

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 26, 2023

TO: Andrew Giles Fay, Chairman
Art Graham, Commissioner
Gary F. Clark, Commissioner
Mike La Rosa, Commissioner
Gabriella Passidomo, Commissioner

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

RE: Docket No. 20150171-EI (Petition for Issuance of Nuclear Asset-Recovery Financing Order by Duke Energy Florida) Response to the June 23, 2023, Request by Duke Energy Florida for a Routine Asset Securitization Charge True-Up Adjustment Effective for September 2023 billing cycle.

ALM

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 most recent semi-annual True-Up Adjustment Letter on June 23, 2023.

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

Andrew Giles Fay, 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 23, 2023, and its 30 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Attached is DEF's One Hundred and Second Revised Sheet No. 6.105 in legislative format. The Asset Securitization Charge for the residential class will increase from \$2.03 to \$2.33 per 1,000 kWh. For the residential customer using 1,000 kWh, the residential bill will increase from \$171.83 to \$172.14 (including gross receipts tax).¹

Per DEF's request in its True-Up Adjustment Letter dated June 23, 2023, 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 2023 billing cycle. Staff is preparing the required approval letter for the new tariff sheets.

ALM/drb

cc Braulio Baez
Keith Hetrick
Mark Futrell
Mark Cicchetti
Curt Mouring
Adam Teitzman
Mary Anne Helton
Elisabeth Draper
Corey Hampson
Walt Trierweiler, Office of Public Counsel
Dianne M. Triplett, Duke Energy Florida

Attachments

¹ DEF's 2023 base rates are seasonal; the December - February bill is \$89.39, the March - November bill is \$78.82, the weighted average is \$81.46. The residential bill of \$172.14 reflects the base rates of \$78.82.



SECTION NO. VI
 ONE HUNDRED AND ~~FIRST-SECOND~~ REVISED SHEET NO. 6.105
 CANCELS ONE ~~HUNDREDDTH-HUNDRED AND FIRST~~ 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	ECCR ⁽²⁾		CCR ⁽³⁾		ECRC ⁽⁴⁾	ASC ⁽⁵⁾	SPPCR ⁽⁶⁾		SCRS ⁽⁷⁾
	¢/ kWh	\$/ kW	¢/ kWh	\$/ kW	¢/ kWh	¢/ kWh	¢/ kWh	\$/ kW	¢/ kWh
RS-1, RST-1, RSL-1, RSL-2 (Sec.) < 1000 > 1000	0.320	-	1.285	-	0.022	0.203233	0.414	-	1.314
GS-1, GST-1 Secondary	0.288	-	1.138	-	0.021	0.470210	0.401	-	1.312
Primary	0.285	-	1.127	-	0.021	0.477208	0.397	-	1.299
Transmission	0.282	-	1.115	-	0.021	0.475206	0.393	-	1.286
GS-2 (Sec.)	0.217	-	0.795	-	0.018	0.427148	0.188	-	0.582
GSD-1, GSDT-1, SS-1*									
Secondary	-	0.85	-	3.26	0.020	0.464182	-	1.05	0.941
Primary	-	0.84	-	3.23	0.020	0.452180	-	1.01	0.932
Transmission	-	0.83	-	3.19	0.020	0.464178	-	0.19	0.922
CS-2, CST-2, CS-3, CST-3, SS-3*									
Secondary	-	0.46	-	1.61	0.016	0.900121	-	0.98	1.611
Primary	-	0.46	-	1.59	0.016	0.906120	-	0.97	1.595
Transmission	-	0.45	-	1.58	0.016	0.907119	-	0.96	1.579
IS-2, IST-2, SS-2*									
Secondary	-	0.70	-	2.60	0.018	0.426153	-	0.80	0.421
Primary	-	0.69	-	2.57	0.018	0.426151	-	0.59	0.417
Transmission	-	0.69	-	2.55	0.018	0.423150	-	0.14	0.413
LS-1 (Sec.)	0.116	-	0.330	-	0.014	0.054081	0.306	-	1.166
*SS-1, SS-2, SS-3 Monthly									
Secondary	-	0.082	-	0.314	-	-	-	0.094	-
Primary	-	0.081	-	0.311	-	-	-	0.093	-
Transmission	-	0.080	-	0.308	-	-	-	0.092	-
Daily									
Secondary	-	0.039	-	0.150	-	-	-	0.045	-
Primary	-	0.039	-	0.148	-	-	-	0.045	-
Transmission	-	0.038	-	0.147	-	-	-	0.044	-
GSLM-1, GSLM-2	See appropriate General Service rate schedule								

Fuel Cost Recovery ⁽¹⁰⁾					
Rate Schedule/Metering Level		Levelized	On-Peak	Off-Peak	Super-Off-Peak
		¢/ kWh	¢/ kWh	¢/ kWh	¢/ kWh
RS-1 Only	< 1,000	5.302	N/A	N/A	N/A
RS-1 Only	> 1,000	6.372	N/A	N/A	N/A
LS-1 Only	Secondary	5.270	N/A	N/A	N/A
All Other Rate Schedules	Secondary	5.630	6.914	5.664	4.200
All Other Rate Schedules	Primary	5.574	6.845	5.607	4.158
All Other Rate Schedules	Transmission	5.517	6.775	5.550	4.116

(Continued on Page No. 2)

ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL

EFFECTIVE: ~~April~~ September 1, 2023

