

Ashley Quick

From: Ellen Plendl
Sent: Thursday, January 21, 2016 12:48 PM
To: Consumer Correspondence
Subject: Docket 160001-EI
Attachments: Constituent Issue; Consumer Inquiry - Duke Energy Florida

See attached customer correspondence and PSC reply for correspondence side of Docket 160001-EI.

Ashley Quick

From: LITTLE.EDITH <LITTLE.EDITH@flsenate.gov>
Sent: Thursday, January 21, 2016 10:59 AM
To: Ellen Plendl
Subject: Constituent Issue

Hi Ellen,

Happy New Year!

Would you please look into this for me?

Thanks,

Edith W. Little
Senior Executive Secretary
Office of State Senator Dorothy L. Hukill, District 8
209 Dunlawton Avenue, Unit 17
Port Orange, FL 32127
386.304.7630

Please note: Florida has a very broad public records law. Written communications (including e-mail content and addresses) to or from state officials regarding state business constitute public records and are available to the public and media upon request unless the information is subject to a specific statutory exemption. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

-----Original Message-----

From: wkh421@msn.com [<mailto:wkh421@msn.com>]
Sent: Friday, January 15, 2016 3:28 PM
To: HUKILL.DOROTHY.WEB <HUKILL.DOROTHY.WEB@flsenate.gov>
Subject: Other (flsenate.gov)

Preferred Response By: Email

William K. Hayes
wkh421@msn.com
421 Berwick Circle
DeLand, FL 32724
This zip code is in District 8
386-748-4104

Receive updates via email: Yes

Comment or Question:

I notice that Duke Energy in January of each of the past two years has actually INCREASED the "fuel charge" component of their bill. It was 3.39 cents per kilowatt hour in May of 2013 and went to 4.077 cents in January of 2014 and 4.323 cents in January of 2015. Presumably we can expect another increase now in January 2016. To the extent that they use hydrocarbons as their fuel, their fuel costs have been drastically DECREASING over all this period and the spot price of oil actually dropped below \$30 a barrel today.

Will you inquire of the appropriate Florida agency with oversight re utility charges what the justification is for Duke raising these charges when they ought to be lowering them? Thank you.

Ashley Quick

From: Randy Roland
Sent: Thursday, January 21, 2016 11:35 AM
To: 'wkh421@msn.com'
Subject: Consumer Inquiry - Duke Energy Florida

Mr. William K. Hayes
wkh421@msn.com

Dear Mr. Hayes:

Florida State Senator Dorothy Hukill's office forwarded a copy of your email regarding Duke Energy Florida (DEF) to the Florida Public Service Commission (FPSC). The FPSC regulates investor-owned electric, and natural gas utilities throughout the state, and investor-owned water and wastewater utilities in those counties which have opted to transfer jurisdiction to the FPSC. The FPSC has authority in the telephone industry which is limited to the Lifeline Assistance Program, Florida Relay Service, and pay telephone service. You expressed a concern about the fuel cost adjustment.

The fuel cost charge allows the utility to recover the actual expenses associated with securing and processing fuel necessary to run the power plants used to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. The revenue generated by the fuel adjustment charge does not add to the profit of the utility companies, but goes to pay fuel suppliers and transporters. The cost of fuel is shown as a separate cents per kilowatt-hour charge, and fuel costs are not contained in any other charge on your bill.

Each year, utilities file their projected fuel expenses for the upcoming calendar year. The FPSC, along with the Office of Public Counsel and other consumer representatives closely examine the fuel costs requested by the utilities. Public hearings are held annually to set the fuel factors for the next year. 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. If the utility recovered more than its actual costs, the amount of over-recovery is used to reduce the next year's costs. If the utility under-recovered (costs were higher than expected) that deficit is likewise rolled into the next year. The fuel cost adjustment is recognized by virtually all state commissions, by the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

On November 2, 2015, the PSC set the 2016 fuel adjustment charges for DEF customers. The fuel adjustment charges were decided at a hearing where the PSC considered DEF's projected costs of fuel and the purchased power for 2016 as well as 'trued up' costs for 2015. As a result of the November 2 hearing, residential customers using 1000 kWh will see their bill decrease from \$121.59 to \$117.41. The fuel portion of the bill decreased by \$4.18.

Thank you for sharing your views. We will add your comments to the correspondence side of Docket No. 160001-EI regarding the fuel cost adjustment.

If you have any questions or concerns please contact Ellen Plendl at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Randy Roland
Regulatory Program Administrator
Florida Public Service Commission