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June 11, 2019

VIA: ELECTRONIC FILING

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

Re: *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 issued a Notice of Development of Rulemaking declaring the Commission's intent to revise Rules 25-6.0141, 25-6.033, 25-6.036, and 25-6.037 of the Florida Administrative Code. *See* Doc. No. 04044-2019. Pursuant to Section 120.54 of the Florida Statutes, Tampa Electric Company ("Tampa Electric" or "the company") hereby offers the following comments on the Commission's proposed rulemaking.

Tampa Electric supports the proposed revisions outlined in the Commission's Notice. The company also supports the additional amendment to Rule 25-6.0141(8) proposed by Duke Energy Florida ("DEF"). *See* Doc. No. 04485-2019, filed May 22, 2019. That subsection, as amended in the Commission's proposed rulemaking, states:

(7) (8) Each utility must ~~shall~~ include in its Forecasted Surveillance Report a schedule of individual projects that commence during the forecasted period and are estimated to equal or exceed a gross cost of \$10,000,000. The schedule must ~~shall~~ include the following minimum information:

Doc. No. 04044-2019, at 7-8. DEF proposes that subsection (8)¹ should include an additional amendment to change the \$10 million reporting threshold to equal 0.5 percent of the sum total of the balances in Account 101 and Account 106. A version of subsection (8) including both the Commission's amendments and DEF's proposed amendment would read as follows:

¹ Listed as Subsection (7) in the Commission's proposed version.

(7) (8) Each utility ~~must~~ ~~shall~~ include in its Forecasted Surveillance Report a schedule of individual projects that commence during the forecasted period and are estimated to equal or exceed a gross cost 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. The schedule ~~must~~ ~~shall~~ include the following minimum information:

See Doc. No. 04485-2019.

Tampa Electric supports DEF's proposed amendment for several reasons. First, the amendment would bring additional clarity to each utility's Forecasted Surveillance Report. As the Rule currently reads, there is no relationship between the reporting requirement in subsection (8) and the eligibility criteria for accrual of AFUDC found in subsection (1)(a)1.² As a result, the projects listed in each utility's Forecasted Surveillance Report may or may not be eligible for AFUDC. The amendment would harmonize the eligibility and reporting thresholds, such that the report will only list projects that are potentially eligible for AFUDC. Second, the utility's annual report would only list projects that are significant to the reporting utility. As DEF explained, the materiality of a \$10 million project varies from utility to utility depending on the level of plant in service on each utility's books. Finally, unlike a fixed dollar amount, adopting DEF's approach would avoid the need to periodically revisit the rule to adjust it for inflation. In short, Tampa Electric believes that tying the reporting trigger to the utility's total plant in service is more appropriate than the current \$10 million requirement.

Thank you for your assistance in connection with this matter. Please feel free to contact me at 850-224-9115 with any questions or concerns.

Sincerely,



Malcolm N. Means

cc: Mr. Andrew King, Office of the General Counsel
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² Under Subsection (1)(a)1, projects may be included in CWIP and accrue AFUDC where they "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..." R. 25-6.0141(1)(a)1, F.A.C.