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COMMISSION
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Public Service Commission

August 21, 2013

John T. Burnett
Duke Energy Florida, Inc.
299 1st Avenue North
Saint Petersburg, Florida 33701

STAFF'S FIRST DATA REQUEST

Re: Docket No. 130208-EI - Petition for limited proceeding to approve revised and restated stipulation and settlement agreement by Duke Energy Florida, Inc. d/b/a Duke Energy.

Dear Mr. Burnett:

By this letter, the Commission staff requests that Duke Energy Florida, Inc. (DEF or utility) provide responses to the following data requests regarding the Revised and Restated Stipulation and Settlement Agreement (RRSSA) in the above-referenced docket.

1. Please refer to Paragraph 1 of the RRSSA. Please identify what, if any, are the surviving terms and conditions of the 2012 Settlement Agreement and its Exhibits.
2. Please refer to Paragraph 3 of the RRSSA. What, if any, rights are waived or released under the terms of the RRSSA?
3. Please refer to Paragraph 4 of the RRSSA. In particular, on pages 5-6, the agreement provides that DEF will file a motion to "close Docket 100437-EI, subject to the preservation of issues 11, 24, 35, 36, and 37 as set forth in Exhibit 13." Please explain whether the contemplated motion will request the dismissal of Phases II and III of Docket 100437-EI or rather if the motion will request the closure of Docket 100437-EI due to lack of disputed issues of fact. In your response, please explain whether DEF intends to file a petition to address the Preserved Issues in a separate proceeding be filed concurrently with the contemplated motion.
4. Please refer to Paragraph 4 of the RRSSA. Is it the understanding of DEF and the Intervenor Parties to the agreement that the Commission can investigate and make adjustments regarding any of the issues listed in Exhibits 13?
5. Please refer to Paragraph 4 of the RRSSA in which Issue Nos. 11, 24, 35, 36, and 37, as set forth Exhibit 13, are identified as "Preserved Issues." Paragraph 4 further provides that these Preserved Issues will be addressed in "future proceedings" before the Commission. Please explain the future proceedings contemplated with respect to these Preserved Issues. In your

response, please identify any open dockets in which the proceedings regarding the Preserved Issues will be undertaken.

6. Please refer to Paragraph 5 of the RRSSA. In Paragraph 5.b., contained on page 7 of the RRSSA, it states that the CR3 Regulatory Asset may include, but is not limited to actual depreciation/amortization expense, O&M expense, property taxes, and cost of capital returns. What other costs does DEF believe would be eligible for inclusion in the CR3 Regulatory Asset?
7. Please refer to Paragraph 5 of the RRSSA. Which FERC Accounts will comprise the (known) CR3 Regulatory Asset?
8. Please refer to Paragraph 5 of the RRSSA. In Paragraph 5.b., contained on page 7 of the RRSSA, it states that the CR3 Regulatory Asset shall not be considered for interim rate relief or in determining if DEF's ROE has fallen below 9.5%. Reading this provision in conjunction with the requirements of Paragraph 23 of the RRSSA, is it correct that the requirements of Paragraph 5.b. are only valid for the term of the agreement (through December 2018), and not the life of the CR3 Regulatory Asset?
9. Please refer to Paragraph 5.d. contained on page 8 of the RRSSA. Which FERC accounts will the \$295M write-down identified on page 8 of the RRSSA be applied to? What are the tax implications?
10. Please refer to Paragraph 5.e. contained on page 8 of the RRSSA. Paragraph 5.e. provides that the recovery of the CR3 Regulatory Asset will commence at the earlier of the first billing cycle for January 2017, or the expiration LNP cost recovery charge. Please explain why the recovery of the CR3 Regulatory Asset is contingent upon the LNP cost recovery charge.
11. Please refer to Paragraph 5.e.(1), which provides for projected dry cast storage (DCS) facility costs. For the DCS costs, and any other costs eligible for inclusion in the CR3 Regulatory Asset, incurred after the recovery of the CR3 Regulatory Asset has started, what, if any, impact will these costs have on the amortization period of the CR3 Regulatory Asset?
12. Please refer to Paragraph 5.e.(1) of the RRSSA. In particular, on page 9 of the agreement it addresses the issue of the cost of dry cask storage.
 - a. Please explain whether DEF anticipates the construction of a separate facility located at the Crystal River Site for this purpose.
 - b. If DEF anticipates the construction of a separate facility for the purposes of dry cast storage, please provide the expected in-service date of this facility.
 - c. If DEF anticipates the construction of a separate facility for the purposes of dry cast storage, please explain whether the facility will be capable of storing nuclear waste from other Florida nuclear facilities.

