

# Hopping Green & Sams

Attorneys and Counselors

June 7, 2013

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**VIA HAND DELIVERY**

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

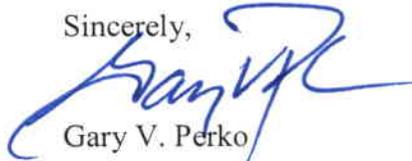
**Re:** Docket No. 130091-EI- Petition of Prograss Energy Florida, Inc. to approve establishment of a regulatory asset and associated three-year amortization schedule for costs associated with PEF's previously approved thermal discharge compliance project.

Dear Ms. Cole:

Please find enclosed the original and five (5) copies of Duke Energy Florida, Inc.'s ("DEF's") responses to Staff's First Data Request in the above referenced docket.

Thank you for your assistance in this matter. Please call me at (850) 222-7500 should you have any questions.

Sincerely,



Gary V. Perko

GVP/lmr  
Attachments

COM  
AED 2  
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**DUKE ENERGY FLORIDA, INC.'S RESPONSES TO STAFF'S FIRST DATA REQUEST  
DOCKET NO. 130091-EI**

1. Referring to the first sentence in paragraph 5, page 2, of Duke Energy Florida's (DEF or Company) petition filed on April 1, 2013, in Docket 130007-EI (Petition), and page 9, lines 11-12, of correct revision of witness Foster's testimony filed on April 2, 2013, in the same docket, please provide a detailed technical explanation of why the Thermal Discharging Permanent Cooling Tower is no longer necessary with the retirement of CR3.

Response: Crystal River Units 1, 2 and 3 (CR 1, 2 and 3) utilize a once-through cooling water process to cool and condense turbine exhaust steam back to water. The cooling water is removed from the Gulf of Mexico via an intake canal and discharged to a common discharge canal shared by all of the generating units. DEF has a National Pollution Discharge Elimination System (NPDES) industrial wastewater permit from the Florida Department of Environmental Protection (FDEP) to discharge this cooling water from CR 1, 2 and 3 into the Gulf of Mexico. The FDEP NPDES permit includes a limit on the temperature of the cooling water discharge (96.5 degrees Fahrenheit on a three-hour rolling average) measured at the point of discharge to the Gulf of Mexico. The new cooling tower was a long term solution to the issue of higher ambient water temperatures previously being addressed by the modular cooling towers and added heat rejection due to the estimated 180MWe Uprate of CR3. With the retirement of CR3, the heat rejection associated with the entire Unit is removed and therefore the new cooling tower is not necessary for the continued operation of CR 1 and 2 within the NPDES permit limits.

2. Referring to the second sentence in paragraph 5, page 2, of the Petition, please elaborate on the "exit or wind-down costs" associated with the Permanent Cooling Tower project and specify the actual dollar amounts of these costs. (ECRC Project No. 11.1).

Response: Exit or wind-down costs include any remaining work associated with the Thermal Discharge Compliance Project such as completion of equipment Work Orders and continued preventive maintenance of equipment until salvaged or sold. Actual exit or wind-down costs January through April 2013 are \$13,000 for administrative costs and contract close-out. Future exit or wind-down costs are expected to be minimal.

3. Please refer to paragraph 5, page 2, of the Petition, and to page 23 of 27 of exhibit TGF-1 attached to Thomas Foster's testimony in Docket No. 130007-EI. Please breakdown the \$18.1 million by category including specifically identifying the amounts for permitting, design fees and engineering, contract terminations, and exit or wind-down costs.

Response:

	\$ Millions
Permitting	\$0.2
Project Management	1.2
Design Fees & Engineering	16.7
Contract Terminations	0.0
Exit/Wind-Down Costs	0.0
	<u>\$18.1</u>

Note> As stated in the petition filed on April 1, 2013 in Docket No. 130007-EI, the unrecovered investment balance of the Permanent Discharge Compliance Project is approximately \$18.1M as of 12/31/12. Actual exit or wind-down expenditures January – April 2013 are \$13K.

