



Stephanie A. Cuello  
SENIOR COUNSEL

April 29, 2022

**VIA ELECTRONIC FILING**

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

Re: *DEF's Petition for approval of modifications to DEF's Rate Schedule Tariff Sheet No. 4.122 and Determination Under Rule 25-6.115(12), F.A.C.*  
*Docket No. \_\_\_\_\_*

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC ("DEF"), attached for filing is DEF's Petition for approval of modifications to DEF's Rate Schedule Tariff Sheet No. 4.122 and Determination Under Rule 25-6.115(12), F.A.C.

Thank you for your assistance in this matter and if you have any questions, please feel free to contact me at (850) 521-1425.

Sincerely,

*s/ Stephanie A. Cuello*

Stephanie A. Cuello

SAC/mw  
Attachment

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for approval of modifications  
to Duke Energy Florida, LLC's Rate  
Schedule – Tariff Sheet No. 4.122  
and Determination under Rule 25-6.115(12),  
F.A.C.

---

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

Filed: April 29, 2022

**PETITION FOR APPROVAL OF MODIFICATIONS TO DUKE ENERGY  
FLORIDA, LLC'S RATE SCHEDULE TARIFF SHEET NO. 4.122 AND  
DETERMINATION UNDER RULE 25-6.115(12), F.A.C.**

Pursuant to Rules 25-9.004, 25-9.033, and 25-6.115, F.A.C, Duke Energy Florida, LLC (“DEF” or “the Company”) hereby petitions this Commission for approval of modifications to DEF's Rate Schedule - Tariff Sheet No. 4.122 and for a determination under Rule 25-6.115(12), F.A.C. that the limited waiver of certain costs (as reflected in the modified tariff sheet) is warranted given the quantifiable benefits to customers. In support of this Petition, DEF states as follows:

1. The Petitioner's name and address are:

Duke Energy Florida, LLC  
299 1st Avenue North  
St. Petersburg, Florida 33701

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 1<sup>st</sup> Avenue North  
St. Petersburg, Florida 33701  
(727) 820-4962  
(727) 820-5041 (fax)

Stephanie Cuello  
Duke Energy Florida, LLC  
106 E. College Avenue, Ste. 800

Matthew R. Bernier  
[Matthew.Bernier@duke-energy.com](mailto:Matthew.Bernier@duke-energy.com)  
[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  
(727) 820-5041 (fax)

Tallahassee, FL 32301  
[Stephanie.Cuello@duke-energy.com](mailto:Stephanie.Cuello@duke-energy.com)  
(850) 521-1425  
(727) 820-5041 (fax)

3. DEF is the utility primarily affected by the request in this Petition. DEF is an investor-owned electric utility, regulated by the Commission, and is a wholly-owned subsidiary of Duke Energy Corporation. The Company's principal place of business is located at 299 1<sup>st</sup> Avenue North, St. Petersburg, Florida 33701. DEF serves approximately 1.9 million retail customers in Florida.

4. 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.

5. Exhibits A and B to this Petition contain proposed tariff sheets in legislative format and clean copy format respectively, including Section No. IV, Ninth Revised Sheet No. 4.122, of DEF's Retail Tariff Rate Schedule.

6. In this Petition, DEF requests approval of proposed changes to part of DEF's tariff that sets out the process and charges for conversion of existing overhead electric distribution facilities to underground. Specifically, DEF is requesting approval to exclude Cost of Existing Facilities for customers wanting to underground overhead facilities that have not yet been hardened

pursuant to the Company's standards set forth in its Storm Protection Plan ("SPP"). Specifically, the items to be excluded are: a) the remaining net book value of existing facilities to be removed, b) removal cost of existing overhead facilities and c) salvage value of existing overhead facilities. DEF intends to eventually harden all overhead facilities through its SPP. Customers who pay to underground non-hardened facilities are effectively hardening those facilities (accelerating the timeline in which DEF would have hardened them) thereby saving all DEF customers from the cost of having to harden those facilities. As such, the proposed exclusions from the Facility Charge calculation recognizes those savings.

7. As explained above, DEF's proposed rule change would result in certain costs being waived for customers wanting to underground overhead facilities that have not yet been hardened. Rule 25-6.115(12), F.A.C. provides that where "the utility waives any charge, the utility shall reduce net plant in service as though those charges had been collected unless the Commission determines that there is quantifiable benefits to the general body of ratepayers commensurate with the waived charge." DEF points to the following quantifiable benefits resulting from this tariff change: (a) the general body of DEF's customers will not pay additional costs related to such underground conversions because the Cost of Existing Facilities would be borne by them regardless as a part of DEF's plan to harden all overhead distribution facilities; (b) in instances where DEF's SPP would have kept the facilities overhead but hardened, undergrounding provides greater storm resiliency from which all DEF's customers will benefit; (c) because the converting customer is accelerating the timing of when DEF would have hardened the facilities, the general body of customers will receive the benefits of such hardening more quickly; and (d) reducing the cost of conversion may incent even more customers to pay for such conversions, which will further reduce the hardening projects that the general body of customers must pay.

8. Indeed, with respect to the hardening benefits of undergrounding facilities, the Commission has “previously recognized the benefits of undergrounding. In 2007, we amended Rule 25-6.115, F.A.C., to include in the CIAC calculation the cost of maintenance and storm restoration activities over time to capture the longer-term costs and benefits of undergrounding.” *See* Order No. PSC-2018-0050-TRF-EI. Also, Rule 25-6.08(4), F.A.C. provides: “To the extent practicable, where existing aerial facilities are being retired and removed from service, replacement will be made with underground construction whenever economically feasible.” This further supports the benefits the proposed Tariff changes would provide to all customers.

