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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20170072-EQ

PETITION FOR APPROVAL OF AMENDED
STANDARD OFFER CONTRACT AND
AMENDED INTERCONNECTION
AGREEMENT, BY DUKE ENERGY
FLORIDA, LLC.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 5

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER DONALD J. POLMANN

DATE: Thursday, July 13, 2017

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: ANDREA KOMARIDIS
Court Reporter

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN BROWN: All right. Moving on to
3 Item 5 -- I'll still be here.

4 Mr. Ellis, is there someone here from the
5 company that can speak on this item, since it was
6 pulled?

7 MR. ELLIS: My understanding is Matt Bernier
8 is here to speak on behalf of Duke.

9 CHAIRMAN BROWN: Thank you.

10 Good morning. Almost --

11 MR. ELLIS: Good morning, Commissioners.

12 Phillip Ellis, Commission staff.

13 Item 5 is Duke's petition seeking approval of
14 its amended standard offer contract and its
15 standard interconnection agreement. DEF has filed
16 its amended standard offer contract and associated
17 rate schedules based upon its next avoidable unit,
18 a natural gas-fired combustion turbine, with an
19 in-service date of June 2024.

20 In addition to updating the contract for
21 changes in the avoided unit, DEF makes
22 modifications to various other terms in the
23 standard offer contract and its standard
24 interconnection agreement.

25 Staff has reviewed these modifications and

1 recommends approval of the amended standard offer
2 contract and amended interconnection agreement. No
3 comments have been filed in this docket. And staff
4 and the utility are available for any questions you
5 may have.

6 CHAIRMAN BROWN: Thank you, Mr. Ellis.

7 And welcome. I did pull this item. This one
8 is a little bit different than the other standard
9 offer contracts. And I just wanted to get
10 clarification for the record.

11 There may be a little bit of a conflict under
12 Section 6.2. It's on -- Commissioners, on -- in
13 the attachment, Page 15. Although staff notes that
14 they conferred with Duke on the -- that this right
15 of first refusal is not, in fact, a right of first
16 refusal, 6.2 has language that would suggest
17 otherwise.

18 It reads, "Subject to the right of refusal of
19 DEF set forth in Section 6.3" -- and again, I think
20 the staff recommendation makes it clear that that's
21 not the intent of the utility, but that language is
22 ambiguous and would imply right of first refusal,
23 in my --

24 MR. BERNIER: Yes, ma'am. I -- I would have
25 to agree with you on that. What we can do is

1 strike "... To the right of refusal of the DEF set
2 forth in" -- so, it would just read, "Subject to
3 Section 6.3."

4 CHAIRMAN BROWN: That was my recommendation.
5 And -- and with that, I -- I don't think there are
6 any other issues. I appreciate you be- -- coming
7 up here.

8 I do have one more question, actually. Under
9 11.4, the security, on Page 22 of the attachment --
10 it removes the last -- and really just the -- the
11 question is on the last sentence of 11.4, returning
12 the security. So, what will happen to that
13 security deposit with the deletion of this
14 language?

15 MR. BERNIER: Just one second, please.

16 CHAIRMAN BROWN: Okay.

17 MR. BERNIER: (Examining document.) I still
18 think, with the elimination of that language, the
19 security would be returned at the completion.

20 CHAIRMAN BROWN: And -- and staff, we talked
21 about this. I didn't -- I don't know if you've had
22 a chance to review it, if it was elsewhere.
23 That -- again, it's -- the language says, "Upon the
24 completion of 12 consecutive months with ACBF
25 greater than or equal to 95 percent, then DEF will

1 return the completion performance security within
2 90 days."

3 I didn't find that anywhere in the return of
4 that deposit -- the security.

5 MR. ELLIS: At least by my understanding on
6 the prior page, on Page 21, under 11.2, it was my
7 understanding that it would be returned, rather, at
8 the completion of -- termination of the contract,
9 not necessarily after a 12-month period.

10 CHAIRMAN BROWN: Are you comfortable with
11 that?

12 MR. ELLIS: It is different than the standard
13 offers provided for under the other utilities.
14 Similar things have been included in some purchase
15 power agreements.

16 The rule requirement is merely that the
17 security exists, but doesn't necessarily define any
18 other terms which would be at the discretion of the
19 Commission.

20 CHAIRMAN BROWN: Thank you, Mr. Ellis.

21 Mr. Bernier, any comments on that?

22 MR. BERNIER: I would just note that this is a
23 standard offer contract and that, of course, if
24 there are any QFs that have any issues with any of
25 the provisions, they are open to negotiation and

1 would file a negotiated contract.

2 CHAIRMAN BROWN: Definitely aware of it, but
3 I -- I think we need to be abundantly clear and
4 clarify it. Maybe just consider putting that
5 language back in, 11.4 that was stricken, because I
6 think that is -- is much more clear than deferring
7 back to 11.2.

8 Again, this is our standard offer contract --

9 MR. BERNIER: Sure.

10 CHAIRMAN BROWN: -- that we're giving our
11 blessing as a --

12 MR. BERNIER: Yes, ma'am.

13 CHAIRMAN BROWN: -- form, a starting point.
14 Having that language, I think, would make it more
15 clear and comport with what the other IOUs are
16 doing.

17 MR. BERNIER: I understand that. I -- I would
18 have to get back with my client and see if that
19 would be something that they would be willing to do
20 now or if it would be something that would be next
21 year when we file that standard offer, but I can --
22 I can easily check and come back.

23 CHAIRMAN BROWN: Comm- -- staff?

24 MR. ELLIS: In terms of timing for this
25 particular docket -- there is no requirement in

1 terms of timing for it to be addressed now. It
2 could be moved to a future agenda if the Commission
3 wanted the filing, or it could be addressed in the
4 next year's proceeding.

5 CHAIRMAN BROWN: Commissioners, I hate to be a
6 stickler on this. Again, this is just a -- it's a
7 little bit -- significantly different than the
8 other IOUs' standard offer.

9 All right. Mr. Bernier, if you don't mind,
10 we're going to go ahead and defer it. And if you
11 could, work with your company on --

12 MR. BERNIER: Absolutely.

13 CHAIRMAN BROWN: Appreciate it.

14 MR. BERNIER: Yes, ma'am.

15 CHAIRMAN BROWN: Thank you.

16 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS, Court Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages, numbered 1 through 7, are a true and correct record of the aforesaid proceedings.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 24th day of July, 2017.



ANDREA KOMARIDIS
NOTARY PUBLIC
COMMISSION #GG060963
EXPIRES February 9, 2021