13. Please refer to Paragraph 5.e.(2) in which the parties agree that the cap for the CR3 Regulatory Assets excludes the DCS facility capital costs. Because the cap on the CR3 Regulatory Asset excludes DCS facility capital costs under the provisions of the RRSSA, what are the estimated DCS facility capital costs for the purpose of estimating the total cap amount of the CR3 Regulatory Asset?
14. Please refer to Exhibit 10 attached to the RRSSA. Since CR3 ceased operation in September 2009 and the Fukushima Daiichi events occurred in March and April of 2011, why are Fukushima costs listed as an item? In your response, please specify, with particularity, the Nuclear Regulatory Commission (NRC) requirements, based on the Fukushima Daiichi events that might affect a retired nuclear unit. In addition, in your response please identify, with particularity, the Fukushima requirements/costs related to the LNP, if any.
15. Please refer to Paragraph 5.g. of the RRSSA.
 - a. In particular, please refer to page 13 lines 6 and 7 of the RRSSA. Please define the meaning of the phrase "implementation of the initial base rate increase" as it appears in this provision.
 - b. Please refer to page 13 lines 7 and 8 of the RRSSA. Please clarify the meaning of the phrase "the cumulative base revenues that would have resulted if the final base rate increase had been in-place during the same time period" as it appears in this provision.
 - c. Please explain and provide a hypothetical numerical example (similar to the example provided in Paragraph 5.e.(2)) of how customers would be charged through the Capacity Cost Recovery Clause
 - d. Please refer to page 13, line 9 of the RRSSA. Please explain and provide a hypothetical numerical example (similar to the example provided in paragraph 5e(2)) of how customers would be credited through the Capacity Cost Recovery Clause.
 - e. For what time period will customers be charged or credited through the Capacity Cost Recovery Clause?
 - f. Please explain and provide a hypothetical numerical example of how the updated base rate factor referred to on line 12 of page 13 of the RRSSA will be calculated.
16. Please refer to Paragraph 5.g. and 5.h. of the RRSSA. In particular, the phrase "included in the Company's most recent projection clause filing" is used. Please identify and explain the clause filing that this passage is referring to.
17. Please refer to Paragraph 5.g. of the RRSSA. Please confirm if this paragraph requires that the cost of service methodology used for the Capacity Cost Recovery Clause will be updated by at least July 2022 and at least every four years thereafter.
18. Please refer to Paragraph 5.h. in which the parties agree to a 20-year amortization period for the CR3 Regulatory Assets. Is the 20-year amortization period for the CR3 Regulatory Asset

based on the 20-year license extension associated with the CR3 Extended Power Uprate project? If the answer is "no", please state the basis for the 20-year amortization period for the CR3 Regulatory Asset.

