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June 21, 2019

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

In Re: Proposed Amendment Of Rules 25-6.0141, Allowance For Funds Used During Construction; 25-6.033, Tariffs; 25-6.036, Inspection Of Plant; And 25-6.037, Extent Of System Which Utility Shall Operate And Maintain.

Dear Mr. Teitzman:

On May 1, 2019, the Florida Public Service Commission ("Commission") opened this Notice of Development of Rulemaking for Proposed Amendment Of Rules 25-6.0141, Allowance For Funds Used During Construction; 25-6.033, Tariffs; 25-6.036, Inspection Of Plant; And 25-6.037, Extent Of System Which Utility Shall Operate And Maintain. In response to the Notice of Rulemaking, the Office of Public Counsel ("OPC") has reviewed the proposed amendments to these rules. Based on that review, OPC has several questions regarding the deletion of some language which should be addressed prior to the adoption of the proposed amendments.

A. Rule 25-6.0141, Allowance For Funds Used During Construction.

The Commission has proposed deleting subsection (7) of this rule. Rule 25-6.0141(7), F.A.C., reads "The Commission may, on its own motion, initiate a proceeding to revise a utility's AFUDC rate." OPC has the following questions that should be addressed before this language is deleted from the rule:

- Why is the language being removed from the rule?
- What authority would the Commission rely on if it wants to change the AFUDC rate in the future?
- B. Rule 25-6.036, Tariffs.

The Commission has proposed deleting subsection (5) of this rule. Rule 25-6.036(5), F.A.C., reads "A copy of the rules contained herein, as promulgated and adopted by the Commission, also a copy of the rate schedules and rules and regulations of the utility as filed with

the Commission, shall be kept on file in the local commercial offices of the utility for inspection by its customers. A customer shall, upon request, be furnished a copy of the rate schedule applicable to his service." OPC has the following questions that should be addressed before this language is deleted from the rule:

- What, if any, other rule or statute, will govern the customer's access to the applicable tariffs?
- How will the applicable tariffs be made available to the customer?
- Where are customers to go to look at the utilities' tariffs?
- In today's electronic world, why are the utilities' tariffs not required to be made available on the Commission's website?
- C. Rule 25-6.037, Extent Of System Which Utility Shall Operate And Maintain.

The Commission has proposed deleting a portion of subsection (1) of this rule. Rule 25-6.037(1), F.A.C., deletes the following language ". . . in safe, efficient, and proper condition, pursuant to the standards referenced herein, . . ." as well as ". . . safe, efficient . . ." from the second sentence. OPC has the following questions that should be addressed before this language is deleted from the rule.

- Why is the language referring to safe, efficient, and proper condition and standard being deleted from the rule?
- What, if any, other rule or statute requires that the utilities' operate in a safe and efficient manner?
- D. Duke Energy Florida ("DEF") proposed rule amendments.

OPC has also reviewed DEF's proposed amendments. DEF has proposed changing the current \$10 million threshold trigger for reporting individual projects during the forecasted period to projects in excess of 0.5 percent of the sum of the total balance of Account 101, Electric Plant in Service, and Account 106, Completed Construction Not Classified, at the time the project commences. OPC has no objection to this proposed language to harmonize the AFUDC eligible project language and the surveillance reporting threshold language.

Although the Commission has not scheduled a workshop on these proposed changes, OPC believes that these questions must be adequately answered and/or clarified prior to adopting the proposed changes. Crucially, the Commission needs to address rule language that requires tariffs to be made readily available to customers since they are binding on the customers. Thank you for your consideration in this matter. If you have any questions, please call me at (850) 717-0333.

Sincerely,

/s/Patricia A. Christensen Patricia A. Christensen

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