



Matthew R. Bernier
ASSOCIATE GENERAL COUNSEL
Duke Energy Florida, LLC

March 1, 2018

Via ELECTRONIC DELIVERY

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

Re: *Nuclear Cost Recovery Clause; Docket No. 20180009-EI*

Dear Ms. Stauffer:

On behalf of Duke Energy Florida, LLC ("DEF"), please find enclosed for electronic filing in the above-referenced docket:

- DEF's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Year Ending December 2017;
- Direct Testimony of Thomas G. Foster with attached Exhibit No. ____ (TGF-1).

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/ Matthew R. Bernier
Matthew R. Bernier

MRB/at
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 20180009-EI
Submitted for Filing: March 1, 2018

**PETITION FOR APPROVAL OF NUCLEAR POWER PLANT COST
RECOVERY TRUE-UP FOR THE YEAR ENDING DECEMBER 2017**

Pursuant to Section 366.93(6), Florida Statutes, and Rule 25-6.0423(7), Florida Administrative Code, Duke Energy Florida, LLC (“DEF” or the “Company”) respectfully petitions the Florida Public Service Commission (the “Commission”) to approve and find prudent the actual 2017 Crystal River Unit 3 (“CR3”) Extended Power Uprate (“EPU”) project costs. DEF also petitions the Commission to approve and find prudent the 2017 accounting and cost oversight controls for the EPU. Further, DEF petitions the Commission to approve the true-up of revenue requirements as presented in the contemporaneously filed testimony and exhibits and schedules for the EPU.

DEF’s petition is supported by the testimony and exhibits of Mr. Thomas G. Foster filed herewith and incorporated by reference.

DEF requests the Commission find that DEF’s 2017 actual costs for the EPU have been prudently incurred and allow recovery through the Capacity Cost Recovery Clause (“CCRC”). These costs include current period wind-down and exit costs, carrying costs on the unrecovered investment balance (including prior period (over)/under balances), the amortization of the true-up of prior period costs, and the amortization associated with the remaining unrecovered investment balance, in accordance with Section 366.93(6), Fla. Stat., Rule 25-6.0423(7), F.A.C., and the 2013 Revised and Restated Stipulation and Settlement Agreement (“2013 Settlement Agreement”), approved by the Commission in Order No. PSC-13-0598-FOF-EI, issued November 12, 2013 which was subsequently revised and replaced by the 2017 Second Revised

and Restated Stipulation and Settlement Agreement, approved by the Commission in Order No. PSC-2017-0451-AS-EU, issued November 20, 2017.

The 2017 Second Revised and Restated Stipulation and Settlement Agreement, approved by the Commission in Order No. PSC-2017-0451-AS-EU, comprehensively resolved all remaining issues regarding the Levy Nuclear Project. DEF is no longer seeking recovery of costs related to this project.

I. PRELIMINARY INFORMATION.

1. The Petitioner's name and address are:

Duke Energy Florida, LLC
299 1st Avenue North
St. Petersburg, Florida 33701

2. Any pleading, motion, notice, order, or other document required to be served upon DEF or filed by any party to this proceeding should be served upon the following individuals:

Dianne M. Triplett
dianne.triplett@duke-energy.com
Duke Energy Florida, LLC
P.O. Box 14042
St. Petersburg, Florida 33733
(727) 820-4692

Matthew R. Bernier
matthew.bernier@duke-energy.com
Duke Energy Florida, LLC
106 E. College Ave., Ste. 800
Tallahassee, Florida 32301
(850) 521-1428

II. PRIMARILY AFFECTED UTILITY.

3. DEF is the utility primarily affected by the proposed request for cost recovery. DEF is an investor-owned electric utility, regulated by the Commission pursuant to Chapter 366, Florida Statutes, and is a wholly owned subsidiary of Duke Energy Corporation (“Duke Energy”).

4. DEF serves approximately 1.8 million retail customers in Florida. Its service area comprises approximately 20,000 square miles in 35 of the state’s 67 counties, including the densely populated areas of Pinellas and western Pasco Counties, the greater Orlando area in Orange, Osceola, and Seminole Counties, and 16 counties in northwest Florida. DEF supplies electricity at retail to approximately 350 communities and at wholesale to Florida municipalities, utilities, and power agencies in the State of Florida.

III. DEF REQUESTS COST RECOVERY FOR THE 2017 EPU PROJECT COSTS AS PROVIDED IN SECTION 366.93(6), FLA. STAT., AND RULE 25-6.0423(7), F.A.C.

