



Dianne M. Triplett
DEPUTY GENERAL COUNSEL
Duke Energy Florida, LLC

September 15, 2017

Via ELECTRONIC DELIVERY

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

Re: Docket 20170183-EI; *Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC*

Dear Ms. Stauffer:

Please find enclosed for electronic filing, DEF's Response to Staff's Second Data Request.

Thank you for your assistance in this matter. If you have any questions concerning this filing, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/at
Attachments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 15th day of September, 2017.

/s/ Dianne M. Triplett

Attorney

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**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S SECOND DATA REQUEST
(NOS. 5-8) REGARDING DEF'S APPLICATION FOR LIMITED PROCEEDING TO
APPROVE 2017 SECOND REVISED AND RESTATED SETTLEMENT AGREEMENT,
INCLUDING CERTAIN RATE ADJUSTMENTS
DOCKET NO. 20170183-EI**

For the following question and subparts, please refer to the August 29, 2017 Petition DEF filed in this docket, and the specific page and paragraph references identified below.

5. Please refer to page 40, Paragraph 22, addressing that DEF will not enter into new financial natural gas hedging contracts through the term of this agreement.
 - a. Please identify the volume of natural gas for delivery in 2018 that will be purchased under previously-executed hedging contracts.
 - b. Please identify the volume of natural gas for delivery in 2019 that will be purchased under previously-executed hedging contracts.
 - c. Please identify the volume of natural gas for delivery in 2020 that will be purchased under previously-executed hedging contracts.
 - d. Please identify the month and year when all previously-executed hedging contracts will be fulfilled.

RESPONSE

Please see DEF's Response to Staff's First Data Request, question 4, filed on September 14, 2017 in the referenced docket.

6. Please verify that DEF would only implement a storm damage surcharge for its customers only if the storm reserve was depleted.

RESPONSE

Yes, the storm damage surcharge will only be implemented upon the depletion of the storm reserve.

7. Please explain what is meant by "an estimate of incremental costs above the level of storm reserve prior to the storm event."

RESPONSE

The reference to “an estimate of the incremental cost above the level of the storm reserve prior to that storm event” is intended to capture the estimate of the amount which exceeded the balance in the storm reserve just prior to the storm event. To illustrate, if the storm reserve had \$50 million prior to the storm but the estimate of the total storm restoration cost was \$200 million (retail), then the amount being referenced by that passage would be \$150 million ($\$200\text{M} - \$50\text{M} = \150M).

8. Please refer to this hypothetical scenario: A named tropical storm hits DEF’s service area on February 1, 2018, lasted for two days, caused \$400,000,000 worth of damage, and DEF’s has \$120,500,000 in its storm reserve.
 - a. How much would DEF petition the Commission for storm cost recovery?

RESPONSE

Assuming the dollars in this example are all retail, DEF would seek to recover \$411.5M ($\$400\text{M} - \$120.5\text{M} = \$279.5 + 132\text{M} = \411.5M). This represents the incremental amount above the storm reserve balance just prior to the storm plus the replenishment of the reserve to \$132M (the storm reserve balance as of the February 2012 implementation date of the 2012 Settlement Agreement).

- b. When would DEF petition the Commission for storm cost recovery?

RESPONSE

DEF would petition the Commission for storm cost recovery once it had a fairly reasonable estimate of the total cost of restoration, possibly within a couple of months following the event. Once all storm restoration costs have been tabulated and finalized, those costs would be subject to true-up, consistent with the language in paragraph 38c. of the Settlement Agreement.

- c. How much DEF charge its customers per 1,000 kWh?

RESPONSE

Assuming the example from (a) above, the impact of \$411.5 million would be approximately \$10.64 per 1,000 kWh.

- d. When would DEF start charging its customer for storm recovery?

RESPONSE

DEF would begin to charge customers with the first billing cycle 60 days following the filing of its petition with the Commission.

- e. When would DEF stop charging its customers for storm recovery?

RESPONSE

DEF would stop charging customers upon the conclusion of the 12-month recovery period, subject to a final true-up of any over/under recovery. The amount to be recovered would be subject to any adjustments that have been made by the Commission as a result of a formal proceeding, if any such proceeding were held.