

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

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In re: Nuclear Cost Recovery Clause

Docket No. 150009-EI  
Submitted for Filing: March 2, 2015

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**DUKE ENERGY FLORIDA, INC.'S NOTICE OF FILING**  
**THE DIRECT TESTIMONY AND EXHIBITS OF THOMAS G. FOSTER**

Duke Energy Florida, Inc. ("DEF" or the "Company"), hereby gives notice of filing the Direct Testimony of Thomas G. Foster with Exhibit Nos.\_\_(TGF-1) and (TGF-2) (redacted versions) in support of DEF's Petition to Recover Costs of the Crystal River Unit 3 Uprate Project and The Levy Units 1 and 2 Nuclear Power Plant Project as Provided in Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 2nd day of March, 2015.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Nuclear Cost Recovery  
Clause**

**DOCKET NO. 150009-EI**

**Submitted for filing:  
March 2, 2015**

**REDACTED**

**DIRECT TESTIMONY OF THOMAS G. FOSTER  
IN SUPPORT OF ACTUAL COSTS**

**ON BEHALF OF  
DUKE ENERGY FLORIDA, INC.**

**IN RE: NUCLEAR COST RECOVERY CLAUSE**

**BY DUKE ENERGY FLORIDA, INC.**

**FPSC DOCKET NO. 150009-EI**

**DIRECT TESTIMONY OF THOMAS G. FOSTER**

**I. INTRODUCTION AND QUALIFICATIONS**

**Q. Please state your name and business address.**

**A.** My name is Thomas G. Foster. My business address is 299 First Avenue North, St. Petersburg, FL 33701.

**Q. By whom are you employed and in what capacity?**

**A.** I am employed by Duke Energy Business Services, LLC, as Director, Rates and Regulatory Planning.

**Q. What are your responsibilities in that position?**

**A.** I am responsible for regulatory planning and cost recovery for Duke Energy Florida, Inc. (“DEF”). These responsibilities include regulatory financial reports and analysis of state, federal, and local regulations and their impact on DEF. In this capacity, I am also responsible for the Levy Nuclear Project (“LNP”) and the Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”) Project (“CR3 Uprate”) Cost Recovery filings, made as part of this docket, in accordance with Rule 25-6.0423, Florida Administrative Code (“F.A.C.”).

1 **Q. Please describe your educational background and professional experience.**

2 **A.** I joined Duke Energy on October 31, 2005 as a Senior Financial Analyst in the  
3 Regulatory group. In that capacity I supported the preparation of testimony and  
4 exhibits associated with various Dockets. In late 2008, I was promoted to  
5 Supervisor Regulatory Planning. In 2012, following the merger with Duke Energy  
6 Corporation (“Duke Energy”), I was promoted to my current position. Prior to  
7 working at Duke Energy I was the Supervisor in the Fixed Asset group at Eckerd  
8 Drug. In this role I was responsible for ensuring proper accounting for all fixed  
9 assets as well as various other accounting responsibilities. I have 6 years of  
10 experience related to the operation and maintenance of power plants obtained while  
11 serving in the United States Navy as a Nuclear Operator. I received a Bachelors of  
12 Science degree in Nuclear Engineering Technology from Thomas Edison State  
13 College. I received a Masters of Business Administration with a focus on finance  
14 from the University of South Florida and I am a Certified Public Accountant in the  
15 State of Florida.

16  
17 **II. PURPOSE OF TESTIMONY.**

18 **Q. What is the purpose of your testimony?**

19 **A.** The purpose of my testimony is to present for Florida Public Service Commission  
20 (“FPSC” or the “Commission”) review and approval, the actual costs associated with  
21 DEF’s LNP and CR3 Uprate project activities for the period January 2014 through  
22 December 2014. Pursuant to Rule 25-6.0423, F.A.C., DEF is presenting testimony  
23 and exhibits for the Commission’s determination of prudence for actual expenditures  
24 and associated carrying costs. Additionally, I will also present the LNP and CR3

1 Uprate project 2014 accounting and cost oversight policies and procedures pursuant  
2 to the nuclear cost recovery statute and rule.

3  
4 **Q. Are you sponsoring any exhibits in support of your testimony on 2014 LNP and**  
5 **CR3 Uprate project costs?**

6 **A.** Yes. I am sponsoring sections of the following exhibits, which were prepared under  
7 my supervision:

8 2014 Costs:

- 9 • Exhibit No. \_\_ (TGF-1), reflects the actual costs associated with the LNP and  
10 consists of: 2014 True-Up Summary, 2014 Detail Schedule and Appendices A  
11 through E, which reflect DEF's retail revenue requirements for the LNP from  
12 January 2014 through December 2014; however, I will only be sponsoring the  
13 2014 True-Up Summary, portions of the 2014 Detail Schedule, and Appendices  
14 A, B and C. Christopher Fallon will be co-sponsoring portions of the 2014  
15 Detail Schedule and sponsoring Appendices D and E.
- 16 • Exhibit No. \_\_\_\_ (TGF-2), reflects the actual costs associated with the CR3  
17 Uprate project and consists of: 2014 True-Up Summary, 2014 Detail Schedule  
18 and Appendices A through E, which reflect DEF's retail revenue requirements  
19 for the CR3 Uprate project from January 2014 through December 2014;  
20 however, I will only be sponsoring the 2014 True-Up Summary, portions of the  
21 2014 Detail Schedule, and Appendices A, B, and C. Mark Teague will be co-  
22 sponsoring the 2014 Detail Schedule and sponsoring Appendices D and E. The  
23 2014 Detail Schedules for the LNP and the CR3 Uprate project contain the same

1 calculations provided in the Nuclear Filing Requirement (“NFR”) Schedules  
2 prior to project cancellation in a more concise manner.

3 These exhibits are true and accurate.  
4

5 **Q. What are the 2014 Detail Schedules and the Appendices?**

6 **A.** • Schedule 2014 Summary reflects the actual 2014 year-end revenue requirements  
7 by Cost Category for the period, and final true-up amount for the period.

8 • Schedule 2014 Detail reflects the actual calculations for the true-up of total retail  
9 revenue requirements for the period.

10 • Appendix A (CR3 Uprate) reflects beginning balance explanations and various  
11 Uprate in-service project revenue requirements.

12 • Appendix A (Levy) reflects beginning balance and period amortization of the  
13 Regulatory Assets.

14 • Appendix B reflects Other Exit/Wind Down expenditure variance explanations  
15 for the period.

16 • Appendix C provides support for the appropriate rate of return consistent with  
17 the provisions of Rule 25-6.0423, F.A.C.

18 • Appendix D describes Major Task Categories for expenditures and variance  
19 explanations for the period.

20 • Appendix E reflects contracts executed in excess of \$1.0 million (if any).  
21

22 **Q. What is the source of the data that you will present in your testimony and**  
23 **exhibits in this proceeding?**

24 **A.** The actual data is taken from the books and records of DEF. The books and records

1 are kept in the regular course of our business in accordance with generally accepted  
2 accounting principles and practices, provisions of the Uniform System of Accounts  
3 as prescribed by the Federal Energy Regulatory Commission (“FERC”), and any  
4 accounting rules and orders established by this Commission.

5  
6 **Q. What is the final true-up amount for the LNP for which DEF is requesting**  
7 **recovery for the period January 2014 through December 2014?**

8 **A.** DEF is requesting approval of a total over-recovery amount of (\$6,833,655) for the  
9 calendar period ending December 2014. This amount can be seen on Line 3 of the  
10 2014 Summary Schedule of Exhibit No. \_\_\_\_ (TGF-1). Line 1 of the 2014 Summary  
11 represents current period exit and wind down costs, carrying costs on the  
12 unrecovered investment balance (including prior period (over)/under balances), and  
13 was calculated in accordance with Rule 25-6.0423, F.A.C.

14  
15 **Q. What is the final true-up amount for the CR3 Uprate project for which DEF is**  
16 **requesting recovery for the period January 2014 through December 2014?**

17 **A.** DEF is requesting approval of a total over-recovery amount of (\$1,070,629) for the  
18 calendar period of January 2014 through December 2014. This amount can be seen  
19 on Line 3 of the 2014 Summary of Exhibit No. \_\_\_\_ (TGF-2). Line 1 of the 2014  
20 Summary represents the current period exit and wind down costs, carrying costs on  
21 the unrecovered balance including prior period (over/under) balances, as well as the  
22 revenue requirements associated with the various in-service projects, and was  
23 calculated in accordance with Rule 25-6.0423, F.A.C..



