

Dianne M. Triplett
ASSOCIATE GENERAL COUNSEL

July 18, 2016

VIA ELECTRONIC FILING

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

Re: Petition for Approval to Include in Base Rates the Revenue Requirement for the Hines Chillers Uprate Project by Duke Energy, LLC: Docket Number 160128-EI

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's redacted Response to Staff's Third Data Request (Nos. 1-3).

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,

<u>s/Dianne M. Triplett</u>

Dianne M. Triplett

DMT/mw Enclosures

cc: Danijela Janjic, FPSC, djanjic@psc.state.fl.us

Duke Energy Florida, LLC's Response to Staff's Third Data Request Re: Petition for Limited Proceeding for Approval to Include in Base Rates the Revenue Requirement for the Hines Chillers Uprate Project

Docket No. 160128-EI

1. Please provide a copy of the EPC contract of the selected bidder referenced in Vann Stephenson's direct testimony.

Response:

Please see the EPC Contract attached as Attachment 4.

Attachment 4 is confidential; a redacted version is attached hereto and an unredacted copy has been filed with the Florida Public Service commission ("Commission") along with DEF's Request for Confidential Classification dated July 18, 2016

2. Please provide a breakdown of the \$151 million construction cost estimate and any relevant supporting documents for these estimates.

Response:

The Schedule is shown below.

Total Project Forecast Cost (\$ in M)					
Description	Baseline Approved (05/07/2015)	Project to Date Actual	ETC (Estimate to Complete)	EAC (Estimate at Completion)	
	(a)	(d)	(e)	(d+e)	
EPC Contractor	106.2	82.2	26.4	108.6	
Owner Furnished Equipmer	1.3	2.4	2.7	5.1	
Third Party Engineering	0.6	0.1	0.1	0.3	
*Owner Cost (Labor only)	12.2	7.7	5.4	13.1	
Owner Cost (Misc.: Office	5.2	3.9	0.9	4.8	
supplies, Trailer services,					
rent, & materials)					
Owner's Start Up	0.9	0.4	0.8	1.2	
PIT & Ops Support Cost	2.5	0.8	1.3	2.1	
Performance Testing	0.2	0.0	0.2	0.2	
Transmission	1.3	0.2	0.1	0.3	
Contingency	22.3	0.0	8.3	8.3	
PMC Direct Total	\$152.7	\$97.8	\$46.3	\$144.1	
PMC AFUDC	7.3	3.1	3.4	6.5	
PMC Total	160.0	100.9	49.7	150.6	
Total Project Forecast Cost (\$ in M)	\$160.0	\$100.9	\$49.7	\$1 50.6	

3. Please refer to DEF's Petition, Exhibit B, page 2 of 2, "Assumptions", Line 11. Explain and show the development of DEF's Production Depreciation Rate of 3.273 percent, including account level detail.

Response:

The 3.273% depreciation rate is based on an simple average of the FERC 343 Hines depreciation rates approved by the Commission in Order No. PSC-10-0131A-FOF-EI.

The FERC 343 Hines depreciation rates used were:

Hines 1	3.211%
Hines 2	3.300%
Hines 3	3.300%
Hines 4	3.280%
Average	3.273%

ENGINEERING, PROCUREMENT AND CONSTRUCTION AGREEMENT NO. 780889

between

DUKE ENERGY FLORIDA, INC., as Owner

and

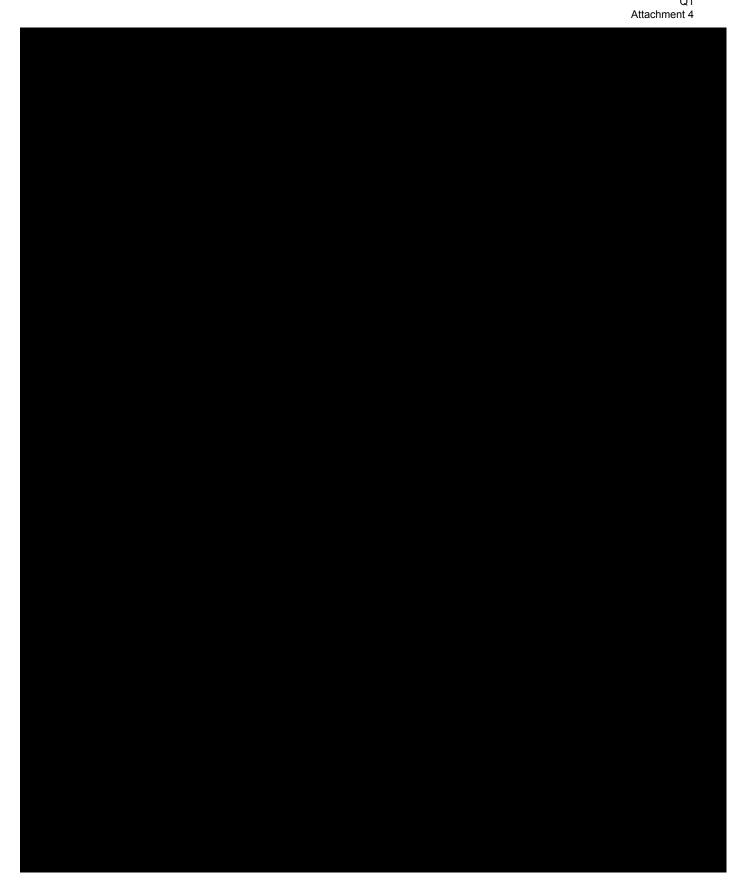
AMEC FOSTER WHEELER KAMTECH, INC., as Contractor

for the

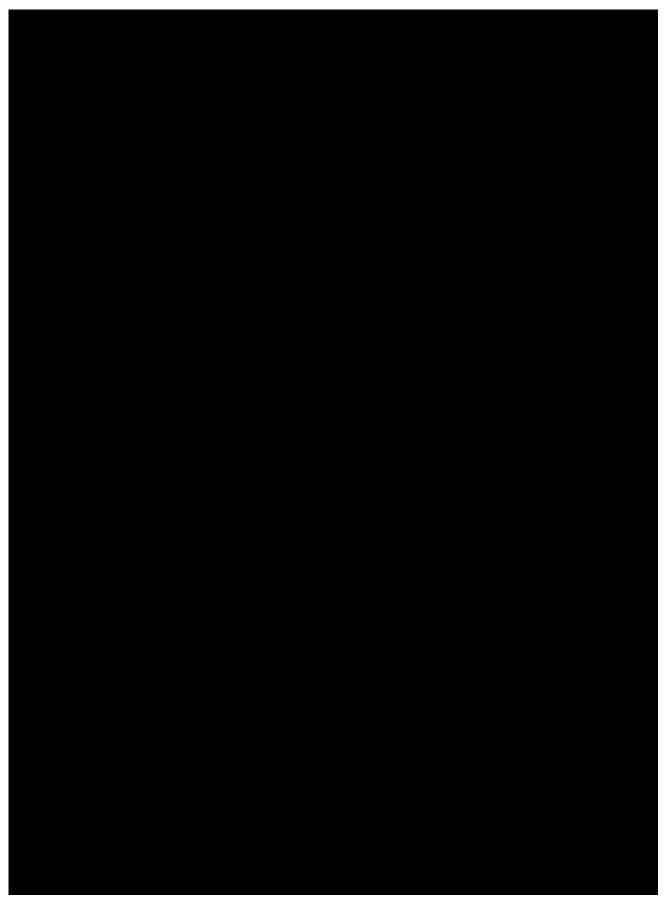
ENGINEERING, PROCUREMENT, AND CONSTRUCTION OF <u>CHILLER SYSTEMS FOR</u> <u>POWER BLOCKS 1 TO 4</u>

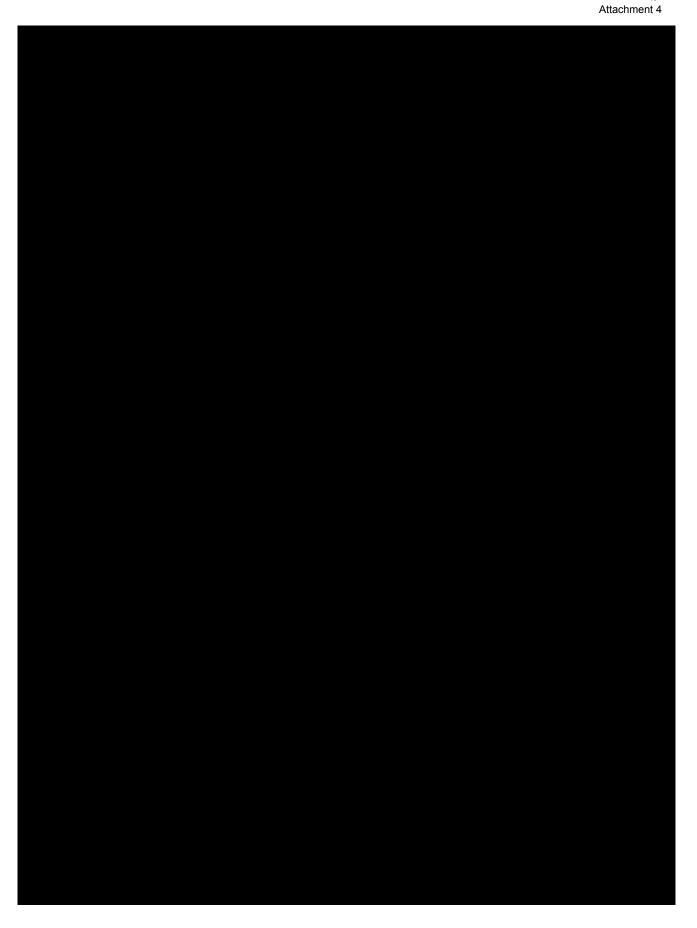
AT THE HINES ENERGY COMPLEX
IN POLK COUNTY, FLORIDA

Dated March 23, 2015



Attachment 4





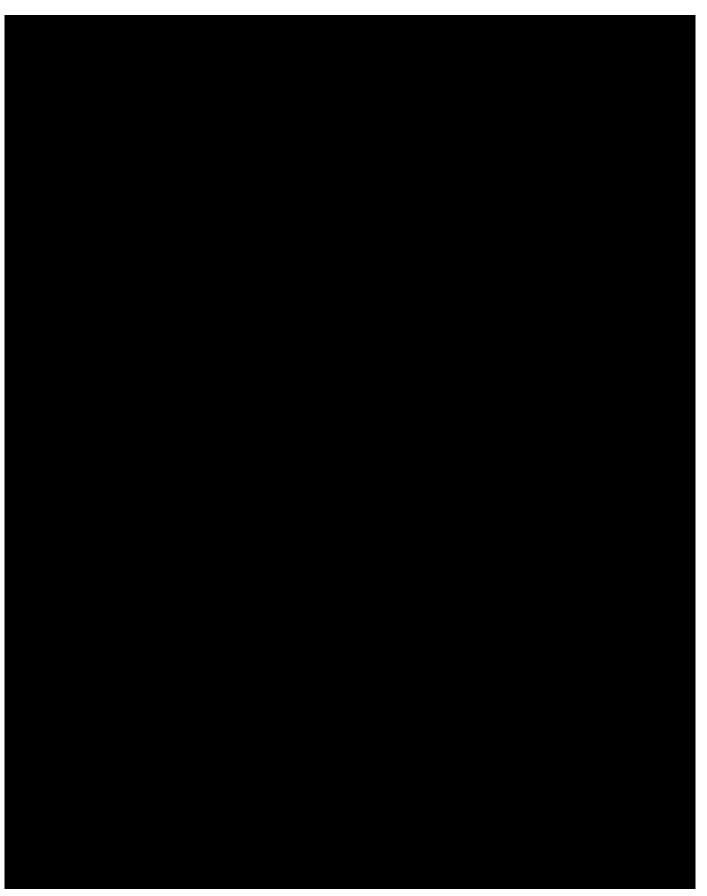
Duke Energy Florida Response to Staff's 3rd Data Request Q1 Attachment 4



Attachment 4



Attachment 4

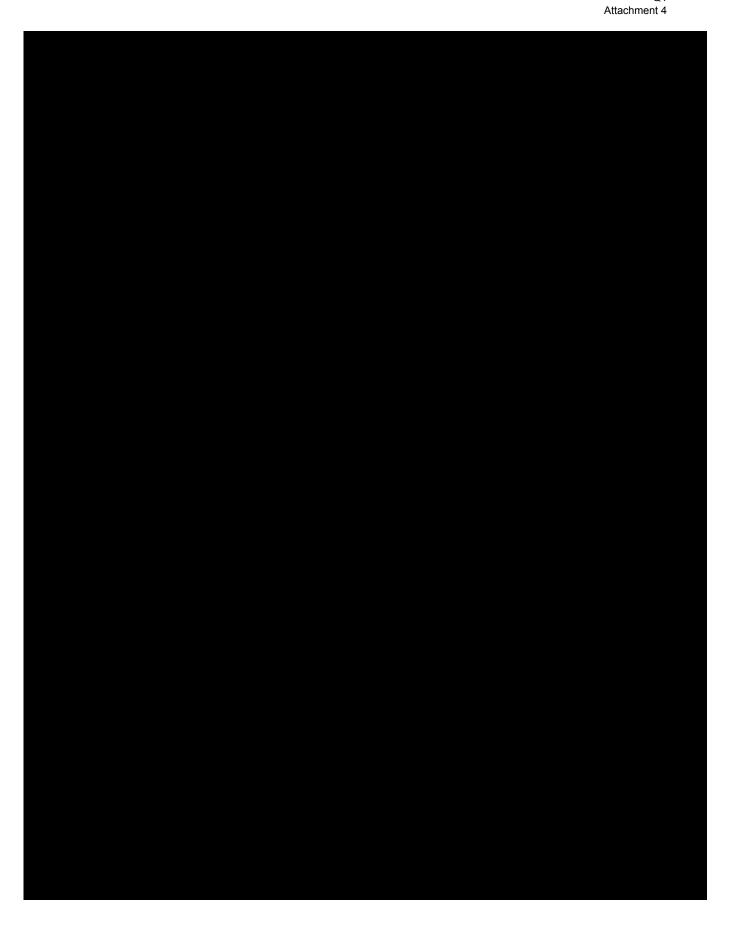


Duke Energy Florida Response to Staff's 3rd Data Request Q1 Attachment 4









Duke Energy Florida Response to Staff's 3rd Data Request Q1 **REDACTED** Attachment 4

