Matthew R. Bernier
Sr. Counsel
Duke Energy Florida, Inc.

March 7, 2014

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

Re: *Petition of Duke Energy Florida, Inc., to Modify Scope of Existing Environmental Compliance Program; Docket No. 130301-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, Inc. ("DEF"), DEF's Response to Staff's Third Data Request (Nos. 1-4).

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/Matthew R. Bernier

Matthew R. Bernier
Sr. Counsel
Matthew.Bernier@duke-energy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 7th day of March, 2014.

s/Matthew R. Bernier
Matthew R. Bernier

Charles Murphy, Esq. Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 cmurphy@psc.state.fl.us	Gary V. Perko Hopping Green & Sams P.O. Box 6526 Tallahassee, FL 32314 gperko@hgslaw.com

DUKE ENERGY FLORIDA, INC.'S RESPONSES TO
STAFF'S THIRD DATA REQUEST (NOS. 1-4)
Docket No. 130301-EI

1. In DEF's 2013 Review of Integrated Clean Air Compliance Plan filed on April 1, 2013, in Docket No. 130007-EI, starting on page 22, DEF discusses extending the life of CR 1 and 2 an additional 25 years (life extension). Please complete the table below summarizing the estimated revenue requirements for life extension assuming a high gas scenario and a mid-gas scenario. Please present all values in $M in $2014 and use the Company's most recent fuel forecast.

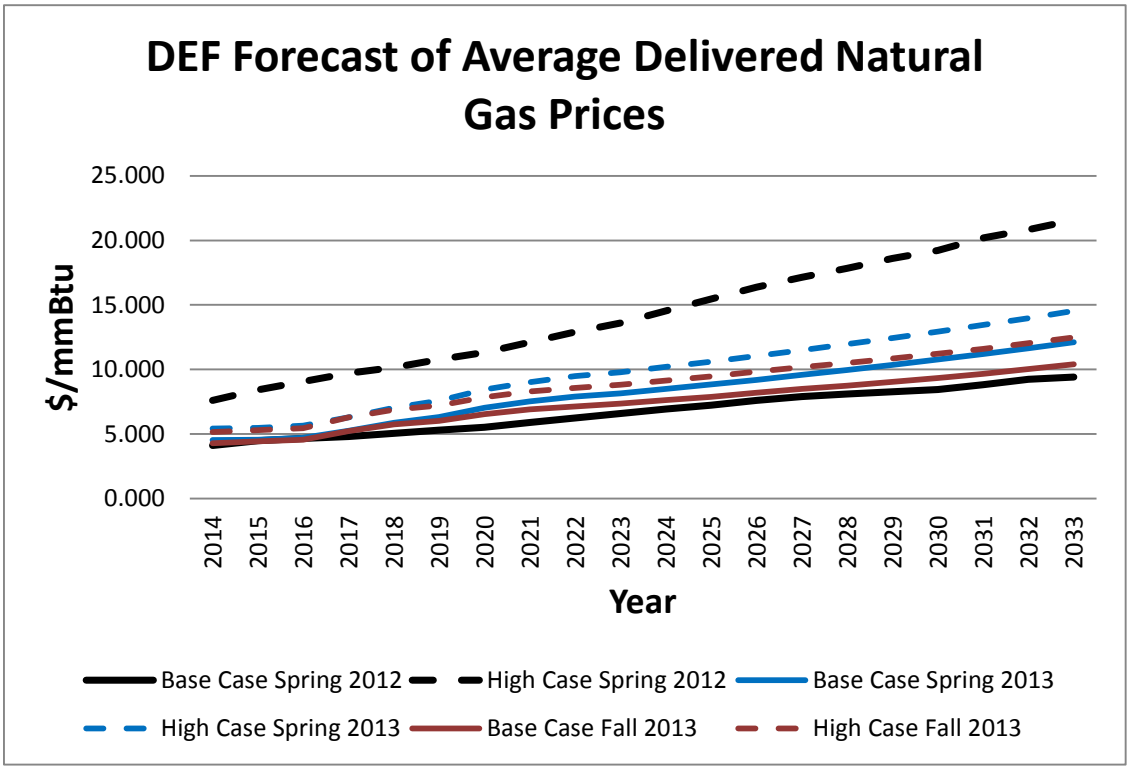
	Generation	Transmission	Fuel	O&M	Other	Total	Bill Impact $/1,000 kWh (Nominal)
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							

	Generation	Transmission	Fuel	O&M	Other	Total	Bill Impact $/1,000 kWh (Nominal)
2036							
2037							
2038							
2039							
2040							
2041							

Response:

DEF is providing the attachments: Mid Gas and High Gas consistent with the analyses performed to support the recommendations and decisions outlined in the Clean Air Compliance Plan update filed in April 2013. The fuel forecasts (base and high gas price) were prepared in the spring of 2012.

