

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to include in base rates the revenue requirement for the CR3 regulatory asset, by Duke Energy Florida, Inc.

DOCKET NO. 150148-EI

In re: Petition for issuance of nuclear asset-recovery financing order, by Duke Energy Florida, Inc. d/b/a Duke Energy.

DOCKET NO. 150171-EI
ORDER NO. PSC-15-0465-S-EI
ISSUED: October 14, 2015

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

FINAL ORDER APPROVING STIPULATION
AND FOR RELIEF FROM REBUTTAL TESTIMONY DEADLINE
SET FORTH IN ORDER ESTABLISHING PROCEDURE

BY THE COMMISSION:

Case Background

In February 2013, Duke Energy Florida, Inc. (DEF) announced its decision to retire its nuclear plant, Crystal River Unit 3 (CR3), in Citrus County, Florida. The retirement of CR3 was the subject of two settlement agreements. The first settlement agreement, reached in 2012, was a global settlement that addressed several issues, including issues related to the CR3 retirement.¹ The second settlement agreement, reached in 2013, replaced and supplanted the 2012 settlement agreement. The Commission approved the Revised and Restated Stipulation and Settlement Agreement (RRSSA) by Order No. PSC-13-0598-FOF-EI.² Among other things, the 2013 RRSSA contemplated that DEF would create a regulatory asset to account for the recovery of costs associated with the retirement of CR3. The parties to the RRSSA were DEF, the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG), the Florida Retail Federation (FRF), and White Springs Agriculture Chemicals, Inc. d/b/a PCS Phosphate (PCS Phosphate).

¹ Order No. PSC-12-0104-FOF-EI, issued March 8, 2012, as amended by Order No. PSC-12-0104A-FOF-EI, issued March 15, 2012, in Docket No. 120022-EI, In re: Petition for limited proceeding to approve stipulation and settlement agreement by Progress Energy Florida, Inc. (approving the 2012 settlement agreement).

² Order No. PSC-13-0598-FOF-EI, issued November 12, 2013, in Docket No. 130208-EI, as amended by Order No. PSC-13-0598A-FOF-EI, issued November 13, 2013, In re: Petition for limited proceeding to approve revised and restated stipulation and settlement agreement by Duke Energy Florida, Inc. d/b/a Duke Energy.

Docket No. 150148-EI – CR3 Regulatory Asset

On May 22, 2015, pursuant to Sections 366.04 and 366.05, Florida Statutes (F.S.), DEF filed its Petition for Approval to Include in Base Rates the Revenue Requirement for the Crystal River Unit 3 Regulatory Asset (CR3 Regulatory Asset Petition), along with supporting testimony and exhibits. DEF intended its petition to be the first step in the securitization process, authorized by Section 366.95, F.S.³ Under Section 366.95, F.S., investor-owned electric utilities “subject to a settlement agreement that governs the type and amount of principal costs that could be included in nuclear asset-recovery costs,” may seek a financing order to obtain low-cost funds to recover principal costs of retired nuclear generation assets. Section 366.95(2)(b), F.S., also provides that before an electric utility can file a petition for a financing order, the utility must file a petition for “review and approval of those principal costs” that could be “included in nuclear asset-recovery costs,” at least 60 days prior to seeking a financing order. DEF’s CR3 Regulatory Asset Petition was the first step in the securitization process.

Docket No. 150171-EI – Financing Order

On July 27, 2015, pursuant to Sections 366.04, 366.05, and 366.95, F.S., the RRSSA, and its CR3 Regulatory Asset Petition, DEF filed its Petition for Issuance of a Nuclear Asset-Recovery Financing Order (Financing Order Petition), along with supporting testimony and exhibits, requesting that the Commission issue a financing order to permit DEF to securitize certain costs, including the CR3 Regulatory Asset value as outlined in its CR3 Regulatory Asset Petition filed in Docket No. 150148-EI. DEF also filed a Motion to Consolidate, requesting that its CR3 Regulatory Asset Petition and Financing Order Petition be consolidated pursuant to Rule 28-106.108, Florida Administrative Code (F.A.C.).

Consolidation of Dockets and Orders Establishing Procedure

By Order No. PSC-15-0238-PCO-EI (Order Establishing Procedure), issued on June 5, 2015, Docket No. 150148-EI was set for hearing and controlling dates were established for filing testimony as well as other procedural matters. By Order No. PSC-15-0327-PCO-EI (Consolidation Order), issued on August 13, 2015, Docket Nos. 150148-EI and 150171-EI were consolidated into Docket No. 150171-EI, pursuant to Rules 28-106.108 and 28-106.211, F.A.C. The consolidated proceeding was scheduled for a formal evidentiary hearing on October 14-16, 2015.

³ “DEF’s Petition for Approval to Include in Base Rates the Revenue Requirement for the Crystal River Unit 3 Regulatory Asset,” pgs. 8-10, filed on May 22, 2015, in Docket No. 150148-EI.

