

DEF's Response to Staff's Second
Interrogatories No. 15

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost Recovery

Docket No. 20210002-EG

Filed: September 23, 2021

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO
STAFF'S SECOND SET OF INTERROGATORIES (NO. 15)**

Duke Energy Florida, LLC ("DEF" or "the Company") responds to the Staff of the Florida Public Service Commission's (Staff's) Second Set of Interrogatories (No. 15) to DEF as follows:

INTERROGATORIES

Please refer to Schedule C-2 of DEF's August 6, 2021 filing in Docket No. 20210002-EG (2022 Projection filing), and also to Schedule C-2, Page 3 of 5, of DEF's August 7, 2020 filing in Docket No. 20200002-EG (2021 Projection filing), to answer the following questions.

15. In the 2021 Projection filing, Schedule C-2, Page 3 of 5, the Company estimated an expense of \$44,550,800 in Incentives for the Interruptible Service program (Line 7) for the January-December 2021 period. In the 2022 Projection filing, Schedule C-3, Page 1 of 6, the Company's actual/estimated value for this expense in 2021 reflects a balance of \$47,572,999.
 - a. Please explain the principle drivers for the \$3,022,199 variance between the fully-estimated expense (\$44,550,800) and the partially-estimated expense (\$47,572,999) for Incentives in the Interruptible Service program during the January-December 2021 period.

Response:

Significant increases in the amount Interruptible Service load from participating customers have been observed over 2021 which contributes to larger incentives being paid to those participating customers. These increased loads have been growing through the first half of 2021 and expected to continue this trend through the second half of 2021. A significant part of the new load is associated with large customers that were added in 2020 and are in the process of increasing their production.

- b. In the 2022 Projection filing, Schedule C-3, Page 1 of 6, reflects actual/estimated expenses of \$47,572,999 for Incentives for the Interruptible Service program (Line 41) for the January-December 2021 period. In Schedule C-2, Page 3 of 4 of the same filing, the Company's estimate for the same expense in this program (Line 7) reflects \$35,158,770 in Incentives are projected for the January-December 2022 period. Please explain why the forward year estimate (\$35,158,770 in 2022) for Incentives in the Interruptible Service program is over \$12 million dollars lower than the amount reflected in the actual/estimated schedule for the prior year (\$47,572,999 in 2021).

Response:

The Interruptible Service tariff approved as part of the 2021 Rate Settlement (*See* Order No. PSC-2021-0202-AS-EI) will become effective with the first billing cycle for January 2022 and includes a reduction in interruptible customer incentives.

Additionally, there are some customers that will no longer qualify for Interruptible Service beginning with the first billing cycle of January 2022, further reducing the incentives payable in 2022. These two facts are expected to decrease the total amount of Interruptible Service incentives to be credited customers in 2022.