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# Public Service Commission

April 18, 2017

**STAFF'S FIRST DATA REQUEST**  
[Matthew.bernier@duke-energy.com](mailto:Matthew.bernier@duke-energy.com)

Matthew R. Bernier  
106 East College Avenue  
Suite 800  
Tallahassee, Florida 32301

**Re: Docket No. 170001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.**

Dear Mr. Bernier :

By this letter Commission staff requests that Duke Energy Florida, LLC (DEF) provide responses to the following data request:

1. Please refer to Page 2, Paragraph 4 of DEF's Petition for Mid-Course Correction for Fuel Cost Recovery Clause filed on April 13, 2017 (Petition). In this text, the Company states that the reason for this midcourse correction is "an end of period total net true up under-recovery of \$182,044,578."
  - A. Is it correct that the "total" under-recovery amount of \$182,044,578 is the mathematical sum of the actual final true up amount from 2016, the actual amount for 2017 through March, and an estimated amount for the remainder of 2017?
  - B. Is it correct that the 2016 portion of the under-recovery amount of \$182,044,578 is \$58,893,511?
  - C. Please discuss the reasons for the under-recovery amount of \$58,893,511.
  - D. Please describe the unique market dynamics that occurred in 2016 which resulted in decreased jurisdictional fuel revenues.
  - E. Please describe the unique market dynamics that occurred in 2016 which resulted in increased jurisdictional fuel costs and net power purchases.

- F. Is \$123,151,067 the estimated under-recovery amount for the remainder of 2017 included in the total under-recovery amount of \$182,044,578 ?
- G. Please discuss the reasons for the under-recovery amount of \$123,151,067.
- H. Please describe the unique market dynamics that occurred in 2017 which resulted in decreased jurisdictional fuel revenues.
- I. Please describe the unique market dynamics that occurred in 2017 which resulted in increased jurisdictional fuel costs and net power purchases.
2. Please refer to Page 2, Paragraph 4 of the Petition. Please provide a breakdown of the components of the \$67,117,484 amount referenced in this paragraph.
  3. Please refer to Page 2, Paragraph 4 of the Petition. Please provide a breakdown of the components of the \$54,884,690 amount referenced in this paragraph.
  4. On April 3, 2017, DEF witness Joseph McCallister provided testimony and an exhibit regarding the results of DEF's hedging program in 2016. Please discuss how the results discussed in that testimony are related to the under-recovery amount of \$58,893,511 for 2016.
  5. What are the hedging results for 2017 (actual and estimated)? Please discuss how these results are related to the under-recovery amount of \$123,151,067 for 2017.
  6. Please refer to Page 2, Paragraph 6 of the Petition. Please identify the docket number that addressed the Citrus Unit 1 Combined Cycle Generating Base Rate Adjustment (GBRA).
  7. Based on the current construction schedule for the Citrus Unit 1 Combined Cycle facility, what is the "best case scenario" for the date the unit will enter commercial service?
  8. Based on the current construction schedule for the Citrus Unit 1 Combined Cycle facility, what is the "worst case scenario" for the date the unit will enter commercial service?
  9. Please refer to Page 3, Paragraph 8 of the Petition. The Petition states that the midcourse adjustment factor "will cease with the first billing cycle in which the Citrus 1 GBRA is included in rates." Assuming the midcourse adjustment factors begin in July 2017 as proposed, please answer the following:

- A. By what amount will base rates change when the Citrus 1 GBRA is included in rates?
  - B. By what amount will fuel cost recovery amounts change when the Citrus 1 GBRA is included in rates?
  - C. By what amount will capacity cost recovery amounts change when the Citrus 1 GBRA is included in rates?
  - D. If applicable, state any other cost recovery clause amounts that will change when the Citrus 1 GBRA is included in rates.
10. In the Schedule E10, DEF included a line entry for an increase to the Asset Securitization Charge for the period July through December, 2017. Please discuss the reasons for the increase to the Asset Securitization Charge for the period July through December, 2017.
11. How has, or how will, DEF notify its customers about its Petition?
12. Has DEF established dedicated communication tools to address its Petition (i.e., a website FAQ to address the Petition, or dedicated number to call for questions)? Please explain your response.
13. Does the July billing cycle begin on July 1<sup>st</sup>? If not, please specify when it begins
14. Has a draft of the bill insert been prepared? If so, please provide it to staff to review.

Mr. Matthew Bernier

April 18, 2017

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Please file all responses electronically no later than Monday, May 1, 2017, on the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6218 if you have any questions.

Very truly yours,

**s/Suzanne Brownless**

Suzanne Brownless

Senior Attorney

SBr

cc: Office of the Commission Clerk