

STATE OF FLORIDA



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Public Service Commission

April 28, 2016

Matthew R. Bernier
106 E. College Ave, Suite 800
Tallahassee, Florida 32301
matthew.bernier@duke-energy.com

STAFF'S FIRST DATA REQUEST
via email

Re: Docket No. 160096-EI - Joint petition for approval of modifications to risk management plans by Duke Energy Florida, Florida Power & Light Company, Gulf Power Company and Tampa Electric Company.

Dear Mr. Bernier:

By this letter, the Commission staff requests that Duke Energy Florida, LLC (DEF) provide responses to the following data requests.

1. Please refer to paragraphs 10 and 11 of the petition and to Exhibits 1 through 4. Explain the reasoning and analysis supporting DEF's proposed reduced hedging targets.
2. Explain the risks and benefits to customers, if any, of DEF's proposed reduced hedging targets.
3. Please refer to paragraph 12 of the petition and to Exhibits 1 through 4. Explain the reasoning and analysis supporting the proposed limit on the future time horizon over which hedges may be placed.
4. Explain the risks and benefits to customers, if any, of the proposed limit on the future horizon over which hedges may be placed.
5. Has DEF analyzed the potential effects on 2016 and 2017 customers' bills of the proposed modifications to the risk management plans? If yes, please explain.
6. Will the proposed modifications reduce the benefits and costs of hedging? Please explain any analysis that estimates the effects of the proposed changes.
7. Will the proposed modifications reduce the administrative costs of the hedging program for the remainder of 2016 and for 2017 assuming approval? Please explain.

8. Please refer to the last two sentences of paragraph 5 of the petition. How would the factors listed in the last sentence cause the downward trend in natural gas prices to change or reverse?
9. Please refer to last sentence of paragraph 8. As of the time of this interrogatory, what percentage of DEF's hedges for 2017 procurement has been executed?
10. For DEF, please refer to paragraph 9. Is DEF stating that the range in DEF's 2016 Risk Management Plan encompasses the range with the proposed changes in paragraph 10? Please explain.
11. If the hedging contracts in place for 2015 for DEF had been reduced by 25%, how much would DEF have saved compared to actual results? Please state any assumptions that might underlie this calculation.
12. What natural gas hedging savings (costs) and hedging volumes have been incurred by DEF for the period January-March, 2016?
13. If the proposed reductions detailed in the Joint Petition would have been in place during the January-March 2016 period, what natural gas hedging savings (costs) would DEF have incurred?
14. What natural gas hedging savings (costs) and hedging volumes is DEF estimating for the period April-December 2016?
15. If the proposed reductions detailed in the Joint Petition would have been in place during the April-December 2016 period, what are the estimated natural gas hedging savings (costs)?

Please file all responses electronically no later than Monday, May 9, 2016 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6218 if you have any questions.

Sincerely,

/s/ Suzanne Brownless

Suzanne Brownless
Senior Attorney

SBr/as

cc: Office of Commission Clerk
Florida Power & Light Company (Butler, Moncada)
Tampa Electric Company (Beasley, Wahlen, Daniels)
Gulf Power Company (Stone, Badders, Griffin)
Office of Public Counsel (Kelly, Sayler)