19. Please refer to Paragraph 5.h. in which the parties agree to a 20-year amortization period for the CR3 Regulatory Assets and Paragraph 9.a. in which the parties agree to a 7-year amortization period for the CR3 EPU project. For matching principle purposes, please explain why the amortization period for the CR3 EPU project is 13 years less than the amortization period for the CR3 Regulatory Asset.
20. Please refer to Paragraph 5.i., contained on page 15 of the RRSSA, which provides that DEF shall be responsible for up to \$5 million of force majeure capital costs for each calendar year for which the CR3 Regulatory Asset remains unrecovered. Please explain how the sharing of force majeure capital costs will occur, and what factors or methodology will be used in determining the portion that DEF will be responsible for.
21. Please refer to Sections 5.i.1 and 5.i.2. of the RRSSA. In the event that the parties cannot agree that a force majeure event has occurred as contemplated in sections 5.i.1 and 5.i.2 of the proposed RRSSA, what procedure would the parties use to seek a determination from the Commission as to whether such an event has occurred?
22. Please refer to Paragraph 6.c. of the RRSSA. For the period October 1, 2009 through December 31, 2012, are there costs which have not been charged to the fuel clause that DEF intends to charge to the fuel clause? Please explain.
23. Please provide, by year, the amount that DEF has paid in spent nuclear fuel disposal costs.
24. Please explain whether DEF has engaged in litigation, or is it currently engaged in litigation, with the Department of Energy regarding funds paid for spent nuclear fuel disposal costs.
25. If DEF has not engaged in litigation, or does not intend to engage in litigation, with the Department of Energy regarding spent nuclear fuel disposal costs, please explain.
26. Please explain whether DEF has received any funds regarding litigation involving spent nuclear fuel disposal costs? If yes, please state the amounts by year and explain how the funds were used.
27. If DEF has received funds based on litigation over spent nuclear fuel disposal costs, please explain how DEF intends to expend the proceeds of this litigation.
28. Please refer to Paragraph 7.b. in which the parties agree that, if DEF determines that additional funds are necessary in order to fund the CR3 Nuclear Decommissioning Trust in support of decommissioning CR3, DEF shall be allowed to petition to collect those additional funds through a surcharge in base rates. Does the RRSSA have any effect on DEF's Petition for declaratory statement with respect to use of decommissioning trust fund dollars for spent fuel and other non-radiological decommissioning costs for Crystal River 3 Nuclear Plant in Docket No. 130207-EI, and, if so, what effect does it have on that docket?

29. Please refer to Paragraph 7.e. of the RRSSA.
- a. Please explain the basis for changing the billing of the capacity cost recovery factors for demand rate classes from a kWh to a kW basis.
 - b. Please explain how the proposed change in the billing of the capacity cost recovery factors for demand rate classes from a kWh to a kW basis impact the capacity cost recovery amounts recovered from the GSD rate class, CS rate class, and IS rate class.
 - c. Please provide a bill comparison for a typical GSD, CS, and IS customer showing bills at current 2013 base rates and cost recovery factors and bills containing the \$/kW capacity factors as shown in Exhibit 9, page 1 of 1, of the RRSSA (while keeping all other rates at the current 2013 levels).
30. Please refer to Paragraph 8, on page 20, of the RRSSA. How will DEF recover the annual depreciation expense of the CRS units, if the units are retired prior to 2020?
31. Please refer to Paragraph 8 of the RRSSA. DEF's current Ten-Year Site plan contemplates Crystal River Units 1 & 2 retiring in 2016. Please explain how this plan of action conforms with the proposed accounting treatment shown in Paragraph 8 of the of the RRSSA.
32. Please refer to Paragraph 8 of the RRSSA.
- a. Please explain with specificity why it is necessary to close CRS as a compliance measure to meet the Mercury and Air Toxics Standards (MATS), Best Available Retrofit Technology (BART), and/or the National Ambient Air Quality Standards (NAAQS). In your response, explain whether retrofitting the CRS plants is available to the company as a compliance measure for meeting the MATS, BART, and/or NAAQS standards.
 - b. Please provide the most current available Plant Investment and Accumulated Depreciation Reserve amount balances for CRS accounts: 311, 312, 314, 315, and 316.
 - c. Please explain whether the CRS plant dismantlement costs are included in the "remaining CRS net book value existing at December 31, 2020" and to be recovered "through the CCR Clause." In your response, please explain whether Paragraph 8 of the RRSSA addresses the CRS plant dismantlement costs.
 - d. Please explain the rationale underlying the proposal that any remaining CRS net book value existing at December 31, 2020 be recovered through the Capacity Clause and not through normal base rate depreciation expense.
33. Please refer to the second sentence of Paragraph 11 of the RRSSA. This provision provides, "This factor shall be fixed at the levels shown on Exhibit 5, as amended by Exhibit 9, until the estimated remaining LNP component balance of approximately \$350 million (retail) as

estimated in the 2012 Settlement Agreement, and carrying costs, is recovered (estimated to be 5 years) with true up occurring in the final year of recovery, in accordance with paragraph 12 below.”

