

**Brandy Butler**

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**From:** Ellen Plendl  
**Sent:** Tuesday, August 29, 2017 12:56 PM  
**To:** Consumer Correspondence  
**Subject:** Docket No. 20170001  
**Attachments:** FW Duke Energy Rate Increase Request; sylvia-young-response.pdf

See attached correspondence and add to the correspondence side of Docket 20170001

## Brandy Butler

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**From:** Randy Roland  
**Sent:** Tuesday, August 29, 2017 11:25 AM  
**To:** Ellen Plendl  
**Subject:** FW: Duke Energy Rate Increase Request  
**Attachments:** 8-26-17, Letter from Young.pdf

Please handle

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**From:** Angie Calhoun  
**Sent:** Tuesday, August 29, 2017 11:23 AM  
**To:** Randy Roland  
**Cc:** Diane Hood  
**Subject:** FW: Duke Energy Rate Increase Request

Customer correspondence from the Commissioner's office.

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**From:** Consumer Contact  
**Sent:** Tuesday, August 29, 2017 11:18 AM  
**To:** Angie Calhoun  
**Subject:** FW: Duke Energy Rate Increase Request

Copy on file, see 1251630C.

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**From:** Shalonda Hopkins  
**Sent:** Tuesday, August 29, 2017 11:04 AM  
**To:** Commissioner Correspondence  
**Subject:** Duke Energy Rate Increase Request

Good Morning,

Please place the attached letter in Docket Correspondence, Consumers and their Representatives, in Docket No. 20170001-EI. Thank you.

***Shalonda M. Hopkins***

Florida Registered Paralegal  
Executive Assistant to Chairman Brown  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399  
Phone: (850) 413-6030  
Fax: (850) 413-6031

***Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.***

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(850) 413-6482

## Public Service Commission

August 29, 2017

Ms. Sylvia R. Young  
13700 88th Avenue North  
Seminole, FL 33776

RE: FPSC Inquiry Number 1251630C

Dear Ms. Young:

This is in response to the correspondence you sent to Chairman Julie Brown, Florida Public Service Commission (FPSC), regarding Duke Energy Florida (DEF). Given the nature of your concerns, Chairman Brown feels it would be appropriate for specialized staff of the FPSC's Office of Consumer Assistance and Outreach to respond directly to you. 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.

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PSC Website: <http://www.floridapsc.com>

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

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The next fuel cost hearing for 2018 will be held between October 25, 2017 and October 27, 2016. You may watch the hearings live or afterwards by using the following link:

<http://www.floridapsc.com/Conferences/AudioVideoEventCoverage>

Thank you for sharing your views. We will add your comments to the correspondence side of Docket No. 20170001 regarding the fuel cost adjustment.

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

Sincerely,

A handwritten signature in black ink that reads "Randy Roland". The signature is written in a cursive style with a large initial "R".

Randy Roland  
Regulatory Program Administrator  
Office of Consumer Assistance & Outreach

RR:mep