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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC, for a limited proceeding to approve large load tariff	Docket No. 20260064-EI Dated: July 29, 2026

DUKE ENERGY FLORIDA, LLC'S
PREHEARING STATEMENT

Pursuant to the Order Establishing Procedure No. PSC-2026-0120-PCO-EI (the "OEP"), Duke Energy Florida, LLC ("DEF"), hereby submits its Prehearing Statement:

A. **Known Witnesses** - DEF intends to offer the testimony of:

Direct

Witness	Subject Matter	Issues#
Matthew Chatelain	Summarize and explain major components of the LLCA, LLCP, and CIAC tariffs.	A-C, E, 1-4
Steven Wishart	General industry practices regarding large load customers and tariffs to address large load customers	A-C, 1-3
Benjamin Borsch (Rebuttal)	Rebut Karl Rabago and Ron Nelson's testimony; clarify system planning issues regarding serving large load customers	1-2
Steven Wishart (Rebuttal)	Rebut Karl Rabago and Ron Nelson's testimony; compliance of DEF's filing with new legislation, appropriateness of embedded cost allocation; reasonableness of CIAC and other LLCA/LLCP provisions	A-C, 1-3
Matthew Chatelain (Rebuttal)	Rebut Karl Rabago and Ron Nelson's testimony; compliance of DEF's filing with new legislation, reasonableness of CIAC and other LLCA/LLCP provisions; how DEF's proposal protects existing customers during the rate freeze in the 2024 Settlement Agreement	A-C, E, 1-4

B. **Known Exhibits** – DEF intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description	Issue #
Matthew Chatelain	DEF	(MJC-1)	Comparison of tariffs filed in Docket 20250113-EI to tariffs filed in this docket.	1-4

DEF reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

C. **Statement of Basic Position -**

As shown in DEF's Petition, Testimony, and Exhibits, DEF's proposed Large Load Customer Policy ("LLCP") and Large Load Customer Agreement ("LLCA") comply with Section 366.043, Fla. Stat., and represent a reasonable, measured approach to accommodate new large loads by appropriately balancing the interests of these customers and the other existing and future DEF customers. All large load customers will take service under the existing GSD-1 or GSDT-1 rate, until DEF presents a large load customer rate in a future proceeding, no later than first quarter 2027. That new proposed rate schedule for large load customers will meet the objectives of the new legislation. Existing customers are fully protected from the potential cost of serving any new large load customers between now and January 1, 2028, because, pursuant to DEF's current settlement agreement, DEF cannot change its rates.

All large load customers with a Peak Contract Demand forecast reasonably expected to be greater than or equal to a Monthly Maximum Demand of 50,000 kW (50 MW) of firm load will (1) be subject to the new proposed LLCP, and (2) execute a new proposed customer agreement, the LLCA. DEF has also proposed changes to the CIAC tariff, such that large load applicants will be required to advance the total estimated costs to extend service. The proposed LLCP and LLCA include important protections for existing customers to recognize the unique nature of new large load customers. The Direct Testimony and Exhibits of DEF Witnesses Matt Chatelain and Steve Wishart, as well as the rebuttal testimony of these witnesses and witness Benjamin Borsch, demonstrate that DEF's proposed approach fully complies with Section 366.043 and provides reasonable protections for existing customers.

Specifically, DEF proposes certain minimum "take-or-pay" provisions based on 75-85% of contracted capacity. These protections help ensure that large load customers pay for the incremental costs incurred by DEF to serve them. In addition, the Company requests a 20-year LLCA contract term for large load customers. If a customer terminates service before the minimum term expires, DEF will require that the customer provide a two-year termination notice. The customer must also pay termination damages that vary depending on when the customer terminates the contract. For example, if the customer terminates before taking service, the customer must pay all actual costs incurred by DEF to date. If termination occurs after taking service, the termination payment is equal to the three years of minimum bill payments plus the net book value of the CIAC facilities less any refundable portion of the upfront CIAC payment, which has not yet been refunded.

Finally, to secure all payment obligations from the customer associated with DEF providing service, the customer must provide adequate security, in the form of a letter of credit, cash, or parent guarantee. The amounts vary depending on the amount being secured and the creditworthiness of the counterparty.

