

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Duke Energy
Florida, LLC. | DOCKET NO. 20240025-EI
ORDER NO. PSC-2024-0166-PCO-EI
ISSUED: May 23, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

ORDER SUSPENDING TARIFFS

BY THE COMMISSION:

Background

This proceeding commenced on April 2, 2024, with the filing of a petition for a permanent rate increase by Duke Energy Florida, LLC (DEF or Company). The Company is engaged in business as a public utility providing electric service as defined in Section 366.02, Florida Statutes (F.S.), and is subject to our jurisdiction. DEF provides electric service to approximately two million retail customers in Pinellas, Pasco, Orange, Osceola, and Seminole Counties.

DEF has requested an increase in its retail rates and charges to generate \$593 million in additional gross annual revenue, effective January 1, 2025, \$98 million, effective January 1, 2026, and \$129 million, effective January 1, 2027. DEF asserts that the combined increases will allow the Company to earn a return on equity of 11.15 percent. The Company based its requests on projected test years ending December 31, 2025; December 31, 2026; and December 31, 2027. DEF stated that these test years are the appropriate periods to be utilized because they best represent expected future operations in the period immediately after any new base rates go into effect. In total, the Company is requesting an \$820 million base rate increase. DEF did not request any interim rate relief.

In DEF's most recent base rate proceeding in Docket No. 20210016-EI, we approved a settlement agreement which authorized a revenue increase of \$67 million effective January 1, 2022, a revenue increase of \$49 million effective January 1, 2023, and a further revenue increase of \$79 million effective January 1, 2024.¹ The settlement agreement established base rates through the last billing cycle in December 2024.

¹ Order No. PSC-2021-0202-AS-EI, issued June 9, 2021, in Docket No. 20210016-EI, *In re: Petition for limited proceeding to approve 2021 settlement agreement, including base rate increases, by Duke Energy Florida, LLC.*

On February 16, 2024, we acknowledged the Office of Public Counsel's notice of intervention in this proceeding.² On April 19, 2024, Florida Rising, Inc.; League of United Latin American Citizens of Florida; Florida Industrial Power Users Group; Florida Retail Federation; and Sierra Club were granted intervention.³ On April 24, 2024, White Springs Agricultural Chemicals, Inc. (White Springs) and Nucor Steel Florida, Inc., were granted intervention.⁴ On May 13, 2024, Southern Alliance for Clean Energy was granted intervention.⁵ On April 24, 2024, Americans for Affordable Clean Energy, Inc.; Circle K Stores, Inc.; RaceTrac Inc.; and Wawa, Inc. filed a collective Petition to Intervene.⁶ A hearing has been scheduled for August 12-16, 2024. August 19-23, 2024, have also been reserved, if necessary.⁷

This Order is to suspend the proposed tariffs submitted with the requested permanent rate increase. We have jurisdiction over this matter pursuant to Sections 366.06(2) and (4), F.S.

Decision

DEF filed its petition, testimony, and minimum filing requirements on April 2, 2024. The Company has requested an increase in its retail rates and charges to generate \$593 million in additional gross annual revenue, effective January 1, 2025. DEF has also requested an increase in its retail rates and charges to generate \$98 million in additional gross annual revenue, effective January 1, 2026. Further, DEF has requested an increase in retail rates and charges to generate \$129 million in additional gross annual revenue, effective January 1, 2027.

Historically, we have suspended requested permanent rate schedules in order to allow sufficient time to adequately and thoroughly examine the basis for the new rates. Suspension of a requested rate increase is authorized by Section 366.06(3), F.S., which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

We find good cause consistent with the requirements of Section 366.06(3), F.S., exists in this docket. Therefore, we hereby suspend the requested permanent rate schedules to allow staff

² Order No. PSC-2024-0041-PCO-EI, issued February 16, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

³ Order Nos. PSC-2024-0106-PCO-EI, PSC-2024-0107-PCO-EI, PSC-2024-0108-PCO-EI, and PSC-2024-0109-PCO-EI, issued April 19, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

⁴ Order Nos. PSC-2024-0129-PCO-EI and PSC-2024-0130-PCO-EI, issued April 24, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

⁵ Order No. 2024-0150-PCO-EI, issued May 13, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

⁶ Document No. 02346-2024

⁷ Order No. PSC-2024-0092-PCO-EI, issued April 11, 2024, in Docket No. 20240025-EI, *In re: Petition for rate increase by Duke Energy Florida, LLC.*

and any intervenors sufficient time to analyze the petition for base rate increase and for us to conduct an administrative hearing.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that all tariffs and rate schedules associated with the petition for a permanent rate increase by Duke Energy Florida, LLC, are hereby suspended. It is further

ORDERED that this docket shall remain open pending our decision on DEF's proposed base rate increase.

By ORDER of the Florida Public Service Commission this 23rd day of May, 2024.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.