4. **Please explain why the Company proposes a three year amortization schedule. As part of the response to this interrogatory, please discuss any alternative amortization schedules that DEF considered – for example, 5 years.**

Response: DEF proposes treating unrecovered ECRC Thermal Discharge Compliance Project costs consistent with the Commissions' treatment of NOx allowances in Order No. PSC-11-0553-FOF-EI, Docket No. 110007. In that order, the Commission established a regulatory asset to allow DEF to recover the costs of its remaining NOx allowance inventory over a three year period. The Commission ruled that PEF prudently incurred the costs for the allowances but due to changing environmental regulations they were no longer expected to have value. Similarly, DEF proposes treating unrecovered Thermal Discharge Compliance Project costs, including any exit or wind-down costs, as a regulatory asset as of January 1, 2013 and amortize it equally over three years until fully recovered by December 31, 2015. No alternative amortization schedule was considered.

5. **Referring to Form 42 8A, page 15 of 18, the Company filed on April 2, 2013, please specify the assets associated with the \$503 monthly depreciation expense the Company reported for Project No. 11.1.**

Response: The asset associated with the depreciation expense is a meteorological tower (Met Tower). It is part of the Meteorological Monitoring System Design Basis Document used to measure, display and record basic meteorological data in the vicinity of CR 3. The system fulfills the NRC requirements of an onsite program capable of rapidly assessing critical meteorological parameters in the event of airborne releases of

radioactive material from the plant. These meteorological parameters are used to estimate potential radiation doses to the public resulting from airborne releases of radioactive material.

The original Met Tower was located in close proximity to where the Thermal Discharge Permanent Cooling Tower was expected to be constructed. DEF determined that steam from the Thermal Discharge Permanent Cooling Tower would distort readings from the Met Tower. As such, another meteorological tower was built farther away from the Thermal Discharge Permanent Cooling Tower site on the discharge canal.

**6. Has the Company tried to realize the salvage values associated with the Permanent Cooling Tower project, especially associated with the assets discussed in question 5?**

Response: The Company is currently preparing a Request for Proposal (RFP) for the thermal discharge permanent cooling tower materials and plans to release the RFP to original equipment manufacturer and several other bidders. The bidders will submit pricing to buy-out all or a portion of the materials.

As explained in the response to question no. 5 above, the Met tower is part of CR3's emergency response system to monitor possible airborne releases of radioactive material. The Met tower will remain in place until the CR3 emergency response plan has been modified as part of the CR3 decommissioning license amendments submittals. These changes should occur within 18 to 24 months as part of the Decommissioning Transition Organization's timeline for station decommissioning. Therefore, DEF has not yet obtained a salvage value for the Met tower.

**7. If the response to question 6 is affirmative, what are the dollar amounts associated with the salvage values of the project and the assets discussed in question 6?**

Response: The salvage value for the thermal permanent cooling tower materials is unknown at this time. To the extent salvage dollars are received, DEF will credit the cost of the project accordingly.

**8. How will the dollar amounts, if any, discussed in question 7 be treated?**

Response: Any salvage dollars received by DEF will be credited through the Environmental Cost Recovery Clause and Nuclear Cost Recovery Clause based on a 64/36 ratio. This is consistent with how Thermal Discharge Compliance Project costs are being recovered through the clauses.

**9. If the response to question 6 is negative, please explain why not.**

Response: N/A

10. **If the Company's petition is approved by the Commission, what will be the residential customer bill impacts (\$/1,000 KWh) for each affected year?**

Response: See Attachment A

11. **For each year, 2008 through 2012, please state the total amount that DEF has collected for the permanent thermal discharge project at Crystal River through the ECRC.**

Response:

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
\$0	\$8,107	\$44,819	\$44,640	\$43,231	\$140,798

12. **For the Thermal Discharging Permanent Cooling Tower, please state the revenue requirement to be recovered through the ECRC for each year 2013, 2014, and 2015. Please show the calculations.**