**Q. What is the carrying cost rate used in the 2014 Detail Schedule?**

**A.** Beginning in 2013 for both the CR3 Uprate and the LNP, DEF started using the rate specified in Rule 25-6.0423(7)(b), F.A.C. The carrying cost rate used for this time period in the 2014 Detail Schedule was 7.23 percent. On a pre-tax basis, the rate is 10.29 percent. This annual rate was also adjusted to a monthly rate consistent with the Allowance For Funds Used During Construction (“AFUDC”) rule, Rule 25-6.0141, Item (3), F.A.C. Support for the components of this rate is shown in Appendix C of Exhibit Nos.\_\_(TGF-1) and (TGF-2).

**III. COSTS INCURRED IN 2014 FOR THE LEVY NUCLEAR PROJECT.**

**Q. What are the total retail costs DEF incurred for the LNP during the period January 2014 through December 2014?**

**A.** The total retail costs for the LNP are \$23.5 million for the calendar year ended December 2014, as reflected on 2014 Detail Schedule Line 22 in Exhibit No\_\_(TGF-1). This amount includes \$10.2 million in exit/wind-down and disposition costs as can be seen on Lines 5a and 19d, and \$13.3 million for the carrying costs on the unrecovered investment balance shown on Line 8d. These amounts were calculated in accordance with the provisions of Rule 25-6.0423, F.A.C.

**Q. How did actual Generation expenditures for January 2014 through December 2014 compare with DEF’s actual/estimated costs for 2014?**

**A.** Appendix D (Page 2 of 2), Line 4 shows that total Generation project costs were [REDACTED], or [REDACTED] lower than estimated. By cost category, major cost

1 variances between DEF's projected and actual 2014 LNP Generation project costs  
 2 are as follows:

3  
 4 **Wind-Down Costs:** Expenditures for Wind-Down activities were [REDACTED] or  
 5 [REDACTED] lower than estimated, as explained in the testimony of Christopher  
 6 Fallon.

7  
 8 **Disposition:** Expenditures for Disposition activities were [REDACTED] or [REDACTED]  
 9 [REDACTED] lower than estimated, as explained in the testimony of Christopher Fallon.

10  
 11 **Q. Did the Company incur Transmission expenditures for January 2014 through**  
 12 **December 2014?**

13 **A.** No.

14  
 15 **Q. Were there any true-up adjustments that needed to be made that did not affect**  
 16 **the total estimated revenue requirements for the Levy project?**

17 **A.** Yes, there were two adjustments made in April 2014. The adjustment in the  
 18 Generation section of approximately [REDACTED] that represents costs that were  
 19 previously accrued for in prior periods, but actual payments were either not made  
 20 or the actual amount paid was lower than the accrual. The adjustment in the  
 21 Transmission section of [REDACTED] that represents costs that were previously incurred  
 22 and cash paid in a prior period, without an offsetting accrual.

23 The amounts and offsets are shown on Line 1a & Line 2a and Line 3a &  
 24 Line 4a, respectively, in the 2014 Detail Schedule in Exhibit No. \_\_ (TGF-1).

1                   These adjustments will not affect the revenue requirements, as it affects  
2                   only the presentation of the figures in the Detail schedules.

3  
4     **Q. What was the source of the separation factors used in the 2014 Detail Schedule?**

5     **A.** The jurisdictional separation factors are consistent with Exhibit 1 of the Revised and  
6           Restated Stipulation and Settlement Agreement (“2013 Settlement Agreement”)  
7           approved by the Commission in Order No. PSC-13-0598-FOF-EI in Docket No  
8           130208-EI.

9  
10    **IV. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2014 FOR THE LEVY  
11       NUCLEAR PROJECT.**

12    **Q. How did actual Other Exit/Wind-Down expenditures for January 2014 through  
13       December 2014 compare with DEF’s actual/estimated costs for 2014?**

14    **A.** Appendix B, Line 5 shows that total Other Exit/Wind-down costs were \$0.4 million  
15           or \$7,073 lower than estimated. There were no major variances with respect to these  
16           costs.

17  
18    **V. COSTS INCURRED IN 2014 FOR THE CR3 UPRATE PROJECT.**

19    **Q. What are the total retail costs DEF incurred for the CR3 Uprate during the  
20       period January 2014 through December 2014?**

21    **A.** The total retail costs for the CR3 Uprate are \$23.5 million for the calendar year  
22           ended December 2014, as reflected on 2014 Detail Schedule Line 22 in Exhibit  
23           No.\_\_(TGF-2). This amount includes (\$0.3) million in exit/wind-down, sales &  
24           salvage of assets credits, disposition costs and other adjustments as can be seen on

1 Lines 2e, 16d and 19; and \$23.8 million for the carrying costs on the unrecovered  
2 investment balance shown on Line 5d. These amounts were calculated in  
3 accordance with the provisions of Rule 25-6.0423, F.A.C.  
4

5 **Q. How did actual expenditures for January 2014 through December 2014**  
6 **compare to DEF's actual/estimated costs for 2014?**

7 **A.** Appendix D (Page 2 of 2), Line 4 shows that total project costs were (\$0.4) million  
8 or \$0.9 million lower than estimated. By cost category, major cost variances  
9 between DEF's actual/estimated and actual 2014 Generation Wind-Down and  
10 Disposition costs are as follows:

11  
12 **EPU Wind-Down:** Expenditures for Wind-Down activities were \$41,938 or \$0.4  
13 million lower than estimated, as explained in the testimony of Mark Teague.

14  
15 **Sales or Salvage of Assets:** DEF did not project any sales, transfer or salvage  
16 proceeds in the Estimated / Actual filing in May 2014. Proceeds for sale, transfer  
17 and salvage of assets were \$0.5 million as explained in the testimony of Mark  
18 Teague.

19  
20 **Q. Were there any true-up adjustments that needed to be made that did not affect**  
21 **the total estimated revenue requirements for the CR3 Uprate project?**

22 **A.** Yes, there were two adjustments. There was an accounting entry made in April  
23 2014 of approximately \$2.6 million that represents costs that were previously  
24 incurred and cash paid in a prior period, without an offsetting accrual adjustment.

1 The other entry was made in November 2014 for approximately \$0.3 million that  
2 represents costs that were previously accrued for in prior periods, but actual  
3 payments were not made or the actual amount paid was lower than the accrual.

4 The amounts and offsets are shown on Line 1a and Line 2a, respectively, in  
5 the 2014 Detail Schedule in Exhibit No. \_\_ (TGF-2). These adjustments will not  
6 affect the revenue requirements, as it affects only the presentation of the figures in  
7 the Detail schedules.

8  
9 **Q. Has DEF billed the CR3 joint owners for their portion of the costs relative to**  
10 **the CR3 Uprate project and identified them in this filing?**

11 **A.** Yes. Investment activity shown on the 2014 Detail Schedule, Line 1d is gross of  
12 Joint Owner Billings, but expenditures and revenues (from sale, transfer and salvage  
13 activity) have been adjusted as reflected on the 2014 Detail Schedule, Line 2b to  
14 reflect billings to Joint Owners related to the CR3 Uprate project. Due to this, no  
15 carrying cost associated with the Joint Owner portion of the CR3 Uprate project are  
16 included in the 2014 Detail Schedule. Total Joint Owner billings were \$0.2 million  
17 for 2014, as seen on Line 2b.

18  
19 **Q. What was the source of the separation factors used in the 2014 Detail Schedule?**

20 **A.** The jurisdictional separation factors are consistent with Exhibit 1 of the 2013  
21 Settlement Agreement approved by the Commission in Order No. PSC-13-0598-  
22 FOF-EI in Docket No. 130208-EI.

23

1 **VI. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2014 FOR THE CR3**  
2 **UPRATE PROJECT.**

3 **Q. How did actual Other Exit/Wind-Down expenditures for January 2014 through**  
4 **December 2014 compare with DEF's actual/estimated costs for 2014?**

5 **A.** Appendix B, Line 4 shows that total Other Exit/Wind-down costs were \$229,449 or  
6 \$21,558 lower than estimated. There were no major variances with respect to these  
7 costs.