- a. Please provide the cumulate estimated amount of “cost recovery revenue” DEF will collect by year end 2013 from this provision of Paragraph 11 of the RRSSA.
 - b. Provide a list of all LNP cost type activities that DEF may recover under this provision of the RRSSA, and identified any cost type activities which differ (either currently permitted or not currently permitted for recovery) from those identified in the 2012 Settlement Agreement.
 - c. Is any recovery of the uncollected “Rate Management Plan” balance a part of the estimated \$350 million collection, and if so, in what amount?
 - d. As of year end 2013, please provide the estimated total amount of remaining LNP costs that will need (or is allowed) to be recovered under this provision of the RRSSA.
34. Please refer to Paragraph 12.b. in which DEF agrees to exercise reasonable and prudent efforts to obtain the COL from the NRC by March 31, 2015. Given the Parties support DEF obtaining the LNP COL from the NRC by March 31, 2015, has DEF considered filing periodic (i.e. semi-annual) status reports to keep the Commission and the Parties abreast of its efforts as outlined in Provision 12.b. of the RRSSA?
35. For the following data requests, please refer to Paragraph 16.a. of the RRSSA.
- a. Section 16.a. of the RRSSA provides for the recovery of combustion turbine additions or power uprates through the year 2017. Does this recovery method also apply to purchased power contracts from combustion turbine units? In your response, please identify which existing DEF generating units would be likely candidates for power uprates.
 - b. Please explain how the process described in Paragraph 16.a. is different from a limited proceeding to consider the recovery of costs associated with combustion turbine units.
 - c. DEF’s current Ten Year Site Plan shows the planned addition of 187 MW (summer) of combustion turbine capacity in the year 2022. Please explain how this is consistent with the recovery cap of 1,150 MW by 2017.
 - d. Paragraph 16.a. provides that the recovery method includes “associated transmission to integrate and deliver power from such unit(s) into the DEF system.” Please confirm that this could include transmission additions that are remote from the combustion turbine unit that may be necessary to address transmission reliability issues that arise from the addition of generation.
 - e. Please explain how the recovery of associated transmission compares with prior Commission approvals of Generation Base Rate Adjustment factors.

36. Please refer to Paragraph 17 of the RRSSA.
- a. Please clarify whether the proposed EDR-1 rider contains rate reductions for the conservation, capacity, and environmental cost recovery factors.
 - b. If the answer to the above question is yes, please explain how the reductions in the conservation, capacity, and environmental clauses will be treated in the annual clause filings.
 - c. Please explain why the ED-1 Rider only contains reductions in base demand and energy charges, while the EDR-1 Rider contains reductions in base demand, base energy, and non-fuel BA-1 tariff charges.
 - d. Please explain how any reductions afforded in the new Economic Development tariffs will be treated in DEF's next base rate proceeding.
37. Please refer to Paragraph 18 of the RRSSA. Please provide the balances for the following regulatory assets as of December 31, 2012 and June 30, 2013:
- a. FAS 109 Deferred Tax Benefits Previously Flowed Through
 - b. Unamortized Loss on Reacquired Debt
 - c. 2009 Pension Regulatory Asset
 - d. Interest Income on Income Tax Deficiency
38. Please refer to Paragraph 18 of the RRSSA. Please provide the specific adjustments to DEF's common equity balance and rate base working capital balance using the most recent earnings surveillance report filed with this Commission.
39. Please refer to Paragraph 18 of the RRSSA. In Paragraph 18 the agreement provides in pertinent part, that “. . . . DEF will be authorized to make a new specific adjustment to its common equity balance and rate base working capital balance for the purposes of calculation of rate base and the capitalization ratios used for surveillance reporting . . .” (Underline emphasis added) Please explain how this new specific adjustment as it relates to the amortization of the regulatory assets for “FAS 109 Deferred Tax Benefits Previously Flowed Through” is consistent with the provisions of Rule 25-14.013, F.A.C.
40. If the provisions of Paragraph 18 as referenced above do not comport with the requirements of Rule 25-14.013, F.A.C., please provide a detailed explanation of how the new specific adjustment, as it relates to the amortization of the regulatory assets for “FAS 109 Deferred Tax Benefits Previously Flowed Through,” deviates from the provisions of Rule 25-14.013, F.A.C.

