DANIEL HERNANDEZ
PARTNER
Shutts & Bowen LLP
4301 W. Boy Scout Boulevard
Suite 300
Tampa, Florida 33607
DIRECT (813) 227-8114
FAX (813) 227-8214
EMAIL DHernandez@shutts.com

December 19, 2019

VIA ELECTRONIC FILING

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

In re: Petition by Duke Energy Florida, LLC for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Dorian and Tropical Storm Nestor; Docket No. _____.

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC ("DEF"), please find the enclosed for electronic filing in the above-referenced proceeding.

- DEF's Petition by Duke Energy Florida, LLC for Limited Proceeding for Recovery of Incremental Storm Restoration Costs Related to Hurricane Dorian and Tropical Storm Nestor;
- Appendix A – Cost Summary; and
- Appendix B – Tariff Sheets.

Thank you for your assistance in this matter. Please feel free to call me at (813) 227-8114 should you have any questions concerning this filing.

Respectfully,

Shutts & Bowen LLP

Daniel Hernandez

Enclosures (as noted)

cc: All counsel for DEF

TPADOCS 22886058 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC, for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Dorian and Tropical Storm Nestor	Docket No. _____ Filed: December 19, 2019

PETITION BY DUKE ENERGY FLORIDA, LLC FOR LIMITED PROCEEDING FOR RECOVERY OF INCREMENTAL STORM RESTORATION COSTS RELATED TO HURRICANE DORIAN AND TROPICAL STORM NESTOR

Duke Energy Florida, LLC ("DEF" or the "Company"), pursuant to section 366.076(1), Florida Statutes ("F.S."), and Rules 25-6.0143 and 25-6.0431, Florida Administrative Code, ("F.A.C.") and the 2017 Second Revised and Restated Settlement Agreement approved by the Florida Public Service Commission ("Commission") in Order No. PSC-2017-0451-AS-EU[1] (the "2017 Settlement"), hereby files this petition (the "Petition") requesting that the Commission conduct a limited proceeding to authorize commencement of interim recovery of incremental storm restoration costs and interest related to Hurricane Dorian and Tropical Storm ("TS") Nestor pursuant to Rule 25-6.0143, F.A.C. for a total of $171 million, from customers beginning the first billing cycle of March 2020, subject to final true-up as described in this Petition.

In support of the Petition, DEF states as follows:

1. The Petitioner's name and address is:

Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, Florida 33701

2. Any pleading, motion, notice, order, or other document required to be served upon DEF or filed by any party to this proceeding should be served upon the following individuals:

[1] Docket No. 20170183-EI, issued on November 20, 2017.

Dianne M. Triplett
dianne.triplett@duke-energy.com
Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, Florida 33701
(727) 820-4692 / (727) 820-5519 (fax)

Matthew R. Bernier
matt.bernier@duke-energy.com
Duke Energy Florida, LLC
106 E. College Ave., Ste. 800
Tallahassee, Florida 32301
(850) 521-1428 / (850) 521-1437 (fax)

Daniel Hernandez
DHernandez@shutts.com
Shutts & Bowen LLP
4301 W. Boy Scout Blvd., Suite 300
Tampa, FL 33607
(813) 227-8114 / (813) 227-8214 (fax)

Nicole Zaworska
NZaworska@shutts.com
Shutts & Bowen LLP
4301 W. Boy Scout Blvd., Suite 300
Tampa, FL 33607
(813) 227-8195 / (813) 227-8295 (fax)

3. The Commission has jurisdiction pursuant to Sections 366.04, 366.05, 366.06 and 366.076, F.S., and Rules 25-6.0143 and 25-6.0431, F.A.C.

4. DEF is an investor-owned electric utility, regulated by the Commission pursuant to Chapter 366, F.S., and is a wholly owned subsidiary of Duke Energy Corporation. The Company's principal place of business is located at 299 1st Avenue North, St. Petersburg, Florida 33701.

5. DEF serves more than 1.8 million customers in Florida. Its service area comprises approximately 20,000 square miles, encompassing the densely populated areas of Pinellas and western Pasco Counties and the greater Orlando area in Orange, Osceola, and

Seminole Counties. DEF supplies electricity at retail to approximately 350 communities and at wholesale to Florida municipalities, utilities, and power agencies in the State of Florida.

6. Section 366.076(1), F.S., provides that the Commission may conduct a limited proceeding to consider and act upon any issue within its jurisdiction, including any matter which once resolved, would require a public utility to adjust its rates. DEF's request for interim storm cost recovery is appropriate for Commission consideration under this statutory provision because DEF's request is focused on the narrow issue of recovery, including interim recovery, of costs associated with Hurricane Dorian and TS Nestor. Pursuant to the 2017 Settlement, the determination of storm cost recovery does not involve the application of any form of earnings test or measure.

Background

7. On August 23, 2019, a low-pressure system that would ultimately become Hurricane Dorian formed over the Central Atlantic. The system strengthened to a tropical storm on August 25 as it moved through the Lesser Antilles and proceeded to develop into a hurricane on August 28 just north of the Greater Antilles. Over the next four days, Hurricane Dorian underwent rapid intensification to reach its peak as a Category 5 hurricane with sustained winds of 185 miles per hour and gusts over 200 miles per hour when it made landfall in the Bahamas.

8. Hurricane Dorian devastated the Bahamas. After it made landfall there, Hurricane Dorian stalled and spent two days pummeling the islands. The storm killed approximately sixty people in the Bahamas and caused damage that has been estimated at more than $7 billion. Hurricane Dorian left at least 70,000 people homeless, severely damaging or completely destroying an estimated 13,000 homes in the Bahamas.

9. On August 28, 2019, when it appeared from several hurricane models that

Hurricane Dorian would directly impact Florida, local emergency offices in Florida began to prepare for Hurricane Dorian. Governor DeSantis declared a state of emergency for twenty-six Florida counties, which he expanded the very next day to encompass the entire state, citing to Hurricane Dorian's "uncertain path." At the time, the entire state of Florida was within Hurricane Dorian's "cone of uncertainty."

10. With a devastating storm apparently heading towards portions of its service territory, DEF prudently began preparations on August 28, 2019. Between August 28 and August 30, as the storm strengthened to a hurricane and was forecasted to make landfall somewhere in Florida, DEF mobilized approximately 7,800 total contractors and employee resources to support the restoration work.

11. On August 31, a tropical storm watch was issued along Florida's east coast from Deerfield Beach to Sebastian Inlet. The tropical storm watch was upgraded to a tropical storm warning just a few hours later. By September 1, a hurricane watch had been issued for parts of Florida's east coast that included Deerfield Beach, Volusia and Broward Counties. The hurricane watch was upgraded to a hurricane warning later that same day, which prompted evacuations and school closings along Florida's east coast. On September 1, DEF remained ready to respond to the storm, as Hurricane Dorian was categorized as a Category 5 storm and continued to approach the east coast of Florida.

