

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Nuclear Cost Recovery  
Clause**

DOCKET NO. 160009-EI

Submitted for filing:  
March 1, 2016

REDACTED

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

**ON BEHALF OF  
DUKE ENERGY FLORIDA, LLC**

**IN RE: NUCLEAR COST RECOVERY CLAUSE**

**BY DUKE ENERGY FLORIDA, LLC**

**FPSC DOCKET NO. 160009-EI**

**DIRECT TESTIMONY OF THOMAS G. FOSTER**

1 **I. INTRODUCTION AND QUALIFICATIONS**

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

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

5  
6 **Q. By whom are you employed and in what capacity?**

7 **A.** I am employed by Duke Energy Florida, LLC, as Director, Rates and Regulatory  
8 Planning.

9  
10 **Q. What are your responsibilities in that position?**

11 **A.** I am responsible for regulatory planning and cost recovery for Duke Energy  
12 Florida, LLC (“DEF”). These responsibilities include regulatory financial  
13 reports and analysis of state, federal, and local regulations and their impact on  
14 DEF. In this capacity, I am also responsible for the Levy Nuclear Project  
15 (“LNP”) and the Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”)  
16 Project (“CR3 Uprate”) Cost Recovery filings made as part of this docket in  
17 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 the Company 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 Bachelor 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 of CR3 Uprate project activities  
21 for the period January 2015 through December 2015. Pursuant to Rule 25-6.0423,  
22 F.A.C., DEF is presenting testimony and exhibits for the Commission’s  
23 determination of prudence for actual expenditures and associated carrying costs for  
24 the CR3 Uprate project. I will also present the LNP and CR3 Uprate project 2015

1 accounting and cost oversight policies and procedures pursuant to the nuclear cost  
2 recovery statute and rule. Additionally, I present the actual costs associated with  
3 DEF's LNP for the period January 2015 through December 2015. Pursuant to the  
4 terms of the Stipulation approved by this Commission in Order No. PSC-15-0521-  
5 FOF-EI, DEF is not seeking a prudence determination for its 2015 LNP costs in this  
6 proceeding; rather the 2015 LNP costs are being provided for informational purposes  
7 only.

8  
9 **Q. Are you sponsoring any exhibits in support of your testimony on the 2015 LNP**  
10 **and CR3 Uprate project costs?**

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

13 2015 Costs:

- 14 • Exhibit No. \_\_ (TGF-1), reflects the actual costs associated with the LNP and  
15 consists of: 2015 True-Up Summary, 2015 Detail Schedule and Appendices A  
16 through E, which reflect DEF's retail revenue requirements for the LNP from  
17 January 2015 through December 2015; however, I will only be sponsoring the  
18 2015 True-Up Summary, portions of the 2015 Detail Schedule, and Appendices  
19 A, B and C. Christopher Fallon will be co-sponsoring portions of the 2015  
20 Detail Schedule and sponsoring Appendices D and E.
- 21 • Exhibit No. \_\_\_\_ (TGF-2), reflects the actual costs associated with the CR3 Uprate  
22 project and consists of: 2015 True-Up Summary, 2015 Detail Schedule and  
23 Appendices A through E, which reflect DEF's retail revenue requirements for the  
24 CR3 Uprate project from January 2015 through December 2015; however, I will

1 only be sponsoring the 2015 True-Up Summary, portions of the 2015 Detail  
2 Schedule, and Appendices A, B, and C. Mark Teague will be co-sponsoring the  
3 2015 Detail Schedule and sponsoring Appendices D and E.

4 The 2015 Detail Schedules for the LNP and the CR3 Uprate project contain the same  
5 calculations provided in the Nuclear Filing Requirement (“NFR”) Schedules prior to  
6 project cancellation in a more concise manner. The Company relies on the  
7 information included in the testimony in the conduct of its affairs.

8 These exhibits are true and accurate.

9  
10 **Q. What are the 2015 Detail Schedules and the Appendices?**

- 11 **A.**
- 12 • Schedule 2015 Summary reflects the actual 2015 year-end revenue requirements  
13 by Cost Category for the period, and final true-up amount for the period.
  - 14 • Schedule 2015 Detail reflects the actual calculations for the true-up of total retail  
15 revenue requirements for the period.
  - 16 • Appendix A (CR3 Uprate) reflects beginning balance explanations, support for  
17 adjustments previously addressed in my May 1, 2015 testimony, and various  
18 CR3 Uprate in-service project revenue requirements.
  - 19 • Appendix A (Levy) reflects beginning balance explanations and support for an  
20 adjustment previously addressed in my May 1, 2015 testimony.
  - 21 • Appendix B reflects Other Exit/Wind Down expenditure variance explanations  
22 for the period.
  - 23 • Appendix C provides support for the appropriate rate of return consistent with  
the provisions of Rule 25-6.0423, F.A.C.

1 • Appendix D describes Major Task Categories for expenditures and variance  
2 explanations for the period.

3 • Appendix E reflects contracts executed in excess of \$1.0 million (if any).  
4

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

7 **A.** The actual data is taken from the books and records of DEF. The books and records  
8 are kept in the regular course of our business in accordance with generally accepted  
9 accounting principles and practices, provisions of the Uniform System of Accounts  
10 as prescribed by the Federal Energy Regulatory Commission (“FERC”), and any  
11 accounting rules and orders established by this Commission.  
12

13 **Q. What is the final true-up amount for the LNP for the period January 2015**  
14 **through December 2015?**

15 **A.** The final true-up for the calendar period ending December 2015 is an over-recovery  
16 of (\$733,697). This amount can be seen on Line 3 of the 2015 Summary Schedule  
17 of Exhibit No. \_\_\_\_ (TGF-1). Line 1 of the 2015 Summary represents current period  
18 exit and wind down costs (including the sale of Long Lead Equipment (“LLE”)),  
19 carrying costs on the unrecovered investment balance (including prior period  
20 (over)/under recovery balances), as well as the revenue requirements associated with  
21 an other-adjustment previously discussed in my May 1, 2015 testimony, and was  
22 calculated in accordance with Rule 25-6.0423, F.A.C.  
23

1 **Q. What is the final true-up amount for the CR3 Uprate project for which DEF is**  
2 **requesting recovery for the period January 2015 through December 2015?**

3 **A.** DEF is requesting approval of a total over-recovery amount of (\$2,535,876) for the  
4 calendar period of January 2015 through December 2015. This amount can be seen  
5 on Line 3 of the 2015 Summary of Exhibit No. \_\_\_\_ (TGF-2). Line 1 of the 2015  
6 Summary represents the current period exit and wind down costs (including the sale  
7 of EPU assets), carrying costs on the unrecovered balance including prior period  
8 (over)/under recovery balances, as well as the revenue requirements associated with  
9 the other-adjustments which were previously discussed in my May 1, 2015  
10 testimony, and various in-service projects, and was calculated in accordance with  
11 Rule 25-6.0423, F.A.C..

12  
13 **Q. What is the carrying cost rate used in the 2015 Detail Schedule?**

14 **A.** For both the CR3 Uprate and the LNP, DEF is using the rate specified in Rule 25-  
15 6.0423(7)(b), F.A.C. The carrying cost rate used for this time period in the 2015  
16 Detail Schedule was 6.95 percent. On a pre-tax basis, the rate is 10.08 percent. This  
17 annual rate was also adjusted to a monthly rate consistent with the Allowance For  
18 Funds Used During Construction (“AFUDC”) rule, Rule 25-6.0141(3), F.A.C.  
19 Support for the components of this rate is shown in Appendix C of Exhibit  
20 Nos.\_\_(TGF-1) and (TGF-2).

21  
22 **Q. Has DEF changed how it is applying the carrying cost rate under Rule 25**  
23 **6.0423(7)(b) since 2014?**

1 A. Yes, as described in my May 1, 2015 testimony, DEF has updated the rate annually  
2 based on the prior year December surveillance report. Consequently, DEF has  
3 applied this methodology and included an adjustment on the LNP 2015 Revenue  
4 Requirement Detail Schedule and on the CR3 Uprate 2015 Revenue Requirement  
5 Detail Schedule to recognize the impact of this change on reported 2014 carrying  
6 costs. This change reduces the carrying costs in 2015.

