Better Jobs Coalition calls on Florida PSC to suspend Duke Energy settlement

Better Jobs Coalition asks for a review of potential customer refunds based on improper executive compensation payments.

TAMPA, FLORIDA, UNITED STATES, June 4, 2021 /EINPresswire.com/ -- The Better Jobs Coalition (BJC) today called on the Florida Public Service Commission (PSC) to suspend a recent rate settlement with Duke Energy Florida.

In a letter to the PSC on April 30, 2021, the Coalition presented evidence calling into question Duke's
executive compensation practices based on an extensive review of a decade worth of filings by the
company. The letter was sent shortly before the PSC's most recent approval of a rate settlement with
Duke that will cost customers nearly $200 million.

The Coalition asserts that Duke may have overcharged customers as much as $300 million over a decade
that should have been charged to shareholders.

In a follow-up letter to the PSC today, the Coalition noted that Duke Energy Florida customers are
charged the highest rates of Florida's investor-owned utilities.

"We believe approval of these increases should be suspended. Further, we note that Duke customers
may in fact be entitled to refunds," the Coalition said in its letter today.

"For context, if evidence shows a $300 million overcharge to customers over the past 10 years, we
believe this would necessitate negating the entirety of Duke Energy Florida's recent $195 million rate
settlement as well as refunding an additional $100 million-plus to Duke customers in Florida," the
Coalition said.

As an advocate for free markets, fairness and competitiveness, the Coalition has repeatedly expressed concern about a pattern of mismanagement by Duke Energy that unfairly burdens its customers.

The Coalition provided an expert witness in a Duke Energy case before the Indiana Utility Regulatory Commission concerning the operations of the company's IGCC power plant in Edwardsport, Indiana, and whether certain fuel costs should be charged to ratepayers instead of shareholders.

That same witness conducted the executive compensation review that is the basis of the Coalition's communication to the PSC.

The Coalition cited examples of mismanagement, including for example:

· For years, Duke customers will pay for its failed nuclear projects in Florida, including $1.3 billion for the shuttered Crystal River Nuclear Plant and $800 million for the never-built Levy Nuclear Plant.

· As part of a final agreement in January 2021, the company was forced to reduce the amount customers will pay by $1.1 billion but still leaves customers footing the bill for billions of dollars of incompetence–the historic spill of 39,000 tons of coal ash from Duke's Dan River plant will ultimately cost $9 billion in clean-up costs and penalties.

· The company's proposed sale of a stake in its Indiana operations to foreign interests is under scrutiny from regulators; this deal would raise $1 billion and avoid diluting the shares of current shareholders. Effectively, this means the company can pay for its "share" of the coal ash spill without negatively affecting shareholders.

· With billions in cost overruns, the Sierra Club has called Duke's construction of a coal power plant in Edwardsport, Indiana, "a monument to cost overruns, concealment, mismanagement and malfeasance."

"These examples, and others, have cost Duke customers billions of dollars in rates and negatively impacted the value of the company," the Coalition said.

Furthermore, one of Duke Energy's largest investors, Elliott Management, has called for the company to
be broken up due to these types of mismanagement issues.

The Coalition's letters to the PSC can be found here. Both letters were signed by Coalition Chairman Rick
Enstrom.

For further information please contact Arlene DiBenigno at (813) 579-2157 or Arlene@betterjobscoalition.net.

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Arlene DiBenigno
Better Jobs Coalition
+1 813-579-2157
Arlene@betterjobscoalition.net