

Hopping Green & Sams

Attorneys and Counselors

August 30, 2013

BY E-FILING

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

Re: Docket No. 130007-EI

Dear Ms. Cole:

On behalf of Duke Energy Florida, Inc. (DEF), I enclose the following for filing in the above docket:

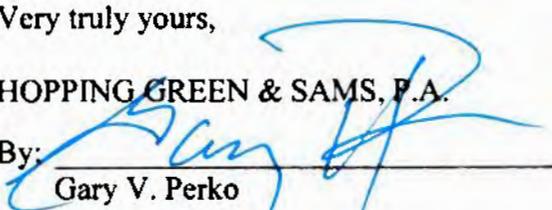
- PEF's Petition for Approval of Environmental Cost Recovery True-up and 2014 Environmental Cost Recovery Clause Factors;
- Pre-filed Direct Testimony of Thomas G. Foster, along with Mr. Foster's Exhibit Nos. ___ (TGF-5) and ___ (TGF-6);
- Pre-filed Direct Testimony of Patricia Q. West, along with Exhibit No. ___ (PQW-2);
- Pre-filed Direct Testimony of Jeffrey Swartz, along with Mr. Swartz's Exhibit No. ___ (JS-1);
- Pre-filed Direct Testimony of Mark Hellstern; and
- Pre-filed Direct Testimony of Corey Ziegler.

Five copies of the enclosed documents are being furnished to counsel for the Commission by hand-delivery and one copy of each document is being furnished to the other parties on the attached certificate of service by U.S. mail. Electronic copies of the exhibits to Mr. Foster's testimony will be provided by separate e-mail correspondence.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter. If you have any questions regarding this filing, please call me at 425-2359.

Very truly yours,

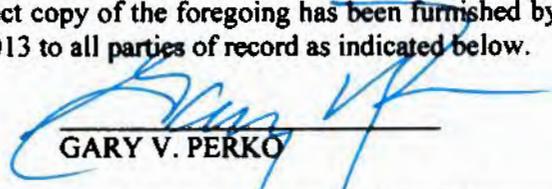
HOPPING GREEN & SAMS, P.A.

By: 
Gary V. Perko

Attorneys for Duke Energy Florida, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand-delivery (*) or U.S. mail this 30th day of August, 2013 to all parties of record as indicated below.


GARY V. PERKO

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BEFORE THE PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause

Docket No. 130007-EI

Dated: August 30, 2013

**DUKE ENERGY FLORIDA'S PETITION FOR APPROVAL
OF ENVIRONMENTAL COST RECOVERY TRUE-UP AND 2014
ENVIRONMENTAL COST RECOVERY CLAUSE FACTORS
AND FOR APPROVAL OF NEW ENVIRONMENTAL PROGRAM**

Duke Energy Florida, Inc. ("DEF" or "the Company"), hereby petitions for approval of its environmental cost recovery true-up and proposed Environmental Cost Recovery Clause (ECRC) factors for the period January 2014 to December 2014. In support, DEF states:

FINAL TRUE-UP AND ECRC FACTORS

1. DEF's total true-up applicable for this period is an under-recovery of approximately \$19.5 million. This consists of the final true-up under-recovery of approximately \$2 million for the period from January through December 2012 and an estimated true-up under-recovery of approximately \$17.5 million for the current period of January 2013 through December 2013. Documentation supporting the total true-up under-recovery is provided in Mr. Thomas G. Foster's testimony and Exhibit No. __ (TGF-3) submitted on August 1, 2013, and Mr. Foster's testimony and Exhibit No. __ (TGF-5) submitted contemporaneously with this Petition. Additional cost information for specific ECRC programs for the period January through December 2013 are presented in the pre-filed testimony of Mark Hellstern, Jeffrey Swartz, Patricia Q. West and Corey Zeigler filed on August 1, 2013.

2. As explained in the testimony of Mr. Foster submitted with this Petition and shown in Form 42-1P of Mr. Foster's Exhibit No. __ (TGF-5), the total projected jurisdictional capital and O&M costs for the period January 2014 through December 2014 are approximately

\$67.5 million. Projected costs for specific ECRC programs for the period January through December 2014 are presented in the pre-filed testimony of Mr. Foster, Mr. Hellstern, Mr. Swartz, Ms. West and Mr. Zeigler submitted with this Petition.

3. DEF's proposed ECRC factors for the period January 2014 to December 2014, which are designed to recover the 2012 final true-up, the 2013 estimated/actual true-up, and projected 2014 costs, are presented for the Commission's review and approval in Mr. Foster's testimony submitted with this Petition.

4. The environmental cost recovery true-up and proposed ECRC factors presented in Mr. Foster's testimony and exhibits are consistent with the provisions of Section 366.8255, Florida Statutes, and with prior rulings by the Commission.

NEW ENVIRONMENTAL PROGRAM

5. In April 2013, the U.S. Environmental Agency (EPA) proposed revised effluent limitation guidelines and standards (ELGs) for the Steam Electric Generating Industry pursuant to the federal Clean Water Act. *See 78 Fed. Reg. 34431-34543 (June 7, 2013)*. The new rule will establish new or additional requirements for wastewater streams from various processes and byproducts associated with steam electric generating units, including units owned and operated by DEF. As such, DEF expects to incur compliance costs upon final promulgation of the new rule, which is expected to occur in 2014.

6. In Order No. PSC-12-0613-FOF-EI issued on November 16, 2012, the Commission found that costs for complying with the revised ELG rule are eligible for recovery through the ECRC. Furthermore, as discussed in the pre-filed testimony of Ms. West submitted contemporaneously with this Petition, DEF's new ELG compliance program satisfies the requirements previously established by the Commission for approval of ECRC recovery insofar

as: expenditures for the new program are being prudently incurred after April 13, 1993; the activities are legally required to comply with a governmentally imposed environmental law which was created, or whose effect was triggered, after the minimum filing requirements (MFRs) were submitted in the Company's last rate case; and none of the costs of the new program are being recovered through base rates or any other cost recovery mechanism.

WHEREFORE, Duke Energy Florida, Inc., respectfully requests that the Commission approve the Company's environmental cost recovery true-up and proposed ECRC factors for the period January 2014 through December 2014 as set forth in the testimony and supporting exhibits of Mr. Foster filed contemporaneously with this Petition; and approve recovery through the ECRC of prudently incurred costs for the Company's new Effluent Limit Guidelines Program.

RESPECTFULLY SUBMITTED this 30th day of August, 2013.

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By:



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