5. On February 5, 2013, Duke Energy announced its decision to retire and decommission the CR3 nuclear power plant. As a result of this decision, the CR3 EPU project was cancelled. In 2015, DEF completed disposition of EPU-related assets using a step-wise approach under its investment recovery policies and procedures to obtain the maximum value for DEF’s customers. The last stage for the EPU project close-out was the final disposition of EPU-related assets and materials and implementation of a plan for the remaining EPU assets that have not been sold or salvaged. The CR3 Investment Recovery Project (“IRP”) was closed out on April 30, 2015. Because the project has now been closed out, there are no project management-related activities to report and therefore DEF has presented no testimony to discuss 2017 project management-related activities.

6. Mr. Foster’s direct testimony and exhibits present the actual costs and carrying costs for the EPU project that were incurred in 2017. Mr. Foster’s direct testimony also supports

the prudence of DEF's accounting and cost oversight controls. The direct testimony and exhibits of Mr. Foster support the Company's request for cost recovery pursuant to Section 366.93(6), Fla. Stat. and Rule 25-6.0423(7), F.A.C..

7. As discussed above, the EPU IRP was closed down in 2015 and therefore there are no on-going project management-related activities or resulting costs to report for 2017. However, pursuant to paragraph 9a of the 2013 Settlement Agreement, DEF is permitted to recover the CR3 EPU project revenue requirements over a seven-year amortization recovery period (2013-2019). DEF also incurred costs associated with the EPU project related to accounting and corporate planning in 2017. These costs are presented in Mr. Foster's testimony and exhibits.

8. Pursuant to Rule 25-6.0423, F.A.C., DEF is entitled to recover through the CCRC the revenue requirements associated with its prudently incurred costs. For the time period January 2017 through December 2017, DEF is requesting a total of \$53,782,626 in revenue requirements as presented in Mr. Foster's Exhibit No. ____ (TGF-1) "2017 Summary" on Line 5, adjusted for the contributions made by the joint owners of CR3. These costs are made up of \$10,101,619 in carrying costs on the remaining unrecovered CWIP balance and prior period (over/under) balances, including wind-down/exit costs net of sales, transfer, and salvage proceeds, shown on Lines 1a through 1c, and \$43,681,007 of amortization associated with the remaining unrecovered investment balance and prior period (over/under) balances reflected on Line 4. This results in DEF's final 2017 true-up over-recovery amount of \$188,006 reflected on Line 3. These amounts were calculated in accordance with Rule 25-6.0423(7), F.A.C., as set forth in greater detail in the testimony and exhibits of Mr. Foster.

IV. DISPUTED ISSUES OF MATERIAL FACT.

9. DEF is not aware at this time that there will be any disputed issues of material fact in this proceeding. Through its testimony and exhibits, DEF demonstrates the prudence of the costs it incurred in 2017 for the EPU project, and shows why recovery of the capacity costs through the CCRC, as provided in Section 366.93(6), Fla. Stat., and Rule 25-6.0423(7), F.A.C., is appropriate and warranted. DEF also demonstrates the prudence of its 2017 accounting and cost oversight controls for the EPU.

WHEREFORE, for all the reasons provided in this Petition, as developed more fully in DEF's incorporated testimony and exhibits, DEF respectfully requests that the Commission:

- (1) determine that the wind-down and exit costs DEF incurred during 2017 for the EPU project were reasonable and prudent;
- (2) determine that DEF's 2017 EPU project accounting and cost oversight controls were reasonable and prudent;
- (3) approve DEF's final true-up of the actual expenditures and revenue requirements for the EPU project for 2017, and allow recovery, through the CCRC, of the costs inclusive of carrying costs on and amortization associated with the remaining unrecovered balance.

Respectfully submitted,

/s/ Matthew R. Bernier
Matthew R. Bernier
Associate General Counsel
DUKE ENERGY FLORIDA, LLC
106 East College Avenue
Suite 800
Tallahassee, FL 32301
Telephone: (850) 521-1428
Matthew.bernier@duke-energy.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic mail this 1st day of March, 2018.

/s/ Matthew R. Bernier
Attorney

<p>Kyesha Mapp Office of the General Counsel Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 kmapp@psc.state.fl.us</p> <p>James W. Brew / Laura A. Wynn Stone Law Firm 1025 Thomas Jefferson Street, N.W. Eighth Floor, West Tower Washington, DC 20007 jbrew@smxblaw.com law@smxblaw.com</p> <p>George Cavros 120 E. Oakland Park Blvd., Ste. 105 Fort Lauderdale, FL 33334 george@cavros-law.com</p>	<p>J.R. Kelly / Charles J. Rehwinkel / Patricia Christensen / Erik Sayler Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, FL 32399-1400 kelly.jr@leg.state.fl.us rehwinkel.charles@leg.state.fl.us christensen.patty@leg.state.fl.us sayler.erik@leg.state.fl.us</p> <p>Jon C. Moyle, Jr. Moyle Law Firm, P.A. 118 North Gadsden Street Tallahassee, FL 32301 jmoyle@moylelaw.com</p>
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Nuclear Cost Recovery
Clause**

DOCKET NO. 20180009-EI

**Submitted for filing:
March 1, 2018**

**DIRECT TESTIMONY OF THOMAS G. FOSTER
IN SUPPORT OF ACTUAL COSTS**

**ON BEHALF OF
DUKE ENERGY FLORIDA, LLC.**

IN RE: NUCLEAR COST RECOVERY CLAUSE

BY DUKE ENERGY FLORIDA, LLC.

