

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

---

**DATE:** May 25, 2022

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Economics (Ward) *JGH*  
Office of the General Counsel (Brownless) *JSC*

**RE:** Docket No. 20220089-EI – Petition for approval of modifications to rate schedule tariff sheet No. 4.122 and determination under Rule 25-6.115(12), F.A.C, by Duke Energy Florida, LLC.

**AGENDA:** 06/07/22 – Regular Agenda – Tariff Suspension – Participation is at the discretion of the Commission

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 6/28/22 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** None

---

### Case Background

On April 29, 2022, Duke Energy Florida, LLC (Duke or utility) filed a petition for approval of modifications to Tariff Sheet No. 4.122 and determination under Rule 25-6.115(12), Florida Administrative Code, (F.A.C.). This tariff sets out the process and charges required for the conversion of existing overhead electrical distribution facilities to underground. The customer requesting the conversion is responsible for the conversion cost.

Duke's proposed modifications would exclude the cost of existing facilities from the calculation of the charge for customers requesting to underground overhead facilities that have not been hardened under the utility's Storm Protection Plan filed pursuant to Section 366.96, Florida Statutes (F.S.), and Rule 25-6.030, F.A.C. The specific items that Duke proposed to exclude are (1) the remaining net book value of existing facilities to be removed, (2) the removal cost of

existing overhead facilities, and (3) the salvage value of existing overhead facilities. To support its petition, Duke stated the utility intends to eventually harden all overhead facilities as part of its Storm Protection Plan and seek cost recovery through the Storm Protection Plan Cost Recovery Clause paid by all customers. Duke contends that customers who pay to underground non-hardened facilities are effectively hardening the facilities and, thereby, save the general body of ratepayers from the cost of having to harden those facilities.

Rule 25-6.115(12), F.A.C., states nothing in this rule shall be construed to prevent any utility from waiving all or any portion of the cost for providing underground facilities. If, however, 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 are quantifiable benefits to the general body of ratepayers commensurate with the waived charge. Duke requests that the Commission approve the proposed tariff modification and determine that there are quantifiable benefits to the general body of ratepayers if certain costs are being waived for customers wishing to underground facilities that have not been hardened.

This recommendation is to suspend the proposed tariff changes. The Commission has jurisdiction over this matter pursuant to Sections 366.03, 366.04, 366.05, and 366.06, F.S.

### Discussion of Issues

**Issue 1:** Should the Commission suspend Duke's proposed tariff changes?

**Recommendation:** Yes. Staff recommends that Duke's proposed tariff changes be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal. (Ward)

**Staff Analysis:** Staff recommends that Duke's proposed tariff changes be suspended to allow staff sufficient time to review the petition and gather all pertinent information in order to present the Commission with an informed recommendation on the tariff proposal.

Pursuant to Section 366.06(3), F.S., the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such a change, a reason, or written statement of good cause for doing so within 60 days. Staff believes that the reason stated above is a good cause consistent with the requirement of Section 366.06(3), F.S.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. This docket should remain open pending the Commission decision on the proposed tariff changes. (Brownless)

**Staff Analysis:** This docket should remain open pending the Commission decision on the proposed tariffs.