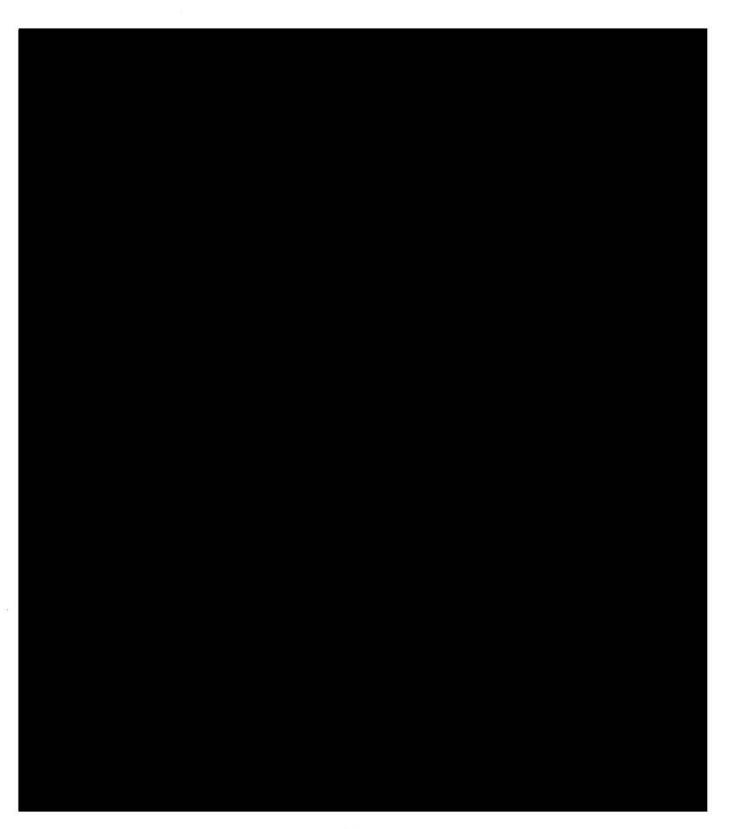




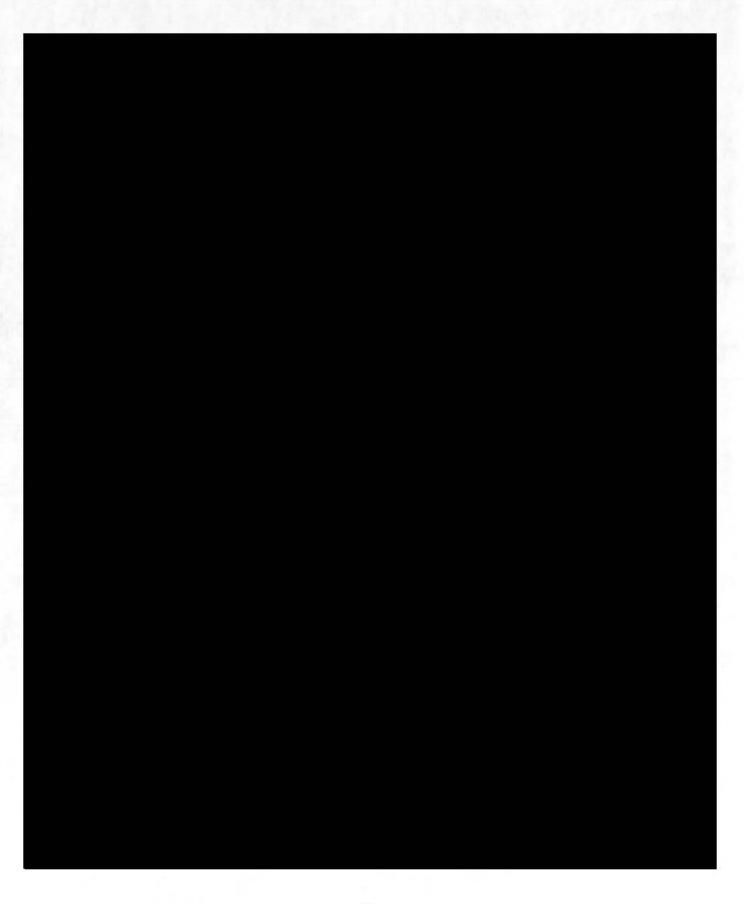


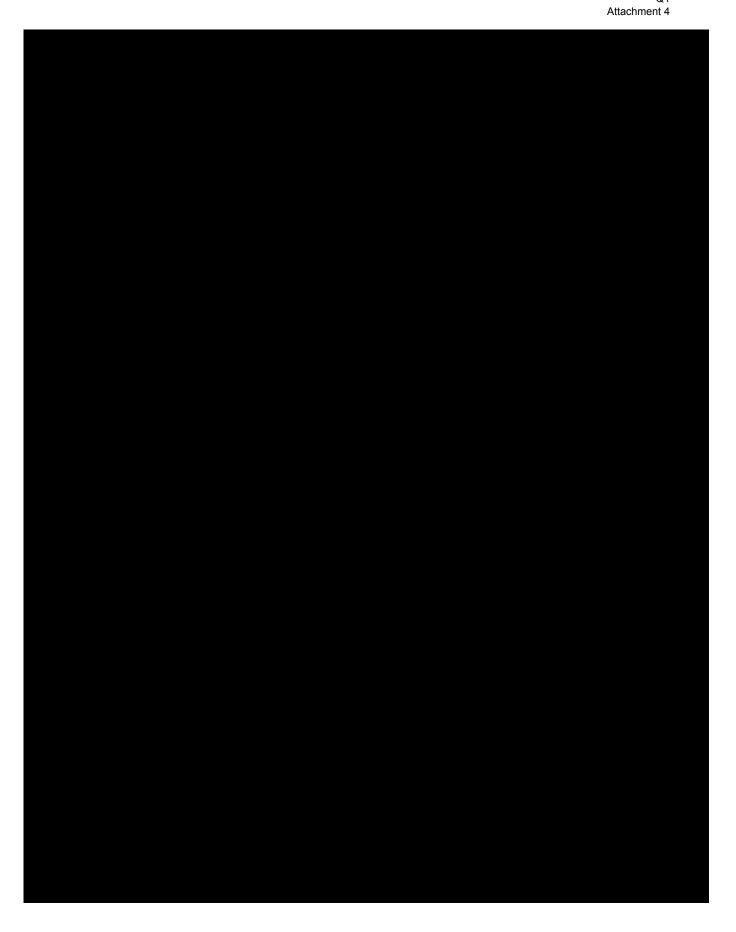






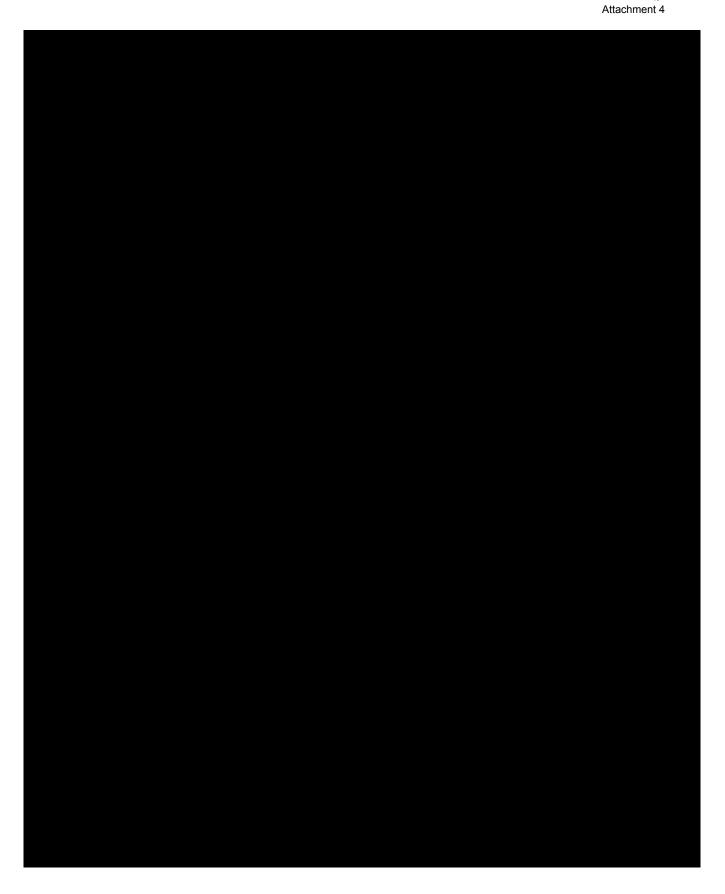




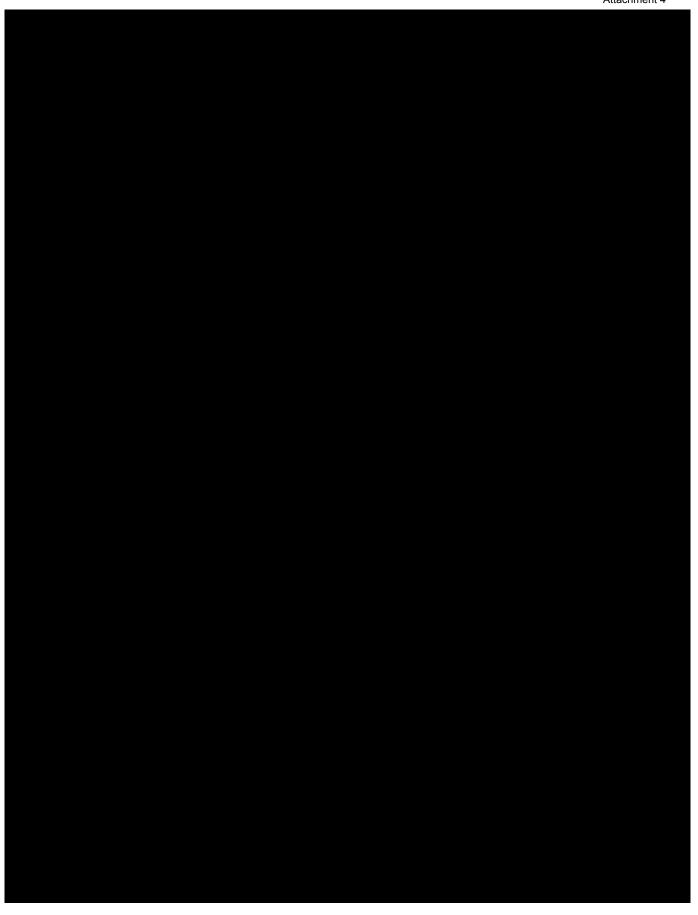


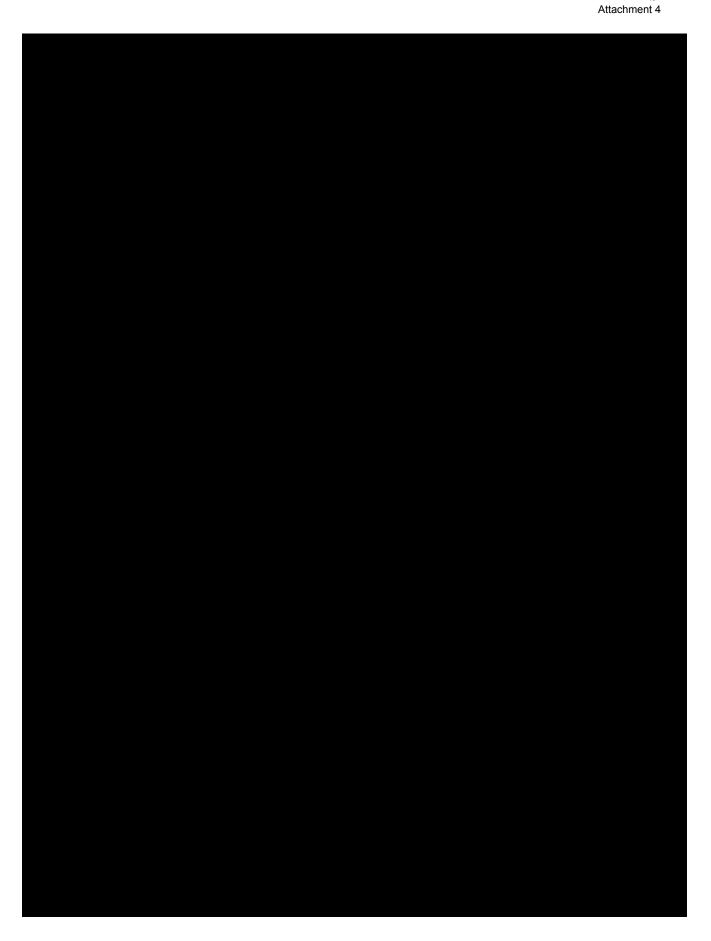






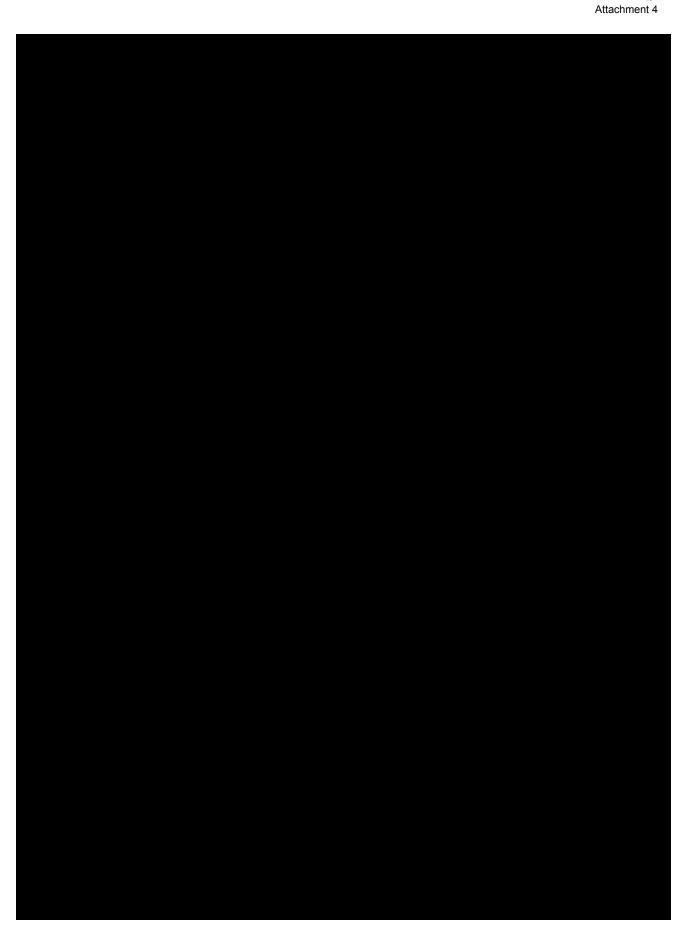


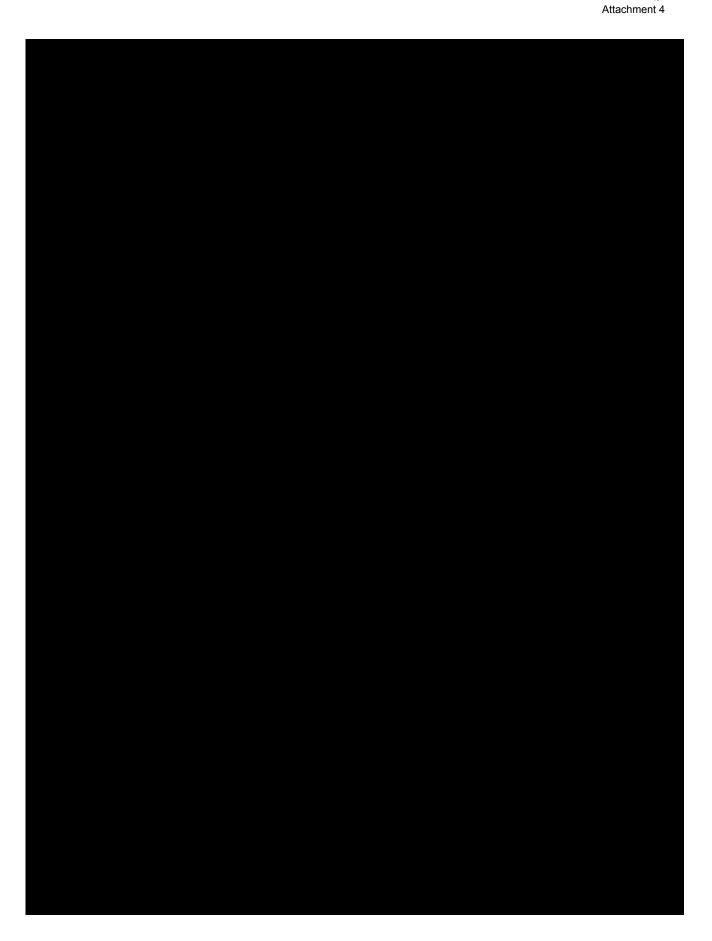


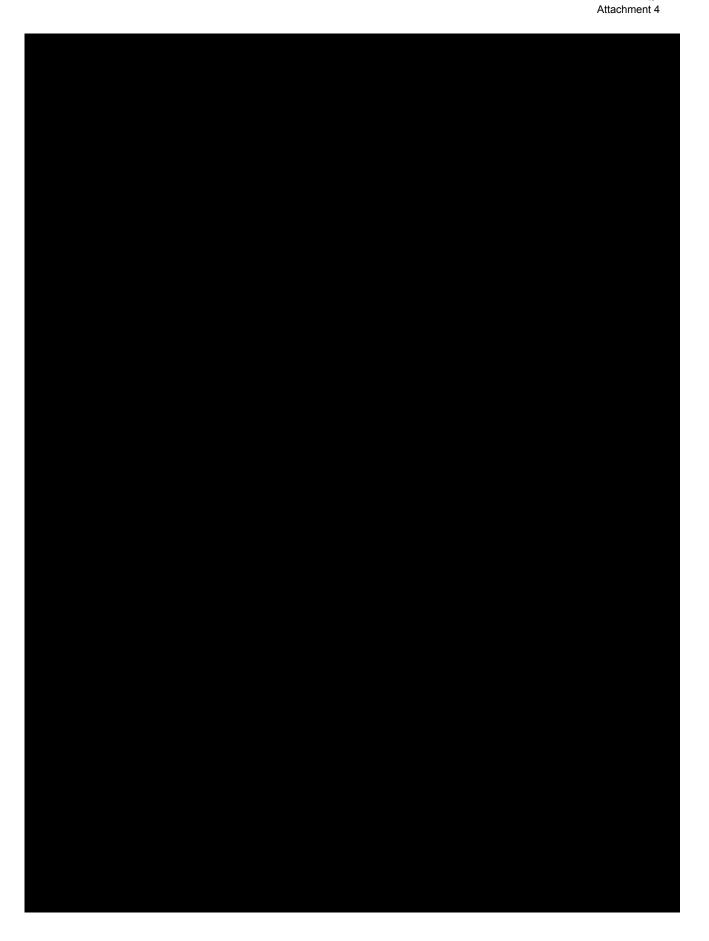


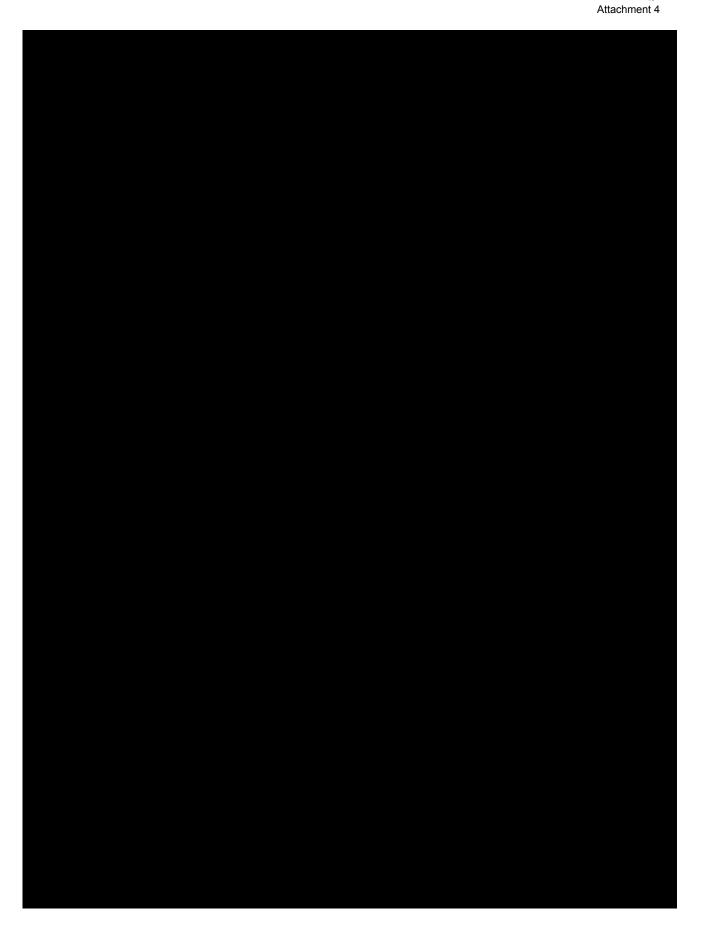