FPSC DOCKET NO. 20180009-EI

DIRECT TESTIMONY OF THOMAS G. FOSTER

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 **A.** My name is Thomas G. Foster. My business address is 299 First Avenue North, St.
4 Petersburg, FL 33701.

5
6 **Q. By whom are you employed and in what capacity?**

7 **A.** I am employed by Duke Energy Florida, LLC, as Director, Rates and Regulatory
8 Planning.

9
10 **Q. Have your job responsibilities, educational background and professional**
11 **experience remained the same since you last filed testimony before this**
12 **Commission on May 1, 2017 in Docket No. 20170009-EI?**

13 **A.** Yes.

14
15
16 **II. PURPOSE OF TESTIMONY.**

17 **Q. What is the purpose of your testimony?**

1 **A.** The purpose of my testimony is to present for Florida Public Service Commission
2 (“FPSC” or the “Commission”) review and approval the actual costs associated with
3 DEF’s CR3 Uprate project activities for the period January 2017 through December
4 2017. Pursuant to Rule 25-6.0423, F.A.C., DEF is presenting testimony and
5 exhibits for the Commission’s determination of prudence for actual expenditures and
6 associated carrying costs. I will also present the CR3 Uprate project 2017
7 accounting and cost oversight policies and procedures pursuant to the nuclear cost
8 recovery statute and rule.

9
10 **Q. Are you sponsoring any exhibits in support of your testimony on the 2017 CR3**
11 **Uprate project costs?**

12 **A.** Yes. I am sponsoring sections of the following exhibits, which were prepared under
13 my supervision:

14 2017 Costs:

- 15 • Exhibit No. ____ (TGF-1) contains schedules showing the actual costs associated
16 with the CR3 Uprate project and consists of: 2017 Summary, 2017 Detail
17 Schedule and Appendices A through E, which reflect DEF’s retail revenue
18 requirements for the CR3 Uprate project from January 2017 through December
19 2017.

20
21 The Company relies on the information included in the testimony in the conduct of
22 its affairs. These exhibits are true and accurate.

23
24 **Q. What are the 2017 Detail Schedules and the Appendices?**

- 1 **A.** • Schedule 2017 Summary reflects the actual 2017 year-end revenue requirements
2 by Cost Category for the period, and final true-up amount for the period.
- 3 • Schedule 2017 Detail reflects the actual calculations for the true-up of total retail
4 revenue requirements for the period.
- 5 • Appendix A reflects beginning balance explanations and support for the 2017
6 CR3 Uprate Regulatory Asset amortization amount.
- 7 • Appendix B reflects Other Exit/Wind Down expenditure variance explanations
8 for the period.
- 9 • Appendix C provides support for the appropriate rate of return consistent with
10 the provisions of Rule 25-6.0423, F.A.C.
- 11 • Appendix D describes Major Task Categories for expenditures and variance
12 explanations for the period.
- 13 • Appendix E reflects contracts executed in excess of \$1.0 million (if any).

14

15 **Q. What is the source of the data that you will present in your testimony and**
16 **exhibits in this proceeding?**

17 **A.** The actual data is taken from the books and records of DEF. The books and records
18 are kept in the regular course of our business in accordance with generally accepted
19 accounting principles and practices, provisions of the Uniform System of Accounts
20 as prescribed by the Federal Energy Regulatory Commission (“FERC”), and any
21 accounting rules and orders established by this Commission.

22

23 **Q. What is the final true-up amount for the CR3 Uprate project for which DEF is**
24 **requesting recovery for the period January 2017 through December 2017?**

1 **A.** DEF is requesting approval of a total over-recovery amount of \$188,006 for the
2 calendar period of January 2017 through December 2017. This amount can be seen
3 on Line 3 of the 2017 Summary Schedule of Exhibit No. ____ (TGF-1). Line 1 of the
4 2017 Summary Schedule represents the current period exit and wind down costs and
5 carrying costs on the unrecovered balance including prior period (over)/under
6 recovery balances, and was calculated in accordance with Rule 25-6.0423, F.A.C..

