

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: April 23, 2026

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Higgins, G. Kelley, Zaslow) *MAC*
Division of Economics (Hampson) *EJD*
Office of the General Counsel (M. Thompson) *JSC*

RE: Docket No. 20260001-EI – Fuel and purchased power cost recovery clause with generating performance incentive factor.

AGENDA: 05/05/26 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On December 27, 2024, Duke Energy Florida, LLC (DEF or Company) filed a petition to recover estimated preparation and damage restoration costs associated with Hurricanes Debby, Helene, and Milton.¹ The resulting storm cost recovery charge was implemented beginning with the March 2025 billing cycle and was intended to remain in effect through February 2026. On January 5, 2026, DEF notified the Florida Public Service Commission (Commission) that it anticipated recovery of the approved storm costs earlier than expected and would terminate the associated charge at the end of January 2026.²

¹ Document No. 10373-2024, filed on December 27, 2024, in Docket No. 20240173-EI.

² Document No. 00039-2026, filed on January 5, 2026, in Docket No. 20240173-EI.

On February 27, 2026, DEF filed a petition in Docket No. 20240173-EI seeking approval of its known actual incremental storm restoration costs totaling approximately \$915,308,000.³ Based on a comparison of actual costs to applicable revenue, an over-recovery of \$90,515,614 was identified.⁴

On March 20, 2026, DEF filed the instant petition requesting Commission approval to refund the over-recovered amount to customers through the fuel cost recovery clause (Petition).⁵ Specifically, DEF proposes to implement a temporary reduction to its current fuel cost recovery factors for a four-month period beginning with the first billing cycle in June 2026 and ending with the last billing cycle in September 2026. DEF's current 2026 fuel cost recovery factors were approved on November 4, 2025, during the Commission's annual clause proceeding.⁶

This recommendation addresses DEF's request for approval of the proposed refund, associated tariff revisions, and treatment of any subsequent storm cost recovery true-up through the fuel clause.

The Commission is vested with jurisdiction over the subject matter of this proceeding by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

³ Document No. 01329-2026, filed on February 27, 2026, in Docket No. 20240173-EI.

⁴ *Id.*

⁵ Document No. 01697-2026, filed on March 20, 2026, in Docket No. 20260001-EI.

⁶ Order No. PSC-2025-0436-FOF-EI, issued November 24, 2025, in Docket No. 20250001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.*

Discussion of Issues

Issue 1: Should the Commission approve DEF's request to refund \$90,515,614 of over-recovered storm costs through the fuel cost recovery clause?

Recommendation: Yes. The Commission should approve DEF's request to refund \$90,515,614 of over-recovered storm costs through reductions to its fuel cost recovery factors applicable for June 2026 through September 2026. The Commission should also approve DEF's request to true-up any remaining storm cost recovery balance through the fuel clause when those amounts become final. (Higgins, G. Kelley, Zaslow)

Staff Analysis: DEF requests that the Commission approve a temporary reduction to its fuel cost recovery factors for June 2026 through September 2026. On February 27, 2026, DEF filed testimony and supporting documentation establishing total actual incremental storm restoration costs of approximately \$915,308,000 with total revenue collected of approximately \$1,005,824,000.⁷ The resulting over-recovery identified in the filing is \$90,515,614. This amount is subject to future Commission approval in Docket No. 20240173-EI. Should this amount change, the Company requests that any remaining balance, including associated interest, be collected from or refunded to customers through the normal fuel clause process. Staff notes that the storm cost over-recovery, or proposed refund amount, will accrue interest in the fuel clause for the period from February through May 2026, which will be reflected in DEF's actual/estimated fuel cost filing.⁸

Fuel Factor

DEF's currently approved jurisdictional levelized fuel factor, which began with the first January 2026 billing cycle, is 4.414 cents per kilowatt-hour (kWh).⁹ The Company is requesting to decrease its currently approved 2026 jurisdictional levelized fuel factor to 3.852 cents per kWh beginning in June 2026, a decrease of approximately 12.7 percent.¹⁰

The proposed fuel factor, beginning June 2026, is expected to remain in effect for four months, ending with the last billing cycle in September 2026. Following this refund period, DEF's fuel cost recovery factors will revert to those approved in Order No. PSC-2025-0436-FOF-EI.

