



Dianne M. Triplett
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July 15, 2016

VIA ELECTRONIC FILING

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

Re: *Petition for Approval to Include in Base Rates the Revenue Requirement for the Hines Chillers Uprate Project by Duke Energy, LLC: Docket Number 160128-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Response to Staff's Fourth Data Request (No. 1).

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Respectfully,

s/Dianne M. Triplett

Dianne M. Triplett

DMT/mw
Enclosures
cc: Danijela Janjic, FPSC, djanjic@psc.state.fl.us

**Duke Energy Florida, LLC's Response to Staff's Fourth Data Request
Re: Petition for Limited Proceeding for Approval to Include in Base Rates the
Revenue Requirement for the Hines Chillers Uprate Project**

Docket No. 160128-EI

1. Please explain why DEF is requesting that the Commission should approve the revenue requirement associated with Phase 2 of the Hines Chiller Uprate Project. As part of this explanation, please explain why it would be more appropriate to address the Phase 2 revenue requirement in the instant docket instead of in DEF's February 2017 filing discussed in its petition?

Response:

DEF is requesting approval of the Phase 2 revenue requirement because it is a component of the total Hines Chiller Uprate Project. In Commission Order No. PSC-14-0590-FOF-EI, the Commission approved the Hines Chiller Uprate, at a cost of \$160 million; DEF presented both phases in the instant docket to show that the total Hines Chiller Uprate project cost is within that approval.

To clarify the question in Data Request #4, DEF is not planning to file a petition in February 2017. DEF expects to file its petition for the approval of the Osprey acquisition revenue requirements in August 2016. DEF's estimate of the Phase 2 revenue requirement has not changed; if DEF were to request for approval of the phase 2 revenue requirement in the August petition, the revenue requirement would be the same as that filed in the instant docket. In the August petition, DEF expects to request that rates become effective February 2017. DEF also notes that, if the Osprey project were not also coming online in the same time period as phase 2 of the Hines Chiller Uprate, DEF, in this docket, would have requested approval of the tariff changes needed for both phases of the Hines Chiller Uprate. However, because of the timing of the Osprey project and the impact on the tariff sheet to be approved for the February 2017 rate increase, DEF had to wait to request approval of the rate increase in order to maintain tariff version control.