12. Early forecasts called for Hurricane Dorian to intersect Florida near the I-4 corridor and stall over central Florida, thus bringing torrential rains to the region. Based on DEF's prior experience with the crippling traffic congestion that occurred during Hurricane Irma, DEF prudently determined that Hurricane Dorian could materially hinder the movement of restoration and mutual assistance resources to DEF customers within Hurricane Dorian's path.

In preparation for this, DEF implemented mobilization and logistics plans to pre-stage resources south of Hurricane Dorian's anticipated path.[2] DEF's goal with respect to these plans was to facilitate the allocation and mobilization of restoration and assistance resources to the impacted areas immediately following Hurricane Dorian's exit from the areas. Over the next several days, preparation plans were adjusted and modified as Hurricane Dorian's forecast changed.

13. On September 3, Hurricane Dorian slowly began to move away from the Bahamas and towards Florida, lashing the Florida coast with heavy wind gusts and rain. As Hurricane Dorian approached the Florida coast, approximately one hundred and fifty general and special needs shelters opened across the state, and sixteen counties in Florida issued evacuation orders.

14. Notwithstanding several hurricane models that had previously showed Hurricane Dorian making a direct hit on Florida, on September 4 when it was just ninety-five miles off of Daytona Beach, Hurricane Dorian made a gradual turn northward and proceeded up the Florida coast.[3] Later that day, based on Hurricane Dorian's revised track and intensity forecast, DEF released all of its mutual assistance resources to support other electric utilities or to return to their home locations.

15. While Florida was spared the worst of Hurricane Dorian, sustained winds associated with the storm are estimated to have reached upwards of sixty miles per hour along Florida's coastline. Tropical storm-force winds in excess of thirty-nine miles per hour reached far inland into central Florida. Hurricane Dorian's winds ultimately caused approximately

[2] These pre-staged resources were initially on-boarded and assigned to Wildwood, Orlando and Pinellas County. Off-system resources were staged in Georgia.

[3] Four high pressure systems, part of the dynamic atmospheric system that made Hurricane Dorian so hard to predict, stalled the hurricane over the Bahamas for nearly two days. It wasn't until these systems shifted that Hurricane Dorian was able to continue north.

24,000 DEF customers in the Central Florida region to lose power.

16. The magnitude of the damage caused by Hurricane Dorian is evidenced by the major disaster declaration issued by the federal government on October 21, 2019, for Brevard, Duval, Flagler, Indian River, Martin, Nassau, Osceola, Palm Beach, Putnam, Seminole, St. Johns and St. Lucie Counties.

17. On October 19, 2019, Tropical Storm Nestor hit the Florida Panhandle near St. Vincent Island with maximum sustained winds of forty-five miles per hour and wind gusts of sixty-one miles per hour. Nestor was a short-lived tropical storm that brought storm surge flooding and soaking rain to the Florida Panhandle. Nestor's main legacy, however, was the number of tornadoes it spawned prior to making landfall in the Florida Panhandle. In total, four tornadoes touched down in Florida near St. Petersburg, Lakeland, Cape Coral and Indian River, toppling trees and damaging homes.

18. Tropical Storm Nestor caused 709 outage events in DEF's service territory and impacted 41,669 DEF customers. DEF's restoration work related to Nestor occurred between October 18 and October 19, 2019.

Costs for Recovery

19. Recognizing that final costs will not be fully determined until later, DEF currently estimates that total storm-related restoration costs associated with Hurricane Dorian will be approximately $182 million, and total storm-related restoration costs associated with TS Nestor will be approximately $0.7 million. These amounts are shown on the schedule attached as Appendix A. This schedule breaks down the costs by functional area, including transmission, distribution, generation (base, intermediate and peaking) and customer service. After removing capitalizable costs and non-incremental operating costs pursuant to the Commission's

Incremental Cost and Capitalization Approach ("ICCA") methodology, and accounting for jurisdictional factors, the resulting retail storm restoration costs are approximately $169 million. DEF is requesting full recovery of these storm restoration costs since its storm reserve has been completely depleted by prior hurricanes. After including interest and regulatory assessment fees, the total retail storm recovery amount (the "Storm Recovery Amount") for both Hurricane Dorian and TS Nestor is approximately $171 million, also shown on Page 1 of Appendix A.

Interim Storm Restoration Recovery Charge

20. Interim recovery of the Hurricane Dorian and TS Nestor storm costs is governed by Paragraph 38 of the 2017 Settlement, which provides that "recovery from customers for storm damage costs will begin, subject to Commission approval on an interim basis, sixty (60) days following the filing of a cost recovery petition with the Commission, and subject to true-up pursuant to further proceedings before the Commission, and will be based on a 12-month recovery period." DEF proposes to begin recovery of the estimated Storm Recovery Amount through the Storm Recovery Charge commencing with the first billing cycle of March 2020 and ending the earlier of full recovery or with the last billing cycle of February 2021 (the "Storm Recovery Period"). The Storm Recovery Charge will be included in the non-fuel energy charge on customer bills. DEF will include the rate change notices in the March billing cycle since there will not be sufficient time to include them thirty (30) days prior given timing of Commission approval of the rates.

21. DEF has allocated the estimated Storm Recovery Amount among rate classes consistent with the rate design method set forth in the 2017 Settlement. The allocations are included in Appendix A, Pages 5 and 6. Original Tariff Sheets 6.105, 6.106 and 6.107, reflecting the Storm Recovery Charge for each rate class, are attached as Appendix B, Pages 1–7, in

legislative and clean formats. DEF notes that these tariff sheets also include changes to reflect the Asset Securitization Charge True-Up, which is being filed simultaneously in Docket Number 20150171-EI.

22. Once all invoices in substantially final form are received, DEF will file testimony and exhibits to include all actual storm restoration costs incurred for Commission review and approval, consistent with the 2017 Settlement. After the twelve-month Storm Recovery Period, DEF will compare the final approved Storm Recovery Amount to the actual revenue received from the Storm Recovery Charge and determine whether there is an excess or shortfall in recovery. DEF thereafter will submit for Commission approval a one-time credit or charge to customer bills for the excess or shortfall.

Summary of Issues to Be Determined in this Limited Proceeding

23. As referenced above, a limited proceeding is appropriate for consideration of this request because the relevant issues are narrow. Indeed, the Commission utilized a limited proceeding to grant a similar request for interim storm recovery. See Order No. PSC-2017-0055-PCO-EI, issued February 20, 2017 in Docket No. 20160251-EI. Specifically, the issues to be decided here are:

(a) Has DEF correctly calculated the interim storm cost recovery factors that are proposed to go into effect with the first billing cycle of March 2020, for recovery of estimated restoration costs associated with Hurricane Dorian and TS Nestor?

