



Matthew R. Bernier
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October 7, 2020

VIA ELECTRONIC FILING

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

Re: *Comments on Staff's Proposed Changes – Rules 25-6.0143 and 25-7.0143, Florida Administrative Code (F.A.C.); Undocketed*

Dear Mr. Teitzman:

This letter is submitted on behalf of Duke Energy Florida, LLC (“DEF”). DEF appreciates the opportunity to provide comments to Staff’s proposed changes to Rule 25-6.0143F.A.C., Use of Accumulated Provision Accounts 228.1, 228.2, and 228.4.

On June 10, 2020, the Florida Public Service Commission (“FPSC” or “Staff”) Issued a Notice of Development of Rulemaking for the Proposed Amendment of Rule 25-6.0143, F.A.C., and Proposed Adoption of Rule 25-7.0143, F.A.C. to provide an industry-specific standard for the application in the natural gas industry. Staff conducted a Rulemaking Workshop on June 29, 2020. DEF filed Post-Workshop Comments on July 27, 2020 (04063-2020) re. Rule 25-6.0143. Following the workshop and review of post-workshop comments, Staff provided revised the drafts of Rules 25-6.0143 and 25-7.0143 on September 11, 2020 and requested that utilities file their comments on the proposed changes no later than October 2, 2020. After discussions with Staff, DEF received an extension to October 6, 2020, to file its comments.

As discussed below, DEF believes clarification of terminology used in certain sections of the rule is necessary, so all stakeholders understand the intent of those specific provisions.

Rule 25-6.0143(1)(e)1

DEF believes this paragraph requires clarification as to the types of contract labor costs that should be considered. Specifically, DEF believes that the contract labor costs considered for the calculation required by the paragraph should be contractor costs specific to normal storm restoration activities; this would exclude normal contract labor costs that are unrelated to storm restoration activities (such as locates, environmental services, pole inspections, etc.).

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Rule 25-6.0143(1)(e)8

DEF believes clarity is needed regarding what is intended to be included within “Payroll and payroll-related costs”. DEF requests that Staff keep a consistent description of what is being referred to throughout the paragraph. DEF also believes that the overtime component of “payroll and payroll related expenses” should be retained, as elimination of that component results in an incomplete picture of payroll related expenses. Finally, DEF seeks clarification of Staff’s interpretation of “in any month in which storm damage restoration activities are conducted” as used in this subsection. DEF routinely conducts “Storm damage restoration” that is unrelated to major, named storms, and therefore clarification is needed to understand if those restoration activities are intended to be included or if Staff’s intent is to more narrowly construe the language to apply to only restoration activities in response to major, named storms.

Rule 25-6.0143(1)(e)9

Contractor fuel costs are not separately tracked within DEF’s accounting systems, rather they are typically a component of contractor labor accounted for under paragraph (1)(e)1. Therefore, DEF has proposed the addition of “unless otherwise accounted for under a separate provision of this rule”. To comply with the proposed rule, DEF would be required to manually review all contractor invoices and segregate fuel from the remainder of the invoice; this would be a costly, time-consuming process that would otherwise have no benefit.

Rule 25-6.0143(1)(e)11

Vegetation Management contractor costs that are incurred to do normal restoration and maintenance activities are a component of contractor labor accounted for under paragraph (1)(e)1. Vegetation Management contractors that perform the production tree trimming are isolated separately by specific processes and easily identifiable. Therefore, DEF has proposed the addition of “unless otherwise accounted for under a separate provision of this rule.” To comply with the proposed rule, DEF would be required to manually segregate vegetation management contractors from the normal restoration and maintenance activities; this would be a costly, time-consuming process that would otherwise have no benefit.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

/s/ Matthew R. Bernier

Matthew R. Bernier

MRB/cmw/cmck

cc: Ms. Adria Harper, Office of the General Counsel