

DEF's Response to Staff's First Request to
Produce Documents, No. 1.

(Including attachment)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost
Recovery Clause with Generating
Performance Incentive Factor

Docket No. 20210001-EI

Filed: October 1, 2021

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S
FIRST REQUEST TO PRODUCE DOCUMENTS (NO. 1)**

Duke Energy Florida, LLC ("DEF"), responds to the Staff of the Florida Service Public Commission's ("Staff"), First Request to Produce Documents (No. 1), as follows:

DOCUMENTS REQUESTED

1. Please submit alternative testimony and schedules that hypothetically assumes the Florida Public Service Commission denies Duke Energy Florida's Rate Mitigation Proposal as it relates to both fuel and capacity cost recovery.

Response:

Attached to this response are alternative schedules that hypothetically assume the Florida Public Service Commission denies Duke Energy Florida's Rate Mitigation Proposal as it relates to both fuel and capacity cost recovery.

DEF is including the following schedules that changed in response to this POD bearing bates numbers 20210001-DEF-000066 through 20210001-DEF-000073:

- Alternative Schedule E1
- Alternative Schedule E1-A
- Alternative Schedule E1-C
- Alternative Schedule E1-D
- Alternative Schedule E1-E
- Alternative Schedule E2
- Alternative Schedule E10
- Alternative Inverted Fuel Rate

There were no changes to any of the other schedules filed with the 2022 Projection filing on September 3, 2021.

Please note the following assumptions as it relates to this response and the rates identified in "STAFF 1st POD – Q1 Alternative Schedule E10".

- Base Rate – No change.

- Fuel Cost Recovery – DEF assumes that the Staff is asking DEF to re-calculate its 2022 fuel rates under the typical procedure that would include recovering the entire 2021 True-Up balance in 2022.
- Capacity Cost Recovery – No change. DEF would still propose to recover the CCR rates as filed in its 2022 Projection filing.
- ECCR – No change.
- ECRC – No change.
- SPPCRC – DEF will implement its SPPCRC as approved in Order No. PSC-2021-0324-FOF-EI.
- Interim Storm Charge (Eta & Isaias and Elsa) – DEF will continue with the Interim Storm Charge approved for Eta and Isaias in Order No. PSC-2021-0271-PCO-EI. DEF estimates an approximate \$18 million in storm restoration costs for Elsa that would be recovered from customers in 2022 (January – December).
- Asset Securitization Charge – No change.

Duke Energy Florida, LLC
 Fuel and Purchased Power Cost Recovery Clause
 Estimated for the Period of : January 2022 through December 2022

	DOLLARS	mWh	CENTS/KWH
1. Fuel Cost of System Net Generation (E3)	1,342,122,966	40,554,861	3.3094
2. Coal Car Investment	0	0	0.0000
3. Adjustment to Fuel Cost	12,294,429	0	0.0000
4. TOTAL COST OF GENERATED POWER	1,354,417,395	40,554,861	3.3397
5. Energy Cost of Purchased Power (Excl. Econ & Cogens) (E7)	11,259,068	166,907	6.7457
6. Energy Cost of Economy Purchases (E9)	2,973,141	66,432	4.4755
7. Payments to Qualifying Facilities (E8)	114,130,163	2,664,397	4.2835
8. TOTAL COST OF PURCHASED POWER	128,362,372	2,897,737	4.4297
9. TOTAL AVAILABLE mWh		43,452,598	
10. Fuel Cost of Economy Sales (E6)	(9,080,256)	(251,831)	3.6057
10a. Gain on Economy Sales (E6)	(2,460,928)	(251,831) *	0.9772
10b. Gain on Total Power Sales - 20% (E6)	172,656		
11. Fuel Cost of Stratified Sales (E6)	(39,687,742)	(1,411,321)	2.8121
12. TOTAL FUEL COST AND GAINS ON POWER SALES	(51,056,270)	(1,663,152)	3.0699
13. Net Inadvertent Interchange			
14. TOTAL FUEL AND NET POWER TRANSACTIONS	1,431,723,498	41,789,446	3.4260
15. Net Unbilled	652,674 *	(46,267)	0.0017
16. Company Use	5,706,535 *	(164,698)	0.0145
17. T & D Losses	75,588,626 *	(2,206,272)	0.1920
18. Adjusted System Sales	1,431,723,498	39,372,209	3.6342
19. Wholesale Sales (Excluding Supplemental Sales)	(597,064)	(17,150)	3.4814
20. Jurisdictional Sales	1,431,126,434	39,355,059	3.6364
21. Jurisdictional Sales Adjusted for Line Losses x 1.00028	1,431,527,149	39,355,059	3.6375
22. Prior Period True-Up (Sch E1-A)	246,837,576	39,355,059	0.6272
23. Total Jurisdictional Fuel Cost	1,678,364,725	39,355,059	4.2647
24. GPIF **	2,657,279	39,355,059	0.0068
25. CEC Bill Credit	11,109,749	39,355,059	0.0282
26. Fuel Factor Adjusted including GPIF & CEC Bill Credit	1,692,131,754	39,355,059	4.2997
27. Total Fuel Cost Factor (rounded to the nearest .001 cents/ KWH)			4.3000

