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July 9, 2014

**Via ELECTRONIC DELIVERY**

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

Re: Docket 130200-EI

Dear Ms. Stauffer:

Enclosed for filing in the subject docket on behalf of Duke Energy Florida, Inc., is the corrected page 18 of Benjamin M. H. Borsch's rebuttal testimony. This page corrects a scrivener's error to line 3 of this page (specifically correcting 8.3% to 8.44%) and should replace page 18 of Mr. Borsch's rebuttal testimony.

Thank you for your assistance in this matter. If you have any questions, please feel free to contact me at (850) 521-1428.

Sincerely,

/s/ Matthew R. Bernier

Matthew R. Bernier

MB:at  
Enclosure  
cc: parties of record

1 prospects for such action in the future. At the time of this analysis, EPA action was  
2 pending and equally uncertain. For its sensitivity case, DEF used a CO<sub>2</sub> price trajectory  
3 that starts at \$17.47 per ton (nominal dollars) in 2020, increasing at a rate of 8.44% per  
4 year. Given the lack of any specific policy proposals that would set a price on CO<sub>2</sub>  
5 emissions, these prices by necessity reflect considerable judgment on our part. DEF  
6 considers these CO<sub>2</sub> prices to be a reasonable trajectory given the uncertainty surrounding  
7 this issue.

8 The outcome of the legislative debate that occurred in 2009 and early 2010 is  
9 informative to the prices we are using today. As evidenced by the 2009 debate over the  
10 Waxman-Markey legislation, there are many strongly held differences of opinion within  
11 the Democratic and Republican caucuses and between members of Congress representing  
12 different regions of the country regarding climate change legislation. It is not simply a  
13 Democrat versus Republican issue. For example, members of both parties from states  
14 with farm- and industrial-based economies expressed concerns about the impact of  
15 climate change legislation on manufacturing and energy prices; coal state members  
16 expressed concerns that climate change legislation would hurt the mining economy; and  
17 members from states that have historically relied on coal-fired generation expressed  
18 significant concerns over increased electric costs to consumers.

19 DEF believes a primary reason for the failure of climate change legislation in 2009  
20 was concern that the legislation would lead to higher energy prices that would have had  
21 an adverse impact on the economy. It is reasonable to assume that this same concern will  
22 be present during any future debate over federal climate change legislation or proposed  
23 regulation. In addition, regional differences, more than those between the political

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on the following via electronic mail this 9<sup>th</sup> day of July, 2014.

/s/ Matthew R. Bernier  
Attorney

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