

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-

DATE: July 21, 2022

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Forrest) *JFH*
Office of the General Counsel (Brownless) *JSC*

RE: Docket No. 20220106-EI – Petition for approval of new my energy bill+ program with income qualified component, by Duke Energy Florida, LLC.

AGENDA: 08/02/22 – Regular Agenda – Tariff Suspension – Participation is at the discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 08/02/22 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On June 3, 2022, Duke Energy Florida (Duke or utility) filed a petition requesting approval of a new fixed (or flat) bill program called My Energy Bill+. This proposal is similar in structure to Duke's current Your Fixed Bill tariff. A flat bill tariff allows participating customers to receive a fixed monthly bill for 12 months, which is calculated using the prior 12-months average usage plus an additional risk and usage adder. Customers who voluntarily enroll in a fixed bill program need to enter into a Service Agreement with the utility for a term of 12 months. The Service Agreement will automatically renew for an additional 12 months, unless the customer notifies the utility prior to the renewal date. On the enrollment anniversary, the utility will issue a new monthly flat bill amount for the upcoming year based upon updated usage and risk parameters.

Under the proposed tariff, Duke would offer qualifying residential customers a monthly flat bill rate that includes a reduced risk premium compared to the risk premium in its current Your Fixed

Bill program. The current Your Fixed Bill program has a risk adder of 6 percent, while the new My Energy Bill+ program limits the risk adder to 4 percent. In exchange for the reduced risk premium, the proposed My Energy Bill+ program would require customers to grant Duke access to control their thermostats during periods of peak usage. In addition, Duke would offer 1,000 free smart thermostats to income-qualified customers. This program was originally conceptualized in a Memorandum of Understanding between Duke, Vote Solar, the CLEO Institute and the Southern Alliance for Clean Energy, which was filed in Docket No. 20210016-EI.¹

This recommendation is to suspend the proposed tariffs. The Commission has jurisdiction over this matter pursuant to Section 366.06, Florida Statutes (F.S.).

¹ Document No. 03685-2021 in Docket No. 20210016-EI, *In re: Duke Energy Florida, LLC's Petition for Limited Proceeding to Approve 2021 Settlement Agreement, Including General Base Rate Increases.*

Discussion of Issues

Issue 1: Should the Commission suspend Duke's proposed My Energy Bill+ program tariffs?

Recommendation: Yes. The proposed My Energy Bill+ program tariffs should be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed new program and associated tariffs. (Forrest)

Staff Analysis: Staff recommends that the proposed tariffs be suspended to allow staff the necessary time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the proposed tariffs.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of the new rate schedules delivering to the utility requesting such a change a reason or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is good cause consistent with the requirements of Section 366.06(3), F.S.

Issue 2: Should this docket be closed?

Recommendation: No, this docket should remain open pending the Commission decision on the proposed tariff changes. (Brownless)

Staff Analysis: This docket should remain open pending the Commission decision on the proposed tariff changes.