(b) What is the final, actual storm amounts for Hurricane Dorian and TS Nestor that DEF may recover from customers?

(c) Based on the final, actual restoration costs for Hurricane Dorian and TS

Nestor that DEF is authorized to recover, by what amount, if any, did DEF over- or under-recover those costs in the twelve months that the interim storm cost recovery factors were in effect?

(d) How should DEF credit to or recover from customers the over- or under-recovery?

24. DEF is not aware at this time that there will be any disputed issues of material fact in this proceeding.

25. As required by Rule 25-6.0431, Appendix A attached hereto and incorporated herein includes: (i) the specific rate base components for which DEF seeks recovery (pages 2 and 3); (ii) a detailed description of the Hurricane Dorian and Tropical Storm Nestor-related expenses (pages 2 and 3); and (iii) schedules showing how DEF proposes to allocate any change in revenues to rate classes and the proposed rates (pages 5 and 6).

WHEREFORE, for the above and foregoing reasons, DEF respectfully requests that the Commission:

(1) conduct a limited proceeding to authorize commencement of interim recovery of incremental storm restoration costs and interest related to Hurricane Dorian and TS Nestor and financing costs from customers beginning with the first billing cycle of March 2020;

(2) approve the tariff sheets attached as Appendix B pages 1–7, reflecting the proposed Storm Recovery Charge; and

(3) maintain this docket open for determination of the final true-up amounts.

Respectfully submitted this 19th day of December, 2019.

DANIEL HERNANDEZ
Florida Bar No. 176834
NICOLE ZAWORSKA
Florida Bar No. 1003564
Shutts & Bowen LLP
4301 W. Boy Scout Blvd., Suite 300
Tampa, Florida 33607
T: 813- 229-8900
F: 813-229-8901
E: dhernandez@shutts.com
E: nzaworska@shutts.com

DIANNE M. TRIPLETT
Deputy General Counsel
Duke Energy Florida, LLC.
299 First Avenue North
St. Petersburg, FL 33701
T: 727.820.4692
F: 727.820.5041
E: Dianne.Triplett@duke-energy.com

MATTHEW R. BERNIER
Associate General Counsel
Duke Energy Florida, LLC
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
T: 850.521.1428
F: 727.820.5041
E: Matt.Bernier@duke-energy.com

Duke Energy Florida, LLC
Storm Cost Recovery
Cost Summary - Hurricane Dorian & Tropical Storm Nestor
($000's)

Line No.	Description	Reference	Incremental Storm Cost	
1	Recoverable Restoration Costs - Retail			
2	Dorian	Appendix A, Page 2, Line 29	$168,739	
3	Nestor	Appendix A, Page 3, Line 29	402	
4	Total Recoverable Restoration Costs - Retail	Line 2 + Line 3		169,141
5	Interest on Unamortized Storm Restoration Cost Balance	Appendix A, Page 4, Line 7		1,998
6	Retail Storm Recovery Amount Before Regulatory Assessment Fee			171,139
7	Regulatory Assessment Fee Multiplier			1.00072
8	Total Retail Storm Recovery Amount	Line 6 * Line 7		$171,262

Duke Energy Florida, LLC
Storm Cost Recovery
Cost Summary - Hurricane Dorian
($000's)

Line No.	Description		Estimated Storm Costs By Function						Total	
			Transmission	Distribution	Generation Base	Generation Intermediate	Generation Peaking	Customer Service		
1	**Pre-Storm Reserve Balance**								0	[a]
2	**Storm Related Restoration Costs - Dorian**									
3	Regular Payroll		732	1,470				55	2,256	
4	Overtime Payroll		522	2,593				183	3,298	
5	Labor Burdens/Incentives		609	2,192				125	2,926	
6	Overhead Allocations		50	356				16	423	
7	Employee Expenses		1,083	577				95	1,755	
8	Contractor Costs		21,985	145,146				6	167,137	
9	Materials & Supplies		118	3,463				15	3,596	
10	Internal Fleet Costs		22	133				-	155	
11	Uncollectible Account Expenses		-	-				-	-	
12	Other		-	-				1	1	
13	**Subtotal - Storm Related Restoration Costs**	Lines 3:12	**25,121**	**155,929**	**-**	**-**	**-**	**497**	**181,547**	
14	**Less: Estimated Non-Incremental Costs - Dorian**									
15	Regular Payroll		-	(817)				(11)	(828)	
16	Overtime Payroll		-	(459)				-	(459)	
17	Labor Burdens/Incentives		(96)	(751)				(29)	(876)	
18	Overhead Allocations		(3)	-				(16)	(20)	
19	Employee Expenses		-	-				-	-	
20	Contractor Costs		(298)	-				-	(298)	
21	Materials & Supplies		-	-				-	-	
22	Internal Fleet Costs		-	(39)				-	(39)	
23	Uncollectible Account Expenses		(0)	-				-	(0)	
24	Other		(2,602)	(235)				(1)	(2,838)	
25	**Subtotal - Estimated Non-Incremental Costs**	Lines 15:24	**(3,000)**	**(2,300)**	**-**	**-**	**-**	**(57)**	**(5,357)**	
26	Less: Capitalizable Costs		(121)	(100)					(221)	
27	**Total Recoverable Restoration Costs - Dorian - System**	Lines (13 + 25 + 26)	**22,000**	**153,529**	**-**	**-**	**-**	**439**	**175,968**	
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
29	**Total Recoverable Restoration Costs - Dorian - Retail**	Lines (27 x 28)	**$15,445**	**$152,855**	**$0**	**$0**	**$0**	**$439**	**$168,739**	
30	Interest on Unamortized Storm Restoration Cost Balance								1,993	
31	**Retail Storm Recovery Amount before Regulatory Assessment Fee**								**$170,732**	
32	Regulatory Assessment Fee Multiplier								1.00072	
33	**Total Retail Storm Recovery Amount**								**$170,855**	

Notes:
[a] - The Storm Reserve was depleted after Hurricane Irma and Nate. See Order No. PSC-2019-0232-AS-EI.