The chart below compares DEF's current base and high gas price forecasts with those used in the Clean Air Plan update and in the analysis used in development of data for the proposed alternative in the December 2013 Petition.



2. Please complete the table below summarizing the estimated revenue requirements for DEF's proposed Alternative (Alternative 2) assuming a high gas scenario and a mid-gas scenario. Please present all values in $M in $2014 and use the Company's most recent fuel forecast.

	Generation	Transmission	Fuel	O&M	Other	Total	Bill Impact $/1,000 kWh (Nominal)
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
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2038							
2039							
2040							
2041							

Response:

DEF performed analysis of the differential between Alternative 1 and Alternative 2 using our base fuel price forecast current at the time of that analysis (the analysis was performed in the 3rd quarter of 2013 using the Spring 2013 forecast). In this case, the results of that analysis favored Alternative 2, extending operation of Crystal River Units 1 and 2 in compliance with MATS through site emissions averaging coupled with necessary compliance projects. Since Alternative 1 is based on replacing the energy and capacity supplied by Units 1 and 2 through the purchase of output from alternate resources reliant on natural gas as a fuel source, use of a higher fuel gas price forecast case would further advantage Alternate 2. Accordingly, a higher fuel gas price case was not performed.

As discussed in the response to Question 1 above, DEF performed the analysis using the fuel forecasts current at the time of the analysis. DEF does not anticipate that an update to the current forecasts will materially affect the results.

Given that this response is based on the fuel forecast current at the time of the analysis, and that DEF has not performed a high gas price scenario, the information requested above is the same as that requested in question 18 in the first data request.

3. Page 12, of DEF's Crystal River South (Units 1 and 2) Environmental Compliance Study Addendum: CR South Limited Continued Operation, contains a table titled "Base Case Results - CPVRR Differential Values for Key Segments of Cost."

Please describe what costs are contained in the category titled Other Costs..

Response:

The cost differential results from the planning model included in the "Other" category include Emissions, Fixed Costs, Cogen Contract Costs and Emergency Energy and Miscellaneous.

4. On page 5 of the petition in the instant docket DEF states:

> the qualitative planning assessment concluded that the limited continued operations alternative (Alternative 2) has a significant positive impact on system reliability if operations of CR 1 and 2 are continued until replacement generation can be added near Crystal River, or until transmission projects can be completed to address grid concerns.

If CR 1 and 2 were retired in 2016 would the "grid concerns" mentioned in the statement above occur during steady state operation? Please explain answer.

Response:

Yes. The "grid concerns" referenced would occur during steady state operation. Meaning that there does not need to be a transmission contingency (n-1) to occur for some of the grid issues to be realized if CR 1 and 2 were retired in 2016.

Duke Energy Florida
CR1&2 MATS Compliance Projects
Docket No. 130301 - Staff's 3rd Data Request
Question #1

Mid Gas Scenario

	CRS 2016 Retirement - 2014$ ($M)					
	Generation	Transmission	Fuel	O&M	Other	Total
2014	32	(0)	1,525	204	580	2,341
2015	42	9	1,577	201	575	2,404
2016	60	33	1,443	359	579	2,475
2017	236	37	1,216	402	555	2,446
2018	365	59	1,188	256	543	2,411
2019	376	70	1,244	175	534	2,399
2020	352	65	1,215	174	1,057	2,864
2021	342	62	1,231	171	1,080	2,887
2022	354	65	1,204	157	1,069	2,850
2023	392	171	1,224	151	1,068	3,005
2024	903	226	1,115	131	855	3,230
2025	1,223	205	1,041	125	683	3,277
2026	1,550	186	873	110	544	3,263
2027	1,406	169	863	96	558	3,092
2028	1,276	153	825	86	545	2,886
2029	1,159	139	811	86	562	2,758
2030	1,089	142	790	78	554	2,653
2031	1,013	139	793	78	561	2,585
2032	921	126	774	78	561	2,460
2033	839	114	771	76	574	2,373
2034	765	104	743	73	565	2,249
2035	726	98	742	68	566	2,200
2036	690	91	719	72	564	2,137
2037	552	94	807	73	580	2,107
2038	536	97	792	72	588	2,085
2039	498	91	778	68	587	2,022
2040	453	83	752	65	584	1,937
2041						
CPVRR	18,153	2,830	27,057	3,686	17,671	69,398