* For Informational Purposes Only

** Based on Jurisdictional Sales

Duke Energy Florida, LLC
Calculation of Total True-Up
(Projected Period)

Estimated for the Period of : January 2022 through December 2022

1. Estimated Over/(Under) Recovery January - December 2021 (Schedule E1-B, Page 2 of 2, Section C, Lines 8 and 12 - Dec 21)	\$	(246,837,576)
2. Over/(Under) Recovery to be Included in 2022 Rates	\$	(246,837,576)
3. Jurisdictional mWh Sales (Projected Period)	mWh	39,355,059
4. True-Up Factor (Line 2 / Line 3)	Cents/kWh	0.627

Duke Energy Florida, LLC
Calculation of Generating Performance Incentive
And True-Up Adjustment Factors

Estimated for the Period of : January 2022 through December 2022

1. TOTAL AMOUNT OF ADJUSTMENTS:

A. Generating Performance Incentive Reward / (Penalty)	\$	2,657,279
B. True-Up (Over) / Under Recovery	\$	246,837,576
C. CEC Bill Credit	\$	11,109,749

2. JURISDICTIONAL mWh SALES	mWh	39,355,059
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3. ADJUSTMENT FACTORS:

A. Generating Performance Incentive Factor	Cents/kWh	0.007
B. True-Up Factor	Cents/kWh	0.627
C. CEC Bill Credit	Cents/kWh	0.028

Duke Energy Florida, LLC
Calculation of Levelized Fuel Adjustment Factors
Estimated for the Period of : January 2022 through December 2022

1. Period Jurisdictional Fuel Cost (Schedule E-1, line 21)	\$	1,431,527,149
1a. Prior Period True-up (E1, Line 22)	\$	246,837,576
2. Generating Performance Incentive Factor (GPIF) (E1, Line 24)	\$	2,657,279
3. CEC Bill Credit	\$	<u>11,109,749</u>
4. Total Amount to be Recovered	\$	1,692,131,754
5. Jurisdictional Sales (January - December 2022)		39,355,059 mWh
6. Jurisdictional Cost per kWh Sold (Line 4 / Line 5 / 10)		4.300 Cents/kWh
7. Effective Jurisdictional Sales (See Below)		39,299,752 mWh

LEVELIZED FUEL FACTORS:

8. Fuel Factor at Secondary Metering (Line 4 / Line 7 / 10)	4.306 Cents/kWh
9. Fuel Factor at Primary Metering	4.263 Cents/kWh
10. Fuel Factor at Transmission Metering	4.220 Cents/kWh

TIERED FUEL FACTORS:

11. Fuel Factor - First Tier (0-1000 kWh)	3.995	Cents/kWh
12. Fuel Factor - Second Tier (Over 1000 kWh)	5.065	Cents/kWh

METERING VOLTAGE:	JURISDICTIONAL SALES (mWh)	
	METER	SECONDARY
Distribution Secondary	34,832,106	34,832,106
Distribution Primary	3,514,929	3,479,780
Transmission	<u>1,008,026</u>	<u>987,866</u>
Total	<u>39,355,061</u>	<u>39,299,752</u>

