

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: February 14, 2020

TO: Gary F. Clark, Chairman
Art Graham, Commissioner
Julie I. Brown, Commissioner
Donald J. Polmann, Commissioner
Andrew Giles Fay, 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 December 23, 2019, Request by Duke Energy Florida for a Routine Asset Securitization Charge True-Up Adjustment Effective for the March 2020 billing cycle.

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COMMISSION CLERK
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 semi-annual True-Up Adjustment Letter on December 23, 2019.

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

Gary F. Clark, 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 December 23, 2019, and its 27 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Attached is DEF's Eighty-Seventh Revised Sheet No. 6.105 in legislative format. The Asset Securitization Charge for the residential class will decrease from \$2.49 to \$2.35 per 1,000 kWh. For the residential customer using 1,000 kWh, the residential bill will decrease from \$129.47 to \$129.32 (including gross receipts tax).

Per DEF's request in its True-Up Adjustment Letter dated December 23, 2019, and in accordance with the Financing Order and Servicing Agreement, the proposed adjustments to the Nuclear Asset Recovery Charges will be effective for the March 2020 billing cycle. Staff is preparing the required approval letter for the new tariff sheets.

ALM/crr

cc Braulio Baez
Keith Hetrick
Mark Futrell
Cheryl Bulecza-Banks
Mark Cicchetti
Adam Teitzman
Mary Anne Helton
Elisabeth Draper
J.R. Kelly, Office of Public Counsel
Dianne M. Triplett, Duke Energy Florida

Attachments



SECTION NO. VI
 EIGHTY-SIXTH SEVENTH REVISED SHEET NO. 6.105
 CANCELS EIGHTY-FIFTH SIXTH 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⁾	SCRS ⁽⁶⁾
	Levelized ¢/ kWh	On-Peak ¢/ kWh	Off-Peak ¢/ kWh	¢/ kWh	\$/ kW	¢/ kWh	\$/ kW	¢/ kWh	¢/ kWh	¢/ kWh
RS-1, RST-1, RSL-1, RSL-2, RSS-1 (Sec.) < 1000 > 1000	3.067 4.067	4.308	2.921	0.339	-	1.200	-	0.079	0.2400 235	<u>0.534</u>
GS-1, GST-1										
Secondary	3.350	4.308	2.921	0.327	-	1.147	-	0.079	0.2440 222	<u>0.444</u>
Primary	3.317	4.266	2.892	0.324	-	1.136	-	0.078	0.2390 220	<u>0.440</u>
Transmission	3.283	4.222	2.863	0.320	-	1.124	-	0.077	0.2360 218	<u>0.435</u>
GS-2 (Sec.)	3.350	-	-	0.226	-	0.690	-	0.075	0.4460 135	<u>0.207</u>
GSD-1, GSDT-1, SS-1*										
Secondary	3.350	4.308	2.921	-	1.09	-	3.60	0.076	0.4910 175	<u>0.320</u>
Primary	3.317	4.266	2.892	-	1.08	-	3.56	0.075	0.4890 173	<u>0.317</u>
Transmission	3.283	4.222	2.863	-	1.07	-	3.53	0.074	0.4870 172	<u>0.314</u>
CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3*										
Secondary	3.350	4.308	2.921	-	0.46	-	1.38	0.072	0.4240 120	<u>0.512</u>
Primary	3.317	4.266	2.892	-	0.46	-	1.37	0.071	0.4230 119	<u>0.513</u>
Transmission	3.283	4.222	2.863	-	0.45	-	1.35	0.071	0.4210 118	<u>0.508</u>
IS-1, IST-1, IS-2, IST-2, SS-2*										
Secondary	3.350	4.308	2.921	-	0.95	-	3.00	0.073	0.4620 144	<u>0.196</u>
Primary	3.317	4.266	2.892	-	0.94	-	2.97	0.072	0.4600 143	<u>0.197</u>
Transmission	3.283	4.222	2.863	-	0.93	-	2.94	0.072	0.4590 141	<u>0.195</u>
LS-1 (Sec.)	3.181	-	-	0.103	-	0.147	-	0.070	0.0300 027	<u>0.376</u>
*SS-1, SS-2, SS-3										
Monthly										
Secondary	-	-	-	-	0.106	-	0.349	-	-	-
Primary	-	-	-	-	0.105	-	0.346	-	-	-
Transmission	-	-	-	-	0.104	-	0.342	-	-	-
Daily										
Secondary	-	-	-	-	0.050	-	0.166	-	-	-
Primary	-	-	-	-	0.050	-	0.164	-	-	-
Transmission	-	-	-	-	0.049	-	0.163	-	-	-
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 customers and are

