



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL

March 29, 2022

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. 20220001-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 2022 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 January 13, 2022, and updated for actuals through February 2022, DEF calculated a projected fuel clause under-recovery of approximately 12% for the period ending December 31, 2022, based primarily on increases in natural gas prices. DEF continues to monitor natural gas prices and has observed that since January 13th prices have been very volatile. External events, such as the Russian invasion of Ukraine, have contributed to this volatility. While DEF cannot predict whether natural gas prices will decrease enough to avoid a midcourse correction, it does believe there is a chance that waiting and analyzing the natural gas price forecast at a future date may mitigate (although not entirely avoid) the amount of costs it must recover from customers in this request.

DEF believes that the volatility of natural gas prices warrants the maintaining of the current fuel clause recovery factors as established by the Commission in Order No. PSC-2022-0061-PCO-EI. As mentioned above, DEF will continue to monitor fuel prices and reserves the right to seek

appropriate relief should prices fail to materially decrease resulting in the projected under-recovery remaining 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. 20220001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 29th day of March, 2022.

s/ Matthew R. Bernier

Attorney

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