Stephanie A. Cuello
SENIOR COUNSEL

June 16, 2023

VIA ELECTRONIC DELIVERY

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

Re: *2023 Ten-Year Site Plan Data Request #2; Undocketed*

Dear Mr. Teitzman:

Please find enclosed for filing, Duke Energy Florida, LLC's Response to Staff's Data Request #2, questions 1 through 3, issued on May 26, 2023, regarding DEF's 2023 TYSP.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1425.

Sincerely,

/s/ Stephanie A. Cuello

Stephanie A. Cuello

SAC/vr
Attachments

cc: Greg Davis, GDavis@psc.state.fl.us, Division of Engineering, FPSC
Phillip Ellis, PEllis@psc.state.fl.us , Division of Engineering, FPSC

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DEF's Response to Staff's Second Data Request Regarding the 2023 Ten Year Site Plan; Questions 1-3

1. Please refer to DEF's 2023 Ten-Year Site Plan (TYSP), Schedules 2.1.1 and 2.2.1 "History and Forecast of Energy Consumption and Number of Customers By Customer Class (Base Case Forecast)" for the questions below:

   a. Please explain why the Company projected that the amount of "Average KWh Consumption Per Customer" for 2023 will be lower than both of the 2022 actual amount and the 2024 projected amount for each of the "Rural And Residential" and "Industrial" classes.

   b. Please explain why the Company projected that the amount of "Total Sales to Ultimate Consumers (GWh)" for 2023 will be lower than the 2022 actual amount.

RESPONSE:

   a. Projections of economic activity from Moody's Analytics July 2022 report were lower for 2023 compared to 2022 due to expectations of monetary and fiscal policy. This, combined with higher energy prices in 2023 resulted in lower forecasted sales in 2023 vs 2022. In 2024 sales are expected to increase. DEF calculates projected total sales by customer class. Average kWh consumption per customer is then calculated from projected sales and the projected average number of customers for each year. The projected drop in sales in 2023 and subsequent recovery in 2024 is causing the average kWh consumption per customer for these classes to be lower than 2022 actuals and 2024 projected.

   b. Major economic drivers such as real median income, employment, and GDP are projected to decline in 2023. A major contributor to this is increased interest rates as a response to high inflation. Energy prices were also projected to increase in 2023 which impacted electric demand.

2. Referring to DEF's 2023 TYSP, Schedules 2.1.1 and 2.2.1, please explain how DEF derived its forecasted "Average KWH Consumption Per Customer" for each of the Rural & Residential, Commercial and Industrial Classes.

RESPONSE:

Average KWH Consumption Per Customer is a function of energy sales and average number of customers. DEF calculates projected total sales by customer class. Average kWh consumption per customer is then calculated by dividing the projected sales (kWh) and the projected average number of customers for each year. For the methodology for the sales and customer forecast please refer to the DEF 2023 TYSP.

3. If Schedules 2.1 and 2.2 do not include the incremental impact of utility conservation programs on forecasted "GWh" or "Average KWh Consumption per Customer" for each of the Rural & Residential, Commercial, and Industrial Classes, please explain DEF's rationale for not including such impacts. Also, explain what impact the exclusion of such conservation has on the various forecasts appearing in these schedules.

RESPONSE:

Schedules 2.1 and 2.2 include the incremental impact of utility conservation programs on forecasted "GWh" and "Average KWh Consumption per Customer" for each of the Rural & Residential, Commercial, and Industrial Classes.