41. Please refer to Paragraph 19 of the RRSSA.

- a. Please identify separately the impact on a 1,000 kilowatt-hour residential bill in 2013, 2014, 2015, 2016, 2017, 2018, and 2019 for each of the provisions in the proposed RRSSA that affect rates (base rates and all recovery clauses). In the response, identify and explain the impact on the following rate components: customer charge, non-fuel energy charge, fuel factor, capacity factor excluding nuclear component, nuclear cost recovery – CR3, nuclear cost recovery – Levy, environmental factor, conservation factor, and gross receipts taxes for each of the years listed above.
- b. Referring to Exhibit 8, please explain the basis for increasing the interruptible and curtailable credits in January 2014 and in January 2015.
- c. Referring to Exhibit 8, please state the total dollar impact on the conservation cost recovery clause and the \$/1,000 kWh residential bill impact in 2014 and 2015 of increasing the interruptible and curtailable credits.
- d. Please provide a calculation of the interruptible and curtailable credits based on DEF's next avoided unit as identified in the most current Duke generation expansion plan.

42. Please refer to Paragraph 20 of the RRSSA.

- a. Please provide a copy of the "FERC Accounting Order" referenced in this paragraph.
- b. Paragraph 20, provides that "[T]hese credit amounts to depreciation expense are in lieu of the annual amortization of any theoretical depreciation reserve surplus approved in DEF's previous base rate order PSC-10-0131-FOF-EI." Please explain whether this passage is referring to the \$23 million of reserve surplus that was ordered amortized over a four year period in DEF/PEF's last rate case.
- c. If the response to (b.) above is negative, please state what amounts addressed by Order No. PSC-10-0131-FOF-EI this sentence is referring to.
- d. If the response to (b.) above is affirmative, please explain whether DEF has amortized any amount of the \$23 million referred to in Order No. PSC-10-0131-FOF-EI. If so, please provide the amounts that have already been amortized.
- e. Did Order No. PSC-12-0104-FOF-EI relieve the company of any portions of Order No. PSC-10-0131-FOF-EI as it relates to the amortization of reserve surpluses?
- f. Please provide the most current Cost of Removal Reserve balance, both with and without portions related to CR3, on the company's books.
- g. Please explain DEF's reasoning for the inclusion of this provision in the settlement agreement.