DEF's proposed tariff should be approved because it establishes a reasonable and enforceable framework for large load service and provides meaningful protections against cost shifting to existing customers. The intervenor proposals would require the Commission to resolve complex, customer-specific cost allocation and rate design issues prematurely, without an actual qualifying customer or a complete evidentiary record. DEF's proposal strikes the appropriate balance by protecting customers today, preserving commercially reasonable terms for prospective large load customers, and maintaining the Commission's full authority to evaluate detailed cost-of-service issues in DEF's next rate proceeding.

D. Issues and Positions

ISSUE A: Does DEF's petition and associated tariffs comply with the requirements of Section 366.03, Florida Statutes?

DEF: Yes. DEF's filing fully complies with Section 366.03, Fla. Stat. This statute obligates DEF to provide service to all customers, including large load customers. *See* sec. 366.03, Fla. Stat. ("Each public utility shall furnish to each person applying therefor reasonably sufficient, adequate, and efficient service upon terms as required by the commission."). **It** further requires that DEF's rates be "fair and reasonable." As discussed in the position to issue B, DEF's petition and associated tariffs, in recognition of this requirement to provide electricity to all customers requesting it, provide fair and reasonable terms and conditions to serve large load customers while protecting existing customers.

DEF's proposed tariffs are fair and reasonable because they establish rates large load customers can take service under now, while the existing settlement ensures no rate increase to existing customers. DEF expressly commits to filing a new rate schedule designed to comply with all statutory requirements to take effect on January 1, 2028, and requests that the Commission memorialize that obligation in its order. That commitment provides a clear path for Commission review of the detailed cost allocation and rate design issues that are more appropriately addressed in DEF's next rate proceeding. (Chatelain, Wishart)

ISSUE B: Does DEF's petition and associated tariffs comply with the requirements of Section 366.043, Florida Statutes?

DEF: Yes. DEF's filing fully complies with Section 366.043, Fla. Stat, which requires each public utility to file a large load tariff, for commission approval, meeting minimum tariff and service requirements that (1) reasonably ensure that each large load customer bears its own full cost of service and that such cost is not shifted to the general body of ratepayers and (2) include provisions reasonably designed to prevent a public utility from providing electric service to a customer that would otherwise qualify as a large load customer if that customer is a foreign entity. Subsection 5 lists utility industry-accepted ratemaking and other financial tool elements that the Commission may approve as part of meeting the large load tariff requirements. The House Message Summary, provided on March 11, 2026, describing the approved House Amendment – 383957, specifically notes that the final revisions to SB 484 make "the rate making and other financial tools to effectuate large load tariffs to be optional and does not provide or direct the PSC to use these in creating minimum standards."

The proposal includes coordinated cost responsibility and risk mitigation mechanisms, such as CIAC requirements, minimum bill obligations, termination provisions, and financial assurance requirements, that collectively satisfy the statute's objectives while preserving the Commission's authority to appropriately determine cost allocation and rate design in a general rate proceeding.

DEF's proposed tariff is consistent with the legislative requirement that the utility must reasonably ensure that each large load customer bears its own full cost of service and that such cost is not shifted to the general body of ratepayers. DEF's proposed tariffs do that by establishing rates large load customers can take service under now, while the existing settlement ensures no rate increase to existing customers. DEF expressly commits to filing a new rate schedule designed to comply with the statutory requirements to take effect on January 1, 2028, and requests that the Commission memorialize that obligation in its order. That commitment provides a clear path for Commission review of the detailed cost allocation and rate design issues that are more appropriately addressed in DEF's next rate proceeding. (Chatelain, Wishart)

ISSUE C: Does DEF's petition and associated tariffs comply with the requirements of Section 366.05, Florida Statutes?