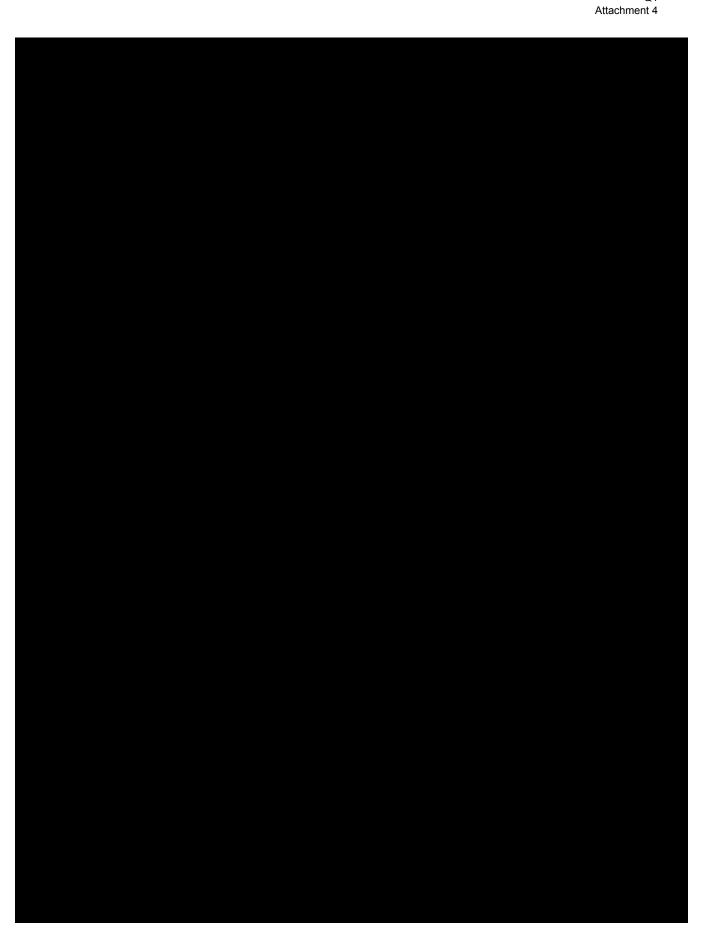




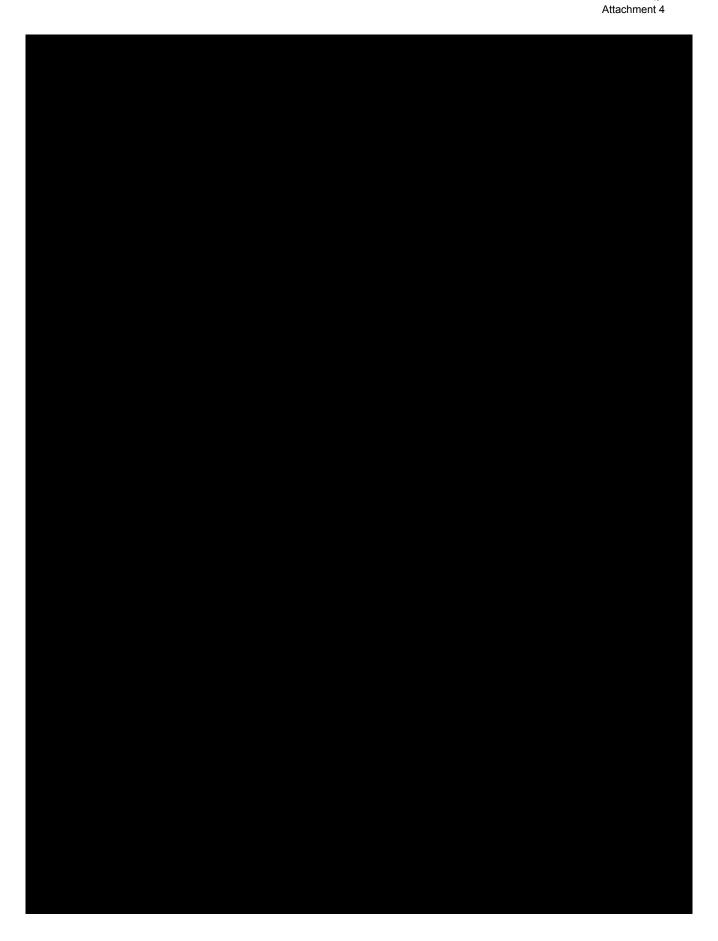


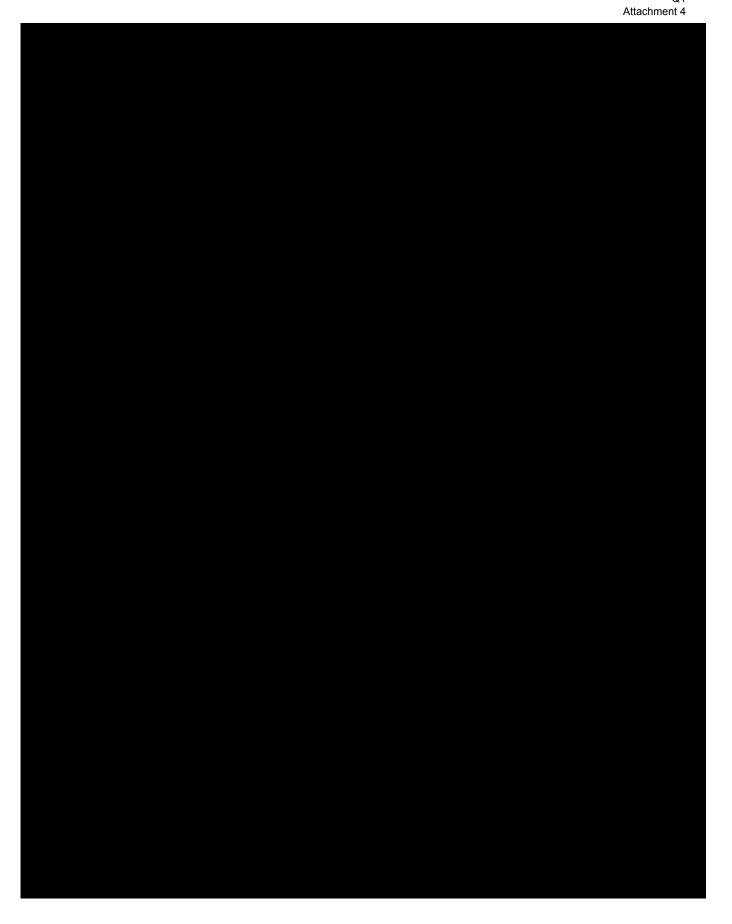


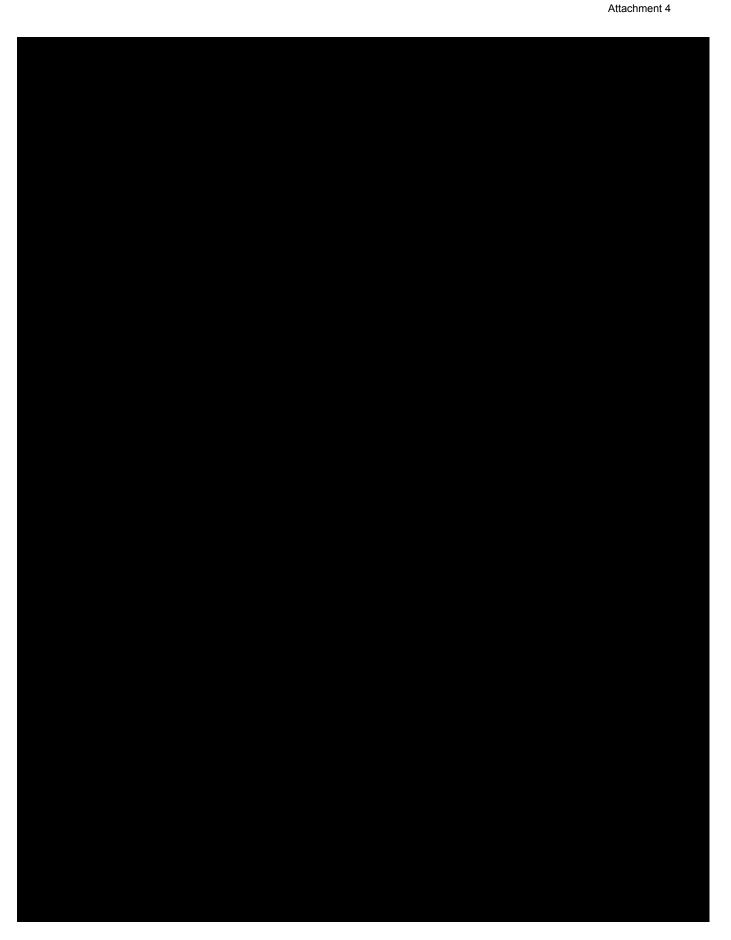


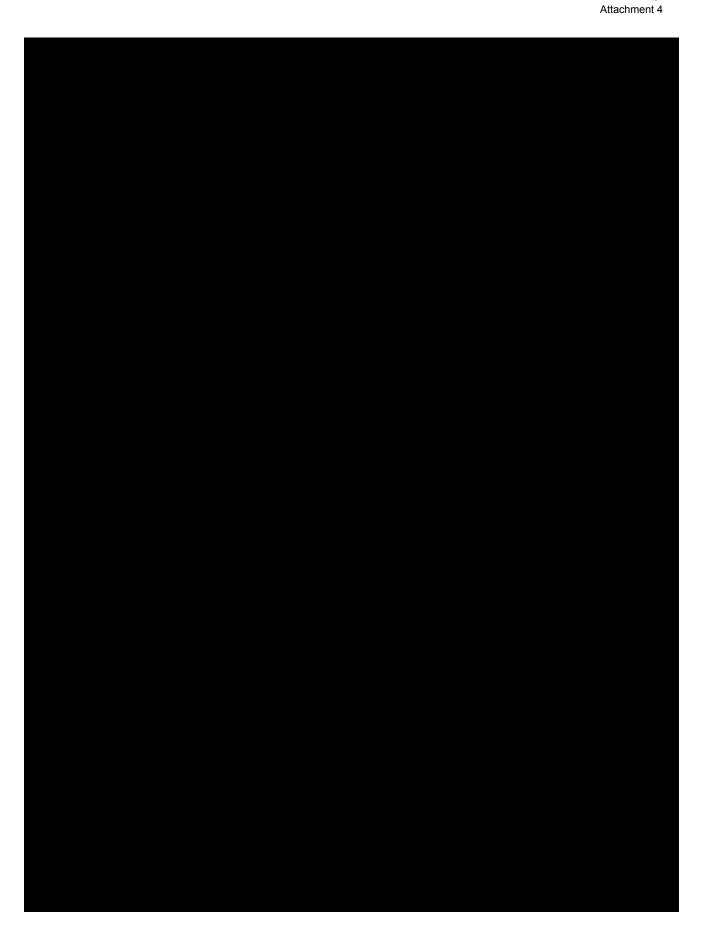




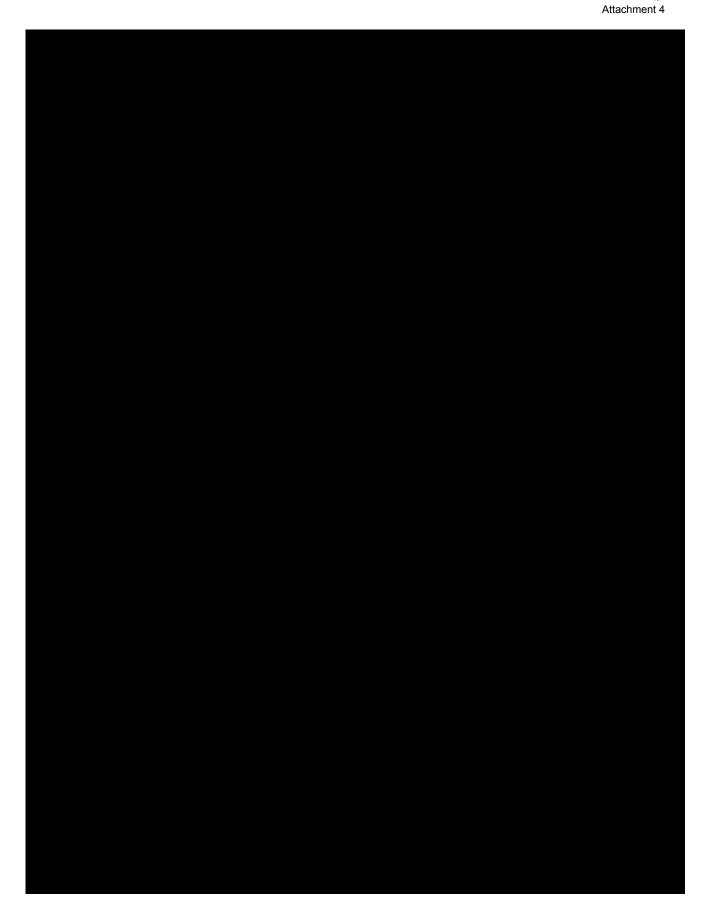




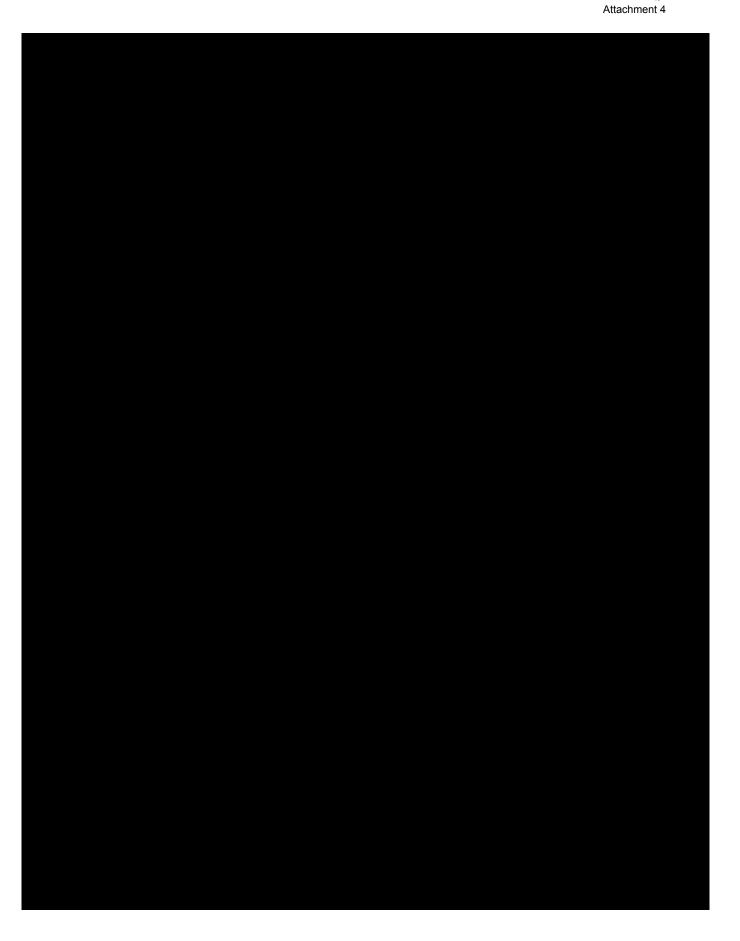


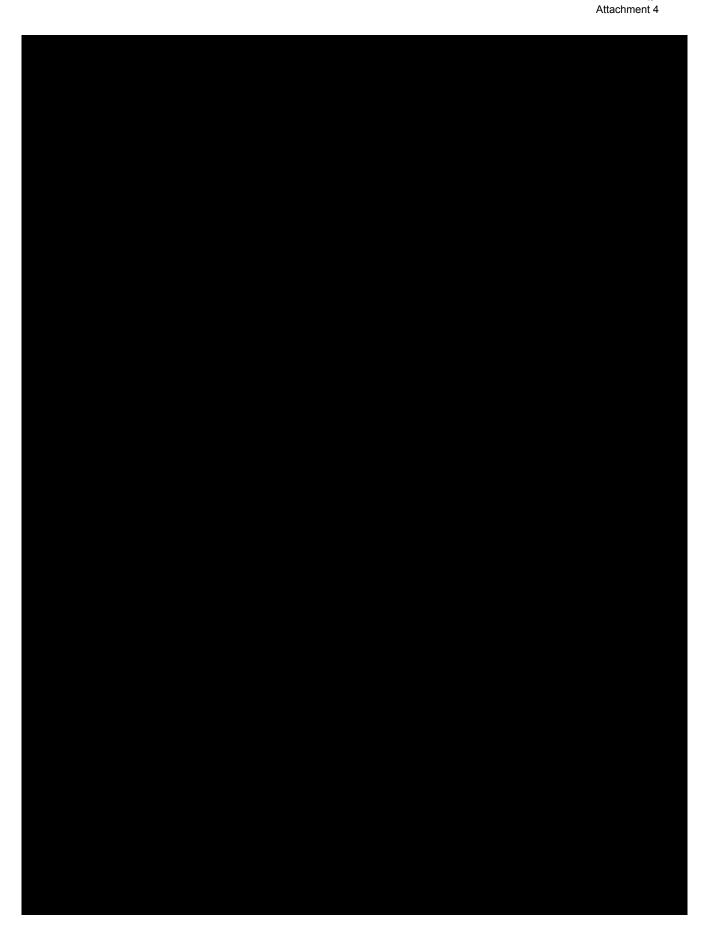


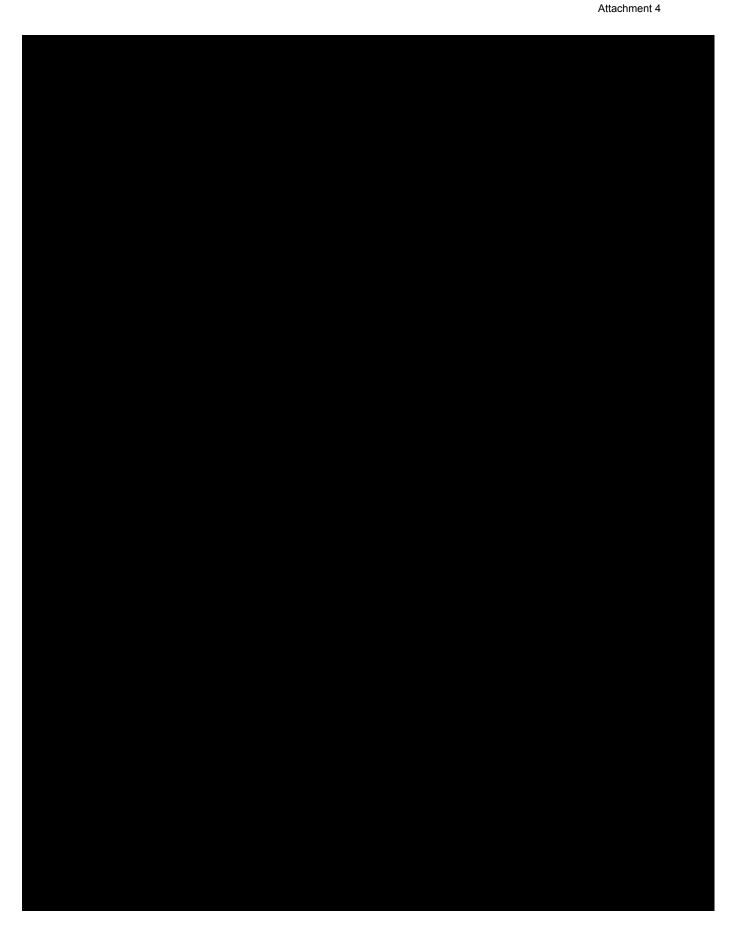


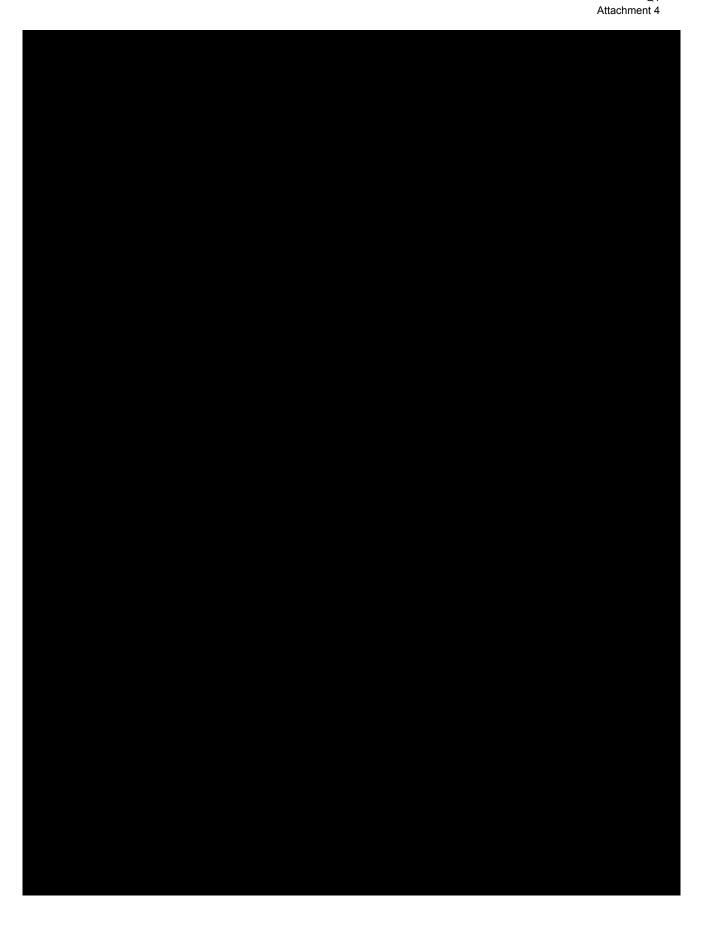


Attachment 4

