

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: May 5, 2017

TO: Julie I. Brown, Chairman
Art Graham, Commissioner
Ronald A. Brisé, Commissioner
Jimmy Patronis, Commissioner
Donald J. Polmann, Commissioner

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

RE: Docket No. 150171-EI (Petition for Issuance of Nuclear Asset-Recovery Financing Order by Duke Energy Florida) Response to April 13, 2017 Request by Duke Energy Florida for an Interim Asset Securitization Charge True-Up Adjustment Effective July 1, 2017.

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COMMISSION CLERK
ALM

Pursuant to Order No. PSC-15-0537-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 interim true-up adjustment to the Nuclear Asset-Recovery Charges for the period of March 1, 2017 through August 31, 2017, effective July 1, 2017.

This interim true-up adjustment is necessary due to milder than forecasted weather, and is intended to satisfy Section 366.95 Florida Statutes and the Servicing Agreement 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 connection with the Bonds during the upcoming Remittance Period.

Ordering Paragraph 27 of the Financing Order states:

[I]n addition to the semi-annual true-up adjustment, DEF, as servicer (or a successor servicer) is hereby authorized to make optional interim true-up adjustments at any time for any reason to ensure timely payment of the Periodic Payment Requirement, which adjustment shall be implemented based upon the same time frames as the semi-annual true-ups.

DEF's Interim True-Up Adjustment Letter dated April 13, 2017, and its accompanying 19 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Julie I. Brown, Chairman

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May 5, 2017

Attached is DEF's Seventy-Eighth Revised Sheet No. 6.105 in legislative format. The Asset Securitization Charge for the residential class will increase from \$2.45 to \$3.59 per 1,000 kWh. For the residential customer using 1,000 kWh, the residential bill will increase from \$117.24 to \$118.41 (including gross receipts tax).

Per DEF's request in its Interim True-Up Adjustment Letter dated April 13, 2017, and in accordance with the Financing Order and Servicing Agreement, the proposed interim adjustment to the charges will be effective July 1, 2017.

ALM/crr

cc: Braulio Baez
Keith Hetrick
Mark Futrell
Cheryl Bulecza-Banks
Mark Cicchetti
✓ Carlotta Stauffer
Mary Anne Helton
J.R. Kelly, Office of Public Counsel
Dianne M. Triplett, Duke Energy Florida



SECTION NO. VI
~~SEVENTY-EIGHTH SEVENTH~~ REVISED SHEET NO. 6.105
 CANCELS ~~SEVENTY-SEVENTH~~ REVISED SHEET NO. 6.105

Page 1 of 2									
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	Fuel Cost Recovery ⁽¹⁾			ECCR ⁽²⁾		CCR ⁽³⁾		ECRC ⁽⁴⁾	ASC ⁽⁵⁾
	Levelized \$/ kWh	On-Peak \$/ kWh	Off-Peak \$/ kWh	\$/ kWh	\$/ kW	\$/ kWh	\$/ kW	\$/ kWh	\$/ kWh
RS-1, RST-1, RSL-1, RSL-2, RSS-1 (Sec.) < 1000 > 1000	3.847377 4.847377	5.31345 73	3.568245	0.317	-	1.294	-	0.151	0.359245
GS-1, GST-1									
Secondary	4.144366 7	5.31345 73	3.568245	0.261	-	1.006	-	0.147	0.269489
Primary	4.103363 0	5.25945 27	3.532243	0.258	-	0.996	-	0.146	0.266487
Transmission	4.061359 4	5.20644 82	3.497484	0.256	-	0.986	-	0.144	0.264485
GS-2 (Sec.)	4.144366 7	-	-	0.204	-	0.708	-	0.139	0.192434
GSD-1, GSDT-1, SS-1*									
Secondary	4.144366 7	5.31345 73	3.568245	-	0.98	-	3.67	0.144	0.246472
Primary	4.103363 0	5.25945 27	3.532243	-	0.97	-	3.63	0.143	0.244470
Transmission	4.061359 4	5.20644 82	3.497484	-	0.96	-	3.60	0.141	0.241469
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*									
Secondary	4.144366 7	5.31345 73	3.568245	-	0.80	-	2.89	0.168	0.151405
Primary	4.103363 0	5.25945 27	3.532243	-	0.79	-	2.86	0.166	0.149404
Transmission	4.061359 4	5.20644 82	3.497484	-	0.78	-	2.83	0.165	0.148403
IS-1, IST-1, IS-2, IST-2, SS-2*									
Secondary	4.144366 7	5.31345 73	3.568245	-	0.82	-	2.83	0.137	0.186439
Primary	4.103363 0	5.25945 27	3.532243	-	0.81	-	2.80	0.136	0.184429
Transmission	4.061359 4	5.20644 82	3.497484	-	0.80	-	2.77	0.134	0.182427
LS-1 (Sec.)	3.894494	-	-	0.105	-	0.203	-	0.144	0.053037
*SS-1, SS-2, SS-3									
Monthly									
Secondary	-	-	-	-	0.096	-	0.356	-	-
Primary	-	-	-	-	0.095	-	0.352	-	-
Transmission	-	-	-	-	0.094	-	0.349	-	-
Daily									
Secondary	-	-	-	-	0.046	-	0.170	-	-
Primary	-	-	-	-	0.046	-	0.168	-	-
Transmission	-	-	-	-	0.045	-	0.167	-	-
GSLM-1, GSLM-2	See appropriate General Service rate schedule								

(1) Fuel Cost Recovery Factor:
 The Fuel Cost Recovery Factors applicable to the Fuel Charge under the Company's various rate schedules are normally determined annually by the Florida Public Service Commission for the billing months of January through December. These factors are designed to recover the costs of fuel and purchased power (other than capacity payments) incurred by the Company to provide electric service to its

ISSUED BY: Javier J. Portuondo, Director Rates & Regulatory Strategy – FL

EFFECTIVE: July 1, 2017/March 1, 2017