DEF: Yes. DEF's filing fully complies with Section 366.05, Fla. Stat. This statute gives the Commission the power to "prescribe fair and reasonable rates and charges." Sect. 366.05(1)(a), Fla. Stat. As discussed in the position to issue B, DEF's petition and associated tariffs provide fair and reasonable terms and conditions to serve large load customers while protecting existing customers. DEF's proposed tariffs are fair and reasonable because they establish rates large load customers can take service under now, while the existing settlement ensures no rate increase to existing customers. DEF expressly commits to filing a new rate schedule designed to comply with the statutory requirements to take effect on January 1, 2028, and requests that the Commission memorialize that obligation in its order. That commitment provides a clear path for

Commission review of the detailed cost allocation and rate design issues that are more appropriately addressed in DEF's next rate proceeding. (Chatelain, Wishart)

ISSUE D: Whether the following persons have standing to intervene in this proceeding:

a. PCS Phosphate – White Springs
b. Florida Industrial Power Users Group
c. Florida Rising, Inc.
d. Nucor

DEF:

a. No position
b. No position
c. Florida Rising does not have standing to intervene in this proceeding. As an association, Florida Rising bears the burden of proving it has a substantial number of members who will be substantially impacted by this docket. Out of 1,255 total FL Rising members, they list three purported DEF customers by name. Even assuming all three are DEF customers, that would equate to only 0.2% of the FL Rising members are DEF customers. If we assume that all the purported Pinellas County members are DEF customers (65), that still only amounts to 5.2% of FL Rising's members. None of these numbers, which do not even approach a simple majority, result in a "substantial number" of members so as to satisfy the legal standing requirement. Florida Rising also cannot meet the "substantial interest" test required by Florida law for standing. Specifically, this proceeding neither changes the rates approved by the Commission in the 2024 Settlement Agreement, nor authorizes any new charges to existing customers. Any alleged impact on residential customers would arise, if at all, only in a future rate case conducted with a separate evidentiary record, separate parties, and separate procedural protections available to all stakeholders. Moreover, FL Rising does not even allege that its 65 members residing in Pinellas County are customers of DEF, rather Ms. Negron's Amended Testimony asserts that they are "served by DEF." *See* Negron Amended Testimony, p. 2, l. 16. Thus, even if this was a rate making proceeding, which it is not, FL Rising has not alleged that a "Substantial number" of its membership are even DEF ratepayers. *See id.* at ll. 18-20 (vaguely offering the assertion that "many of our other members outside of Pinellas County are also served by DEF."). Further, DEF has indicated that any large load customer would take service on the existing GSD-1 or GSDT-1 rate until that future rate proceeding. But Florida Rising admitted in its discovery responses that none of its members even take service on DEF's GSD-1 or GSDT-1 rate, thus further highlighting the speculative nature of their "injury." Finally, beyond the speculative financial impacts discussed above, FL Rising alleges that it faces potential injury from the environmental impacts of potential data centers locating in DEF's service territory. *See id.* at pp. 3-4. This is simply not the time nor forum to litigate these concerns. Section 366.043 does not empower this Commission to address the potential environmental impacts of large load customers when reviewing the required tariffs, nor do sections 366.03 or

366.05.

d. no position.

<u>ISSUE E:</u> Is Commission approval, as-filed or with modifications, of the proposed, Large Load Customer Agreement (Tariff Sheet Nos. 7.510-7.530), the Large Load Customer Policy (Tariff Sheet Nos. 4.130-4.132), and their associated terms and conditions consistent with provisions of the 2024 Settlement Agreement approved in Order No. PSC-2024-0472-AS-EI?

DEF: Yes. The proposed LLCA and LLCP do not change the rates of any existing customers; accordingly, it is consistent with the provisions of the 2024 Settlement Agreement. The Company will not be able to defer costs incurred during the settlement freeze and moreover does not expect to serve a large load customer prior to the end of the settlement freeze. If DEF does incur costs and the GSD-1 and GSDT-1 rates are not adequate to cover them during the settlement period, those costs will fall to the bottom line and be borne by DEF shareholders. To be clear, to the extent such costs are incurred and resulting in DEF falling below its authorized ROE band, it commits that it will not seek to adjust rates during the settlement period. To the extent DEF incurs costs to serve a future data center, DEF plans to account for them consistent with current practices and would include any large load customer costs in future rate proceedings where proper cost allocation is shown. (Chatelain)

<u>ISSUE 1</u>: Should the Commission approve, deny, or deny with leave to refile with modifications the proposed Large Load Customer Policy (Tariff Sheet Nos. 4.130-4.132) and the associated terms and conditions (e.g., minimum term, minimum monthly bill, security requirements, early termination, and special terms provision)? If denied with leave to refile, what should the modifications be?

