State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 9, 2026

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis LD

RE: Docket No.: 20260010-EI
Company Name: Duke Energy Florida, LLC
Company Code: EI801
Audit Purpose: A3g: Storm Protection Plan Cost Recovery Clause
Audit Control No.: 2026-020-1-2

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and audit report. If the Utility desired to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

Attachement: Audit Report

Cc: Office of Audit & Performance Analysis

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, 2025

Docket No. 20260010-EI
Audit Control No. 2026-020-1-2
June 5, 2026

Grayson DiBernardo
Audit Manager

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 9, 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 2025 filing for the Storm Protection Plan Cost Recovery Clause in Docket No. 20260010-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, 2026, Duke Energy Florida, LLC filed support for its Storm Protection Plan Cost Recovery factor, for the period January 2025 through December 2025, and the 2025 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, 2025, related to the Storm Protection Plan Cost Recovery Clause (SPPCRC) programs.

Procedures: We obtained the plant additions and retirements of SPPCRC for 2025. 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 and Distribution Lateral Undergrounding programs were properly booked and recorded, 2) The corresponding Plant-in-Service and Depreciation Base are appropriately recorded, and 3) CWIP Non Interest Bearing Accounts are calculated correctly for the test year ended December 31, 2025.

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 and Lateral Underground 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, 2024, True-Up Provision to Commission Order No. PSC-2024-0459-FOF-EI. We recalculated the True-Up and Interest Provision amounts as of

December 31, 2025, using the Commission-approved beginning balance as of December 31, 2024, the Financial Commercial Paper rates, and the 2025 revenues and costs. No exceptions were noted.

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 Commission Order No. PSC-2024-0459-FOF-EI and actual Kilowatt Hours (kWh) sales from the Revenue Reports and reconciled them to the general ledger and Form 2A. 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: 1) review the expenses the Company included in the clause and determine whether these expenses are properly recoverable and supported by documentation.

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 determined 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, 2025.

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 deprecation 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 not changed its allocation method. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: True-Up

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
True-Up Filing
Actual Period: January through December 2025

Calculation of True-Up Amount
(In Dollars)

Docket No. 20250010-EI
Duke Energy Florida, LLC
Witness: G.P. Dean
Exh. No. (GPD-1)
Form 2A
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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)		$ 20,781,449	$ 19,475,501	$ 17,298,181	$ 19,357,390	$ 21,764,633	$ 26,170,779	$ 26,857,861	$ 28,585,095	$ 25,724,382	$ 23,233,509	$ 18,403,644	$ 17,530,124	$ 265,182,850
2. True-Up Provision	15,623,557	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	$ 1,301,963	15,623,557
3. Clause Revenues Applicable to Period (Lines 1 + 2)		22,083,413	20,777,764	18,600,144	20,659,354	23,066,597	27,472,742	28,159,824	29,887,058	27,026,345	24,535,472	19,705,607	18,832,087	280,806,407
4. Jurisdictional Rev. Req. (Form 5A and Form 7A)														
a. Overhead Hardening Distribution		9,990,726	10,140,837	10,558,732	11,168,310	11,682,282	11,315,399	12,716,258	13,131,515	13,751,554	14,057,165	14,146,944	14,215,220	146,874,944
b. Overhead Hardening Transmission		2,845,037	2,895,169	3,248,309	3,180,206	3,254,003	3,321,702	3,332,858	3,463,030	3,506,572	3,609,490	3,670,801	3,794,779	40,123,954
c. Undergrounding		1,158,129	1,378,689	1,282,150	1,307,387	1,337,243	1,359,366	1,455,594	1,521,472	1,603,630	1,679,414	4,285,425	3,598,352	21,967,051
d. Vegetation Management		4,645,928	5,253,282	5,499,348	5,825,649	4,511,596	5,386,538	5,961,847	4,152,114	3,975,367	5,782,110	4,061,229	5,519,970	60,875,981
e. Legal, Accounting, and Administrative (O&M only)		3,306	572	4,656	5,564	10,770	345	4,498	0	0	0	0	0	30,913
f. Total Jurisdictional Revenue Requirements		18,644,126	19,668,549	20,593,395	21,488,116	21,095,896	21,383,351	23,471,055	22,268,132	22,839,323	25,128,178	26,164,399	27,128,321	269,872,843
5. Over/(Under) Recovery (Line 3 - Line 4f)		3,439,286	1,109,215	(1,993,251)	(828,762)	1,970,700	6,089,391	4,688,769	7,618,926	4,187,022	(592,707)	(6,458,792)	(8,296,234)	10,933,564
6. Interest Provision (Form 3A Line 10)		95,002	98,876	92,392	82,243	80,357	90,729	105,518	122,679	135,691	132,735	114,213	83,041	1,233,486
7. Beginning Balance True-Up & Interest Provision		15,623,557	17,855,882	17,762,010	14,559,188	12,510,706	13,259,811	18,137,968	21,630,292	28,069,934	31,090,684	29,328,749	21,682,207	15,623,557
a. Deferred True-Up from January to December 2024		9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063	9,479,063
8. True-Up Collected/(Refunded) (see Line 2)		(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(1,301,963)	(15,623,556)
9. End of Period Total True-Up (Lines 5+6+7+7a+8)		27,334,946	27,241,074	24,038,252	21,989,770	22,738,874	27,617,031	31,109,356	37,548,997	40,569,747	38,807,813	31,161,271	21,646,115	21,646,115
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)		$ 27,334,946	$ 27,241,074	$ 24,038,252	$ 21,989,770	$ 22,738,874	$ 27,617,031	$ 31,109,356	$ 37,548,997	$ 40,569,747	$ 38,807,813	$ 31,161,271	$ 21,646,115	$ 21,646,115