7  
8 **III. COSTS INCURRED IN 2015 FOR THE LEVY NUCLEAR PROJECT.**

9 **Q. What are the total retail costs DEF incurred for the LNP during the period**  
10 **January 2015 through December 2015?**

11 **A.** The total retail costs for the LNP are \$1.8 million for the calendar year ended  
12 December 2015, as reflected on 2015 Summary Schedule Line 1e in Exhibit  
13 No\_\_(TGF-1). This amount includes (\$4.2) million in exit/wind-down costs, sales  
14 of assets credits, and adjustments as can be seen on the 2015 Detail schedule on  
15 Lines 5a, 5e and 19d, and \$6 million for the carrying costs on the unrecovered  
16 investment balance shown on the 2015 Detail schedule on Line 8d and on Line 4 on  
17 the 2015 Detail – LLE Deferred Balance schedule. These amounts were calculated  
18 in accordance with the provisions of Rule 25-6.0423, F.A.C.

19  
20 **Q. How did actual Generation expenditures for January 2015 through December**  
21 **2015 compare with DEF's actual/estimated costs for 2015? REDACTED**

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



1 variances between DEF's projected and actual 2015 LNP Generation project costs  
2 are as follows: **REDACTED**

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 Fallon.

6  
7 **Sale or Salvage of Assets:** Revenues for Sale of Assets activities were [REDACTED]  
8 or [REDACTED] higher than estimated, as explained in the testimony of Christopher  
9 Fallon.

10  
11 **Q. What was the source of the separation factors used in the 2015 Detail Schedule?**

12 **A.** The jurisdictional separation factors are consistent with Exhibit 1 of the Revised and  
13 Restated Stipulation and Settlement Agreement ("2013 Settlement Agreement")  
14 approved by the Commission in Order No. PSC-13-0598-FOF-EI in Docket No  
15 130208-EI.

16  
17 **IV. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2015 FOR THE LEVY**  
18 **NUCLEAR PROJECT.**

19 **Q. How did actual Other Exit/Wind-Down expenditures for January 2015 through**  
20 **December 2015 compare with DEF's actual/estimated costs for 2015?**

21 **A.** Appendix B, Line 4 shows that total Other Exit/Wind-down costs were \$0.2 million  
22 or \$41,749 lower than estimated. There were no major variances with respect to  
23 these costs.

1 **V. COSTS INCURRED IN 2015 FOR THE CR3 UPRATE PROJECT.**

2 **Q. What are the total retail costs DEF incurred for the CR3 Uprate during the**  
3 **period January 2015 through December 2015?**

4 **A.** The total retail costs for the CR3 Uprate are \$17.4 million for the calendar year  
5 ended December 2015, as reflected on 2015 Summary Schedule Line 1e in Exhibit  
6 No.\_\_(TGF-2). This amount includes (\$1.6) million in exit/wind-down, sales &  
7 salvage of assets credits, and other adjustments as can be seen on the 2015 Detail  
8 schedule on Lines 2e, 2j, 16d, and 19, and \$19 million for the carrying costs on the  
9 unrecovered investment balance shown on Line 5d. These amounts were calculated  
10 in accordance with the provisions of Rule 25-6.0423, F.A.C.

11  
12 **Q. Did you reflect any credits for the sale or other disposition efforts for the CR3**  
13 **Uprate project assets that occurred in the calendar year 2014, but for which**  
14 **receipt of payment did not occur in 2014?**

15 **A.** Yes. Settlement of the auction proceeds from the sale of EPU assets are reflected in  
16 January 2015. DEF also has reflected receipt of the final payment for the POD  
17 Cooling Tower equipment that was sold on April 30, 2014, as described in Mark  
18 Teague's March 2, 2015 testimony. Additionally, sales of some EPU assets that  
19 were originally booked as credits to the CR3 Regulatory Asset in 2014 have been  
20 corrected and the credits were applied to the CR3 Uprate project in April 2015.

21  
22 **Q. How did actual expenditures for January 2015 through December 2015**  
23 **compare to DEF's actual/estimated costs for 2015?**

1 A. Appendix D (Page 2 of 2), Line 4 shows that total project costs were (\$1.7) million  
2 or \$1.8 million lower than estimated. By cost category, major cost variances  
3 between DEF's actual/estimated and actual 2015 Generation Wind-Down and  
4 Disposition costs are as follows:

5  
6 **EPU Wind-Down:** Expenditures for Wind-Down activities were \$0.9 million or  
7 \$0.6 million higher than estimated, as explained in the testimony of Mark Teague.

8  
9 **Sales or Salvage of Assets:** Proceeds for sale, transfer and salvage of assets in 2015  
10 were \$2.6 million or \$2.4 million higher than estimated as explained in the testimony  
11 of Mark Teague.

12  
13 **Q. Were there any true-up adjustments that needed to be made for the CR3**  
14 **Uprate project?**

15 A. Yes, as previously discussed in my May 1, 2015 testimony, there were two  
16 adjustments to be made. In 2015, DEF recognized that an incorrect calculation was  
17 made regarding the joint owner credit related to the previous year's sale of the POD  
18 asset. The second adjustment was a reduction to the carrying costs in 2014 and  
19 2015, that resulted from DEF updating the carrying cost rate annually based on the  
20 prior year December surveillance report. Details of these calculations can be seen  
21 in Exhibit No. \_\_\_\_ (TGF-2), Appendix A. These adjustments, reflected on Line 2j  
22 in the 2015 Detail Schedule, along with the total shown on Line 19 in the 2015  
23 Detail Schedule, make up the (\$228,787) presented on Line 1d in the 2015  
24 Summary Schedule.

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

**A.** Yes. Investment activity shown on the 2015 Detail Schedule, Line 1d is gross of Joint Owner Billings, but expenditures and revenues (from sale, transfer and salvage activity) have been adjusted as reflected on the 2015 Detail Schedule, Line 2b to reflect billings to Joint Owners related to the CR3 Uprate project. Due to this, no carrying cost associated with the Joint Owner portion of the CR3 Uprate are included in the 2015 Detail Schedule. As a result of the sales activities, total billings resulted in a net credit of \$0.1 million to the Joint Owners for 2015, as seen on Line 2b.

**Q. What was the source of the separation factors used in the 2015 Detail Schedule?**

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

**VI. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2015 FOR THE CR3 UPRATE PROJECT.**

**Q. How did actual Other Exit/Wind-Down expenditures for January 2015 through December 2015 compare with DEF's actual/estimated costs for 2015?**

**A.** Appendix B, Line 4 shows that total Other Exit/Wind-down costs were \$88,648 or \$0.1 million lower than estimated. There were no major variances with respect to these costs.

1  
2 **VII. 2015 PROJECT ACCOUNTING AND COST CONTROL OVERSIGHT.**

3 **Q. Have the project accounting and cost oversight controls DEF used for the LNP**  
4 **and CR3 Uprate projects in 2015 substantially changed from the controls used**  
5 **prior to 2015?**

6 **A.** No, they have not. The project accounting and cost oversight controls that DEF  
7 utilized to ensure the proper accounting treatment for the LNP and CR3 Uprate  
8 project in 2015 have not substantively changed since 2009. In addition, these  
9 controls have been reviewed in annual financial audits by Commission Staff and  
10 were found to be reasonable and prudent by the Commission in Docket Nos.  
11 090009-EI, 100009-EI, 110009-EI, 120009-EI, 140009-EI, and 150009-EI.

12  
13 **Q. Can you please describe the project accounting and cost oversight controls**  
14 **process DEF has utilized for the LNP and CR3 Uprate project?**

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

18 The justifications and other supporting documentation are reviewed and  
19 approved by the Financial Services Manager, or delegate, based on input received  
20 from the Financial Services or Project Management Analyst to ensure that the  
21 project is properly classified as capital, eligibility for AFUDC is correct, and that  
22 disposals/retirements are identified. Supporting documentation is maintained within  
23 Financial Services or with the Project Management Analyst. Financial Services  
24 personnel, and selected other personnel (including project management analysts),

1 access this documentation to set-up new projects in PowerPlant or make changes to  
2 existing project estimates in PowerPlant. The PowerPlant system administrators  
3 review the transfer and termination information provided by Human Resources each  
4 pay period and take appropriate action regarding access to the systems.

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

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

12 The next part of the Company's project controls is project monitoring.  
13 First, there are monthly reviews of project charges by responsible operations  
14 managers and Financial Services Management for the organization. Specifically,  
15 these managers review various monthly cost and variance analysis reports for the  
16 capital budget. Variances from total budget or projections are reviewed,  
17 discrepancies are identified, and corrections made as needed. Journal entries to  
18 projects are prepared by an employee with the assigned security and are approved in  
19 accordance with the Journal Entry Policy. Accruals are made in accordance with  
20 Duke Energy policy.