8  
9 **VII. 2014 PROJECT ACCOUNTING AND COST CONTROL OVERSIGHT.**

10 **Q. Have the project accounting and cost oversight controls DEF used for the LNP**  
11 **and CR3 Uprate project in 2014 substantially changed from the controls used**  
12 **prior to 2014?**

13 **A.** No, they have not. The project accounting and cost oversight controls that DEF  
14 utilized to ensure the proper accounting treatment for the LNP and CR3 Uprate  
15 project in 2014 have not substantively changed since 2009. In addition, these  
16 controls have been reviewed in annual financial audits by Commission Staff and  
17 were found to be reasonable and prudent by the Commission in Docket Nos.  
18 090009-EI, 100009-EI, 110009-EI, 120009-EI, and 140009-EI.

19  
20 **Q. Can you please describe the project accounting and cost oversight controls**  
21 **process DEF has utilized for the LNP and CR3 Uprate project?**

22 **A.** Yes. Starting at the initial approval stage, DEF continues to determine whether  
23 projects are capital based on the Company's Capitalization Policy and then projects  
24 are documented in PowerPlant.

1           The justifications and other supporting documentation are reviewed and  
2 approved by the Financial Services Manager, or delegate, based on input received  
3 from the Financial Services or Project Management Analyst to ensure that the  
4 project is properly classified as capital, eligibility for AFUDC is correct, and that  
5 disposals/retirements are identified. Supporting documentation is maintained  
6 within Financial Services or with the Project Management Analyst. Financial  
7 Services personnel, and selected other personnel (including project management  
8 analysts), access this documentation to set-up new projects in PowerPlant or make  
9 changes to existing project estimates in PowerPlant. The PowerPlant system  
10 administrators review the transfer and termination information provided by Human  
11 Resources each pay period and take appropriate action regarding access to the  
12 systems.

13           An analyst in Asset Accounting must review and approve each project set  
14 up before it can receive charges. All future status changes are made directly in  
15 PowerPlant by an Asset Accounting Analyst based on information received by the  
16 Financial Services Analyst or the Project Management Analyst.

17           Finally, to ensure that all new projects have been reviewed each month,  
18 Financial Services Management reviews a report of all projects set up during the  
19 month prior to month-end close.

20           The next part of the Company's project controls is project monitoring.  
21 First, there are monthly reviews of project charges by responsible operations  
22 managers and Financial Services Management for the organization. Specifically,  
23 these managers review various monthly cost and variance analysis reports for the  
24 capital budget. Variances from total budget or projections are reviewed,

1 discrepancies are identified, and corrections made as needed. Journal entries to  
2 projects are prepared by an employee with the assigned security and are approved in  
3 accordance with the Journal Entry Policy. Accruals are made in accordance with  
4 Duke Energy policy.

5 The Company uses cost reports produced from accounting systems to  
6 complete these monthly reviews. Financial Services may produce various levels of  
7 reports driven by various levels of management, but all Nuclear project reporting is  
8 tied back to the total cost reporting for the Nuclear fleet, which is tied back to Legal  
9 Entity Financial Statements.

10  
11 **Q. Are there any other accounting and costs oversight controls that pertain to the**  
12 **LNP and the CR3 Uprate project?**

13 **A.** Yes, the Company also has Disbursement Services Controls and Regulated  
14 Accounting Controls.

15  
16 **Q. Can you please describe the Company's Disbursement Services Controls?**

17 **A.** Yes. First, a requisition is created in the Passport Contracts module for the purchase  
18 of services. The requisition is reviewed by the appropriate Contract Specialist in  
19 Corporate Services, or field personnel in the various Business Units, to ensure  
20 sufficient data has been provided to process the contract requisition. The Contract  
21 Specialist prepares the appropriate contract document from pre-approved contract  
22 templates in accordance with the requirements stated on the contract requisition.

23 The contract requisition then goes through the bidding or finalization  
24 process. Once the contract is ready to be executed, it is approved online by the



1 appropriate levels of the approval matrix pursuant to the Approval Level Policy and  
2 a contract is created.

3 Contract invoices are received by the Accounts Payable Department. The  
4 invoices are validated by the project manager and payment authorizations approving  
5 payment of the contract invoices are entered and approved in the Contracts module  
6 of the Passport system.

7  
8 **Q. Can you please describe the Company's Regulated Accounting Controls?**

9 **A.** Yes. The journal entries for deferral calculations, along with the summary sheets  
10 and the related support, are reviewed in detail and approved by the Lead Accounting  
11 Analyst and/or Director of Florida Accounting, pursuant to the Duke Energy Journal  
12 Entry policy. The detail review and approval ensures that recoverable expenses are  
13 identified, accurate, processed, and accounted for in the appropriate accounting  
14 period.

15 Analysis is performed monthly to compare actuals to projected (budgeted)  
16 expenses and revenues for reasonableness. If any errors are identified, they are  
17 corrected in the following month.

18 For balance sheet accounts established with Regulated Utilities, Florida  
19 Accounting is the responsible party and a Florida Accounting member will reconcile  
20 the account on a monthly or quarterly basis, as required by Duke Energy policy. This  
21 reconciliation will be reviewed by the Lead Accounting Analyst or Director of  
22 Florida Accounting to ensure that the balance in the account is properly stated and  
23 supported and that the reconciliations are performed regularly and exceptions are  
24 resolved on a timely basis.

1                   The review and approval will ensure that regulatory assets or liabilities are  
2 recorded in the financial statements at the appropriate amounts and in the appropriate  
3 accounting period.

4  
5 **Q. How does the Company verify that the accounting and costs oversight controls**  
6 **you identified are effective?**

7 **A.** The Company’s assessment of the effectiveness of our controls is based on the  
8 framework established by the Committee of Sponsoring Organizations of the  
9 Treadway Commission (“COSO”). This framework involves both internal and  
10 external audits of DEF accounting and cost oversight controls.

11                   With respect to management’s testing of internal controls over financial  
12 reporting, the Internal Controls Group within the Controller’s Department facilitates  
13 the review of controls documentation and management testing. Based on this  
14 testing, management determines whether the controls are operating effectively. If  
15 any control is identified with a design deficiency or is determined to be operating  
16 ineffectively, such issues are logged and monitored for remediation by the Internal  
17 Controls Group.

18                   With respect to external audits, Deloitte and Touche, DEF’s external  
19 auditors, determined that the Company maintained effective internal control over  
20 financial reporting during 2014.

21  
22 **Q. Did the cancellation of the LNP and CR3 Uprate project change the**  
23 **Company’s accounting and cost oversight control processes?**

24 **A.** No. DEF continued to follow the same policies and processes as I described above

1 to ensure prudent accounting and cost oversight for the projects as they are being  
2 closed out.

3  
4 **Q. Are the Company's project accounting and cost oversight controls reasonable  
5 and prudent?**

6 **A.** Yes, they are. DEF's project accounting and cost oversight controls are consistent  
7 with best practices for project cost oversight and accounting controls in the industry  
8 and have been and continue to be vetted by internal and external auditors. We  
9 believe, therefore, that the accounting and cost oversight controls continue to be  
10 reasonable and prudent.

11  
12 **Q. What process have you implemented to ensure that 2014 costs related to the  
13 LNP Combined Operating License ("COL") are not included in the NCRC?**

14 **A.** As discussed by Mr. Fallon, on a project team level DEF has always segregated  
15 project costs incurred by specific project code and this process did not change for  
16 2014. The project team continues to charge COL-related labor, Nuclear Regulatory  
17 Commission ("NRC") fees, vendor invoices and all other COL-related cost items to  
18 the applicable COL project codes. The Florida Regulated Accounting and Rates and  
19 Regulatory Strategy groups have ensured that the COL-related project codes and  
20 associated costs incurred in 2014 and beyond were not included in the Company's  
21 NCRC Schedules, and thus not presented for nuclear cost recovery. We continue to  
22 track the COL-related costs for accounting purposes consistent with the 2013  
23 Settlement Agreement.

1 **Q. Does this conclude your testimony?**

2 **A.** Yes, it does.

