**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:** July 27, 2021

**TO:** Gary F. Clark, Chairman
Art Graham, Commissioner
Andrew Giles Fay, Commissioner
Mike La Rosa, Commissioner
Gabriella Passidomo, Commissioner

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

**RE:** Docket No. 20150171-EI (Petition for Issuance of Nuclear Asset-Recovery Financing Order by Duke Energy Florida) Response to June 24, 2021, Request by Duke Energy Florida for a Routine Asset Securitization Charge True-Up Adjustment Effective for September 2021 billing cycle.

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 June 24, 2021.

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 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 June 24, 2021, and its 22 pages of supporting schedules were reviewed by staff and no mathematical errors were found.

Attached is DEF's Ninety-Fourth Revised Sheet No. 6.105 in legislative format. The Asset Securitization Charge for the residential class will increase from $2.45 to $2.48 per 1,000 kWh. For the residential customer using 1,000 kWh, the residential bill will increase from $127.36 to $127.39 (including gross receipts tax).

Per DEF's request in its True-Up Adjustment Letter dated June 24, 2021, and in accordance with the Financing Order and Servicing Agreement, the proposed adjustments to the Nuclear Asset Recovery Charges will be effective for the September 2021 billing cycle. Staff is preparing the required approval letter for the new tariff sheets.

ALM/po

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

Attachments

Attachment 1

**DUKE ENERGY.**

SECTION NO. VI
NINETY-~~THIRD~~ FOURTH REVISED SHEET NO. 6.105
CANCELS NINETY-~~SECOND~~ THIRD REVISED SHEET NO. 6.105

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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 | ECCR[2] | | CCR[3] | | ECRC[4] | ASC[5] | SPPCRC[6] | SCRS[7] |
|---|---|---|---|---|---|---|---|---|
| | ¢/ kWh | $/ kW | ¢/ kWh | $/ kW | ¢/ kWh | ¢/ kWh | ¢/ kWh | ¢/ kWh |
| RS-1, RST-1, RSL-1, RSL-2, RSS-1 (Sec.) < 1000 > 1000 | 0.338 | - | 1.405 | - | 0.099 | 0.~~245~~248 | 0.031 | 0.055 |
| GS-1, GST-1 | | | | | | | | |
| Secondary | 0.326 | - | 1.342 | - | 0.098 | 0.~~234~~244 | 0.026 | 0.045 |
| Primary | 0.323 | - | 1.329 | - | 0.097 | 0.~~232~~242 | 0.026 | 0.045 |
| Transmission | 0.319 | - | 1.315 | - | 0.096 | 0.~~229~~239 | 0.025 | 0.044 |
| GS-2 (Sec.) | 0.223 | - | 0.808 | - | 0.095 | 0.~~143~~147 | 0.013 | 0.022 |
| GSD-1, GSDT-1, SS-1* | | | | | | | | |
| Secondary | - | 1.08 | - | 4.20 | 0.096 | 0.~~184~~192 | 0.019 | 0.030 |
| Primary | - | 1.07 | - | 4.16 | 0.095 | 0.~~183~~190 | 0.019 | 0.030 |
| Transmission | - | 1.06 | - | 4.12 | 0.094 | 0.~~180~~188 | 0.019 | 0.029 |
| CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3* | | | | | | | | |
| Secondary | - | 0.35 | - | 1.22 | 0.091 | 0.~~118~~128 | 0.026 | 0.051 |
| Primary | - | 0.35 | - | 1.21 | 0.090 | 0.~~117~~127 | 0.026 | 0.050 |
| Transmission | - | 0.34 | - | 1.20 | 0.089 | 0.~~116~~125 | 0.025 | 0.050 |
| IS-1, IST-1, IS-2, IST-2, SS-2* | | | | | | | | |
| Secondary | - | 0.94 | - | 3.50 | 0.093 | 0.~~148~~160 | 0.013 | 0.016 |
| Primary | - | 0.93 | - | 3.47 | 0.092 | 0.~~147~~158 | 0.013 | 0.016 |
| Transmission | - | 0.92 | - | 3.43 | 0.091 | 0.~~145~~157 | 0.013 | 0.016 |
| LS-1 (Sec.) | 0.098 | - | 0.172 | - | 0.091 | 0.~~029~~030 | 0.017 | 0.047 |
| *SS-1, SS-2, SS-3 | | | | | | | | |
| Monthly | | | | | | | | |
| Secondary | - | 0.104 | - | 0.404 | - | - | - | - |
| Primary | - | 0.103 | - | 0.400 | - | - | - | - |
| Transmission | - | 0.102 | - | 0.396 | - | - | - | - |
| Daily | | | | | | | | |
| Secondary | - | 0.050 | - | 0.192 | - | - | - | - |
| Primary | - | 0.050 | - | 0.190 | - | - | - | - |
| Transmission | - | 0.049 | - | 0.188 | - | - | - | - |
| GSLM-1, GSLM-2 | See appropriate General Service rate schedule | | | | | | | |

### Fuel Cost Recovery[1]

| Rate Schedule/Metering Level | | Levelized ¢/ kWh | On-Peak ¢/ kWh | Off-Peak ¢/ kWh |
|---|---|---|---|---|
| RS-1 Only | < 1,000 | 2.811 | N/A | N/A |
| RS-1 Only | > 1,000 | 3.811 | N/A | N/A |
| LS-1 Only | Secondary | 2.955 | N/A | N/A |
| All Other Rate Schedules | Secondary | 3.094 | 3.871 | 2.744 |
| All Other Rate Schedules | Primary | 3.063 | 3.832 | 2.717 |
| All Other Rate Schedules | Transmission | 3.032 | 3.793 | 2.689 |

**ISSUED BY: Thomas G. Foster, Vice President, Rates & Regulatory Strategy – FL**

EFFECTIVE: September 1, 2021

Attachment 2

## DEF Nuclear Asset Recovery Charge True-Up Adjustment

A line chart titled "DEF Nuclear Asset Recovery Charge True-Up Adjustment." The y-axis is labeled "Charge For Residential Class" ranging from $0.00 to $4.00 in $0.50 increments. The x-axis is labeled "Effective Date" with values 3/17, 7/17, 9/17, 3/18, 9/18, 3/19, 9/19, 3/20, 9/20, 03/21, 09/21. Data point labels: $2.45, $3.59, $2.26, $2.54, $2.59, $2.39, $2.49, $2.35, $2.51, $2.45, $2.48.