



Stephanie A. Cuello  
SENIOR COUNSEL

April 10, 2026

**VIA ELECTRONIC FILING**

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

Re: Review of incentive mechanisms for the electric investor-owned utilities;  
Docket No. 20250032-EI

Dear Mr. Teitzman:

Please find attached for electronic filing Duke Energy Florida, LLC's Comments Regarding Review of Incentive Mechanisms.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1428.

Sincerely,

*/s/ Stephanie A. Cuello*

Stephanie A. Cuello

SAC/clg  
Attachment

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Review of Incentive Mechanisms for  
the Electric Investor-Owned Utilities

Docket No. 20250032-EI

Dated: April 10, 2026

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**DUKE ENERGY FLORIDA, LLC'S COMMENTS REGARDING  
REVIEW OF INCENTIVE MECHANISMS**

Duke Energy Florida, LLC (“DEF”), pursuant to the Staff Workshop in Docket No. 20250032-EI, Review of Incentive Mechanisms for the Electric Investor-Owned Utilities, DEF offers its comments below to Staff’s proposal issued on January 26th, 2026, regarding a Common Asset Optimization Mechanism (“AOM”) for All Electric Investor-Owned Utilities. DEF’s comments are being made with the understanding that any changes to DEF’s AOM, which is in place for the 2025 – 2027 period (“Settlement Period”), as approved by Order No. PSC-2024-0472-AS-EI, would be implemented no earlier than the beginning of 2028, and that any recoveries due to DEF associated with Company benefits earned during the Settlement Period would not be impacted by any changes currently being proposed, even if those benefits are recovered or included in a clause filing after the Settlement Period ends.

**Revenue Sharing**

DEF believes the current AOM process is appropriate, is working well for customers and the Company, and does not require modification or revision. DEF’s 2025 Fuel True-up filing demonstrates the benefits customers are receiving from the current AOM. Given DEF’s Settlement, as noted above, modifications to the AOM process are unnecessary at this time. During DEF’s last rate case, DEF filed testimony and answered discovery on the current AOM process. Further, the current process allows flexibility for each utility to craft an AOM program

that best fits their customers and system. DEF supports the continuation of the current AOM process.

Notwithstanding the benefits described above, should the Commission seek to change the current AOM process, DEF believes Staff's Option 2 is a potentially viable alternative . If the Commission were to select Option 2, DEF believes the sharing percentage calculated should be updated to include DEF's 2025 AOM activity. For example, DEF estimates that including the 2025 DEF AOM results in Staff's original calculation would increase the sharing percentage to approximately 35%. DEF reiterates its position that the current AOM process is appropriate and effective and is providing demonstrated benefits to customers.

DEF does not believe Option 1 acts as a proper incentive. Option 1 is a reversion to the prior economy sales methodology and effectively eliminates the improved, cooperative incentive structure of the current AOM.

#### **Allowable Activities**

DEF finds Staff's proposed allowable activities acceptable. As proposed, the allowable activities continue to cover, but are not limited to, DEF's currently approved activities. Additionally, Staff's proposal allows for inclusion of any additional optimization activities with existing utility assets, as long as reliability is maintained for ratepayers.

#### **Incremental Costs**

DEF supports Staff's incremental cost proposal.

#### **GPIF**

DEF supports the continuation of the GPIF process and does not believe GPIF should

be included in the AOM discussion. The GPIF is a separate and distinct process and mechanism from AOM. While the GPIF is complimentary to AOM, there is no direct overlap with DEF's AOM process as GPIF measures the availability and efficiency of DEF's included generation units.

### **Conclusion**

DEF believes the current AOM process is appropriate and does not require modification or revision and supports Staff's proposed allowable activities and incremental costs. DEF supports the continuation of GPIF independent of AOM.

Respectfully submitted,

*/s/ Stephanie A. Cuello*

**DIANNE M. TRIPLETT**

Deputy General Counsel

299 1<sup>st</sup> Avenue North

St. Petersburg, Florida 33701

T: (727) 820-4692

E: [dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com)

**MATTHEW R. BERNIER**

Associate General Counsel

106 East College Avenue, Suite 800

Tallahassee, Florida 32301

T: (850) 521-1428

E: [matt.bernier@duke-energy.com](mailto:matt.bernier@duke-energy.com)

**STEPHANIE A. CUELLO**

Senior Counsel

106 East College Avenue, Suite 800

Tallahassee, Florida 32301

T: (850) 521-1425

E: [stephanie.cuello@duke-energy.com](mailto:stephanie.cuello@duke-energy.com)

[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 10<sup>th</sup> day of April, 2026.

/s/ Stephanie A. Cuello  
Attorney

<p>Carlos Marquez / Shaw Stiller Office of General Counsel FL Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 <a href="mailto:CMarquez@psc.state.fl.us">CMarquez@psc.state.fl.us</a> <a href="mailto:sstiller@psc.state.fl.us">sstiller@psc.state.fl.us</a> <a href="mailto:discovery-gcl@psc.state.fl.us">discovery-gcl@psc.state.fl.us</a></p> <p>J. Wahlen / M. Means / V. Ponder Ausley McMullen Tampa Electric Company P.O. Box 391 Tallahassee, FL 32302 <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a> <a href="mailto:mmeans@ausley.com">mmeans@ausley.com</a> <a href="mailto:vponder@ausley.com">vponder@ausley.com</a></p> <p>William C. Garner Southern Alliance for Clean Energy 3425 Bannerman Road Unit 105, #414 Tallahassee, FL 32312 <a href="mailto:bgarner@wcglawoffice.com">bgarner@wcglawoffice.com</a></p> <p>Bradley Marshall/Jordan Luebke Earthjustice 111 S. Martin Luther King Jr. Blvd. Tallahassee FL 32301 <a href="mailto:bmarshall@earthjustice.org">bmarshall@earthjustice.org</a> <a href="mailto:jluebke@earthjustice.org">jluebke@earthjustice.org</a></p>	<p>W. Trierweiler / C. Rehwinkel Office of Public Counsel 111 W. Madison St., Room 812 Tallahassee, FL 32399-1400 <a href="mailto:trierweiler.walt@leg.state.fl.us">trierweiler.walt@leg.state.fl.us</a> <a href="mailto:rehwinkel.charles@leg.state.fl.us">rehwinkel.charles@leg.state.fl.us</a></p> <p>Beth Keating Gunster, Yoakley &amp; Stewart, P.A. Florida Public Utilities Company 215 South Monroe Street, Suite 601 Tallahassee, FL 32301 <a href="mailto:bkeating@gunster.com">bkeating@gunster.com</a></p> <p>Christopher Wright Florida Power &amp; Light Company 700 Universe Blvd Juno Beach, FL 33408-0420 <a href="mailto:christopher.wright@fpl.com">christopher.wright@fpl.com</a></p>
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