

Antonia Hover

From: Ellen Plendl
Sent: Wednesday, February 15, 2023 10:39 AM
To: Consumer Correspondence
Subject: Docket Nos. 20230001 & 20230020
Attachments: Consumer Inquiry - Duke Energy Florida; FW Proposed Rate Hike DE

See attached customer correspondence and reply for Docket Nos. 20230001 & 20230020

Antonia Hover

From: Ellen Plendl
Sent: Wednesday, February 15, 2023 10:37 AM
To: 'frtmfm03@yahoo.com'
Subject: Consumer Inquiry - Duke Energy Florida

frtmfm03@yahoo.com

RE: FPSC Inquiry 1415908C

This is in response to your E-mail to the Florida Public Service Commission (PSC) regarding Duke Energy Florida (DEF). We appreciate the opportunity to respond directly to you.

You expressed a concern about recent rate increases, including the fuel charge. The fuel charge recovers the actual cost to secure and process the fuel necessary to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. Any revenue generated by the fuel charge pays fuel suppliers and transporters; utilities are not allowed to earn a profit on fuel costs. On your bill, fuel appears as a separate cents per kilowatt-hour charge.

Each year, utilities file their projected fuel costs for the upcoming calendar year. The FPSC, along with the Office of Public Counsel and other consumer representatives, closely examine the utilities' requested fuel costs. Public hearings are held to set the annual fuel factors. Since rates are set on projected costs, at the end of the year, the costs are "trued-up" or compared to the audited actual expenses incurred by the utility. Any over or under recovery from the utility's actual costs will be reflected in next year's costs. The fuel cost adjustment is recognized by state commissions, the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

On December 6, 2022, the FPSC set the 2023 fuel charge for the customers of DEF after carefully considering testimony and evidence on its projected costs at a public hearing.

Below is a breakdown of DEF residential customer bills for 1,000 kilowatt-hours of electricity prior to January 2023, as well as bills effective January 2023.

TOTAL MONTHLY BILL - RESIDENTIAL SERVICE - 1,000 KILOWATT HOURS

January 2023

<u>Present</u>	Duke Energy
<u>September - December 2022</u>	Florida
Base Rate Charges	\$80.91
Fuel and Purchased Power Cost Recovery Clause	\$44.69
Energy Conservation Cost Recovery Clause	\$2.83
Environmental Cost Recovery Clause	\$0.28
Capacity Cost Recovery Clause	\$11.81
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$3.00
Asset Securitization Charge	\$2.65
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$3.85
Total	<u>\$150.02</u>

Revised	Duke Energy
January 2023	Florida
Base Rate Charges	\$81.46
Fuel and Purchased Power Cost Recovery Clause	\$59.61
Energy Conservation Cost Recovery Clause	\$3.20
Environmental Cost Recovery Clause	\$0.22
Capacity Cost Recovery Clause	\$13.28
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$4.14
Asset Securitization Charge	\$2.65
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$4.34
Total	<u>\$168.90</u>

Increase / (Decrease)	Duke Energy
	Florida
Base Rate Charges	\$0.55
Fuel and Purchased Power Cost Recovery Clause	\$14.92
Energy Conservation Cost Recovery Clause	\$0.37
Environmental Cost Recovery Clause	-\$0.06
Capacity Cost Recovery Clause	\$1.47
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$1.14
Asset Securitization Charge	\$0.00
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$0.49
Total	<u>\$18.88</u>

For Duke the Regulatory Assessment Fee has been removed from base rates and clauses and is included on bills with Gross Receipts Taxes, effective 2022.

Duke's 2023 base rates represents a weighted average; the December - February bill is \$89.39; the March - November bill is \$78.82. $((\$89.39 \times 3) + (78.82 \times 9)) / 12 = \81.46

DEF has filed for a mid-course correction for fuel charges. Mid-course corrections are used by the Commission between annual fuel clause hearings whenever costs deviate from revenue by a significant margin. Cost recovery factors are usually effective for a period of 12 months. However, we require that if an investor-owned electric company's fuel or capacity cost recovery position is projected to exceed a specified range within the standard 12-month timeframe, then a filing and analysis into the continued reasonableness of the prevailing cost recovery factors must be performed. This requirement is codified by Rule 25- 6.0424, Florida Administrative Code (F.A.C.), and is commonly referred to as the "mid-course correction rule."

(Over or under collection is a credit or debit to the amount to be collected the next period (year). The total fuel factor may go up or down regardless of whether there was an over or under collection in the prior period.)

DEF has also filed a petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricanes Elsa, Eta, Isaias, Ian, Nicole, and Tropical Storm Fred, in Docket 20200020.

We appreciate you sharing your views and will add your correspondence to both dockets.

You may review all the information filed for Commission consideration in the above dockets by accessing the FPSC website at <http://www.floridapsc.com>. Under the Clerk's Office tab at the top of the page, click on Dockets. Type in each

docket number. Click the Search button. Then select Document Filings Index for a list of all filings in the docket. This procedure allows you to view all of the information filed by each utility and other parties in the docket.

Finally, you requested energy choices. Florida is not a deregulated state. The Florida Public Service Commission cannot deregulate the electric industry. It would be up to the Florida Legislature to make changes in the Florida Statutes to deregulate the electric industry.

If you have any questions or concerns please contact [me](#) at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)

Antonia Hover

From: Diane Hood on behalf of Consumer Contact
Sent: Wednesday, February 15, 2023 10:24 AM
To: Ellen Plendl
Cc: Shonna McCray
Subject: FW: Proposed Rate Hike DE

Customer included the Governor in email address. DHood

From: frtmfm03 <frtmfm03@yahoo.com>
Sent: Wednesday, February 15, 2023 6:34 AM
To: Consumer Contact <Contact@PSC.STATE.FL.US>; GovernorRon.DeSantis@eog.myflorida.com
Subject: Proposed Rate Hike DE

Why is there no readily available information as to when the vote for the requested April rate hike by Duke energy is held?

Why would you vote to increase customer's 37%??? Why is Duke lying about energy bills averaging \$150 thereby diminishing that price gouging?

Duke recieved accolades for "assistance" in paying fuel for those struggling in 2021 and 2022. Clearly that's a lie since they are getting approved by your commission to financially rape it's customers , in order to recieve those accolades.

Why would you cause even greater burden to already overcharged energy cost customers with NO viable energy Choices?