

# AUSLEY & McMULLEN

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July 27, 2020

VIA ELECTRONIC FILING

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

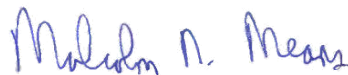
Re: Undocketed  
In re: Amendment of Rules 25-6.0141, Allowance for Funds Used During Construction, and 25-30.116, Allowance for Funds Used During Construction, and Adoption of Rule 25-7.0141, Allowance for Funds Used During Construction

Dear Mr. Teitzman:

Attached for filing in the above docket are Tampa Electric Company's Post-Workshop Comments.

Thank you for your assistance in connection with this matter.

Sincerely,



Malcolm N. Means

Enclosure

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## VIA ELECTRONIC TRANSMISSION

Adria Harper  
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Florida Public Service Commission  
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2540 Shumard Oak Boulevard  
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RE: Undocketed  
In re: Amendment of Rules 25-6.0141, Allowance for Funds Used During Construction, and 25-30.116, Allowance for Funds Used During Construction, and Adoption of Rule 25-7.0141, Allowance for Funds Used During Construction

Dear Ms. Harper:

Tampa Electric Company (“Tampa Electric” or “the company”), submits the following Post-Workshop Comments addressing the Florida Public Service Commission Staff’s proposed amendments to Rule 25-6.0141 of the Florida Administrative Code. Although Staff also addressed amendments to Rule 25-30.116 and adoption of Rule 25-7.0141, Tampa Electric’s comments are limited to the proposed changes to Rule 25-6.0141.

### **1. Definition of “Project”**

One of Staff’s proposed changes to Rule 25-6.0141 is to add a definition for the term “project.” Tampa Electric is concerned that the inclusion of the phrase “specific location and design” could inadvertently exclude certain investments from eligibility for accrual of allowance for funds used

during construction (“AFUDC”). First, the phrase could potentially exclude necessary but distinct phases of a single project. For example, if a company were to construct a new solar generation facility and also complete work necessary to integrate that facility into the company’s existing transmission system, a third party could challenge inclusion of the transmission work in the “project” on the grounds that it has a different “location and design” than the solar generation portion. Second, the phrase could exclude intangible capital investments from eligibility for AFUDC since intangible capital investments may not be considered to have a specific location or design in a traditional geographical sense. Third, the phrase could exclude linear facilities work such as construction of new transmission lines or natural gas pipelines, given that these facilities arguably may not have a specific “location.”

## **2. Bundling Provision**

Staff proposes adding a new section to the Rule that would prohibit utilities from bundling projects to meet the threshold for accrual of AFUDC unless the utility can demonstrate that “the overall cost of the bundled projects with AFUDC is less than the total overall cost of the unbundled projects without AFUDC.” Tampa Electric has no objection to this proposed change and agrees that utilities should be allowed to make a showing that bundling specific projects would be more cost-effective.

## **3. Threshold for Accrual of AFUDC**

Staff’s proposed amendments to Rule 25-6.0141 do not include a change to the current threshold for accrual of AFUDC found in Rule 25-6.0141(a)1, F.A.C. The participants in Staff’s workshop, however, did discuss whether the current percentage threshold should be lowered or changed to a fixed dollar amount. Tampa Electric is not opposed to a modification that would lower the percentage threshold.

Tampa Electric would like to thank Staff for their hard work in preparing the initial draft revisions to the Rule, and the company looks forward to working with Staff on these topics as rulemaking proceeds. Please do not hesitate to contact me with any questions or concerns regarding these comments.

Sincerely,



Malcolm N. Means

MNM/