September 15, 2017

Via ELECTRONIC DELIVERY

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

Re: Docket 20170183-EI; Application for limited proceeding to approve 2017 second revised and restated settlement agreement, including certain rate adjustments, by Duke Energy Florida, LLC

Dear Ms. Stauffer:

Please find enclosed for electronic filing, DEF’s Response to Staff’s Second Data Request.

Thank you for your assistance in this matter. If you have any questions concerning this filing, please feel free to contact me at (727) 820-4692.

Sincerely,

/s/ Dianne M. Triplett

Dianne M. Triplett

DMT/at
Attachments
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 15th day of September, 2017.

/s/ Dianne M. Triplet
Attorney

Kyesha Mapp
Margo DuVal
Suzanne S. Brownless
Daniijla Janjic
Kelly Corbari
Lee Eng Tan
Rosanne Gervasi
Stephanie Cuello
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
kmapp@psc.state.fl.us
mduval@psc.state.fl.us
asoete@psc.state.fl.us
sbrownle@psc.state.fl.us
djanjic@psc.state.fl.us
kcorbari@psc.state.fl.us
ltan@psc.state.fl.us
rgervasi@psc.state.fl.us
scuello@psc.state.fl.us

Kenneth Hoffman
Vice President, Regulatory Affairs
Florida Power & Light Company
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301-1858
ken.hoffman@fpl.com

Jessica Cano / Kevin I.C. Donaldson
Florida Power & Light Company
700 Universe Boulevard
June Beach, FL 33408-0420
jessica.cano@fpl.com
kevin.donaldson@fpl.com

Jon C. Moyle, Jr.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

J.R. Kelly
Charles J. Rehwinkel
Patty Christensen
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399
kelly.jr@leg.state.fl.us
rehwinkel.charles@leg.state.fl.us
christensen.patty@leg.state.fl.us

Robert Scheffel Wright / John T. LaVia III
Gardner Law Firm
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

James W. Brew / Laura A. Wynn
Stone Mattheis Xenopoulos & Brew, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, D.C. 20007
jbrew@smxblaw.com
law@smxblaw.com

James D. Beasley
J. Jeffry Wahlen
Ausley McMullen
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com

Russell A. Badders / Steven R. Griffin
Beggs & Lane
P.O. Box 12950
Pensacola, FL 32591
rab@beggslane.com
srg@beggslane.com
<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Address</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Cavros</td>
<td></td>
<td>120 E. Oakland Park Blvd, Suite 105</td>
<td><a href="mailto:george@cavros-law.com">george@cavros-law.com</a></td>
</tr>
<tr>
<td>Mike Cassel, Director</td>
<td>Florida Public Utilities Company</td>
<td>1750 S 14th Street, Suite 200</td>
<td><a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a></td>
</tr>
<tr>
<td>Rhonda J. Alexander</td>
<td>Gulf Power Company</td>
<td>Pensacola, FL 32520-0780</td>
<td><a href="mailto:rjalexad@southernco.com">rjalexad@southernco.com</a></td>
</tr>
<tr>
<td>Jeffrey A. Stone, General Counsel</td>
<td>Gulf Power Company</td>
<td>Pensacola, FL 32520-0780</td>
<td><a href="mailto:jastone@southernco.com">jastone@southernco.com</a></td>
</tr>
<tr>
<td>Joseph Fichera</td>
<td>Saber Partners, LLC</td>
<td>44 Wall Street</td>
<td><a href="mailto:jfichera@saberpartners.com">jfichera@saberpartners.com</a></td>
</tr>
<tr>
<td>Beth Keating</td>
<td>Gunster, Yoakley &amp; Stewart, P.A.</td>
<td>215 South Monroe Street, Suite 601</td>
<td><a href="mailto:bkeating@gunster.com">bkeating@gunster.com</a></td>
</tr>
<tr>
<td>Ms. Paula K. Brown</td>
<td>Tampa Electric Company</td>
<td>P.O. Box 111</td>
<td><a href="mailto:regdept@tecoenergy.com">regdept@tecoenergy.com</a></td>
</tr>
<tr>
<td>John T. Butler / Maria Jose Moncada</td>
<td>Florida Power &amp; Light Company</td>
<td>700 Universe Boulevard (LAW/JB)</td>
<td><a href="mailto:john.butler@fpl.com">john.butler@fpl.com</a></td>
</tr>
<tr>
<td>Kenneth Hoffman, Vice President</td>
<td>Florida Power &amp; Light Company</td>
<td>215 S. Monroe Street, Suite 810</td>
<td><a href="mailto:ken.hoffman@fpl.com">ken.hoffman@fpl.com</a></td>
</tr>
<tr>
<td>Dean E. Criddle</td>
<td>Orrick, Herrington &amp; Sutcliffe</td>
<td>405 Howard Street, #11</td>
<td><a href="mailto:dcriddle@orrick.com">dcriddle@orrick.com</a></td>
</tr>
</tbody>
</table>
For the following question and subparts, please refer to the August 29, 2017 Petition DEF filed in this docket, and the specific page and paragraph references identified below.