Exhibit 2: Interest Provision

Duke Energy Florida
Storm Protection Plan Cost Recovery Clause
True-Up Filing
Actual Period: January through December 2026

Calculation of Interest Provision for True-Up Amount
(in Dollars)

Docket No. 20260010-EI
Duke Energy Florida, LLC
Witness: G.P. Dean
Exh. No. (GPD-1)
Form 3A
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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)	$ 25,102,620	$ 27,334,945	$ 27,241,073	$ 24,038,251	$ 21,989,769	$ 22,728,874	$ 27,617,031	$ 31,109,355	$ 37,548,997	$ 40,569,747	$ 38,807,812	$ 31,161,270	
2. Ending True-Up Amount Before Interest	27,239,943	27,142,197	23,945,859	21,907,526	22,658,507	27,526,302	31,003,837	37,426,318	40,434,056	38,675,077	31,047,057	21,563,073	
3. Total of Beginning & Ending True-Up (Lines 1 + 2)	52,342,563	54,477,142	51,186,932	45,945,777	44,648,276	50,265,176	58,620,868	68,535,673	77,983,052	79,244,824	69,854,870	52,724,343	
4. Average True-Up Amount (Line 3 x 1/2)	26,171,282	27,238,571	25,593,466	22,972,889	22,324,138	25,132,588	29,310,434	34,267,837	38,991,526	39,622,412	34,927,435	26,362,172	
5. Interest Rate (First Day of Reporting Business Month)	4.36%	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.26%	4.08%	3.96%	3.89%	
6. Interest Rate (First Day of Subsequent Business Month)	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.26%	4.08%	3.96%	3.89%	3.66%	
7. Total of Beginning & Ending Interest Rates (Lines 5 + 6)	8.71%	8.70%	8.67%	8.60%	8.63%	8.66%	8.63%	8.58%	8.34%	8.04%	7.85%	7.55%	
8. Average Interest Rate (Line 7 x 1/2)	4.355%	4.350%	4.335%	4.300%	4.315%	4.330%	4.315%	4.290%	4.170%	4.020%	3.925%	3.775%	
9. Monthly Average Interest Rate (Line 8 x 1/12)	0.363%	0.363%	0.361%	0.358%	0.360%	0.361%	0.360%	0.358%	0.348%	0.335%	0.327%	0.315%	
10. Interest Provision for the Month (Line 4 x Line 9)	$ 95,002	$ 98,876	$ 92,392	$ 82,243	$ 80,367	$ 90,729	$ 105,518	$ 122,679	$ 135,691	$ 132,735	$ 114,213	$ 83,041	$ 1,233,486