

Summary of Changes to Electric Utility Rates and Charges Effective April 1, 2023

New rates and charges are effective April 1, 2023 for customers of Duke Energy Florida, LLC (DEF), Florida Power & Light Company (FPL), and Tampa Electric Company (TECO).

Customers' electric bills are based upon applying rates and charges to monthly electricity usage. The revenues collected by the utilities recover the cost to generate, transmit and distribute electricity to homes and businesses.

The Florida Public Service Commission (FPSC) approves changes to rates and charges through publicly noticed, evidentiary proceedings. Utilities are required to provide notice to customers of pending changes to rates and charges.

The attached table provides a comparison of the new rates and charges effective April 1, 2023 for residential customers who consume 1,000 kilowatt-hours of electricity in a month.

Rates and charges for all classes of customers, including business customers, are available at: <https://www.floridapsc.com/rates-and-tariff>

New and modified rates and charges effective April 1, 2023 are summarized below:

Fuel, Purchased Power and Capacity Charges

Fuel, Purchased Power, and Capacity charges recover the cost of fuel used to generate electricity, and the cost of power purchased from other utilities or wholesale generators used to serve customers. The FPSC annually conducts a public hearing to review the fuel and purchased power costs of utilities. Charges are established to recover the costs found to be reasonable, but fuel costs do not include a return or profit. The charges are based upon projected costs in a calendar year and trued-up or adjusted based upon actual costs incurred.

Utilities in Florida primarily rely on natural gas to fuel power plants, but some utilities also use coal, fuel oil, uranium at nuclear plants, solar and biomass to generate electricity. Natural gas is used to generate over 65 percent of the electricity provided to customers in the state. Utilities purchase fuels, including natural gas, through open markets in which prices are unregulated.

For several years prior to mid-2021, natural gas markets were stable and offered historically low prices. During late 2021 and through most of 2022, natural gas prices increased and fluctuated significantly due to global and domestic factors. The fuel charges that went into effect on January 1, 2023 for DEF, FPL and TECO did not include estimates of fuel costs that were incurred by the utilities in 2022. The Commission found in December 2022 that excluding these estimated costs was reasonable, since using actual fuel cost amounts would eliminate the risk of charging already burdened ratepayers too much.

In January 2023, DEF, FPL and TECO determined the actual fuel costs incurred during 2022 and sought Commission approval to recover those amounts. The utilities also sought to reduce the projected 2023 fuel costs as natural gas prices have fallen and are currently projected to remain

stable. The net effect of the Commission's decisions on each utility's fuel charges is described below:

Duke Energy Florida

The current monthly 1,000 kWh residential fuel charge of \$59.61 will change to \$53.02 beginning in April, a reduction of \$6.59. DEF also received approval to incorporate 2022 tax-savings from the Inflation Reduction Act of 2022 into its capacity cost recovery factors. Approximately \$11.7 million from tax savings will result lower capacity charges in 2023.

Florida Power & Light Company

The current monthly 1,000 kWh residential fuel charge of \$37.45 will change to \$36.56 beginning in April, a reduction of \$0.89.

Tampa Electric Company

The current monthly 1,000 kWh residential fuel charge of \$45.25 will change to \$49.08 beginning in April, an increase of \$3.83.

Storm Restoration Recovery Charges

On March 7, 2023, the Commission approved interim storm restoration recovery charges for DEF, FPL, and TECO to recover costs associated with named storms and to replenish each utility's storm reserve fund. The interim surcharges are subject to refund, with interest, pending further review once the total actual storm restoration costs are known.

Duke Energy Florida

The Commission granted DEF preliminary approval for the recovery of \$442.1 million in incremental storm restoration costs associated with Hurricanes Elsa, Eta, Ian, Isaias, and Nicole, and Tropical Storm Fred. DEF's residential customers will see a \$13.14 monthly surcharge on a 1,000 kWh bill for 12 months beginning in April 2023.

Florida Power & Light Company

The Commission granted FPL preliminary approval for the recovery of \$1.5 billion in incremental storm restoration costs associated with Hurricanes Ian and Nicole, as well as the remaining costs from Hurricanes Michael, Sally, and Zeta, which had been previously approved by the Commission for Gulf Power Company. FPL's residential customers will see a \$15.30 monthly surcharge on a 1,000 kWh bill for 12 months beginning in April 2023.

Tampa Electric Company

The Commission granted TECO preliminary approval for the recovery of \$131.0 million in incremental storm restoration costs associated with Hurricanes Dorian, Elsa, Ian, Nicole, and Tropical Storms Alberto, Nestor, and Eta. TECO's residential customers will see a \$10.22 monthly surcharge on a 1,000 kWh bill for 12 months beginning in April 2023.

More Information for Customers

Customers can impact their electric bill by using electricity more efficiently and controlling their energy usage. DEF, FPL, and TECO offer free or low-cost energy audits to evaluate homes and buildings for opportunities to make improvements and offer tips to use electricity more efficiently. Also, customers can find information on each utility's website and social media feeds to assist with energy usage and paying bills.

The FPSC offers information on how to use electricity more efficiently to control their energy usage at the following webpages.