5. Please refer to page 40, Paragraph 22, addressing that DEF will not enter into new financial natural gas hedging contracts through the term of this agreement.

   a. Please identify the volume of natural gas for delivery in 2018 that will be purchased under previously-executed hedging contracts.

   b. Please identify the volume of natural gas for delivery in 2019 that will be purchased under previously-executed hedging contracts.

   c. Please identify the volume of natural gas for delivery in 2020 that will be purchased under previously-executed hedging contracts.

   d. Please identify the month and year when all previously-executed hedging contracts will be fulfilled.

**RESPONSE**

Please see DEF’s Response to Staff’s First Data Request, question 4, filed on September 14, 2017 in the referenced docket.

6. Please verify that DEF would only implement a storm damage surcharge for its customers only if the storm reserve was depleted.

**RESPONSE**

Yes, the storm damage surcharge will only be implemented upon the depletion of the storm reserve.

7. Please explain what is meant by “an estimate of incremental costs above the level of storm reserve prior to the storm event.”

**RESPONSE**
The reference to “an estimate of the incremental cost above the level of the storm reserve prior to that storm event” is intended to capture the estimate of the amount which exceeded the balance in the storm reserve just prior to the storm event. To illustrate, if the storm reserve had $50 million prior to the storm but the estimate of the total storm restoration cost was $200 million (retail), then the amount being referenced by that passage would be $150 million ($200M - $50M = $150M).

8. Please refer to this hypothetical scenario: A named tropical storm hits DEF’s service area on February 1, 2018, lasted for two days, caused $400,000,000 worth of damage, and DEF’s has $120,500,000 in its storm reserve.

   a. How much would DEF petition the Commission for storm cost recovery?

**RESPONSE**

Assuming the dollars in this example are all retail, DEF would seek to recover $411.5M ($400M - $120.5M = $279.5 + 132M = $411.5M). This represents the incremental amount above the storm reserve balance just prior to the storm plus the replenishment of the reserve to $132M (the storm reserve balance as of the February 2012 implementation date of the 2012 Settlement Agreement).

   b. When would DEF petition the Commission for storm cost recovery?

**RESPONSE**

DEF would petition the Commission for storm cost recovery once it had a fairly reasonable estimate of the total cost of restoration, possibly within a couple of months following the event. Once all storm restoration costs have been tabulated and finalized, those costs would be subject to true-up, consistent with the language in paragraph 38c. of the Settlement Agreement.

   c. How much DEF charge its customers per 1,000 kWh?

**RESPONSE**

Assuming the example from (a) above, the impact of $411.5 million would be approximately $10.64 per 1,000 kWh.
d. When would DEF start charging its customer for storm recovery?

**RESPONSE**
DEF would begin to charge customers with the first billing cycle 60 days following the filing of its petition with the Commission.

e. When would DEF stop charging its customers for storm recovery?

**RESPONSE**
DEF would stop charging customers upon the conclusion of the 12-month recovery period, subject to a final true-up of any over/under recovery. The amount to be recovered would be subject to any adjustments that have been made by the Commission as a result of a formal proceeding, if any such proceeding were held.