7
8 **Q. What is the carrying cost rate used in the 2017 Detail Schedule?**

9 **A.** DEF is using the rate specified in Rule 25-6.0423(7)(b), F.A.C. The carrying cost
10 rate used for this time period in the 2017 Detail Schedule was 6.65 percent. On a
11 pre-tax basis, the rate is 9.65 percent. This rate is based on DEF's December 2016
12 Earnings Surveillance Report. This annual rate was also adjusted to a monthly rate
13 consistent with the Allowance For Funds Used During Construction ("AFUDC")
14 rule, Rule 25-6.0141(3), F.A.C. Support for the components of this rate is shown in
15 Appendix C of Exhibit No.__(TGF-1).

16
17 **III. COSTS INCURRED IN 2017 FOR THE CR3 UPRATE PROJECT.**

18 **Q. What are the total retail costs DEF incurred for the CR3 Uprate during the**
19 **period January 2017 through December 2017?**

20 **A.** The total retail costs for the CR3 Uprate are \$10.1million for the calendar year ended
21 December 2017, as reflected on 2017 Summary Schedule Line 1d in Exhibit
22 No.__(TGF-1). This amount includes exit/wind-down costs as can be seen on the
23 2017 Detail schedule on Lines 2e and 16d and carrying costs on the unrecovered

1 investment balance shown on Line 5d. These amounts were calculated in
2 accordance with the provisions of Rule 25-6.0423, F.A.C.

3
4 **Q. How did actual expenditures for January 2017 through December 2017
5 compare to DEF's actual/estimated costs for 2017?**

6 **A.** Appendix D (Page 2 of 2), Line 4 shows that there were minimal cost variances
7 between DEF's actual and actual/estimated 2017 Generation Wind-Down and
8 Disposition costs. There were no expenditures for Wind-Down activities nor were
9 there any Sales or Salvage of Assets or Disposition activities in 2017; however, a
10 refund of a deposit paid in a prior year was returned to DEF in 2017 and a credit is
11 appropriately reflected in the schedules.

12
13 **Q. What was the source of the separation factors used in the 2017 Detail Schedule?**

14 **A.** The jurisdictional separation factors are consistent with Exhibit 1 of the 2013
15 Settlement Agreement approved by the Commission in Order No. PSC-2013-0598-
16 FOF-EI in Docket No. 20130208-EI and Exhibit 1 of the 2017 Settlement
17 Agreement approved by the Commission in Order No. PSC-2017-0451-AS-EU in
18 Docket No. 20170183-EI on November 20, 2017.

19
20 **VI. OTHER EXIT/WIND-DOWN COSTS INCURRED IN 2017 FOR THE CR3
21 UPRATE PROJECT.**

22 **Q. How did actual Other Exit/Wind-Down expenditures for January 2017 through
23 December 2017 compare with DEF's actual/estimated costs for 2017?**

1 **A.** Appendix B, Line 4 shows that total Other Exit/Wind-down costs were \$29,924.
2 There were no major variances with respect to these costs.

3
4 **VII. 2017 PROJECT ACCOUNTING AND COST CONTROL OVERSIGHT.**

5 **Q. Have the project accounting and cost oversight controls DEF used for the CR3**
6 **Uprate project in 2017 substantially changed from the controls used prior to**
7 **2017?**

8 **A.** No, the project accounting and cost oversight controls that DEF utilized to ensure
9 the proper accounting treatment for the CR3 Uprate project in 2017 have not
10 substantively changed since 2009. These controls have been reviewed in annual
11 financial audits by Commission Staff and were found to be reasonable and prudent
12 by the Commission in Docket Nos. 20090009-EI, 20100009-EI, 20110009-EI,
13 20120009-EI, 20140009-EI, 20150009-EI, 20160009-EI, and 20170009-EI.

14
15
16 **Q. Are the Company's project accounting and cost oversight controls reasonable**
17 **and prudent?**

18 **A.** Yes, they are. DEF's project accounting and cost oversight controls are consistent
19 with best practices for project cost oversight and accounting controls in the industry
20 and have been and continue to be vetted by internal and external auditors.

21
22 **Q. Does this conclude your testimony?**

23 **A.** Yes, it does.