Response: See Attachment A

13. **For the Thermal Discharging Permanent Cooling Tower, please state the revenue requirement for each year to be recovered through the ECRC assuming a 4 year amortization period.**

Response: See Attachment B

14. **For the Thermal Discharging Permanent Cooling Tower, please state the revenue requirement for each year to be recovered through the ECRC assuming a 5 year amortization period.**

Response: See Attachment C

15. **For the Thermal Discharging Permanent Cooling Tower, please state the revenue requirement to be recovered through the NCRC for each year 2013 and 2014. Please show the calculations.**

Response: See Attachment D

16. **For the Thermal Discharging Permanent Cooling Tower, please state the total revenue requirement to be recovered through the NCRC for each year of recovery.**

Response: See Attachment E

**DEF**  
**Thermal Discharge Compliance Project - Docket No. 130091**  
**Regulatory Asset - 3 Year Amortization**  
**Staff's First Data Request**  
**Questions 10 & 12**  
**Calculation of Estimated Revenue Requirements & Residential Rate Impacts**

	2013	2014	2015
Return	\$1,547,004	\$928,506	\$309,502
Regulatory Asset Amortization	6,034,284	6,034,284	6,034,284
Property Tax	3,360	0	0
Total System Recoverable Costs	<u>\$7,584,648</u>	<u>\$6,962,790</u>	<u>\$6,343,786</u>
Retail Energy Jurisdictional Factor	0.91683	0.91683	0.91683
Retail Return	\$1,418,340	\$851,282	\$283,761
Retail Regulatory Asset Amortization	5,532,413	5,532,413	5,532,413
Retail Property Tax	3,081	0	0
Total Retail Recoverable Period Costs	<u>\$6,953,833</u>	<u>\$6,383,695</u>	<u>\$5,816,173</u>
2013 Revenue Requirements (see Note)		6,953,833	
Total Retail Recoverable Costs	<u>\$6,953,833</u>	<u>\$13,337,528</u>	<u>\$5,816,173</u>
Sales (mWh)		37,847,486	38,346,252
Residential Rate Impact (\$/100 kWh)	see Note	0.352	0.152

Note: If amortization of the regulatory asset begins in 2013 (as proposed in the petition filed April 1, 2013 in Docket No. 130007-EI) and no change to 2013 rates is made, the associated revenue requirements will be included in 2014 rates as part of any 2013 over/under recovery.

Line	Description	Beginning of Period Amount	Act Jan 13	Act Feb 13	Act Mar 13	Act Apr 13	Est May 13	Est Jun 13	Est Jul 13	Est Aug 13	Est Sep 13	Est Oct 13	Est Nov 13	Est Dec 13	End of Period Total
1	Investments														
a.	Expenditures/Additions		(\$15,582)	\$1,629	\$10,477	\$10,976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	\$0
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other - AFUDC		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Regulatory Asset Balance	\$18,095,351	18,079,769	17,578,541	17,086,161	16,594,280	16,091,423	15,588,566	15,085,709	14,582,852	14,079,995	13,577,138	13,074,281	12,571,424	
3	Less: Amortization	0	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	
4	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$18,095,351	\$17,576,912	\$17,075,684	\$16,583,304	\$16,091,423	\$15,588,566	\$15,085,709	\$14,582,852	\$14,079,995	\$13,577,138	\$13,074,281	\$12,571,424	\$12,068,567	
6	Average Net Investment		\$17,836,131	\$17,326,298	\$16,829,494	\$16,337,363	\$15,839,994	\$15,337,137	\$14,834,280	\$14,331,423	\$13,828,566	\$13,325,709	\$12,822,852	\$12,319,995	
7	Return on Average Net Investment														
a.	Debt Component (Line 6 x 2.95% x 1/12)	2.46%	36,564	35,519	34,500	33,492	32,472	31,441	30,410	29,379	28,349	27,318	26,287	25,256	370,987
b.	Equity Component Crossed Up For Taxes	7.80%	115,907	112,594	109,365	106,167	102,935	99,667	96,400	93,132	89,864	86,596	83,329	80,061	1,176,017
c.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a.	Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Amortization		502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	6,034,284
c.	Dismantlement		N/A												
d.	Property Taxes	0.9280%	280	280	280	280	280	280	280	280	280	280	280	280	3,360
e.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		\$655,608	\$651,250	\$647,002	\$642,796	\$638,544	\$634,245	\$629,947	\$625,648	\$621,350	\$617,051	\$612,753	\$608,454	\$7,584,648
a.	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Recoverable Costs Allocated to Demand		\$655,608	\$651,250	\$647,002	\$642,796	\$638,544	\$634,245	\$629,947	\$625,648	\$621,350	\$617,051	\$612,753	\$608,454	\$7,584,648
10	Energy Jurisdictional Factor		N/A												
11	Demand Jurisdictional Factor - Production (Base)		0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	
12	Retail Energy-Related Recoverable Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
13	Retail Demand-Related Recoverable Costs		601,081	597,086	593,191	589,335	585,436	581,495	577,554	573,613	569,672	565,731	561,790	557,849	6,953,833
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$601,081	\$597,086	\$593,191	\$589,335	\$585,436	\$581,495	\$577,554	\$573,613	\$569,672	\$565,731	\$561,790	\$557,849	\$6,953,833

