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Public Service Commission

January 22, 2016

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COMMISSION
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Mr. Matthew R. Bernier
106 East College Avenue
Suite 800
Tallahassee Florida 32301
matthew.bernier@duke-energy.com

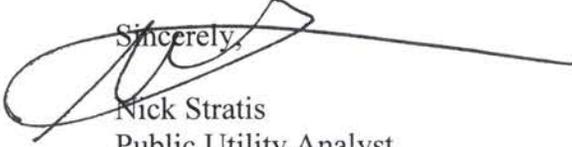
Re; Staff's First Data Request in Docket No. 160017-EI – Duke Energy Florida's Petition for Approval of Depreciation Rates for Solar Photovoltaic Generating Units

Mr. Bernier:

Staff has completed its initial review of Duke Energy Florida's petition filed in the docket referenced above. Please find the enclosed questions arising from staff's initial review. Due to the expedited schedule of this docket, we ask that the responses to Staff's First Data Request be filed with the Commission on or before February 5, 2016.

If you have any questions or need further information, please do not hesitate to contact me at (850) 413-6471, or at nstratis@psc.state.fl.us.

Sincerely,


Nick Stratis
Public Utility Analyst
Division of Economics

cc: Office of Commission Clerk ✓
Office of Public Counsel
Duke Energy Florida/Dianne M. Triplett

Staff's First Data Request to Duke Energy Florida

Docket No. 160017-EI

Response due date February 5, 2016

1. According to paragraph 4 of its petition, DEF seeks depreciation rates for solar photovoltaic generating units and associated equipment at solar facilities... "and to such other solar photovoltaic generating units that may be constructed in the future."
 - a. Regarding the "...other such generating units..." mentioned in the paragraph, has DEF planned any other solar PV generating units? Please explain.
 - b. If your response to question 1a is affirmative, please identify each such unit, including its planned capacity, location, and in-service date.
 - c. How do the Perry Solar Facility, Osceola Solar Facility, and other solar photovoltaic generating units discussed in the petition fit into Duke Energy Florida's (DEF) generation planning?
 - d. When will the Perry Solar Facility and Osceola Solar Facility be placed in service?
2. Paragraph 4 states that "Performance warranties from vendors of the equipment being utilized for the facilities, as well as information from industry groups, generate an estimated design life of 30 years."
 - a. Please identify the specific sources of the design life estimate of 30 years.
 - b. Please identify the vendors and industry groups referred to in the paragraph.
 - c. Please specify the warranty terms for each solar facility discussed in this paragraph including the years covered and the corresponding energy output warranted.
 - d. Please specify the solar technology (e.g.: rooftop PV, stand-alone fixed PV, PV with tracking) used for each facility discussed in the paragraph.
3. Paragraph 4 mentions "...generating units and associated equipment."
 - a. Please identify the major components of generating units, and 'associated equipment,' such as PV modules, support structure, etc., by FERC account.
 - b. What is the design life of each such component? Please provide supporting documentation.
 - c. What is the expected service life of each such component? Please explain.
 - d. What are the warranties associated with each such component? Please explain.
 - e. Please provide a copy of the above mentioned performance warranties from the vendors.
4. According to paragraph 5, "Other solar projects may be considered and constructed in the future."
 - a. Will DEF own all equipment associated with these other projects?
 - b. Will DEF own the land associated with these other projects?
 - c. Please explain if DEF will include any "other solar projects" in its next depreciation study?
5. Please provide references, industry sources, or citations used as a basis for DEF's zero net salvage for the unit under construction, as mentioned in Paragraph 6.

6. Please provide references, industry sources or citations used to support the 3.3% depreciation rate mentioned in Paragraph 6.
7. Please provide the rationale for applying a single depreciation rate of 3.3%, given that the account activities associated with a certain subaccount may differ substantially from other subaccounts.
8. Will the other solar photovoltaic generating units addressed in Paragraph 4 be included in DEF's next depreciation study?
9. Referring to paragraph 7, please clarify and elaborate on the statement "DEF is currently evaluating the retirement unit structure that it will employ and will file the retirement units used in the Report of Retirement Units filed with the next Annual Status Report."