Stipulation

On August 31, 2015, DEF filed its Motion for Approval of Stipulation and for Relief from Rebuttal Testimony Deadline Set Forth in Order Establishing Procedure (Motion for Approval of Stipulation).⁴ On September 1, 2014, DEF filed revised pages to Attachment A, Exhibit 1 of the proposed Stipulation to correct a scrivener's error contained in the proposed Stipulation filed on August 31, 2015.⁵ On September 14, 2015, DEF filed a Motion to Remove and Replace Page 11 of Stipulation to correct a scrivener's error contained in the Stipulation Attachment A Exhibit 1 filed on September 1, 2015.⁶ DEF requested that we approve the proposed Stipulation reached by the parties to the RRSSA, and provide relief from the Order Establishing Procedure that required DEF to file rebuttal testimony by September 1, 2015. The proposed Stipulation would resolve the CR3 Regulatory Asset related issues in Docket No. 150148-EI and amend the RRSSA to ensure that if a financing order is issued in Docket No. 150171-EI, the financing order would be consistent with the RRSSA.

During our September 15, 2015, Agenda Conference, we heard comments from our staff and the signatories to the RRSSA regarding the proposed Stipulation.

We have jurisdiction pursuant to Chapter 366, F.S., including Sections 366.04, 366.05, 366.95, and 120.57(2) and (4), F.S.

Decision

The terms of the proposed, amended Stipulation attached as Attachment I to this Order include:

- The value of the CR3 Regulatory Asset is reduced by \$15 million, from \$1,298,012,000 to \$1,283,012,000;
- All issues raised by the Intervenors with respect to the CR3 Regulatory Asset in Docket 150148-EI are resolved;
- DEF and the Intervenors stipulated positions on Issues 2 through 13, regarding the value of the Regulatory Asset, with Intervenors taking "No Position" on Issue 1, in Docket 150148-EI;⁷

⁴ The stipulation addresses only the CR3 regulatory asset-related issues that are the subject of Docket No. 150148-EI (CR3 Regulatory Asset Petition) and does not address the issues raised in Docket No. 150171-EI (Financing Order Petition). The issues related to Docket No. 150171-EI are still set for hearing beginning October 14, 2015.

⁵ See Document No. 05443-15, filed in Docket 150171-EI.

⁶ See Document No. 05690-15, filed in Docket 150171-EI.

⁷ The stipulated positions on Issues 2 through 13 are included as Exhibit 1 to the Proposed Stipulation attached hereto as Attachment I.

- DEF will terminate recovery of the CR3 Regulatory Asset carrying cost through the fuel clause with the last billing cycle in 2015 and will not implement the scheduled 2016 fuel clause recovery of the \$1.50 per megawatt hour rate increase related to the CR3 Regulatory Asset carrying cost;
- The signatories to the RRSSA agreed to amend the RRSSA to clarify the appropriate recovery period should nuclear asset-recovery bonds be issued pursuant to Section 366.95, F.S. The RRSSA Amendment revises the recovery period from 240 months to no longer than 276 months, in order to allow for a 20-year bond maturity period plus an additional period for implementing a true-up mechanism should recovery be through nuclear asset-recovery bonds issued pursuant to Section 366.95, F.S.; and
- DEF reserved the right to file rebuttal testimony should the Proposed Stipulation not be approved by the Commission.

DEF's amended Motion for Approval of Stipulation and for Relief from Rebuttal Testimony Deadline Set Forth in Order Establishing Procedure was noticed for consideration and public comment at our September 15, 2015 Agenda Conference.

Ruling

We find that the Stipulation is in the public interest. The Stipulation provides a positive impact to DEF customers and concludes a very complex and technical matter that has lasted six years. Because Section 366.95, F.S., was not enacted at the time the parties executed the RRSSA, the RRSSA did not contain provisions that would apply to a proposed securitization of the CR3 Regulatory Asset. Accordingly, we find that it is necessary to amend certain provisions of the RRSSA to ensure that a financing order, if issued, will be consistent with the RRSSA. The Stipulation, as amended, appears to accomplish such consistency, and shall be approved in its entirety, as attached hereto as Attachment I.

The Intervenors took no position on Issue 1 in Docket No. 150148-EI, which asked whether DEF "has provided adequate internal controls and management oversight of its CR3 investment recovery procedures and plan." At our September 15, 2015 Agenda Conference, our staff and DEF proposed the following Stipulation on Issue 1: "Yes, DEF has provided adequate internal controls and management oversight of its CR3 investment recovery procedures and plan." In addition, our staff and DEF stipulated that our staff's witnesses' testimony and exhibits regarding the CR3 Regulatory Asset be entered into the record during the October 14, 2015, hearing and our staff's witnesses be excused. Upon examination and having heard no objection from the Intervenors on Issue, we approve the Proposed Type II Stipulation⁸ on Issue 1, attached hereto as Attachment II.