21 The Company uses cost reports produced from accounting systems to  
22 complete these monthly reviews. Financial Services may produce various levels of  
23 reports driven by various levels of management, but all Nuclear project reporting is

1 tied back to the total cost reporting for the Nuclear fleet, which is tied back to Legal  
2 Entity Financial Statements.

3  
4 **Q. Are there any other accounting and costs oversight controls that pertain to the**  
5 **LNP and the CR3 Uprate project?**

6 **A.** Yes, the Company also has Disbursement Services Controls and Regulated  
7 Accounting Controls.

8  
9 **Q. Can you please describe the Company's Disbursement Services Controls?**

10 **A.** Yes. First, a requisition is created in the Consolidated Asset Suite ("CAS")  
11 Contracts module for the purchase of services. The requisition is reviewed by the  
12 appropriate Contract Specialist in Corporate Services, or field personnel in the  
13 various Business Units, to ensure sufficient data has been provided to process the  
14 contract requisition. The Contract Specialist prepares the appropriate contract  
15 document from pre-approved contract templates in accordance with the requirements  
16 stated on the contract requisition.

17 The contract requisition then goes through the bidding or finalization  
18 process. Once the contract is ready to be executed, it is approved online by the  
19 appropriate levels of the approval matrix pursuant to the Approval Level Policy and  
20 a contract is created.

21 Contract invoices are received by the Accounts Payable Department. The  
22 invoices are then routed through the Workflow Approval process in CAS to the  
23 project manager for validation and approval for payment.

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

2 **A.** Yes. The journal entries for deferral calculations, along with the summary sheets  
3 and the related support, are reviewed in detail and approved by the Lead Accounting  
4 Analyst and/or Manager of Florida Accounting, pursuant to the Duke Energy Journal  
5 Entry policy. The detail review and approval ensures that recoverable expenses are  
6 identified, accurate, processed, and accounted for in the appropriate accounting  
7 period.

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

11 For balance sheet accounts established with Regulated Utilities, Florida  
12 Accounting is the responsible party and a Florida Accounting member will reconcile  
13 the account on a monthly or quarterly basis, as required by Duke Energy policy. This  
14 reconciliation will be reviewed by the Lead Accounting Analyst or Manager of  
15 Florida Accounting to ensure that the balance in the account is properly stated and  
16 supported and that the reconciliations are performed regularly and exceptions are  
17 resolved on a timely basis.

18 The review and approval will ensure that regulatory assets or liabilities are  
19 recorded in the financial statements at the appropriate amounts and in the appropriate  
20 accounting period.

21  
22 **Q. How does the Company verify that the accounting and costs oversight controls**  
23 **you identified are effective?**



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

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

12 With respect to external audits, Deloitte and Touche, DEF’s external  
13 auditors, determined that the Company maintained effective internal control over  
14 financial reporting during 2015.

15  
16 **Q. Did the cancellation of the LNP and CR3 Uprate project change the**  
17 **Company’s accounting and cost oversight control processes?**

18 **A.** No. DEF continued to follow the same policies and processes as I described above  
19 to ensure prudent accounting and cost oversight for the projects as they are being  
20 closed out.

21  
22 **Q. Are the Company’s project accounting and cost oversight controls reasonable**  
23 **and prudent?**

1 A. Yes, they are. DEF's project accounting and cost oversight controls are consistent  
2 with best practices for project cost oversight and accounting controls in the industry  
3 and have been and continue to be vetted by internal and external auditors. We  
4 believe, therefore, that the accounting and cost oversight controls continue to be  
5 reasonable and prudent.

6  
7 **Q. What process have you implemented to ensure that 2015 costs related to the**  
8 **LNP Combined Operating License ("COL") are not included in the NCRC?**

9 A. As discussed by Mr. Fallon, on a project team level DEF has always segregated  
10 project costs incurred by specific project code and this process did not change for  
11 2015. The project team continues to charge COL-related labor, Nuclear Regulatory  
12 Commission ("NRC") fees, vendor invoices and all other COL-related cost items to  
13 the applicable COL project codes. The Florida Regulated Accounting and Rates and  
14 Regulatory Strategy groups have ensured that the COL-related project codes and  
15 associated costs incurred in 2015 and beyond were not included in the Company's  
16 NCRC Schedules, and thus not presented for nuclear cost recovery. We continue to  
17 track the COL-related costs for accounting purposes consistent with the 2013  
18 Settlement Agreement.

19  
20 **Q. Does this conclude your testimony?**

21 A. Yes, it does.

**Docket No. 160009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (TGF-1)**

**SCHEDULE APPENDIX**

**REDACTED**

**EXHIBIT (TGF-1)**

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

**JANUARY 2015 - DECEMBER 2015  
DOCKET NO. 160009-EI**

**Table of Contents**  
**Levy Nuclear Units 1 & 2**  
**January 2015 - December 2015**

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3	2015 Summary	2015 Summary	T. G. Foster
4	2015 Detail	2015 Detail Revenue Requirement Calculations	T. G. Foster / C. Fallon
5	2015 Detail	2015 Detail Revenue Requirement Calculations - LLE Deferred Balance	T. G. Foster / C. Fallon
6	Appendix A	Detail for 2015 Beginning Balance & Adjustment Support	T. G. Foster
7	Appendix B	Other Exit / Wind-Down Expense Variance Explanation	T. G. Foster
8	Appendix C	Average Rate of Return - Capital Structure	T. G. Foster
9	Appendix D	Major Task Categories and Expense Variances	C. Fallon
10	Appendix E	Summary of Contracts and Details over \$1 Million	C. Fallon

			12-Month Total
1.	Final Costs for the Period		
	a. Carrying Cost on Unrecovered Investment		\$ 5,977,302 (2015 Detail Line 8d. & 2015 LLE Detail Line 3d.)
	b. Period Exit / Wind-down Costs (including sale of LLE)		(4,312,069) (2015 Detail Line 5a.)
	c. Period Other Exit / Wind-down Cost and Interest		195,460 (2015 Detail Line 19d.)
	d. Other - Adjustment		(90,860) (2015 Detail Line 5e.)
	e. Total Period Revenue Requirement		<u>\$ 1,769,833</u>
2.	Projected Amount for the Period (January - April)		\$ 2,503,530 (2015 Detail Lines: 10 and 20)
	(Order No. PSC 14-0701-FOF-EI) (Jan-April) (I.e. \$3.45 / 1000 Kwh Residential)		
	(Order No. PSC-15-0176-TRF-EI) (May-Dec) (\$0.00 / 1000 Kwh)		
3.	Final True-Up Amount for the Period (over)/under	(Line 1e. - Line 2.)	\$ (733,697)
4.	2015 Revenue Requirement Collected (January - April)		\$ 36,438,940 (2015 Detail Lines: 6g + 10 + 16 + 20 - 6e)
	(Order No. PSC 14-0701-FOF-EI) (Jan-April) (I.e. \$3.45 / 1000 Kwh Residential)		
	(Order No. PSC-15-0176-TRF-EI) (May-Dec) (\$0.00 / 1000 Kwh)		

**The summary below shows the uncollected balance as of December 31, 2015**

5.	Uncollected Regulatory Asset (Non-\$54M Deferred Amount)		\$ 489,907 (2015 Detail Lines: 6i + 15 + 21)
6.	Carrying Cost on \$54M Deferral (May 2015 - December 2015) (Retail)		3,153,738 (2015 LLE Detail Line 3d.)
7.	Uncollected Balance \$54M Deferral (Retail)		50,275,957 (2015 LLE Detail Line 1a.)
8.	Total Uncollected Balance at Year End 2015	(Lines: 5. + 6. + 7.)	<u>\$ 53,919,601</u>

**DUKE ENERGY FLORIDA**  
**Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2**  
**2015 Detail - Calculation of the Revenue Requirements**  
**January 2015 through December 2015**

Witness: T.G. Foster / C. Fallon  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF- 1)