**Docket No. 20180009-EI
Duke Energy Florida
Exhibit No. ____ (TGF-1)**

SCHEDULE APPENDIX

EXHIBIT (TGF-1)

**DUKE ENERGY FLORIDA, LLC.
CRYSTAL RIVER UNIT 3 UPRATE
COMMISSION SCHEDULES**

**JANUARY 2017 - DECEMBER 2017
DOCKET NO. 20180009-EI**

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Crystal River Unit 3 Uprate
January 2017 - December 2017

<u>Page(s)</u>	<u>Schedule</u>	<u>Description</u>	<u>Sponsor</u>
3	2017 Summary	2017 Summary	T. G. Foster
4	2017 Detail	2017 Detail Revenue Requirement Calculations	T. G. Foster
5	Appendix A	Detail for 2017 Beginning Balance & Amortization Calculation	T. G. Foster
6	Appendix B	Other Exit / Wind-Down Expense Variance Explanation	T. G. Foster
7	Appendix C	Average Rate of Return - Capital Structure	T. G. Foster
8 - 9	Appendix D	Major Task Categories and Expense Variances	T. G. Foster
10	Appendix E	Summary of Contracts and Details over \$1 Million	T. G. Foster

		12-Month Total
1.	Final Costs for the Period	
	a. Carrying Cost on Unrecovered Investment	\$ 10,077,482 (2017 Detail Line 5d.)
	b. Period Exit Costs (including Sale of Assets)	(693) (2017 Detail Line 2e.)
	c. Period Other Exit / Wind-down Costs and Interest	<u>24,830 (2017 Detail Line 16d.)</u>
	d. Total Period Revenue Requirement	<u>\$ 10,101,619</u>
2.	Projected Amount for the Period (Order No. PSC 2016-0447-FOF-EI)	\$ 10,289,625 (2017 Detail Line 20)
3.	Final True-Up Amount for the Period (over)/under (Line 1d. - Line 2.)	\$ (188,006) (2017 Detail Line 21)
4.	Amortization of Unrecovered Investment and Prior Period Over/Under Balances (Order No. PSC 2016-0447-FOF-EI)	\$ 43,681,007 (2017 Detail Line 3d.)
5.	Total Revenue Requirements for 2017 (Line 1d. + Line 4.)	<u>\$ 53,782,626</u>

DUKE ENERGY FLORIDA
Nuclear Cost Recovery Clause (NCRC) - CR3 Uprate
2017 Detail - Calculation of the Revenue Requirements
January 2017 through December 2017

Witness: T.G. Foster
Docket No. 20180009-EI
Exhibit: (TGF- 1)