⁸ Type II Stipulation is a stipulation in which all the parties do not join but do not object to the stipulation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Duke Energy Florida, LLC's Motion for Approval of Stipulation and Relief from Rebuttal Testimony Deadline Set Forth in Order Establishing Procedure, as amended, is hereby granted. It is further

ORDERED that the Proposed Stipulation for CR3 Regulatory Asset Issues and the Revised and Restated Stipulation and Settlement Agreement Amendment, as amended, are in the public interest and are approved in their entirety as attached hereto as Attachment I. It is further

ORDERED that the Proposed Type II Stipulation of Docket No. 150148-EI Issue 1 is approved as attached hereto as Attachment II. It is further

ORDERED that the pre-filed witness testimony and exhibits of DEF, OPC and Commission staff regarding the CR3 Regulatory Asset shall be moved into the record at the hearing on the Financing Order Petition in this consolidated proceeding, and DEF and staff's witnesses are excused from the hearing. It is further

ORDERED that opening statements, cross-examination of witnesses, closing statements, and post-hearing briefs have been waived on the issues related to the CR3 Regulatory Asset. It is further

ORDERED that each of the findings made in the body of this Order are hereby approved in every respect. It is further

ORDERED that all matters contained in the attachments and schedules appended hereto are incorporated herein by reference. It is further

ORDERED that the consolidated dockets shall remain open pending the resolution of Docket No. 150171-EI.

By ORDER of the Florida Public Service Commission this 14th day of October, 2015.

Carlotta S. Stauffer

CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KFC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

- I. The signatories to the RRSSA agree that there should be certain adjustments to the value of the CR3 Regulatory Asset that DEF has proposed to include in base rates, per its Petition on May 22, 2015. Specifically, the signatories agree that DEF should reduce the value of its CR3 Regulatory Asset by \$15 million.
- II. This is a negotiated settlement that resolves any and all issues that interveners have raised or could raise with respect to DEF's CR3 Regulatory Asset filing, including but not limited to the issues raised in Donna Ramas' testimony, filed on August 12 on behalf of the Office of Public Counsel ("OPC"). In consideration for the reduction of value referenced in paragraph I above, the signatories to the RRSSA fully and forever waive, release, discharge, and otherwise extinguish any and all of their rights, claims, and interests of whatever kind or nature, whether now known or unknown, to challenge the reasonableness and prudence of any DEF action, including inaction, or decision, of any kind, type, or nature, arising out of, or related or in any way connected, directly or indirectly, to the issues in Docket 150148. Absent evidence of fraud, intentional misrepresentation, or intentional misconduct by DEF, the interveners cannot and will not challenge in any PSC or judicial proceeding the prudence of DEF's actions in connection with the issues in Docket 150148. The current list of issues for consideration with respect to Docket 150148 is attached as Exhibit 1. For clarity, the signatories to the RRSSA reserve all rights with respect to the securitization or financing order portion of Docket 150171.
- III. The interveners will take positions on issues 2 through 13, as reflected in Exhibit 1, and will take "No Position" with respect to the remaining issue (issue 1) in the above dockets related to the CR3 Regulatory Asset, thus removing any obstacle to "Type 2" stipulations on that issue.
- IV. Nothing in this Stipulation is intended to affect the intent, or the provisions, of the RRSSA, except as set forth in the RRSSA Amendment.
- V. If this Stipulation is not approved by the Commission, then DEF reserves its right, and the parties do not object, to file rebuttal testimony to respond to OPC's testimony.
- VI. The signatories to the RRSSA approve the RRSSA Amendment, attached to this Stipulation as Exhibit 2. The signatories agree that the RRSSA Amendment contains changes to clarify the appropriate recovery period if the nuclear asset-recovery bonds are issued pursuant to Section 366.95. The signatories, by executing this Stipulation, agree that paragraph 22 of the RRSSA, which requires that "no provision may be changed or altered without the consent of each signatory Party in a written document duly executed by all Parties to this Revised and Restated Settlement Agreement," is fully satisfied.
- VII. This Stipulation may be executed in counterpart originals, and a facsimile or PDF email of an original signature shall be deemed an original.

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

In Witness Whereof, the signatories to the RRSSA evidence their acceptance and agreement with the provisions of this Stipulation by their signatures below.

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Duke Energy Florida, LLC

By: 

John T. Burnett
P.O. Box 14042
St. Petersburg, FL 33733

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Office of Public Counsel

By: _____

J.R. Kelly, Esq.
Charles Rehwinkel, Esq.
111 W. Madison St., Room 812
Tallahassee, FL 32399

Proposed Stipulation for CR3 Regulatory Asset Issues -
Dockets 150148 and 150171

Florida Industrial Power Users Group

By: _____

Jon C. Moyle, Esq.
Moyle Law Firm
118 North Gadsen Street
Tallahassee, FL 32301


2/3/15

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

White Springs Agricultural Chemicals, Inc.

By 

James W. Brew, Esquire
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007

**Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171**

Florida Retail Federation

By: 

Robert Scheffel Wright
John T. LaVia III
Garder, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Exhibit 1

CR3 Regulatory Asset Issues

Issue 1: Has DEF provided adequate internal controls and management oversight of its CR3 investment recovery procedure and plan?

Type 2 Stipulation

Issue 2: Did DEF minimize the current and future costs of the CR3 Regulatory Asset and use reasonable and prudent efforts to curtail avoidable costs or to sell or otherwise salvage assets that would otherwise be included in the CR3 Regulatory Asset, as required by the Revised and Restated Stipulation and Settlement Agreement (RRSSA)?

