



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

August 12, 2016

Via ELECTRONIC DELIVERY

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

Re: Docket 160173-EI
DEF's Petition for approval of modification to and extension of the approved economic development and re-development rider experimental pilot tariffs

Dear Ms. Stauffer:

On behalf of Duke Energy Florida, LLC ("DEF"), enclosed for filing is DEF's Response to Staff's First Data Request (1-9) received on August 4, 2016.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT:at
Attachments

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 12th day of August, 2016.

/s/ Dianne M. Triplett

Attorney

Kyesha Mapp
Office of General Counsel
Florida Public Service Commission
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Duke Energy Florida, LLC's Response to Staff's First Data Request
Re: Petition for approval of modification to and extension of the approved economic development and re-development rider experimental pilot tariffs, by Duke Energy Florida, LLC

Docket No. 160173-EI

August 12, 2016

1. Paragraph 4 of the petition states that six customers have enrolled in the Economic Development Rider (ED-1) tariff since April 2014. Of those six customers, how many are established customers to date and how many FTE positions have been created to date by those customers?

RESPONSE:

No customers are currently taking service under Rider ED-1 or Rider EDR-1 ("Riders"), however, customers have enrolled to take service under the Riders but are not yet ready to commence their respective discounts. Due to the nature of the competitive site selection process, many of our prospective customers may take 1-3 years to make a final location decision. Once a company makes their final location decision and completes their ED-1 or EDR-1 application, they may require a year or more of lead time as they ramp up before their energy demand meets the minimum load threshold to trigger the ED-1 or EDR-1 discount.

As a result of the credits offered under DEF's non-firm rates over the last year, we have had some potential ED-1 candidates select the IST-2 rate instead of the ED-1. All of the factors above have affected the current number of customers pursuing the Riders.

Once service commences under the Riders, DEF plans to request verification of the number of jobs that were created as a direct result of the Riders.

2. Please discuss whether there any customers who have taken service under the Economic Re-Development Rider (EDR-1) tariff since the establishment of the tariff in October 2013?

RESPONSE:

No customers currently take service under the Riders. DEF expects two customers currently taking service from DEF to commence billing within the next two months.

3. What type of customers currently take service under the ED-1 and EDR-1 tariffs, e.g., manufacturing, industrial, light industrial, office park, and retail and where are they located within DEF's service territory?

RESPONSE:

While no customers are currently taking service under the Riders, customers that have enrolled in the programs are largely concentrated in the food and beverage, life sciences, and logistics industries.

The Riders require that eligible applicants fall within one of the state's targeted industries as outlined by the State of Florida/Enterprise Florida. As a result, DEF's program incentivizes those industries that are typically non-market based and may not necessarily choose DEF territory or even Florida in their location decisions. The ED Rider was designed to provide a compelling reason for competitive projects/customers to select DEF's service territory for increased job and capital investment impact in Florida.

4. Has DEF terminated services to any customers under the ED-1 and EDR-1 riders for failure of not maintaining the employment requirement, not purchasing load amount specified in the Riders or not meeting the capital investment requirement?

RESPONSE:

No customers have taken service under these Riders, therefore DEF has not terminated service to any customers for failure to comply with the terms of the Riders.

5. Please state the total discounted dollar amount (difference between Rider rates and otherwise applicable rates) for the period from October 17, 2013 to date.

RESPONSE:

No customers are currently taking service under these Riders, therefore DEF has not computed any discounted dollar amounts. Once customers began taking service under these Riders, DEF will maintain reports sufficient to identify current and cumulative discounts offered to customers.

6. Please explain whether DEF is currently recovering from the general body of ratepayers the discount amount (difference between Rider rates and otherwise applicable rates) provided to Rider customers. If not, state if DEF will seek recovery of the discount amounts in its next rate case.

RESPONSE:

DEF is not currently recovering from the general body of ratepayers the discount amounts as there are currently no customers taking service. In the future, DEF intends to record the discounts offered under these Riders as economic development expenses. Economic development expenses are included in retail cost of service in accordance with rule 25-6.0426 F.A.C.

7. Please explain whether DEF reports its economic development expenses (e.g., marketing expenses) on its earnings surveillance reports per Rule 25-6.0426(5), F.A.C.

RESPONSE:

Yes. DEF reports its economic development expenses on its earnings surveillance reports per Rule 25-6.0426(5), F.A.C.

8. How does DEF verify that Rider customers are maintaining the required number of FTEs over the five year contract period?

RESPONSE:

At the end of each year when service is rendered under the Riders, DEF plans to request, from each customer, verification of the number of jobs that were created as a direct result of the Riders.

9. Please discuss whether DEF plans to make the ED-1 and EDR-1 rider tariffs permanent after October 17, 2019?

RESPONSE:

It is not known at this time whether DEF will make these Riders permanent after October 17, 2019. Once DEF has more experience with the Riders, including experience with customers qualifying to take service under them, it will reevaluate whether the Riders should be permanent. Factors to consider in that determination include whether the Riders have attracted new load and their impact on customer satisfaction.