STATE OF FLORIDA

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Public Service Commission

March 1, 2021

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STAFF'S AMENDED FIRST DATA REQUEST
via e-mail

Matthew R. Bernier
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Tallahassee, FL 32301
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FLRegulatoryLegal@duke-energy.com

RE: Docket No.20210016-EI – Petition for limited proceeding to approve 2021 settlement agreement, including general base rate increases, by Duke Energy Florida, LLC.

Dear Ms. Triplett, and Mr. Bernier:

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

Please refer to the Duke Energy Florida (DEF) 2021 Settlement Agreement for the following questions.

1. Please refer to Paragraph 3.

   a. When is the $173 million (retail) DOE Award referenced in Paragraph 3 of the 2021 Settlement Agreement expected to be received by DEF? Why is that estimated receipt period the most likely time of receipt of the award?

   b. Please provide a summary of the history of the litigation leading to the expected DOE award of $173 million (retail).

   c. What are the years that CR3 spent fuel management costs were incurred for which DEF expects to be reimbursed by the DOE in the amount of $173 million (retail)?

d. For the years identified in response to No. 3 above, what is the breakdown of CR3 spent fuel management costs by type (DCS capital, DCS AFUDC, etc.) and by year for which DEF expects DOE reimbursement? Please state costs in terms of both retail and system.

e. What summary or high level documentation is available to support the expected $173 million DOE award? Please provide.

f. What are the system amounts associated with the DOE award and regulatory asset retail amounts shown in Paragraph 3 of the 2021 Settlement Agreement?

g. What accounts for the difference between the DCS regulatory asset reimbursement portion ($71 M) and the full DCS regulatory asset ($96 M)?

h. Are there spent fuel management costs which were incurred during the award years identified in No. 3 above that were not included in the litigation that led to the expected $173 million DOE award? Please specify.

i. What does DEF project is the impact of Paragraph 3 of the Settlement Agreement (i.e. monetization of expected DOE Award) on the minimum balance of the NDT reserve subaccount, inclusive of earnings, based on the most current information available to the Company, over the time horizon of the accelerated decommissioning project?

j. In the event that the award the Company received is an amount greater than $173 million, how does DEF plan to record the excess amount for accounting purposes?

2. Please refer to Paragraph 4 and the MFRs in Exhibit 1. Please provide an exhibit, listing the SPP programs and amounts per program, as was provided for the ECRC programs in Exhibit 2.

3. Please refer to Paragraph 7.

a. What is the average cost, per transaction, for DEF to process an (a) ACH payment, (b) check payment, and (c) proposed credit card payment?

b. What is the current percentage of customers who pay their bills by (a) credit card, (b) ACH, and (c) check?

c. State the cost of credit card fees included in the cost of service for test years 2022 and 2023 and the basis for the amount included.

4. Please refer to Paragraph 9. On Paragraph 9 of the 2021 Settlement Agreement, DEF states how it shall allocate revenue adjustments amongst its customer classes, except for

street lighting. Please explain how DEF determined to allocate revenue adjustments for street lighting.

5. Please refer to Paragraph 11.

   a. How were the proposed interruptible/curtailable/standby credits amounts determined?

   b. Did the parties to the 2021 Settlement Agreement perform any cost-effectiveness tests on the proposed interruptible/curtailable/standby credits?

6. Please refer to Paragraph 12. DEF states it shall bill demand customers for Storm Protection Plan Cost Recovery Clause costs on a demand basis. Please explain why DEF proposes to bill on a demand basis for SPPCRC costs (as opposed to an energy basis).

7. Please refer to Paragraph 13. DEF states it shall permanently close its IS-1, IST-1, CS-1 and CST-1 rates and transfer customers to an otherwise applicable rate. Please state the current number of customers taking service under the IS-1, IST-1, CS-1 and CST-1 rates.