Stipulation: Yes, DEF fully complied with its obligations under the RRSSA.

Issue 3: Should DEF be required to collect the 2016 CR3 Regulatory Asset carrying cost of \$1.50/mWh through the fuel clause as provided in the RRSSA and to reduce the CR3 Regulatory Asset by the projected amount to be recovered?

Stipulation: No, recovery of the carrying cost through the fuel clause pursuant to Paragraph 7.a. of the RRSSA should terminate with the last billing cycle for December 2015. DEF will not implement the \$1.50 per megawatt hour rate increase for 2016.

Issue 4: Has DEF properly categorized and recorded costs associated with the CR3 Regulatory Asset as contemplated by the RRSSA?

Stipulation: Yes, DEF has properly categorized and recorded costs consistent with the RRSSA.

Issue 5: Did DEF appropriately apply the accelerated recovery of the carrying charge collected through the Fuel Adjustment Clause to the CR3 Regulatory Asset?

Stipulation: Yes.

Issue 6: What is the appropriate projected amount of the CR3 Regulatory Asset at December 31, 2015?

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Stipulation: The appropriate amount of the CR3 Regulatory Asset at December 31, 2015 is \$1,283,012,000. This amount reflects the original amount projected in DEF's petition of \$1,298,012,000 reduced by the adjustment of \$15 million referenced in the parties' stipulation.

Issue 7: Has DEF calculated the annual revenue requirement for the CR3 Regulatory Asset consistent with the requirements of the RRSSA?

Stipulation: Yes.

Issue 8: What is the appropriate amortization period and annual revenue requirement to amortize the CR3 Regulatory Asset?

Stipulation: The appropriate amortization period is 240 months consistent with the RRSSA. The appropriate annual revenue requirement is \$168,331,000 calculated on Exhibit __ (MO-2) as revised on 8/31/15 and attached to this Stipulation.

Issue 9: Should the Commission approve DEF's proposed treatment to account for nuclear fuel proceeds, that will not be received until the future, through the capacity cost recovery clause?

Stipulation: Yes, DEF should be allowed to recover through the capacity cost recovery clause the return on the future nuclear fuel proceeds until they are received and recover the difference between the actual amounts received and the amount credited to the CR3 Regulatory Asset in the December 31, 2015 balance. The pretax rate of return should be 8.12% consistent with the RRSSA Exhibit 10, line 20. .

Issue 10: Has DEF calculated the base rate increase consistent with the requirements of the RRSSA?

Stipulation: Yes, the base rate increase including the \$15 million stipulated reduction is calculated to be .496 cents/kWh as shown in Exhibit __ (MO-4) as revised on 8/31/15 and attached to this Stipulation.

Issue 11: If the Commission does not issue a financing order pursuant to DEF's Petition, should the projected amounts included in the CR3 Regulatory Asset be true-up? If so, how should the true-up be accomplished?

Stipulation: Yes, DEF will do the true-up consistent with the RRSSA.

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Issue 12: If the Commission does not issue a financing order pursuant to DEF's Petition, what is the proposed uniform percentage rate increase to the demand and energy charges by customer rate schedule?

Stipulation: The proposed uniform percentage rate increase to the demand and energy charges by customer rate schedule is that provided in Exhibit__(MO-4) as revised on 8/31/15 and attached to this Stipulation.

Issue 13: If the Commission does not issue a financing order pursuant to DEF's Petition, what should be the effective date of the requested base rate increase for billing purposes?

Stipulation: If the Commission does not issue a financing order pursuant to DEF's Petition, the effective date of the requested base rate increase should be six months after the Commission's vote rejecting the financing order.

Docket No. _____
Witness: Olivier
Exhibit No. (MO-2) Revised 8/31/15
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Duke Energy Florida
RRSSA Exhibit 10 Template Populated
Template for Calculation of the CR3 Regulatory Asset Value and Revenue Requirement
Portion Subject to Cap Only (Excludes Dry Cask Storage Component)
(\$ thousands)

Line No.	Pre or Post Retirement Component Classification	(A)	(B)	(C)	(D)	(E)
		Historical Balance Dec '12	Historical Activity Jan '13-Apr '15	Actual Balance Apr '15	Projected Activity May-Dec '15	Projected Balance Dec '15
1						
2	Electric Plant In Service	\$840,360	(\$11,649)	\$828,711		\$828,711
3	Less Accumulated Depreciation	431,752	(8,346)	423,406		423,406
4	Net plant balance	408,608	(3,303)	405,305		405,305
5	Write-Down		(295,000)	(295,000)	(15,000)	(310,000)
6	Construction Work In Progress (CWIP)					
7	Steam Generator Replacement (SGR) Project	369,915	(9,695)	360,220		360,220
8	Delam Repair Project	165,500	1,764	167,264		167,264
9	License Amendment Request (LAR)	18,832	720	19,552		19,552
10	Dry Cask Storage	n/a	n/a	n/a		n/a
11	Fukushima	1,553	940	2,493		2,493
12	Building Stabilization Project		23,640	23,640		23,640
13	Other - CWIP	45,826	7,388	53,214		53,214
14	Nuclear Fuel Inventories	243,564	11,968	255,532	(119,363)	136,169
15	Nuclear Materials and Supplies Inventories	49,055	1,168	50,223		50,223
16	Deferred expenses	8,373	86,087	94,460		94,460
17	Cumulative AFUDC (6.00%)		140,890	140,890	32,115	173,005
18	Cost of Removal Reg Asset - CR3 Portion (Order No. PSC 10-0398-S-EI)	18,500	88,969	107,469		107,469
19	Total CR3 Regulatory Asset	\$1,329,726	\$55,535	\$1,385,261	(\$102,248)	\$1,283,012
20	Rate of Return (Settlement Agreement Exhibit 3: 6% grossed up for taxes)					8.12%
21	Return					\$104,181
22	Amortization expense (20 years)					\$64,151
23	Total revenue requirement					\$168,331