	CRS Life Extension - 2014$ ($M)					
	Generation	Transmission	Fuel	O&M	Other	Total
2014	32	(0)	1,525	204	580	2,341
2015	57	9	1,608	203	581	2,458
2016	81	8	1,488	264	659	2,499
2017	252	12	1,284	218	699	2,464
2018	322	11	1,201	184	692	2,410
2019	365	34	1,211	173	667	2,451
2020	390	47	1,198	171	1,200	3,006
2021	376	43	1,214	171	1,223	3,027
2022	343	39	1,186	163	1,206	2,938
2023	356	143	1,200	161	1,202	3,063
2024	878	200	1,088	143	983	3,292
2025	1,208	182	1,011	136	800	3,337
2026	1,537	165	837	116	643	3,297
2027	1,395	150	834	103	662	3,143
2028	1,298	142	800	88	633	2,960
2029	1,200	133	805	86	634	2,857
2030	1,091	121	772	81	627	2,692
2031	992	110	767	83	639	2,590
2032	941	114	754	78	620	2,507
2033	889	113	765	75	627	2,468
2034	818	102	731	71	612	2,334
2035	752	92	730	71	624	2,268
2036	723	87	707	71	613	2,202
2037	573	93	803	74	632	2,176
2038	531	92	788	70	628	2,111
2039	484	85	764	69	628	2,029
2040	461	81	742	65	620	1,969
2041						
CPVRR	18,345	2,409	26,812	3,392	19,933	70,891

	Differential - 2014$ ($M)						
	Generation	Transmission	Fuel	O&M	Other	Total	Bill Impact $/1000 Kwh (Nominal)
2014	0	0	-	-	(0)	0	N/A
2015	15	0	31	2	6	54	1.48
2016	21	(26)	44	(95)	80	24	0.88
2017	15	(25)	68	(184)	144	19	0.75
2018	(43)	(48)	13	(73)	149	(1)	0.45
2019	(10)	(36)	(34)	(2)	133	52	2.08
2020	38	(18)	(17)	(3)	143	142	5.11
2021	33	(19)	(17)	(0)	143	140	5.32
2022	(11)	(26)	(18)	6	137	88	3.72
2023	(35)	(28)	(23)	10	134	57	2.75
2024	(24)	(26)	(28)	12	128	62	3.05
2025	(15)	(23)	(30)	12	117	60	3.06
2026	(13)	(21)	(37)	6	99	34	1.97
2027	(11)	(19)	(29)	7	103	51	2.90
2028	21	(11)	(25)	1	87	74	4.04
2029	40	(6)	(6)	(1)	72	99	5.57
2030	2	(21)	(18)	3	73	39	2.69
2031	(21)	(30)	(26)	4	78	6	0.94
2032	20	(12)	(20)	(0)	59	47	3.29
2033	51	(2)	(6)	(1)	53	95	6.47
2034	53	(2)	(12)	(2)	47	85	6.09
2035	26	(6)	(12)	2	58	68	5.33
2036	33	(4)	(12)	(1)	49	66	5.37
2037	21	(1)	(4)	1	51	69	5.88
2038	(5)	(5)	(4)	(1)	40	26	2.52
2039	(15)	(6)	(14)	1	41	8	0.98
2040	7	(1)	(9)	(0)	35	32	3.25
2041	-	-	-	-	-	-	-

CPVRR Differential $2014	1,493
CPVRR Differential $2012	1,317

Duke Energy Florida
CR1&2 MATS Compliance Projects
Docket No. 130301 - Staff's 3rd Data Request
Question #1

