial customers' bills for the period and recalculated each to verify the use of the correct tariff rate. No exceptions were noted.

### **Operation and Maintenance Expense**

**Objectives:** The objectives were to determine the actual kWh sold for the period January 1, 2024, through December 31, 2024, and whether the Company applied the Commission approved cost recovery factor to actual kWh sales for the SPPCRC.

**Procedures:** We recalculated the Overhead Hardening, Vegetation Management, Undergrounding Laterals and Implementation O&M program expenses from the general ledger, and reconciled to Forms 4A and 5A. We performed a judgmental sample for Implementation costs - G&I, Overhead Hardening O&M Programs, Underground O&M Programs, Vegetation Management O&M Programs, and traced them to the supporting documentation. No exceptions were noted.

### **Depreciation and Amortization Expenses**

**Objectives:** The objective was to determine that the most recent Commission-approved depreciation rates and amortization periods were used in the Company's Storm Protection Plan schedules and the amounts were calculated correctly for the period ended December 31, 2024.

**Procedures:** We traced all depreciation rates used by project number from the Company's supporting documentation to the approved Depreciation Rates in Order No. PSC-2021-0202A-AS-EI. We obtained all depreciation rates used for Distribution Lateral Undergrounding Program, Transmission Asset Upgrades Program and Distribution Overhead Feeder Hardening Program, and traced to the Commission-approved depreciation rates. Audit staff determined that the Company has not performed a calculation to determine the amount of depreciation expense savings related to the retirement of existing plant resulting from its SPP programs. No exceptions were noted.

## **Accounting Practices**

**Objectives:** The objectives were to: 1) Substantiate if the Company changed any of its accounting practices, procedures, or guidelines for purposes of implementing cost recovery

through the Storm Cost Recovery Clause, and 2) Determine if the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause.

**Procedures:** We requested and reviewed the accounting practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Protection Plan Cost Recovery Clause. We reviewed whether the Company changed any of its allocation practices, procedures, or guidelines for purposes of implementing cost recovery through the Storm Cost Recovery Clause. We confirmed that the Company has no change to its allocation method. No exceptions were noted.



## Audit Findings

### Finding 1: Interest Provision

**Audit Analysis:** Audit staff recalculated and reconciled the company's True-Up and Interest Provision to the Utility filing and determined that the Company did not use the Commission-approved Financial Commercial Paper Rate for the months from January through July 2024. See Table 1.

**Table 1**

	Interest Rate (First Day of Reporting Month)		Interest Rate (First Day of Subsequence Month)		Interest Provision for Month	
	Per Audit	Per Utility	Per Audit	Per Utility	Total Per Audit	Total Per Utility
<b>January</b>	5.34%	5.32%	5.34%	5.32%	\$ 149,031	\$ 148,362
<b>Feburary</b>	5.34%	5.32%	5.29%	5.29%	\$ 143,425	\$ 143,099
<b>March</b>	5.29%	5.29%	5.33%	5.33%	\$ 134,933	\$ 134,929
<b>April</b>	5.33%	5.33%	5.34%	5.30%	\$ 126,077	\$ 125,506
<b>May</b>	5.34%	5.30%	5.31%	5.31%	\$ 121,272	\$ 120,719
<b>June</b>	5.31%	5.31%	5.30%	5.35%	\$ 123,634	\$ 124,184
<b>July</b>	5.30%	5.35%	5.31%	5.28%	\$ 132,997	\$ 133,291
					<b>Total Adjustment</b>	<b>\$ 1,306</b>

**Effect on the General Ledger:** To be determined by the company.

**Effect on the Filing:** The difference between Amount per Audit and Amount per Company is \$1,306. However, the effect on the filing is minimal.

## Exhibits

### Exhibit 1: True-Up

**Duke Energy Florida**  
**Storm Protection Plan Cost Recovery Clause**  
**True-Up Filing**  
**Actual Period: January through December 2024**  
**Calculation of True-Up Amount**  
**(in Dollars)**

Docket No. 20250010-EI  
Duke Energy Florida, LLC  
Witness: C.A. Menendez  
Exh. No. (CAM-1)  
Form 2A  
Page 2 of 163

