



Dianne M. Triplett
ASSOCIATE GENERAL COUNSEL

June 15, 2016

VIA ELECTRONIC FILING

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

Re: Duke Energy Florida, LLC's Petition for Approval of Stipulation to Amend RRSSA;
Docket No. _____

Dear Ms. Stauffer:

Please find attached for electronic filing Duke Energy Florida, LLC's Petition for Approval of Stipulation to Amend RRSSA (Third RRSSA Amendment).

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/db
Attachment

CC: J.R. Kelly, Esq.
Charles Rehwinkel, Esq.
Jon C. Moyle, Esq.
James W. Brew, Esq.
Robert Scheffel Wright, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of stipulation for
Third Amendment to the RRSSA, by Duke
Energy Florida, LLC

DOCKET NO. _____

DATED: June 15, 2016

**DUKE ENERGY FLORIDA, LLC'S PETITION FOR APPROVAL OF
STIPULATION TO AMEND RRSSA**

Duke Energy Florida, LLC ("DEF" or the "Company") hereby petitions the Florida Public Service Commission ("Commission") to approve the attached Proposed Stipulation to Amend the Revised and Restated Stipulation and Settlement Agreement ("Stipulation"), attached as Exhibit A to this Petition, including Exhibit 1 to the Stipulation ("Third RRSSA Amendment").

1. DEF, the Office of Public Counsel ("OPC"), White Springs Agricultural Chemicals, Inc., d/b/a PCS Phosphate ("PCS Phosphate"), the Florida Retail Federation ("FRF"), and the Florida Industrial Power Users Group ("FIPUG") (collectively the "Parties") have entered into the Stipulation to amend the Revised and Restated Stipulation and Settlement Agreement ("RRSSA").

2. The Parties request that the RRSSA be amended as reflected in Exhibit 1 to the Stipulation. The Third RRSSA Amendment contains targeted and limited changes so that the approved, prudent costs associated with DEF's Dry Cask Storage project will be recovered through the capacity cost recovery clause in a manner that preserves and is consistent with the original intent of the parties at the time the RRSSA was found by the Commission to be in the public interest. It is the intent of the parties that all provisions of the RRSSA remain in full force

and effect, except for the matters specifically addressed in the proposed Third RRSSA Amendment, reflected in the attached Stipulation. Under the current RRSSA, the Dry Cask Storage costs were to be added to the CR3 Regulatory Asset balance. Given the likely securitization of the CR3 Regulatory Asset, however, the parties determined that, for purposes of certainty and to preserve the intended cost recovery cost allocation, it was appropriate to revisit how the Dry Cask Storage costs would be recovered. The method of recovery outlined in the Third RRSSA Amendment is consistent with the RRSSA and provides the added flexibility of a shorter amortization period if deemed appropriate by the parties, and the benefit of annual true-ups to actual costs each year as opposed to an adjustment every four years in base rates per the RRSSA. The stipulating parties each agree that the Third RRSSA Amendment is, therefore, in the best interest of DEF's customers and in the public interest.

3. DEF is authorized to represent that OPC, PCS Phosphate, FRF, and FIPUG support the Petition to approve the Stipulation.

WHEREFORE, DEF respectfully requests that the Commission approve the Stipulation attached hereto as Exhibit A and approve the Third RRSSA Amendment.

Respectfully submitted this 15th day of June, 2016.

/s/ Dianne M. Triplett
DIANNE M. TRIPLETT
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Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Exhibit A to Petition – Stipulation to Amend RRSSA

1. The signatories to the RRSSA agree to and approve the Third RRSSA Amendment, attached to this Stipulation as Exhibit 1. The signatories agree that the Third RRSSA Amendment contains changes to allow the recovery of the approved, prudent Dry Cask Storage costs through the Capacity Cost Recovery Clause. The signatories, by executing this Stipulation, agree that paragraph 22 of the RRSSA, which requires that “no provision may be changed or altered without the consent of each signatory Party in a written document duly executed by all Parties to this Revised and Restated Settlement Agreement” is fully satisfied.
2. Except as set forth in the Third RRSSA Amendment attached as Exhibit 1 to this Stipulation, the Parties do not intend to affect the intent, or the provisions, of the RRSSA.
3. This Stipulation may be executed in counterpart originals, and a facsimile or PDF email of any original signature shall be deemed an original.

In Witness Whereof, the signatories to the RRSSA evidence their acceptance and agreement with the provisions of this Stipulation and the Third RRSSA Amendment by their signatures below.

