

Antonia Hover

From: Ellen Plendl
Sent: Wednesday, February 8, 2023 1:35 PM
To: Consumer Correspondence
Subject: Docket No. 20230001
Attachments: Ridiculously High Duke Energy Bill; Consumer Inquiry - Duke Energy Florida

See attached customer correspondence and reply for Docket No. 20230001.

Antonia Hover

From: Chi-Chi Tyler <cctyler@gmail.com>
Sent: Wednesday, February 8, 2023 7:44 AM
To: Ellen Plendl
Subject: Ridiculously High Duke Energy Bill

Good Morning,

My husband and I are registered voters and have a family of 5. live in Seminole County. Over the last few months our Duke energy bill went from \$380 which was already a struggle to \$540 with no increase in usage on our part. How are we expected to afford \$540 a month for electricity? We live in a single story 3 bedroom 2 bath home. How are the energy companies allowed to raise prices in such a way with no regards to the consumer? What can be done to reduce energy prices? I have 3 special needs kids, am I expected to not run my heat or A/C? What help is there for Florida citizens who are considered middle class and thus unable to qualify for assistance in paying this astronomical energy costs? Please advise. Thank you.

Antonia Hover

From: Ellen Plendl
Sent: Wednesday, February 8, 2023 12:33 PM
To: 'cctyler@gmail.com'
Subject: Consumer Inquiry - Duke Energy Florida

Mrs. Chi-Chi Tyler
cctyler@gmail.com

RE: FPSC Inquiry 1415404C

Dear Mrs. Tyler:

This is in response to your E-mail about Duke Energy Florida (DEF) to the Florida Public Service Commission (FPSC). We appreciate the opportunity to respond directly to you.

You expressed a concern about recent rate increases, including the fuel charge. The fuel charge recovers the actual cost to secure and process the fuel necessary to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. Any revenue generated by the fuel charge pays fuel suppliers and transporters; utilities are not allowed to earn a profit on fuel costs. On your bill, fuel appears as a separate cents per kilowatt-hour charge.

Each year, utilities file their projected fuel costs for the upcoming calendar year. The FPSC, along with the Office of Public Counsel and other consumer representatives, closely examine the utilities' requested fuel costs. Public hearings are held to set the annual fuel factors. 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. Any over or under recovery from the utility's actual costs will be reflected in next year's costs. The fuel cost adjustment is recognized by state commissions, the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

On December 6, 2022, the FPSC set the 2023 fuel charge for the customers of FPL after carefully considering testimony and evidence on its projected costs at a public hearing.

Below is a breakdown of DEF residential customer bills for 1,000 kilowatt-hours of electricity prior to January 2023, as well as bills effective January 2023.

TOTAL MONTHLY BILL - RESIDENTIAL SERVICE - 1,000 KILOWATT HOURS

January 2023

<u>Present</u>	Duke Energy
<u>September - December 2022</u>	<u>Florida</u>
Base Rate Charges	\$80.91
Fuel and Purchased Power Cost Recovery Clause	\$44.69
Energy Conservation Cost Recovery Clause	\$2.83
Environmental Cost Recovery Clause	\$0.28
Capacity Cost Recovery Clause	\$11.81
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$3.00
Asset Securitization Charge	\$2.65
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A

Gross Receipts Tax and Regulatory Assessment Fee	\$3.85
Total	<u>\$150.02</u>

Revised	Duke Energy
January 2023	Florida
Base Rate Charges	\$81.46
Fuel and Purchased Power Cost Recovery Clause	\$59.61
Energy Conservation Cost Recovery Clause	\$3.20
Environmental Cost Recovery Clause	\$0.22
Capacity Cost Recovery Clause	\$13.28
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$4.14
Asset Securitization Charge	\$2.65
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$4.34
Total	<u>\$168.90</u>

Increase / (Decrease)	Duke Energy
	Florida
Base Rate Charges	\$0.55
Fuel and Purchased Power Cost Recovery Clause	\$14.92
Energy Conservation Cost Recovery Clause	\$0.37
Environmental Cost Recovery Clause	-\$0.06
Capacity Cost Recovery Clause	\$1.47
Storm Damage Cost Surcharge	\$0.00
Storm Protection Plan Cost Recovery	\$1.14
Asset Securitization Charge	\$0.00
Transition Rider/Credit	N/A
Clean Energy Transition Mechanism	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$0.49
Total	<u>\$18.88</u>

For Duke the Regulatory Assessment Fee has been removed from base rates and clauses and is included on bills with Gross Receipts Taxes, effective 2022.

Duke's 2023 base rates represents a weighted average; the December - February bill is \$89.39; the March - November bill is \$78.82. $((\$89.39 \times 3) + (78.82 \times 9)) / 12 = \81.46

Natural gas prices and resulting costs experienced in 2022 exceeded the revenues collected from customers and resulted in a significant under recovery.

DEF has filed for a mid-course correction for fuel charges. Mid-course corrections are used by the Commission between annual fuel clause hearings whenever costs deviate from revenue by a significant margin. Cost recovery factors are usually effective for a period of 12 months. However, we require that if an investor-owned electric company's fuel or capacity cost recovery position is projected to exceed a specified range within the standard 12-month timeframe, then a filing and analysis into the continued reasonableness of the prevailing cost recovery factors must be performed. This requirement is codified by Rule 25- 6.0424, Florida Administrative Code (F.A.C.), and is commonly referred to as the "mid-course correction rule."

(Over or under collection is a credit or debit to the amount to be collected the next period (year). The total fuel factor may go up or down regardless of whether there was an over or under collection in the prior period.)

Thank you for your comments. They will be added to the correspondence filed in the Fuel Cost Recovery Clause Docket No. 20230001-EI.

Customers who are experiencing difficulty in providing payment on their account can contact the following resources for financial assistance:

* Low Income Home Energy Assistance Program --- <https://www.floridajobs.org/community-planning-and-development/community-services/low-income-home-energy-assistance-program/find-your-local-low-income-home-energy-assistance-program-provider-for-help>

* Elderly Electric Assistance (EHEAP), which provides assistance for home-energy emergencies to qualified, low-income households with at least one person 60 years of age or older. To find out about qualifications, you may contact your county's local EHEAP agency, or by calling 1-800-963-5337.

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

Sincerely,

Ellen Plendl
Regulatory Consultant
Florida Public Service Commission
Office of Consumer Assistance & Outreach
1-800-342-3552 (phone)
1-800-511-0809 (fax)