FPSC Conservation House:

<https://www.floridapsc.com/pscfiles/website-files//PDF/Publications/Consumer/Brochure/ConservationHouse.pdf>

FPSC Consumer Brochures:

<https://www.floridapsc.com/consumer-brochures>

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

April 2023

March 2023	Florida Power & Light Company	Florida Power & Light Company (former Gulf Power)	Duke Energy Florida	Tampa Electric Company	Florida Public Utilities Company
Base Rate Charges	\$80.11	\$80.11	\$78.82	\$86.22	\$40.68
Fuel and Purchased Power Cost Recovery Clause	\$37.45	\$37.45	\$59.61	\$45.25	\$113.96
Energy Conservation Cost Recovery Clause	\$1.22	\$1.22	\$3.20	\$2.81	\$1.13
Environmental Cost Recovery Clause	\$3.12	\$3.12	\$0.22	\$0.92	N/A
Capacity Cost Recovery Clause	\$2.12	\$2.12	\$13.28	-\$0.18	N/A
Storm Restoration Recovery Surcharge (Michael, Sally)	N/A	\$11.00	\$0.00	\$0.00	\$12.80
Storm Restoration Recovery	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storm Protection Plan Cost Recovery	\$3.82	\$3.82	\$4.14	\$3.73	\$2.50
Asset Securitization Charge	N/A	N/A	\$2.03	N/A	N/A
Transition Rider/Credit	-\$1.58	\$16.85	N/A	N/A	N/A
Clean Energy Transition Mechanism	N/A	N/A	N/A	\$4.30	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$3.33	\$4.12	\$4.25	\$3.67	\$4.39
Total	<u>\$129.59</u>	<u>\$159.81</u>	<u>\$165.55</u>	<u>\$146.72</u>	<u>\$175.46</u>

Revised April 2023	Florida Power & Light Co.	Florida Power & Light Company (former Gulf Power)	Duke Energy Florida	Tampa Electric Company	Florida Public Utilities Company
Base Rate Charges	\$80.11	\$80.11	\$78.82	\$86.22	\$40.68
Fuel and Purchased Power Cost Recovery Clause	\$36.56	\$36.56	\$53.02	\$49.08	\$113.96
Energy Conservation Cost Recovery Clause	\$1.22	\$1.22	\$3.20	\$2.81	\$1.13
Environmental Cost Recovery Clause	\$3.12	\$3.12	\$0.22	\$0.92	N/A
Capacity Cost Recovery Clause	\$2.12	\$2.12	\$12.85	-\$0.18	N/A
Storm Restoration Recovery Surcharge (Michael, Sally)	N/A	\$0.00	\$0.00	\$0.00	\$12.80
Storm Restoration Recovery	\$15.30	\$15.30	\$13.14	\$10.22	N/A
Storm Protection Plan Cost Recovery	\$3.82	\$3.82	\$4.14	\$3.73	\$2.50
Asset Securitization Charge	N/A	N/A	\$2.03	N/A	N/A
Transition Rider/Credit	-\$1.58	\$16.85	N/A	N/A	N/A
Clean Energy Transition Mechanism	N/A	N/A	N/A	\$4.30	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$3.71	\$4.20	\$4.41	\$4.03	\$4.39
Total	<u>\$144.38</u>	<u>\$163.30</u>	<u>\$171.83</u>	<u>\$161.13</u>	<u>\$175.46</u>

Increase / (Decrease)	Florida Power & Light Co.	Florida Power & Light Company (former Gulf Power)	Duke Energy Florida	Tampa Electric Company	Florida Public Utilities Company
Base Rate Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel and Purchased Power Cost Recovery Clause	-\$0.89	-\$0.89	-\$6.59	\$3.83	\$0.00
Energy Conservation Cost Recovery Clause	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Environmental Cost Recovery Clause	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Capacity Cost Recovery Clause	\$0.00	\$0.00	-\$0.43	\$0.00	N/A
Storm Restoration Recovery Surcharge (Michael, Sally)	N/A	-\$11.00	\$0.00	\$0.00	\$0.00
Storm Restoration Recovery	\$15.30	\$15.30	\$13.14	\$10.22	N/A
Storm Protection Plan Cost Recovery	\$0.00	\$0.00	\$0.00	\$0.00	N/A
Asset Securitization Charge	N/A	N/A	\$0.00	N/A	N/A
Transition Rider/Credit	\$0.00	\$0.00	N/A	N/A	N/A
Clean Energy Transition Mechanism	N/A	N/A	N/A	\$0.00	N/A
Gross Receipts Tax and Regulatory Assessment Fee	\$0.38	\$0.08	\$0.16	\$0.36	\$0.00
Total	<u>\$14.79</u>	<u>\$3.49</u>	<u>\$6.28</u>	<u>\$14.41</u>	<u>\$0.00</u>

For FPL, Gulf, and 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 for December - February bill is \$89.39; for the March - November bill is \$78.82. Weighted average: $((\$89.39 \times 3) + (78.82 \times 9)) / 12 = \81.46
 Teco's basic service, or customer, charge is \$0.71 per day. 30 days is assumed to calculate base rate charges.