Duke Energy Florida, LLC
Storm Cost Recovery
Cost Summary - TS Nestor
($000's)

Line No.	Description		(A) Transmission	(B) Distribution	(C) Generation Base	(D) Generation Intermediate	(E) Generation Peaking	(F) Customer Service	(G) Total	
			Estimated Storm Costs By Function							
1	**Pre-Storm Reserve Balance**								0	[a]
2	**Storm Related Restoration Costs - Nestor**									
3	Regular Payroll		-	39				-	39	
4	Overtime Payroll		5	254				-	260	
5	Labor Burdens/Incentives		2	97				-	99	
6	Overhead Allocations		-	1				-	1	
7	Employee Expenses		0	20				-	21	
8	Contractor Costs		23	275				-	299	
9	Materials & Supplies		0	0				-	0	
10	Internal Fleet Costs		-	15				-	15	
11	Uncollectible Account Expenses		-	-				-	-	
12	Other		-	-				-	-	
13	**Subtotal - Storm Related Restoration Costs**	Lines 3:12	**31**	**702**	**-**	**-**	**-**	**-**	**733**	
14	**Less: Estimated Non-Incremental Costs - Nestor**									
15	Regular Payroll		-	(39)				-	(39)	
16	Overtime Payroll		-	(250)				-	(250)	
17	Labor Burdens/Incentives		(0)	(16)				-	(16)	
18	Overhead Allocations		-	-				-	-	
19	Employee Expenses		-	-				-	-	
20	Contractor Costs		-	-				-	-	
21	Materials & Supplies		-	-				-	-	
22	Internal Fleet Costs		-	(13)				-	(13)	
23	Uncollectible Account Expenses		-	-				-	-	
24	Other		-	(2)				-	(2)	
25	**Subtotal - Estimated Non-Incremental Costs**	Lines 15:24	**(0)**	**(320)**	**-**	**-**	**-**	**-**	**(320)**	
26	Less: Capitalizable Costs		-	-				-	-	
27	**Total Recoverable Restoration Costs - Nestor - System**	Lines (13 + 25 + 26)	**31**	**382**	**-**	**-**	**-**	**-**	**413**	
28	Jurisdictional Factor (Order PSC-2017-0451-FOF-EI)		70.203%	99.561%	92.885%	72.703%	95.924%	100%		
29	**Total Recoverable Restoration Costs - Nestor - Retail**	Lines (27 x 28)	**$22**	**$380**	**$0**	**$0**	**$0**	**$0**	**$402**	
30	Interest on Unamortized Storm Restoration Cost Balance								5	
31	**Retail Storm Recovery Amount before Regulatory Assessment Fee**								**$407**	
32	Regulatory Assessment Fee Multiplier								1.00072	
33	**Total Retail Storm Recovery Amount**								**$407**	

Notes:
[a] - The Storm Reserve was depleted after Hurricane Irma and Nate. See Order No. PSC-2019-0232-AS-EI.

Duke Energy Florida, LLC
Storm Cost Recovery
Interest Calculation
($000's)

Line No.	Description	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Total
1	Unrecovered Eligible Costs - Beg Bal	169,141	158,520	147,420	134,895	119,230	102,152	84,046	66,442	49,900	36,977	24,704	11,422	
2	Less: Current Month Amortization [a]	(10,942)	(11,400)	(12,802)	(15,913)	(17,295)	(18,288)	(17,752)	(16,656)	(13,008)	(12,333)	(13,317)	(11,556)	(171,262)
3	Unrecovered Eligible Costs Before Interest	158,200	147,120	134,618	118,982	101,936	83,864	66,294	49,786	36,892	24,644	11,387	(134)	
4	Monthly Average Eligible Costs	163,670	152,820	141,019	126,938	110,583	93,008	75,170	58,114	43,396	30,810	18,045	5,644	
5	Annual Interest Rate [b]	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	
6	Monthly Interest Rate	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	
7	Monthly Interest	321	300	276	249	217	182	147	114	85	60	35	11	1,998
8	Unrecovered Eligible Costs - End Bal	158,520	147,420	134,895	119,230	102,152	84,046	66,442	49,900	36,977	24,704	11,422	(123)	

Notes:
[a] Based on estimated billed kWh sales. Storm charge revenues are allocated to the amortization of unrecovered eligible restoration costs.
[b] Calculated using commercial paper rate in the 2020 Fuel Adjustment Clause Filing in Docket No. 20190001-EI.

Duke Energy Florida, LLC
Storm Cost Recovery
Calculation of Rate Factors by Rate Class

