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: July 7, 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.: 20260002- EG
Company Name: Duke Energy Florida, LLC
Company Code: EI801
Audit Purpose: A3b: Energy Conservation Cost Recovery Clause (ECCR)
Audit Control No.: 2026-015-1-2

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
Energy Conservation Cost Recovery Clause

Twelve Months Ended December 31, 2025

Docket No. 20260002-EG
Audit Control No. 2026-015-1-2
July 7, 2026

K. Sai Rashmitha.

Sai Rashmitha Kolli
Audit Manager

Lynn M Deamer

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 Division of Economics in its audit service request dated January 5, 2026. We have applied these procedures to the attached summary exhibits and to several related schedules prepared by Duke Energy Florida, LLC in support of its 2025 filings for the Energy Conservation Cost Recovery Clause in Docket No. 20260002-EG.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definition

Company refers to Duke Energy Florida, LLC.
ECCR refers to the Energy Conservation Cost Recovery Clause.

Revenue

Operating Revenues

Objectives: The objectives were to determine the actual Kilowatt Hours (kWh) sold for the period January 1, 2025, through December 31, 2025, and whether the Company applied the Commission-approved cost recovery factor to actual kWh sales for the ECCR.

Procedures: We reconciled the 2025 filings to the Company's monthly ECCR Revenue Reports. We recalculated the revenues from the general ledger and reconciled to Schedule CT-3. We computed the factors by rate code and compared them to the applicable Commission Order. We judgmentally sampled and recalculated residential and commercial bills by rate class in Docket No. 20260001-EI, Audit Control Number 2026-012-1-3, to verify that the correct tariff rates were used. No exceptions were noted.

Expense

Operation and Maintenance Expense

Objectives: The objectives were to verify that Operation and Maintenance (O&M) Expense listed on Schedule CT-3 was supported by adequate documentation and that the expenses are appropriately recoverable through the ECCR.

Procedures: We traced 2025 expenses in the filing to the general ledger detail. We judgmentally selected a sample of expenses for testing. The source documentation for selected items was reviewed to ensure that the expenses were for the current period, charged to the correct accounts, and appropriately recoverable through the ECCR. We reconciled incentives to the corresponding approved program standard. Advertising expenses were reviewed for compliance with Rule 25-17.015(5), Energy Conservation Cost Recovery, Florida Administrative Code. No exceptions were noted.

True-up

Objective: The objective was to determine if the True-Up and Interest Provisions as filed on the Schedule CT-3 were properly calculated.

Procedures: We traced the December 31, 2024, True-Up Provision to the Commission Order No. PSC-2024-0484-FOF-EG. 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 ECCR revenues and costs. No exceptions were noted.

Other Issues

Objective: The objective was to verify the number of program participants reported in the Company's Florida Energy Efficiency and Conservation Act (FEECA) filing.

Procedures: We verified the number of program participants reported in the Company's 2026 FEECA filings for the following programs: Neighborhood Energy Saver, Low-Income Weatherization Assistance Program, Technology Development, and Interruptible Service. We verified the type of the above-mentioned program participants, and whether the participants had access to the programs through walk-through, computer-assisted, online, phone, or other means. No exceptions were noted.

Analytical Review

Objective: The objective was to perform an analytical review of the Company's ECCR Revenues and Expenses to determine if there were any material changes or inconsistencies from the prior year.

Procedures: We compared 2022 through 2025 revenues and expenses. We obtained the explanations from the Company for the substantial changes, and the explanations were sufficient. No further work was performed.

Audit Findings

None

Exhibits

Exhibit 1: True-Up

Duke Energy Florida, LLC
Energy Conservation Cost Recovery
Energy Conservation Adjustment
Calculation of True-Up
January 2025 - December 2025

Docket No. 20260002-EG
Duke Energy Florida, LLC
Witness: Karla Rodriguez
Exhibit No. 1 (KR-1T)
Schedule CT-3
Page 2 of 4
May 5, 2026

