

Christopher Cooney

From: Ellen Plendl
Sent: Thursday, January 22, 2015 1:31 PM
To: Consumer Correspondence
Subject: Docket 150001-EI
Attachments: FW Electric rates; Consumer Inquiry - Duke Energy Florida

See attached customer correspondence and PSC reply for correspondence side of Docket 150001-EI.

Christopher Cooney

From: Governor Rick Scott <Rick.Scott@eog.myflorida.com>
Sent: Thursday, January 22, 2015 10:48 AM
To: Ellen Plendl
Cc: Sunburst
Subject: FW: Electric rates

-----Original Message-----

From: KARL WACKER II [mailto:karl_wackerii@yahoo.com]
Sent: Thursday, January 22, 2015 10:47 AM
To: Governor Rick Scott
Subject: Electric rates

From: KARL WACKER II <karl_wackerii@yahoo.com>

County: Out of State

Zip Code: 33714

Phone Number: 727-776-7538

Message Body: Gov.-

With the cost of energy going down, our electric bills are not! Unless the accusations (during the campaign) that you were in Duke's pocket will ever be put to rest, we need to see some of the increases Duke got when energy prices were going up to come down now that costs are coming down.

Karl Wacker

Christopher Cooney

From: Randy Roland
Sent: Thursday, January 22, 2015 11:40 AM
To: 'karl_wackerii@yahoo.com'
Subject: Consumer Inquiry - Duke Energy Florida

Mr. Karl Wacker
karl_wackerii@yahoo.com

Dear Mr. Wacker:

The Governor's office forwarded a copy of your email regarding Duke Energy Florida (DEF) to the Florida Public Service Commission (PSC). The PSC regulates investor-owned electric, and natural gas utilities throughout the state, and investor-owned water and wastewater utilities in those counties which have opted to transfer jurisdiction to the PSC. The PSC has authority in the telephone industry which is limited to the Lifeline Assistance Program, Florida Relay Service, and pay telephone service. You expressed a concern about electric rates and the fuel cost adjustment.

The fuel cost charge allows the utility to recover the actual expenses associated with securing and processing fuel necessary to run the power plants used to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. The revenue generated by the fuel adjustment charge does not add to the profit of the utility companies, but goes to pay fuel suppliers and transporters. The cost of fuel is shown as a separate cents per kilowatt-hour charge, and fuel costs are not contained in any other charge on your bill.

Each year, utilities file their projected fuel expenses for the upcoming calendar year. The PSC, along with the Office of Public Counsel and other consumer representatives closely examine the fuel costs requested by the utilities. Public hearings are held annually to set the fuel factors for the next year. Since rates are set on projected costs, at the end of the year, the costs are "trued-up" or compared to the audited actual expenses incurred by the utility. If the utility recovered more than its actual costs, the amount of over-recovery is used to reduce the next year's costs. If the utility under-recovered (costs were higher than expected) that deficit is likewise rolled into the next year. The fuel cost adjustment is recognized by virtually all state commissions, by the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

On November 25, 2014, the PSC set the 2015 fuel adjustment charges for DEF customers. The fuel adjustment charges were decided at a hearing where the PSC considered DEF's projected costs of fuel and the purchased power for 2015 as well as 'trued up' costs for 2014. As a result of the November 25 hearing, a residential customer using 1000 kWh will see their bill decrease from \$125.29 to \$125.13. The fuel portion of the bill will decrease by \$0.16. Thank you for sharing your views. We will add your comments to the correspondence side of Docket 150001-EI regarding the fuel cost adjustment.

If you have any questions or concerns please contact Ellen Plendl at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Randy Roland
Regulatory Program Administrator
Florida Public Service Commission