Line No.	Rate Class	(1) Average 12CP Load Factor at Meter (%)	(2) Sales at Meter (mWh)	(3) Average 12 CP at Meter (MW)	(4) NCP Class Max Load Factor	(5) Delivery Efficiency Factor	(6) Sales at Source Generation (mWh)	(7) Average 12 CP at Source (MW)	(8) Sales at Source (Distrib Svc Only) (mWh)	(9) Class Max MW at Source (Distrib Svc) (MW)	(10) Average Number of Billed Accts (#)	(11) mWh Sales at Source Energy Allocator (%)	(12) 12CP Demand Transmission Allocator (%)	(13) NCP Distribution Allocator (%)	(14) 12 CP & 1/13 AD Demand Allocator (%)	(15) Customer Service Allocator (%)
1	**Residential**															
2	**RS-1, RST-1, RSL-1, RSL-2, RSS-1**															
3	Secondary	0.548	20,838,111	4,342.52	0.370	0.9356728	22,270,724	4,641.07	22,270,724	6,870.7	1,650,389	52.844%	60.591%	65.394%	59.995%	88.666%
4																
5	**General Service Non-Demand**															
6	**GS-1, GST-1**															
7	Secondary	0.576	2,085,110	413.48	0.451	0.9356728	2,228,460	441.90	2,228,460	563.8		5.288%	5.769%	5.366%	5.732%	
8	Primary	0.576	16,645	3.30	0.451	0.9735768	17,097	3.39	17,097	4.3		0.041%	0.044%	0.041%	0.044%	
9	Transmission	0.576	2,588	0.51	0.451	0.9835768	2,631	0.52	0	0.0		0.006%	0.007%	0.000%	0.007%	
10											133,407	5.335%	5.820%	5.408%	5.783%	7.167%
11	**General Service**															
12	**GS-2** Secondary	1.000	200,669	22.91	1.000	0.9356728	214,465	24.48	214,465	24.5	14,802	0.509%	0.320%	0.233%	0.334%	0.795%
13																
14	**General Service Demand**															
15	**GSD-1, GSDT-1**															
16	Secondary	0.742	11,400,965	1,753.11	0.626	0.9356728	12,184,777	1,873.64	12,184,777	2,222.1		28.912%	24.461%	21.149%	24.803%	
17	Primary	0.742	2,118,164	325.71	0.626	0.9735768	2,175,652	334.55	2,175,652	396.8		5.162%	4.368%	3.776%	4.429%	
18	Secondary Del/ Primary Mtr	0.742	28,450	4.37	0.626	0.9735768	29,222	4.49	29,222	5.3		0.069%	0.059%	0.051%	0.059%	
19	Transm Del/ Primary Mtr	0.742	0	0.00	0.626	0.9735768	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	
20	Transmission	0.742	0	0.00	0.626	0.9835768	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	
21	**SS-1** Primary	0.796	31,312	4.49	0.324	0.9735768	32,162	4.61	32,162	11.3		0.076%	0.060%	0.108%	0.061%	
22	Transm Del/ Transm Mtr	0.796	6,061	0.87	0.324	0.9835768	6,162	0.88	0	0.0		0.015%	0.012%	0.000%	0.012%	
23	Transm Del/ Primary Mtr	0.796	1,329	0.19	0.324	0.9735768	1,365	0.20	0	0.0		0.003%	0.003%	0.000%	0.003%	
24											48,833	34.238%	28.962%	25.084%	29.367%	2.624%
25	**Curtailable**															
26	**CS-1, CST-1, CS-2, CST-2, SS-3**															
27	Secondary	1.082	0	0.00	0.334	0.9356728	0	0.00	0	0.0		0.000%	0.000%	0.000%	0.000%	
28	Primary	1.082	65,074	6.87	0.334	0.9735768	66,840	7.05	66,840	22.8		0.159%	0.092%	0.217%	0.097%	
29	**SS-3** Primary	1.248	47,743	4.37	0.380	0.9735768	49,038	4.49	49,038	14.7		0.116%	0.059%	0.140%	0.063%	
30											4	0.275%	0.151%	0.357%	0.160%	0.000%
31	**Interruptible**															
32	**IS-1, IST-1, IS-2, IST-2**															
33	Secondary	0.911	115,928	14.52	0.707	0.9356728	123,898	15.52	123,898	20.0		0.294%	0.203%	0.190%	0.210%	
34	Sec Del/Primary Mtr	0.911	6,458	0.81	0.707	0.9735768	6,633	0.83	6,633	1.1		0.016%	0.011%	0.010%	0.011%	
35	Primary Del / Primary Mtr	0.911	1,444,163	180.91	0.707	0.9735768	1,483,358	185.83	1,483,358	239.5		3.520%	2.426%	2.280%	2.510%	
36	Primary Del / Transm Mtr	0.911	323	0.04	0.707	0.9835768	328	0.04	328	0.1		0.001%	0.001%	0.001%	0.001%	
37	Transm Del/ Transm Mtr	0.911	449,803	56.35	0.707	0.9835768	457,314	57.29	0	0.0		1.085%	0.748%	0.000%	0.774%	
38	Transm Del/ Primary Mtr	0.911	289,889	36.32	0.707	0.9735768	297,757	37.30	0	0.0		0.707%	0.487%	0.000%	0.504%	
39	**SS-2** Primary	0.686	37,249	6.20	0.272	0.9735768	38,260	6.37	38,260	16.1		0.091%	0.083%	0.153%	0.084%	
40	Transm Del/ Transm Mtr	0.686	57,195	9.52	0.272	0.9835768	58,150	9.68	0	0.0		0.138%	0.126%	0.000%	0.127%	
41	Transm Del/ Primary Mtr	0.686	6,812	1.13	0.272	0.9735768	6,997	1.16	0	0.0		0.017%	0.015%	0.000%	0.015%	
42											156	5.867%	4.100%	2.634%	4.236%	0.008%
43	**Lighting**															
44	**LS-1** (Secondary)	10.191	367,407	4.12	0.479	0.9356728	392,666	4.40	392,666	93.6	13,759	0.932%	0.057%	0.891%	0.125%	0.739%
45	**Total**		39,617,448	7,192.62			42,143,958	7,659.70	41,313,582	10,506.7	1,861,351	100.000%	100.000%	100.000%	100.000%	100.000%

Notes:
(1) Avg 12CP Load Factor based on load research study filed 7/31/2018 (FPSC Rule 25-6.0437 (7))
(2) Projected mWh sales for the period Mar 2020 - Feb 2021
(3) Column 2 / (8,760 hours x Column 1)
(4) NCP Class Max Load Factor based on load research study filed 7/31/2018
(5) Based on system average line loss analysis for 2018
(6) Column 2 / Column 5
(7) Column 3 / Column 5
(8) Column 6 excluding transmission service
(9) Column 8 / 8,760 hours / Column 4
(10) Forecasted customer accounts Mar 2020 - Feb 2021
(11) Column 6 / Total Column 6
(12) Column 7 / Total Column 7
(13) Column 9 / Total Column 9
(14) Column 11 x 1/13 + Column 12 x 12/13
(15) Column 10 / Total Column 10

Duke Energy Florida, LLC
Storm Cost Recovery
Calculation of Cost Recovery Factors by Rate Class

Line No.	Rate Class	(1) mWh Sales at Source Energy Allocator (%)	(2) 12CP Transmission Demand Allocator (%)	(3) NCP Distribution Demand Allocator (%)	(4) 12 CP & 1/13 AD Production Allocator (%)	(5) Customer Service Allocator (%)	(6) Transmission Demand Costs ($)	(7) Distribution Demand Costs ($)	(8) Production Demand Costs ($)	(9) Customer Service Costs ($)	(10) Total Storm Costs ($)	(11) Projected Effective Sales at Meter (mWh)	(12) Storm Cost Recovery Factors (¢/kWh)
1	**Residential**												
2	**RS-1, RST-1, RSL-1, RSL-2, RSS-1**												
3	Secondary	52.844%	60.591%	65.394%	59.995%	88.666%	$9,488,815	$101,462,406	$0	$394,466	$111,345,687	20,838,111	**0.534**
4													
5	**General Service Non-Demand**												
6	**GS-1, GST-1**												
7	Secondary											2,085,110	**0.444**
8	Primary											16,479	**0.440**
9	Transmission											2,536	**0.435**
10	Total GS	5.335%	5.820%	5.408%	5.783%	7.167%	$911,485	$8,390,354	$0	$31,886	$9,333,726	**2,104,125**	
11													
12	**General Service**												
13	**GS-2** Secondary	0.509%	0.320%	0.233%	0.334%	0.795%	$50,055	$361,540	$0	$3,538	$415,132	200,669	**0.207**
14													
15	**General Service Demand**												
16	**GSD-1, GSDT-1, SS-1**												
17	Secondary											11,400,965	**0.320**
18	Primary											2,157,462	**0.317**
19	Transmission											5,940	**0.314**
20	Total GSD	34.238%	28.962%	25.084%	29.367%	2.624%	$4,535,527	$38,919,274	$0	$11,672	$43,466,472	**13,564,367**	
21													
22	**Curtailable**												
23	**CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3**												
24	Secondary											0	**0.518**
25	Primary											111,688	**0.513**
26	Transmission											-	**0.508**
27	Total CS	0.275%	0.151%	0.357%	0.160%	0.0002%	$23,588	$554,679	$0	$1	$578,267	**111,689**	
28													
29	**Interruptible**												
30	**IS-1, IST-1, IS-2, IST-2, SS-2**												
31	Secondary											115,928	**0.199**
32	Primary											1,766,725	**0.197**
33	Transmission											497,175	**0.195**
34	Total IS	5.867%	4.100%	2.634%	4.236%	0.008%	$642,026	$4,086,456	$0	$37	$4,728,520	**2,379,828**	
35													
36	**Lighting**												
37	**LS-1** Secondary	0.932%	0.057%	0.891%	0.125%	0.739%	$8,993	$1,381,932	$0	$3,289	$1,394,214	367,407	**0.379**
38													
39	**Total**	100.000%	100.000%	100.000%	100.000%	100.000%	$15,660,488	$155,156,641	$0	$444,888	$171,262,018	39,566,196	**0.433**

