



Arnold Garcia
Director, Insurance
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February 12, 2026

Via Next Day Courier

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-850

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COMMISSION
CLERK

Dear Mr. Teitzman:

By Rule 25-6.0143(1)(m) F.A.C, issued June 11, 2007, Duke Energy Florida, LLC is required to file an annual report providing information on four specific items related to its self-insured program for transmission and distribution line ("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** – The property insurance markets continue to be restrictive. Traditional insurance coverage for storm-related damages to T&D at reasonable costs and deductibles on a standalone basis remains unavailable. There is an exception to T&D assets with regards to substations; these are insured under Duke's Conventional Property Insurance program.
2. **Status of the proposed Industry-Wide T&D Program** – An industry-wide program covering catastrophic storm damage to aboveground distribution assets remains economically unfeasible, except for substations, which are insured under Duke's Conventional Property Insurance program.
3. **At least once per year, Duke surveys the marketplace through its insurance brokers and partners for an economical means of insuring T&D assets.** There continues to be no economical insurance coverage available, except for substations. Duke Energy Florida continues to monitor activity in this area.
4. **Update on the Evaluation of Duke Energy Florida's Exposure and the Adequacy of the Storm Damage Reserve** – As a result of Order No. PSC-2010-0131-FOF-EI, Duke Energy Florida (DEF) is not collecting in base rates any funds to replenish or increase its storm damage reserve. However, pursuant to Duke Energy Florida's 2024 Settlement Agreement, approved in Order No. PSC-2024-0472-AS-EI, effective January 2025 through December 2027, Duke Energy Florida is not precluded

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from petitioning for recovery of storm damage costs and replenishment of its storm damage reserve up to \$132 million.

On December 27, 2024, Duke Energy Florida filed a petition in Docket No. 20240173 to implement a storm surcharge from March 2025 through February 2026 to recover estimated incremental storm restoration costs related to Hurricanes Debby, Helene and Milton, and to replenish the storm reserve. On January 5, 2026, DEF filed with the FPSC to terminate the storm surcharge at the end of January 2026.

5. **Feasibility and Cost-Effectiveness of a Risk-Sharing Plan among Investor-Owned Electric Utilities in Florida** – See Item 2 above.

Also enclosed for filing as Attachment 1 to this report is a summary schedule of the amounts recorded in Accounts 186.295, 228.100, and 228.101 as of December 31, 2025.

Duke Energy Florida respectfully requests that this letter serve as its annual report. 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.

Sincerely,



Arnold Garcia
Director, Insurance
Duke Energy Corporation

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Attachment 1

Summary Schedule of the Amounts Recorded in Account 228.1 as of December 31, 2025

Duke Energy Florida, LLC Net Storm Balances (In Thousands) Dr/(Cr)	*Account 186.295/182.370		Account 228.101		Total Net Balance
	Deferred Storm	Account 228.100	Non-Retail Storm		
	Reserve	Retail Storm Reserve	Reserve		
December 2024 GL Balance	\$ 923,799	\$ -	\$ 12,152	\$	\$ 935,951
2024 Storms Audit Fee - Deloitte Engagement	\$ 495	\$ -	\$ -	\$	\$ 495
Customer Collection Storm Amortization	\$ (796,314)	\$ (131,848)	\$ (7,937)	\$	\$ (936,099)
Hurricane Debby ¹	\$ (1,633)	\$ -	\$ -	\$	\$ (1,633)
Hurricane Helene ¹	\$ (66,619)	\$ -	\$ -	\$	\$ (66,619)
Hurricane Idalia ²	\$ (600)	\$ -	\$ -	\$	\$ (600)
Hurricane Milton ¹	\$ (84,092)	\$ -	\$ -	\$	\$ (84,092)
Interest Collected on Unrecoverable Balance - related to Storm Amortization	\$ 12,057	\$ -	\$ -	\$	\$ 12,057
Miscellaneous Charges	\$ 74	\$ -	\$ -	\$	\$ 74
Net Storm Reserve JE	\$ 12,833	\$ (9,470)	\$ -	\$	\$ 3,363
Over Collection of Reserve Replenishment to be refunded through fuel clause	\$ -	\$ 9,470	\$ -	\$	\$ 9,470
Subtotal	\$ (923,799)	\$ (131,848)	\$ (7,937)	\$	\$ (1,063,584)
December 2025 GL Balance	\$ -	\$ (131,848)	\$ 4,215	\$	\$ (127,633)

* Duke Energy Florida, LLC uses Account No. 186, Miscellaneous Deferred Debits to defer recoverable storm costs. The balances are held in this account until filed for recovery, at which time they are reclassified to the proper 228.1 Storm Reserve accounts.
1) per Docket No. 20240173
2) per Docket No. 20230116