

DEF's Response to Staff's Third Set of  
Interrogatories, Nos. 3-4.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

---

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

---

Docket No. 20210001-EI

Dated: August 30, 2021

**DUKE ENERGY FLORIDA, LLC'S RESPONSE TO  
STAFF'S THIRD SET OF INTERROGATORIES (NOS. 3-4)**

Duke Energy Florida, LLC ("DEF") responds to the Staff of the Florida Public Service Commission ("Staff") Third Set of Interrogatories (Nos. 3-4) as follows:

**INTERROGATORIES**

3. Please refer to the Direct Testimony of Duke Energy Florida (DEF or Company) witness Gary P. Dean, filed with *DEF's Petition for Approval of Fuel Cost Recovery and Capacity Cost Recovery Actual/Estimated True-Up for the Period of January 2021 through December 2021*, Exhibit GPD-2, Part 1, Schedule E1-B, pages 1-2, line 5 for the following request.<sup>1</sup> Please detail what specific costs/items are included in the category "[a]djustments to [f]uel [c]ost" appearing on this Schedule.

**Response:**

The total \$15.30 million on Exhibit GPD-2, Part 1, Schedule E1-B, page 2 of 2, line 5 consists of various adjustments to 2021 actual/estimated fuel costs including:

- \$13.20 million amortization of the Florida Power Development (FPD), LCC qualifying facility regulatory asset per Order No. PSC-2018-0240-PAA-EQ.
- \$1.94 million adjustment to coal inventory attributable to the semi-annual aerial survey conducted on May 4, 2021 in accordance with Order No. PSC-1997-0359-FOF-EI.
- \$0.16 million in annual net metering settlement costs to participating customers.
- \$1,220 allocation of University of Florida steam revenues.

---

<sup>1</sup>Document No. 08364-2021, filed July 27, 2021.

Hedging

4. What is/are the specific type(s) of hedging transactions contemplated to be employed by the Company for the purposes of hedging its future natural gas purchases?

**Response:**

DEF will utilize a phased hedging program where financial hedge transactions are executed over time. DEF will use two types of financial transactions to hedge which are swaps and costless collars. The volumes hedged represent a portion of DEF's forecasted natural gas burns with higher hedging target ranges in the near term and lower hedging target ranges in the outer period.

**AFFIDAVIT**

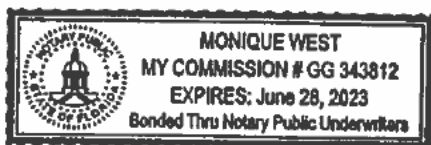
STATE OF FLORIDA

COUNTY OF PINELLAS

I hereby certify that on this 24<sup>th</sup> day of August, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared GARY P. DEAN, who is personally known to me, and has acknowledged before me that he provided the answer to interrogatory number 3, of STAFF'S THIRD SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 3-4) in Docket No. 20210001-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 24<sup>th</sup> day of August, 2021.

  
\_\_\_\_\_  
Gary P. Dean



  
\_\_\_\_\_  
Notary Public  
State of Florida, at Large

My Commission Expires: 6/28/2023

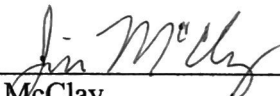
**AFFIDAVIT**

STATE OF NORTH CAROLINA

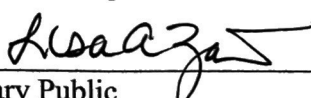
COUNTY OF ~~MECKLENBURG~~ Lincoln

I hereby certify that on this 25 day of Aug, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared JIM MC CLAY, who is personally known to me, and has acknowledged before me that he provided the answer to interrogatory number 4, of STAFF'S THIRD SET OF INTERROGATORIES TO DUKE ENERGY FLORIDA, LLC (NOS. 3-4) in Docket No. 20210001-EI, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 25 day of August, 2021.

  
Jim McClay



  
Notary Public  
State of North Carolina, at Large

My Commission Expires: 3-19-23