Bill Impacts

In Table 1-1, the bill impact associated with the Petition on a residential customer using 1,000 kWh of electricity a month is shown. Following Table 1-1, staff discusses the impacts of the Petition on non-residential customers.

⁷ Document No. 01329-2026.

⁸ Document No. 02179-2026, filed on April 15, 2026, in Docket No. 20260001-EI.

⁹ Order No. PSC-2025-0436-FOF-EI.

¹⁰ Document No. 01697-2026.

Table 1-1
Duke Energy Florida, LLC
Monthly Residential Billing Detail for the First 1,000 kWh

Invoice Component	Currently Approved Charges May 2026 (\$)	Proposed Charges Beginning June 2026 (\$)	Difference (\$)	Difference (%)
Base Charge ¹¹	\$90.73	\$91.21	\$0.48	0.5%
Fuel Charge ¹²	41.27	34.65	(6.62)	(16.0%)
Capacity Charge	1.33	1.33	-	-
Conservation Charge	3.86	3.86	-	-
Environmental Charge	0.40	0.40	-	-
Storm Protection Plan Charge	9.36	9.36	-	-
Asset Securitization Charge	<u>2.28</u>	<u>2.28</u>	-	-
Gross Receipts Tax	3.96	3.80	(0.16)	(4.0%)
Total	<u>\$153.19</u>	<u>\$146.89</u>	<u>(\$6.30)</u>	<u>(4.1%)</u>

Source: Document No. 02179-2026

DEF’s currently approved total residential charge for the first 1,000 kWh of usage for May 2026 is \$153.19. If the Petition is approved, the total residential charge for the first 1,000 kWh of usage beginning in June will be \$146.89, a decrease of 4.1 percent.

For non-residential customers, DEF reported that bill decreases, based on average levels of usage, would be approximately 3.3 percent for small commercial customers, 4.4 percent for medium commercial customers, 4.8 percent for large commercial customers, and 7.4 percent for industrial customers.¹³

Staff has reviewed DEF’s calculations and supporting schedules and believes the proposed refund methodology is reasonable. Further, effectuating the refund of over-recovered storm costs through the fuel clause is consistent with Order No. PSC-2024-0377-FOF-EI. Staff believes the proposed time period for the reduced fuel factors is optimal for customers, as it occurs during the summer, which typically has higher demand. Staff also recommends that DEF’s request to true up any remaining balance, once storm costs and revenues become final, through the normal fuel clause process be approved.

Conclusion

Staff recommends that the Commission approve DEF’s Petition to refund \$90,515,614 through temporary reductions in applicable fuel cost recovery factors for June through September 2026, approve the associated tariff revisions, and authorize any remaining true-up balance be addressed through the fuel clause.

¹¹ June 2026 base rate per DEF’s March 31, 2026, filing in Docket No. 20250134-EI.

¹² June 2026 fuel cost recovery rate as proposed in DEF’s March 20, 2026 filing in Docket No. 20260001-EI.

¹³ Document No. 02179-2026.

Issue 2: If approved by the Commission, what is the appropriate effective date for DEF's revised fuel cost recovery factors?

Recommendation: The fuel cost recovery factors, as shown on Appendix A, should become effective with the first billing cycle of June 2026 and continue through the last billing cycle of September 2026. (Hampson)

Staff Analysis: Over the last 20 years in the Fuel Clause docket, the Commission has considered the effective date of rates and charges of revised fuel cost factors on a case-by-case basis. The Commission has approved rate decreases to be effective less than 30 days after the date of the Commission vote because the rate decrease was in the customers' best interest to be implemented as soon as possible.¹⁴ In its Petition, DEF proposes to decrease its 2026 fuel factors beginning with the first billing cycle of June 2026 and continue through the last billing cycle of September 2026.

In response to staff's data request, DEF provided sample billing notices informing customers of the forthcoming rate changes.¹⁵ Pending Commission approval, these notices will accompany May 2026 bills. DEF also plans to issue a press release and social media communications informing customers of the potential rate adjustments.

