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Duke Energy Florida, Inc.

June 1, 2015

**VIA ELECTRONIC FILING**

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

Re: DEF's Petition for Approval of Demand-Side Management Plan  
Docket No. 150083-EG

Dear Ms. Stauffer:

Please find attached for filing on behalf of Duke Energy Florida, Inc. ("DEF"), DEF's Response to Staff's Second Data Request in the above-referenced docket.

The tables in Excel (.xls) format have been provided to Staff via electronic mail.

Thank you for your assistance in this matter and please let me know if you have any questions. I can be reached at (727) 820-4692.

Sincerely,

*/s/ Dianne M. Triplett*

Dianne M. Triplett

DMT/db  
Attachment

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail this 1st day of June, 2015, to all parties of record as indicated below.

*/s/ Dianne M. Triplett*

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Attorney

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**DEF's Response to Staff's Second Data Request**

1. Please provide an electronic copy in Excel format of the Cost-Effectiveness Forms (PSC Forms CE 1.1 through 2.5) for each of the company's proposed programs.

**Response:**

The PSC CE Forms are direct outputs from the FIRE (Florida Integrated Resource Evaluator) tool. DEF has not utilized or presented data using FIRE since its approved transition to the Strategist Integrated Resource Planning tool over 20 year ago. DEF has labeled the Strategist output information to correspond to the cost effectiveness information in the forms in the past. Attached, in excel format, are Strategist output tables presented in the plan filing with the corresponding form labels.

2. DEF explained in the answer to question 35b from the staff's first data request that the \$2.5 million annual cap in the proposed Florida Customer Incentive Program is intended to mitigate near term rate impact. Would DEF consider raising or eliminating this \$2.5 million annual cap so that all projects that pass RIM will be considered?

**Response:**

As stated in its answer to question 35b, DEF's motivation for its proposed annual cap was simply to guard against undue pressure on near term rates that could occur from an uncapped program. The primary reason to have a custom program is to allow a great deal of flexibility around the type and size of project that qualifies for incentives in order to account for the heterogeneity of non-residential customers. This necessary flexibility creates significant uncertainty around the number, size, and type of projects that may qualify for incentives and hence the program costs that could be incurred. DEF would consider raising the annual cap on the annual incentive incentives, but proposes to make any adjustment only after there is market data showing that the annual cap has created an impediment to customer participation. Additionally, if DEF finds that there are certain types of custom projects that routinely qualify for incentives through this program, DEF would consider developing specific measures under the Better Business program to accommodate these types of projects with a prescriptive incentive.

3. Please discuss the Company's methodology used to estimate administrative costs.

**Response:**

Administrative costs were projected based on historical costs and trended for future years based on goals.

4. Please list all items (i.e. salaries, computer programs, etc.) that are included in administrative costs.

**Response:**

Administrative costs primarily consist of the following:

- Employee Salaries and Benefits
- IT Costs to support software and databases
- Office expenses and supplies
- Miscellaneous employee expenses for mileage and vehicles to perform energy audits and inspections
- Advertising and Marketing expenses
- External contractors - to augment internal staff and perform specialized work

5. Please discuss any efforts the Company has made to reduce administrative costs associated with its DSM programs.

**Response:**

The DSM administrative costs are part of DEF's overall O&M expenses and are subject to the same cost management practices and guidelines as all other O&M costs. DEF routinely reviews these expenses to ensure that resources are being used efficiently and to ensure that these costs are reasonable and have been appropriately charged. Administrative costs are projected to be 21% of the total costs for the 2015-2024 Plan period, whereas administrative costs represented 32% of total costs for the 2005-2014 historical period. This reduction reflects the decrease in programs and measures in the projected period as well the impacts of the Company's cost management efforts.

6. Please complete the table below summarizing actual and projected administrative costs for the Company's DSM plan. As part of this response, please provide an electronic version of the table below in Excel format with your response.

**Response:** See the table below and the Excel file attached.

Year	Administrative Costs (Nominal \$)	
	Actual	Projected
2005	14,921,278	15,726,534
2006	17,405,951	16,529,168
2007	26,585,146	25,531,220
2008	28,237,322	33,460,303
2009	27,180,282	30,227,880
2010	25,145,997	33,544,830
2011	29,725,040	34,614,065
2012	30,432,200	32,960,095
2013	40,230,992	36,782,043
2014	24,356,160	39,573,038
2015		22,085,243
2016		21,204,700
2017		20,701,575
2018		20,030,483
2019		19,264,557
2020		18,728,412
2021		18,196,276
2022		17,896,662
2023		17,823,263
2024		17,922,671