

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** July 14, 2020

**TO:** Gary F. Clark, Chairman  
Art Graham, Commissioner  
Julie I. Brown, Commissioner  
Donald J. Polmann, Commissioner  
Andrew Giles Fay, Commissioner

**FROM:** Andrew L. Maurey, Director, Division of Accounting & Finance *ALM*

**RE:** Docket No. 20150171-EI (Petition for Issuance of Nuclear Asset-Recovery Financing Order by Duke Energy Florida) Response to June 26, 2020, Request by Duke Energy Florida for a Routine Asset Securitization Charge True-Up Adjustment Effective for the September 2020 billing cycle.

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Pursuant to Order No. PSC-2015-0537-FOF-EI (Financing Order) and Section 4.01(b)(i) of the Nuclear Asset-Recovery Property Servicing Agreement (Servicing Agreement), Duke Energy Florida, LLC (DEF) as Servicer of the Nuclear Asset-Recovery Bonds, Series A ("Bonds"), and on behalf of the New York Mellon Trust Company, National Association (the "Trustee") under the Indenture between Duke Energy Florida Project Finance, LLC, (the "Issuer") and the assignee of the Issuer, hereby requests an adjustment to the nuclear asset-recovery charges. This adjustment is intended to satisfy the requirements of Section 366.95 Florida Statutes (Statute) and the Financing Order by ensuring the Nuclear Asset Recovery Charges will recover amounts sufficient to timely provide all payments of debt service and other required amounts and charges in connections with the Bonds during the upcoming Remittance Period.

Paragraph 29 of the Financing Order states: "After issuance of nuclear asset-recovery bonds, the servicer will submit such true-up adjustment filings in the form attached as an exhibit to the Servicing Agreement (a "True-Up Adjustment Letter"). The nuclear asset-recovery bonds were issued on June 22, 2016. DEF filed its semi-annual True-Up Adjustment Letter on December 23, 2019.

Paragraph 29 of the Financing Order describes how such True-Up Adjustment Letters are to be handled:

Consistent with Section 366.95(2)(c)4., Florida Statutes, our staff, upon the filing of a True-Up Adjustment Letter made pursuant to this Order, will either administratively approve the requested true-up calculation in writing or inform the servicer of any mathematical errors in its calculation as expeditiously as possible but no later than 60 days following the servicer's true-up filing . . . If no action is

Gary F. Clark, Chairman

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taken within 60 days of the true-up filing, the true-up calculation shall be deemed approved. Upon administrative approval or the passage of 60 days without notification of a mathematical error, no further action of this Commission will be required prior to implementation of the true-up.

DEF's True-Up Adjustment Letter dated June 26, 2020, and its 21 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Attached is DEF's Ninetieth Revised Sheet No. 6.105 in legislative format. The Asset Securitization Charge for the residential class will increase from \$2.35 to \$2.51 per 1,000 kWh. For the residential customer using 1,000 kWh, the residential bill will increase from \$130.09 to \$130.26 (including gross receipts tax).

Per DEF's request in its True-Up Adjustment Letter dated June 26, 2020 and in accordance with the Financing Order and Servicing Agreement, the proposed adjustments to the Nuclear Asset Recovery Charges will be effective for the September 2020 billing cycle. Staff is preparing the required approval letter for the new tariff sheets.

ALM/drb

cc Braulio Baez  
Keith Hetrick  
Mark Futrell  
Cheryl Bulecza-Banks  
Mark Cicchetti  
Adam Teitzman  
Mary Anne Helton  
Elisabeth Draper  
J.R. Kelly, Office of Public Counsel  
Dianne M. Triplett, Duke Energy Florida

Attachments



SECTION NO. VI  
~~EIGHTY-NINTH~~NINETIETH REVISED SHEET NO. 6.105  
 CANCELS ~~EIGHTY-EIGHTH~~NINTH REVISED SHEET NO. 6.105

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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 <sup>(1)</sup>			ECCR <sup>(2)</sup>		CCR <sup>(3)</sup>		ECRC <sup>(4)</sup>	ASC <sup>(5)</sup>	SCRS <sup>(6)</sup>
	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.) < 1000 > 1000	3.067 4.067	4.308	2.921	0.339	-	1.200	-	0.079	<del>0.2350</del> 251	0.534
GS-1, GST-1										
Secondary	3.350	4.308	2.921	0.327	-	1.147	-	0.079	<del>0.2220</del> 252	0.444
Primary	3.317	4.266	2.892	0.324	-	1.136	-	0.078	<del>0.2200</del> 249	0.440
Transmission	3.283	4.222	2.863	0.320	-	1.124	-	0.077	<del>0.2180</del> 247	0.435
GS-2 (Sec.)	3.350	-	-	0.226	-	0.690	-	0.075	<del>0.4350</del> 151	0.207
GSD-1, GSDT-1, SS-1*										
Secondary	3.350	4.308	2.921	-	1.09	-	3.60	0.076	<del>0.4750</del> 198	0.320
Primary	3.317	4.266	2.892	-	1.08	-	3.56	0.075	<del>0.4730</del> 196	0.317
Transmission	3.283	4.222	2.863	-	1.07	-	3.53	0.074	<del>0.4720</del> 194	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	<del>0.4200</del> 133	0.518
Primary	3.317	4.266	2.892	-	0.46	-	1.37	0.071	<del>0.4190</del> 132	0.513
Transmission	3.283	4.222	2.863	-	0.45	-	1.35	0.071	<del>0.4180</del> 130	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	<del>0.4440</del> 167	0.199
Primary	3.317	4.266	2.892	-	0.94	-	2.97	0.072	<del>0.4430</del> 165	0.197
Transmission	3.283	4.222	2.863	-	0.93	-	2.94	0.072	<del>0.4410</del> 164	0.195
LS-1 (Sec.)	3.181	-	-	0.103	-	0.147	-	0.070	<del>0.0270</del> 032	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