**Docket No. 150009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (TGF-1)**

**SCHEDULE APPENDIX**

**REDACTED**

**EXHIBIT (TGF-1)**

**DUKE ENERGY FLORIDA, INC.  
LEVY NUCLEAR UNITS 1 & 2  
COMMISSION SCHEDULES**

**JANUARY 2014 - DECEMBER 2014  
DOCKET NO. 150009-EI**

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**January 2014 - December 2014**

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2014 Summary  
 Levy Nuclear Units 1 & 2  
 January 2014 - December 2014  
 Duke Energy Florida

Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit: (TGF- 1)

12-Month Total

1.	Final Costs for the Period		12-Month Total
	a. Carrying Cost on Unrecovered Investment	\$	13,310,606
	b. Period Exit Costs		9,816,636
	c. Period Other Exit / Wind-down Costs and Interest		381,251
	d. Total Period Revenue Requirement	<u>\$</u>	<u>23,508,493</u>
2.	Projected Amount for the Period (Order No. PSC 14-0701-FOF-EI)	\$	30,342,148
3.	Final True-Up Amount for the Period (over)/under (Line 1d. - Line 2.)	\$	(6,833,655)
4.	Amortization of Unrecovered Investment and Prior Period Over/Under Balances (Order No. PSC 14-0701-FOF-EI)	\$	75,293,261
5.	Total Revenue Requirements for 2014 (Line 1d. + Line 4.)	<u>\$</u>	<u>98,801,754</u>





2014

Unrecovered Investment Beginning Balance for Carrying Cost Calculation

Line No.

6a. Unrecovered Investment Beginning Balance **\$ 148,024,923** (a-b)

	2013		
	Generation	Retail Separation Factor	Retail
2013 Detail (Line 17d) Generation	213,611,260	92.885%	\$198,412,819
2013 Detail (Line 19e) Transmission	22,553,786	70.203%	15,833,434
	236,165,046		(a) <b>214,246,253</b>

Exhibit (TGF-2) Docket No. 140009-EI  
 2013 Detail Sheet Line 20a.

Less: RETAIL - Real Estate Transferred to Land Held for Future Use (per 2013 Settlement)

	2013		
	System	Retail Separation Factor	Retail
2013 Detail (Line 16a) Generation Land (accrued)	60,250,765	92.885%	\$55,963,923
Transmission Land			
2013 Detail (Line 18b) (accrued)	17,636,269	70.203%	12,381,190
	\$77,887,034		\$68,345,113
Less: Non-Land in Real Estate Acquisition Line (i.e. Permitting) -- Not transferred to LHFFU as of 12/31/2013			(b) <b>2,123,783</b>
			<b>66,221,330</b>

Exhibit (TGF-2) Docket No. 140009-EI  
 2013 Detail Sheet Line 20b.

6b. Transfers to Plant in Service **\$ 1,010,952** Exhibit (TGF-2) Docket No. 140009-EI 2013 Detail Sheet Line 22.

This amount represents the amount of Levy projects that are currently in service at the updated Retail (Jurisdictionalized) rate.

Represents Amortization to achieve 2014 Revenue Requirement

	Annual Amount	Monthly Amount
6d. Amortization of Uncollected Investment (2010)	\$ 29,223,910	<b>\$ 2,435,326</b>
6e. Additional Amortization of Uncollected Investment Balance	\$ 46,864,516	<b>\$ 3,905,376</b>

6f. 2013 Detail (TGF-2 2014)

Line 7. Prior Period Carrying Charge Unrecovered Preconstruction Balance (Incl. 2010 Reg Asset)	\$ 33,272,152
Line 15. Prior Period Preconstruction (Over)/Under Recovery	(6,711,170)
Line 24. Prior Period Carrying Charge Unrecovered Construction Balance	(464,035)
Line 31. Prior Period Construction (Over)/Under Recovery	(1,875,096)
This is the remaining amount of the 2013 Activity	<b>\$ 24,221,851</b>

6g. Amortization of Prior Period Unrecovered Carrying Charge **\$ (354,786)**

Amount to Amortize over 12 Months

Comes from amount in Appendix A (Page 2 of 2) ((All 2014 Collection/Refund excl. O&M))

All Items except O&M in the 2014 Collection / (Refund)

Other Exit & Wind-Down Costs

Line No.

15. Prior Period Unrecovered Costs Balance Eligible for interest **\$ (520,198)**

2013 Detail (TGF-2 2014) in Docket No. 140009-EI

Line 36. Prior Period Unrecovered Balance Eligible for interest 60,748  
 This is the remaining amount of the 2012 Uncollected Balance.

Line 42. Prior Period (Over)/Under Recovery (580,946)  
 This is the remaining amount of the 2013 Activity

16. Amortization of Unrecovered Balance Eligible for interest (a) **\$ (440,379)**

Sum of the amounts in Appendix A (Page 2 of 2) attached in this Exhibit, in the 2014 Collection / (Refund) for O&M

Summary of 2014 Amortization Activity (For 2014 Summary)

Prior Period (Over) / Under Recovery	(795,165)	TGF-4 2014 Projection Filing Docket No. 130009-EI (Schedule P-1) Line 6.
Additional Amortization of Uncollected Investment Balance	46,864,516	TGF-4 2014 Projection Filing Docket No. 130009-EI (Schedule P-1) Line 7.
Collection of Remaining 2010 Deferred Regulatory Asset	29,223,910	TGF-4 2014 Projection Filing Docket No. 130009-EI (Schedule P-1) Line 8.
Period Amortization of Unrecovered Investment and Prior Period Over/Under Balances	<b>75,293,261</b>	

**Prior Period Over / (Under) Support Schedules**

DEF - Levy Nuclear Units 1&2

Appendix A

Witness: Thomas G. Foster

Docket No. 150009-EI

Duke Energy Florida

Exhibit No. \_\_ (TGF - 1)

(Page 2 of 2)

	2012 True Up	Note 1 2012 Est-Actual	2014 Collection/ (Refund) *
Preconstruction Rev Req.	16,543,722	12,835,927	3,707,795
Preconstruction Carrying Cost Rev Req.	12,675,742	12,335,295	340,447
Construction Carrying Cost Rev Req.	16,269,349	16,733,385	(464,036)
Recoverable O&M Revenue Req.	988,205	927,458	60,747
DTA	19,479,375	19,479,375	0
	<u>65,956,393</u>	<u>62,311,440</u>	<u>3,644,953</u>

Note 1: 2012 Est-Actual amounts are per Order PSC-12-0650-FOF-EI, Docket 120009-EI, Pg 26

	2013 Est-Actual	Note 2 2013 Projection	2014 Collection/ (Refund) *
Preconstruction Rev Req.	13,514,466	17,198,302	(3,683,836)
Preconstruction Carrying Cost Rev Req.	7,833,531	7,809,647	23,884
Construction Carrying Cost Rev Req.	14,000,362	14,279,402	(279,040)
Recoverable O&M Revenue Req.	523,974	1,025,100	(501,126)
	<u>35,872,333</u>	<u>40,312,451</u>	<u>(4,440,118)</u>

Note 2: 2013 Projection amounts are per Order PSC-12-0650-FOF-EI, Docket 120009-EI, Pg 27

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**True-Up Filing: Other Wind-Down & Exit Expenditures Allocated or Assigned to Other Recovery Mechanisms**

EXPLANATION: Provide variance explanations comparing the actual system total expenditures shown on 2014 Detail Schedule with the expenditures approved by the Commission on Est/Act Detail 2014 Schedules.

