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STATE OF FLORIDA



DIVISION OF ECONOMICS
JUDY HARLOW
DIRECTOR
(850) 413-6410

Public Service Commission

April 7, 2023

Dianne M. Triplett
Deputy General Counsel
Duke Energy Florida, LLC
299 First Avenue North
St. Petersburg, FL 33701
Dianne.Triplett@Duke-Energy.com

STAFF'S FIRST DATA REQUEST VIA EMAIL

Stephanie A. Cuello
Senior Counsel
Duke Energy Florida, LLC
106 East College Avenue, Suite 800
Tallahassee, FL 32301
Stephanie.Cuello@Duke-Energy.com
FLRegulatoryLegal@Duke-Energy.com

D. Bruce May, Jr., Esquire
Holland & Knight LLP
315 S. Calhoun St., Suite 600
Tallahassee, FL 32301
bruce.may@hkllaw.com

Randall W. Shaw
Peace River Electric Cooperative, Inc.
Post Office Box 1310
Wauchula, FL 33873
randy.shaw@preco.coop

Re: Docket No. 20230035-EU: Joint Petition for Approval of Temporary Variance, by Duke Energy Florida, LLC and Peace River Electric Cooperative, Inc.

Dear Ms. Triplett, Ms. Cuello, Mr. May, and Mr. Shaw:

By this letter, Commission staff respectfully requests that Duke Energy Inc. (Duke) and Peace River Electric Cooperative, Inc. (PRECO), jointly the Parties, provide responses to the following questions:

General

1. Are the Parties seeking Commission approval of the asset purchase agreement? Please explain.
2. For the following questions, please refer to page 4, paragraph 9 of the petition.
 - a. Please explain what the Parties mean by nominal consideration.
 - b. Please clarify why there is not an estimated dollar value for the nominal consideration.
 - c. How did the parties determine the appropriate nominal consideration? Please explain.
3. Page 3, paragraph 3 of the asset purchase agreement states that the purchase price of the assets will be \$10.00. Please explain how the purchase price was decided upon.
4. The following questions refer to page 4, paragraph 10 of the petition.
 - a. The petition states that if additional time is needed to complete the project, the Parties will notify the Commission. What is the likelihood of this happening?
 - b. Please explain whether the Parties intend to file a petition to extend the territorial variance. Past December 31, 2028, if needed.
 - c. Please explain how the parties determined the appropriate duration for the temporary variance agreement. Please also explain why it has a certain end date (December 31, 2028) instead of until the mining operation at issue here is complete.

Eastern Expansion Project

5. Please state what rate schedule the special industrial customer is currently receiving service from Duke. Would the mining load south of SR 64 in the eastern expansion project be served under the same schedule? If not, please explain why.
6. Please provide a map of the area encompassing the Project that depicts the territorial boundary lines established by the currently-approved territorial agreement. Please also indicate the boundary lines of the proposed territorial variance and the location of the Lake Branch substation on the map.
7. The petition refers to the Lake Branch maps as Exhibit A. Please explain whether the substation diagrams attached to the petition are Exhibit A.

Dianne M. Triplett

Page 3

April 7, 2023

8. Paragraph 7 of the petition states that PRECO currently does not have the facilities in place to serve the special industrial customer's projected load for the portion of the project south of SR 64. Is it necessary for PRECO to construct additional facilities to tie the Lake Branch substation into its system upon acquisition? Please explain.

Lake Branch Substation

9. The following questions will be referring to paragraph 4 of Exhibit B.
 - a. Please explain why the substation is being transferred to PRECO on or before December 31, 2025 instead of being used to help serve as a mining substation until the completion of the eastern mining project in 2028.
 - b. On page 4, paragraph 9 it states that PRECO will acquire the substation in the beginning of 2026, but on paragraph 4 of the temporary territorial variance agreement it states that PRECO will acquire the substation on or before December 31, 2025. Please clarify which date it would be.
10. Please explain how the cost to construct the Lake Branch substation was initially recovered. (Through rate base, Contribution in Aid of Construction, etc.)
11. Please refer to paragraph 9 of the petition for the following data requests.
 - a. Please describe the timeline of the proposed transfer of the Lake Branch substation between Duke and PRECO.
 - b. Please clarify if there is a possibility that the Lake Branch substation could be owned by one utility while being operated by the other, under the terms of the asset purchase agreement.

Please file all responses electronically no later than April 21, 2023 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at pkelley@psc.state.fl.us or at 850.413.6495 if you have any questions.

Thank you,

/S/Patrick Kelley

Patrick Kelley

Public Utility Analyst I

cc: Office of Commission Clerk