WHEREFORE, DEF respectfully requests the Commission: (1) approve this Petition and the modifications to Section No. IV, Eighth Revised Sheet No. 4.122, of DEF’s Retail Tariff Rate Schedule as set forth in Exhibits A and B attached hereto; (2) determine that there are quantifiable benefits to all customers, per Rule 25-6.115(12), F.A.C. and approve the limited waiver of costs set forth in the modified Tariff Sheet 4.122; and (3) find that such generic determination of quantifiable benefits shall authorize DEF to include the waived Cost of Existing Facilities in net plant in-service.

This 29<sup>th</sup> day of April, 2022.

Respectfully submitted,

*/s/ Stephanie A. Cuello*

---

**DIANNE M. TRIPLETT**  
Deputy General Counsel  
299 1<sup>st</sup> Avenue North  
St. Petersburg, Florida 33701  
T: (727) 820-4692  
F: (727) 820-5041  
E: [dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com)

**MATTHEW R. BERNIER**  
Associate General Counsel

106 East College Avenue, Suite 800  
Tallahassee, Florida 32301  
T: (850) 521-1428  
F: (727) 820-5041  
E: [matthew.bernier@duke-energy.com](mailto:matthew.bernier@duke-energy.com)

**STEPHANIE A. CUELLO**  
Senior Counsel  
106 East College Avenue  
Suite 800  
Tallahassee, Florida 32301  
T: (850) 521-1425  
F: (727) 820-5041  
E: [stephanie.cuello@duke-energy.com](mailto:stephanie.cuello@duke-energy.com)  
[FLRegulatoryLegal@duke-energy.com](mailto:FLRegulatoryLegal@duke-energy.com)

**EXHIBIT A**

**Legislative Format Tariffs  
(1 copy)**

Ninth Revised Sheet No. 4.122

**12.05 CONSTRUCTION CONTRACT:**

## (1) GENERAL:

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

## (2) FACILITY CHARGE:

Charge =     a)     Remaining net book value of existing overhead facilities to be removed\*;  
plus,     b)     removal cost of existing overhead facilities\*;  
minus,     c)     salvage value of existing overhead facilities\*;  
plus,     d)     estimated construction cost of underground facilities including  
underground service laterals to residential customers meters or point  
of delivery for general service customers;  
minus,     e)     estimated construction cost of overhead facilities including overhead  
service drops to customers' meters;  
minus,     f)     qualifying binding cost estimate fee.  
plus/minus,   -g)   the net present value of the lifecycle operational costs differential  
including storm restoration.

\* In calculating the Applicant's Facility Charge, elements a, b, and c of the Facility Charge formula above are to be excluded from Facility Charge due from an Applicant who submits an application providing a binding notification that the Applicant intends to convert existing non-hardened overhead facilities to underground facilities.

The actual or estimated costs applied to the facility charge shall be consistent with the standards of the Company's approved Storm Protection Plan.

## 3) CONSTRUCTION BY APPLICANT:

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at Applicant's sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be added to the original binding estimate.

(Continued on Next Page)



**EXHIBIT B**

**Clean Copy Format Tariffs  
(1 Copy)**

Ninth Revised Sheet No. 4.122

**12.05 CONSTRUCTION CONTRACT:**

## (1) GENERAL:

Upon acceptance by the Applicant of the binding cost estimate, the Applicant shall execute a contract with the Company to perform the construction of the underground distribution facilities. The contract shall specify the type and character of system to be provided; establish the Facility Charge to be paid by Applicant prior to commencement of construction; specify details of construction to be performed by Applicant, if any; and address any other pertinent terms and conditions including those described in Part (4) below.

## (2) FACILITY CHARGE:

Charge = a) Remaining net book value of existing overhead facilities to be removed\*;  
plus, b) removal cost of existing overhead facilities\*;  
minus, c) salvage value of existing overhead facilities\*;  
plus, d) estimated construction cost of underground facilities including  
underground service laterals to residential customers meters or point  
of delivery for general service customers;  
minus, e) estimated construction cost of overhead facilities including overhead  
service drops to customers' meters;  
minus, f) qualifying binding cost estimate fee.  
plus/minus, g) the net present value of the lifecycle operational costs differential  
including storm restoration.

\* In calculating the Applicant's Facility Charge, elements a, b, and c of the Facility Charge formula above are to be excluded from Facility Charge due from an Applicant who submits an application providing a binding notification that the Applicant intends to convert existing non-hardened overhead facilities to underground facilities.

The actual or estimated costs applied to the facility charge shall be consistent with the standards of the Company's approved Storm Protection Plan.

## 3) CONSTRUCTION BY APPLICANT:

If agreed upon by both the Applicant and the Company, the Applicant may construct or install portions of the underground system as long as such work meets the Company's engineering and construction standards. The Company will own and maintain the completed distribution facilities upon accepting the system as operational. The type of system provided will be determined by the Company's standards.

Any facilities provided by the Applicant will be inspected by Company inspectors prior to acceptance. Any deficiencies discovered as a result of these inspections will be corrected by the Applicant at Applicant's sole expense, including the costs incurred by performing the inspections. Corrections must be made in a timely manner by the Applicant, otherwise the Company will undertake the correction and bill the Applicant for all costs of such correction. These costs shall be added to the original binding estimate.

(Continued on Next Page)