Docket No. _____
 Witness: Olivier
 Exhibit No. (MO-4) Revised 8/31/15
 Page 1 of 6

Duke Energy Florida
 Rate Schedules

Development of Unbilled Revenue @ Present Rates and Summary of Total Present and Proposed Class Revenue

Line No.	Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Billed Sales (MWH)	Customer Charge (\$000)	Demand and Energy Charge (\$000)	Total Base Revenue Billed (\$000)	Demand and Energy Charge (\$/MWH)	Unbilled Sales (MWH)	Unbilled Revenue (\$000)	Total Class Revenue (\$000)	Demand and Energy Revenue Including Unbilled (\$000)	Base Rate Increase at Uniform Percent (\$000)	Total Class Revenue with Increase (\$000)
No.	*	**	**	(2) + (3)	(3) / (1)	**	(5) x (6)	(4) + (7)	(3) + (7)	(9) x %	(8) - (10)	
1	RS-1	19,495,155	\$160,832	\$1,052,389	\$1,213,222	\$53.98	104,986	\$5,667	\$1,218,889	\$1,058,057	\$105,423	\$1,324,313
2	GS-1	1,588,204	17,096	84,921	102,017	53.47	7,215	386	102,403	85,307	8,500	110,903
3	GS-2	165,610	1,872	3,391	5,262	20.47	842	17	5,280	3,408	340	5,619
4	GSD-1	14,413,009	8,906	476,447	485,353	33.06	65,304	2,169	487,512	478,606	47,688	535,200
5	CS-1, CS-2, CS-3	119,488	5	3,472	3,477	29.05	365	9	3,485	3,480	347	3,832
6	IS-1, IS-2, IS-3	1,840,259	606	44,533	45,140	24.20	5,175	125	45,265	44,659	4,450	49,715
7	SS-1	20,185	25	993	1,018	49.20	66	3	1,021	996	99	1,120
8	SS-2	177,394	18	5,247	5,264	29.58	470	14	5,278	5,261	524	5,802
9	SS-3	3,520	1	468	469	132.97	13	2	471	470	47	517
10	LS-1	385,378	0	9,138	9,138	23.71	1,478	35	9,173	9,173	914	10,087
11	TOTAL	38,208,203	\$189,360	\$1,681,000	\$1,870,360		185,854	\$8,417	\$1,878,777	\$1,689,417	\$168,331	\$2,047,108

* Based on 2016 MWH sales forecast in 2015 Ten Year Site Plan used in NCRC May 1, 2015 projection filing

** Based on revenue forecast consistent with 2016 MWH sales forecast in 2015 Ten Year Site Plan used in NCRC May 1, 2015 projection filing

5e Recovery of the CR3 Regulatory Asset: \$168,331

Residential 1st Tier Rate Impact:	Current (\$/mwh)	Increase (\$/mwh)	Proposed (\$/mwh)
Cust Charge	\$8.76		\$8.76
Energy Charge	\$49.74	\$4.96	\$54.70
Total Charge	\$58.50	\$4.96	\$63.46

Duke Energy Florida
 Rate Schedules
 Detailed Unit Charges by Rate Schedule
 2013 Re-Settlement for 1/1/2016 Effective Date

Docket No. _____
 Witness: Olivier
 Exhibit No. (MO-4) Revised 8/31/15
 Page 2 of 6