Duke Energy Florida, LLC
Calculation of Final Fuel Cost Factors
Estimated for the Period of : January 2022 through December 2022

Line:	Metering Voltage	First Tier Factor Cents/kWh	Second Tier Factor Cents/kWh	Levelized Factors Cents/kWh	-----Time of Use-----		
					On-Peak Multiplier 1.281	Off-Peak Multiplier 0.984	Super Off-Peak Multiplier 0.732
1.	Distribution Secondary	3.995	5.065	4.306	5.516	4.237	3.152
2.	Distribution Primary	--	--	4.263	5.461	4.195	3.121
3.	Transmission	--	--	4.220	5.406	4.152	3.089
4.	Lighting Service	--	--	3.991	--	--	--

Line 4 calculated at secondary rate of 4.306 * (13.2% * On-Peak Multiplier 1.281 + 48.6% * Off-Peak Multiplier 0.984 + 38.2% * Super Off-Peak Multiplier 0.732).

DEVELOPMENT OF TIME OF USE MULTIPLIERS

ON-PEAK PERIOD				OFF-PEAK PERIOD				SUPER OFF-PEAK PERIOD				TOTAL	
Mo/Yr	System mWh Requirements	Marginal Cost	Average Marginal Cost (\$/kWh)	System mWh Requirements	Marginal Cost	Average Marginal Cost (\$/kWh)	System mWh Requirements	Marginal Cost	Average Marginal Cost (\$/kWh)	System mWh Requirements	Marginal Cost	Average Marginal Cost (\$/kWh)	
Jan-22	783,442	31,251,505	3.989	2,216,953	63,419,991	2.861	0	0	0.000	3,000,395	94,671,496	3.155	
Feb-22	704,914	27,139,194	3.850	1,956,339	55,501,386	2.837	0	0	0.000	2,661,253	82,640,580	3.105	
Mar-22	314,866	14,779,807	4.694	2,206,200	65,117,469	2.952	402,123	9,422,316	2.343	2,923,189	89,319,592	3.056	
Apr-22	323,207	11,829,358	3.660	2,278,968	57,882,289	2.540	365,467	7,267,516	1.989	2,967,641	76,979,163	2.594	
May-22	374,052	13,510,773	3.612	2,798,562	77,746,762	2.778	413,801	8,502,590	2.055	3,586,416	99,760,125	2.782	
Jun-22	434,821	14,379,524	3.307	3,025,507	86,746,636	2.867	515,356	10,535,077	2.044	3,975,684	111,661,237	2.809	
Jul-22	408,902	14,246,161	3.484	3,353,846	96,822,734	2.887	497,823	10,345,654	2.078	4,260,571	121,414,549	2.850	
Aug-22	467,055	14,576,778	3.121	3,245,263	94,449,368	2.910	560,614	11,539,707	2.058	4,272,932	120,565,853	2.822	
Sep-22	411,272	14,509,689	3.528	3,040,643	87,001,261	2.861	493,843	10,088,712	2.043	3,945,758	111,599,662	2.828	
Oct-22	347,783	13,302,689	3.825	2,667,038	73,438,937	2.754	413,368	8,369,080	2.025	3,428,189	95,110,707	2.774	
Nov-22	287,395	10,639,373	3.702	2,123,407	56,825,340	2.676	353,445	7,058,918	1.997	2,764,247	74,523,631	2.696	
Dec-22	773,407	23,975,612	3.100	2,162,087	49,948,456	2.310	0	0	0.000	2,935,494	73,924,068	2.518	
TOTAL	5,631,116	204,140,463	3.625	31,074,813	864,900,629	2.783	4,015,840	83,129,569	2.070	40,721,769	1,152,170,662	2.829	

MARGINAL FUEL COST
WEIGHTING MULTIPLIER

ON-PEAK
1.281

OFF-PEAK
0.984

OFF-PEAK
0.732

AVERAGE
1.000

Duke Energy Florida, LLC
Fuel and Purchased Power Cost Recovery Clause
Estimated for the Period of : January 2022 through December 2022

