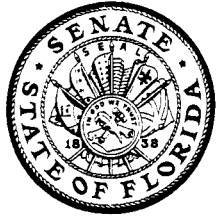
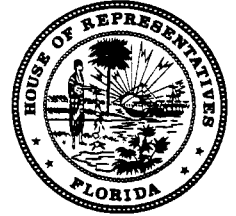


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July 21, 1999

Ms. Mary Anne Helton  
Associate General Counsel  
Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

*PSC Docket No. 990707-EE*

*99 JUL 23 11:25 AM*

**RE: Public Service Commission Rule 25-6.0142 F.A.C.**

Dear Mary Anne:

I have completed my review of the above referenced rule that was noticed in the July 16, 1999 edition of the Florida Administrative Weekly and have the following concerns:

**25-6.0142(2)(a).** This refers to the definition of "Average Inventory Cost." This rule section provides that "the group and cost may relate to a vintage or group of vintages." It then goes on to provide an example where "the average cost of a property item may vary depending on the original vintage falling in the 1985-1990 period, as compared to the same item having the original vintage in the 1991-1995 period." The use of the word "may" indicates that the cost may or may not relate to a vintage or group of vintages. The given example in the next sentence does not offer any illumination as to whether in fact, the cost must relate to a vintage or group of vintages. Without clarification, this rule section is vague and vests unbridled discretion in the agency by rule. See Section 120.52(8)(d), F.S.

**25-6.0142(6)(a).** The reference to "Account 154, Plant Materials and Operating Supplies," should have parentheses around "Account 154" so to appear consistent with the other accounting measures found in 25-6.0142(4)(b).

**25-6.0142(6)(c).** Please see the above comments.

- \_\_\_ MFA
- \_\_\_ APP
- \_\_\_ DAF
- \_\_\_ DMU
- \_\_\_ STR
- \_\_\_ EAG
- \_\_\_ LEG
- \_\_\_ MAS
- \_\_\_ OPC
- \_\_\_ RRR
- \_\_\_ SEC
- \_\_\_ WAW
- \_\_\_ OTH

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PSC-RECORDS/REPORTING

Ms. Mary Anne Helton  
July 21, 1999  
Page 2

The following concerns the "List of Retirement Units (Electrical Plants) as of January 1, 2000," form as incorporated by reference in 25-6.0142(3):

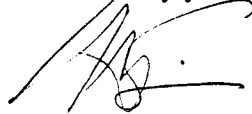
**(2)(a).** This refers to the definition of "Average Inventory Cost." This rule section provides that "the group and cost may relate to a vintage or group of vintages." It then goes on to provide an example where "the average cost of a property item may vary depending on the original vintage falling in the 1985-1990 period, as compared to the same item having the original vintage in the 1991-1995 period." The use of the word "may" indicates that the cost may or may not relate to a vintage or group of vintages. The given example in the next sentence does not offer any illumination as to whether in fact, the cost must relate to a vintage or group of vintages. Without clarification, this rule section is vague and vests unbridled discretion in the agency by rule. See Section 120.52(8)(d), F.S.

**(6)(a).** The reference to "Account 154, Plant Materials and Operating Supplies," should have parentheses around "Account 154" so to appear consistent with the other accounting measures found in (4)(b).

**(6)(c).** Please see the above comments.

My understanding from our telephone conversation yesterday that you have agreed to placing the parentheses around the accounting measures, as outlined herein and that you would look further into issues surrounding the definition of "average inventory cost." I look forward to discussing this matter with you further. In the interim, if you have any questions, please do not hesitate to call.

Sincerely yours,



Matthew A. Sirmans  
Chief Attorney