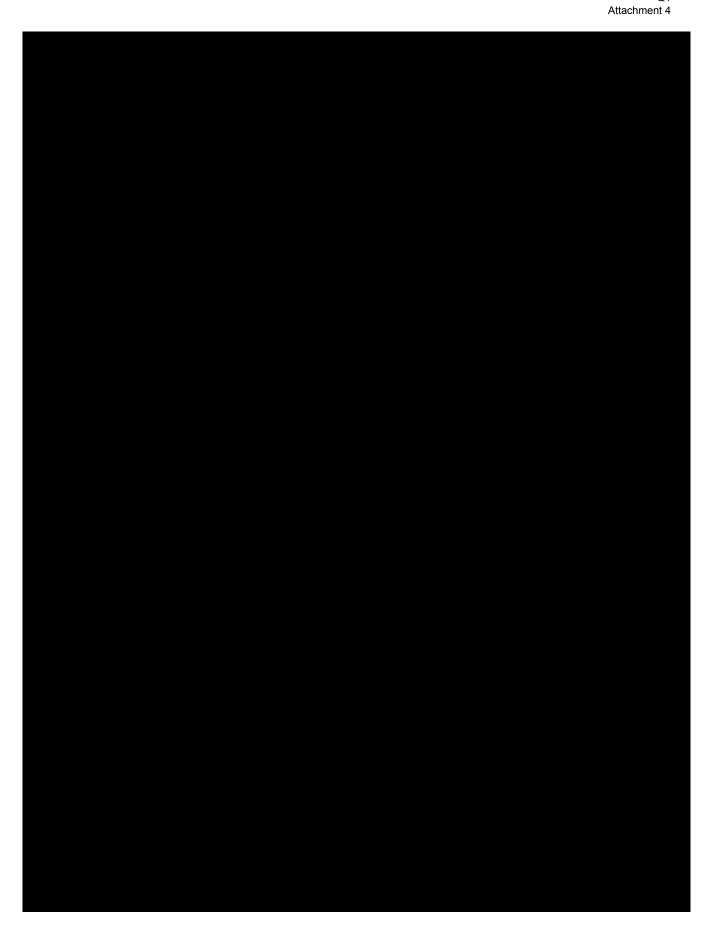




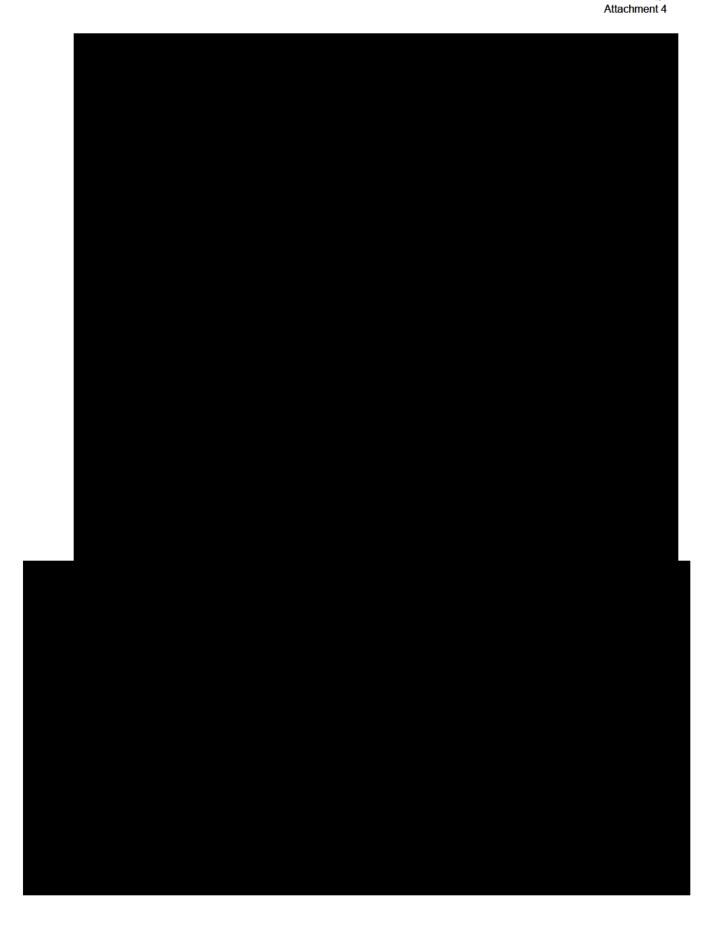


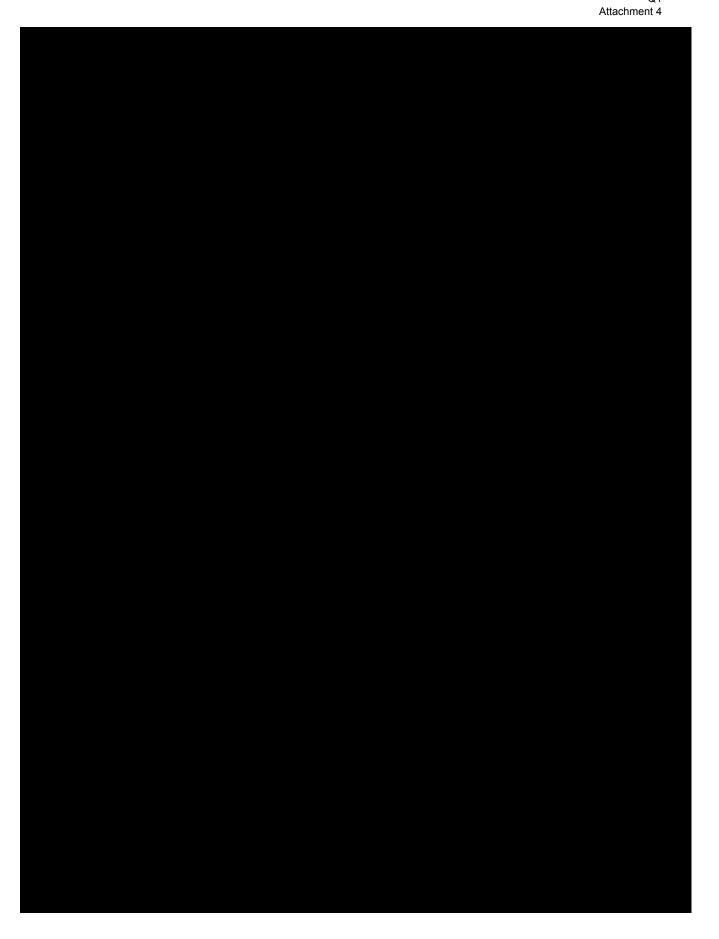






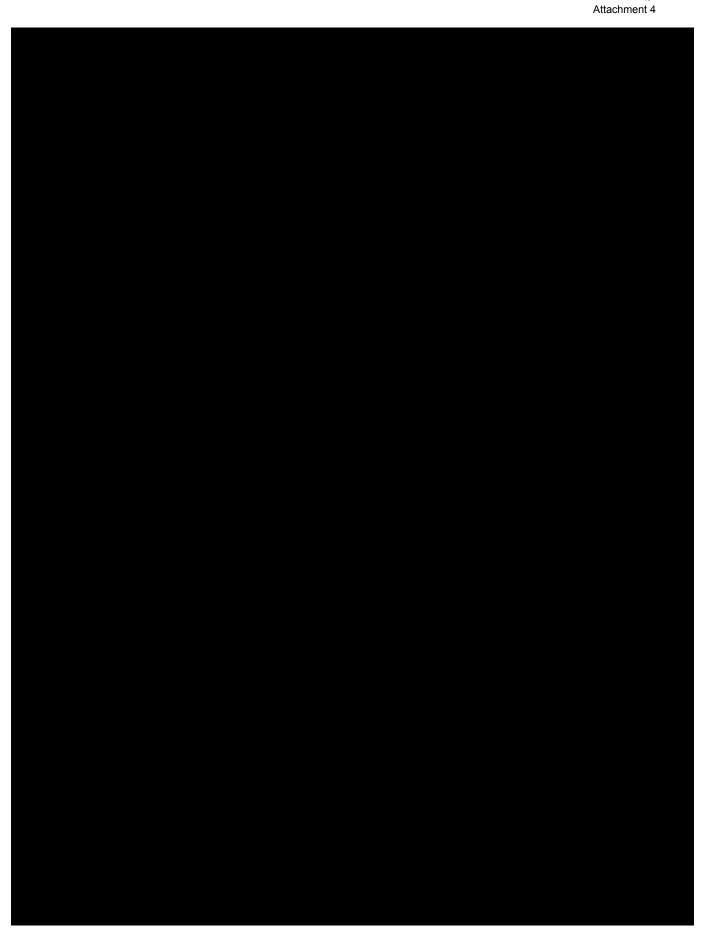


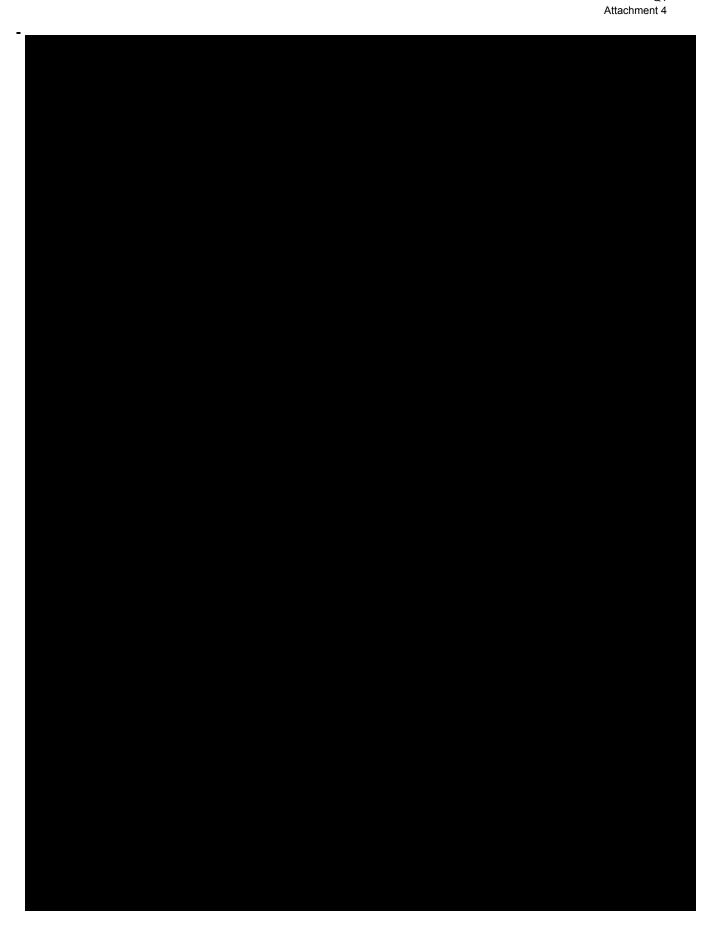




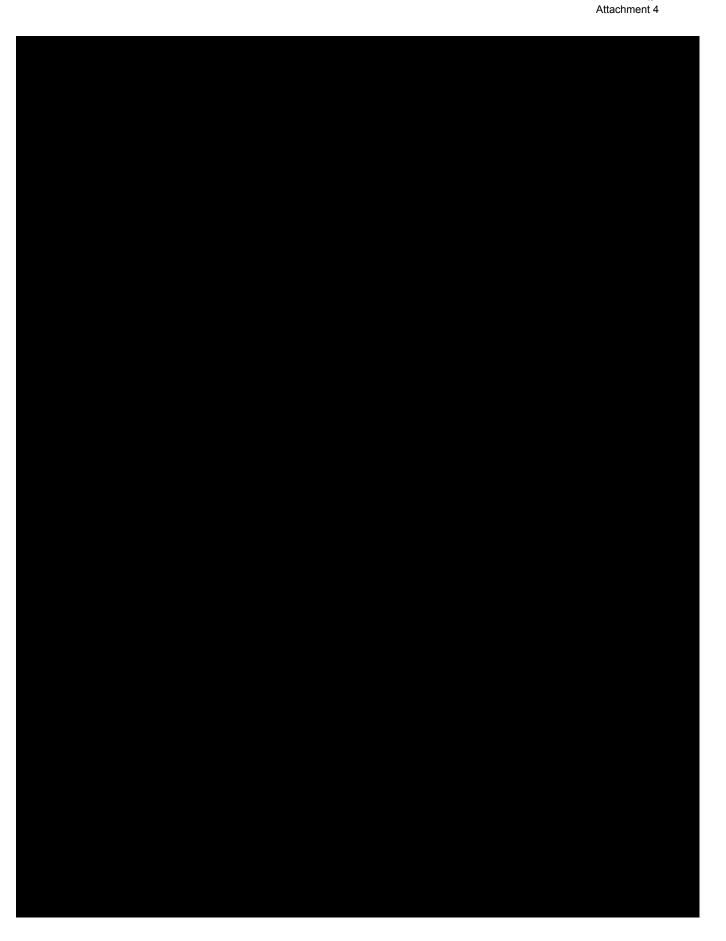


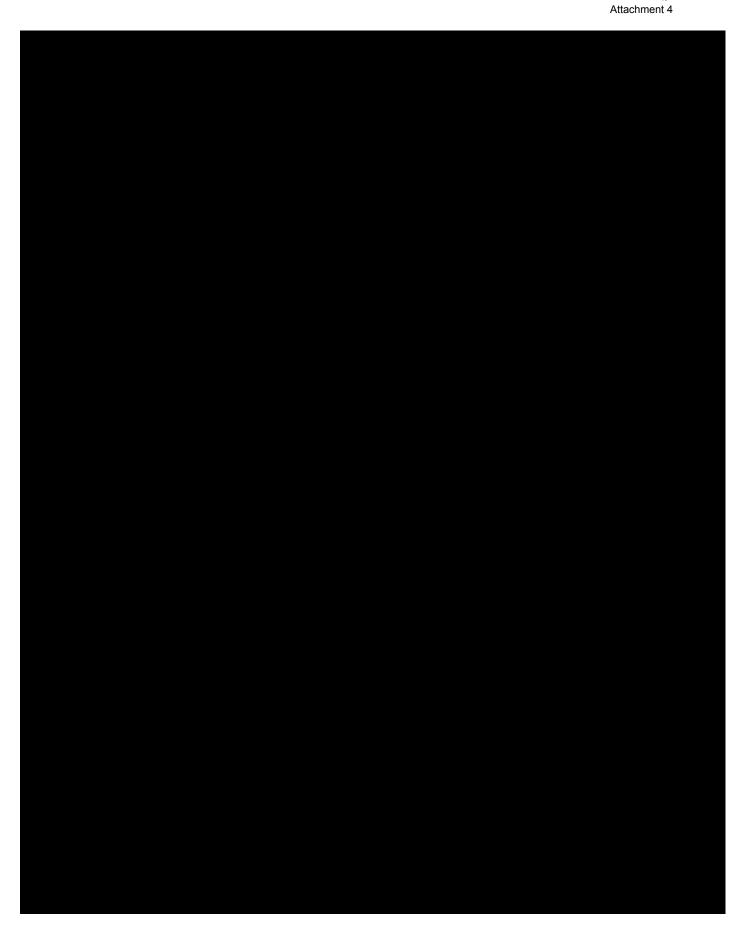






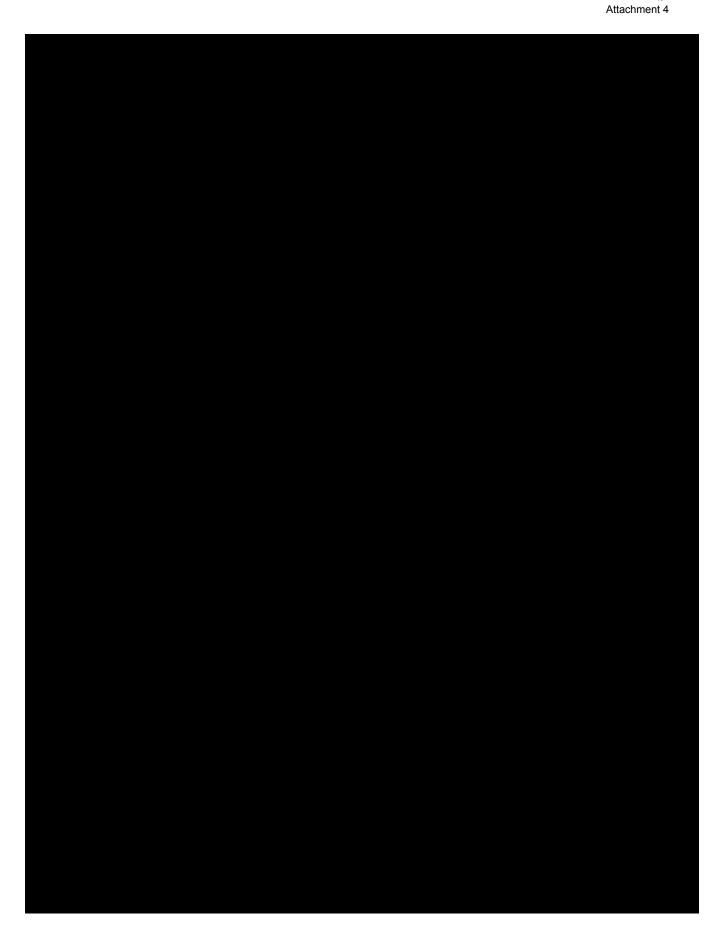


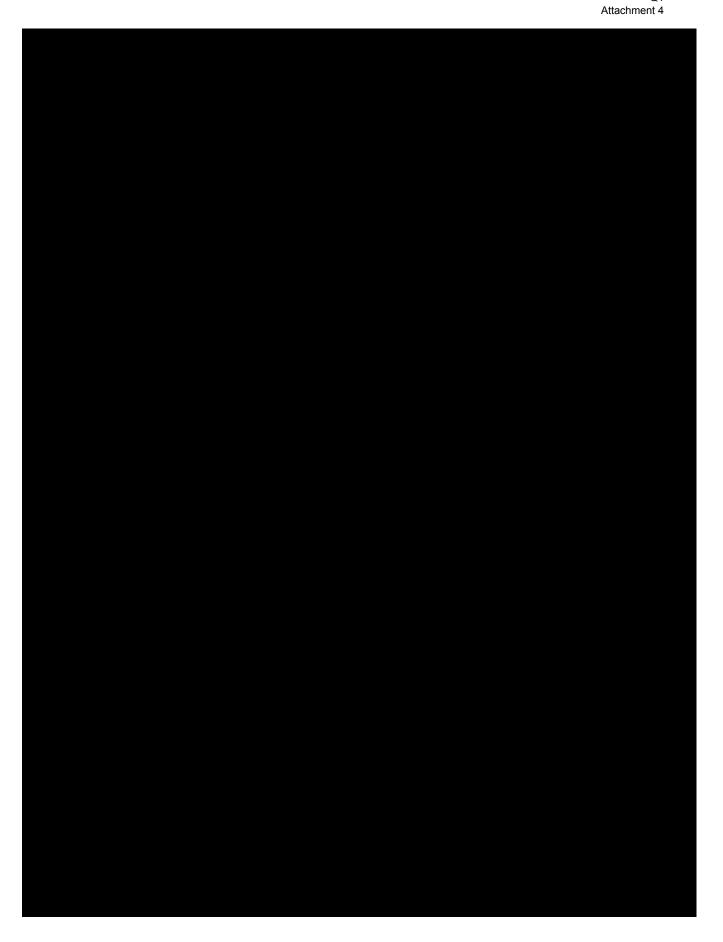






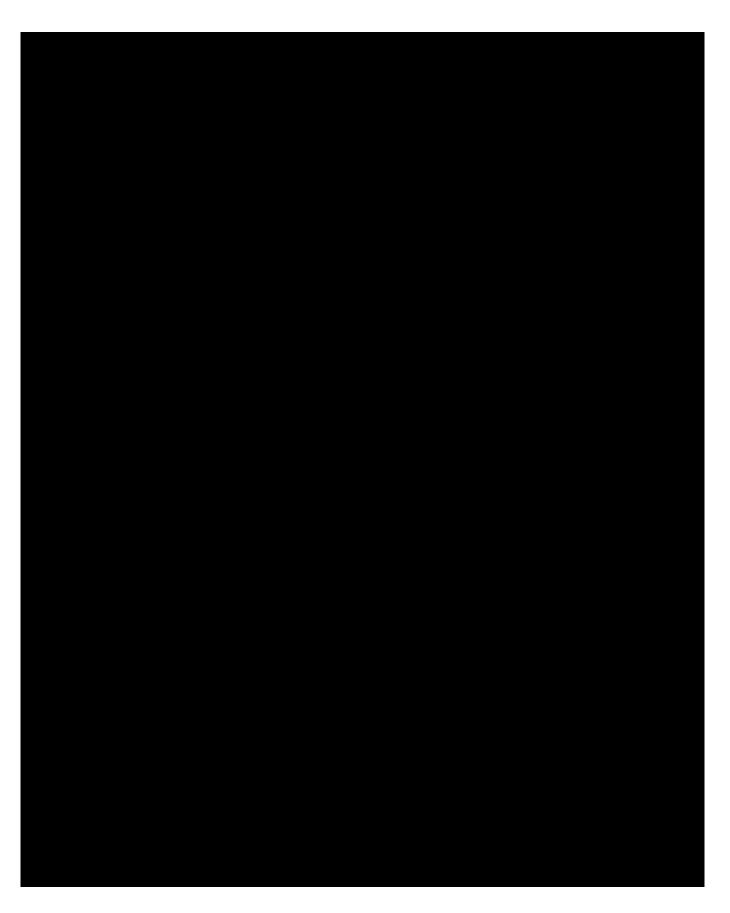