Appendix B  
 Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF-1)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Description	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
	Allocated or Assigned Expenditures				
1	Accounting	\$112,772	\$74,680	(\$38,092)	
2	Corporate Planning	178,521	59,743	(118,778)	
3	Legal	125,000	272,857	147,857	
4	Nuclear Generation	0	1,940	1,940	
5	<b>Total</b>	<b>\$416,293</b>	<b>\$409,220</b>	<b>(\$7,073)</b>	Minor variance from estimated amount

System Estimated / Actual taken from May 1, 2014 Filing in Docket No. 140009-EI

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 2012**

Appendix C  
 Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF-1)

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,767,157,537	657,669,241	(\$813,779,810)	\$4,611,046,968	\$3,753,238,636	46.36%	9.50%	4.40%	10.50%	4.87%	11.50%	5.33%
Preferred Stock	33,496,700		(5,024,850)	28,471,850	23,175,138	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,491,809,896	0	(673,817,682)	3,817,992,215	3,107,718,483	38.39%	5.78%	2.22%	5.78%	2.22%	5.78%	2.22%
Short Term Debt *	232,034,133	(51,903,909)	(27,021,386)	153,108,838	124,625,494	1.54%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,453,652		(32,170,253)	182,283,398	182,283,398	2.25%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,280,766		(192,128)	1,088,638	1,088,638	0.01%						
Investment Tax Credit												
Post '70 Total	3,450,862		(517,665)	2,933,197								
Equity **					1,309,719	0.02%	9.58%	0.00%	10.59%	0.00%	11.59%	0.00%
Debt **					1,077,805	0.01%	5.85%	0.00%	5.85%	0.00%	5.85%	0.00%
	1,365,618,849	155,326,427	(228,157,434)	1,292,787,842	1,052,286,240	13.00%						
FAS 109 DIT - Net	(218,650,949)		32,799,891	(185,851,058)	(151,276,570)	-1.87%						
<b>Total</b>	<b>\$10,890,651,446</b>	<b>\$761,091,759</b>	<b>(\$1,747,881,316)</b>	<b>\$9,903,861,889</b>	<b>\$8,095,526,982</b>	<b>100.00%</b>		<b>6.76%</b>		<b>7.23%</b>		<b>7.69%</b>

Equity	4.88%
Debt	2.35%
Total	<u>7.23%</u>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**Estimated / Actual Filing: Description of Monthly Cost Additions**

EXPLANATION: Provide a description of the major tasks performed within these Categories for the year.  
 List generation expenses separate from transmission

Appendix D  
 Witness: C. Fallon  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF - 1)  
 (Page 1 of 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Major Task & Description for amounts on 2014 Detail Schedule	Description
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Generation:

- |   |                           |   |
|---|---------------------------|---|
| 1 | Wind-Down Costs           | Spend performed in accordance with Rule 25-6.0423(7).   |
| 2 | Sale or Salvage of Assets | The amount of proceeds received from either selling, transferring or otherwise receiving salvage value for the nuclear assets |
| 3 | Disposition               | The cost of winding-down and exiting the nuclear project contracts  |

Transmission:

- |   |                           |   |
|---|---------------------------|---|
| 1 | Wind-Down Costs           | Spend performed in accordance with Rule 25-6.0423(7).   |
| 2 | Sale or Salvage of Assets | The amount of proceeds received from either selling, transferring or otherwise receiving salvage value for the nuclear assets |
| 3 | Disposition               | The cost of winding-down and exiting the nuclear project contracts  |

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**True-Up Filing: Regulatory Asset Category - Variance in Additions and Expenditures**

REDACTED

Appendix D  
 Witness: C. Fallon  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit: (TGF - 1)  
 (Page 2 of 2)

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2014 Detail Schedule with the expenditures approved by the Commission on Est/Actual Detail 2014. List the Generation expenses separate from Transmission in the same order appearing on 2014 Detail Schedule.

COMPANY:  
 Duke Energy - FL

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Major Task & Description for amounts on Schedule	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Wind-Down Costs (a)				Variance primarily relates to storage costs for Levy long-lead equipment that were not incurred because of the disposition of the Levy assets.
2	Sale or Salvage of Assets				
3	Disposition				Variance primarily relates to an estimated maximum LLE purchase order termination cost that was originally reasonably anticipated in 2014, but ultimately was not due or paid in 2014
4	<u>Total Generation Costs</u>				
<u>Transmission:</u>					
1	Wind-Down Costs (b)				
2	Sale or Salvage of Assets				
3	Disposition				
4	<u>Total Transmission Costs</u>				

Note:  
 [REDACTED]  
 This amount represents accruals for expenses that were not and will not be paid.  
 [REDACTED]  
 This amount represents expenses incurred and cash paid in a previous period that did not have an offsetting accrual adjustment.  
 System Estimated / Actual taken from May 1, 2014 Filing in Docket No. 140009-EI

**LEVY COUNTY NUCLEAR 1 & 2**  
**True-Up Actual Filing: Contracts Executed**

<p>EXPLANATION: Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.</p> <p>COMPANY: Duke Energy Florida</p> <p>DOCKET NO.: 150009-EI</p>	<p><b>REDACTED</b></p> <p>Appendix E          Witness: C. Fallon          Docket No. 150009-EI          Duke Energy Florida          Exhibit No. ____ (TGF - 1)          For Year Ended: 12/31/2014</p>									
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)

Line No.	Contract No.	Status of Contract	Term of Contract	Original Amount	Actual Expended as of Prior Year End (2013)	Actual Expended in 2014	Estimate of Final Contract Amount	Name of Contractor	Affiliation of Vendor	Method of Selection	Nature and Scope of Work
1	414310	Terminated: January 28, 2014					Note	Westinghouse Electric Co. LLC.	Direct	Sole Source. Award based on vendor constructing the selected reactor technology.	To design, engineer, supply, equip, construct and install a fully operational two unit AP1000 Facility at the Levy Nuclear Plant Site. Final contract amount includes change orders.
2	N/A	Note 2	Note 2	Note 2			Note	Carlton Fields Jordan Burt	Direct	Note 2	Legal Work – DEF Levy Units 1 & 2

Line 1: Costs or credits associated with terminating the EPC contract and related long lead equipment purchase orders are subject to litigation in federal court and are unknown at this time.

Line 2: Estimate of final contract amount cannot be determined at this time.

**Docket No. 150009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (TGF-2)**

**SCHEDULE APPENDIX**

**EXHIBIT (TGF-2)**

**DUKE ENERGY FLORIDA, INC.  
CRYSTAL RIVER UNIT 3 UPRATE  
COMMISSION SCHEDULES**

**JANUARY 2014 - DECEMBER 2014  
DOCKET NO. 150009-EI**



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**January 2014 - December 2014**

Docket No. 150009-EI  
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Exhibit No. \_\_\_\_ (TGF-2)

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2014 Summary  
 CR3 Uprate  
 January 2014 - December 2014  
 Duke Energy Florida

Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF- 2)

		12-Month Total
1.	Final Costs for the Period	
	a. Carrying Cost on Unrecovered Investment	\$ 23,797,280
	b. Period Exit Costs (including Sale of Assets)	\$ (488,483)
	c. Period Other Exit / Wind-down Costs and Interest	\$ 196,407
	d. Other - Adjustments	\$ (3,699)
	e. Total Period Revenue Requirement	<u>\$ 23,501,504</u>
2.	Projected Amount for the Period (Order No. PSC 13-0493-FOF-EI)	\$ 24,572,133
3.	Final True-Up Amount for the Period (over)/under (Line 1e. - Line 2.)	\$ (1,070,629)
4.	Amortization of Unrecovered Investment and Prior Period Over/Under Balances (Order No. PSC 13-0493-FOF-EI)	\$ 44,019,016
5.	Total Revenue Requirements for 2014 (Line 1e. + Line 4.)	<u>\$ 67,520,520</u>

**DUKE ENERGY FLORIDA**  
**Nuclear Cost Recovery Clause (NCRC) - CR3 Uprate**  
**2014 Detail - Calculation of the Revenue Requirements**  
**January 2014 through December 2014**

Witness: T.G. Foster / M. Teague  
Docket No. 150009-EI  
Duke Energy Florida  
Exhibit: (TGF- Z)

