



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

September 9, 2014

**VIA HAND DELIVERY**

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

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COMMISSION  
CLERK

Re: *Petition of Duke Energy Florida, Inc. for Approval to Construct an Independent Spent Fuel Storage Installation and an Accounting Order to Defer Amortization Pending Recovery from the Department of Energy; Docket No. 140113-EI*

Dear Ms. Stauffer:

Please find enclosed on behalf of Duke Energy Florida, Inc. ("DEF"), an original and (5) copies of DEF'S Response to Staff's Second Data Request (Nos. 1-7) and a CD containing documents responsive to question #6.

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  
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MRB/mw  
Enclosures

cc: Keino Young  
J.R. Kelly/Charles J. Rehwinkel

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**DUKE ENERGY FLORIDA, INC.'S RESPONSES TO  
STAFF'S SECOND DATA REQUEST (NOS. 1 - 7)  
Docket No. 140113-EI**

1. Please state whether the other licensed dry storage facilities have installed the crane described by DEF in its petition and in DEF's response to Staff's First Data Request, No. 3.

**RESPONSE:**

New single failure proof cranes such as PH Morris, Whiting, American, and Konecranes were installed at the following sites.

- Beaver Valley
- Davis-Besse– will be installing a new crane to support 2017 loading campaign
- St. Lucie
- Salem
- Seabrook
- Turkey Point
- Vogtle

The above list is not all inclusive.

2. If DEF's response to the question above is yes, please provide a comparison of the costs to construct and maintain the crane at other licensed facilities to the costs estimated by DEF in its response to Staff's First Data Request, No. 3. Also, please explain and discuss whether Duke Energy and/or any of the other utilities which own the licensed dry storage facilities were required to expend funds for the upgrades necessary for the support structure for the loads associated with the crane, as described in DEF's response to Staff's First Data Request, response No. 3(b). Please provide a comparison of those costs to the costs estimated by DEF.

**RESPONSE:**

When DEF completed its engineering evaluation to ensure CR3's Auxiliary Building could support the more robust crane and ancillary components, DEF noted that the as-built configuration did not match the design calculations/drawings. Accordingly, to accommodate the as-built configuration, DEF needed to engineer and install the upgrades. This issue is specific to CR3 and makes completing a cost comparison to another site's circumstances impracticable.

3. If DEF's response to question No. 1 above is no, please explain how these facilities accomplish the activities described in DEF's response to Staff's First Data Request, No. 3(a).

**RESPONSE:**

Not applicable.

4. Please state whether the other licensed dry storage facilities have the spent fuel pool being maintained in a recoverable condition, as described in DEF's response to Staff's First Data Request No. 2?

**RESPONSE:**

DEF focused on sites that are in various stages of decommissioning to determine if any of them are maintaining their pools. In reviewing available information, DEF did not identify any other site that was maintaining their fuel pools in a recoverable condition.

DEF's response to Staff's First Data Request, No. 3, states that "DEF contracted with Konecranes for design, supply of materials and equipment, fabrication, on-site construction, testing, inspection, shipping, documentation, licensing, training, and analyses..." required for the crane described in DEF's petition.

5. Did DEF conduct a bid process for this work?

**RESPONSE:**

Yes, DEF adhered to the Duke Energy Purchasing Controls Policy and corresponding procedures. Following is a breakdown of the process steps that were implemented.

- Review, Scope, Schedule, Cost and Risk Data
- Develop Contracting Strategy
- Release RFP & Analyze Submittals (Bid Evaluations)
- Place Contracts with Bidders
- Administer Contracts

6. Please explain in detail the process used for selection of Konecranes, and provide copies of any RFP or similar document, bid selection documentation, financial information and/or comparisons, analyses of qualifications of potential contractors, and any other documentation related to the selection of Konecranes for this work costing almost \$30 million.

**RESPONSE:**

DEF followed the process steps that are stated in Response #5 for the selection of Konecranes for the new single failure proof crane. Konecranes' contract value is approximately \$4.8 million not \$30 million as stated in Question #6.

The Request for Proposal and "Technical Bid Evaluation" are attached. This Technical Bid Evaluation was utilized as part of the Analyze Submittals (Bid Evaluations) phase as a factor in vendor selection.

DEF is collecting additional documentation and will supplement its response to #6 upon receipt.

Pursuant to Order No. PSC-13-0598-FOF-EI, the parties to the settlement agreed that the dry cask storage would be recovered, in accordance with Exhibit 10 of the settlement agreement, the earlier of the first billing cycle for January 2017 or the expiration of the Levy Nuclear Project cost recovery charge. In its petition, DEF is seeking an accounting order to bifurcate the recovery of the dry cast storage with an initial estimated \$10.2 million recovery and the remaining recovery in 2021 when litigation between DEF and DEO is anticipated to be completed.

7. Would all the signatories to the 2013 settlement have to agree with DEF's accounting order petition before the Commission considers approving it?

**RESPONSE:**

No, the Commission does not need to receive agreement from the signatories to the 2013 settlement before approving DEF's accounting order petition, because all signatories have the right to protest the PAA order if they have valid grounds to do so. DEF notes that the signatories to the 2013 settlement will retain the ability to fully vet the reasonableness and prudence of the dry cask storage costs when DEF seeks to include those costs into rates. DEF also notes that DEF's proposed petition is favorable to customers and the signatories to the settlement were fully briefed on this petition prior to DEF filing it, and they did not have an objection to the filing of this petition.