Rate Schedule	Type of Charge	1/1/2015 Current/Prior Rate	1/1/2016 Proposed Rate
SC-1	Initial Connection - \$	61.00	61.00
	Reconnection - \$	28.00	28.00
	Transfer of Account - No LSA Contract - \$	28.00	28.00
	Transfer of Account - LSA Contract Required - \$	10.00	10.00
	Reconnect After Disconnect For Non-Pay - \$	40.00	40.00
	Reconnect After Disconnect For Non-Pay After Hours - \$	50.00	50.00
	Investigation of Unauthorized Use - (RPI)	75.00	75.00
	Late Payment Charge	> \$5.00 or 1.5%	> \$5.00 or 1.5%
	Returned Check Charge	\$25 if <= \$50 \$30 if <= \$300 \$40 if <= \$800 5% if > \$800	\$25 if <= \$50 \$30 if <= \$300 \$40 if <= \$800 5% if > \$800
	TS-1	Temporary Service Extension - Monthly \$	227.00
RS-1	Customer Charge - \$ per Line of Billing		
RST-1	Standard	8.78	8.78
RSS-1	Seasonal (RSS-1)	4.58	4.58
RSL-1	Time of Use		
RSL-2	Single Phase	16.19	16.19
(RST closed 2/10/2010)	Three Phase	16.19	16.19
	Customer CIAC Paid	8.78	8.78
	TOU Metering CIAC - \$ One Time Charge	90.00	90.00
	Energy and Demand Charge - cents per KWH		
	Standard		
	0 - 1,000 KWH		
	Over 1,000 KWH	4.974	5.470
	Time of Use - On Peak	6.336	6.967
	Time of Use - Off Peak	15.360	16.890
		0.853	0.938
GS-1	Customer Charge - \$ per Line of Billing		
GST-1	Standard		
	Unmetered	6.54	6.54
	Secondary	11.59	11.59
	Primary	146.56	146.56
	Transmission	722.90	722.90
	Time of Use		
	Single Phase	19.01	19.01
	Three Phase	19.01	19.01
	Customer CIAC Paid	11.59	11.59
	Primary	153.99	153.99
	Transmission	730.32	730.32
	TOU Metering CIAC - \$ One Time Charge	132.00	132.00
	Energy and Demand Charge - cents per KWH		
	Standard		
	Time of Use - On Peak	5.403	5.941
	Time of Use - Off Peak	15.335	16.863
	Premium Distribution Charge - cents per KWH	0.831	0.914
		0.738	0.812
	Meter Voltage Adjustment - % of Demand & Energy Charges		
	Primary	1.0%	1.0%

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Duke Energy Florida
 Rate Schedules
 Detailed Unit Charges by Rate Schedule
 2013 Re-Settlement for 1/1/2016 Effective Date

Rate Schedule	Type of Charge	1/1/2015 Current/Prior Rate	1/1/2016 Proposed Rate
	Transmission		
	Equipment Rental - % of Installed Equipment Cost	2.0%	2.0%
		1.67%	1.67%
GS-2	Customer Charge - \$ per Line of Billing		
	Standard		
	Unmetered	6.54	6.54
	Metered	11.59	11.59
	Energy and Demand Charge - cents per KWH		
	Standard	2.048	2.252
	Premium Distribution Charge - cents per KWH	0.149	0.184
GSD-1 GSDT-1	Customer Charge - \$ per Line of Billing		
	Standard		
	Secondary	11.59	11.59
	Primary	146.56	146.56
	Transmission	722.90	722.90
	Time of Use		
	Secondary		
	Secondary - Customer CIAC paid	19.01	19.01
	Primary	11.59	11.59
	Primary - Customer CIAC paid	153.99	153.99
	Transmission	146.56	146.56
	Transmission Customer CIAC paid	730.32	730.32
		722.90	722.90
	Demand Charge - \$ per KW		
	Standard	5.06	5.56
	Time of Use		
	Base	1.24	1.36
	On Peak	3.76	4.13
	Delivery Voltage Credits - \$ per KW		
	Primary	0.40	0.44
	Transmission	1.49	1.64
	Premium Distribution Charge - \$ per KW	1.09	1.20
	Energy Charge - cents per KWH		
	Standard	2.256	2.481
	Time of Use - On Peak	4.911	5.400
	Time of Use - Off Peak	0.824	0.906
	Meter Voltage Adjustment - % of Demand & Energy Charges		
	Primary		
	Transmission	1.0%	1.0%
	Power Factor - \$ per KVar	2.0%	2.0%
	Equipment Rental - % of Installed Equipment Cost	0.29	0.32
		1.67%	1.67%
CS-1 CS-2 CS-3 CST-1 CST-2 CST-3	Customer Charge - \$ per Line of Billing		
	Secondary	75.96	75.96
	Primary	210.93	210.93
	Transmission	787.26	787.26
	Demand Charge - \$ per KW		

