

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

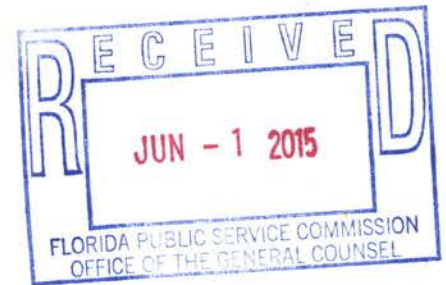
-M-E-M-O-R-A-N-D-U-M-

DATE: June ^{3rd}, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Pamela H. Page, Senior Attorney, Office of the General Counsel ^{PHP}
RE: Docket No. 150000-OT

Please place the attached letter from FPL in Docket No. 150000-OT.

Thank you.

RECEIVED FPSC
15 JUN -3 PM 3:17
COMMISSION
CLERK



May 29, 2015

Ms. Pamela H. Page
Staff Attorney
Office of General Counsel
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399 -0850

Re: UNDOCKETED - Proposed Amendments to Rule 25- 6.0436, F.A.C.,
Depreciation, Rule 25- 6.04364, F.A.C., Electric Utilities Dismantlement Studies,
Rule 25- 7.045, F.A.C., Depreciation, and Rule 25- 7.046, F.A.C., Subcategories of
Gas Plant for Depreciation

Dear Ms. Page:

Florida Power & Light ("FPL") agrees with the comments submitted by Tampa Electric Company in a letter dated May 22, 2015, regarding when a utility is required to file a new depreciation study (at least once every four years). Specifically, FPL agrees that the words "...unless otherwise required by the Commission" should not be removed from the language that was transferred from page 11 to page 8. FPL believes that this language should be added to the end of the applicable sentence on page 8, line 12, to retain the important capability and flexibility on the part of the Commission to extend the time before a utility must file a new study. This discretion should not be removed.

In addition, on pages 8 and 9, the proposed rule sets forth the rounding conventions required in a depreciation study. FPL has previously followed more precise rounding conventions than those set forth under the proposed rule (namely two decimal places for remaining lives and four decimal places for theoretical reserves, which are calculated at the vintage level). The proposed rule would result in rounding that is less precise than FPL's current practice and this could have a significant impact on plant and reserve balances totaling billions of dollars. Therefore, FPL proposes that the Commission rounding conventions be characterized as a minimum standard rather than in absolute terms as currently proposed.

Finally, FPL seeks further clarification regarding the proposed requirement on page 9, part 5(a), which states, "A comparison of current and proposed depreciation components for each category of depreciable plant. Components include average service life, age, curve shape, net salvage, and average remaining life." Specifically, FPL seeks clarification regarding "current average remaining life." Typically, average remaining life is determined at a point in time based on the parameters determined at the time of the filed study. Is Staff's intent to require a new

calculation of average remaining life based on existing parameters or is it requiring a comparison of the proposed average remaining life to the remaining life set forth in the previous order? FPL seeks similar clarification on "age" and the inclusion of "remaining lives" in part 5(b).

We appreciate your consideration of the foregoing suggested modifications to the proposed rule amendments. If you have any questions, please contact me at (561) 694-3428.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Ferguson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Keith Ferguson
Assistant Controller
Florida Power & Light

cc: Ken Hoffman, Vice President, Regulatory Affairs