		Estimated Jan-22	Estimated Feb-22	Estimated Mar-22	Estimated Apr-22	Estimated May-22	Estimated Jun-22	Estimated Jul-22	Estimated Aug-22	Estimated Sep-22	Estimated Oct-22	Estimated Nov-22	Estimated Dec-22	TOTAL
1	Fuel Cost of System Net Generation	\$113,799,787	\$99,804,117	\$115,722,673	\$94,776,397	\$112,546,922	\$120,985,329	\$129,745,432	\$132,098,034	\$122,516,669	\$108,106,826	\$93,200,947	\$98,819,833	\$1,342,122,966
1a	Adjustments to Fuel Cost	1,058,537	872,354	1,051,635	1,048,289	1,045,151	1,041,699	1,038,142	1,034,690	1,031,238	1,027,889	1,024,026	1,020,780	12,294,429
2	Fuel Cost of Power Sold	(2,243,052)	(1,431,152)	(1,309,603)	(625,223)	(737,119)	(707,444)	(617,339)	(957,543)	(866,661)	(755,420)	(613,995)	(676,633)	(11,541,184)
2a	Gain on Total Power Sales - 20%	0	0	0	0	0	19,193	26,327	40,835	36,960	32,216	26,184	28,856	210,570
2b	Fuel Cost of Stratified Sales	(2,442,070)	(2,487,936)	(4,413,999)	(2,170,530)	(2,428,864)	(3,434,300)	(5,134,465)	(4,834,350)	(3,759,657)	(3,658,545)	(2,169,559)	(2,753,466)	(39,687,742)
3	Fuel Cost of Purchased Power (Excl Economy)	402,859	75,561	201,125	499,356	1,764,382	1,268,435	1,833,608	1,105,000	1,551,296	1,306,864	1,200,194	50,388	11,259,068
3a	Energy Payments to Qualifying Facilities	10,295,502	8,720,904	8,889,132	8,358,583	9,871,035	9,570,424	9,892,305	9,855,911	9,546,078	9,555,749	9,539,620	10,034,922	114,130,163
4	Energy Cost of Economy Purchases	255,518	244,320	496,365	153,968	213,081	162,977	226,632	242,983	248,573	281,761	225,562	221,401	2,973,141
5	Total System Fuel & Net Power Transactions	\$121,127,081	\$105,798,168	\$120,637,328	\$102,040,840	\$122,274,587	\$128,906,312	\$137,010,642	\$138,585,560	\$130,304,495	\$115,897,339	\$102,432,980	\$106,746,080	\$1,431,761,412
6	Jurisdictional mWh Sold	3,058,718	2,679,834	2,672,815	2,700,863	3,064,339	3,593,950	3,907,433	4,123,437	4,004,058	3,675,248	3,059,413	2,814,952	39,355,059
7	Jurisdictional % of Total Sales	99.98%	99.97%	99.98%	99.97%	99.94%	99.94%	99.95%	99.95%	99.95%	99.94%	99.98%	99.96%	99.96%
8	Jurisdictional Fuel & Net Power Transactions	121,102,855	105,766,429	120,613,200	102,010,227	122,201,223	128,828,969	136,942,137	138,516,267	130,239,343	115,827,801	102,412,493	106,703,381	1,431,164,325
9	Jurisdictional Loss Multiplier	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028
10	Jurisdictional Fuel & Net Power Transactions	121,136,764	105,796,043	120,646,972	102,038,790	122,235,439	128,865,041	136,980,481	138,555,052	130,275,810	115,860,233	102,441,168	106,733,258	1,431,565,051
11	Adjusted System Sales	mWh 3,059,457	2,680,700	2,673,344	2,701,559	3,066,322	3,596,251	3,909,422	4,125,427	4,005,983	3,677,434	3,060,105	2,816,206	39,372,209
12	System Cost per kWh Sold	c/kWh 3.9591	3.9467	4.5126	3.7771	3.9876	3.5844	3.5046	3.3593	3.2527	3.1516	3.3474	3.7904	3.6365
13	Jurisdictional Loss Multiplier	x 1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028	1.00028
14	Jurisdictional Cost per kWh Sold	c/kWh 3.9604	3.9479	4.5139	3.7780	3.9890	3.5856	3.5056	3.3602	3.2536	3.1524	3.3484	3.7917	3.6376
15	Prior Period True-Up	+ 0.6725	0.7676	0.7696	0.7616	0.6713	0.5724	0.5264	0.4989	0.5137	0.5597	0.6723	0.7307	0.6272
16	Total Jurisdictional Fuel Expense	c/kWh 4.6329	4.7154	5.2834	4.5396	4.6602	4.1580	4.0321	3.8590	3.7673	3.7121	4.0207	4.5224	4.2648
17	GPIF	+ 0.0072	0.0083	0.0083	0.0082	0.0072	0.0062	0.0057	0.0054	0.0055	0.0060	0.0072	0.0079	0.0068
18	CEC Bill Credit	+ 0.0000	0.0000	0.0132	0.0273	0.0507	0.0382	0.0349	0.0320	0.0307	0.0332	0.0338	0.0329	0.02823
19	Total Recovery Factor (rounded .001)	c/kWh 4.640	4.724	5.305	4.575	4.718	4.202	4.073	3.896	3.804	3.751	4.062	4.563	4.300