Line	Description	Beginning of Period Amount	Actual January 2015	Actual February 2015	Actual March 2015	Actual April 2015	Actual May 2015	Actual June 2015	Actual July 2015	Actual August 2015	Actual September 2015	Actual October 2015	Actual November 2015	Actual December 2015	Period Total	End of Period Total
1	<b>Uncollected Investment : Generation</b>															
	a Prior Period Construction Balance YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
			REDACTED													
2	<b>Adjustments</b>															
	a Non-Cash Accruals															
	b Adjusted System Generation (Line 1e + Line 2a)															
	c Retail Jurisdictional Factor : Generation		92.885%													
	d Retail Uncollected Investment: Generation															
3	<b>Uncollected Investment : Transmission</b>															
	a Prior Period Construction Balance YE 2014															
	b Wind-Down Costs															
	c Sale or Salvage of Assets															
	d Disposition															
	e Total															
4	<b>Adjustments</b>															
	a Non-Cash Accruals															
	b Adjusted System Transmission (Line 3e + Line 4a)															
	c Retail Jurisdictional Factor : Transmission		70.203%													
	d Retail Uncollected Investment: Transmission															
5	<b>Total Uncollected Investment</b>															
	a Total Jurisdictional Uncollected Investment (2d + 4d)	224,062,889	10,416	3,461	1,110	5,940	(149,729)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(4,312,069)	219,750,820
	b Retail Land Transferred to Land Held for Future Use (a)	(66,221,330)	0	0	0	0	0	0	0	0	0	0	0	0	0	(66,221,330)
	c LLE Deferred Balance (c)	0	0	0	0	0	(50,275,957)	0	0	0	0	0	0	0	(50,275,957)	(50,275,957)
	d Total Jurisdictional Uncollected Investment	157,841,559	10,416	3,461	1,110	5,940	(50,425,686)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(54,588,026)	103,253,533
	e WACC Adjustment from 2014 (Adjustment to May 2015 Rev Req) (b)	0	0	0	0	0	(90,860)	0	0	0	0	0	0	0	(90,860)	0
6	<b>Carrying Cost on Uncollected Investment Balance</b>															
	a Uncollected Investment: Additions for the Period (Beg Balance: 2015 Detail Line 5d.)	157,841,559	10,416	3,461	1,110	5,940	(50,425,686)	8,298	10,896	3,776	3,491	1,674	12,283	(4,223,684)	(54,588,026)	103,253,533
	b Plant-in-Service (a)	1,010,952	0	0	0	0	0	0	0	0	0	0	0	0	0	1,010,952
	c Period Recovered Wind-down / Exit Costs (2014)	9,816,636	0	0	0	0	0	0	0	0	0	0	0	0	0	9,816,636
	d Period Recovered Wind-down / Exit Costs (2015)	0	0	0	0	0	0	0	0	0	0	0	0	0	(4,312,069)	(4,312,069)
	e Additional Amortization of Uncollected Investment Balance (2014-2015)	(46,864,516)	(9,447,248)	(9,447,248)	(9,447,248)	(9,447,248)	0	0	0	0	0	0	0	0	(37,788,992)	(84,653,508)
	f Prior Period Carrying Charge Unrecovered Balance (a)	(11,381,362)	(10,432,915)	(9,484,468)	(8,536,021)	(7,587,574)	0	0	0	0	0	0	0	0	0	(7,587,574)
	g Prior Period Carrying Charge Recovered (a)	(11,381,362)	(948,447)	(948,447)	(948,447)	(948,447)	0	0	0	0	0	0	0	0	(3,793,787)	
	h Over/Under Prior Period			(3,444)	(9,057)	(10,093)	(3,928)	(73)	44,737	47,710	40,951	40,996	39,507	50,481	(3,964,535)	(3,964,535)
	i Net Investment	\$88,768,093	\$80,279,708	\$71,770,508	\$63,260,299	\$54,756,235	\$4,320,681	\$4,478,635	\$4,525,970	\$4,566,561	\$4,607,227	\$4,646,406	\$4,696,523	\$511,036		\$532,396
7	Average Net Investment		\$84,523,901	\$76,018,178	\$67,509,144	\$59,002,665	\$29,533,524	\$4,474,486	\$4,520,522	\$4,564,673	\$4,605,481	\$4,645,569	\$4,690,381	\$2,622,878		
8	Return on Average Net Investment															
	a Equity Component	0.00403	340,631	306,353	272,062	237,781	119,020	18,032	18,218	18,396	18,560	18,722	18,902	10,570	1,397,247	
	b Equity Component Grossed Up For Taxes	1.62800	554,548	498,743	442,917	387,108	193,765	29,356	29,659	29,949	30,216	30,479	30,772	17,208	2,274,720	
	c Debt Component	0.00158	133,801	120,337	106,867	93,401	46,752	7,083	7,156	7,226	7,290	7,354	7,425	4,152	548,844	
	d Total Return for the Period		<b>688,349</b>	<b>619,080</b>	<b>549,784</b>	<b>480,509</b>	<b>240,517</b>	<b>36,439</b>	<b>36,815</b>	<b>37,175</b>	<b>37,506</b>	<b>37,833</b>	<b>38,197</b>	<b>21,360</b>	<b>2,823,564</b>	
9	<b>Revenue Requirements for the Period (Line 5e + 6a + 8d) (b)</b>		<b>698,765</b>	<b>622,541</b>	<b>550,894</b>	<b>486,449</b>	<b>(73)</b>	<b>44,737</b>	<b>47,710</b>	<b>40,951</b>	<b>40,996</b>	<b>39,507</b>	<b>50,481</b>	<b>(4,202,324)</b>	<b>(1,579,365)</b>	
10	Projected Revenue Requirements for the Period (Order No. PSC 14-0701-FOF-EI)		702,209	631,598	560,987	490,377	0	0	0	0	0	0	0	0	2,385,171	
11	Over/Under Recovery For the Period (Order No. PSC-15-0176-TRF-EI)		(3,444)	(9,057)	(10,093)	(3,928)	(73)	44,737	47,710	40,951	40,996	39,507	50,481	(4,202,324)	(3,964,535)	
12	<b>Other Exit / Wind-Down</b>															
	a Accounting		3,029	2,926	2,458	2,410	2,617	2,866	2,144	0	0	341	2,504	1,948		\$23,243
	b Corporate Planning		2,280	7,570	7,714	11,050	4,861	7,176	4,607	1,065	144	309	310	3,045		\$50,131
	c Legal		320	16,721	31,252	30,456	16,618	5,979	19,304	13,676	1,902	0	0	184		\$136,412
	d Joint Owner Credit		0	0	0	0	0	0	0	0	0	0	0	0		0
	e Total Other Exit / Wind-Down Costs		5,629	27,217	41,424	43,916	24,096	16,021	26,055	14,741	2,046	650	2,814	5,177		\$209,786
13	Jurisdictional Factor (A&G)		0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221		
14	Jurisdictional Amount		5,247	25,372	38,616	40,939	22,463	14,935	24,289	13,742	1,907	606	2,623	4,826		195,565
15	Prior Period Unrecovered Balance (a)	(179,385)	(164,436)	(149,488)	(134,539)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)	(119,590)		
16	Prior Period Costs Recovered (a)		(14,949)	(14,949)	(14,949)	(14,949)										(59,795)
17	Prior Month Period (Over)/Under Recovery		0	(24,355)	(4,230)	9,014	11,342	22,453	14,928	24,282	13,736	1,902	601	2,617		
18	Unamortized Balance	(179,385)	(164,436)	(173,843)	(163,124)	(139,161)	(127,820)	(105,367)	(90,438)	(66,157)	(52,421)	(50,519)	(49,918)	(47,301)		
19	Projected Carrying Costs for the Period															
	a Balance Eligible for Interest		(169,287)	(168,631)	(151,291)	(126,166)	(116,588)	(97,899)	(78,294)	(59,286)	(51,467)	(50,216)	(48,606)	(44,888)		
	b Monthly Commercial Paper Rate		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%		
	c Interest Provision		(14)	(13)	(11)	(6)	(10)	(7)	(7)	(5)	(6)	(5)	(6)	(15)		(105)
	d Total Costs and Interest (Line 14 + Line 19c)		<b>5,233</b>	<b>25,359</b>	<b>38,605</b>	<b>40,933</b>	<b>22,453</b>	<b>14,928</b>	<b>24,282</b>	<b>13,736</b>	<b>1,902</b>	<b>601</b>	<b>2,617</b>	<b>4,811</b>		<b>195,460</b>
20	Recovered (Order No. PSC 14-0701-FOF-EI) (Order No. PSC-15-0176-TRF-EI)		29,589	29,589	29,590	29,591	0	0	0	0	0	0	0	0		118,359
21	Over/Under Recovery For the Period		(24,355)	(4,230)	9,014	11,342	22,453	14,928	24,282	13,736	1,902	601	2,617	4,811		77,100
22	<b>Revenue Requirements for the Period (Line 9 + Line 19d)</b>		<b>703,998</b>	<b>647,900</b>	<b>589,499</b>	<b>527,381</b>	<b>22,380</b>	<b>59,665</b>	<b>71,992</b>	<b>54,687</b>	<b>42,898</b>	<b>40,108</b>	<b>53,098</b>	<b>(4,197,513)</b>	<b>(1,383,905)</b>	

(a) See Appendix A for Beginning Balance Support  
(b) 2014 WACC Adjustment (Amount includes interest Jan-May 2015)  
(c) This amount represents deferral of \$54M as contemplated in DEF's March 2, 2015 Petition.