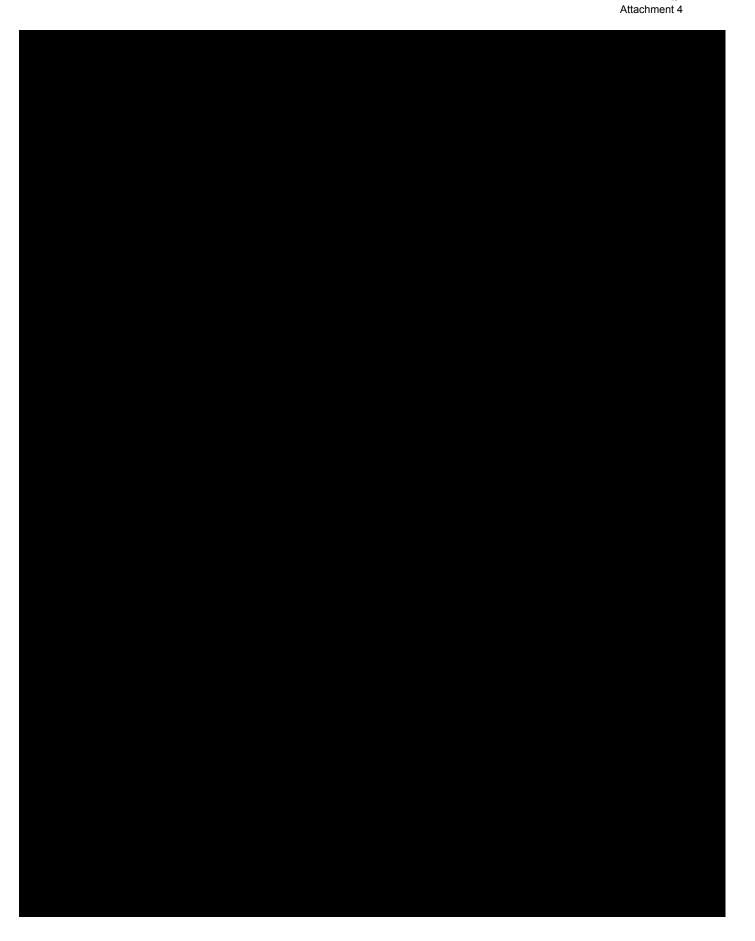


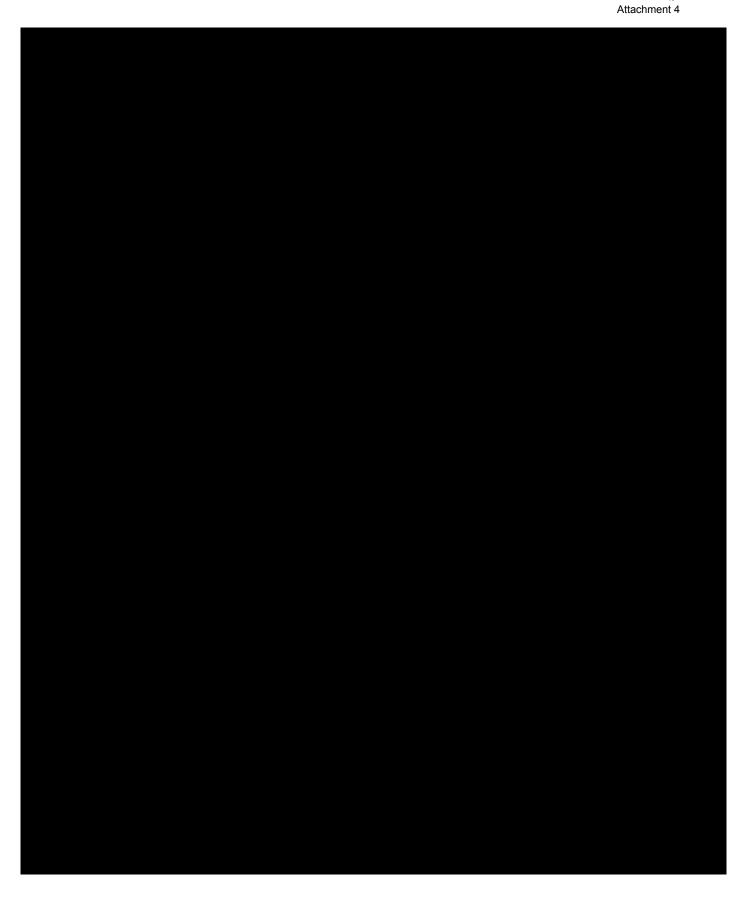


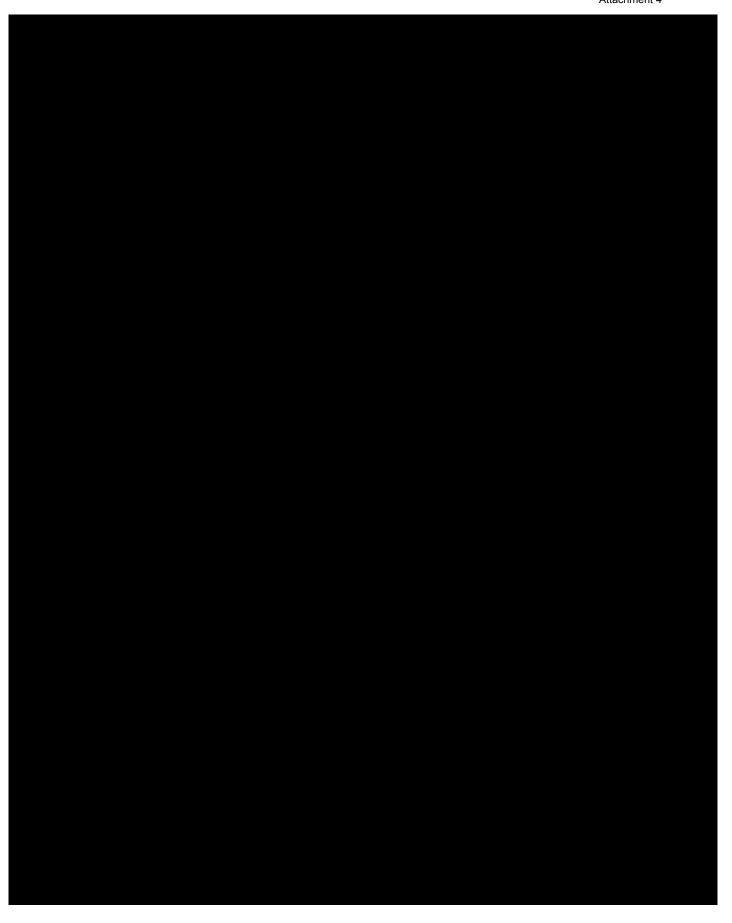


Duke Energy Florida Response to Staff's 3rd Data Request Q1

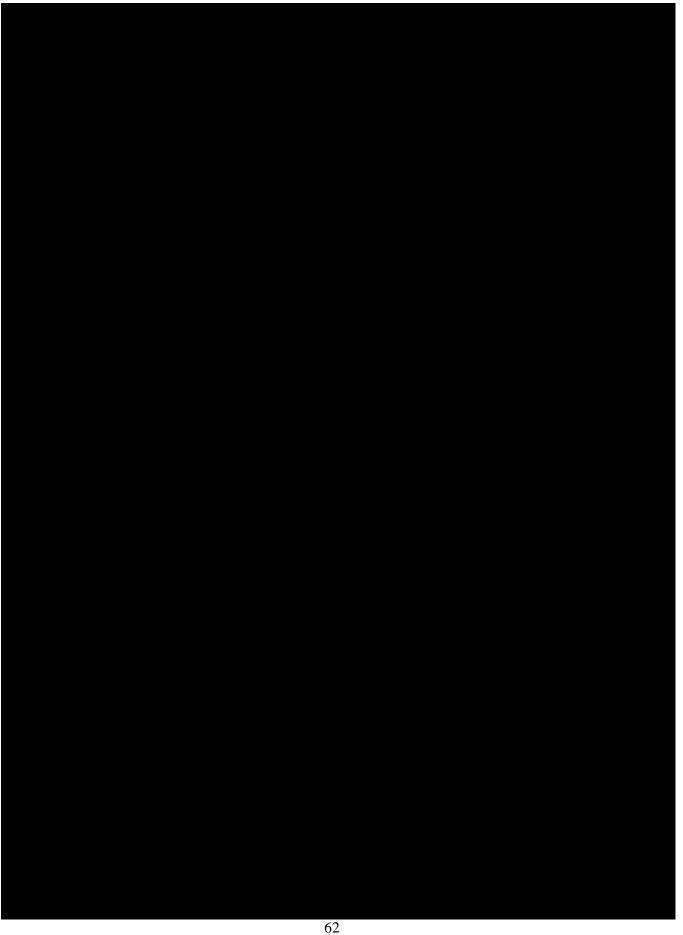


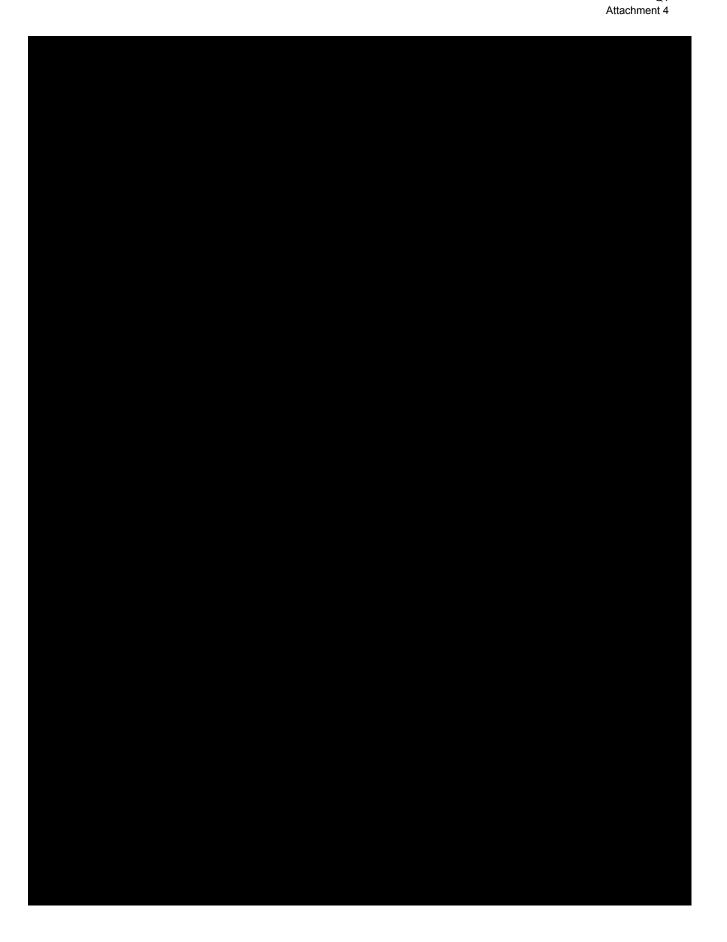


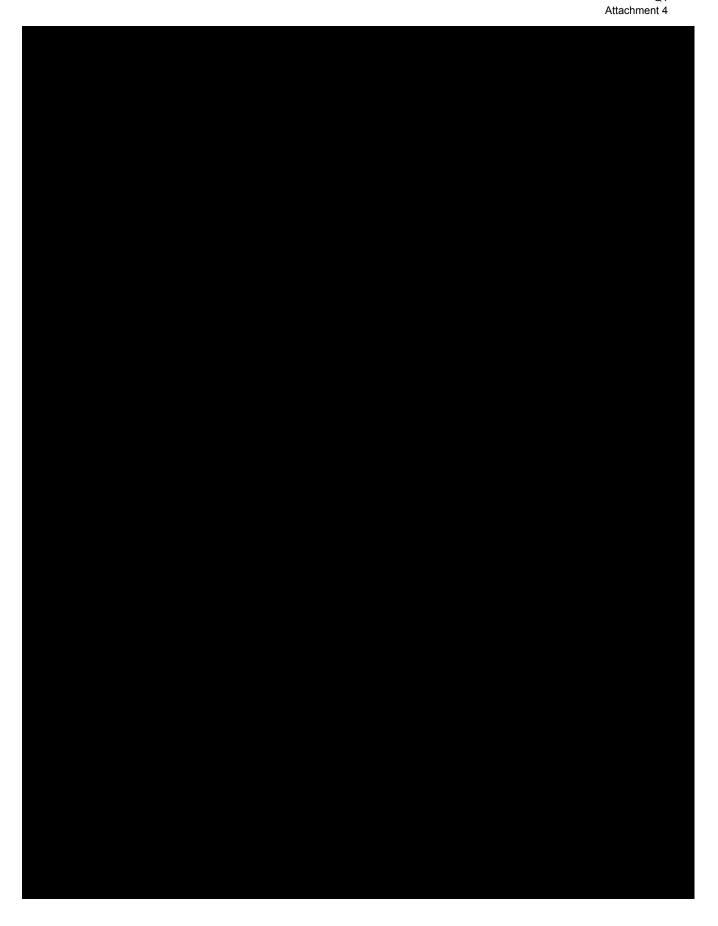




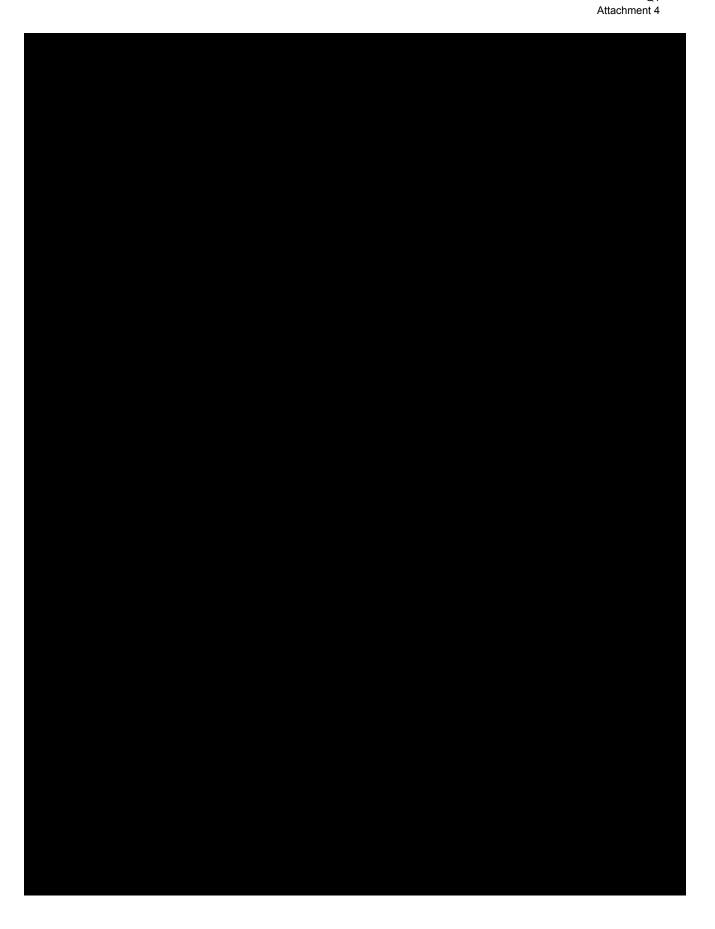
Duke Energy Florida Response to Staff's 3rd Data Request Q1 Attachment 4

