

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination)
of Cost Effective Generation Alternative) DOCKET NO. 140111-EI
to Meet Need Prior to 2018 for Duke) Submitted for filing: June 5, 2014
Energy Florida, Inc.)
_____)

**DUKE ENERGY FLORIDA, INC.’S RESPONSE TO THE PETITION TO INTERVENE
OF CALPINE CONSTRUCTION FINANCE COMPANY, L.P.**

Duke Energy Florida, Inc. (“DEF” or the “Company”) hereby responds to the Petition to Intervene of Calpine Construction Finance Company, L.P. (“Calpine”) and states as follows:

1. On July 31, 2013, DEF and the Intervener Parties¹ entered into the 2013 Revised and Restated Stipulation and Settlement Agreement (the “2013 Settlement Agreement”). The 2013 Settlement Agreement was thereafter approved by the Florida Public Service Commission (“PSC” or the “Commission”) on November 12, 2013 in Order No. PSC-13-0598-FOF-EI in Docket No. 130208-EI.

2. The 2013 Settlement Agreement, in relevant part, established the process for Commission review of DEF’s need and its determination of the cost effective means to satisfy its need for generation capacity prior to 2018 through its Integrated Resource Planning (“IRP”) methodology before Commission approval of the revenue requirements for the generation base rate adjustment (“GBRA”) associated with that generation capacity. See 2013 Settlement Agreement, ¶ 16(a). Pursuant to this provision of the 2013 Settlement Agreement, on May 27, 2014, DEF filed its Petition for Determination of the Cost Effective Generation Alternative to Meet Need Prior to 2018. In its Petition, DEF demonstrates that DEF has determined through its IRP methodology that the Suwannee Simple Cycle and Hines Chillers Power Uprate Projects are the most cost effective generation alternatives to meet the Company’s need for generation

¹ The Office of Public Counsel, the Florida Retail Federation, the Florida Industrial Power Users Group, and White Springs Agricultural Chemicals, Inc. d/b/a PSC Phosphate.

capacity prior to 2018.

3. On May 30, 2014 Calpine filed its Petition to Intervene. As noted in Calpine's Petition to Intervene, Calpine was one of several companies that responded to DEF's request for proposals for generation alternatives to meet DEF's need for power prior to 2018. This action alone normally does not establish a substantial interest that will be affected in a GBRA proceeding. Nevertheless, because of the unique circumstances of the Commission review process for DEF's Petition established by paragraph 16.a. of the 2013 Settlement Agreement, DEF takes no position on Calpine's petition to intervene in this matter. By taking no position on Calpine's petition to intervene, however, DEF does not agree with or concede any of the allegations in Calpine's petition to intervene. DEF disputes that Calpine's additional, proposed issues are appropriate issues in this proceeding.

Respectfully submitted this 5th day of June, 2014.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel of record as indicated below via electronic mail this 5th day of June, 2014.

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