Line	Description	Beginning of Period Amount	Actual January 14	Actual February 14	Actual March 14	Actual April 14	Actual May 14	Actual June 14	Actual July 14	Actual August 14	Actual September 14	Actual October 14	Actual November 14	Actual December 14	Period Total
<b>1</b>	<b>Uncollected Investment</b>														
	a EPU Construction & Wind-Down Costs (c)	374,171,055	2,058	13,839	6,323	2,612,188	1,475	1,367	536	2,426	1,384	2,330	(309,418)	715	2,335,223
	b Sale or Salvage of Assets	0	0	(5,075)	0	(76,883)	(309,000)	(62,900)	0	0	0	0	0	0	(453,858)
	c Disposition	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	d Total	374,171,055	2,058	8,764	6,323	2,535,305	(307,525)	(61,533)	536	2,426	1,384	2,330	(309,418)	715	\$1,881,365
<b>2</b>	<b>Adjustments</b>														
	a Non-Cash Accruals (c)	2,293,285	0	0	0	(2,605,445)	0	0	0	0	0	0	312,160	0	(\$2,293,285)
	b Joint Owner Credit	(29,950,263)	746	(658)	(582)	(210,910)	(16,793)	47,178	(44)	(35)	(227)	0	22,189	(59)	(159,472)
	c Other (b)	(28,108,647)	0	0	0	0	0	0	0	0	0	0	0	0	0
	d Adjusted System Generation Construction Cost Additions	318,405,430	2,804	8,106	5,741	(281,050)	(324,318)	(14,355)	492	2,391	1,157	2,053	24,931	656	(\$571,392)
	Retail Jurisdictional Factor : Current Year Activity														92.885%
	Retail Jurisdictional Factor: (Beg Bal YE 2012 only and POD Sale)														91.683%
	e Period Project Investment		2,604	7,529	5,333	(261,053)	(258,989)	(13,334)	457	2,221	1,075	1,907	23,157	609	(\$488,483)
	f Beginning Balance - pre 2013 Investment	279,911,057													
	g Beginning Balance - 2013 Investment	12,170,084													
<b>3</b>	<b>Carrying Cost on Unrecovered Investment Balance</b>														
	a Uncollected Investment: Costs for the Period (Beg Balance: Line 2.f and 2.g)	292,081,140	2,604	7,529	5,333	(261,053)	(258,989)	(13,334)	457	2,221	1,075	1,907	23,157	609	291,592,657
	b Plant-in-Service (Beg Bal: YE 2013) (a)	29,995,096	0	0	0	0	0	0	0	0	0	0	0	0	29,995,096
	c Period Recovered Wind-down / Exit Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	(488,483)
	d Amortization of Unrecovered Investment (a)	0	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(3,683,571)	(44,202,846)
	e Prior Period Carrying Charge Unrecovered Balance (a)	(1,289,590)	(1,207,159)	(1,124,727)	(1,042,296)	(959,865)	(877,434)	(795,022)	(712,571)	(630,140)	(547,709)	(465,277)	(382,846)	(300,415)	(300,415)
	f Prior Period Carrying Charge Recovered (a)		(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)	(82,431)
	g Prior Period Under/(Over) Recovery (Prior Month )			(24,237)	(19,637)	(22,152)	(289,973)	(290,453)	(46,333)	(33,014)	(31,662)	(33,220)	(32,805)	(11,882)	(870,135)
	h Net Investment	\$260,796,454	\$257,197,920	\$253,577,468	\$249,954,494	\$246,064,817	\$242,175,770	\$238,529,832	\$234,896,151	\$231,263,761	\$227,629,814	\$223,996,287	\$220,383,594	\$216,748,225	\$216,712,648
<b>4</b>	<b>Average Net Investment</b>		\$258,997,187	\$255,374,273	\$251,752,398	\$247,995,914	\$244,105,834	\$240,337,069	\$236,696,492	\$233,063,220	\$229,429,846	\$225,795,903	\$222,172,585	\$218,548,290	
<b>5</b>	<b>Return on Average Net Investment</b>														
	a Equity Component	0.00394	1,020,449	1,006,175	991,904	977,104	961,777	946,928	932,584	918,269	903,954	889,636	875,360	861,080	11,285,220
	b Equity Component Grossed Up For Taxes	1.62800	1,661,293	1,638,055	1,614,821	1,590,727	1,565,775	1,541,600	1,518,248	1,494,943	1,471,639	1,448,329	1,425,088	1,401,840	
	c Debt Component	0.00189	490,541	483,679	476,819	469,704	462,336	455,198	448,303	441,422	434,540	427,657	420,795	413,930	5,424,924
	d Total Return		2,151,834	2,112,734	2,091,640	2,060,431	2,028,111	1,996,798	1,966,551	1,936,365	1,906,179	1,875,986	1,845,883	1,815,770	23,797,280
<b>6</b>	<b>Revenue Requirements for the Period (Lines 3a + 5d)</b>		\$2,154,438	\$2,129,263	\$2,096,973	\$1,799,378	\$1,769,122	\$1,983,465	\$1,967,008	\$1,938,586	\$1,907,253	\$1,877,893	\$1,869,040	\$1,816,379	\$23,308,797
<b>7</b>	<b>Projected Revenue Requirements for the Period (Order No. PSC 13-0493-FOF-EI)</b>		\$2,178,675	\$2,148,900	\$2,119,125	\$2,089,350	\$2,059,575	\$2,029,798	\$2,000,023	\$1,970,248	\$1,940,473	\$1,910,697	\$1,880,921	\$1,851,146	\$24,178,932
<b>8</b>	<b>Over/Under Recovery For the Period</b>		(\$24,237)	(\$19,637)	(\$22,152)	(\$289,973)	(\$290,453)	(\$46,333)	(\$33,014)	(\$31,662)	(\$33,220)	(\$32,805)	(\$11,882)	(\$34,767)	(\$870,135)
<b>9</b>	<b>Other Exit / Wind-Down</b>														
	a Accounting		3,157	6,133	16,597	4,668	10,330	4,083	12,032	5,001	3,256	3,128	2,768	2,669	73,822
	b Corporate Planning		10,489	7,498	8,648	7,971	4,550	6,527	4,404	2,770	395	405	340	2,624	56,621
	c Legal		975	10,711	15,454	14,506	11,256	16,651	12,989	12,411	2,423	334	0	1,296	99,006
	d Joint Owner Credit		(1,202)	(2,001)	(3,345)	(2,231)	(2,148)	(2,241)	(2,419)	(1,659)	(499)	(318)	(255)	(542)	(18,859)
	e Total Other Exit / Wind-Down Costs		13,419	22,341	37,354	24,914	23,988	25,020	27,006	18,523	5,755	3,549	2,853	6,047	210,590
<b>10</b>	<b>Jurisdictional Factor (A&amp;G)</b>		0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	
<b>11</b>	<b>Jurisdictional Amount</b>		12,510	20,827	34,822	23,225	22,362	23,324	25,176	17,267	5,197	3,309	2,659	5,637	196,314
<b>12</b>	<b>Prior Period Unrecovered Balance (a)</b>	661,239	587,445	513,652	439,858	366,065	292,271	218,478	144,684	70,891	(2,903)	(76,696)	(150,490)	(224,283)	
<b>13</b>	<b>Prior Period Costs Recovered (a)</b>		73,794	73,794	73,794	73,794	73,794	73,794	73,794	73,794	73,794	73,794	73,794	73,794	
<b>14</b>	<b>Prior Month Period (Over)/Under Recovery</b>		0	(20,560)	(12,241)	1,758	(9,837)	(10,701)	(9,741)	(7,891)	(15,798)	(27,870)	(29,760)	(30,412)	
<b>15</b>	<b>Unamortized Balance</b>	661,239	587,445	493,092	407,058	335,022	251,392	166,897	83,363	1,679	(87,913)	(189,577)	(293,130)	(397,336)	
<b>16</b>	<b>Carrying Costs for the Period</b>														
	a Balance Eligible for Interest		630,597	540,402	461,365	383,532	299,470	215,456	132,847	47,209	(48,418)	(151,026)	(254,904)	(357,620)	
	b Monthly Commercial Paper Rate		0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	
	c Interest Provision		29	27	24	19	12	7	3	(3)	(8)	(16)	(27)	93	
	d Total Costs and Interest (Line 11 + Line 16c)		12,538	20,854	34,848	23,249	22,380	23,336	25,182	17,270	5,194	3,300	2,643	5,611	196,407
<b>17</b>	<b>Recovered (Order No. PSC 13-0493-FOF-EI)</b>		33,099	33,094	33,090	33,086	33,081	33,077	33,073	33,069	33,064	33,060	33,056	33,051	396,900
<b>18</b>	<b>Over/Under Recovery For the Period</b>		(20,560)	(12,241)	1,758	(9,837)	(10,701)	(9,741)	(7,891)	(15,798)	(27,870)	(29,760)	(30,412)	(27,441)	(200,493)
<b>19</b>	<b>Other - Adjustments (a)</b>	(80,177)	(608)	(555)	(502)	(448)	(393)	(339)	(283)	(228)	(171)	(115)	(58)	0	(3,699)
<b>20</b>	<b>Recovered (Order No. PSC 13-0493-FOF-EI)</b>		(608)	(555)	(502)	(448)	(393)	(339)	(283)	(228)	(171)	(115)	(58)	(0)	(3,699)
<b>21</b>	<b>Over/Under Recovery For the Period</b>		0	0	0	0	0	0	0	0	0	0	0	0	0
<b>22</b>	<b>Revenue Requirements for the Period</b>		<b>2,166,369</b>	<b>2,149,561</b>	<b>2,131,320</b>	<b>1,822,179</b>	<b>1,791,109</b>	<b>2,006,462</b>	<b>1,991,907</b>	<b>1,955,629</b>	<b>1,912,276</b>	<b>1,881,078</b>	<b>1,871,625</b>	<b>1,821,989</b>	<b>23,501,504</b>
<b>23</b>	<b>Recovered (Order No. PSC 13-0493-FOF-EI)</b>		2,211,166	2,181,439	2,151,713	2,121,988	2,092,263	2,062,537	2,032,812	2,003,089	1,973,366	1,943,643	1,913,919	1,884,197	24,572,133
<b>24</b>	<b>Over/Under Recovery For the Period</b>		<b>(44,798)</b>	<b>(31,878)</b>	<b>(20,393)</b>	<b>(299,810)</b>	<b>(301,155)</b>	<b>(56,075)</b>	<b>(40,905)</b>	<b>(47,460)</b>	<b>(61,090)</b>	<b>(62,564)</b>	<b>(42,294)</b>	<b>(62,209)</b>	<b>(1,070,629)</b>

