On Aug. 29, 2017, Duke Energy Florida filed a revised settlement agreement with the Florida Public Service Commission (FPSC) that provides long-term clarity for Florida customers, the company and other key stakeholders. Approved by the FPSC on Oct. 25, the agreement paves the way to a smarter energy future for Florida customers and allows for $6 billion in investments in our communities over the next four years.

**Generate cleaner electricity for a brighter future**

Duke Energy Florida plans to invest an estimated $1 billion to construct or acquire a total of 700 megawatts (MW) of cost-effective solar power facilities over the next four years, accelerating the company’s previous 10-year solar installation plan.

The company plans to begin construction of its sixth Florida solar power plant to be located in Hamilton County in 2018. The plant will have approximately 300,000 solar panels and will be built on nearly 550 acres of land in Jasper. The Hamilton Solar Plant will produce 74.9 MW of clean, emissions-free energy, which is enough to power more than 20,000 homes at peak production.

Duke Energy Florida will also provide more than 500 electric vehicle charging stations throughout our communities, along with the infrastructure with grid communications as part of a five-year pilot program.

**Modernization of the electric grid**

Duke Energy Florida will invest $1.2 billion in a modernized power grid that will provide a more reliable and secure system. These efforts will enhance reliability, reduce outages, shorten restoration and support the growth of renewable energy and emerging technologies.

The installation of advanced metering technology (smart meters) will enable more bill-lowering tools, access to more information about energy use, and the ability to receive usage alerts, outage notifications and customized billing options once fully implemented.

**Closure on the Levy County nuclear project**

The agreement provides finality for customers on the Levy County nuclear project. Duke Energy Florida will not move forward with building the plant and customers will pay nothing more for this project. Duke Energy Florida will absorb over $150 million.
Can you summarize the settlement?

The revised Florida settlement agreement helps mitigate future rate increases while enabling the company to make important investments to maintain and improve the electric system in our Florida service territory. The agreement provides customers with finality around the company’s proposed Levy County nuclear project and supports the building of a smarter energy future for Florida.

The agreement was developed collaboratively with the Office of Public Counsel and other consumer advocates.

Why have you settled?

A settlement agreement means that we have proactively addressed and settled open issues that were part of a previous litigated proceeding or could have become part of a litigated proceeding in the future. Customers expect us to deliver electricity that is reliable, increasingly clean and more secure, while also providing more value and choice every single day. We’re working to accomplish these critical goals by making investments to build a smarter energy future as reflected in our settlement agreement. We have canceled our plans to construct the Levy County nuclear project and our customers will pay nothing more for this facility. We believe this is the right thing for our customers, and it allows us to move forward with investments that will bring them tremendous value in the near- and long-term future.

What is modernization of the power grid?

Over the next four years, Duke Energy Florida will invest $1.2 billion in a modernized power grid that will provide a more reliable and secure system with fewer outages and shorter restoration times. It will allow for additional services like usage alerts, outage notifications and customized billing options once smart meters are fully implemented. Currently, approximately 23 percent of customers are benefiting from smart grid technology in Florida. Self-healing systems help reroute customers during outages so interruptions are avoided or limited. Through this technology, 70,000 outages were prevented and nearly 10 million customer minutes of interruption have been avoided in 2017. This is part of our 10-year plan, and when our plan is complete, more than 80 percent of our Florida customers will be connected to a self-optimizing grid.

What will customers be paying for?

This settlement includes several items that will be of tremendous benefit to customers. By our deciding not to build the Levy County nuclear facility, our customers no longer have to pay anything toward the construction of this project. All current unrecovered costs and potential future costs will be borne by our shareholders (over $150 million). Customers will see immediate benefits in 2018 for the removal of those costs from the Nuclear Cost Recovery Clause of $2.50 per 1,000 kWh residential. With this settlement, we will invest $6 billion throughout the communities we serve, including the construction or acquisition of 700 MW of solar power plants, modernization of the power grid, enhanced customer choices with two new optional billing programs – the Shared Solar and FixedBill programs and more.

Why should customers pay for these costs?

Just as the benefits of these investments will be shared, so will the costs. Residential customers will see a slight monthly increase beginning in the January 2018 billing cycle and continuing through January 2021. The agreement provides that Duke Energy Florida will extend its current general base rate freeze for an additional three years through the end of 2021, with the exception of certain base rate increases to support the advancement of a smarter energy future for Florida.

How does the revised settlement agreement impact customer bills?

Customers will see a reduction of $2.50 per 1,000 kWh for residential customers through the removal of unrecovered Levy nuclear project costs. Customers will not pay any further costs related to this project. The company will absorb more than $150 million in costs that would have been recovered through rates.

Customers will also see a reduction of $2.53 per 1,000 kWh for residential customers by spreading the costs for under-recovered fuel of approximately $196 million over a two-year period (rather than one year).

If the proposed changes are approved, the portion of Duke Energy Florida’s typical residential, commercial and industrial customer bills associated with the settlement would increase approximately 1 to 3 percent annually in 2019-2021, about the same as general inflation rates. Typical residential rates are expected to remain at or below the national average.

Who sets the rates customers pay for electricity?

Duke Energy Florida is obligated to provide every customer in our service area with reliable electricity at rates approved by the FPSC. In exchange, the utility is allowed the opportunity to earn a fair return for investors. Even though our regulators will ultimately determine any changes to customer bills, we pledge to do our part to keep rates as reasonable as possible.

What is Duke Energy Florida doing to help customers reduce their energy use and their bills?

It’s important to us to give our customers more options to help them better manage energy and ultimately save money. We’re connecting with our customers through new tools like high bill alerts, free home energy audits and a menu of energy-saving tips, programs and incentives for every budget. To find the right energy-saving program for your household, visit duke-energy.com/SaveEnergy.

We’re also proud to provide support to those customers who need it most through initiatives like the Neighborhood Energy Saver Program, which provides energy-saving upgrades at no cost to income-qualified homeowners.

For more information about your rates, visit duke-energy.com/FLFuture.