| 1  |                              | BEFORE THE   |
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| 2  | FLORIDA P                    | UBLIC SERVICE COMMISSION   |
| 3  | In the Matter of:            |  |
| 4  |                              | DOCKET NO. 160017-EI   |
| 5  |                              | AL OF DEPRECIATION RATES FOR GENERATING UNITS, BY DUKE ENERGY                      |
| 6  | FLORIDA, LLC.                | /  |
| 7  |                              | ·  |
| 8  |                              |  |
| 9  | PROCEEDINGS:                 | COMMISSION CONFERENCE AGENDA   |
| 10 | COMMICCIONEDC                | ITEM NO. 14  |
| 12 | COMMISSIONERS PARTICIPATING: | CHAIRMAN JULIE I. BROWN<br>COMMISSIONER LISA POLAK EDGAR                           |
| 13 |                              | COMMISSIONER ART GRAHAM  COMMISSIONER RONALD A. BRISÉ  COMMISSIONER JIMMY PATRONIS |
| 14 | DATE:                        | Tuesday, March 1, 2016   |
| 15 | PLACE:                       | Betty Easley Conference Center   |
| 16 | FLIACE.                      | Room 148 4075 Esplanade Way  |
| 17 |                              | Tallahassee, Florida   |
| 18 | REPORTED BY:                 | DEBRA KRICK<br>Court Reporter  |
| 19 |                              | (850) 894-0828   |
| 20 |                              |  |
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| 1  | PROCEEDINGS   |
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| 2  | CHAIRMAN BROWN: The next item is 14, and I          |
| 3  | believe we have the parties that would like to      |
| 4  | address this with some OPC and Duke have some       |
| 5  | proposed language to address the Commission on, so  |
| 6  | if they could come up.                              |
| 7  | If we could get an overview first from staff        |
| 8  | before we get the proposed language, that would be  |
| 9  | great.  |
| 10 | MR. STRATIS: All right. Good morning,               |
| 11 | Commissioners, Nick Stratis on behalf of staff.     |
| 12 | Item 14 is Duke Energy Florida's petition           |
| 13 | requesting approval of depreciation rates for solar |
| 14 | photovoltaic generating units and associated        |
| 15 | equipment. The company requests a 30-year whole     |
| 16 | life depreciation rate of 3.3 percent effective     |
| 17 | March 15th, 2016.                                   |
| 18 | The requested depreciation rate is intended         |
| 19 | for two solar photovoltaic units, generating units, |
| 20 | the Osceola County and Perry solar facilities, with |
| 21 | expected in-service dates of May and July 2016.     |
| 22 | The rates are also intended for several future      |
| 23 | projects that may be constructed in the future.     |
| 24 | The petition is quite similar to those previously   |
| 25 | approved by the Commission for Tampa Electric       |

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| 1  | Company and for Florida Power & Light.              |
| 2  | Staff recommends the Commission approve Duke        |
| 3  | Energy of Florida's request, requested 30-year      |
| 4  | whole life depreciation rates of 3.3 percent at     |
| 5  | this time.  |
| 6  | There have been no contacts from the public         |
| 7  | regarding this matter; however, Ms. Janjic of staff |
| 8  | would like to present you with information on       |
| 9  | recent communication with General Counsel.          |
| 10 | CHAIRMAN BROWN: Thank you. Welcome.                 |
| 11 | MS. JANJIC: Good morning. Danijela Janjic           |
| 12 | with Office of General Counsel.                     |
| 13 | We have received proposed language from OPC         |
| 14 | and Duke, which they would like to see incorporated |
| 15 | into the staff recommendation, and ultimately in    |
| 16 | the order. Staff has reviewed this language and     |
| 17 | does not object to it.                              |
| 18 | Office of Public Counsel will present the           |
| 19 | language, as agreed upon, and answer any further    |
| 20 | questions.  |
| 21 | Thank you.  |
| 22 | CHAIRMAN BROWN: Thank you.                          |
| 23 | Mr. Truitt, welcome.                                |
| 24 | MR. TRUITT: Thank you, Madam Chair. John            |
| 25 | Truitt with OPC, Commissioners. Briefly it's my     |
| 1  |   |

| 1  | understanding you have this language in front of    |
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| 2  | you, but I'm going to go ahead and read it in the   |
| 3  | record.   |
| 4  | CHAIRMAN BROWN: I just want to confirm that,        |
| 5  | Commissioners, you have the language? Okay. Thank   |
| 6  | you.  |
| 7  | MR. TRUITT: We spoke with Duke and agreed on        |
| 8  | the following language:                             |
| 9  | The resolution of DEF's petition establishing       |
| 10 | a depreciation rate does not constitute a           |
| 11 | determination or presumption that the aggregate     |
| 12 | cost of DEF's of solar voltaic photovoltaic         |
| 13 | generating units and associated equipment at solar  |
| 14 | facilities are recoverable through customer rates   |
| 15 | nor a determination of prudence regarding DEF's     |
| 16 | possible installation of solar photovoltaic         |
| 17 | generating units and associated equipment at solar  |
| 18 | facilities.   |
| 19 | The basic premise behind this is to add             |
| 20 | clarity going forward in case anyone looks back in  |
| 21 | the order and sees a depreciation rate was assigned |
| 22 | that it's simply a depreciation rate assigning.     |
| 23 | CHAIRMAN BROWN: Okay. Thank you.                    |
| 24 | And, Ms. Bernier Mr. Bernier, sorry, if you         |
| 25 | could confirm that you support the language.        |

| 1  | MR. BERNIER: Yes, good morning, Madam Chair        |
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| 2  | and Commissioners.Matt Bernier with Duke Energy.   |
| 3  | We I can confirm that we have absolutely no        |
| 4  | objection to this language, and understand OPC's   |
| 5  | point in trying to add it.                         |
| 6  | CHAIRMAN BROWN: Okay.                              |
| 7  | Commissioners, do you have any questions?          |
| 8  | All right. Can I get a motion with along           |
| 9  | with the proposed language to be included in the   |
| 10 | recommended order?                                 |
| 11 | COMMISSIONER EDGAR: Madam Chair, I would move      |
| 12 | approval of the staff recommendation with the      |
| 13 | addition of the agreed to and discussed language   |
| 14 | here at the bench.                                 |
| 15 | CHAIRMAN BROWN: Thank you.                         |
| 16 | Is there a second?                                 |
| 17 | COMMISSIONER GRAHAM: Second.                       |
| 18 | CHAIRMAN BROWN: All those in favor, say aye.       |
| 19 | (Vote taken.)                                      |
| 20 | CHAIRMAN BROWN: Okay. The motion passes,           |
| 21 | along with the inclusion of the proposed language. |
| 22 | Thank you very much.                               |
| 23 | (Agenda item concluded.)                           |
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