Line	Description	Beginning of Period Amount	Est Jan 14	Est Feb 14	Est Mar 14	Est Apr 14	Est May 14	Est Jun 14	Est Jul 14	Est Aug 14	Est Sep 14	Est Oct 14	Est Nov 14	Est Dec 14	End of Period Total
1	Investments														
a.	Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
b.	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c.	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d.	Other - AFUDC		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Regulatory Asset Balance	\$12,068,567	12,068,567	11,565,710	11,062,853	10,559,996	10,057,139	9,554,282	9,051,425	8,548,568	8,045,711	7,542,854	7,039,997	6,537,140	
3	Less: Amortization	0	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	
4	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	\$12,068,567	\$11,565,710	\$11,062,853	\$10,559,996	\$10,057,139	\$9,554,282	\$9,051,425	\$8,548,568	\$8,045,711	\$7,542,854	\$7,039,997	\$6,537,140	\$6,034,283	
6	Average Net Investment		\$11,817,138	\$11,314,281	\$10,811,424	\$10,308,567	\$9,805,710	\$9,302,853	\$8,799,996	\$8,297,139	\$7,794,282	\$7,291,425	\$6,788,568	\$6,285,711	
7	Return on Average Net Investment														
a.	Debt Component (Line 6 x 2.95% x 1/12)	2.46%	24,225	23,194	22,163	21,133	20,102	19,071	18,040	17,009	15,978	14,947	13,917	12,886	222,665
b.	Equity Component Crossed Up For Taxes	7.80%	76,793	73,525	70,257	66,990	63,722	60,454	57,186	53,918	50,651	47,383	44,115	40,847	705,841
c.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a.	Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Amortization		502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	6,034,284
c.	Dismantlement		N/A												
d.	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e.	Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		\$603,875	\$599,576	\$595,277	\$590,980	\$586,681	\$582,382	\$578,083	\$573,784	\$569,486	\$565,187	\$560,889	\$556,590	\$6,962,790
a.	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b.	Recoverable Costs Allocated to Demand		\$603,875	\$599,576	\$595,277	\$590,980	\$586,681	\$582,382	\$578,083	\$573,784	\$569,486	\$565,187	\$560,889	\$556,590	\$6,962,790
10	Energy Jurisdictional Factor		N/A												
11	Demand Jurisdictional Factor - Production (Base)		0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	
12	Retail Energy-Related Recoverable Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
13	Retail Demand-Related Recoverable Costs		553,651	549,709	545,768	541,828	537,887	533,945	530,004	526,062	522,122	518,180	514,240	510,298	6,383,695
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$553,651	\$549,709	\$545,768	\$541,828	\$537,887	\$533,945	\$530,004	\$526,062	\$522,122	\$518,180	\$514,240	\$510,298	\$6,383,695

