



Matthew R. Bernier  
ASSOCIATE GENERAL COUNSEL

September 18, 2019

**VIA ELECTRONIC DELIVERY**

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

Re: *Petition for Approval of a New Depreciation Class and Rate for Energy Storage Equipment by Duke Energy Florida, LLC; Docket No.*

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Dear Mr. Teitzman:

Please find enclosed for electronic filing on behalf of Duke Energy Florida, LLC ("DEF"), DEF's Petition for Approval of a New Depreciation Class and Rate for Energy Storage Equipment

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/mw  
Enclosure

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Duke Energy Florida, LLC's Petition  
for Approval of a New Depreciation Class and Rate  
for Energy Storage Equipment

Docket No. \_\_\_\_\_

Filed: September 18, 2019

**DUKE ENERGY FLORIDA, LLC'S PETITION FOR APPROVAL OF A NEW  
DEPRECIATION CLASS AND RATE FOR ENERGY STORAGE EQUIPMENT**

Duke Energy Florida, LLC ("DEF"), pursuant to 366.06, Florida Statutes ("F.S."), Rule 25-6.0436(3)(b), Florida Administrative Code ("F.A.C."), and the 2017 Second Revised and Restated Settlement Agreement approved by the Florida Public Service Commission ("Commission") in Order No. PSC-2017-0451-AS-EU<sup>1</sup> (the "2017 Settlement"), hereby petitions the Florida Public Service Commission ("FPSC" or the "Commission") for approval of new depreciation accounts and rates for energy storage equipment.

In support of this Petition, DEF states:

1. DEF is a Florida limited liability company with headquarters at 299 1st Avenue North, St. Petersburg, Florida 33701. DEF is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes, and is a wholly-owned subsidiary of Duke Energy Corporation. DEF provides generation, transmission, and distribution service to approximately 1.8 million retail customers in Florida.

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<sup>1</sup> Docket No. 20170183-EI, issued on November 20, 2017.

2. Any pleading, motion, notice, order, or other document required to be served upon DEF or filed by any party to this proceeding should be served upon the following individuals:

Dianne M. Triplett  
[Dianne.Triplett@duke-energy.com](mailto:Dianne.Triplett@duke-energy.com)  
Duke Energy Florida, LLC  
299 1st Avenue North  
St. Petersburg, FL 33701  
(727) 820-4692/(727) 820-5519 (fax)

Matthew R. Bernier  
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[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)  
Duke Energy Florida, LLC  
106 E. College Avenue, Ste. 800  
Tallahassee, FL 32301  
(850) 521-1428 / (850) 521-1437 (fax)

3. This Petition is being filed consistent with Rule 28-106.201, F.A.C. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f), and (g) of subsection (2) of that rule are not applicable to this Petition. In compliance with subparagraph (d), DEF states that it is not known at this time which, if any, of the issues of material fact set forth in the body of this Petition may be disputed by any others who may plan to participate in this proceeding.

4. Pursuant to the Stipulation and Settlement Agreement approved by this Commission in Order No. PSC-2017-0451-AS-EU, DEF will implement a 50 MW Battery Storage Pilot Program ("Battery Storage Pilot") designed to enhance service for retail customers, or to enhance operations of existing or planned solar facilities. The equipment includes but is not limited to, batteries and the necessary equipment to connect such batteries to DEF's electric system.

5. DEF does not currently have a depreciation account or rate for this type of energy storage equipment. In order to properly account for the depreciation related to this type of equipment, DEF requests authority to record the costs of energy storage equipment in FERC Account 348 Energy Storage Equipment-Production, FERC Account 351 Energy Storage Equipment-Transmission and FERC Account 363 Energy Storage Equipment-Distribution and to establish a depreciation rate of 10% for equipment so recorded. These FERC accounts were created in FERC Order No. 784 (Docket Nos. RM11-24-000 and AD10-13-000) to record installed costs of energy storage assets in the accounts based on the function or purpose the asset serves, including the potential to allocate a single asset to multiple functions. In establishing the rate for this new class of depreciable assets, DEF consulted with its engineering subject matter experts, original equipment manufacturers for energy storage equipment and benchmarked with industry peers to conclude that a ten (10) year estimated useful life and net salvage of 0% is reasonable and appropriate.

6. DEF's Petition to establish a new depreciation rate for energy storage equipment is for accounting purposes only and will have no impact on base rates during the term of the DEF's 2017 Revised and Restated Settlement. DEF will pursue cost recovery for the Battery Storage Pilot in its next general base rate case pursuant to paragraph 27 of the 2017 Revised and Restated Settlement Agreement. Additionally, DEF will include FERC Accounts 348, 351, and 363 in its next depreciation study filed with the Commission.

WHEREFORE, DEF respectfully requests that the Commission considers and approves Duke Energy Florida's request for a new depreciation class and rate of 10% for energy storage equipment consistent with this petition.

Respectfully submitted,

*s/Matthew R. Bernier*

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**DIANNE M. TRIPLETT**

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