**DUKE ENERGY FLORIDA**  
**Nuclear Cost Recovery Clause (NCRC) - Levy Nuclear Units 1 & 2**  
**2015 Detail - Calculation of the Revenue Requirements - LLE Deferred Balance**  
**January 2015 through December 2015**

Witness: T.G. Foster  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF- 1)

Line	Description	Beginning of Period Amount	Actual January 2015	Actual February 2015	Actual March 2015	Actual April 2015	Actual May 2015	Actual June 2015	Actual July 2015	Actual August 2015	Actual September 2015	Actual October 2015	Actual November 2015	Actual December 2015	Period Total	End of Period Total
1	<b>Uncollected Investment : LLE Deferred Balance</b>															
	a Uncollected Investment: LLE Deferred Balance (\$54M System)	0	0	0	0	0	50,275,957	0	0	0	0	0	0	0	50,275,957	50,275,957
	b Prior Period Carrying Charge Unrecovered Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	c Prior Period Carrying Charge Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	d Over/Under Prior Period			0	0	0	0	204,719	411,107	414,455	417,830	421,233	424,664	428,122	3,153,738	3,153,738
	e Net Investment	\$0	\$0	\$0	\$0	\$0	\$50,275,957	\$50,480,676	\$50,891,783	\$51,306,238	\$51,724,068	\$52,145,301	\$52,569,965	\$52,998,087		\$53,429,695
2	Average Net Investment	\$0	\$0	\$0	\$0	\$0	\$25,137,978	\$50,480,676	\$50,891,783	\$51,306,238	\$51,724,068	\$52,145,301	\$52,569,965	\$52,998,087		
3	Return on Average Net Investment															
	a Equity Component 0.00403		0	0	0	0	101,306	203,437	205,094	206,764	208,448	210,146	211,857	213,582	1,560,634	
	b Equity Component Grossed Up For Taxes 1.62800		0	0	0	0	164,926	331,196	333,893	336,612	339,354	342,118	344,904	347,712	2,540,715	
	c Debt Component 0.00158		0	0	0	0	39,793	79,911	80,562	81,218	81,879	82,546	83,218	83,896	613,023	
	d Total Return for the Period		0	0	0	0	204,719	411,107	414,455	417,830	421,233	424,664	428,122	431,608	3,153,738	
4	<b>Revenue Requirements for the Period (Line 3d)</b>		0	0	0	0	204,719	411,107	414,455	417,830	421,233	424,664	428,122	431,608	3,153,738	
5	Projected Revenue Collected for the Period		0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Over/Under Recovery For the Period		0	0	0	0	204,719	411,107	414,455	417,830	421,233	424,664	428,122	431,608	3,153,738	

2015  
 Line No.

**WACC Adjustment from 2014**

5e. Adjusted Dec Surveillance from 2012 to 2013- Staff Data Request LV-15-14

	Beginning Balance	Jan	Feb	March	April	May Adjustment
	<b>(87,249)</b>	(87,249)	(87,960)	(88,676)	(89,398)	(90,126)
Equity	0.00403	(352)	(354)	(357)	(360)	(363)
Eq -G/U	1.62800	(572)	(577)	(582)	(587)	(591)
Debt	0.00158	(138)	(139)	(140)	(142)	(143)
Total		(711)	(716)	(722)	(728)	(734)
						<b>\$ (90,860)</b>

**Unrecovered Investment Beginning Balance for Carrying Cost Calculation**

6f. Prior Period Unrecovered Balance **\$ (11,381,362)**

Prior Period Carrying Charge Unrecovered Balance (4,647,273) Exhibit TGF-2\_2014 Detail (March 2015) Line 6f.

Prior Period Under/(Over) Recovery (Prior Month) (6,734,088) Exhibit TGF-2\_2014 Detail (March 2015) Line 6h.

**Other Exit & Wind-Down Costs**

15. Prior Period (Over)/Under Recovery **\$ (179,385)**

Prior Period (Over)/Under Recovery (79,819) Exhibit TGF-2\_2014 Detail (March 2015) Line 15.

Over/Under Recovery For the Period (99,566) Exhibit TGF-2\_2014 Detail (March 2015) Line 21.



**LEVY COUNTY NUCLEAR 1 & 2**  
**True-Up 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 2015 Detail Schedule with the expenditures provided to the Commission in the 2015 Detail Estimated / Actual Schedules.

Appendix B  
 Witness: Thomas G. Foster  
 Docket No. 160009-EI  
 Duke Energy Florida  
 Exhibit: (TGF - 1)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 150009-EI

For Year Ended 12/31/2015

Line No.	Description	(A) System Estimated / Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
	Allocated or Assigned Other Exit / Wind-Down Expenditures				
1	Accounting	\$80,000	\$23,243	(\$56,757)	Fewer hours for wind-down accounting activities than Estimated.
2	Corporate Planning	\$61,535	\$50,131	(11,404)	Minimal variance from Estimated amounts
3	Legal	\$110,000	\$136,412	26,412	Minimal variance from Estimated amounts
4	Total	\$251,535	\$209,786	(\$41,749)	Overall minor variance from estimated amount.

Note:  
 System Estimated / Actual taken from May 1, 2015 Filing in Docket No. 150009-EI.

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 2014**

Appendix C  
 Witness: Thomas G. Foster  
 Duke Energy Florida  
 Docket No. 160009-EI  
 (TGF - 1)

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,222,186,481	4,623,579,568	(812,717,155)	729,976,602	4,540,839,016	47.51%	9.50%	4.51%	10.50%	4.99%	11.50%	5.46%
Long Term Debt	4,640,661,936	4,108,713,810	(722,215,796)	0	3,386,498,014	35.44%	5.33%	1.89%	5.33%	1.89%	5.33%	1.89%
Short Term Debt *	83,881,000	74,265,919	(13,054,212)	164,565,046	225,776,753	2.36%	1.22%	0.03%	1.22%	0.03%	1.22%	0.03%
Customer Deposits											0	0
Active	216,296,806	216,296,806	(38,019,920)	0	178,276,886	1.87%	2.23%	0.04%	2.23%	0.04%	2.23%	0.04%
Inactive	1,651,583	1,651,583	(290,310)	0	1,361,273	0.01%						
Investment Tax Credits **	425,513	376,737	(66,222)	0	310,515	0.00%						
Deferred Income Taxes	2,119,038,625	1,876,138,228	(329,781,223)	(167,311,918)	1,379,045,088	14.43%						
FAS 109 DIT - Net	(212,931,026)	(188,523,245)	33,137,977	0	(155,385,267)	-1.63%						
<b>Total</b>	<b>12,071,210,918</b>	<b>10,712,499,406</b>	<b>(1,883,006,858)</b>	<b>727,229,731</b>	<b>9,556,722,278</b>	<b>100.00%</b>		<b>6.47%</b>		<b>6.95%</b>		<b>7.42%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

Equity	4.99%
Debt	1.96%
Total	6.95%

**LEVY COUNTY NUCLEAR 1 & 2**  
**Site Selection, Preconstruction Costs, and Carrying Costs on Construction Cost Balance**  
**True-Up 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  
 Duke Energy Florida  
 Exhibit: (TGF - 1)  
 (Page 1 of 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 160009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on 2015 Detail Schedule	Description
----------	--	-------------

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

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2015 Detail Schedule with the expenditures provided to the Commission on 2015 Estimated/Actual Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2015 Detail Schedule.

Appendix D  
 Witness: C. Fallon  
 Duke Energy Florida  
 Exhibit: (TGF - 1)  
 (Page 2 of 2)

COMPANY:  
 Duke Energy - FL

DOCKET NO.:  
 160009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on 2015 Detail Schedule	(A) System Estimated / Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	Wind-Down Costs				Minimal variance from Estimated amounts
2	Sale or Salvage of Assets				Additional sale of LLE, not included in the 2015 Estimate filed on May 1, 2015.
3	Disposition				
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:  
 System Estimated / Actual taken from May 1, 2015 Filing in Docket No. 150009-EI.

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

**REDACTED**

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

Appendix E  
Witness: C. Fallon  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF - 1)

DOCKET NO.:  
160009-EI

For Year Ended: 12/31/2015

(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 (2014)	Actual Amount Expended in 2015	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 1	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 2	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 cannot be estimated at this time.

