DUKE ENERGY®
FLORIDA

Stephanie A. Cuello
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July 30, 2026

**<u>VIA ELECTRONIC FILING</u>**

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

Re: *Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Debby, Helene and Milton by Duke Energy Florida, LLC*; Docket No. 20240173-EI

Dear Mr. Teitzman:

Please find attached for electronic filing Duke Energy Florida, LLC's Response to Staff's Fourth Data Request.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1425.

Sincerely,

*/s/ Stephanie A. Cuello*

Stephanie A. Cuello

SAC/clg
Attachment

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**CERTIFICATE OF SERVICE**

*Docket No. 20240173-EI*

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 30th day of July, 2026.

*/s/ Stephanie A. Cuello*
Stephanie A. Cuello

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|---|---|
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**DUKE ENERGY FLORIDA, LLC'S (DEF), RESPONSE TO STAFF'S FOURTH DATA REQUEST REGARDING DEF'S PETITION FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANES DEBBY, HELENE AND MILTON**

**Docket No. 20240173-EI**

1. Refer to JN-2 and Appendix A. For Hurricane Milton, please explain why there was a reduction in costs from the petition to the testimony in the amounts identified below for each of the following categories:

   a. Regular Payroll
   b. Contractor Costs

   **<u>Response:</u>**
   The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

2. Refer to JN2- and Appendix A. For Hurricane Milton please explain why there was an increase in costs from the petition to the testimony in the amounts identified below for each of the following categories:

   a. Overtime payroll
   b. Labor burdens/incentives
   c. Overhead allocations
   d. Employee expenses
   e. Materials and supplies
   f. Internal fleet costs
   g. Other

   **<u>Response:</u>**
   The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

3. Refer to JN-3 and Appendix A. For Hurricane Helene, please explain why there was a reduction in costs from the petition to the testimony in the amounts below for each of the following categories:

   a. Contractor costs
   b. Materials and supplies

   **Response:**
   The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

4. Refer to JN-3 and Appendix A. For Hurricane Helene, please explain why there was an increase in costs from the petition to the testimony in the amounts below for each of the following categories:

   a. Regular payroll
   b. Overtime payroll
   c. Labor burdens/incentives
   d. Overhead allocations
   e. Employee expenses
   f. Internal fleet costs
   g. Other

   **Response:**
   The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

5. Refer to JN-4 and Appendix A. For Hurricane Debby, please explain why there was a reduction in costs from the petition to the testimony in the amounts below for each of the following categories:

   a. Labor burdens/incentives
   b. Employee expenses
   c. Contractor costs

d. Materials and supplies

**Response:**
The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

6. Refer to JN-4 and Appendix A. For Hurricane Debby, please explain why there was an increase in costs from the petition to the testimony in the amounts below for each of the following categories:

a. Regular payroll
b. Overtime payroll
c. Overhead allocations

**Response:**
The variance between the amounts presented in the petition and those included in the testimony is attributable to the use of preliminary storm cost estimates developed in November 2024. Subsequent to the petition, additional storm restoration activities were completed, vendor invoices were received and processed, and ongoing prudency reviews were performed. These activities allowed costs to be further validated and finalized. Accordingly, actual storm-related costs differed from the preliminary estimates included in the petition, resulting in the variance reflected in the testimony.

7. Refer to Exhibit JN-2 and Appendix A for Hurricane Milton, please explain why the total ICCA adjustments were increased from $2.9 million to $4.9 million.

**Response:**
As discussed in previous responses, the storm costs in the petitions were not final. The change in the ICCA calculations is primarily driven by the actualization of storm costs and continued review of the calculations after the petition.

8. Refer to Exhibit JN-2 and Appendix A for Hurricane Milton, please explain why the total capitalizable costs were increased from $24.1 million to $28.7 million.

**Response:**
Capitalizable costs increased due to finalization of materials utilized within the calculation. After storm restoration was complete, the capital calculation could be revised using final

materials issued to the storm accounting. Additionally, assumptions around labor hours and working stock were able to be revised to more accurately reflect current blue-sky costs.

9. Refer to Exhibit JN-3 and Appendix A for Hurricane Helene, please explain why the total ICCA adjustments were increased from $5.8 million to $6.9 million.

**Response:**
As discussed in previous responses, the storm costs in the petitions were not final. The change in the ICCA calculations is primarily driven by the actualization of storm costs and continued review of the calculations after the petition.

10. Refer to Exhibit JN-3 and Appendix A for Hurricane Helene, please explain why the total capitalizable costs were reduced from $77.1 million to $27.3 million.

**Response:**
The approximately $50M decrease to Helene capital relates to a reduction of capital rebuild estimates for pad mount equipment in flooded areas. After Helene and Milton there was risk of saltwater damage and subsequent failure of pad mount transformers, switch gear and pedestals in impacted areas. At the time of the petition, damage assessment in the affected areas was on going and a rebuild estimate was included in the petition. In January 2025, it was determined that the damage was not systemic and additional inspections under the storm accounting could be discontinued. Equipment that has failed or been replaced due to saltwater damage from the storms has been recorded under standard accounting practices rather than applied to the storm accounting.

Additionally, capitalizable costs changed due to finalization of materials utilized within the calculation. After storm restoration was complete, the capital calculation was revised using final materials issued to the storm accounting. Additionally, assumptions around labor hours and working stock were able to be revised to more accurately reflect current blue-sky costs.

11. Refer to Exhibit JN-4 and Appendix A for Hurricane Debby, please explain why the total ICCA adjustments were increased from $3.1 million to $3.9 million.

**Response:**
As discussed in previous responses, the storm costs in the petitions were not final. The change in the ICCA calculations is primarily driven by the actualization of storm costs and continued review of the calculation after the petition.

12. Refer to Exhibit JN-4 and Appendix A for Hurricane Debby, please explain why the total capitalizable costs were increased from $4.5 million to $5.2 million.

**Response:**
Capitalizable costs increased due to finalization of materials utilized within the calculation. After storm restoration was complete, the capital calculation was revised using final materials issued to the storm accounting. Additionally, assumptions around labor hours and working stock were able to be revised to more accurately reflect current blue-sky recommendations.

13. For Hurricanes Milton, Helene, and Debby please provide a break down of capitalizable costs in the following categories:

a. Regular payroll
b. Overtime payroll
c. Labor burdens/incentives
d. Overhead allocations
e. Employee expenses
f. Materials and supplies
g. Contractor costs
h. Internal fleet costs
i. Other costs

**Response:**
Capitalizable costs are derived using blended average hourly rates for both native and non-native contractors to determine the portion of storm restoration expenditures eligible to be recorded to Property, Plant, and Equipment. The calculation also includes applicable material and equipment costs. This methodology is consistent with the framework for capital cost treatment established by FPSC Order No. PSC-2019-0232-AS-EI (Irma Settlement).

The capitalization methodology is based on aggregated labor rates and associated cost assumptions. The underlying costs are not separately identified or recorded by the specific categories outlined in the data request. See pages 10-13 of Jimmy New's testimony filed February 27, 2026, for additional discussion of amounts capitalized to property, plant, and equipment. Accordingly, DEF is unable to provide the requested category-level breakout from its books and records.

14. For Hurricanes Milton and Helen please provide detail on what expenses are included in the other category.

**Response:**
The "other" category includes $38,734 of contractor costs for Helene restoration work that was initially charged to another project. Due to the coding in the correcting journal entry, the transaction was categorized as "other" rather than "outside services."

The $495,000 in Milton "other" is Deloitte & Touche LLP's fee for the audit of Milton restoration costs and calculations.