Line	Description	Beginning of Period Amount	Actual January 2017	Actual February 2017	Actual March 2017	Actual April 2017	Actual May 2017	Actual June 2017	Actual July 2017	Actual August 2017	Actual September 2017	Actual October 2017	Actual November 2017	Actual December 2017	Period Total
1	Uncollected Investment														
	a EPU Construction & Wind-Down Costs	377,363,975	0	0	0	0	(813)	0	0	0	0	0	0	0	(\$813)
	b Sale or Salvage of Assets	(3,029,358)	0	0	0	0	0	0	0	0	0	0	0	0	0
	c Disposition	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	d Total	374,334,617	0	0	0	0	(813)	0	0	0	0	0	0	0	(\$813)
2	Adjustments														
	a Non-Cash Accruals	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	b Joint Owner Credit	(29,982,935)	0	0	0	0	67	0	0	0	0	0	0	0	67
	c Other (b)	(28,108,647)	0	0	0	0	0	0	0	0	0	0	0	0	0
	d Adjusted System Generation Construction	316,243,034	0	0	0	0	(746)	0	0	0	0	0	0	0	(\$746)
	Retail Jurisdictional Factor : Current Year Activity	92.885%													
	Retail Jurisdictional Factor: (Beg Bal YE 2012 & POD sale)	91.683%													
	e Exit / Wind-down Costs		0	0	0	0	(693)	0	0	0	0	0	0	0	(\$693)
	f Beginning Balance - pre 2013 Investment	279,911,057	0	0	0	0	0	0	0	0	0	0	0	0	279,911,057
	g Beginning Balance - 2013 Investment	12,170,084	0	0	0	0	0	0	0	0	0	0	0	0	12,170,084
	h Collected 2014 - 2016 Portion of Regulatory Asset	(131,564,861)	0	0	0	0	0	0	0	0	0	0	0	0	(131,564,861)
	i Total Jurisdictional Unrecovered Investment	160,516,279	0	0	0	0	(693)	0	0	0	0	0	0	0	160,515,586
3	Carrying Cost on Unrecovered Investment Balance														
	a Uncollected Investment	160,516,279	0	0	0	0	(693)	0	0	0	0	0	0	0	160,515,586
	b Plant-in-Service	29,995,096	0	0	0	0	0	0	0	0	0	0	0	0	29,995,096
	c Period Recovered Wind-down / Exit Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	(693)
	d Amortization of Unrecovered Investment (a)	0	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(3,640,084)	(43,681,007)
	e Prior Period Carrying Charge Unrecovered Balance (a)	(2,163,991)	(1,983,658)	(1,803,326)	(1,622,993)	(1,442,661)	(1,262,328)	(1,081,995)	(901,663)	(721,330)	(540,998)	(360,665)	(180,333)	0	0
	f Prior Period Carrying Charge Recovered (a)	(2,163,991)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	(180,333)	0
	g Prior Period Under/(Over) Recovery (Prior Month)			(14,739)	(14,453)	(14,163)	(13,869)	(14,271)	(13,285)	(12,986)	(12,684)	(12,381)	(12,074)	(11,767)	(158,129)
	h Net Investment	\$128,357,192	\$124,897,441	\$121,422,951	\$117,948,747	\$114,474,832	\$111,000,518	\$107,527,189	\$104,054,153	\$100,581,416	\$97,108,980	\$93,636,848	\$90,165,022	\$86,693,504	\$86,682,047
4	Average Net Investment		\$126,627,317	\$123,152,826	\$119,678,622	\$116,204,708	\$112,730,740	\$109,257,064	\$105,784,028	\$102,311,291	\$98,838,855	\$95,366,724	\$91,894,898	\$88,423,380	
5	Return on Average Net Investment														
	a Equity Component	0.00387	490,048	476,601	463,156	449,712	436,268	422,825	409,384	395,945	382,506	369,069	355,633	342,198	4,993,345
	b Equity Component Grossed Up For Taxes	1.62800	797,799	775,907	754,019	732,132	710,245	688,360	666,478	644,599	622,720	600,845	578,971	557,099	8,129,174
	c Debt Component	0.00151	191,207	185,961	180,715	175,469	170,223	164,978	159,734	154,490	149,247	144,004	138,761	133,519	1,948,308
	d Total Return		989,006	961,868	934,734	907,601	880,468	853,338	826,212	799,089	771,967	744,849	717,732	690,618	10,077,482
6	Revenue Requirements for the Period (Lines 3a + 5d)		989,006	961,868	934,734	907,601	879,775	853,338	826,212	799,089	771,967	744,849	717,732	690,618	10,076,789
7	Projected Revenue Requirements for the Period (Order No. PSC 2016-0447-FOF-EI)		1,003,745	976,321	948,897	921,470	894,046	866,622	839,197	811,773	784,348	756,923	729,499	702,075	10,234,917
8	Over/Under Recovery For the Period		(\$14,739)	(\$14,453)	(\$14,163)	(\$13,869)	(\$14,271)	(\$13,285)	(\$12,986)	(\$12,684)	(\$12,381)	(\$12,074)	(\$11,767)	(\$11,457)	(\$158,129)
9	Other Exit / Wind-Down														
	a Accounting		1,742	1,770	2,188	2,087	2,209	2,119	2,167	2,146	2,013	1,744	1,987	1,456	23,628
	b Corporate Planning		319	3,473	329	901	396	107	591	180	0	0	0	0	6,296
	c Legal		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Joint Owner Credit		(169)	(431)	(207)	(246)	(214)	(183)	(227)	(191)	(165)	(143)	(163)	(120)	(2,460)
	e Total Other Exit / Wind-Down Costs		1,892	4,812	2,310	2,742	2,391	2,043	2,531	2,134	1,848	1,601	1,823	1,337	27,465
10	Jurisdictional Factor (A&G)		0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	0.93221	
11	Jurisdictional Amount		1,763	4,486	2,154	2,556	2,229	1,905	2,360	1,990	1,722	1,493	1,700	1,246	25,603
12	Prior Period Unrecovered Balance (a)	(122,994)	(114,135)	(105,276)	(96,417)	(87,558)	(78,699)	(69,840)	(60,981)	(52,122)	(43,263)	(34,404)	(25,545)	(16,686)	
13	Prior Period Costs Recovered (a)	(106,309)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	(8,859)	
14	Prior Month Period (Over)/Under Recovery		0	(2,865)	(129)	(2,484)	(2,070)	(2,400)	(2,729)	(2,271)	(2,633)	(2,877)	(3,124)	(2,917)	
15	Unamortized Balance	(122,994)	(114,135)	(108,141)	(99,411)	(93,035)	(86,246)	(79,787)	(73,657)	(67,069)	(60,843)	(54,861)	(49,127)	(43,185)	
16	Carrying Costs for the Period														
	a Balance Eligible for Interest		(117,683)	(110,327)	(102,764)	(96,187)	(89,561)	(83,264)	(76,907)	(70,504)	(64,411)	(58,544)	(52,706)	(46,991)	
	b Monthly Commercial Paper Rate		0.06%	0.05%	0.08%	0.07%	0.08%	0.09%	0.09%	0.09%	0.06%	0.10%	0.10%	0.13%	
	c Interest Provision		(73)	(59)	(80)	(69)	(71)	(75)	(72)	(62)	(39)	(56)	(55)	(62)	(772)
	d Total Costs and Interest (Line 11 + Line 16c)		1,691	4,427	2,073	2,488	2,158	1,830	2,288	1,927	1,683	1,437	1,645	1,184	24,830
17	Recovered (Order No. PSC 2016-0447-FOF-EI)		4,555	4,556	4,557	4,557	4,558	4,559	4,559	4,560	4,561	4,561	4,562	4,563	54,708
18	Over/Under Recovery For the Period		(2,865)	(129)	(2,484)	(2,070)	(2,400)	(2,729)	(2,271)	(2,633)	(2,877)	(3,124)	(2,917)	(3,378)	(29,877)
19	Revenue Requirements for the Period		990,697	966,295	936,807	910,088	881,933	855,167	828,500	801,016	773,651	746,286	719,377	691,802	10,101,619
20	Period Costs Recovered (Order No. PSC 2016-0447-FOF-EI)		1,008,300	980,877	953,454	926,028	898,604	871,181	843,757	816,333	788,909	761,484	734,061	706,638	10,289,625
21	Over/Under Recovery For the Period		(17,603)	(14,582)	(16,647)	(15,939)	(16,672)	(16,014)	(15,257)	(15,317)	(15,258)	(15,198)	(14,684)	(14,836)	(188,006)