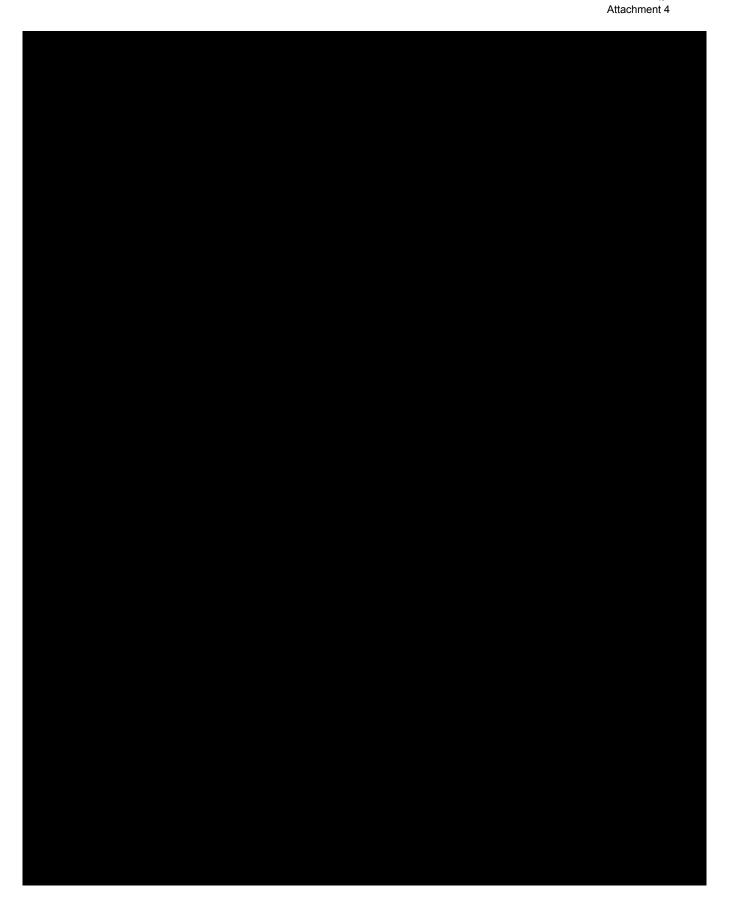














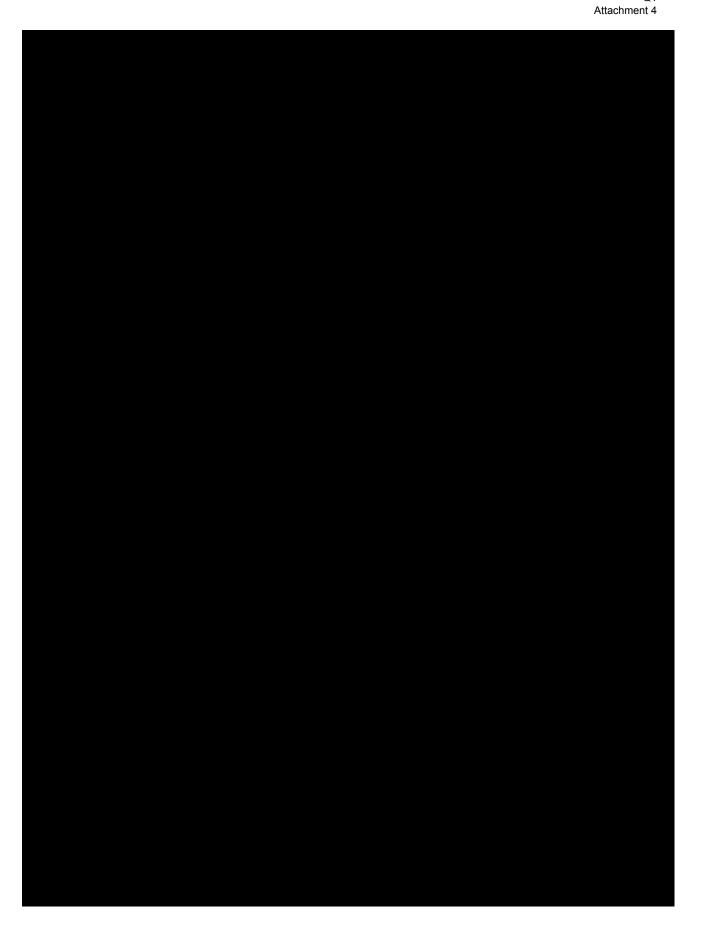
Attachment 4

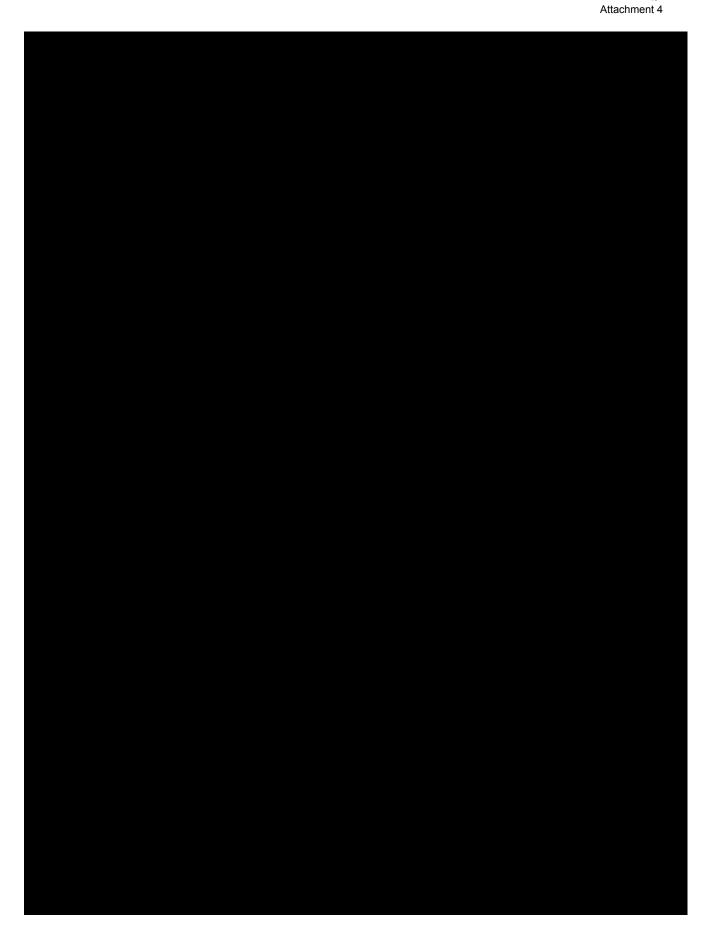


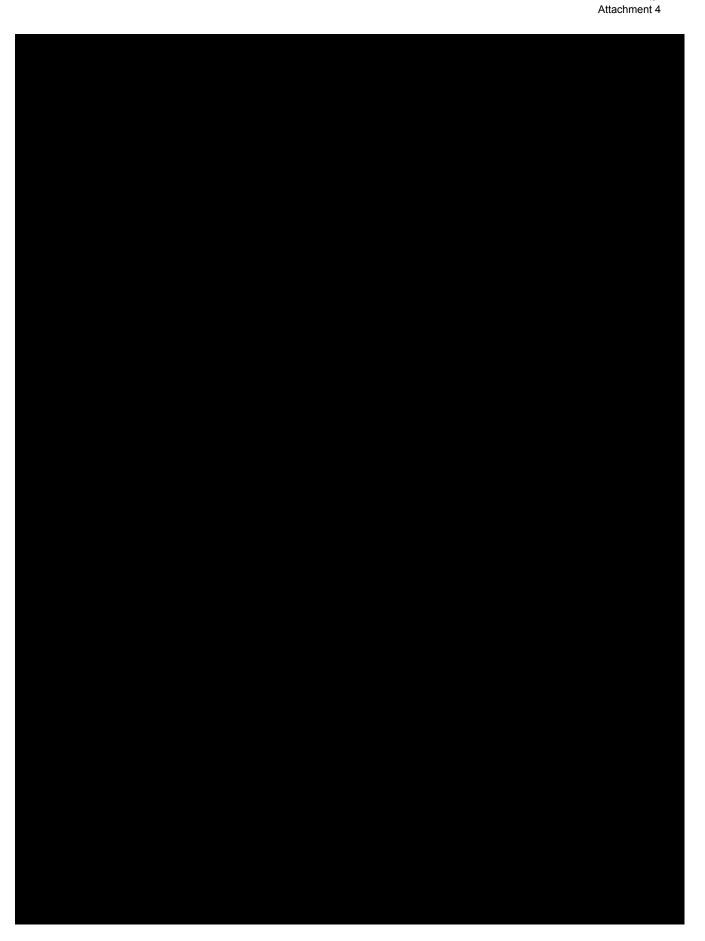




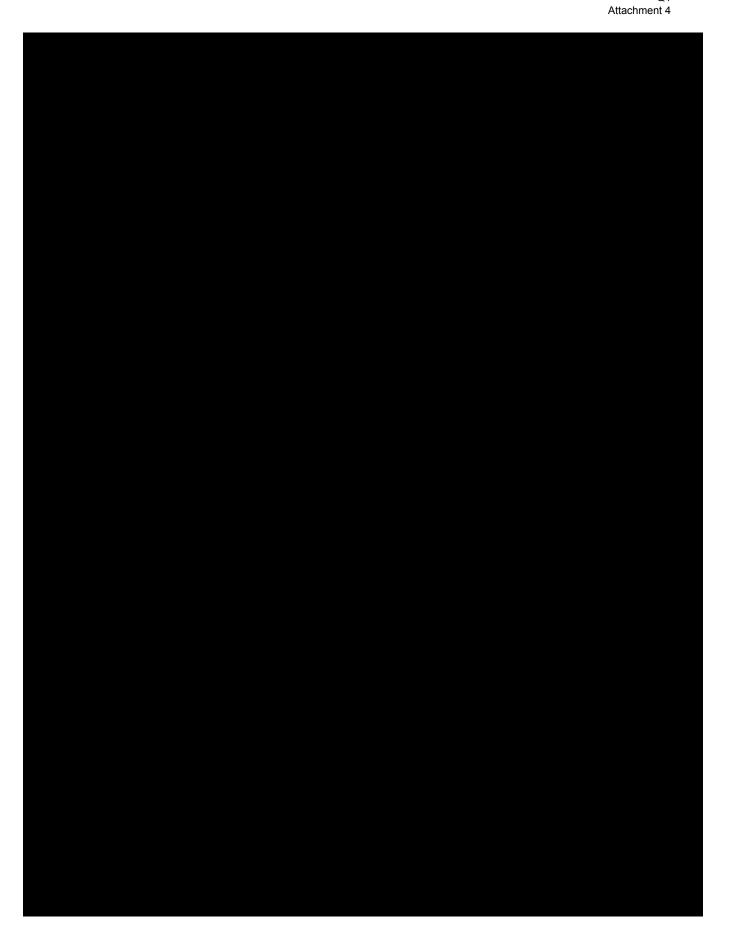




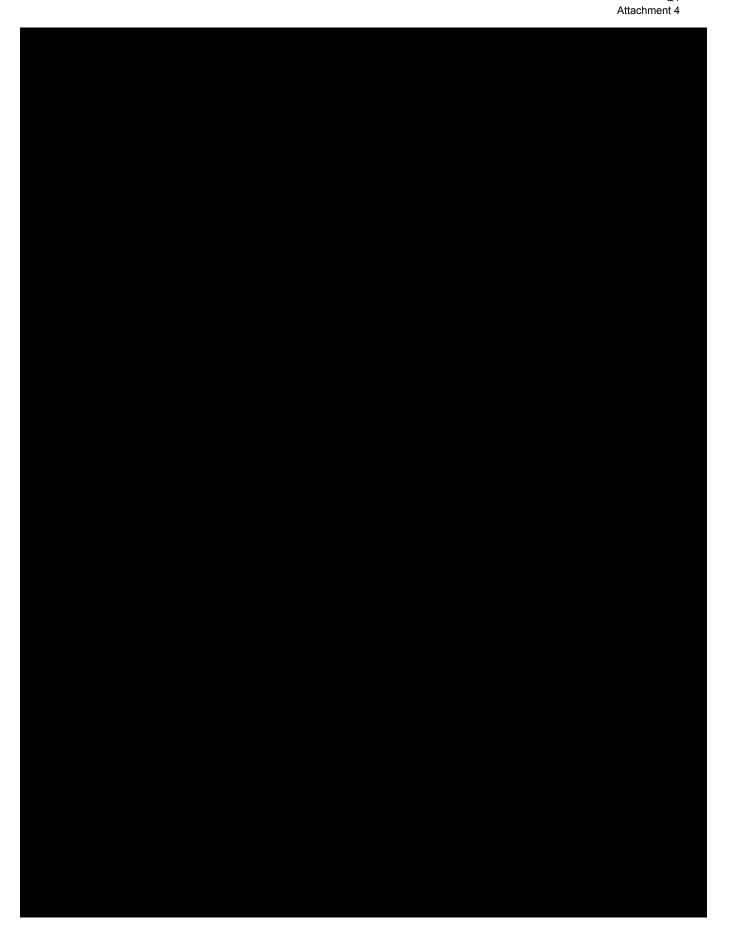


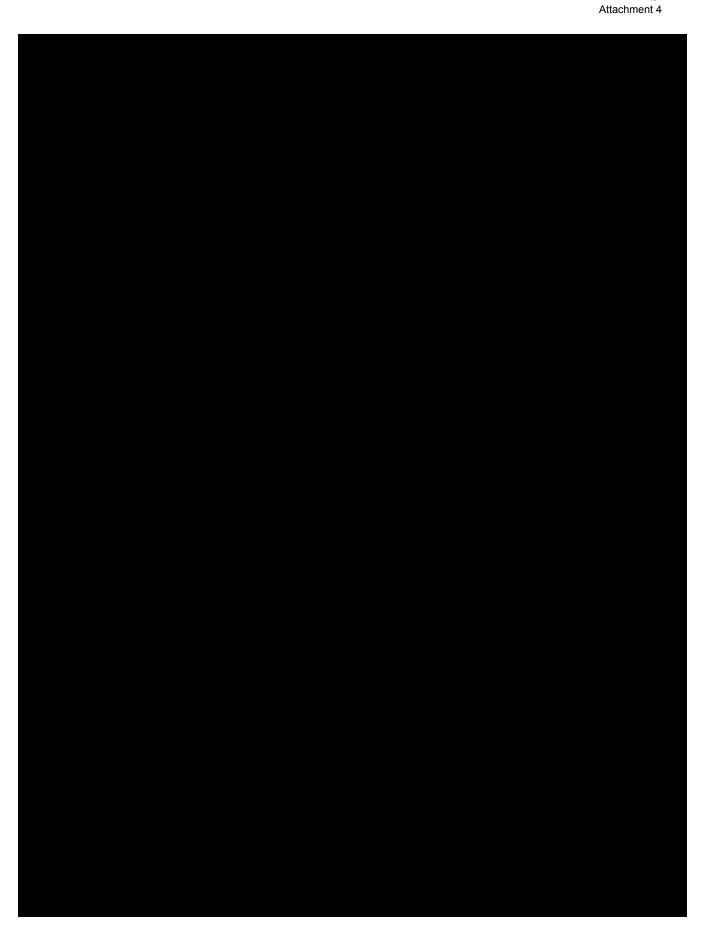


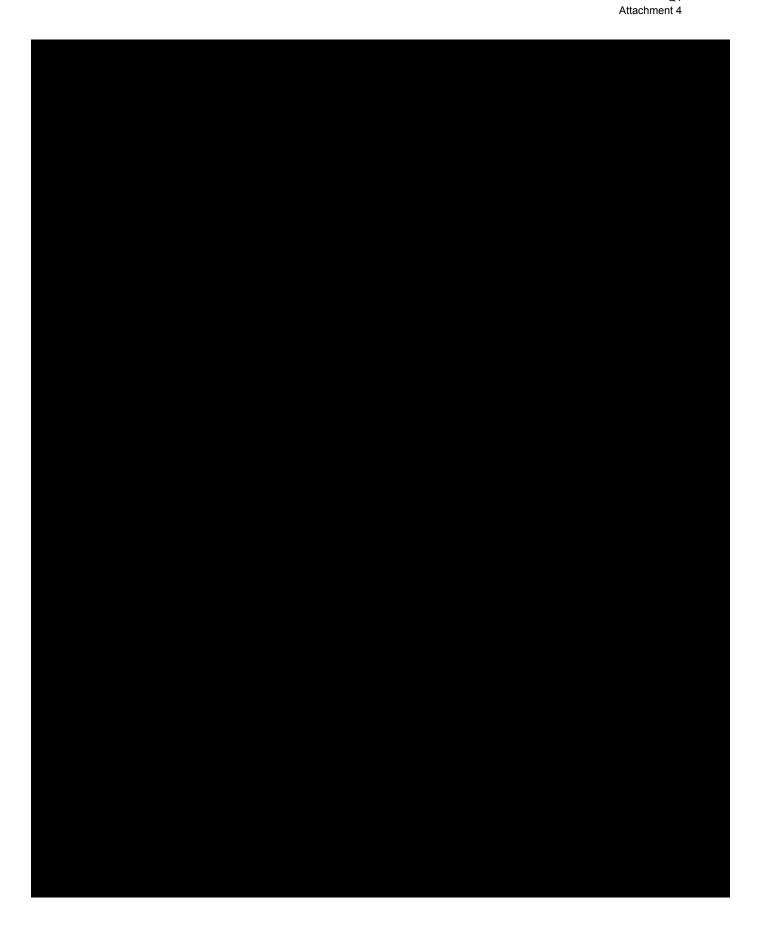


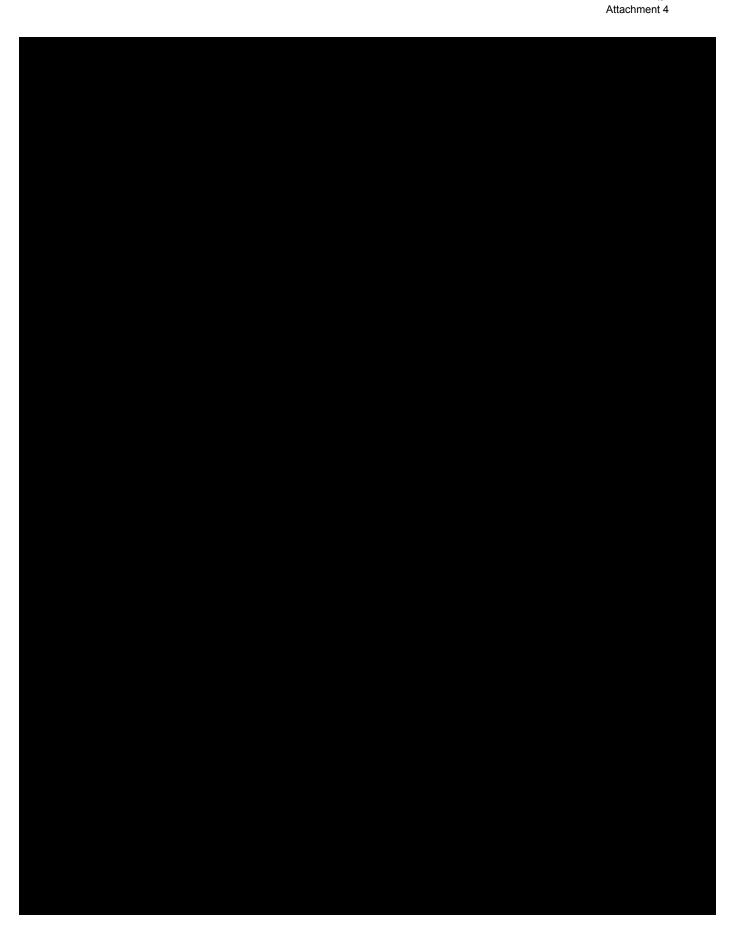


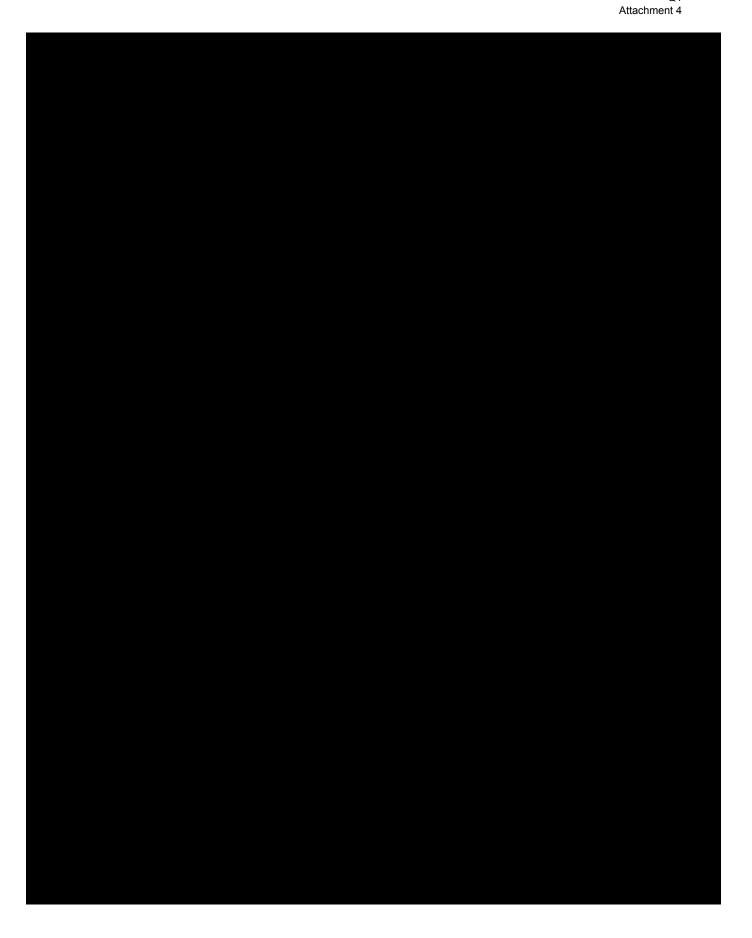


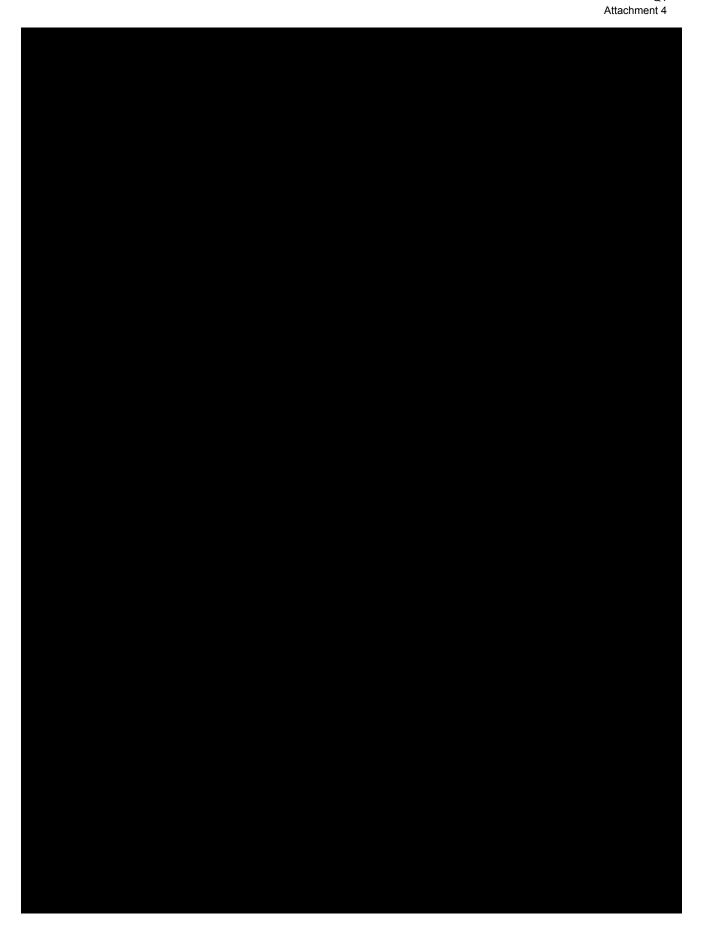


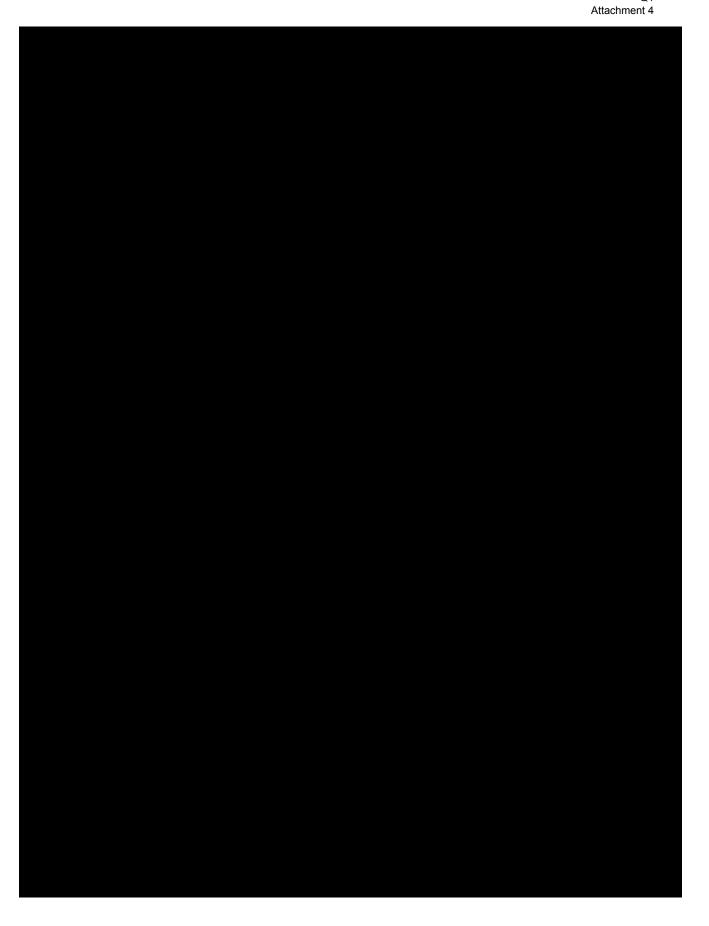


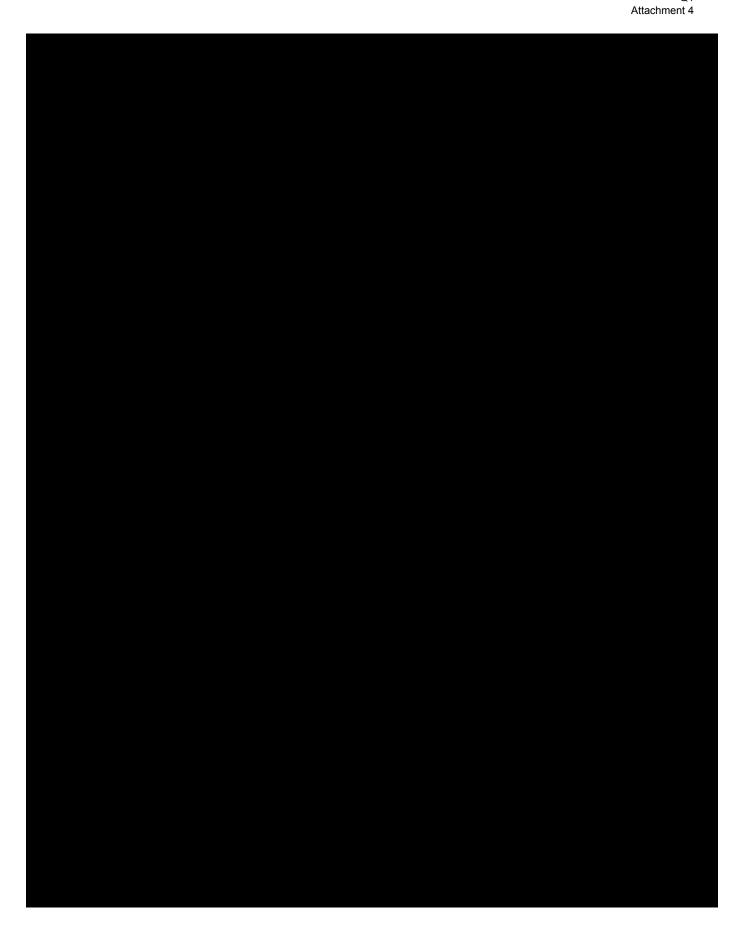


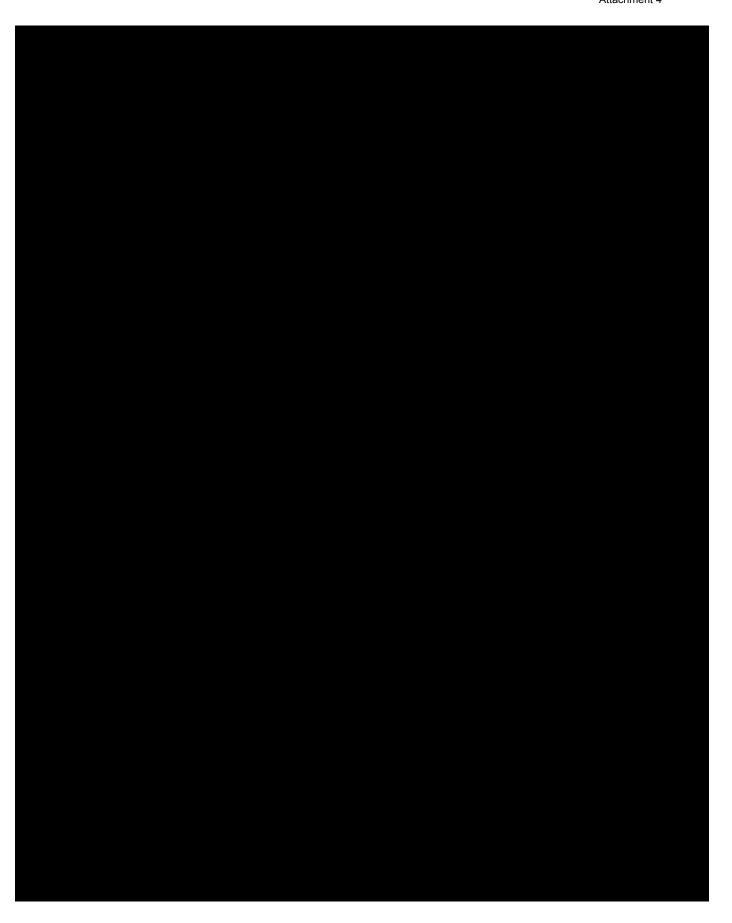