8. Please refer to Paragraph 17.

   a. Please refer to Exhibit No. 5 of the 2021 Settlement Agreement. Provide a breakdown of charger data by year (2022-2025) for each of DEF's new EV programs (Non-Time of Use credit program, Commercial/Industrial rebate program, DC Fast Charger program). In the breakdown, please include participation figures, the number of sites (DCFC) and/or chargers, and the year that the chargers are expected to be placed into service.

   b. How does the DEF settlement and the MFRs reflect the implementation of Paragraph 17g.i. of the 2017 Settlement Agreement (recovery of Regulatory Asset for the Pilot Program over a 4 year period through uniform percent increase in rates)? Please provide MFR citations.

   c. Has DEF completed all charger installations associated with the EV Pilot Program? If not, please provide the details of how and when this pilot will be completed.

   d. What lessons were learned via the EV Pilot Program which are expected to be incorporated into DEF's New EV Program?

   e. Pursuant to Order No. PSC-2017-0451-AS-EU, DEF is required to complete annual reporting requirements for the full term of the EV Pilot Program. Since the pilot program is being concluded earlier than anticipated, does DEF plan to file a final report on the EV Pilot Program, and if so, when will that report be submitted?

f. Please refer to Paragraph 17b. Please provide a definition of each type of charging station listed in Exhibit No. 5 - Rebate Levels and Caps for New EV Program (Commercial/Industrial Rebate Program)

g. Please refer to Paragraph 17b. Does DEF possess any additional information regarding the Commercial and Industrial Rebate Program (e.g. terms and conditions, technical details, equipment information, customer communication, etc.) other than what appears in this subsection, Paragraph 17b? If so, please provide.

h. Please refer to Paragraph 17c. For this request, please refer to MFR Schedule B-1, page 1 of 5, line 24, and Schedule B-6, page 3 of 29, line 26. "Electric Vehicle Charging Station Program." Please provide clarity as to whether the data presented in these MFR locations is associated with the DCFC Investment Program only. If not, please elaborate as to which other programs may be included.

i. Please refer to Paragraph 17d. Please break down the EV Program total cost of $62.9 M over the 4 years (2022 through 2025), showing the annual costs associated with each EV Program type, including the Non-Time of Use Credit Program, Commercial/Industrial Rebate Program, and the DC Fast Charging Program.

j. Please indicate whether or not DEF intends to file reports with the Commission for the proposed Electric Vehicle (EV) Programs. If not, please explain.

k. Please refer to Paragraph 17b. Please explain how DEF determined the participation caps and rebates for the proposed Commercial & Industrial Rebate EV Program.

9. Please refer to Paragraph 21.

a. Does the 2021 Settlement Agreement address the filing date for DEF's next Depreciation Study? If so, please provide the filing date, and where the filing date is specified in the Settlement agreement. If not, please provide DEF's understanding of the when the next Depreciation Study is due to be filed.

b. Rule 25-6.0436(4)(a) states that electric utilities must file a depreciation study at least once every four years from the submission date of the previous study. With regard to the Depreciation Study dated December 31, 2020, and filed with the Commission on January 4, 2021, coupled with the Modified Depreciation Study filed on January 14, 2021, which date does the Company consider the governing date for satisfying the above-referenced Rule?

c. Please refer to the 2021 Settlement Agreement, Exhibit 8, Pages 21 through 26 of 599. Is it true that that the values for the "Annual Depreciation Rate" and the "Annual Depreciation Accruals" which are each listed in columns 4 and 5 (Total), 6 and 7 (Original Cost), 8 and 9 (Gross Salvage), and 10 and 11 (Cost of Removal) are reversed?

d. Please specify the current balance of the Cost of Removal Regulatory Asset referenced in Paragraph 21.c.

e. Please provide an estimate of the balance of the Cost of Removal Regulatory Asset as of January 1, 2025 and the anticipated timeframe to fully recover the asset. If neither is possible to estimate, does the Company anticipate the balance of the asset to increase or decrease before recovery begins on January 1, 2025?

f. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 13 of 599. Please describe the major factors that led to the $26,811,886 increase in annual depreciation expense for the Anclote Steam Plant.

g. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 14 of 599. Please describe the major factors that led to the $30,869,609 increase in annual depreciation expense for the Total Hines Energy Combined Cycle Plant.

h. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 14 of 599. Please describe the major factors that led to the $5,963,278 increase in annual depreciation expense for the Tiger Bay Cogeneration Plant.

i. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 15 of 599. Please describe the major factors that led to the $2,066,521 increase in annual depreciation expense for the Total Bartow Peaking Plant.

j. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 16 of 599. Please describe the major factors that led to the $7,242,260 increase in annual depreciation expense for the Total University of Florida Cogeneration Plant.

k. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 522 of 599. Please elaborate on the major factors that led to the recommendation of the probable retirement date for Crystal River Units 4 & 5 of 2034 over the existing date of 2042.

l. As regards the 2021 Settlement Agreement, Exhibit 8, and per Rule 25-6.0436(5)(a), please provide the average service lives for each category of depreciable plant. Please provide this information in written and electronic format with formulas intact.