DEF's Response to Staff's 1st POD - Q1
Docket No. 20210001-EI
Alternative Schedule E10
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Duke Energy Florida, LLC
Fuel and Purchased Power Cost Recovery Clause
Residential Bill Comparison

	Current Sep-Dec - 2021 (\$/1000 kWh)	Requested ¹ Average -2022 (\$/1000 kWh)	Difference from Current	
			\$	%
Base Rate ²	\$74.89	\$80.91	\$6.02	8.04%
Fuel Cost Recovery	32.28	39.95	7.67	23.76%
Capacity Cost Recovery (CCR) ³	14.05	11.55	(2.50)	-17.79%
Energy Conservation Cost Recovery (ECCR)	3.38	2.83	(0.55)	-16.27%
Environmental Cost Recovery (ECRC)	0.99	0.28	(0.71)	-71.72%
Storm Protection Plan Cost Recovery Charge (SPPCRC)	0.31	3.29	2.98	961.29%
Interim Storm Charge ⁴	0.55	0.85	0.30	54.55%
Asset Securitization Charge (ASC)	2.48	2.48	0.00	0.00%
Subtotal	128.93	142.14	13.21	10.25%
Gross Receipts Tax and Regulatory Assessment Fee ⁵	3.31	3.75	0.44	13.29%
Total	<u>\$132.24</u>	<u>\$145.89</u>	<u>\$13.65</u>	<u>10.32%</u>

¹ For 2022, reflects the average bill impact for a Residential customer using 1,000 kWh.

² Base Rate is in accordance with the 2021 Settlement Agreement approved in Order No. PSC-2021-0202-AS-EI.

³ If the Commission were to deny the Rate Mitigation Plan, DEF would still propose treating the SoBRA adjustments in the same manner, which has a (\$0.26) impact on the 2022 CCR average.

⁴ The 2022 average interim storm charge includes Hurricanes Eta & Isaias, as approved in Order No. PSC-2021-0271-PCO-EI and an estimate for Hurricane Elsa. The included Hurricane Elsa estimated impact of \$0.53 to the 2022 Interim Storm Charge average, based on an \$18 million storm cost estimate, effective with Jan-2022 billing.

⁵ Per the 2021 Settlement Agreement, the Regulatory Assessment Fee (RAF) has been removed from base rates and recovery clauses and included on customer bills on the same line as Gross Receipts Tax beginning with January 2022 billing.

Duke Energy Florida, LLC
Fuel and Purchased Power Cost Recovery Clause
Calculation of Inverted Residential Fuel Factors

	Annual Units mWh	Levelized Fuel Rate Cents/kWh	Annual Fuel Revenues	Inverted Fuel Rates Cents/kWh	Annual Fuel Revenues
Residential Excluding TOU:					
0 - 1,000 kWh	13,066,657	4.306	\$ 562,650,236	3.995	\$ 522,005,710
Over 1,000 kWh	5,355,406	4.306	230,603,785	5.065	271,248,356
Total	<u>18,422,062</u>		<u>\$ 793,254,021</u>		<u>\$ 793,254,066</u>
Rate Differential by Tier - Cents per kWh				1.070	
Residential Sales:					
Total	21,211,129				
Time of Use	<u>2,789,068</u>				
Levelized	<u>18,422,062</u>				