



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

October 9, 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 Seventh Data Request (Nos. 54-56).

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

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 9th day of October, 2017.

s/Matthew R. Bernier

Attorney

<p>Kyesha Mapp Margo DuVal Suzanne S. Brownless Danijela Janjic Lee Eng Tan Rosanne Gervasi Stephanie Cuello Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 kmapp@psc.state.fl.us mduval@psc.state.fl.us asoete@psc.state.fl.us sbrownle@psc.state.fl.us djanjic@psc.state.fl.us ltan@psc.state.fl.us rgervasi@psc.state.fl.us scuello@psc.state.fl.us</p> <p>Kenneth Hoffman Vice President, Regulatory Affairs Florida Power & Light Company 215 S. Monroe Street, Suite 810 Tallahassee, FL 32301-1858 ken.hoffman@fpl.com</p> <p>Jessica Cano / Kevin I.C. Donaldson Florida Power & Light Company 700 Universe Boulevard June Beach, FL 33408-0420 jessica.cano@fpl.com kevin.donaldson@fpl.com</p>	<p>J.R. Kelly Charles J. Rehwinkel Patty Christensen Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us christensen.patty@leg.state.fl.us</p> <p>Robert Scheffel Wright / John T. LaVia III Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com</p> <p>James W. Brew / Laura A. Wynn Stone Mattheis Xenopoulos & Brew, P.C. 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, D.C. 20007 jbrew@smxblaw.com law@smxblaw.com</p> <p>James D. Beasley J. Jeffrey Wahlen Ausley McMullen P.O. Box 391 Tallahassee, FL 32302 jbeasley@ausley.com jwahlen@ausley.com</p>
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**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO STAFF'S SEVENTH DATA
REQUEST (NOS. 54-56) REGARDING DEF'S APPLICATION FOR LIMITED
PROCEEDING TO APPROVE 2017 SECOND REVISED AND RESTATED SETTLEMENT
AGREEMENT, INCLUDING CERTAIN RATE ADJUSTMENTS
DOCKET NO. 20170183-EI**

54. Please refer to DEF's Response to Staff's Sixth Data Request, No. 30. Does DEF have an estimated timeframe of when it will make its initial filing with the Florida Public Service Commission for cost recovery of the dry cask storage facility referenced in Paragraph 5.a.(1) of the 2017 Second Revised and Restated Settlement Agreement (Revised Settlement)?

RESPONSE

DEF will make its filing with the FPSC after the litigation with the Department of Energy associated with the construction of the dry cask storage facility has concluded, including the resolution of any appeals. At this time, DEF anticipates that the litigation will be fully concluded in approximately 2021.

55. Please refer to DEF's Response to Staff's Sixth Data Request, No. 42. Does the estimated \$336 million figure include any costs associated with removal and the net book value recovery of DEF's meter reading and commercial Silver Springs Network meter assets? As in, is the estimated \$336 million expenditure associated solely with new advanced metering infrastructure investment?

RESPONSE

The \$336 million is solely associated with the new advanced metering infrastructure investment.

56. Please provide the results and all assumptions used in calculating the three cost-effectiveness tests for each Energy Conservation Cost Recovery program impacted by Paragraph 20 of the Revised Settlement.

RESPONSE

Please see the following table for the results of the three cost-effectiveness tests for the Energy Conservation Programs impacted by Paragraph 20 of the Revised Settlement. The assumptions that support the avoided cost calculations are provided in Attachment A, bearing bates numbers DEF-20170183-00057 through DEF-20170183-00058. The

program incentives are based on the incentive levels included in Exhibit 1 of the Settlement Agreement from 2018-2021 and the Program Administrative costs are based on the costs included in 2015 Program Plan filing (Docket 201500083). The calculations extend through 2042.

Cost Effectiveness Test Results			
DEF 2017 Settlement Agreement - Par 20			
	Interruptible Program	Curtable Program	Stand-by Generation
RIM	2.245	2.903	2.360
Participant	9999	9999	9999
TRC	21.349	67.671	7.331

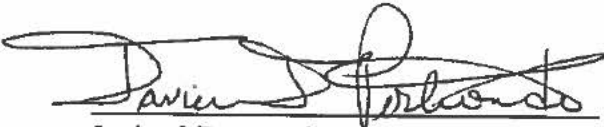
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STATE OF FLORIDA

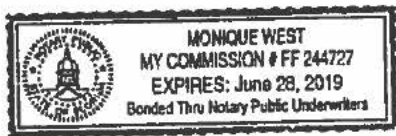
COUNTY OF PINELLAS

I hereby certify that on this 9th day of October, 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 questions 54 through 56, from STAFF'S SEVENTH DATA REQUEST (NOS. 54-56) 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 9th day of October, 2017.


Javier J Portuondo


Notary Public
State of Florida



My Commission Expires:

June 28, 2019

AVOIDABLE GENERATION ASSUMPTIONS

PEF-ECCR

CC3X1 P1 - COMBINED CYCLE		unit 1
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2018
(3) Winter Capacity	MW	1306.7
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	1,070.46
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	64.40
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.5001
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		88% winter, 93.6% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	4.05
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 2
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2022
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	63.66
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1220
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	7.86
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

CC2X1 P1 - COMBINED CYCLE		unit 3
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2024
(3) Winter Capacity	MW	865.8
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	1,145.43
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	67.37
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.6782
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		46% winter 71% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	5.22
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 4
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2026
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	63.99
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1347
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	8.75
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

CC2X1 P2 - COMBINED CYCLE		unit 5
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2027
(3) Winter Capacity	MW	865.8
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	749.45
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	63.10
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.7303
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		46% winter 71% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	5.82
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 6
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2028
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	64.18

(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1415
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	9.44
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AVOIDABLE GENERATION ASSUMPTIONS

PEF-ECCR-0052

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 7
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2030
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	64.37
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1487
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	10.08
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

CC2X1 P1 - COMBINED CYCLE		unit 8
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2031
(3) Winter Capacity	MW	865.8
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	1,145.43
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	68.83
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.8061
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		46% winter 71% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	6.63
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 9
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2038
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	65.24
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1811
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	13.05
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

AGT P2 Brown field- SIMPLE CYCLE COMBUSTION TURBINE		unit 10
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2039
(3) Winter Capacity	MW	214
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	493.10
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	65.36
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	0.1856
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		1% winter 5% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	13.39
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%

CC2X1 P2 - COMBINED CYCLE		unit 11
(1) Base Year		2013
(2) In Service Year for Avoided Generation Unit		1-Jun-2041
(3) Winter Capacity	MW	865.8
(4) Base Year Avoided Generating Unit Cost (including transmission upgrade cost)	\$/KW	749.45
(5) Generator Cost Escalation Rate		2.50%
(6) Generator Fixed O&M Cost (including non-escalating gas pipeline reservation cost)	\$/kw-year	71.41
(7) Generator Fixed O&M Cost Escalation Rate		2.50%
(8) Avoided Gen Unit Variable O&M Cost	c/Kwh	1.0319
(9) Generator Variable O&M Cost Escalation Rate		2.50%
(10) Generator Capacity Factor		46% winter 71% summer with CO2
(11) Avoided Generating Unit Fuel Cost	c/Kwh	9.04
(12) Avoided Generating Unit Fuel Escalation Rate		3.00%