Line	Description	Beginning of Period Amount	Est Jan 15	Est Feb 15	Est Mar 15	Est Apr 15	Est May 15	Est Jun 15	Est Jul 15	Est Aug 15	Est Sep 15	Est Oct 15	Est Nov 15	Est Dec 15	End of Period Total
1	Investments														
	a. Expenditures/Additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	b. Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
	c. Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
	d. Other - AFUDC		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Regulatory Asset Balance	\$6,034,283	6,034,283	5,531,426	5,028,569	4,525,712	4,022,855	3,519,998	3,017,141	2,514,284	2,011,427	1,508,570	1,005,713	502,856	
3	Less: Amortization	0	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	(502,857)	
4	CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	\$6,034,283	\$5,531,426	\$5,028,569	\$4,525,712	\$4,022,855	\$3,519,998	\$3,017,141	\$2,514,284	\$2,011,427	\$1,508,570	\$1,005,713	\$502,856	(\$1)	
6	Average Net Investment		\$5,782,854	\$5,279,997	\$4,777,140	\$4,274,283	\$3,771,426	\$3,268,569	\$2,765,712	\$2,262,855	\$1,759,998	\$1,257,141	\$754,284	\$251,427	
7	Return on Average Net Investment														
	a. Debt Component (Line 6 x 2.95% x 1/12)	2.46%	11,855	10,824	9,793	8,762	7,731	6,701	5,670	4,639	3,608	2,577	1,546	515	74,221
	b. Equity Component Grossed Up For Taxes	7.80%	37,580	34,312	31,044	27,776	24,508	21,241	17,973	14,705	11,437	8,169	4,902	1,634	235,281
	c. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a. Depreciation		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Amortization		502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	502,857	6,034,284
	c. Dismantlement		N/A												
	d. Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Other		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		\$552,292	\$547,993	\$543,694	\$539,395	\$535,096	\$530,799	\$526,500	\$522,201	\$517,902	\$513,603	\$509,305	\$505,006	\$6,343,786
	a. Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b. Recoverable Costs Allocated to Demand		\$552,292	\$547,993	\$543,694	\$539,395	\$535,096	\$530,799	\$526,500	\$522,201	\$517,902	\$513,603	\$509,305	\$505,006	\$6,343,786
10	Energy Jurisdictional Factor		N/A												
11	Demand Jurisdictional Factor - Production (Base)		0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	0.91683	
12	Retail Energy-Related Recoverable Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
13	Retail Demand-Related Recoverable Costs		506,358	502,416	498,475	494,534	490,592	486,652	482,711	478,770	474,828	470,887	466,946	463,005	5,816,173
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		\$506,358	\$502,416	\$498,475	\$494,534	\$490,592	\$486,652	\$482,711	\$478,770	\$474,828	\$470,887	\$466,946	\$463,005	\$5,816,173

**DEF**  
**Thermal Discharge Compliance Project - Docket No. 130091**  
**Regulatory Asset - 4 Year Amortization**  
**Staff's First Data Request**  
**Question 13**  
**Calculation of Estimated Revenue Requirements**

	2013	2014	2015	2016
Return	\$1,624,381	\$1,160,633	\$696,380	\$232,127
Regulatory Asset Amortization	4,525,713	4,525,713	4,525,713	4,525,713
Property Tax	3,360	0	0	0
Total System Recoverable Costs	\$6,153,454	\$5,686,346	\$5,222,093	\$4,757,840
Retail Energy Jurisdictional Factor	0.91683	0.91683	0.91683	0.91683
Retail Return	\$1,489,281	\$1,064,103	\$638,462	\$212,821
Retail Regulatory Asset Amortization	4,149,309	4,149,309	4,149,309	4,149,309
Retail Property Tax	3,081	0	0	0
Total Retail Recoverable Period Costs	\$5,641,671	\$5,213,412	\$4,787,771	\$4,362,130

Note: If amortization of the regulatory asset begins in 2013 (as proposed in the petition filed April 1, 2013 in Docket No. 130007-EI) and no change to 2013 rates is made, the associated revenue requirements will be included in 2014 rates as part of any 2013 over/under recovery.