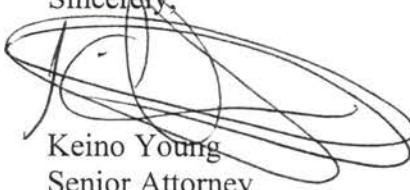
43. Please refer to Paragraph 20 of the RRSSA. In particular, this provision provides that “[A]ny recovery period of this regulatory asset will be no longer than the average remaining service life of the assets. . . .”
 - a. Are there any restrictions on what the shortest proposed amortization period for the Cost of Removal (COR) regulatory asset may be?
 - b. Please identify and explain which assets and average service lives, by unit at each plant site, this statement referring to.
44. Please refer to Paragraph 20 of the RRSSA. In particular, this provision provides that “DEF shall file a Depreciation Study, Fossil Dismantlement Study, and Nuclear Decommissioning Study on or before March 31, 2019, or accompanying the next base rate case, whichever is sooner.” Please explain whether this provision precludes DEF from filing any of the three referenced studies on an individual basis (i.e. just a Decommissioning Study for example, without the other two studies) before the March 2019 date.
45. For the following data requests please refer to Paragraph 21 of the RRSSA.
 - a. Please explain whether the RRSSA extends the time period for a base rate freeze two years to the year 2019.
 - b. Please explain whether the RRSSA precludes DEF from seeking recovery of items through any clause (i.e. environmental, capacity, fuel, etc.).
46. Please refer to paragraph 21 of the RRSSA. Paragraph 21 provides that “DEF may not petition for an increase in base rates and charges that would take effect prior to the first billing cycle for January 2019, except for the increases in base rates and charges provided for or allowed by the terms of the Revised and Restated Settlement Agreement.”
 - a. Does this provision mean that base rates will be held constant until 2019?
 - b. Did the settlement approved in Docket No 120022-EI have a similar provision and if so, what were the terms of the previous settlement?
47. Please refer to paragraph 21 of the RRSSA. Paragraph 21 provides that “In addition, the Parties agree that the base rate increases or charges that, pursuant to the terms of this RRSSA extend beyond the last billing cycle for December 2018 and survive the expiration of the term or termination of this RRSSA, include the recovery of the CR3 Regulatory Asset through the last billing cycle for the 240th month from inception pursuant to paragraph 5 of this Revised and Restated Settlement Agreement; the potential recovery of additional funds to fund the CR3 Nuclear Decommissioning Trust pursuant to paragraph 7b of this Revised and Restated Settlement Agreement; the potential recovery of the CRS net book value pursuant to paragraph 8 of this Revised and Restated Settlement Agreement; and 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.”

- a. Does this provision mean that certain base rate items will be recovered beyond the term of the RRSSA?
 - b. Did the settlement approved in Docket No. 120022-EI have a similar provision and if so, what were the terms of the previous settlement?
 - c. What is the effect of approving the amortization period of the CR3 regulatory asset at 240 months (20 years) on customer rates? Does this provision minimize future rate impacts?
 - d. Are the amounts for the additional funds for decommissioning, recovery of CRS net book value, or LNP and EPU costs known at this time? Does the RRSSA set an amount for these costs?
48. Please refer to Paragraph 22 of the RRSSA. To the extent a dispute arises among the parties concerning the provisions, interpretation or application of the proposed RRSSA, what procedure would the parties use to seek a determination from the Commission to resolve the dispute.
49. Please refer to Exhibit 13. With respect to Issue Nos. 1-6, 12, 13, 14, 32, and 38, please provide a response to each of these factual issues. In your response, please provide specific numerical values when applicable.
50. Please refer to Exhibit 13. What monies, if any were received for each insurance claim filed with NEIL for the CR3 nuclear power plant since 2009?
51. Please provide the results of the most recent cost-effectiveness evaluation comparing the retirement of CR3 with the repair of the unit.
52. Please provide a summary of the qualitative and quantitative reasons relied upon by DEF in order to make the decision to retire CR3.
53. What was the remaining license life of CR3 prior to the decision to retire the unit?
54. Has DEF cancelled the EPC contract for the Levy Units? If so, what is the impact in terms of projected in-service date for the units and overall cost of project (i.e. was there a cancellation fee and how will that fee be recovered)?
55. Please explain whether the delay in the in-service date for the Levy units will cause a delay in customer fuel savings. If so, please provide an estimate of the yearly amount.
56. Since the initial settlement was approved in Docket No 120022-EI, how much has been collected through the NCRC for the CR3 uprate project?
57. Since the initial settlement was approved in Docket No 120022-EI, how much has been collected through the NCRC for the Levy project?

John T. Burnett
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Please file the original and five copies of the requested information by Friday, August 30, 2013, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6226 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keino Young', is written over the word 'Sincerely,'. The signature is stylized and somewhat illegible due to overlapping loops and lines.

Keino Young
Senior Attorney

KY/ace

cc: Office of Commission Clerk