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Notes:
(1) From Page 5, Column 11
(2) From Page 5, Column 12
(3) From Page 5, Column 13
(4) From Page 5, Column 14
(6) - (9) Total Retail Storm Recovery Amount on Page 1, Line 8 allocated by function
(10) Sum of Columns 6 through 9
(11) From Page 5, Column 2
(12) (Column 10 / Column 11) / 10

DUKE ENERGY®

SECTION NO. VI
EIGHTY-~~SIXTH~~ SEVENTH REVISED SHEET NO. 6.105
CANCELS EIGHTY-~~FIFTH~~ SIXTH REVISED SHEET NO. 6.105

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS

Applicable:

To the Rate Per Month provision in each of the Company's filed rate schedules which reference the billing adjustments set forth below.

COST RECOVERY FACTORS

Rate Schedule/Metering Level	Fuel Cost Recovery[1]			ECCR[2]		CCR[3]		ECRC[4]	ASC[5]	SCRS[6]
	Levelized ¢/ kWh	On-Peak ¢/ kWh	Off-Peak ¢/ kWh	¢/ kWh	$/ kW	¢/ kWh	$/ kW	¢/ kWh	¢/ kWh	¢/ kWh
RS-1, RST-1, RSL-1, RSL-2, RSS-1 (Sec.)		4.308	2.921	0.339	-	1.200	-	0.079	~~0.249~~0.235	0.534
< 1000	3.067									
> 1000	4.067									
GS-1, GST-1										
Secondary	3.350	4.308	2.921	0.327	-	1.147	-	0.079	~~0.241~~0.222	0.444
Primary	3.317	4.266	2.892	0.324	-	1.136	-	0.078	~~0.239~~0.220	0.440
Transmission	3.283	4.222	2.863	0.320	-	1.124	-	0.077	~~0.236~~0.218	0.435
GS-2 (Sec.)	3.350	-	-	0.226	-	0.690	-	0.075	~~0.146~~0.135	0.207
GSD-1, GSDT-1, SS-1*										
Secondary	3.350	4.308	2.921	-	1.09	-	3.60	0.076	~~0.191~~0.175	0.320
Primary	3.317	4.266	2.892	-	1.08	-	3.56	0.075	~~0.189~~0.173	0.317
Transmission	3.283	4.222	2.863	-	1.07	-	3.53	0.074	~~0.187~~0.172	0.314
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*										
Secondary	3.350	4.308	2.921	-	0.46	-	1.38	0.072	~~0.134~~0.120	0.518
Primary	3.317	4.266	2.892	-	0.46	-	1.37	0.071	~~0.133~~0.119	0.513
Transmission	3.283	4.222	2.863	-	0.45	-	1.35	0.071	~~0.131~~0.118	0.508
IS-1, IST-1, IS-2, IST-2, SS-2*										
Secondary	3.350	4.308	2.921	-	0.95	-	3.00	0.073	~~0.162~~0.144	0.199
Primary	3.317	4.266	2.892	-	0.94	-	2.97	0.072	~~0.160~~0.143	0.197
Transmission	3.283	4.222	2.863	-	0.93	-	2.94	0.072	~~0.159~~0.141	0.195
LS-1 (Sec.)	3.181	-	-	0.103	-	0.147	-	0.070	~~0.030~~0.027	0.379
*SS-1, SS-2, SS-3										
Monthly										
Secondary	-	-	-	-	0.106	-	0.349	-	-	
Primary	-	-	-	-	0.105	-	0.346	-	-	
Transmission	-	-	-	-	0.104	-	0.342	-	-	
Daily										
Secondary	-	-	-	-	0.050	-	0.166	-	-	
Primary	-	-	-	-	0.050	-	0.164	-	-	
Transmission	-	-	-	-	0.049	-	0.163	-	-	
GSLM-1, GSLM-2	See appropriate General Service rate schedule									

(1) Fuel Cost Recovery Factor:
The Fuel Cost Recovery Factors applicable to the Fuel Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. These factors are designed to recover the costs of fuel and purchased power (other than capacity payments) incurred by the Company to provide electric service to its customers and are

adjusted to reflect changes in these costs from one period to the next. Revisions to the Fuel Cost Recovery Factors within the described period may be determined in the event of a significant change in costs.

(2) Energy Conservation Cost Recovery Factor:
The Energy Conservation Cost Recovery (ECCR) Factor applicable to the Energy Charge under the Company's various rate schedules is normally determined annually by the Florida Public Service Commission for twelve-month periods beginning with the billing month of January. This factor is designed to recover the costs incurred by the Company under its approved Energy Conservation Programs and is adjusted to reflect changes in these costs from one period to the next. For time of use demand rates the ECCR charge will be included in the base demand only.

(Continued on Page No. 2)

DUKE ENERGY®

SECTION NO. VI
TWENTY-~~SEVENTH~~ EIGHTH REVISED SHEET NO. 6.106
CANCELS TWENTY-~~SIXTH~~ SEVENTH REVISED SHEET NO. 6.106

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS
(Continued from Page 1)

(3) Capacity Cost Recovery Factor:

The Capacity Cost Recovery (CCR) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover the cost of capacity payments made by the Company for off-system capacity and is adjusted to reflect changes in these costs from one period to the next. For time of use demand rates the CCR charge will be included in the base demand only.

(4) Environmental Cost Recovery Clause Factor:

The Environmental Cost Recovery Clause (ECRC) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover environmental compliance costs incurred by the Company and is adjusted to reflect changes in these costs from one period to the next.