(a) Please see Appendix A for Beginning Balance support and support of Amortization of Unrecovered Balance.
(b) Other line reflects cost of removal of previously existing assets.

2017 Over/Under Recovery Beginning Balance
 Line.

3b	Transferred to Plant In-service		\$	29,995,096	
		29,995,096			Exhibit TGF-2_2016 Detail (Filed March 1, 2017) Line 3b. Plant in Service
3e	Unrecovered Balance Carrying Cost		\$	(2,163,991)	
	Prior Period	(1,592,903)			Exhibit TGF-2_2016 Detail (Filed March 1, 2017) Line 3e. Prior Period Carrying Charge Unrecovered Balance
	Current Period	(571,088)			Exhibit TGF-2_2016 Detail (Filed March 1, 2017) Line 8 (Over)/Under for the Period
	Total	(2,163,991)			
3f	Prior Period Carrying Charge Recovered		\$	(2,163,991)	
	Total	(2,163,991)			Exhibit TGF-4_2017 Detail (Filed April 27, 2016) Line 3f. Prior Period Carrying Charge Recovered
	<u>Other Exit / Wind-Down</u>				
12	Prior Period Unrecovered Balance		\$	(122,994)	
	Prior Period	(85,354)			Exhibit TGF-2_2016 Detail (Filed March 1, 2017) Line 12 Prior Period Unrecovered Balance
	Current Period	(37,640)			Exhibit TGF-2_2016 Detail (Filed March 1, 2017) Line 18 (Over)/Under for the Period
	Total	(122,994)			
13	Prior Period Costs Recovered		\$	(106,309)	
	Total	(106,309)			Exhibit TGF-4_2017 Detail (Filed April 27, 2016) Line 11. Prior Period Costs Recovered

Line 3d. **Annual Amortization Calculation**

TGF-3 Filed March 1, 2014		YE 2013 - Actual	
1 Additions for the Period (TGF-3 Filed March 2014 - Line 3a)			292,081,140
2 Less: Transferred to Plant-in-Service (TGF-3 Filed March 2014 - Line 3b)			29,995,096
3 2013 EB Investment prior to Amortize (2014 through 2019)			262,086,044
4 Annual Amortization (2014 through 2019)	(2017 Detail Line 3d.)		<u><u>43,681,007</u></u>

CRYSTAL RIVER UNIT 3 UPRATE

True-Up Filing: Other Exit / Wind-Down Expenditures Allocated or Assigned to Other Recovery Mechanisms

EXPLANATION: Provide variance explanations comparing the actual system total expenditures shown on 2017 Detail Schedule with the expenditures provided to the Commission in the 2017 Detail Estimated Schedules.

Appendix B
Witness: Thomas G. Foster
Docket No. 20180009-EI
Exhibit: (TGF - 1)

COMPANY:
Duke Energy Florida

DOCKET NO.:
20180009-EI

For Year Ended 12/31/2017

Line No.	Description	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
Allocated or Assigned Other Exit / Wind-Down Expenditures					
1	Accounting	\$30,181	\$23,628	(\$6,552)	Fewer hours than estimated were spent on EPU Wind-Down Activities
2	Corporate Planning	13,956	6,296	(7,661)	Fewer hours than estimated were spent on EPU Wind-Down Activities
3	Legal	0	0	0	
4	<u>Total</u>	<u>\$44,137</u>	<u>\$29,924</u>	<u>(\$14,213)</u>	<u>Overall minor variance from estimated amount.</u>

Note:
System Estimate from May 1, 2017 Filing in Docket No. 20170009-EI.