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

**Docket No. 160009-EI  
Duke Energy Florida  
Exhibit No. \_\_\_\_ (TGF-2)**

**SCHEDULE APPENDIX**

**EXHIBIT (TGF-2)**

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

**JANUARY 2015 - DECEMBER 2015  
DOCKET NO. 160009-EI**

**Table of Contents**  
**Crystal River Unit 3 Uprate**  
**January 2015 - December 2015**

<u>Page(s)</u>	<u>Schedule</u>	<u>Description</u>	<u>Sponsor</u>
3	2015 Summary	2015 Summary	T. G. Foster
4	2015 Detail	2015 Detail Revenue Requirement Calculations	T. G. Foster / M. Teague
5 - 7	Appendix A	Detail for 2015 Beginning Balance , Adjustment Support & In-Service Project Rev Req Support	T. G. Foster
8	Appendix B	Other Exit / Wind-Down Expense Variance Explanation	T. G. Foster
9	Appendix C	Average Rate of Return - Capital Structure	T. G. Foster
10 - 11	Appendix D	Major Task Categories and Expense Variances	M. Teague
12	Appendix E	Summary of Contracts and Details over \$1 Million	M. Teague

		12-Month Total
1.	Final Costs for the Period	
	a. Carrying Cost on Unrecovered Investment	\$ 18,987,802 (2015 Detail Line 5d.)
	b. Period Exit Costs (including Sale of Assets)	(1,477,805) (2015 Detail Line 2e.)
	c. Period Other Exit / Wind-down Costs and Interest	75,557 (2015 Detail Line 16d.)
	d. Other - Adjustments	(228,787) (2015 Detail Lines: 2j. and 19)
	e. Total Period Revenue Requirement	<u>\$ 17,356,767</u>
2.	Projected Amount for the Period (Order No. PSC 14-0701-FOF-EI)	\$ 19,892,643 (2015 Detail Line 23)
3.	Final True-Up Amount for the Period (over)/under (Line 1e. - Line 2.)	\$ (2,535,876)
4.	Amortization of Unrecovered Investment and Prior Period Over/Under Balances (Order No. PSC 14-0701-FOF-EI)	\$ 43,681,007 (2015 Detail Line 3d.)
5.	Total Revenue Requirements for 2015 (Line 1e. + Line 4.)	<u>\$ 61,037,774</u>



**DUKE ENERGY FLORIDA**  
**Nuclear Cost Recovery Clause (NCRC) - CR3 Uprate**  
**2015 Detail - Calculation of the Revenue Requirements**  
**January 2015 through December 2015**

Witness: T.G. Foster / M. Teague  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF- 2)

Line	Description	Beginning of Period Amount	Actual January 15	Actual February 15	Actual March 15	Actual April 15	Actual May 15	Actual June 15	Actual July 15	Actual August 15	Actual September 15	Actual October 15	Actual November 15	Actual December 15	Period Total
<b>1</b>	<b>Uncollected Investment</b>														
a	EPU Construction & Wind-Down Costs	376,506,278	2,011	0	175	73,418	151,176	231,378	317,137	77,319	2,740	0	813	1,530	857,696
b	Sale or Salvage of Assets	(453,858)	(90,519)	0	0	(100,519)	0	0	0	(11,750)	(24,712)	(1,598,000)	0	(750,000)	(2,575,500)
c	Disposition	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Total	376,052,420	(88,508)	0	175	(27,101)	151,176	231,378	317,137	65,569	(21,972)	(1,598,000)	813	(748,470)	(1,717,804)
<b>2</b>	<b>Adjustments</b>														
a	Non-Cash Accruals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Joint Owner Credit	(30,109,734)	7,275	0	(15)	539	(12,426)	(19,018)	(26,067)	(5,389)	1,806	131,346	(53)	48,800	126,799
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	317,834,039	(81,233)	0	160	(26,562)	138,750	212,360	291,070	60,179	(20,166)	(1,466,654)	760	(699,670)	(1,591,005)
	Retail Jurisdictional Factor : Current Year Activity	92.885%													
	Retail Jurisdictional Factor: (Beg Bal YE 2012 only)	91.683%													
e	Exit / Wind-down Costs		(75,453)	0	149	(24,672)	128,878	197,251	270,360	55,898	(18,731)	(1,362,302)	706	(649,888)	(1,477,805)
f	Beginning Balance - pre 2013 Investment	279,911,057	0	0	0	0	0	0	0	0	0	0	0	0	279,911,057
g	Beginning Balance - post 2013 Investment	12,170,084	0	0	0	0	0	0	0	0	0	0	0	0	12,170,084
h	Collected 2014 Portion of Regulatory Asset	(44,202,846)	0	0	0	0	0	0	0	0	0	0	0	0	(44,202,846)
i	Total Jurisdictional Unrecovered Investment	247,878,294	(75,453)	0	149	(24,672)	128,878	197,251	270,360	55,898	(18,731)	(1,362,302)	706	(649,888)	246,400,489
j	WACC Adjustment from 2014 & J/O Adjustment 2014 (Adjust May 2015 Rev Req) (c)	0	0	0	0	0	(229,139)	0	0	0	0	0	0	0	(229,139)
<b>3</b>	<b>Carrying Cost on Unrecovered Investment Balance</b>														
a	Uncollected Investment: Costs for the Period (Beg Balance: Sum (Line 2.f thru 2.h))	247,878,294	(75,453)	0	149	(24,672)	128,878	197,251	270,360	55,898	(18,731)	(1,362,302)	706	(649,888)	246,400,489
b	Plant-in-Service	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	(1,477,805)
d	Amortization of Unrecovered Investment (a)		(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(43,681,007)
e	Prior Period Carrying Charge Unrecovered Balance (a)	(1,170,549)	(1,173,008)	(1,175,466)	(1,177,924)	(1,180,382)	(1,182,840)	(1,185,298)	(1,187,756)	(1,190,214)	(1,192,672)	(1,195,130)	(1,197,588)	(1,200,047)	(1,200,047)
f	Prior Period Carrying Charge Recovered (a)	29,497	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458	2,458
g	Prior Period Under/(Over) Recovery (Prior Month)		(143,326)	(68,318)	(68,318)	(68,318)	(93,002)	(168,125)	129,320	204,383	13,134	(60,910)	(1,409,848)	(52,173)	(2,422,232)
h	Net Investment	\$216,712,648	\$212,994,653	\$209,284,238	\$205,573,526	\$201,838,039	\$198,256,045	\$194,513,750	\$191,073,638	\$187,421,017	\$183,716,980	\$178,669,958	\$174,980,575	\$170,635,266	170,579,912
4	Average Net Investment		\$214,853,651	\$211,105,509	\$207,394,723	\$203,671,646	\$200,012,877	\$196,236,396	\$192,759,729	\$189,214,339	\$185,547,617	\$181,172,380	\$176,801,493	\$172,781,481	
5	Return on Average Net Investment														
a	Equity Component	0.00403	865,860	850,755	835,801	820,797	806,052	790,833	776,822	762,534	747,757	730,125	712,510	696,309	9,396,155
b	Equity Component Grossed Up For Taxes	1.62800	1,409,621	1,385,031	1,360,685	1,336,259	1,312,254	1,287,477	1,264,667	1,241,407	1,217,350	1,188,645	1,159,967	1,133,592	
c	Debt Component	0.00158	340,113	334,180	328,306	322,412	316,620	310,642	305,139	299,526	293,722	286,796	279,877	273,513	3,690,846
d	Total Return		1,749,734	1,719,211	1,688,991	1,658,671	1,628,874	1,598,119	1,569,806	1,540,933	1,511,072	1,475,441	1,439,844	1,407,105	18,987,802
6	Revenue Requirements for the Period (Lines 3a + 5d)		\$1,674,281	\$1,719,211	\$1,689,140	\$1,633,999	\$1,528,613	\$1,795,370	\$1,840,167	\$1,596,830	\$1,492,340	\$113,139	\$1,440,550	\$757,217	17,280,858
7	Projected Revenue Requirements for the Period (Order No. PSC 14-0701-FOF-EI)		\$1,817,608	\$1,787,529	\$1,757,265	\$1,727,001	\$1,696,738	\$1,666,050	\$1,635,783	\$1,583,696	\$1,553,250	\$1,522,987	\$1,492,723	\$1,462,459	19,703,090
8	Over/Under Recovery For the Period		(\$143,326)	(\$68,318)	(\$68,124)	(\$93,002)	(\$168,125)	\$129,320	\$204,383	\$13,134	(\$60,910)	(\$1,409,848)	(\$52,173)	(\$705,242)	(2,422,232)
9	<b>Other Exit / Wind-Down</b>														
a	Accounting		3,029	2,926	2,458	2,410	2,617	2,866	2,144	0	0	341	2,504	1,948	23,243
b	Corporate Planning		0	4,620	4,362	4,829	1,267	3,348	997	82	316	84	103	1,131	21,139
c	Legal		4,126	3,636	8,543	5,820	7,464	4,248	5,759	4,240	173	0	257	44,266	
d	Joint Owner Credit		(588)	(919)	(1,263)	(1,073)	(933)	(860)	(732)	(355)	(40)	(35)	(214)	(274)	(7,286)
e	Total Other Exit / Wind-Down Costs		6,567	10,263	14,100	11,986	10,415	9,602	8,168	3,967	449	390	2,393	3,062	81,362
10	Jurisdictional Factor (A&G)		0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	0.9322	
11	Jurisdictional Amount		6,122	9,567	13,144	11,173	9,709	8,951	7,615	3,698	418	364	2,231	2,854	75,846
12	Prior Period Unrecovered Balance (a)	(424,777)	(390,872)	(356,967)	(323,062)	(289,157)	(255,253)	(221,348)	(187,443)	(153,538)	(119,634)	(85,729)	(51,824)	(17,919)	
13	Prior Period Costs Recovered (a)	(406,857)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	(33,905)	
14	Prior Month Period (Over)/Under Recovery		0	(9,667)	(6,218)	(2,641)	(4,604)	(6,078)	(6,832)	(8,174)	(12,091)	(15,374)	(15,427)	(13,564)	
15	Unamortized Balance	(424,777)	(390,872)	(366,634)	(338,948)	(307,684)	(278,383)	(250,557)	(223,484)	(197,753)	(175,939)	(157,408)	(138,930)	(118,589)	
16	Carrying Costs for the Period														
a	Balance Eligible for Interest		(404,763)	(378,803)	(349,328)	(319,050)	(290,481)	(263,034)	(236,629)	(212,856)	(192,682)	(174,178)	(154,767)	(134,114)	
b	Monthly Commercial Paper Rate		0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.03%	
c	Interest Provision		(34)	(28)	(26)	(16)	(24)	(18)	(22)	(20)	(21)	(17)	(19)	(45)	(290)
d	Total Costs and Interest (Line 11 + Line 16c)		6,088	9,539	13,118	11,157	9,685	8,934	7,593	3,678	398	346	2,211	2,810	75,557
17	Recovered (Order No. PSC 14-0701-FOF-EI)		15,755	15,757	15,759	15,761	15,763	15,765	15,767	15,769	15,771	15,773	15,775	15,777	189,194
18	Over/Under Recovery For the Period		(9,667)	(6,218)	(2,641)	(4,604)	(6,078)	(6,832)	(8,174)	(12,091)	(15,374)	(15,427)	(13,564)	(12,967)	(113,637)
19	Other - Adjustments (a)	7,873	59	53	48	43	37	32	27	21	16	11	5	0	353
20	Recovered (Order No. PSC 14-0701-FOF-EI)		60	55	49	44	38	33	27	22	16	11	5	0	360
21	Over/Under Recovery For the Period		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	0	(7)
<b>22</b>	<b>Revenue Requirements for the Period</b>		<b>1,680,428</b>	<b>1,728,803</b>	<b>1,702,307</b>	<b>1,645,199</b>	<b>1,538,335</b>	<b>1,804,336</b>	<b>1,847,787</b>	<b>1,600,530</b>	<b>1,492,754</b>	<b>113,496</b>	<b>1,442,767</b>	<b>760,026</b>	<b>17,356,767</b>
23	Recovered (Order No. PSC 14-0701-FOF-EI)		1,833,423	1,803,341	1,773,073	1,742,806	1,712,540	1,681,848	1,651,578	1,599,487	1,569,037	1,538,771	1,508,504	1,478,236	19,892,643
<b>24</b>	<b>Over/Under Recovery For the Period</b>		<b>(152,995)</b>	<b>(74,538)</b>	<b>(70,766)</b>	<b>(97,607)</b>	<b>(174,204)</b>	<b>122,488</b>	<b>196,209</b>	<b>1,043</b>	<b>(76,284)</b>	<b>(1,425,275)</b>	<b>(65,737)</b>	<b>(718,210)</b>	<b>(2,535,876)</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) 2014 WACC Adjustment and J/O Adjustment (Amount includes interest Jan-May 2015). See Appendix A for calculation.

