

STATE OF FLORIDA



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GENERAL COUNSEL
S. CURTIS KISER
(850) 413-6199

Public Service Commission

September 30, 2014

Dianne M. Triplett, Esquire
Post Office Box 14042
Saint Petersburg, Florida 33733-4042

STAFF'S THIRD DATA REQUEST

Re: Docket No. 140113-EI - Petition for approval to construct an independent spent fuel storage installation and an accounting order to defer amortization pending recovery from the Department of Energy, by Duke Energy Florida, Inc.

Dear Ms. Triplett:

By this letter, the Commission staff requests that Duke Energy Florida, Inc. (DEF) provide responses to the following data requests.

Questions 1-3 relate to DEF's response to Staff's Second Data Request, No. 4, in which DEF stated it identified no licensed dry storage facility which is maintaining a spent fuel pool in a recoverable condition.

1. Please describe and explain the rationale for believing that maintaining a spent fuel pool in a recoverable condition is the best available option in the event of relocation, removal, or other types of rearrangement of the spent fuel becomes necessary.
2. Please state why there are not any of the other licensed dry storage facilities maintaining a spent fuel pool in a recoverable condition.
3. Please state whether any of the other licensed dry storage facilities have contingency plans for relocating or removing spent fuel. If so, what are they?
4. Exhibit MJO-2, attached to witness Olivier's testimony, assumes for illustrative purposes that DEF will recover the return on the "total spend" for the Independent Spent Fuel Storage Installation (Fuel Storage) in the initial rate increase. On page 9, lines 1-11 of witness Olivier's testimony, she states that any recoveries received from the DOE "will be applied to the Fuel Storage investment balance, but no adjustment to base rates will take place until all litigation proceedings have concluded and DEF has received any and all DOE recoveries through that litigation process." Does this assume that the "total spend" balance for the Fuel Storage remains constant throughout the term of the initial rate increase for purposes of calculating the revenue requirement recovered through this rate increase?

5. Assuming DEF receives recoveries from the DOE that are applied to the Fuel Storage balance during the term the initial base rate increase is in place, does DEF contemplate the true-up determination pursuant to Paragraph 5(f) of the Revised and Restated Stipulation and Settlement Agreement will identify the incremental return received by DEF on the difference between the "total spend" assumed in the initial base rate increase and the actual investment net of DOE recoveries over the term of the initial rate increase? If no, why not?
6. To the extent that the actual investment for the Fuel Storage is less than the "total spend" assumed in the initial base rate increase over the term of the initial base rate increase, will any return recovered in excess of the return on the actual investment be identified and reflected in the adjusted rate increase? If not, why not?
7. Please provide a schedule showing the calculation of the incremental amount of return the customers would have to bear assuming deferral of the amortization expense in DEF's Petition is approved.

Please file the original and five copies of the requested information by Tuesday, October 14, 2014, with Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6226 if you have any questions.

Sincerely,

/s/ Keino Young

Keino Young
Chief Trial Counsel

KY/as

cc: Office of Commission Clerk
Office of Public Counsel (Kelly, Rehwinkel)