**DEF**  
**Thermal Discharge Compliance Project - Docket No. 130091**  
**Regulatory Asset - 5 Year Amortization**  
**Staff's First Data Request**  
**Question 14**  
**Calculation of Estimated Revenue Requirements**

	2013	2014	2015	2016	2017
Return	\$1,670,806	\$1,299,910	\$928,506	\$557,103	\$185,700
Regulatory Asset Amortization	3,620,570	3,620,570	3,620,570	3,620,570	3,620,570
Property Tax	3,360	0	0	0	0
Total System Recoverable Costs	\$5,294,736	\$4,920,480	\$4,549,076	\$4,177,673	\$3,806,270
Retail Energy Jurisdictional Factor	0.91683	0.91683	0.91683	0.91683	0.91683
Retail Return	\$1,531,845	\$1,191,796	\$851,282	\$510,769	\$170,255
Retail Regulatory Asset Amortization	3,319,447	3,319,447	3,319,447	3,319,447	3,319,447
Retail Property Tax	3,081	0	0	0	0
Total Retail Recoverable Period Costs	\$4,854,373	\$4,511,244	\$4,170,729	\$3,830,216	\$3,489,703

Note: If amortization of the regulatory asset begins in 2013 (as proposed in the petition filed April 1, 2013 in Docket No. 130007-EI) and no change to 2013 rates is made, the associated revenue requirements will be included in 2014 rates as part of any 2013 over/under recovery.

**DEF**  
**Thermal Discharge Compliance Project - Docket No. 130091**  
**Staff's First Data Request**  
**Question 15**  
**Calculation of the Estimated Revenue Requirements**

<b>Year</b>	<b>Carrying Cost</b>		<b>Amortization</b>		<b>Total Rev Req.</b>	
2013	\$	839,631	\$	-	\$	839,631
2014	\$	753,202	\$	1,373,587	\$	2,126,789

**DUKE ENERGY FLORIDA**  
**Nuclear Cost Recovery Clause (NCRC)**  
**Calculation of the Revenue Requirements - Thermal Discharge Permanent Cooling Tower**

Line	Description	Beginning of Period Amount	Actual January 13	Actual February 13	Actual March 13	Actual April 13	Estimated May 13	Estimated June 13	Estimated July 13	Estimated August 13	Estimated September 13	Estimated October 13	Estimated November 13	Estimated December 13	Period Total
1	<b>Construction Additions:</b>														
a	POD	8,865,724	(5,885)	916	5,893	6,174									\$8,872,822
b	Total	8,865,724	(5,885)	916	5,893	6,174	0	0	0	0	0	0	0	0	\$8,872,822
2	<b>Adjustments</b>														
a	Non-Cash Accruals														\$0
b	Joint Owner Credit														\$0
c	Other (a)														\$0
d	Adjusted System Generation Construction Cost Additions	8,865,724	(5,885)	916	5,893	6,174	0	0	0	0	0	0	0	0	\$7,098
	Retail Jurisdictional Factor : Generation	92.885%													
e	Construction Cost: Plant Additions for the Period	8,234,928	(5,467)	851	5,474	5,735	0	0	0	0	0	0	0	0	\$6,593
	<b>Carrying Cost on Construction Balance</b>														
3	Construction Cost: Plant Additions for the Period (Beg Balance: Line 2.e Above)	8,234,928	(5,467)	851	5,474	5,735	0	0	0	0	0	0	0	0	8,241,521
4	Transferred to Plant-in-Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Amortization (Not used for 2013 Revenue Requirement Calculations)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Net Investment	\$8,234,928	\$8,229,461	\$8,230,312	\$8,235,786	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521
7	Average Net Investment		\$8,232,194	\$8,229,887	\$8,233,049	\$8,238,653	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	\$8,241,521	
8	Return on Average Net Investment		(January 2013 Rate Only)	(New Rates)											
a	Equity Component	0.00546	0.00394	44,981	32,426	32,438	32,460	32,472	32,472	32,472	32,472	32,472	32,472	32,472	402,081
b	Equity Component Grossed Up For Taxes	1.62800	1.62800	73,229	52,790	52,809	52,845	52,864	52,864	52,864	52,864	52,864	52,864	52,864	
c	Debt Component	0.00163	0.00189	13,386	15,587	15,593	15,604	15,609	15,609	15,609	15,609	15,609	15,609	15,609	185,042
d	Total Return		86,615	68,377	68,402	68,449	68,473	68,473	68,473	68,473	68,473	68,473	68,473	68,473	839,631
9	Carrying Cost Plant for the Period		\$86,615	\$68,377	\$68,402	\$68,449	\$68,473	\$68,473	\$68,473	\$68,473	\$68,473	\$68,473	\$68,473	\$68,473	\$839,631