Conclusion

Staff recommends that the fuel cost recovery factors, as shown on Appendix A, become effective with the first billing cycle of June 2026 and continue through the last billing cycle of September 2026.

¹⁴ Order No. PSC-2024-0091-PCO-EI, issued April 10, 2024, in Docket No. 20240001-EI, *In re: Fuel and purchased power cost recovery clause with generating performance incentive factor*.

¹⁵ Document No. 02179-2026.

Issue 3: Should this docket be closed?

Recommendation: No. The 20260001-EI docket is an on-going proceeding and should remain open. (M. Thompson)

Staff Analysis: The fuel docket is an on-going proceeding and should remain open.



SECTION NO. VI
 ONE HUNDRED AND ~~TWELFTH~~ ~~THIRTEENTH~~ REVISED SHEET NO.

~~CANCEL ONE HUNDRED AND ELEVENTH TWELFTH REVISED SHEET~~

NO. 6.105

Page 1 of 3

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	\$/ kW	¢/ kWh
RS-1, RST-1, RSL-1, RSL-2 (Sec.) < 1000 > 1000	0.386	-	0.133	-	0.040	0.228	0.936	-	-
GS-1, GST-1 Secondary	0.342	-	0.120	-	0.038	0.195	0.811	-	-
Primary	0.339	-	0.119	-	0.038	0.194	0.786	-	-
Transmission	0.335	-	0.118	-	0.037	0.192	0.138	-	-
GS-2 (Sec.)	0.273	-	0.077	-	0.036	0.140	0.416	-	-
GSD-1, GSDT-1, SS-1* Secondary	-	1.08	-	0.34	0.037	0.172	-	2.23	-
Primary	-	1.07	-	0.34	0.037	0.171	-	2.19	-
Transmission	-	1.06	-	0.33	0.036	0.169	-	0.41	-
CS-2, CST-2, CS-3, CST-3, SS-3* Secondary	-	1.06	-	0.30	0.035	0.128	-	1.44	-
Primary	-	1.05	-	0.30	0.035	0.127	-	1.43	-
Transmission	-	1.04	-	0.29	0.034	0.126	-	1.41	-
IS-2, IST-2, SS-2* Secondary	-	0.99	-	0.28	0.035	0.135	-	1.97	-
Primary	-	0.98	-	0.28	0.035	0.134	-	1.61	-
Transmission	-	0.97	-	0.27	0.034	0.133	-	0.33	-
LS-1 (Sec.)	0.152	-	0.038	-	0.031	0.054	0.679	-	-
*SS-1, SS-2, SS-3 Monthly Secondary	-	0.106	-	0.033	-	-	-	0.199	-
Primary	-	0.105	-	0.033	-	-	-	0.197	-
Transmission	-	0.104	-	0.032	-	-	-	0.195	-
Daily Secondary	-	0.050	-	0.016	-	-	-	0.095	-
Primary	-	0.050	-	0.016	-	-	-	0.094	-
Transmission	-	0.049	-	0.016	-	-	-	0.093	-
GSLM-1, GSLM-2	See appropriate General Service rate schedule								

Fuel Cost Recovery ⁽¹⁾					
Rate Schedule/Metering Level		Levelized	On-Peak	Off-Peak	Discount
		¢/ kWh	¢/ kWh	¢/ kWh	¢/ kWh
RS-1 Only	< 1,000	<u>4.4273.465</u>	N/A	N/A	N/A
RS-1 Only	> 1,000	<u>5.4974.535</u>	N/A	N/A	N/A
LS-1 Only	Secondary	<u>4.3263.775</u>	N/A	N/A	N/A
All Other Rate Schedules	Secondary	<u>4.4223.859</u>	<u>5.0374.395</u>	<u>4.3873.828</u>	<u>4.0553.539</u>
All Other Rate Schedules	Primary	<u>4.3783.820</u>	<u>4.9874.351</u>	<u>4.3433.789</u>	<u>4.0453.503</u>
All Other Rate Schedules	Transmission	<u>4.3343.782</u>	<u>4.9364.308</u>	<u>4.2993.752</u>	<u>3.9743.468</u>

(Continued on Page No. 2)

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

EFFECTIVE: ~~March 1, 2026~~ June 1, 2026