



Dianne M. Triplett
ASSOCIATE GENERAL COUNSEL
Duke Energy Florida, Inc.

May 5, 2014

VIA ELECTRONIC FILING

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: *Petition for approval of amended standard offer contract COG-2 by Duke Energy Florida, Inc.; Docket No. 140065-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, Inc. ("DEF"), DEF's Response to Staff's First Data Request (No. 1).

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully,

A handwritten signature in black ink, appearing to read "Dianne M. Triplett", written over a horizontal line.

Dianne M. Triplett
Associate General Counsel
Dianne.Triplett@duke-energy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 5th day of May, 2014.


Dianne M. Triplett

Charles Murphy, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
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**DUKE ENERGY FLORIDA, INC.'S RESPONSES TO
STAFF'S FIRST DATA REQUEST (NO. 1)
Docket No. 140065-EI**

1. Please complete the tables below describing payments to a renewable provider based on the proposed tariffs included in the company's revised standard offer contract. Please assume a renewable generator with 50 MW providing firm capacity with an in-service date of January 1, 2015, operating at the minimum capacity factor required for full capacity payments, for a contract duration of 20 years. Please provide the table for the following five scenarios:
- As-Available Energy (Energy Only)
 - Normal Capacity Payments
 - Levelized Payments
 - Early Payments
 - Early Levelized Payments

Please also provide an explanation of the method and rate used to calculate the NPV. Please calculate the NPV in 2015 dollars.

Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						

2031						
2032						
2033						
2034						
Total						
NPV						

Response:

The tables below are for the five scenarios. The NPV was calculated using a monthly payment stream with a discount rate equal to DEF's incremental after tax cost of capital of 6.46%.

As-Available Energy (Energy Only)						
Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	382,813	-	-	41.09	15,732	15,732
2016	383,862	-	-	41.38	15,885	15,885
2017	382,813	-	-	42.47	16,259	16,259
2018	382,813	-	-	46.03	17,620	17,620
2019	382,813	-	-	49.01	18,760	18,760
2020	383,862	-	-	52.39	20,111	20,111
2021	382,813	-	-	53.36	20,427	20,427
2022	382,813	-	-	54.91	21,020	21,020
2023	382,813	-	-	59.85	22,912	22,912
2024	383,862	-	-	60.79	23,336	23,336
2025	382,813	-	-	58.51	22,398	22,398
2026	382,813	-	-	61.18	23,422	23,422
2027	382,813	-	-	60.96	23,335	23,335
2028	383,862	-	-	60.69	23,296	23,296
2029	382,813	-	-	61.08	23,383	23,383
2030	382,813	-	-	63.81	24,429	24,429
2031	382,813	-	-	68.42	26,192	26,192
2032	383,862	-	-	71.09	27,289	27,289
2033	382,813	-	-	71.24	27,271	27,271
2034	382,813	-	-	72.52	27,761	27,761
Total	7,661,505				440,838	440,838
NPV					237,241	237,241

Normal Capacity Payments						
Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	382,813	-	-	41.09	15,732	15,732
2016	383,862	-	-	41.38	15,885	15,885
2017	382,813	-	-	42.47	16,259	16,259
2018	382,813	-	-	46.03	17,620	17,620
2019	382,813	-	-	49.01	18,760	18,760
2020	383,862	-	-	52.39	20,111	20,111
2021	382,813	9.97	3,488	53.36	20,427	23,915
2022	382,813	10.21	6,129	54.91	21,020	27,149
2023	382,813	10.47	6,282	59.85	22,912	29,193
2024	383,862	10.73	6,439	60.49	23,221	29,660
2025	382,813	11.00	6,600	58.51	22,398	28,998
2026	382,813	11.27	6,765	61.18	23,422	30,186
2027	382,813	11.56	6,934	60.96	23,335	30,269
2028	383,862	11.85	7,107	60.69	23,296	30,404
2029	382,813	12.14	7,285	61.08	23,383	30,668
2030	382,813	12.45	7,467	63.81	24,429	31,896
2031	382,813	12.76	7,654	68.20	26,107	33,761
2032	383,862	13.08	7,845	71.09	27,289	35,135
2033	382,813	13.40	8,041	71.24	27,271	35,312
2034	382,813	13.74	8,242	72.52	27,761	36,004
Total	7,661,505		96,279		440,638	536,917
NPV			42,457		237,148	279,606