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Rate Schedule	Type of Charge	1/1/2015 Current/Prior Rate	1/1/2016 Proposed Rate
	Standard	8.13	8.94
	Time of Use		
	Base		
	On Peak	1.21	1.33
	Curtailable Demand Credit		
	CS-1, CST-1 - \$ per KW of Curtailable Demand (CST=on peak)	4.68	4.68
	CS-2, CST-2 - \$ per KW LF adjusted Demand	8.16	8.16
	CS-3, CST-3 - \$ per KW of Contract Demand	8.15	8.18
	Delivery Voltage Credits - \$ per KW		
	Primary	0.40	0.44
	Transmission	1.49	1.64
	Premium Distribution Charge - \$ per KW	1.09	1.20
	Energy Charge - cents per KWH		
	Standard		
	Time of Use - On Peak	1.485	1.633
	Time of Use - Off Peak	2.725	2.997
		0.819	0.901
	Meter Voltage Adjustment - % of Demand & Energy Charges		
	Primary		
	Transmission	1.0%	1.0%
	Power Factor - \$ per KVar	2.0%	2.0%
	Equipment Rental - % of Installed Equipment Cost	0.29	0.32
		1.67%	1.67%
IS-1	Customer Charge - \$ per Line of Billing		
IS-2	Secondary	278.95	278.95
IST-1	Primary	413.94	413.94
IST-2	Transmission	990.26	990.26
	Demand Charge - \$ per KW		
	Standard	8.88	7.57
	Time of Use		
	Base		
	On Peak	1.09	1.20
		6.02	6.62
	Interruptible Demand Credit		
	IS-1, IST-1 - \$ per KW of Billing Demand (IST= on peak)	6.24	6.24
	IS-2, IST-2 - \$ per KW LF Adjusted Demand	10.88	10.88
	Delivery Voltage Credits - \$ per KW		
	Primary	0.40	0.44
	Transmission	1.49	1.64
	Premium Distribution Charge - \$ per KW	1.09	1.20
	Energy Charge - cents per KWH		
	Standard		
	Time of Use - On Peak	0.995	1.094
	Time of Use - Off Peak	1.394	1.533
		0.813	0.894
	Meter Voltage Adjustment - % of Demand & Energy Charges		
	Primary	1.0%	1.0%

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Rate Schedule	Type of Charge	1/1/2015 Current/Prior Rate	1/1/2016 Proposed Rate
	Transmission		
	Power Factor - \$ per KVar	2.0%	2.0%
	Equipment Rental - % of Installed Equipment Cost	0.29	0.32
		1.67%	1.67%
LS-1	Customer Charge - \$ per Line of Billing		
	Standard		
	Unmetered	1.19	1.19
	Metered	3.42	3.42
	Energy and Demand Charge - cents per KWH		
	Standard	2.132	2.344
	Fixture & Maintenance Charges - \$ per fixture	per type	per type
	Pole Charges - \$ per pole	per type	per type
	Other Fixture Charge Rate - % of Installed Fixture Cost	1.59%	1.58%
	Other Pole Charge Rate - % of Installed Pole Cost	1.82%	1.82%
SS-1	Customer Charge - \$ per Line of Billing		
	Secondary	100.71	100.71
	Primary	235.69	235.69
	Transmission	812.02	812.02
	Customer Owned	81.21	81.21
	Base Rate Energy Customer Charge - cents per KWH	0.982	1.080
	Distribution Charge - \$ per KW		
	Applicable to Specified SB Capacity	1.99	2.19
	Generation and Transmission Capacity Charge		
	Greater of - \$ per KW		
	Monthly Reservation Charge		
	Applicable to Specified SB Capacity	1.109	1.219
	Peak Day Utilized SB Power Charge of	0.528	0.581
	Delivery Voltage Credits - \$ per KW		
	Primary	0.36	0.40
	Transmission	n/a	n/a
	Premium Distribution Charge - \$ per KW	1.01	1.11
SS-2	Customer Charge - \$ per Line of Billing		
	Secondary	303.71	303.71
	Primary	438.68	438.68
	Transmission	1,015.02	1,015.02
	Customer Owned	284.20	284.20
	Base Rate Energy Customer Charge - cents per KWH	0.971	1.088
	Distribution Charge - \$ per KW		
	Applicable to Specified SB Capacity	1.99	2.19
	Generation and Transmission Capacity Charge		
	Greater of - \$ per KW		
	Monthly Reservation Charge		
	Applicable to Specified SB Capacity	1.109	1.219
	Peak Day Utilized SB Power Charge of	0.528	0.581

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Rate Schedule	Type of Charge	1/1/2015 Current/Prior Rate	1/1/2016 Proposed Rate
	Intermittible Capacity Credit - \$ per KW		
	Monthly Reservation Credit	0.979	0.979
	Daily Demand Credit	0.466	0.466
	Delivery Voltage Credits - \$ per KW		
	Primary	0.36	0.40
	Transmission	n/a	n/a
	Premium Distribution Charge - \$ per KW	1.01	1.11
55-3	Customer Charge - \$ per Line of Billing		
	Secondary	100.71	100.71
	Primary	235.69	235.69
	Transmission	812.02	812.02
	Customer Owned	81.21	81.21
	Base Rate Energy Customer Charge - cents per KWH	0.974	1.071
	Distribution Charge - \$ per KW		
	Applicable to Specified SB Capacity	1.99	2.19
	Generation and Transmission Capacity Charge		
	Greater of - \$ per KW		
	Monthly Reservation Charge		
	Applicable to Specified SB Capacity	1.109	1.219
	Peak Day Utilized SB Power Charge of	0.528	0.581
	Curtailed Capacity Credit - \$ per KW		
	Monthly Reservation Credit	0.734	0.734
	Daily Demand Credit	0.350	0.350
	Delivery Voltage Credits - \$ per KW		
	Primary	0.36	0.40
	Transmission	n/a	n/a
	Premium Distribution Charge - \$ per KW	1.01	1.11
	Gross Receipts Tax	2.5641%	2.5641%
	Rate Adjustment	0.00%	0.00%
	Rate Adjustment Effective Date	2/10/2010	2/10/2010
Various	Supplemental Service under 55-1, 55-2, 55-3 - (otherwise applicable rate)		
	Customer Charge	0.00	0.00
GSLM-2	Capacity Credit		
	≤ 200 CRH	4.50	4.50
	> 200 CRH	5.40	5.40

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

Exhibit 2

RRSSA Amendment

The next to the last sentence of paragraph 5(e)(1) is amended to read: "After a final decision by the Commission, DEF shall adjust the CR3 Regulatory Asset to true-up for the final Commission-determined total (retail jurisdictional) value of the DCS facility capital costs, and shall amortize the adjusted final CR3 Regulatory Asset over the recovery period of ~~240 months~~ consistent with set forth in paragraph 5g."