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Duke Energy Florida, LLC

By: 

Dianne M. Triplett
P.O. Box 14042
St. Petersburg, FL 33733

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Office of Public Counsel

By:  _____

J. R. Kelly, Esq.
Charles Rehwinkel, Esq.
111 W. Madison St., Room 812
Tallahassee, FL 32399

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Florida Industrial Power Users Group

By: _____

Jon C. Moyle, Esq.
Moyle Law Firm
118 North Gadsden Street
Tallahassee, FL 32301

Moyle
6/13/16

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

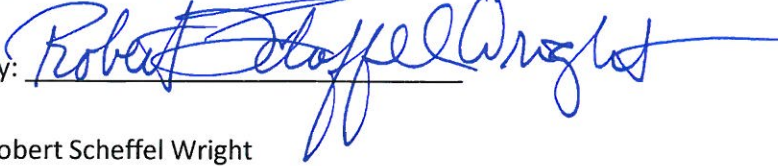
White Springs Agricultural Chemicals, Inc.

By: 

James W. Brew, Esquire
Stone Mattheis Xenopoulos & Brew, PC
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Florida Retail Federation

By: 

Robert Scheffel Wright

John T. LaVia III

Garder, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A.

1300 Thomaswood Drive

Tallahassee, FL 32308

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

Exhibit 1 to Stipulation

Third RRSSA Amendment

Paragraph 5(e)(1) is revised to read:

“Prior to the date set out in paragraph 5e of this Revised and Restated Settlement Agreement, DEF shall be entitled to petition the Commission for approval of the reasonable and prudent projected DCS facility capital costs. The Intervenor Parties shall be entitled to fully participate in such a proceeding and do not waive any rights related to such participation or determination. ~~After a final decision by the Commission,~~ DEF shall be entitled to petition for add inclusion of the Commission-determined projected total (retail jurisdictional) value of the reasonable and prudent DCS facility capital costs in the Capacity Cost Recovery Clause to the CR3 Regulatory Asset for recovery consistent with the revenue requirement calculation template in Exhibit 10 to the Revised and Restated Settlement Agreement subject to the amortization deferral approved in Order No. PSC-15-0027-PAA-EI, and shall be allocated to rate classes annually at the percentages that would have been calculated under the methodology described in the first sentence of Paragraph 5g. and the base rate increase methodology in paragraphs 5g and 5h. The DCS facility capital costs shall not be recovered before the start of the recovery of the CR3 Regulatory Asset. The actual amounts recovered through the Capacity Cost Recovery Clause shall be subject to the clause true-up, review, audit, and approval processes, and- ~~When the DCS facility capital costs become final, DEF shall be entitled to petition the Commission for approval of the final DCS facility capital costs.~~ ~~The Intervenor Parties shall be entitled to fully participate in such a proceedings, for example and without limitation, to challenge the reasonableness and prudence of DEF’s claimed DCS facility capital costs, and do not waive any rights related to such participation or determination. The Parties expressly agree that any proceeding to recover such costs associated with this paragraph of the Revised and Restated Settlement Agreement shall not be a vehicle for a “rate case” type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure or consider previous or current base rate earnings or level of cost of removal reserve. DEF shall credit the Capacity Cost Recovery Clause with the retail portion of all applicable DOE awards when they are received~~ After a final decision by the Commission, DEF shall adjust the CR3 Regulatory Asset to true-up for the final Commission-determined total (retail jurisdictional) value of the DCS facility capital costs, and shall amortize the adjusted final DCS facility capital cost balance –CR3 Regulatory Asset over the recovery period set forth in paragraph 5g, unless another recovery period is agreed to by all Parties. ~~These base rates shall be subject to a true-up as provided in paragraph 5g; and”~~

The second sentence of Paragraph 21 is revised to read:

Stipulation of Parties to amend RRSSA
(Third RRSSA Amendment)
Exhibit A to Petition

“In addition, the Parties agree that the base rate increases or charges that, pursuant to the terms of this Revised and Restated Settlement Agreement, extend beyond the last billing cycle for December 2018 and survive the expiration of the term or termination of this Revised and Restated Settlement Agreement, specifically include, without limitation, (A) the recovery of the CR3 Regulatory Asset through either (1) the last billing cycle for the 240th month from inception of the recovery of the CR3 Regulatory Asset or (2) in the event that the nuclear asset-recovery costs are to be recovered through the issuance of nuclear asset-recovery bonds, until the nuclear asset-recovery bonds have been paid in full and the Commission-approved financing costs have been recovered in full, and for such a period consistent with the proviso in paragraph 5g of this Revised and Restated Settlement Agreement (as amended); (B) the potential recovery of additional funds to fund the CR3 Nuclear Decommissioning Trust pursuant to paragraph 7b of this Revised and Restated Settlement Agreement; (C) the potential recovery of the CRS net book value pursuant to paragraph 8 of this Revised and Restated Settlement Agreement; ~~and~~ (D) the recovery of the LNP and EPU costs through the time periods established by this Revised and Restated Settlement Agreement and Section 366.93(6), F.S., and Commission Rule 25-6.0423(6), F.A.C.; and (E) the recovery of the DCS facility capital costs through the Capacity Cost Recovery Clause, as reflected in the amended paragraph 5(e)(1) of this Revised and Restated Settlement Agreement.”