Levelized Payments						
Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	382,813	-	-	41.09	15,732	15,732
2016	383,862	-	-	41.38	15,885	15,885
2017	382,813	-	-	42.47	16,259	16,259
2018	382,813	-	-	46.03	17,620	17,620
2019	382,813	-	-	49.01	18,760	18,760
2020	383,862	-	-	52.39	20,111	20,111
2021	382,813	11.43	4,002	53.36	20,427	24,429
2022	382,813	11.45	6,870	54.91	21,020	27,890
2023	382,813	11.47	6,880	59.85	22,912	29,792
2024	383,862	11.48	6,891	60.49	23,221	30,112
2025	382,813	11.50	6,901	58.51	22,398	29,299
2026	382,813	11.52	6,912	61.18	23,422	30,334
2027	382,813	11.54	6,923	60.96	23,335	30,259
2028	383,862	11.56	6,935	60.69	23,296	30,231
2029	382,813	11.58	6,947	61.08	23,383	30,330
2030	382,813	11.60	6,959	63.81	24,429	31,388
2031	382,813	11.62	6,971	68.20	26,107	33,078
2032	383,862	11.64	6,984	71.09	27,289	34,273
2033	382,813	11.66	6,997	71.24	27,271	34,268
2034	382,813	11.68	7,010	72.52	27,761	34,771
Total	7,661,505		94,182		440,638	534,819
NPV			42,457		237,148	279,606

Early Payments						
Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	382,813	-	-	41.09	15,732	15,732
2016	383,862	5.62	3,372	41.38	15,885	19,257
2017	382,813	5.76	3,456	42.47	16,259	19,716
2018	382,813	5.90	3,543	46.03	17,620	21,162
2019	382,813	6.05	3,631	49.01	18,760	22,391
2020	383,862	6.20	3,722	52.39	20,111	23,834
2021	382,813	6.36	3,815	53.36	20,427	24,242
2022	382,813	6.52	3,911	54.91	21,020	24,930
2023	382,813	6.68	4,008	59.85	22,912	26,920
2024	383,862	6.85	4,109	60.49	23,221	27,330
2025	382,813	7.02	4,211	58.51	22,398	26,609
2026	382,813	7.19	4,317	61.18	23,422	27,738
2027	382,813	7.37	4,424	60.96	23,335	27,760
2028	383,862	7.56	4,535	60.69	23,296	27,831
2029	382,813	7.75	4,648	61.08	23,383	28,032
2030	382,813	7.94	4,765	63.81	24,429	29,194
2031	382,813	8.14	4,884	68.20	26,107	30,991
2032	383,862	8.34	5,006	71.09	27,289	32,295
2033	382,813	8.55	5,131	71.24	27,271	32,402
2034	382,813	8.77	5,259	72.52	27,761	33,021
Total	7,661,505		80,748		440,638	521,386
NPV			42,457		237,148	279,606

Early Levelized Payments						
Year	Energy	Capacity Rate	Total Capacity Payments	Energy Rate	Total Energy Payments	Total Payments
	(MWh)	(\$/kw-mo)	(\$)	(\$/MWh)	(\$)	(\$)
2015	382,813	-	-	41.09	15,732	15,732
2016	383,862	6.69	4,014	41.38	15,885	19,899
2017	382,813	6.70	4,020	42.47	16,259	20,279
2018	382,813	6.71	4,026	46.03	17,620	21,645
2019	382,813	6.72	4,031	49.01	18,760	22,791
2020	383,862	6.73	4,037	52.39	20,111	24,149
2021	382,813	6.74	4,044	53.36	20,427	24,470
2022	382,813	6.75	4,050	54.91	21,020	25,070
2023	382,813	6.76	4,056	59.85	22,912	26,968
2024	383,862	6.77	4,063	60.49	23,221	27,284
2025	382,813	6.78	4,070	58.51	22,398	26,467
2026	382,813	6.79	4,076	61.18	23,422	27,498
2027	382,813	6.81	4,084	60.96	23,335	27,419
2028	383,862	6.82	4,091	60.69	23,296	27,387
2029	382,813	6.83	4,098	61.08	23,383	27,481
2030	382,813	6.84	4,106	63.81	24,429	28,535
2031	382,813	6.86	4,114	68.20	26,107	30,221
2032	383,862	6.87	4,122	71.09	27,289	31,411
2033	382,813	6.88	4,130	71.24	27,271	31,401
2034	382,813	6.90	4,138	72.52	27,761	31,900
Total	7,661,505		77,369		440,638	518,007
NPV			42,457		237,148	279,606