

Dianne M. Triplett

May 23, 2019

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Notice of Development of Rulemaking – Rules 25-6.0141, 25-6.033, 25-6.036, and 25-6.037

Dear Mr. Teitzman:

This letter is submitted on behalf of Duke Energy Florida, LLC ("DEF"). These comments are submitted in lieu of a request for a formal rule development workshop pursuant to the Commission Notice of Development of Rulemaking dated May 1, 2019, regarding Rules 25-6.0141, Allowance for Funds Used During Construction; Rule 25-6.033, Tariffs; Rule 25-6.036, Inspection of Plant; and Rule 25-6.037, Extent of System Which Utility Shall Operate and Maintain ("Notice").

DEF does not object to any of the proposed amendments reflected in the Notice. These comments are submitted to request that the Commission consider one additional amendment to Rule 25-6.0141, F.A.C. Rule 25-6.0141(8)¹ requires that each utility include in its Forecasted Surveillance Report a schedule of individual projects that are estimated to equal or exceed a gross cost of \$10 million. DEF proposes that the Commission consider changing this \$10 million to match the threshold for qualifying projects set forth in subsection (1)(a)1 of the Rule, namely "Projects that involve gross additions to plant in excess of 0.5 percent of the sum of the total balance in Account 101, – Electric Plant in Service, and Account 106, Completed Construction Not Classified, at the time the project commences." DEF believes that is appropriate to consider changing the threshold, given that this rule was last revised in 1997. The value of \$10 million

¹ The current subsection is (8) but if the amendments are approved, this subsection would become (7). In both versions of the rule, the Notice does not propose to change the \$10 million threshold.

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more than twenty years ago is different than it is valued in today's dollars. In addition, the materiality of a \$10 million project to a utility can vary depending on the other assets that utility has on its books. Accordingly, DEF believes that adopting a threshold as a percentage of the utility's overall plant in service is a better measure by which to require each utility to include a particular project on its Forecasted Earnings Surveillance Report.

Thank you for your assistance in this matter. Please feel free to call me at (727) 820-4692 should you have any questions concerning this filing.

Sincerely,

<u>s/ Dianne M. Triplett</u>

Dianne M. Triplett

cc: Mr. Andrew King, Office of the General Counsel <u>aking@psc.state.fl.us</u>