Line No.		Act January	Act February	Act March	Act April	Act May	Act June	Act July	Act August	Act September	Act October	Act November	Act December	Total
1	ECCR Revenues	$9,057,562	$8,443,289	$7,605,878	$8,445,172	$9,405,565	$11,282,919	$11,509,206	$12,277,767	$11,041,503	$10,044,223	$8,060,464	$7,690,510	$114,864,056
2	Prior Period True-Up Over/(Under) Recovery	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	13,433,500
3	ECCR Revenues Applicable to Period	10,177,020	9,562,747	8,725,336	9,564,630	10,525,023	12,402,377	12,628,664	13,397,225	12,160,962	11,163,681	9,179,922	8,809,968	128,297,556
4	ECCR Expenses	10,215,564	11,050,105	8,727,750	9,042,127	10,830,834	10,531,626	10,435,345	11,499,503	10,864,798	11,415,316	7,523,467	11,893,292	124,029,727
5	True-Up This Period (Over)/Under Recovery	38,544	1,487,358	2,414	(522,503)	305,811	(1,870,751)	(2,193,319)	(1,897,722)	(1,296,164)	251,635	(1,656,455)	3,083,324	(4,267,828)
6	Current Period Interest	(46,651)	(39,943)	(33,215)	(29,986)	(26,562)	(25,535)	(28,820)	(32,036)	(32,940)	(29,865)	(27,893)	(21,148)	(374,624)
7	Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
8	True-Up & Interest Provision Beginning of Period	(13,433,500)	(12,322,149)	(9,755,275)	(8,666,618)	(8,099,649)	(6,700,942)	(7,477,769)	(8,580,450)	(9,390,750)	(9,600,425)	(8,259,197)	(8,824,087)	(13,433,500)
9	GRT Refunded	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Prior Period True-Up Over/(Under) Recovery	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	1,119,458	13,433,500
11	End of Period Net True-Up	($12,322,149)	($9,755,275)	($8,666,618)	($8,099,649)	($6,700,942)	($7,477,769)	($8,580,450)	($9,390,750)	($9,600,425)	($8,259,197)	($8,824,087)	($4,642,452)	($4,642,452)

Exhibit 2: Interest Provision

Duke Energy Florida, LLC
Energy Conservation Cost Recovery
Calculation of Interest Provision
January 2025 - December 2025

Docket No. 20260002-EG
Duke Energy Florida, LLC
Witness: Karla Rodriguez
Exhibit No. 1 (KR-1T)
Schedule CT-3
Page 3 of 4
May 5, 2026

Line No.		Act January	Act February	Act March	Act April	Act May	Act June	Act July	Act August	Act September	Act October	Act November	Act December	Total
1	Beginning True-Up Amount (C3, Page 7, Lines 7 & 8)	($13,433,500)	($12,322,149)	($9,755,275)	($8,666,818)	($8,099,649)	($6,700,842)	($7,477,769)	($8,550,450)	($9,390,780)	($9,600,425)	($8,259,197)	($8,824,087)	
2	Ending True-Up Amount Before Interest (C3, Page 7, Lines 5,7-10)	(12,275,495)	(9,715,332)	(8,633,403)	(8,069,663)	(6,674,380)	(7,452,234)	(8,551,630)	(9,358,714)	(9,567,485)	(8,229,332)	(8,796,194)	(4,621,304)	
3	Total Beginning & Ending True-Up (Line 1 + Line 2)	(25,708,995)	(22,037,481)	(18,388,678)	(16,736,281)	(14,774,029)	(14,153,177)	(16,029,400)	(17,939,164)	(18,958,265)	(17,829,757)	(17,055,390)	(13,445,391)	
4	Average True-Up Amount (50% of Line 3)	(12,854,499)	(11,018,740)	(9,194,339)	(8,368,141)	(7,387,015)	(7,076,588)	(8,014,700)	(8,969,582)	(9,479,133)	(8,914,879)	(8,527,695)	(6,722,696)	
5	Interest Rate: First Day 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 Subsequent Business Month	4.35%	4.35%	4.32%	4.28%	4.35%	4.31%	4.32%	4.26%	4.05%	3.96%	3.89%	3.66%	
7	Total (Line 5 & Line 6) (Line 5 + Line 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 (50% of Line 7)	4.36%	4.35%	4.34%	4.30%	4.32%	4.33%	4.32%	4.29%	4.17%	4.02%	3.93%	3.78%	
9	Interest Provision (Line 4 * Line 8) / 12	($46,651)	($39,943)	($33,215)	($29,956)	($26,562)	($25,535)	($28,820)	($32,068)	($32,940)	($29,865)	($27,893)	($21,148)	($374,624)