m. As regards the 2021 Settlement Agreement, Exhibit 8, and per Rule 25-6.0436(5)(b), please provide a comparison of the reserve balance percentages and remaining lives under the current and proposed depreciation rates. Please provide this information in written and electronic format with formulas intact.

n. Please refer to the 2021 Settlement Agreement, Exhibit 8, Page 12 of 599. Per Rule 25-6.0436(5)(c), please provide the effective date, length of schedule, and reason for the recovery schedules listed on that page.

o. As regards the 2021 Settlement Agreement, Exhibit 8, please provide all numerical data listed in Rule 25-6.0436(5)(g). Specifically provide all plant activity (gross additions adjustments, retirements, and plant balances at the end of the year) as well as reserve activity (retirements, accruals for depreciation expense, salvage, cost of removal, adjustments, transfers and reclassifications and reserve balance at the end of the year) for each year of activity from the date of the last submitted study to the date of the present study. Please provide this information in written and electronic format with formulas intact.

p. Have any events occurred, or in progress (including the proposed monetization of expected DOE Awards), since decommissioning activities began at Crystal River 3 (CR3) that would cause the Company to believe it is now more likely that it will need to petition the Commission for additional funds to complete the decommissioning of CR3? If so, please explain in detail.

10. Please refer to Paragraph 23. Would the "Storm Restoration Cost Process Improvements", approved by the Commission in the 2017 Settlement Agreement, remain in effect if the 2021 Settlement Agreement is approved?

    a. If not, please explain.

    b. If so, please explain if there will be any changes to the "Storm Restoration Cost Process Improvements" that will remain in effect from the 2017 Settlement Agreement?

11. Please refer to Paragraph 25. Please indicate whether or not DEF intends to file reports with the Commission for the proposed Vision Florida Pilot Program. If not, please explain.

12. Please refer to Paragraph 27.

    a. For the proposed RS-1 and GS-1/GST-1 tariffs, please explain the basis for establishing the minimum monthly charge at the proposed $30.00.

    b. Under the proposed RS-1 rate, what would the breakeven kWh usage be for a $30.00 residential bill?

c. Please describe the potential impact to net metering customers under this proposed change.

d. Please clarify how the $30 minimum bill requirement would impact residential customers receiving a bill credit such as residential load management credits (load management credits are not listed under the items excluded on Tariff Sheet No. 6.121).

e. On average, how many residential customers and what percent of residential bills are less than $30.00?

f. On average, how many GS-1/GST-1 customers have a bill that is less than $30.00?

g. In the 2021 Settlement Agreement, DEF proposes to cancel its IS-1, IST-1 CS-1, CST-1, ED-1 and EDR-1 tariff sheets. However, Exhibit 4A and 4B do not include copies of these canceled sheets. Please confirm and, if necessary, provide the clean and legislative copies of the canceled tariff sheets.

h. Please discuss the basis and provide the calculation for proposing different non-fuel energy charges for the RS-1 rate for the months December through February and the months March through November.

i. Please discuss the basis for closing the GS-1 non-demand rate schedule to new customers (vs keeping the GST-1 rate schedule open). What type of customers typically benefit from the GS-1 non-demand rate schedule and what rate schedules would similar new customers have available after 1/1/2022?

j. Please discuss the change to the power factor calculation as shown on tariff Sheet No. 6.171.

k. For the GSDT-1 rate schedule, please state the demand-related cost that the base demand charge, the mid-peak demand charge, and the on-peak demand charge are designed to recover and discuss the impact on GSDT-1 customer bills of the proposed new mid-peak demand charge and super-off peak kWh charge and the rationale for the proposed new rate design.

l. Please explain the reasoning for the proposed new additional event incentive of 25 cents times the difference in kWh usage included in the curtailable rate schedules and state how the cost for any event incentives paid to curtailable customers would be recovered from the general body of ratepayers.

m. Please discuss the differences between the proposed ED-2 tariff and the current ED-1 and EDR-1 tariffs.

13. Please refer to Paragraph 20. Is it the Parties intent that the $132 million storm reserve be considered replenished with the approval of the proposed settlement agreement? If not, when and how will the reserve be replenished?

Please file all responses electronically no later than March 19, 2021 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to email me at wtrierwe@psc.state.fl.us if you have any questions.

Sincerely,

/s/ Walt Trierweiler

Walt Trierweiler
Senior Attorney

WLT/lms

cc: Office of Commission Clerk
Charles J. Rehwinkel - Office of Public Counsel
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