The last sentence in Paragraph 5g is amended to read: "The CR3 Regulatory Asset recovery factor charges shall cease no later than the last billing cycle for the 240th month from inception of the recovery of the CR3 Regulatory Asset; provided, however, in the event that the nuclear asset-recovery costs (as defined in Florida Statutes Section 366.95(1)(k)) are to be recovered through the issuance of nuclear asset recovery bonds (as defined in Florida Statutes Section 366.95(1)(i)), the nuclear asset-recovery charge (as defined in Florida Statutes Section 366.95(1)(j)) shall remain in effect until the nuclear asset-recovery bonds have been paid in full and the Commission-approved financing costs (as defined in Florida Statutes Section 366.95(1)(e)) have been recovered in full, but in no event for a period longer than the close of the last billing cycle for the 276th month from inception of the nuclear asset-recovery charge, with the understanding that: (i) the nuclear asset-recovery bonds will be structured in a manner such that the scheduled final maturity date for the last maturing tranche of the nuclear asset-recovery bonds is as close as is reasonably possible to the close of the last billing cycle for the 240th month from inception of imposition of the nuclear asset-recovery charge; and (ii) any portion of the recovery period beyond the scheduled final maturity date for the last tranche of the nuclear asset-recovery bonds shall be strictly limited to the purpose of recovery of charges pursuant to the true-up mechanism permitted under any Financing Order that may be issued by the Commission and any adjustments approved by the Commission (in accordance with Florida Statutes Section 366.95(2)(c)4)."

The first sentence of paragraph 5h is amended to read: "The Parties intend that retail base rate recovery for the CR3 Regulatory Asset shall continue for ~~240 months from its inception,~~ a recovery period consistent with the last sentence in paragraph 5g, including a scheduled final maturity date for the last maturing tranche of the nuclear asset-recovery bonds as close as is reasonably possible to the close of the last billing cycle for the 240th month from inception of imposition of the nuclear asset-recovery charge."

The second sentence in paragraph 21 is amended to read: "In addition, the Parties agree that the base rate increases or charges that, pursuant to the terms of this Revised and Restated Settlement Agreement, extend beyond the last billing cycle for December 2018 and survive the expiration of the term or termination of this Revised and Restated Settlement Agreement, specifically include,

Attachment A to Motion
Proposed Stipulation for CR3 Regulatory Asset Issues and RRSSA Amendment
Dockets 150148 and 150171

without limitation, (A) the recovery of the CR3 Regulatory Asset through either (1) the last billing cycle for the 240th month from inception of the recovery of the CR3 Regulatory Asset pursuant to paragraph 5 of this Revised and Restated Settlement Agreement or (2) in the event that the nuclear asset-recovery costs are to be recovered through the issuance of nuclear asset-recovery bonds, until the nuclear asset-recovery bonds have been paid in full and the Commission-approved financing costs have been recovered in full, and for such a period consistent with the proviso in paragraph 5g of this Revised and Restated Settlement Agreement (as amended); (B) the potential recovery of additional funds to fund the CR3 Nuclear Decommissioning Trust pursuant to paragraph 7b of this Revised and Restated Settlement Agreement; (C) the potential recovery of the CRS net book value pursuant to paragraph 8 of this Revised and Restated Settlement Agreement; and (D) the recovery of the LNP and EPU costs through the time periods established by this Revised and Restated Settlement Agreement and Section 366.93(6), F.S., and Commission Rule 25-6.0423(6), F.A.C. ”

**September 15, 2015, Commission Agenda Conference Item # 4
Consolidated Docket Nos. 150171-EI and 150148-EI
Proposed Category Type II Stipulation for CR3 Regulatory Asset Issues**

Proposed Type II Stipulation (Issue 1)

This is a fallout issue that was not stipulated to in DEF's Motion for Approval of Stipulation.

Issue 1: Has DEF provided adequate internal controls and management oversight of its CR3 investment recovery procedure and plan?

Stipulation: Yes, DEF has provided adequate internal controls and management oversight of its CR3 investment recovery procedure and plan.

Please note that DEF and Staff are in agreement for Issue 1. The Intervenors take "No Position" of this issue. DEF stipulates to the entry of Staff's witnesses' testimony (regarding the CR3 Regulatory Asset) and exhibits and further agrees to Staff's CR3 Regulatory Asset witnesses' excusal from the October hearing.