2015 Over/Under Recovery Beginning Balance

Line.

2j WACC & J/O Adjustments

	May 2015 Adjustment	\$	(229,139)	
1	(64,650)			DEF's Response PSC Audit No. CR 11-14 (adjusting J/O credit)
2	(155,383)			DEF's Response PSC Audit No. CR 14-14 (adjusting WACC) 2014 Impact
3	(220,033)			Total Adjustments ((Beginning Balance January 2015 on Appendix A (page 3 of 3))
4	(9,107)			2015 Carrying Cost (Jan - May) calculated on Appendix A (page 3 of 3)
5	(229,139)			<b>Total Adjustment w/carrying cost reflected in May 2015 on Line 2j</b>

3b Transferred to Plant In-service \$ 29,995,096  
 EB from TGF-2\_2014 Detail (filed March 2015) Line 3b

3e Unrecovered Balance Carrying Cost \$ (1,170,549)

Prior Period	(300,415)	Exhibit TGF-2_2014 Detail (March 2015)	Line 3e. Prior Period Carrying Charge Unrecovered Balance
Current Period	(870,135)	Exhibit TGF-2_2014 Detail (March 2015)	Line 3g. (Over)/Under for the Period
Total	(1,170,549)		

3f Prior Period Carrying Charge Recovered \$ 29,497 Please refer to Appendix A (page 2 of 3)

Other Exit / Wind-Down

12 Prior Period Unrecovered Balance \$ (424,777)

Prior Period	(224,283)	Exhibit TGF-2_2014 Detail (March 2015)	Line 12 Prior Period Unrecovered Balance
Current Period	(200,493)	Exhibit TGF-2_2014 Detail (March 2015)	Line 18 (Over)/Under for the Period
Total	(424,777)		

13 Prior Period Costs Recovered \$ (406,857)

Prior Period	(224,283)	Please refer to Appendix A (page 2 of 3)
Current Period	(182,574)	Please refer to Appendix A (page 2 of 3)
Total	(406,857)	

15 Other - Adjustments \$ 7,873  
 Other - Adjustments 7,873 Please refer to Appendix A (page 2 of 3)  
 Unrecovered Balance Carrying Cost

Line 3d. Annual Amortization Calculation

TGF-3 Filed March 1, 2014	YE 2013 - Actual	
1 Additions for the Period (TGF-3 Filed March 2014 - Line 3a)		292,081,140
2 Less: Transferred to Plant-in-Service (TGF-3 Filed March 2014 - Line 3)		29,995,096
3 2013 EB Investment prior to Amortize (2015 through 2019)		262,086,044
4 Annual Amortization (2015 through 2019) (2015 Detail Line 3d.)		<u>43,681,007</u>

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

DEF - CR3 Uprate

Appendix A

Witness: Thomas G. Foster

Docket No. 160009-EI

Duke Energy Florida

(TGF - 2)

(Page 2 of 3)

	2013 True Up	Note 1 2013 Est-Actual	2015 Collection/ (Refund) *
1 Construction Carrying Cost Rev Req.	26,803,675	27,111,962	(308,287)
2 Recoverable O&M Revenue Req.	229,455	453,738	(224,283)
3 In-service Rev Reqs/Base Refund	927	(6,946)	7,873
4 Total Revenue Requirement	27,034,057	27,558,755	(524,697)

Note 1: Per Order PSC-14-0617-FOF-EI, Docket No. 140009-EI, pg 40 (Issue 7)

The final 2013 net over-recovery of \$524,697 should be included in setting the allowed 2015 NCRC recovery.

	2014 Est-Actual	Note 2 2014 Projection	2015 Collection/ (Refund) *
5 Construction Carrying Cost Rev Req.	24,516,716	24,178,932	337,785
6 Recoverable O&M Revenue Req.	214,326	396,900	(182,574)
7 In-service Rev Reqs/Base Refund	(3,699)	(3,699)	-
8 Total Revenue Requirement	24,727,343	24,572,133	155,210

Note 2: Per Order PSC-14-0617-FOF-EI, Docket No. 140009-EI, pg 40 (Issue 8)

An estimated 2014 net under-recovery of \$155,210 should be included in setting the allowed 2015 NCRC recovery.