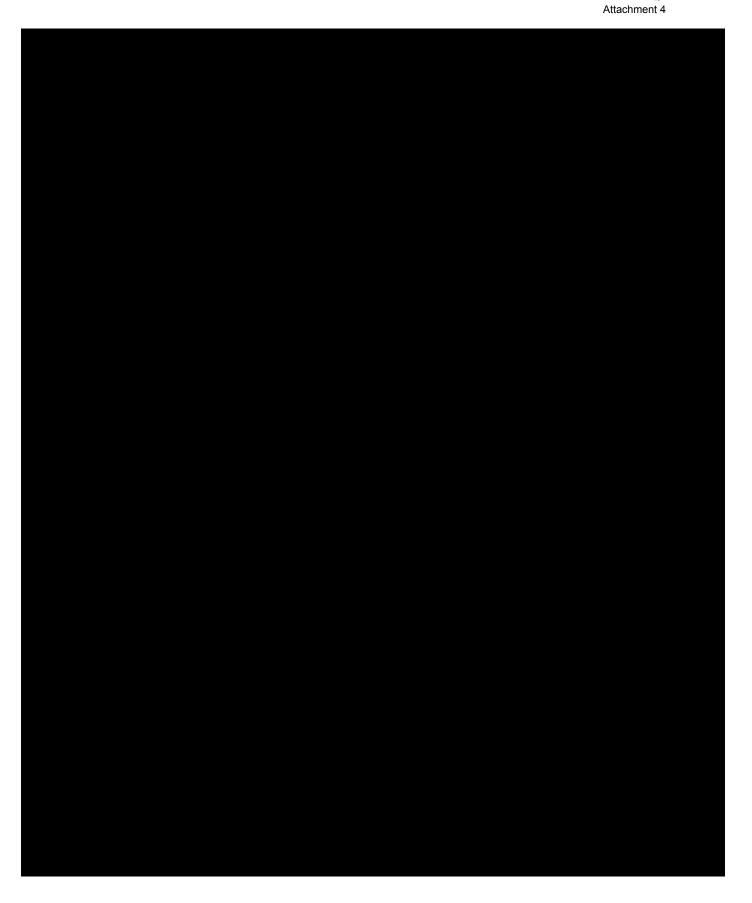




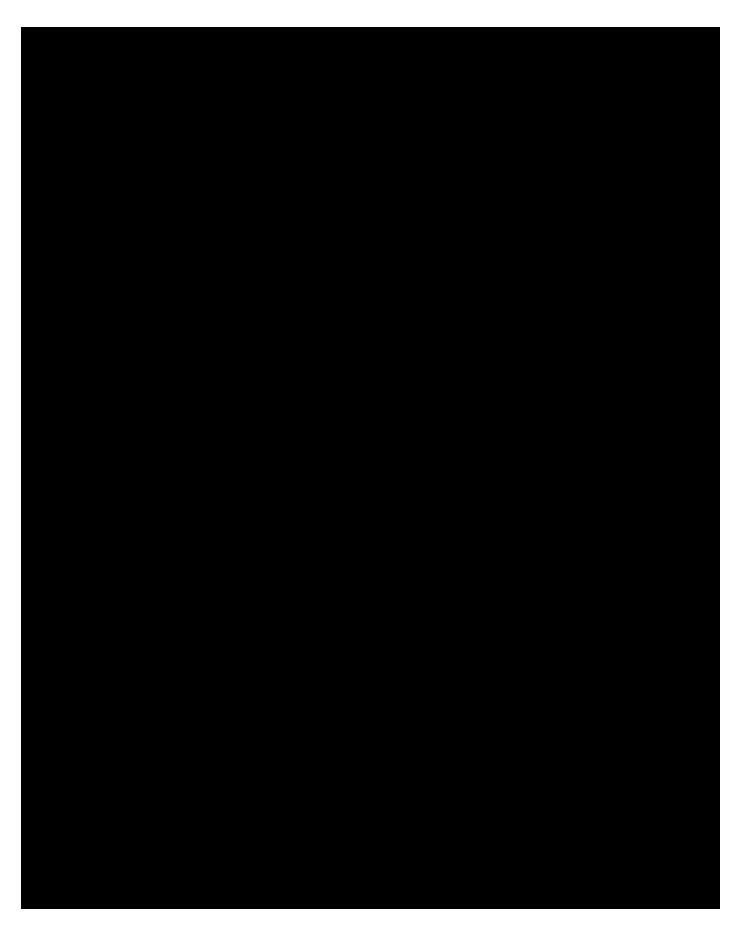


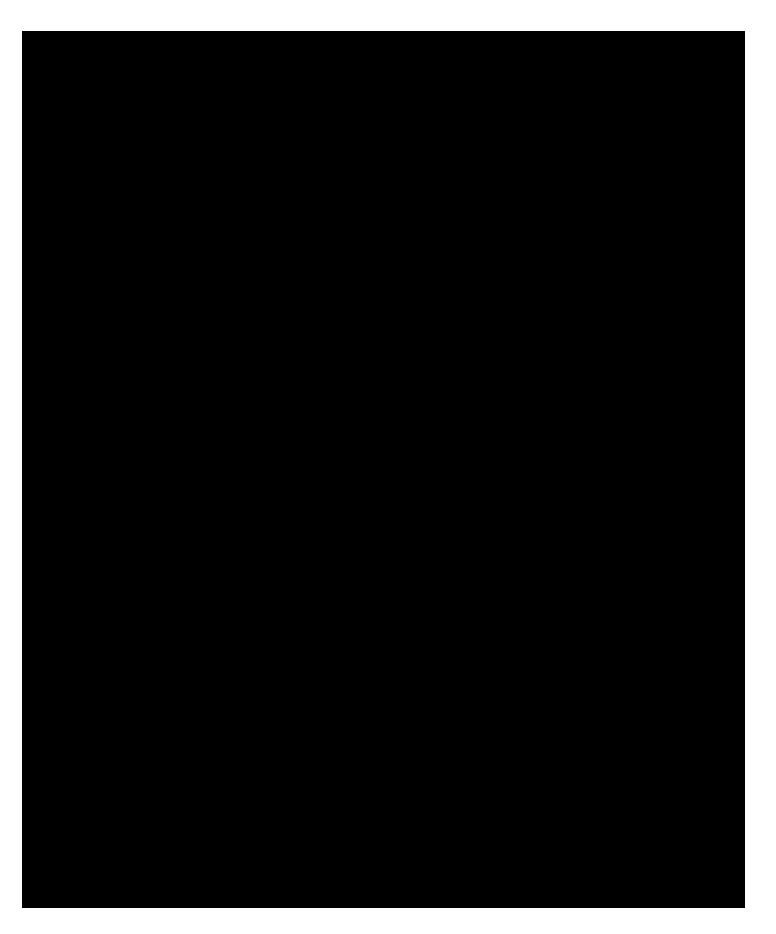


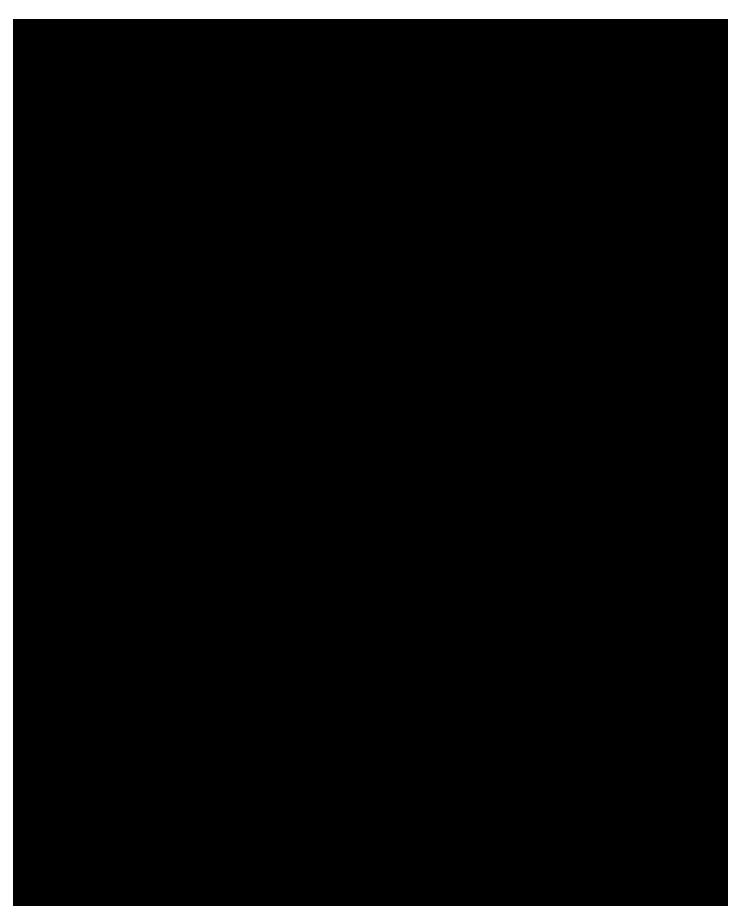
















1 of 3

March 18, 2015 Confidential

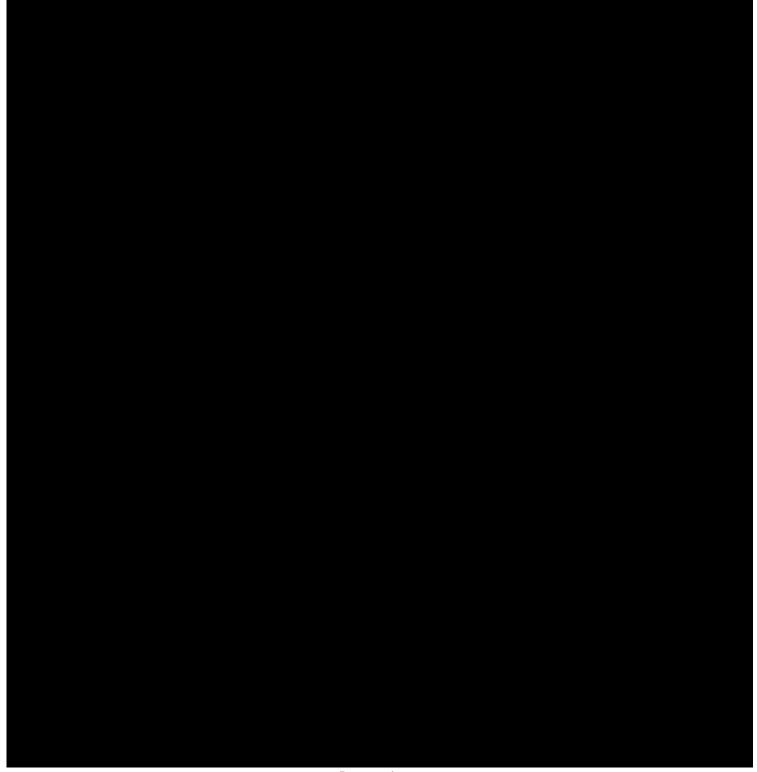
2 of 3

Hines Chillers EPC

Contract # 780889

Revised 3/23/2015 EXHIBIT B-3

HINES CHILLERS -- EPC CONTRACT SCHEDULE (KEY MILESTONE DATES)



Page 1 of 1

Revised 3/23/2015

HINES CHILLERS -- EPC CONTRACT SCHEDULE (MILESTONE DATES)

Exhibit C

Revised 3/23/2015

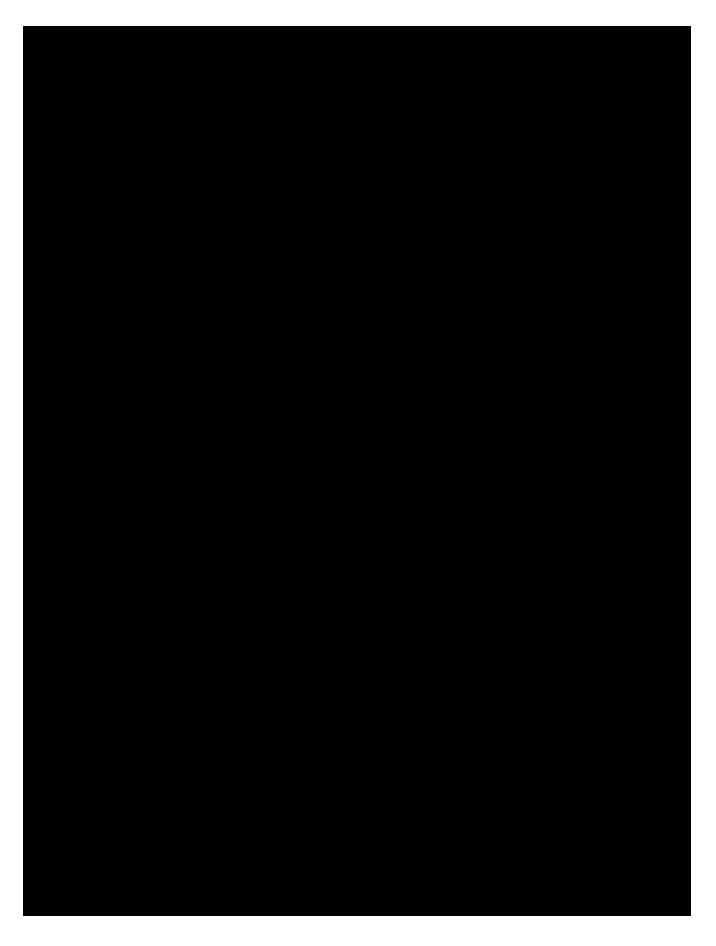
HINES CHILLERS -- EPC CONTRACT SCHEDULE (MILESTONE DATES)