(a) Please see Appendix A for Beginning Balance support and support of Amortization of Unrecovered Balance and Other-Adjustments calculation.  
(b) Other line reflects cost of removal of previously existing assets.  
(c) Approximately \$2.6M accounting adjustment to correct schedule presentation line in Line.1a and 2a in April 2014.  
This amount represents expenses incurred and cash paid in a previous period that did not have an offsetting accrual adjustment.  
(d) Approximately \$312K accounting adjustment to correct schedule presentation line in Line.1a and 2a in Nov 2014.  
This amount represents accruals for anticipated expenses that were not incurred or the payment of the actual amount was lower than the accrual.

2014 Over/Under Recovery Beginning Balance

Line.

<b>3b</b>	<b>Transferred to Plant In-service</b>		<b>\$</b>	<b>29,995,096</b>	
	EB from TGF-3_2013 Detail (filed March 2014) Line 3b				
<b>3e</b>	<b>Unrecovered Balance Carrying Cost</b>		<b>\$</b>	<b>(1,289,590)</b>	
	Prior Period	2,251,684	Exhibit TGF-3 (2014)		Line 3d. Prior Period Carrying Charge Unrecovered Balance
	Current Period	(3,549,147)	Exhibit TGF-3 (2014)		Line 7 (Over)/Under for the Period
	Current Period	<u>7,873</u>	Exhibit TGF-3 (2014)		Appendix A (3 of 3) Line 11 = adjustment for DTA calculation
	Total	<u>(1,289,590)</u>			
<b>3f</b>	<b>Prior Period Carrying Charge Recovered</b>			(82,431)	Monthly Amount to Amortize per Order PSC-13-0493-FOF-EI TGF-6 Docket No. 130009-EI 2014 Detail Line 7.
<b>Other Exit / Wind-Down</b>					
<b>12</b>	<b>Prior Period Unrecovered Balance</b>		<b>\$</b>	<b>661,239</b>	
	Prior Period	431,957	Exhibit TGF-3 (2014)		Line 11 Prior Period Unrecovered Balance
	Current Period	<u>229,282</u>	Exhibit TGF-3 (2014)		Line 17 (Over)/Under for the Period
	Total	<u>661,239</u>			
<b>13</b>	<b>Prior Period Costs Recovered</b>			73,794	Monthly Amount to Amortize per Order PSC-13-0493-FOF-EI TGF-6 Docket No. 130009-EI 2014 Detail Line 17.

**Annual Amortization Calculation of the Uncollected Investment Balance**

TGF-6 Filed May 1, 2013	
1	Estimated 2013 EB Unrecovered Investment 265,009,070
2	Estimated 2014 Additions 208,008
3	Estimated 2014 EB Investment prior to Amortize (2014 through 2019) <u>265,217,078</u>
4	Annual Amortization - 2014 <u><u>44,202,846</u></u>

**Summary of 2014 Amortization Activity (For 2014 Summary)**

	Amortization of Unrecovered Balance	44,202,846	Exhibit TGF-6 Docket 130009-EI (2014 Revenue Requirement Summary) Line (1.)
	Prior Period Over/Under Recoveries	<u>(183,830)</u>	Exhibit TGF-6 Docket 130009-EI (2014 Revenue Requirement Summary) Line (5.)
	Period Amortization of Unrecovered Investment and Prior Period Over/Under Balances	<u><u>44,019,016</u></u>	

**Prior Period Over / (Under) Support Schedules**

DEF - CR3 Uprate

Appendix A

Witness: Thomas G. Foster

Docket No. 150009-EI

Duke Energy Florida

Exhibit No. \_\_ (TGF - 2)

(Page 2 of 3)

	2012 <b>True Up</b>	Note 1 2012 <b>Est-Actual</b>	2014 Collection/ <b>(Refund)</b>
1 Construction Carrying Cost Rev Req.	20,403,400	18,254,142	2,149,258
2 Recoverable O&M Revenue Req.	432,585	130	432,456
3 DTA	802,415	787,279	15,136
4 In-service Rev Reqs/Base Refund	(3,242,310)	(3,242,310)	0
5 Total Revenue Requirement	<u>18,396,090</u>	<u>15,799,241</u>	<u>2,596,849</u>

Note 1: 2012 Est-Actual amounts are per Order PSC-12-0650-FOF-EI, Docket 120009-EI, Pg 39

	2013 <b>Est-Actual</b>	Note 2 2013 <b>Projection</b>	2014 Collection/ <b>(Refund)</b>
6 Construction Carrying Cost Rev Req.	27,111,962	28,401,158	(1,289,196)
7 Recoverable O&M Revenue Req.	453,738	173	453,565
8 DTA	-	1,951,664	(1,951,664)
9 In-service Rev Reqs/Base Refund	(6,946)	(3,587)	(3,358)
10 Total Revenue Requirement	<u>27,558,755</u>	<u>30,349,407</u>	<u>(2,790,653)</u>

Note 2: 2013 Projection amounts are per Order PSC-12-0650-FOF-EI, Docket 120009-EI, Pg 40

DEF CR3 Uprate  
In Service Project Revenue Requirements 2014 Recovery

Appendix A  
Witness: Thomas G. Foster  
Docket No. 150009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_\_ (TGF - 2)  
(Page 3 of 3)

	Beg Balance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1 In-service Project Revenue Requirements														
2 Projected In-service Project Revenue Requirements	(26,686)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(2,224)	(26,686)
3 Prior Years In-service Project Revenue Requirements	(57,190)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(4,766)	(57,190)
4 Under/(Over) Recovery		(\$73,188)	(\$66,198)	(\$59,208)	(\$52,219)	(\$45,229)	(\$38,239)	(\$31,250)	(\$24,260)	(\$17,270)	(\$10,281)	(\$3,291)	\$3,699	(\$83,876)
5 Cumulative Under/(Over) Recovery	(\$80,177)	(\$73,188)	(\$66,806)	(\$60,371)	(\$53,883)	(\$47,341)	(\$40,745)	(\$34,094)	(\$27,387)	(\$20,625)	(\$13,807)	(\$6,932)	\$0	
6 Return on Average Under/(Over) Recovery (c)														
7 Equity Component (a)	0.00394	(288)	(263)	(238)	(212)	(187)	(161)	(134)	(108)	(81)	(54)	(27)	0	(\$1,754)
8 Equity Component grossed up for taxes (b)	1.62800	(469)	(429)	(387)	(346)	(304)	(261)	(219)	(176)	(132)	(89)	(44)	0	(2,856)
9 Debt Component	0.001894	(139)	(127)	(114)	(102)	(90)	(77)	(65)	(52)	(39)	(26)	(13)	0	(843)
10 Total Return on Under/(Over) Recovery (2014 Detail Line 19)		(\$608)	(\$555)	(\$502)	(\$448)	(\$393)	(\$339)	(\$283)	(\$228)	(\$171)	(\$115)	(\$58)	\$0	(\$3,699)
11 Amortization of Beginning Balance		(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$6,681)	(\$80,177)
		(\$7,290)	(\$7,236)	(\$7,183)	(\$7,129)	(\$7,075)	(\$7,020)	(\$6,965)	(\$6,909)	(\$6,853)	(\$6,796)	(\$6,739)	(\$6,681)	(\$83,876)
		(\$608)	(\$555)	(\$502)	(\$448)	(\$393)	(\$339)	(\$283)	(\$228)	(\$171)	(\$115)	(\$58)	(\$0)	(\$3,699)