Line	Description	Beginning of Period Amount	Estimated January 14	Estimated February 14	Estimated March 14	Estimated April 14	Estimated May 14	Estimated June 14	Estimated July 14	Estimated August 14	Estimated September 14	Estimated October 14	Estimated November 14	Estimated December 14	Period Total
1	Construction Cost: Plant Additions for the Period (Beg Balance: Line 1 Prior Year)	8,241,521	0	0	0	0	0	0	0	0	0	0	0	0	8,241,521
2	Transferred to Plant-in-Service (Beg Balance: Appendix A Line 23)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Amortization	0	114,466	114,466	114,466	114,466	114,466	114,466	114,466	114,466	114,466	114,466	114,466	114,466	1,373,587
4	Net Investment	\$8,241,521	\$8,127,055	\$8,012,590	\$7,898,124	\$7,783,658	\$7,669,193	\$7,554,727	\$7,440,262	\$7,325,796	\$7,211,331	\$7,096,865	\$6,982,399	\$6,867,934	\$6,867,934
5	Average Net Investment		\$8,184,288	\$8,069,822	\$7,955,357	\$7,840,891	\$7,726,426	\$7,611,960	\$7,497,494	\$7,383,029	\$7,268,563	\$7,154,098	\$7,039,632	\$6,925,167	
6	Return on Average Net Investment														
a	Equity Component	0.00394	32,246	31,795	31,344	30,893	30,442	29,991	29,540	29,089	28,638	28,187	27,736	27,285	357,186
b	Equity Component Grossed Up For Taxes	1.62800	52,497	51,762	51,028	50,294	49,560	48,825	48,091	47,357	46,623	45,888	45,154	44,420	
c	Debt Component	0.00189	15,501	15,284	15,067	14,851	14,634	14,417	14,200	13,983	13,767	13,550	13,333	13,116	171,703
d	Total Return		67,998	67,046	66,095	65,145	64,194	63,242	62,291	61,340	60,390	59,438	58,487	57,536	753,202
7	Carrying Cost Plant for the Period		\$67,998	\$67,046	\$66,095	\$65,145	\$64,194	\$63,242	\$62,291	\$61,340	\$60,390	\$59,438	\$58,487	\$57,536	\$753,202

DEF  
Thermal Discharge Compliance Project - Docket No. 130091  
Staff's First Data Request  
Question 16  
Calculation of the Estimated Revenue Requirements

Year	Carrying Cost	Amortization	Total Rev Req.
2013	\$ 839,631	\$ -	\$ 839,631
2014	\$ 753,202	\$ 1,373,587	\$ 2,126,789
2015	\$ 616,254	\$ 1,373,587	\$ 1,989,841
2016	\$ 479,309	\$ 1,373,587	\$ 1,852,895
2017	\$ 342,361	\$ 1,373,587	\$ 1,715,947
2018	\$ 205,413	\$ 1,373,587	\$ 1,578,999
2019	\$ 68,464	\$ 1,373,587	\$ 1,442,050