

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery
clause with generating performance incentive
factor.

DOCKET NO. 150001-EI

DATED: November 13, 2015

**DUKE ENERGY FLORIDA'S
STATEMENT OF POSITIONS AND POST-HEARING BRIEF**

Duke Energy Florida, LLC ("DEF") , pursuant to the Order Establishing Procedure in this docket, Order No. PSC-15-0096-PHO-EI, issued on February 10, 2015 and Amended Order PSC-15-0169-PCO-EI, issued on May 4, 2015, hereby submits its Post-Hearing Statement of Positions and Post-Hearing Brief:

BACKGROUND

At the hearing held in this docket on November 2, 2015 and November 3, 2015, the Commission approved Stipulations for DEF on all Fuel Clause issues and on all Capacity Clause issues except for Issues 1D, 1E, 2B. All of DEF's pre-filed testimony and exhibits were entered into the record without objection. DEF presented the live testimony of Joseph McCallister to address Issues 1D, 1E, and 2B.

ISSUE 1D: Is it in the consumers' best interest for the utilities to continue natural gas financial hedging activities?

DEF: As part of effective fuel cost management, DEF believes managing fuel price volatility risk over time for a portion of its projected fuel costs is a prudent risk management practice. However, this is a policy decision for the Commission to determine.

ISSUE 1E: What changes, if any, should be made to the manner in which electric utilities conduct their natural gas financial hedging activities?

DEF: This is a policy decision for the Commission. If the Commission determines that hedging should be wound down and eliminated, reduced in scope, suspended, or replaced with something new, DEF will comply with the Commission's policy.

ISSUE 2B: Should the Commission approve DEF's 2016 Risk Management Plan?

DEF: Yes, unless the Commission concludes that it is in the best interests of customers for the hedging program to be wound down and eliminated, reduced in scope, suspended, or replaced with something new. If the Commission amends or modifies the parameters of the hedging program, DEF will amend its Risk Management Plan accordingly, and will not execute any hedges beyond those previously executed per approved risk management plans to comply with the Commission's direction.

CONCLUSION

WHEREFORE, for all the reasons stated above, DEF respectfully requests that the Commission approve its Hedging Program and the 2016 Risk Management Plan.

RESPECTFULLY SUBMITTED this 13th day of November, 2015.

s/Matthew R. Bernier
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Duke Energy Florida
CERTIFICATE OF SERVICE
Docket No. 150001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via email this 13th day of November, 2015 to all parties of record as indicated below.

s/Matthew R. Bernier
Attorney

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