Notes:

- (a) The monthly Equity Component of 4.87% reflects an 10.5% return on equity.  
(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 38.575%.  
(c) AFUDC actual monthly rate is calculated using the formula  $M = [(1 + A/100)^{1/12} - 1] \times 100$ ; resulting in a monthly accrual rate of 0.00394 (Equity) and 0.001894 (Debt), which results in the annual rate of 7.23%.

2014 Revenue Requirements	(\$83,876)
Less: Annual Return	\$3,699
2014 Beginning Balance	(\$80,177)

**CRYSTAL RIVER UNIT 3 UPRATE**  
**Estimated / Actual Filing: Other Exit / Wind-Down Expenditures Allocated or Assigned to Other Recovery Mechanisms**

EXPLANATION: Provide variance explanations comparing the actual system total expenditures shown on 2014 Detail Schedule with the expenditures approved by the Commission on Est/Act Detail 2014 Schedules.

Appendix B  
 Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit: (TGF - 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Description	(A) System Estimated/Actual	(B) System True-Up	(C) Variance Amount	(D) Explanation
Allocated or Assigned Other Exit / Wind-Down Expenditures					
1	Accounting	\$93,570	\$73,822	(\$19,748)	
2	Corporate Planning	82,437	56,621	(25,816)	
3	Legal	75,000	99,006	24,006	
4	Total	\$251,007	\$229,449	(\$21,558)	Minor variance from estimated amount.

Note:  
 System Estimated/Actual from May 1, 2014 Filing in Docket No. 140009-EI.

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 2012**

Appendix C  
 Witness: Thomas G. Foster  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF - 2)

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,767,157,537	657,669,241	(\$813,779,810)	\$4,611,046,968	\$3,753,238,636	46.36%	9.50%	4.40%	10.50%	4.87%	11.50%	5.33%
Preferred Stock	33,496,700		(5,024,850)	28,471,850	23,175,138	0.29%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,491,809,896	0	(673,817,682)	3,817,992,215	3,107,718,483	38.39%	5.78%	2.22%	5.78%	2.22%	5.78%	2.22%
Short Term Debt *	232,034,133	(51,903,909)	(27,021,386)	153,108,838	124,625,494	1.54%	0.60%	0.01%	0.60%	0.01%	0.60%	0.01%
Customer Deposits												
Active	214,453,652		(32,170,253)	182,283,398	182,283,398	2.25%	5.36%	0.12%	5.36%	0.12%	5.36%	0.12%
Inactive	1,280,766		(192,128)	1,088,638	1,088,638	0.01%						
Investment Tax Credit												
Post '70 Total	3,450,862		(517,665)	2,933,197								
Equity **					1,309,719	0.02%	9.58%	0.00%	10.59%	0.00%	11.59%	0.00%
Debt **					1,077,805	0.01%	5.85%	0.00%	5.85%	0.00%	5.85%	0.00%
Deferred Income Taxes	1,365,618,849	155,326,427	(228,157,434)	1,292,787,842	1,052,286,240	13.00%						
FAS 109 DIT - Net	(218,650,949)		32,799,891	(185,851,058)	(151,276,570)	-1.87%						
<b>Total</b>	<b>\$10,890,651,446</b>	<b>\$761,091,759</b>	<b>(\$1,747,881,316)</b>	<b>\$9,903,861,889</b>	<b>\$8,095,526,982</b>	<b>100.00%</b>		<b>6.76%</b>		<b>7.23%</b>		<b>7.69%</b>

\* Daily Weighted Average

\*\*Cost Rates Calculated Per IRS Ruling

Equity	4.88%
Debt	<u>2.35%</u>
Total	7.23%



**CRYSTAL RIVER UNIT 3 UPRATE**  
**True-Up Filing: Construction Category - Description of Monthly Cost Additions**

EXPLANATION: Provide a description of the major tasks performed within the Construction category for the year.  
 List generation expenses separate from transmission in the same order appearing on 2014 Detail Schedule.

Appendix D  
 Witness: M. Teague  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit No. \_\_\_\_ (TGF - 2)  
 (Page 1 of 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Major Task & Description for amounts on 2014 Detail Schedule	Description
----------	--	-------------

Generation:

- |   |                                    |   |
|---|------------------------------------|---|
| 1 | EPU Construction & Wind-Down Costs | Spend performed in accordance with Rule 25-6.0423(7).   |
| 2 | Sale or Salvage of Assets          | Net Value received in accordance with Duke Energy Procedure AI-9010 regarding Disposition of Assets |
| 3 | Disposition                        | Net Value received in accordance with Duke Energy Procedure AI-9010 regarding Disposition of Assets |

Transmission:

N/A

**CRYSTAL RIVER UNIT 3 UPRATE**  
**True-Up Filing: Construction Category - Variance in Additions and Expenditures**

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2014 Detail Schedule with the expenditures approved by the Commission on Est/Actual Detail 2014. List the Generation expenses separate from Transmission in the same order appearing on 2014 Detail Schedule.

COMPANY:  
 Duke Energy Florida

Appendix D  
 Witness: M. Teague  
 Docket No. 150009-EI  
 Duke Energy Florida  
 Exhibit: (TGF - 2)  
 (Page 2 of 2)

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2014

Line No.	Construction Major Task & Description for amounts on 2014 Detail Schedule	(A) System Estimated /Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	EPU Wind-Down Costs (a)	\$460,822	\$41,938	(\$418,884)	This variance is primarily related to the fact that DEF over-estimated the amount of time necessary to conduct the required preventative maintenance and there was less equipment to be maintained because some of the EPU equipment was sold in the middle of 2014.
2	Sale or Salvage of Assets	0	(453,858)	(\$453,858)	This variance is explained by inclusion of the NCRC portion of proceeds from the sale, transfer and salvage of EPU-related assets in 2014 in this filing. The proceeds were previously not known and thus not estimated for or included in the 2014 estimated/actual filing.
3	Disposition	0	0	0	
4	Total Generation Costs	<u>\$460,822</u>	<u>(\$411,920)</u>	<u>(\$872,742)</u>	

Transmission:  
 N/A

Note:  
 (a): Approximately \$2.6M adjustment to correct schedule presentation line in 2014 Detail Line. 1a and 2a in April 2014 (no impact on revenue requirement). This amount represents expenses incurred and cash paid in a previous period that did not have an offsetting accrual adjustment.  
 Approximately (\$312K) accounting adjustment to correct schedule presentation line in Line.1a and 2a in Nov 2014 (no impact on revenue requirement). This amount represents accruals for anticipated expenses that were not incurred or the payment of the actual amount was lower than the accrual.

System Estimated / Actual from May 1, 2014 Filing in Docket No. 140009-EI.

**CRYSTAL RIVER UNIT 3 UPRATE**  
**True-Up Filing: Summary of Contracts Executed Over \$1 Million**

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

COMPANY:

Duke Energy Florida

DOCKET NO.:

150009-EI

Appendix E  
Witness: M. Teague  
Docket No. 150009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (TGF - 2)

For Year Ended 12/31/2014

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All EPU-related contracts in excess of \$1 million have been closed as of December 31, 2013. No new contracts over \$1 million were executed after December 31, 2013.