High Gas Scenario

	CRS 2016 Retirement - 2014$ ($M)					
	Generation	Transmission	Fuel	O&M	Other	Total
2014	32	(0)	1,958	228	574	2,792
2015	42	9	2,058	225	570	2,903
2016	60	33	1,962	438	577	3,072
2017	236	37	1,664	484	555	2,977
2018	365	59	1,651	305	543	2,923
2019	376	70	1,783	201	535	2,965
2020	352	65	1,750	204	1,057	3,428
2021	342	62	1,815	208	1,079	3,507
2022	354	65	1,811	189	1,069	3,488
2023	392	171	1,876	181	1,067	3,687
2024	903	226	1,668	149	891	3,837
2025	1,223	205	1,536	136	751	3,851
2026	1,550	186	1,237	119	604	3,697
2027	1,406	169	1,252	108	620	3,555
2028	1,276	153	1,216	99	604	3,349
2029	1,159	139	1,210	98	625	3,232
2030	1,089	142	1,186	89	617	3,124
2031	1,013	139	1,220	89	624	3,085
2032	921	126	1,191	84	630	2,953
2033	839	114	1,197	89	641	2,880
2034	765	104	1,166	86	628	2,748
2035	726	98	1,172	81	636	2,713
2036	690	91	1,159	80	641	2,661
2037	552	94	1,363	82	660	2,751
2038	536	97	1,339	76	679	2,728
2039	498	91	1,298	82	679	2,648
2040	453	83	1,274	80	668	2,559
2041						
CPVRR	18,153	2,830	40,013	4,292	18,824	84,112

	CRS Life Extension - 2014$ ($M)					
	Generation	Transmission	Fuel	O&M	Other	Total
2014	32	(0)	1,958	228	574	2,792
2015	57	9	2,124	228	579	2,997
2016	81	8	2,014	304	675	3,082
2017	252	12	1,724	237	727	2,952
2018	322	11	1,609	199	724	2,866
2019	365	34	1,664	189	699	2,952
2020	390	47	1,683	202	1,222	3,544
2021	376	43	1,743	205	1,248	3,614
2022	343	39	1,730	195	1,235	3,541
2023	356	143	1,775	193	1,236	3,704
2024	878	200	1,582	155	1,046	3,862
2025	1,208	182	1,447	139	890	3,867
2026	1,537	165	1,163	120	726	3,711
2027	1,395	150	1,177	108	741	3,571
2028	1,298	142	1,157	96	712	3,404
2029	1,200	133	1,169	91	719	3,312
2030	1,091	121	1,133	88	707	3,140
2031	992	110	1,149	89	719	3,058
2032	941	114	1,134	82	709	2,979
2033	889	113	1,158	84	718	2,962
2034	818	102	1,117	81	699	2,816
2035	752	92	1,118	80	715	2,757
2036	723	87	1,110	78	706	2,705
2037	573	93	1,324	79	737	2,806
2038	531	92	1,294	75	738	2,731
2039	484	85	1,251	81	736	2,637
2040	461	81	1,234	79	725	2,579
2041						
CPVRR	18,345	2,409	38,739	3,785	21,663	84,941

	Differential - 2014$ ($M)						
	Generation	Transmission	Fuel	O&M	Other	Total	Bill Impact $/1000 Kwh (Nominal)
2014	0	0	-	-	(0)	0	N/A
2015	15	0	66	3	9	94	2.58
2016	21	(26)	52	(134)	98	10	0.46
2017	15	(25)	60	(247)	172	(25)	-0.60
2018	(43)	(48)	(43)	(106)	181	(57)	-1.39
2019	(10)	(36)	(119)	(13)	165	(13)	-0.12
2020	38	(18)	(67)	(2)	165	116	4.19
2021	33	(19)	(72)	(3)	169	107	4.10
2022	(11)	(26)	(81)	6	166	53	2.36
2023	(35)	(28)	(100)	12	169	17	1.09
2024	(24)	(26)	(86)	6	155	25	1.43
2025	(15)	(23)	(89)	3	140	15	1.04
2026	(13)	(21)	(74)	1	121	14	1.01
2027	(11)	(19)	(75)	0	121	16	1.12
2028	21	(11)	(59)	(3)	107	55	3.05
2029	40	(6)	(41)	(7)	94	80	4.47
2030	2	(21)	(54)	(1)	90	16	1.31
2031	(21)	(30)	(71)	(0)	95	(26)	-1.05
2032	20	(12)	(58)	(3)	79	26	1.93
2033	51	(2)	(39)	(5)	77	82	5.58
2034	53	(2)	(49)	(5)	71	68	4.87
2035	26	(6)	(54)	(1)	79	44	3.45
2036	33	(4)	(49)	(2)	65	44	3.62
2037	21	(1)	(39)	(4)	78	55	4.72
2038	(5)	(5)	(45)	(1)	59	4	0.48
2039	(15)	(6)	(48)	(1)	57	(12)	-0.91
2040	7	(1)	(40)	(2)	56	21	2.10
2041	-	-	-	-	-	-	-

CPVRR Differential $2014	829
CPVRR Differential $2012	731