(5) Asset Securitization Charge Factor:

The Asset Securitization Charge (ASC) Factors applicable to the Energy Charge under the Company's various rate schedules represent a Nuclear Asset-Recovery Charge approved in a financing order issued to the Company by the Florida Public Service Commission and are adjusted at least semi-annually to ensure timely payment of principal, interest and financing costs of nuclear asset-recovery bonds from the effective date of the ASC until the nuclear asset-recovery bonds have been paid in full or legally discharged and the financing costs have been fully recovered. As approved by the ~~-~~Commission, a Special Purpose Entity (SPE) has been created and is the owner of all rights to the Nuclear Asset-Recovery Charge. The Company shall act as the SPE's collection agent or servicer for the Nuclear Asset-Recovery Charge. The Nuclear Asset-Recovery Charge shall be paid by all existing or future customers receiving transmission or distribution service from the Company or its successors or assignees under Commission-approved rate schedules or under special contracts, even if the customer elects to purchase electricity from alternative electric suppliers following a fundamental change in regulation of public utilities in this state.

(6) Storm Cost Recovery Surcharge Factor:

In accordance with a Florida Public Service Commission ruling, the Storm Cost Recovery Surcharge (SCRS) factor is applicable to the Energy Charge under the Company's various rate schedules for the billing months of March 2020 through February 2021. This surcharge is designed to recover storm-related costs incurred by the Company related to Hurricane Dorian and Tropical Storm Nestor in 2019.

Gross Receipts Tax Factor:

In accordance with Section 203.01(1)(a)1 of the Florida Statutes, a factor of 2.5641% is applicable to electric sales charges for collection of the state Gross Receipts Tax.

Right-of-Way Utilization Fee:

A Right-of-Way Utilization Fee is applied to the charges for electric service (exclusive of any Municipal, County, or State Sales Tax) provided to customers within the jurisdictional limits of each municipal or county governmental body or any unit of special-purpose government or other entity with authority requiring the payment of a franchise fee, tax, charge, or other imposition whether in money, service, or other things of value for utilization of rights-of-way for location of Company distribution or transmission facilities. The Right-of-Way Utilization Fee shall be determined in a negotiated agreement (i.e., franchise and other agreements) in a manner which reflects the Company's payments to a governmental body or other entity with authority plus the appropriate Gross Receipts Taxes and Regulatory Assessment Fees resulting from such additional revenue. The Right-of-Way Utilization Fee is added to the charges for electric service prior to the application of any appropriate taxes.

Municipal Tax:

A Municipal Tax is applied to the charge for electric service provided to customers within the jurisdictional limits of each municipal or other governmental body imposing a utility tax on such service. The Municipal Tax shall be determined in accordance with the governmental body's utility tax ordinance, and the amount collected by the Company from the Municipal Tax shall be remitted to the governmental body in the manner required by law. No Municipal Tax shall apply to fuel charges in excess of 0.699¢/kWh.

Sales Tax:

A State Sales Tax is applied to the charge for electric service provided to all non-residential customers and equipment rental provided to all customers (unless a qualified sales tax exemption status is on record with the Company). The State Sales Tax shall be determined in accordance with the State's sales tax laws. The amount collected by the Company shall be remitted to the State in the manner required by law. In those counties that have enacted a County Discretionary Sales Surtax, such tax shall be applied and paid in a like manner. An additional tax factor is applied to the charge for electric service consistent with the applicability of State Sales Tax as described in this paragraph, in accordance with Section 203.01(1)(a)3 and (b)4 of the Florida Statutes.

(Continued on Page No. 3)

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS
(Continued from Page 2)

Governmental Undergrounding Fee:

Applicable to customers located in a designated Underground Assessment Area within a local government (a municipality or a county) that requires the Company to collect a Governmental Undergrounding Fee from such customers to recover the local government's costs of converting overhead electric distribution facilities to underground facilities. The Governmental Undergrounding Fee billed to a customer's account shall not exceed the lesser of (i) 15 percent of a customer's total net electric service charges, or (ii) a maximum monthly amount of $30 for residential customers and $50 for each 5,000 kilowatt-hour increment of consumption for commercial/industrial customers, unless the Commission approves a higher percentage or maximum monthly amount. The maximum monthly amount shall apply to each line of billing in the case of a customer receiving a single bill for multiple service points, and to each occupancy unit in the case of a master metered customer. The Governmental Undergrounding Fee shall be calculated on the customer's charges for electric service before the addition of any applicable taxes.

DUKE ENERGY®

SECTION NO. VI
EIGHTY-SEVENTH REVISED SHEET NO. 6.105
CANCELS EIGHTY-SIXTH REVISED SHEET NO. 6.105

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS

Applicable:

To the Rate Per Month provision in each of the Company's filed rate schedules which reference the billing adjustments set forth below.

COST RECOVERY FACTORS

Rate Schedule/Metering Level	Fuel Cost Recovery[1]			ECCR[2]		CCR[3]		ECRC[4]	ASC[5]	SCRS[6]
	Levelized ¢/ kWh	On-Peak ¢/ kWh	Off-Peak ¢/ kWh	¢/ kWh	$/ kW	¢/ kWh	$/ kW	¢/ kWh	¢/ kWh	¢/ kWh
RS-1, RST-1, RSL-1, RSL-2, RSS-1 (Sec.)		4.308	2.921	0.339	-	1.200	-	0.079	0.235	0.534
< 1000	3.067									
> 1000	4.067									
GS-1, GST-1										
Secondary	3.350	4.308	2.921	0.327	-	1.147	-	0.079	0.222	0.444
Primary	3.317	4.266	2.892	0.324	-	1.136	-	0.078	0.220	0.440
Transmission	3.283	4.222	2.863	0.320	-	1.124	-	0.077	0.218	0.435
GS-2 (Sec.)	3.350	-	-	0.226	-	0.690	-	0.075	0.135	0.207
GSD-1, GSDT-1, SS-1*										
Secondary	3.350	4.308	2.921	-	1.09	-	3.60	0.076	0.175	0.320
Primary	3.317	4.266	2.892	-	1.08	-	3.56	0.075	0.173	0.317
Transmission	3.283	4.222	2.863	-	1.07	-	3.53	0.074	0.172	0.314
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*										
Secondary	3.350	4.308	2.921	-	0.46	-	1.38	0.072	0.120	0.518
Primary	3.317	4.266	2.892	-	0.46	-	1.37	0.071	0.119	0.513
Transmission	3.283	4.222	2.863	-	0.45	-	1.35	0.071	0.118	0.508
IS-1, IST-1, IS-2, IST-2, SS-2*										
Secondary	3.350	4.308	2.921	-	0.95	-	3.00	0.073	0.144	0.199
Primary	3.317	4.266	2.892	-	0.94	-	2.97	0.072	0.143	0.197
Transmission	3.283	4.222	2.863	-	0.93	-	2.94	0.072	0.141	0.195
LS-1 (Sec.)	3.181	-	-	0.103	-	0.147	-	0.070	0.027	0.379
*SS-1, SS-2, SS-3										
Monthly										
Secondary	-	-	-	-	0.106	-	0.349	-	-	
Primary	-	-	-	-	0.105	-	0.346	-	-	
Transmission	-	-	-	-	0.104	-	0.342	-	-	
Daily										
Secondary	-	-	-	-	0.050	-	0.166	-	-	
Primary	-	-	-	-	0.050	-	0.164	-	-	
Transmission	-	-	-	-	0.049	-	0.163	-	-	
GSLM-1, GSLM-2	See appropriate General Service rate schedule									