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. Clause Revenues (net of Revenue Taxes)	\$ 12,535,923	\$ 12,080,855	\$ 11,499,080	\$ 11,919,835	\$ 14,715,095	\$ 17,133,828	\$ 18,061,350	\$ 18,014,406	\$ 17,343,661	\$ 15,245,982	\$ 13,080,425	\$ 12,018,747	\$ 173,848,986
2. True-Up Provision	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	2,375,385	28,504,383
3. Clause Revenues Applicable to Period (Lines 1 + 2)	14,911,288	14,456,220	13,874,445	14,295,200	17,090,480	19,509,193	20,436,715	20,389,771	19,719,028	17,621,327	15,455,790	14,392,113	202,151,349
4. Jurisdictional Rev. Req. (Form 5A and Form 7A)													
a. Overhead Hardening Distribution	5,086,486	6,086,396	5,759,176	5,453,737	6,399,206	7,832,167	7,337,201	7,800,058	7,969,881	8,446,974	8,925,920	9,255,541	86,885,742
b. Overhead Hardening Transmission	1,806,676	1,982,164	2,118,480	2,375,817	2,280,314	2,336,205	2,378,385	2,389,575	2,548,507	2,538,007	2,662,056	2,749,841	28,282,007
c. Undergrounding	897,843	636,828	893,484	889,037	883,816	1,024,164	1,067,147	1,103,019	1,133,288	1,138,217	1,279,837	988,185	12,114,874
d. Vegetation Management	4,842,204	4,931,580	5,040,030	5,218,188	5,061,447	4,572,234	4,356,152	3,508,358	3,417,104	3,514,907	5,027,915	6,105,653	55,594,782
e. Legal, Accounting, and Administrative (O&M only)	0	0	39,487	157,501	198,638	179,144	125,368	140,082	86,158	87,580	14,800	34,970	1,071,784
f. Total Jurisdictional Revenue Requirements	13,293,209	13,849,987	13,850,636	14,092,290	14,831,421	15,943,913	15,262,231	14,942,091	15,182,937	15,725,665	17,810,828	19,144,200	184,028,189
5. Over/(Under) Recovery (Line 3 - Line 4f)	1,618,079	806,053	23,809	202,910	2,259,039	3,565,280	5,174,484	5,447,680	4,536,090	1,895,662	(2,454,839)	(4,752,087)	18,122,161
6. Interest Provision (Form 3A Line 10)	148,382	143,099	134,929	125,506	120,719	124,184	133,291	145,228	151,578	148,751	133,835	106,528	1,616,010
7. Beginning Balance True-Up & Interest Provision	28,504,383	27,895,459	28,269,248	24,052,619	22,005,671	22,010,084	23,324,182	28,256,573	29,474,116	31,786,418	31,455,467	28,759,098	28,504,383
a. Deferred True-Up from January to December 2024	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450	5,364,450
8. True-Up Collected/(Refunded) (see Line 2)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(2,375,385)	(28,504,383)
9. End of Period Total True-Up (Lines 5+6+7+7a+8)	33,259,910	31,633,896	29,417,070	27,370,121	27,374,514	28,688,613	31,621,023	34,838,566	37,150,869	36,819,917	32,123,548	25,102,624	25,102,624
10. Adjustment to Period True-Up Including Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
11. End of Period Total True-Up (Lines 9 + 10)	\$ 33,259,910	\$ 31,633,896	\$ 29,417,070	\$ 27,370,121	\$ 27,374,514	\$ 28,688,613	\$ 31,621,023	\$ 34,838,566	\$ 37,150,869	\$ 36,819,917	\$ 32,123,548	\$ 25,102,624	\$ 25,102,624

## Exhibit 2: Interest Provision

**Duke Energy Florida**  
**Storm Protection Plan Cost Recovery Clause**  
**True-Up Filing**  
**Actual Period: January through December 2024**  
**Calculation of Interest Provision for True-Up Amount**  
**(in Dollars)**

Docket No. 20250010-EI  
Duke Energy Florida, LLC  
Witness: C.A. Menendez  
Exh. No. (CAM-1)  
Form 3A  
Page 3 of 163

Line	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Actual October	Actual November	Actual December	End of Period Total
1. Beginning True-Up Amount (Form 2A, Line 7+7a+10)	\$ 33,868,833	\$ 33,259,909	\$ 31,633,696	\$ 29,417,069	\$ 27,370,121	\$ 27,374,514	\$ 28,688,812	\$ 31,821,023	\$ 34,838,568	\$ 37,150,898	\$ 38,919,917	\$ 32,123,548	
2. Ending True-Up Amount Before Interest	33,111,547	31,490,597	29,282,140	27,344,815	27,253,785	28,584,428	31,487,732	34,893,338	38,999,290	38,871,168	31,889,713	24,898,096	
3. Total of Beginning & Ending True-Up (Lines 1 + 2)	66,980,380	64,750,506	60,915,836	56,861,884	54,623,915	55,958,942	60,176,544	66,714,360	71,837,858	73,822,034	68,809,630	57,119,644	
4. Average True-Up Amount (Line 3 x 1/2)	33,490,190	32,375,253	30,457,918	28,330,842	27,311,958	27,969,471	30,088,172	33,157,180	35,918,928	36,911,017	34,404,815	28,559,822	
5. Interest Rate (First Day of Reporting Business Month)	5.32%	5.32%	5.29%	5.33%	5.30%	5.30%	5.35%	5.31%	5.21%	4.91%	4.75%	4.58%	
6. Interest Rate (First Day of Subsequent Business Month)	5.32%	5.29%	5.33%	5.30%	5.30%	5.35%	5.28%	5.21%	4.91%	4.75%	4.58%	4.38%	
7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	10.64%	10.61%	10.62%	10.63%	10.60%	10.65%	10.63%	10.52%	10.12%	9.66%	9.33%	8.94%	
8. Average Interest Rate (Line 7 x 1/2)	5.320%	5.305%	5.310%	5.315%	5.300%	5.325%	5.315%	5.260%	5.060%	4.830%	4.665%	4.470%	
9. Monthly Average Interest Rate (Line 8 x 1/12)	0.443%	0.442%	0.443%	0.443%	0.442%	0.444%	0.443%	0.438%	0.422%	0.403%	0.388%	0.373%	
10. Interest Provision for the Month (Line 4 x Line 9)	\$ 148,382	\$ 143,099	\$ 134,929	\$ 125,506	\$ 120,719	\$ 124,184	\$ 133,291	\$ 145,228	\$ 151,578	\$ 148,751	\$ 133,835	\$ 106,528	\$ 1,616,010

Prior to August 2024, DEF used the AA branded 30-day rate on the Federal Reserve site (see link below) for the First Day of the Reporting Month and First Day of the Subsequent Month interest rates. If those specific days were not available (i.e. first day rate not listed), then DEF used the most recent available day.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery  
clause.

DOCKET NO. 20250010-EI

DATED: AUGUST 18, 2025

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the testimony of Gabrielle Dearmond on behalf of the staff of the Florida Public Service Commission was electronically filed with the Office of Commission Clerk, Florida Public Service Commission, and copies were furnished by electronic mail to the following on this 18<sup>th</sup> day of August, 2025.

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