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Low-Point		Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$5,023,997,074	\$4,559,486,259	(\$628,289,798)	\$730,143,789	\$4,661,340,251	45.53%	9.50%	4.33%	10.50%	4.78%	11.50%	5.24%
Long Term Debt	4,279,273,292	3,883,618,459	(535,156,313)		3,348,462,145	32.70%	5.52%	1.81%	5.52%	1.81%	5.52%	1.81%
Short Term Debt	568,717,000	516,134,327	(71,122,472)	(14,788,690)	430,223,165	4.20%	0.58%	0.02%	0.58%	0.02%	0.58%	0.02%
Customer Deposits												
Active	217,238,534	217,238,534	(29,935,117)		187,303,417	1.83%	2.31%	0.04%	2.31%	0.04%	2.31%	0.04%
Inactive	1,536,624	1,536,624	(211,744)		1,324,880	0.01%						
Investment Tax Credits	1,535,925	1,393,916	(192,079)		1,201,837	0.01%						
Deferred Income Taxes	2,574,334,211	2,336,315,346	(321,940,458)	(236,465,354)	1,777,909,534	17.36%						
FAS 109 DIT - Net	(216,055,335)	(196,079,200)	27,019,395		(169,059,805)	-1.65%						
Total	\$12,450,577,325	\$11,319,644,264	(\$1,559,828,587)	\$478,889,745	\$10,238,705,423	100.00%		6.20%		6.65%		7.11%

* Daily Weighted Average

** Cost Rates Calculated Per IRS Ruling

Equity	4.78%
Debt	1.87%
Total	<u>6.65%</u>

CRYSTAL RIVER UNIT 3 UPRATE
True-Up Filing: Construction Category - Description of Monthly Cost Additions

EXPLANATION: Provide a description of the major tasks performed within the Construction category for the year.
 List generation expenses separate from transmission in the same order appearing on 2017 Detail Schedule.

Appendix D
 Witness: Thomas G. Foster
 Docket No. 20180009-EI
 Exhibit: (TGF - 1)
 (Page 1 of 2)

COMPANY:
 Duke Energy Florida

DOCKET NO.:
 20180009-EI

For Year Ended 12/31/2017

Line No.	Major Task & Description for amounts on 2017 Detail Schedule	Description
----------	---	-------------

Generation:

- | | | |
|---|------------------------------------|---|
| 1 | EPU Construction & Wind-Down Costs | Project Management Wind-Down costs |
| 2 | Sale or Salvage of Assets | Net Value received in accordance with Duke Energy Procedure AI-9010 regarding Disposition of Assets |
| 3 | Disposition | Net Value received in accordance with Duke Energy Procedure AI-9010 regarding Disposition of Assets |

Transmission:

N/A

CRYSTAL RIVER UNIT 3 UPRATE
True-Up Filing: Construction Category - Variance in Additions and Expenditures

EXPLANATION: Provide variance explanations comparing the annual system total expenditures shown on 2017 Detail Schedule with the expenditures provided to the Commission on 2017 Estimated / Actual Detail schedule. List the Generation expenses separate from Transmission in the same order appearing on 2017 Detail Schedule.

COMPANY: Duke Energy Florida

Appendix D
 Witness: T. G. Foster
 Docket No. 20180009-EI
 Duke Energy Florida
 Exhibit: (TGF - 1)
 (Page 2 of 2)

DOCKET NO.:
 20180009-EI

For Year Ended 12/31/2017

Line No.	Construction Major Task & Description for amounts on 2017 Detail Schedule	(A) System Estimated/Actual	(B) System Actual	(C) Variance Amount	(D) Explanation
<u>Generation:</u>					
1	EPU Wind-Down Costs	\$0	(\$813)	(\$813)	A refund of a deposit paid in a prior year was returned to DEF in 2017.
2	Sale or Salvage of Assets	0	0	0	
3	Disposition	0	0	0	
4	Total Generation Costs	\$0	(\$813)	(\$813)	

Transmission:
 N/A

Note:

System Estimate from May 1, 2017 Filing in Docket No. 20170009-EI.

CRYSTAL RIVER UNIT 3 UPRATE
True-Up Filing: Summary of Contracts Executed Over \$1 Million

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide a list of contracts executed in excess of \$1 million including, a description of the work, the dollar value and term of the contract, the method of vendor selection, the identity and affiliation of the vendor, and current status of the contract.

COMPANY:

Duke Energy Florida

DOCKET NO.:

20180009-EI

Appendix E
Witness: Thomas G. Foster
Docket No. 20180009-EI
Exhibit: (TGF - 1)

For Year Ended 12/31/2017

All EPU-related contracts in excess of \$1 million have been closed as of December 31, 2013. No new contracts over \$1 million were executed after December 31, 2013.