(1) Fuel Cost Recovery Factor:
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(2) Energy Conservation Cost Recovery Factor:
The Energy Conservation Cost Recovery (ECCR) Factor applicable to the Energy Charge under the Company's various rate schedules is normally determined annually by the Florida Public Service Commission for twelve-month periods beginning with the billing month of January. This factor is designed to recover the costs incurred by the Company under its approved Energy Conservation Programs and is adjusted to reflect changes in these costs from one period to the next. For time of use demand rates the ECCR charge will be included in the base demand only.

(Continued on Page No. 2)

ISSUED BY: Javier J. Portuondo, Managing Director Rates & Regulatory Strategy – FL

EFFECTIVE:

DUKE ENERGY®

SECTION NO. VI
TWENTY-EIGHTH REVISED SHEET NO. 6.106
CANCELS TWENTY-SEVENTH REVISED SHEET NO. 6.106

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS
(Continued from Page 1)

(3) Capacity Cost Recovery Factor:

The Capacity Cost Recovery (CCR) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover the cost of capacity payments made by the Company for off-system capacity and is adjusted to reflect changes in these costs from one period to the next. For time of use demand rates the CCR charge will be included in the base demand only.

(4) Environmental Cost Recovery Clause Factor:

The Environmental Cost Recovery Clause (ECRC) Factors applicable to the Energy Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. This factor is designed to recover environmental compliance costs incurred by the Company and is adjusted to reflect changes in these costs from one period to the next.

(5) Asset Securitization Charge Factor:

The Asset Securitization Charge (ASC) Factors applicable to the Energy Charge under the Company's various rate schedules represent a Nuclear Asset-Recovery Charge approved in a financing order issued to the Company by the Florida Public Service Commission and are adjusted at least semi-annually to ensure timely payment of principal, interest and financing costs of nuclear asset-recovery bonds from the effective date of the ASC until the nuclear asset-recovery bonds have been paid in full or legally discharged and the financing costs have been fully recovered. As approved by the Commission, a Special Purpose Entity (SPE) has been created and is the owner of all rights to the Nuclear Asset-Recovery Charge. The Company shall act as the SPE's collection agent or servicer for the Nuclear Asset-Recovery Charge. The Nuclear Asset-Recovery Charge shall be paid by all existing or future customers receiving transmission or distribution service from the Company or its successors or assignees under Commission-approved rate schedules or under special contracts, even if the customer elects to purchase electricity from alternative electric suppliers following a fundamental change in regulation of public utilities in this state.

(6) Storm Cost Recovery Surcharge Factor:

In accordance with a Florida Public Service Commission ruling, the Storm Cost Recovery Surcharge (SCRS) factor is applicable to the Energy Charge under the Company's various rate schedules for the billing months of March 2020 through February 2021. This surcharge is designed to recover storm-related costs incurred by the Company related to Hurricane Dorian and Tropical Storm Nestor in 2019.

Gross Receipts Tax Factor:

In accordance with Section 203.01(1)(a)1 of the Florida Statutes, a factor of 2.5641% is applicable to electric sales charges for collection of the state Gross Receipts Tax.

Right-of-Way Utilization Fee:

A Right-of-Way Utilization Fee is applied to the charges for electric service (exclusive of any Municipal, County, or State Sales Tax) provided to customers within the jurisdictional limits of each municipal or county governmental body or any unit of special-purpose government or other entity with authority requiring the payment of a franchise fee, tax, charge, or other imposition whether in money, service, or other things of value for utilization of rights-of-way for location of Company distribution or transmission facilities. The Right-of-Way Utilization Fee shall be determined in a negotiated agreement (i.e., franchise and other agreements) in a manner which reflects the Company's payments to a governmental body or other entity with authority plus the appropriate Gross Receipts Taxes and Regulatory Assessment Fees resulting from such additional revenue. The Right-of-Way Utilization Fee is added to the charges for electric service prior to the application of any appropriate taxes.

Municipal Tax:

A Municipal Tax is applied to the charge for electric service provided to customers within the jurisdictional limits of each municipal or other governmental body imposing a utility tax on such service. The Municipal Tax shall be determined in accordance with the governmental body's utility tax ordinance, and the amount collected by the Company from the Municipal Tax shall be remitted to the governmental body in the manner required by law. No Municipal Tax shall apply to fuel charges in excess of 0.699¢/kWh.

Sales Tax:

A State Sales Tax is applied to the charge for electric service provided to all non-residential customers and equipment rental provided to all customers (unless a qualified sales tax exemption status is on record with the Company). The State Sales Tax shall be determined in accordance with the State's sales tax laws. The amount collected by the Company shall be remitted to the State in the manner required by law. In those counties that have enacted a County Discretionary Sales Surtax, such tax shall be applied and paid in a like manner. An additional tax factor is applied to the charge for electric service consistent with the applicability of State Sales Tax as described in this paragraph, in accordance with Section 203.01(1)(a)3 and (b)4 of the Florida Statutes.

(Continued on Page No. 3)

RATE SCHEDULE BA-1
BILLING ADJUSTMENTS
(Continued from Page 2)

Governmental Undergrounding Fee:

Applicable to customers located in a designated Underground Assessment Area within a local government (a municipality or a county) that requires the Company to collect a Governmental Undergrounding Fee from such customers to recover the local government's costs of converting overhead electric distribution facilities to underground facilities. The Governmental Undergrounding Fee billed to a customer's account shall not exceed the lesser of (i) 15 percent of a customer's total net electric service charges, or (ii) a maximum monthly amount of $30 for residential customers and $50 for each 5,000 kilowatt-hour increment of consumption for commercial/industrial customers, unless the Commission approves a higher percentage or maximum monthly amount. The maximum monthly amount shall apply to each line of billing in the case of a customer receiving a single bill for multiple service points, and to each occupancy unit in the case of a master metered customer. The Governmental Undergrounding Fee shall be calculated on the customer's charges for electric service before the addition of any applicable taxes.