



Matthew R. Bernier  
Senior Counsel

July 1, 2015

**VIA ELECTRONIC FILING**

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

Re: *Environmental Cost Recovery Clause; Docket No. 150007-EI*

Dear Ms. Stauffer:

On behalf of Duke Energy Florida, Inc. ("DEF"), I am writing to advise the Commission that, at this time, DEF has identified the following new environmental projects for which it intends to seek approval for cost recovery in the above referenced docket:

- **Clean Water Rule clarifying the scope of the Waters of the United States ("WOTUS")** – On May 27, 2015, the EPA issued a final rule that, among other things, clarifies the meaning and scope of the WOTUS for purposes of the Clean Water Act. The rule was published in the Federal Register on June 29, 2015, and will take effect August 28, 2015. DEF is in the process of analyzing the new rule requirements and potential impacts and compliance options at operational sites, and expects to incur compliance costs in 2015 and 2016. However, the full extent of compliance activities and associated expenditures cannot be determined at this time as DEF has not had sufficient opportunity to analyze the rule's impacts on effected facilities and compliance alternatives.
- **Underground Storage Tank ("UST")** - The final draft of the UST rule is currently in process preceding adoption approval by the Secretary of the Florida Department of Environmental Protection ("FDEP"). DEF is in the process of analyzing the draft rule requirements and potential impacts at operational sites and compliance options for the affected unit, and expects to incur compliance costs in 2015 and 2016. However, the full extent of compliance activities and associated expenditures cannot be determined at this time as the final rule has not been issued and is subject to change.

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- **Above Ground Storage Tanks (“AST”)** –The FDEP is expected to issue amendments to its AST rule in 2016. DEF continues to engage with the FDEP in the rulemaking process, but it is unclear what potential impacts the proposed rule amendments will have on its operational sites, and to what extent potential compliance options will be available and ultimately pursued. However, DEF expects to incur compliance costs in 2016, although the full extent of compliance activities and associated expenditures cannot be determined at this time.
- **Coal Combustion Residuals (“CCR”) Rule** – On April 17, 2015, the EPA published the CCR rule, *see* 80 FR 21301, codified at 40 CFR Parts 257 and 261, which becomes effective October 17, 2015. The rule requires an analysis of existing CCR landfills and surface impoundments and implementation of various requirements ranging from 6 to 42 months. The CCR rule includes multiple new requirements for CCR Units such as CCR landfills and CCR surface impoundments including: Location restrictions (40 CFR 257.64); Run off and run on controls (40 CFR 257.81); Fugitive emissions control plan (40 CFR 257.80); Inspections (40 CFR 257.83); Groundwater monitoring and corrective action (40 CFR 257.90 - .98); Closure and post closure care (40 CFR 257.103 -.104); and Recordkeeping, notification (40 CFR 257.105-107). DEF is in the process of analyzing potential impacts of compliance options. DEF will incur compliance costs in 2015, 2016 and beyond. However, the full extent of compliance activities and associated expenditures cannot be determined until further analysis and assessments of the CCR rule are complete.

DEF also notes that its 2016 projection filing will include costs for the modified Crystal River North Flue Gas Desulfurization (“FGD”) blowdown wastewater project to comply with FDEP permit requirements. The specific discharge method to be used is contingent on the final EPA Effluent Limitation Guidelines (“ELG”) rule expected September 30, 2015. DEF does not have a final estimate of total project costs at this time as the full extent of compliance activities and associated expenditures is subject to change based on future regulatory requirements.

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

MRB/db

## 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 1st day of July, 2015.

/s/ Matthew R. Bernier

Attorney

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