DEF: The Commission should approve, without modifications, DEF's proposed LLCP. The Company's proposal ensures that large load customers bear appropriate costs in the near term through CIAC requirements, minimum bill obligations, termination provisions, and related contractual protections. These mechanisms provide meaningful cost responsibility without requiring the Commission to adopt a rigid, customer-specific allocation model that does not reflect system realities. (Chatelain, Wishart, Borsch)

<u>ISSUE 2</u>: Should the Commission approve, deny, or deny with leave to refile with modifications the proposed Large Load Customer Agreement (Tariff Sheet Nos. 7.510-7.530) and the associated terms and conditions (e.g., minimum demand, minimum term, minimum demand charge payments, security requirements, and early termination provision)? If denied with leave to refile, what should the modifications be?

DEF: The Commission should approve, without modifications, DEF's proposed LLCA. The Company's proposal ensures that large load customers bear appropriate costs in the near term through CIAC requirements, minimum bill obligations, termination provisions, and related contractual protections. These mechanisms provide meaningful cost responsibility without requiring the Commission to adopt a rigid, customer-specific allocation model that does not reflect system realities. (Chatelain, Wishart, Borsch).

ISSUE 3: Should the Commission approve, deny, or deny with leave to refile with modifications the proposed CIAC tariff modifications (Tariff Sheet No. 4.030 and 4.132, paragraph 13.07)? If denied with leave to refile, what should the modifications be?

DEF: The Commission should approve, without modifications, DEF's proposed modifications to the CIAC tariff. Customer-funded, refundable Contributions in Aid of Construction ("CIACs") appropriately assign the cost of customer-specific interconnection facilities while recognizing that those facilities may subsequently provide value to other customers. (Chatelain, Wishart).

ISSUE 4: What are the effective dates for the proposed Large Load Customer Policy, Large Load Customer Agreement, and CIAC tariff ?

DEF: The LLCP, LLCA, and CIAC tariffs should be effective immediately upon Commission approval in this docket. (Chatelain).

ISSUE 5: Should this docket be closed?

DEF: Yes.

E. **Contested Issues -** No contested issues have been identified in this proceeding; to the extent any such issues are identified between the filing of this prehearing statement and the prehearing conference, DEF reserves the right to supply a position at a later date.

F. **Pending Motions -** None at this time.

G. **Requests for Confidentiality:** DEF has the following pending requests for confidential classification:

- May 14, 2026: DEF's Request for Confidential Classification regarding its Response to OPC's First Set of Interrogatories (Nos. 1-46) (DN 02917-2026)
- May 29, 2026: DEF's Request for Confidential Classification regarding its Response to OPC First Request for Production of Documents (Nos. 1-4) (DN 03211-2026).
- July 20, 2026: DEF's Request for Confidential Classification regarding its Supplemental Response to FL Rising's First Request for Production of Documents (Nos. 1-7) (DN 04512-2026).
- July 24, 2026: DEF's Request for Confidential Classification regarding its Second Supplemental Response to FL Rising's First Request for Production of Documents (Nos. 1-7) DN (04657-2026)

H. **Objections to Qualifications** - DEF has no objection to the qualifications of any expert witnesses in this proceeding at this time, subject to further discovery in this matter.

I. **Sequestration of Witnesses** - DEF has not identified any witnesses for sequestration at this time.

J. **Requirements of Order** - At this time, DEF is unaware of any requirements of the Order Establishing Procedure of which it will be unable to comply.

RESPECTFULLY SUBMITTED this 29th day of July, 2026.

/s/Dianne M. Triplett

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CERTIFICATE OF SERVICE
Docket No. 20260064-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 29th day of July, 2026 to all parties of record as indicated below.

/s/Dianne M. Triplett
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