Exhibit C

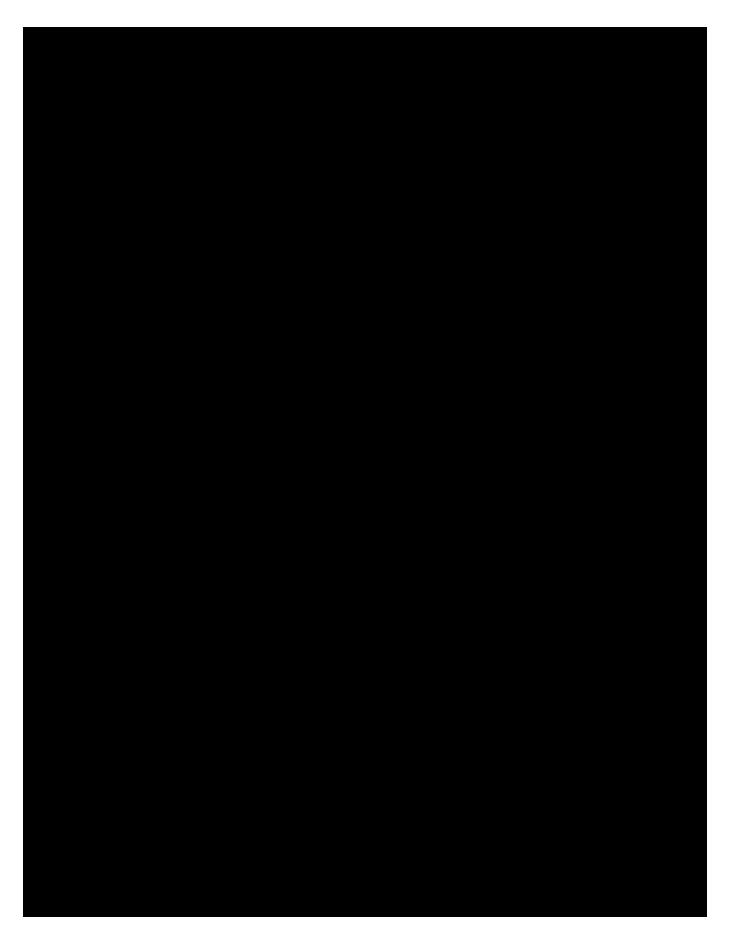
PMC Project Control Requirements



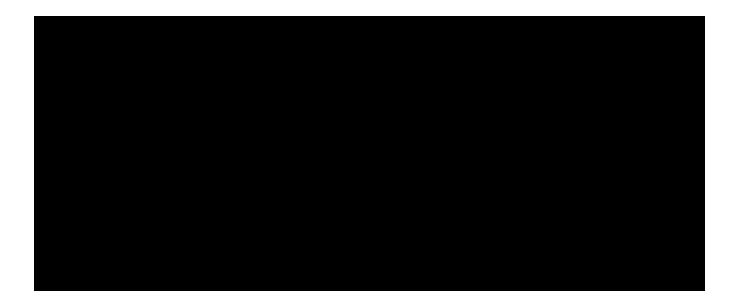














Attachment 3 - Report Matrix

Hines Chillers EPC Payment Schedule



Duke Energy Florida Response to Staff's 3rd Data Request Q1 Attachment 4

Hines Chillers
EPC Contract
Payment Schedule



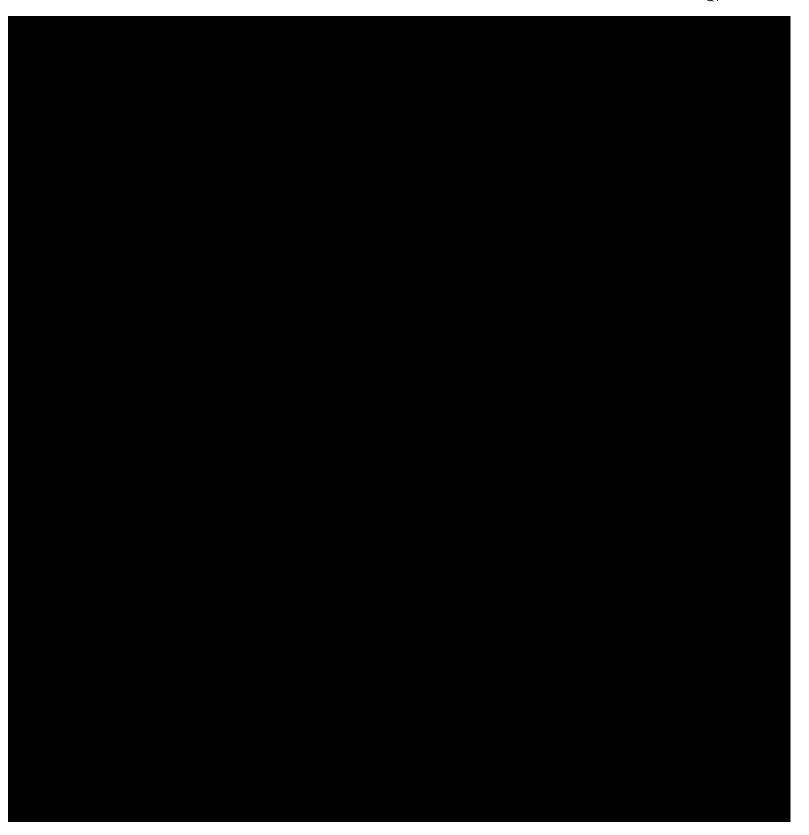
Revised 3/23/2015

HINES CHILLERS -- EPC CONTRACT SCHEDULE (MILESTONE DATES)

Exhibit C

HINES CHILLERS -- EPC CONTRACT SCHEDULE (MILESTONE DATES) Exhibit C

Revised 3/23/2015



Revised 3/23/2015 EXHIBIT B-1

HINES CHILLERS -- EPC CONTRACT CASH FLOW PLAN