



**Matthew R. Bernier**  
Associate General Counsel  
Duke Energy Florida, LLC.

September 25, 2017

**VIA ELECTRONIC FILING**

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

Re: *Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC; Docket No. 20170183-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing, Duke Energy Florida, LLC's (DEF) Response to Staff's Fourth Data Request.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

*s/Matthew R. Bernier*

Matthew R. Bernier  
[Matthew.Bernier@duke-energy.com](mailto:Matthew.Bernier@duke-energy.com)

MRB/mw  
Enclosures

**Duke Energy Florida, LLC**  
Docket No.: 20170183-EI  
**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 25<sup>th</sup> day of September, 2017.

*s/Matthew R. Bernier*

Attorney

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**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S FOURTH DATA REQUEST  
(NOS. 10-15) REGARDING DEF'S APPLICATION FOR LIMITED PROCEEDING TO  
APPROVE 2017 SECOND REVISED AND RESTATED SETTLEMENT AGREEMENT,  
INCLUDING CERTAIN RATE ADJUSTMENTS  
DOCKET NO. 20170183-EI**

10. With regard to paragraph provision 10 on pages 17 and 18 of the 2017 Second Revised and Restated Settlement Agreement (2017 Second RRSA), what are the respective retail jurisdictional amounts of the Lybasse parcel and the Rayonier/Lybasse parcel?

**RESPONSE**

Lybasse parcel \$25,699,375, Rayonier/Lybasse parcel \$61,679,702.

11. With regard to paragraph provision 11 on pages 18 and 19 of the 2017 Second RRSA, what is the current status of Case Nos. 17-1087 and 17-1151?

**RESPONSE**

The appeals are still pending. On August 23, 2017, DEF filed its opening brief. On September 22, WEC's response brief will be due, and on October 20, DEF's final reply brief will be due. The court has not indicated whether or when it will schedule oral arguments (it does not do so until after briefs have been submitted). DEF does not know when the court will issue a final decision in the appeal.

12. At the September 15, 2017 Informal Meeting for Docket No. 20170183-EI, regarding paragraph provision 17 on pages 33 through 37 of the 2017 Second RRSA, DEF represented it had the option to sell its Electric Vehicle Service Equipment (EVSE) to a third party after the end of the 5-year pilot program. If such a sale to a third party were to occur in the future, how would the benefit of any resulting net gain on sale of the EVSE be treated?

**RESPONSE**

Assuming that upon filing with the Commission in accordance with paragraph 17(f)(iii) the Commission determines that the program should not continue, DEF would endeavor to disposition the assets as cost effectively as possible. If the EVSE is sold at the end of the five year pilot program, any proceeds received on the EVSE would serve to reduce the ESVE regulatory asset balance. DEF cannot predict whether there would be a net gain or loss on the sale, if any, at the end of the five year pilot program.

13. With regard to paragraph provision 23 on pages 40 and 41 of the 2017 Second RRSA, please provide a detailed narrative explaining what the new Customer Information System is, as well as the estimated unamortized system and retail jurisdictional amounts. In the response, please state all sources and bases used to derive the estimated unamortized system and retail jurisdictional amounts.

**RESPONSE**

The new Customer Information System (“CIS” aka Customer Connect) is a companywide initiative to replace decades-old CIS platforms in order to transform the customer experience. DEF’s existing CIS is more than twenty years old and has limited technological capability. It does not possess the ability or sufficient upgradability to meet growing customer needs or their increasingly desired levels of service. Key customer benefits of Customer Connect include the following:

- Enables new and comprehensive ways to understand customers and better serve their unique needs; today we only understand our meters
- Creates an intuitive and personalized experience for customers
- Enables improvements to bill formats, helping customers more easily view and understand their bills
- Improves efficiency in managing billing and payments for net metering and other complex billing customers
- Reduces the complexity and the number of systematic changes required when introducing new rates, riders and programs to better serve customer’s unique needs
- Further enables flexibility and scale in leveraging AMI and providing customers alternative rates and enhanced basic services (pick your own due date, prepaid advantage, etc.)

Customer Connect is currently estimated to cost approximately \$95 million in capital and \$102 million in O&M for DEF and is 100% retail. These are estimates and will be refined as the program progresses.

DEF based the estimated total program cost for Duke Energy on the Best and Final Offer (BAFO) from the software provider and systems integrator request for proposal. DEF then added the estimated incremental labor and other program costs using standard

project estimation methodologies. The amount assigned to DEF is based on the number of DEF customers as a percentage of the total Duke Energy customer base.

14. What is the specific Accounting Standards Codification associated with the Generally Accepted Accounting Principles (GAAP) required and referenced in paragraph provision 26 on page 42 of the 2017 Second RRSA?

**RESPONSE**

Pension settlement accounting falls under ASC 715.

15. As a result of Hurricane Irma, does DEF anticipate in the foreseeable future filing a petition under paragraph provision 38c of the 2017 Second RRSA or under paragraph provision 24c of the 2013 Revised and Restated Stipulation and Settlement Agreement? If so, when does DEF anticipate filing said petition?

**RESPONSE**

Given the magnitude of Hurricane Irma, and the amount of damage caused, DEF does anticipate a future filing under either paragraph 24c of the 2013 RRSSA (if the 2017 Settlement Agreement is not approved) or 38c of the 2017 Settlement Agreement (if it is approved). DEF estimates that it will not be able to file a petition until a reasonable estimate of restoration costs can be developed, which is likely to take at least 2-3 months after storm restoration is complete.

**AFFIDAVIT**

STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this 22<sup>nd</sup> day of September, 2017, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JAVIER J. PORTUONDO, who is personally known to me, and he acknowledged before me that he provided the responses to question 10 through 15, from STAFF'S FOURTH DATA REQUEST (NOS. 10-15) TO DUKE ENERGY FLORIDA, LLC in Docket No. 20170183-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 22<sup>nd</sup> day of September, 2017.



Javier J. Portuondo  
Javier J. Portuondo

Sarah Hirschman Libes  
Notary Public  
State of Florida

My Commission Expires:

3/23/2018