



Dianne M. Triplett  
ASSOCIATE GENERAL COUNSEL

July 21, 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 of stipulation to amend revised and restated stipulation and settlement agreement by Duke Energy Florida, LLC: Docket Number 160151-EI*

Dear Ms. Stauffer:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Response to Staff's First Data Request for the above referenced matter.

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](mailto:djanjic@psc.state.fl.us)

Phillip Ellis, FPSC, [pellis@psc.state.fl.us](mailto:pellis@psc.state.fl.us)

**Duke Energy Florida, LLC's Response to Staff's First Data Request**  
**Re: Docket No. 160151-EI - Petition for approval of stipulation to amend revised and restated stipulation and settlement agreement by Duke Energy Florida, LLC.**

1. In its Petition at page 1, DEF refers to its "Dry Cask Storage" project. Please answer the following about this project:

A. Have all pre-construction licensing and/or permitting matters for the Dry Cask Storage project been addressed and/or resolved? If not, please list what matters are outstanding, and what steps are needed to complete them.

**Response:**

All pre-construction licensing and permitting matters have been addressed and are in place.

B. Have construction activities begun on the Dry Cask Storage project? If not, when will such activities begin?

**Response:**

Yes, construction of the project has begun.

C. How long will construction take? Discuss in your response the major milestones and timelines for this project.

**Response:**

The construction project is currently expected to be completed in June 2017. The major construction milestones are:

2016- Complete site improvements and foundation soil work to support the dry cask storage facility and commence construction of pad, apron and haul path.

June 2017 - Complete construction of the dry cask storage facility, including pad and apron.

2. What is the estimated total capital cost of the Dry Cask Storage project?

**Response:**

The following table provides the costs associated with the Dry Cask Storage regulatory asset:

**DEF Summary of Dry Cask Storage Regulatory Asset:**

(\$ millions)

	Beg Bal.	Expenditures		DOE Awards		AFUDC	End Bal.
	Retail	System	Retail <sup>(1)</sup>	System	Retail <sup>(1)</sup>	Retail	Retail
Jan-Dec 2013 (actual)	\$44.3	\$1.6	\$1.4			\$2.7	\$48.4
Jan-Dec 2014 (actual)	48.4	5.5	4.7	(21.1)	(17.7)	2.7	38.0
Jan-Dec 2015 (actual)	38.0	23.5	20.0			2.8	60.8
Jan-Jun 2016 (actual)	60.8	17.5	14.9			2.1	77.8
Jul-Dec 2016 (estimate)	77.8	26.7	22.8			2.6	103.2
Jan-Jun 2017 (estimate) <sup>(2)</sup>	103.2	25.2	21.5			3.4	128.1
Jul-Dec 2017 (estimate) <sup>(3)</sup>	128.1	3.2	2.8			-	130.9
Jan-May 2018 (estimate) <sup>(3)</sup>	130.9	0.5	0.5	(25.1)	(21.1)	-	110.2
		<u>\$103.9</u>	<u>\$88.6</u>	<u>(\$46.1)</u>	<u>(\$38.8)</u>	<u>\$16.2</u>	

<sup>(1)</sup> Retail amounts exclude co-owner and wholesale portions.

<sup>(2)</sup> Expected in service date is June 30, 2017. AFUDC ceases and CCR recovery begins in July 2017.

<sup>(3)</sup> Expenditures subsequent to the in service date represent project close-out costs and contingencies.

A. What portion of this total has been incurred to-date in 2016, or is projected to be incurred for the remainder of 2016?

**Response:**

Please see the table above.

B. What portion of this total is projected to be incurred in 2017?

**Response:**

Please see the table above.

3. In its Petition at page 2, DEF refers to “preserving the intended cost recovery cost allocation” for the Dry Cask Storage project. Please describe the intended cost recovery cost allocation for the Dry Cask Storage project.

**Response:**

Paragraph 5.g. in the RRSSA states; “The retail base rate change(s) described in paragraph 5e(1) and 5e(2) shall be established by the application of a uniform percentage increase to the demand and energy charges, including delivery voltage credits, power factor adjustments, and premium distribution service reflected in the Company’s base rate schedules existing at the time of the base rate increase(s)...” In order to preserve this cost allocation methodology, DEF will not allocate the Dry Cask Storage revenue requirements using the standard 12 CP and 1/13 AD methodology that is used for all other Capacity clause revenue requirements. Rather, DEF will allocate based on the “uniform percentage increase” methodology that would have been used under the RRSSA. In order to accomplish this, the Capacity clause projection filing schedules E-12D and E-12E will reflect additional columns to show the projected total demand and energy revenues (as described above) by rate class and the Dry Cask Storage revenue requirements allocated pro-rata to those rate classes.

4. In its Petition at page 2, DEF states that the “Dry Cask Storage costs were to be added to the CR3 Regulatory Asset balance.” Please elaborate on the reason(s) these costs were not added to the CR3 Regulatory Asset balance.

**Response:**

The original intent of the settlement was to add the smaller Dry Cask Storage capital cost to the larger CR3 Regulatory Asset balance, but that larger balance was securitized in June 2016 and therefore no longer exists. The Dry Cask Storage costs were not included in the securitized balance, because DEF is seeking recovery of the majority of those costs in lawsuits against the Federal government due to the Department of Energy’s breach of its contract to remove spent nuclear fuel from the Crystal River nuclear site. Any recoveries from the Federal government will be credited to the Dry Cask Storage capital project in the Capacity Cost Recovery Clause.

5. Please produce an aerial photograph of the Crystal River generating station, if one exists, edited to show the specific placement of the Dry Cask Storage facility relative to the

existing structures at the Crystal River generating station. If an aerial photograph is not available, produce a drawing, sketch, or other rendering that shows the specific placement of the Dry Cask Storage facility relative to the existing structures at the Crystal River generating station.

**Response:**

Please see Attachment A.

6. Currently, DEF periodically submits Schedule 6 with its Earnings Surveillance Report which reflects dry cask storage costs. Will those costs be included in the capacity cost recovery clause filings, including monthly A-Schedules? Please explain your response.

**Response:**

Yes, beginning with the 2017 projection filing, the Dry Cask Storage costs will be included in the Capacity Clause filings. Once these costs are included in the Capacity Clause E-Schedules and A-Schedules, they will no longer need to be submitted on Schedule 6 with the Earnings Surveillance Reports.



Legend

- A – Dry Cask Storage Modules
- B – Security Building