DEF  
Other - Adjustments  
In Service Project Revenue Requirements - 2015 Recovery

Appendix A  
Witness: Thomas G. Foster  
(TGF - 2)  
(Page 3 of 3)

	Beg Balance 2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
1 In-service Project Revenue Requirements	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Projected In-service Project Revenue Requirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Prior Years Project In-service Revenue Requirements	7,873	656	656	656	656	656	656	656	656	656	656	656	656	7,873
4 Under/(Over) Recovery	\$7,873	\$7,217	\$6,561	\$5,905	\$5,249	\$4,593	\$3,937	\$3,280	\$2,624	\$1,968	\$1,312	\$656	\$0	
5 Cumulative Under/(Over) Recovery	\$7,873	\$7,217	\$6,561	\$5,905	\$5,249	\$4,593	\$3,937	\$3,280	\$2,624	\$1,968	\$1,312	\$656	\$0	
6 Equity Component (a)	0.00403	\$29	\$26	\$24	\$21	\$19	\$16	\$13	\$11	\$8	\$5	\$3	\$0	\$175
7 Equity Component grossed up for taxes (b)	1.62800	47	43	39	34	30	26	22	17	13	9	4	0	284
8 Debt Component ( c)	0.001583	11	10	9	8	7	6	5	4	3	2	1	0	69
9 Total Return on Under/(Over) Recovery (2015 Detail Line 21)		\$59	\$53	\$48	\$43	\$37	\$32	\$27	\$21	\$16	\$11	\$5	\$0	\$353

Notes:

- (a) The monthly Equity Component of 4.99% 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 0.00403 (Equity) and 0.001583 (Debt), which results in the annual rate of 6.95%.

DEF CR3 Uprate  
Calculation for 2015 Carrying Costs to be applied to the 2014 Adjustments  
WACC Adjustment from 2014 & J/O Adjustment 2014 : Line 2j - May (2015 Detail)

	Beg Balance 2015	Jan	Feb	Mar	Apr	May	May Adjustment	Total
1 DEF's Response PSC Audit No. CR 11-14 (adjusting J/O credit)	\$ (64,650)							
2 DEF's Response PSC Audit No. CR 14-14 (adjusting WACC) 2014 Impact	\$ (155,383)							
3 2014 Adjustment - Including Carrying Cost (Appendix A- 2j)	<b>(220,033)</b>	0	(1,792)	(1,807)	(1,821)	(1,836)	(1,851)	(9,107)
4 Under/(Over) Recovery	(220,033)	(\$220,033)	(\$221,825)	(\$223,631)	(\$225,452)	(\$227,288)	(\$229,139)	(220,033)
5 Cumulative Under/(Over) Recovery (Appendix A- 2j)	(\$220,033)	(\$220,033)	(\$221,825)	(\$223,631)	(\$225,452)	(\$227,288)	(\$229,139) *	(\$229,139)
6 Equity Component (a)	0.00403	(\$887)	(\$894)	(\$901)	(\$909)	(\$916)		(\$4,506)
7 Equity Component grossed up for taxes (b)	1.62800	(1,444)	(1,455)	(1,467)	(1,479)	(1,491)		(7,337)
8 Debt Component ( c)	0.001583	(348)	(351)	(354)	(357)	(360)		(1,770)
9 Total Return on Under/(Over) Recovery		(\$1,792)	(\$1,807)	(\$1,821)	(\$1,836)	(\$1,851)		(\$9,107)

Notes:

- (a) The monthly Equity Component of 4.99% 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 0.00403 (Equity) and 0.001583 (Debt), which results in the annual rate of 6.95%.  
\*Transferred (\$229,139) to 2015 Detail Line 2j.

**CRYSTAL RIVER UNIT 3 UPRATE**  
**True-Up 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 2015 Detail Schedule with the expenditures provided to the Commission in the 2015 Detail Estimated Schedules.

Appendix B  
 Witness: Thomas G. Foster  
 Docket No. 160009-EI  
 Exhibit: (TGF - 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 160009-EI

For Year Ended 12/31/2015

Line No.	Description	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
Allocated or Assigned Other Exit / Wind-Down Expenditures					
1	Accounting	\$80,000	\$23,243	(\$56,757)	Fewer hours than estimated were spent on EPU Wind-Down Activities
2	Corporate Planning	58,320	21,139	(37,181)	Fewer hours than estimated were spent on EPU Wind-Down Activities
3	Legal	50,000	44,266	(5,734)	Minor variance from estimated amount.
4	<u>Total</u>	<u>\$188,320</u>	<u>\$88,648</u>	<u>(\$99,672)</u>	

Note:  
 System Estimate from May 1, 2015 Filing in Docket No. 150009-EI.

**DUKE ENERGY FLORIDA**  
**Average Rate of Return - Capital Structure**  
**FPSC Adjusted Basis**  
**December 2014**

Appendix C  
 Witness: Thomas G. Foster  
 Docket No. 160009-EI  
 Duke Energy Florida  
 (TGF - 2)

	System Per Books	Retail Per Books	Pro Rata Adjustments	Specific Adjustments	Adjusted Retail	Cap Ratio	Low-Point		Mid-Point		High-Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,222,186,481	4,623,579,568	(812,717,155)	729,976,602	4,540,839,016	47.51%	9.50%	4.51%	10.50%	4.99%	11.50%	5.46%
Long Term Debt	4,640,661,936	4,108,713,810	(722,215,796)	0	3,386,498,014	35.44%	5.33%	1.89%	5.33%	1.89%	5.33%	1.89%
Short Term Debt *	83,881,000	74,265,919	(13,054,212)	164,565,046	225,776,753	2.36%	1.22%	0.03%	1.22%	0.03%	1.22%	0.03%
Customer Deposits											0	0
Active	216,296,806	216,296,806	(38,019,920)	0	178,276,886	1.87%	2.23%	0.04%	2.23%	0.04%	2.23%	0.04%
Inactive	1,651,583	1,651,583	(290,310)	0	1,361,273	0.01%						
Investment Tax Credits **	425,513	376,737	(66,222)	0	310,515	0.00%						
Deferred Income Taxes	2,119,038,625	1,876,138,228	(329,781,223)	(167,311,918)	1,379,045,088	14.43%						
FAS 109 DIT - Net	(212,931,026)	(188,523,245)	33,137,977	0	(155,385,267)	-1.63%						
<b>Total</b>	<b>12,071,210,918</b>	<b>10,712,499,406</b>	<b>(1,883,006,858)</b>	<b>727,229,731</b>	<b>9,556,722,278</b>	<b>100.00%</b>		<b>6.47%</b>		<b>6.95%</b>		<b>7.42%</b>

\* Daily Weighted Average

\*\* Cost Rates Calculated Per IRS Ruling

Equity	4.99%
Debt	1.96%
Total	6.95%

**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 2015 Detail Schedule.

Appendix D  
 Witness: M. Teague  
 Docket No. 160009-EI  
 Duke Energy Florida  
 Exhibit: (TGF - 2)  
 (Page 1 of 2)

COMPANY:  
 Duke Energy Florida

DOCKET NO.:  
 160009-EI

For Year Ended 12/31/2015

Line No.	Major Task & Description for amounts on 2015 Detail Schedule	Description
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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 IA-9010 regarding Disposition of Assets |
| 3 | Disposition                        | Net Value received in accordance with Duke Energy Procedure IA-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 2015 Detail Schedule with the expenditures provided to the Commission on 2015 Estimated / Actual Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2015 Detail Schedule.

COMPANY: Duke Energy Florida

Appendix D  
Witness: M. Teague  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF - 2)  
(Page 2 of 2)

DOCKET NO.:  
160009-EI

For Year Ended 12/31/2015

Line No.	Construction Major Task & Description for amounts on 2013 Detail Schedule	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	EPU Wind-Down Costs	\$252,811	\$857,696	\$604,885	Additional costs were incurred to prepare additional EPU assets for sale
2	Sale or Salvage of Assets	(\$126,519)	(\$2,575,500)	(\$2,448,981)	Additional EPU assets were sold beyond those that were included in the Estimates
3	Disposition	0	0	0	
4	Total Generation Costs	\$126,292	(\$1,717,804)	(\$1,844,096)	

Transmission:  
N/A

Note:

System Estimate from May 1, 2015 Filing in Docket No. 150009-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.

Appendix E  
Witness: M. Teague  
Docket No. 160009-EI  
Duke Energy Florida  
Exhibit: (TGF - 2)

COMPANY:

Duke Energy Florida

DOCKET NO.:

160009-EI

For Year Ended 12/31/2015

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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.**