



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

March 25, 2021

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Notice Pursuant to Rule 25-6.0424(2), Florida Administrative Code; Docket No. 20210001-EI*

Dear Mr. Teitzman:

Pursuant to Rule 25-6.0424(2), Fla. Admin. Code, I write to inform the Commission that Duke Energy Florida (“DEF” or the “Company”) has calculated a 2021 projected fuel clause under-recovery in excess of 10%. Nonetheless, for the reasons explained below, DEF does not believe a mid-course correction is warranted or practical at this time but believes it is more appropriate for the Company to continue to monitor the under-recovery balance.

Based on fuel prices at the close of business on February 26, 2021, based primarily on increase in natural gas prices, DEF calculated a projected fuel clause under-recovery of 10.6% for the period ending December 31, 2021. At the time this analysis was complete, DEF looked at then-current natural gas prices and observed that since February 26th prices have decreased by ~5.7%; based on our analysis this brings the estimated under-recovery below 8%, well below the 10% threshold provided in the Rule.

DEF believes that the increase in natural gas prices that drove the projected under-recovery to rise above the 10% threshold was a short-term increase driven by increased demand during the winter months coupled with a short-term decrease in supply resulting from the winter storm that impacted Texas and the mid-west in February. In the aftermath of that unprecedented event, natural gas prices have decreased as discussed above.

DEF believes that the coincidence of two unprecedented events, the historic winter storm disrupting natural gas markets and the continuing effects of the COVID-19 pandemic, warrant the maintaining the current fuel clause recovery factors as established by the Commission in Order No. PSC-2021-0024-FOF-EI. As mentioned above, DEF will continue to monitor fuel prices and reserves the right to seek appropriate relief should prices increase resulting in the projected under-recovery again rising above the 10% trigger.

Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/ Matthew R. Bernier

Matthew R. Bernier

MRB/mw

CERTIFICATE OF SERVICE

Docket No. 20210001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 24th day of March, 2021.

s/ Matthew R. Bernier

Attorney

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