

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery)
clause with generating performance incentive) Docket No. 20170001-EI
factor_____) Filed: October 2, 2017

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s Order No. PSC-17-0053-PCO-EI, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorneys, files its Prehearing Statement in the above matter.

A. APPEARANCES

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B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time.

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination.

D. STATEMENT OF BASIC POSITION

Only costs prudently incurred and legally authorized should be recovered through the fuel clause. Florida electric utilities, including in particular Duke Energy Florida, Inc. (“DEF”), must satisfy

the burden of proving the reasonableness of any expenditures for which recovery or other relief is sought in this proceeding.

Additionally, PCS Phosphate is a signatory to the pending 2017 Second Revised and Restated Settlement Agreement, filed with the Commission in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement*. That proposed agreement contains provisions that pertain to prior period fuel cost under-recoveries that are included in DEF's filing in this docket. PCS Phosphate supports the recovery of prudently incurred Duke Energy Florida fuel costs in the manner proposed in that pending rate settlement agreement.

E. STATEMENT ON SPECIFIC ISSUES

I. FUEL ISSUES

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve as prudent DEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in DEF's April 2017 and August 2017 hedging reports?

PCS Phosphate: No position.

ISSUE 1B: What adjustments, if any, are needed to account for replacement power costs associated with the February 2017 outage at the Bartow generating plant?

PCS Phosphate: PCS agrees with the Office of Public Counsel.

Florida Power & Light Company

ISSUE 2A: Should the Commission approve as prudent FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2017 and August 2017 hedging reports?

PCS Phosphate: No position.

ISSUE 2B: What is the total gain in 2016 under the Incentive Mechanism approved in Order No. PSC-13-0023-S-EI, and how is that gain to be shared between FPL and customers?

PCS Phosphate: No position.

ISSUE 2C: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2016 through December 2016?

PCS Phosphate: No position.

ISSUE 2D: What is the appropriate amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M costs incurred to generate output for wholesale sales in excess of 514,000 megawatt-hours for the period January 2016 through December 2016?

PCS Phosphate: No position.

ISSUE 2E: What is the appropriate amount of actual/estimated Incremental Optimization Costs under the Incentive Mechanism approved by Order No. PSC-16-0560-AS-EI that FPL may recover through the fuel clause for the period January 2017 through December 2017?

PCS Phosphate: No position.

ISSUE 2F: What is the appropriate amount of actual/estimated variable power plant O&M expenses under the revised Incentive Mechanism that FPL may recover through the fuel clause for the period January 2017 through December 2017?

PCS Phosphate: No position.

ISSUE 2G: What is the appropriate amount of projected Incremental Optimization Costs under the revised Incentive Mechanism FPL may recover through the fuel clause for the period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 2H: What is the appropriate amount of projected variable power plant O&M expenses under the revised Incentive Mechanism FPL may recover through the fuel clause for the period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 2I: Have all Woodford-related costs been removed from FPL's requested true-up and projected fuel costs?

PCS Phosphate: No position.

ISSUE 2J: Are the 2017 SOBRA projects proposed by FPL (Horizon, Wildflower, Indian River, and Coral Farms) cost effective?

PCS Phosphate: No position.

ISSUE 2K: What are the revenue requirements associated with the 2017 SOBRA projects?

PCS Phosphate: No position.

ISSUE 2L: What is the appropriate base rate percentage increase for the 2017 SOBRA projects to be effective when all 2017 projects are in service, currently projected to be January 1, 2018?

PCS Phosphate: No position.

ISSUE 2M: Are the 2018 SOBRA projects proposed by FPL (Hammock, Bearfoot Bay, Blue Cypress and Loggerhead) cost effective?

PCS Phosphate: No position.

ISSUE 2N: What are the revenue requirements associated with the 2018 SOBRA projects?

PCS Phosphate: No position.

ISSUE 2O: What is the appropriate base rate percentage increase for the 2018 SOBRA projects to be effective when all 2018 projects are in service, currently projected to be March 1, 2018?

PCS Phosphate: No position.

ISSUE 2P: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2017 and 2018 SoBRA projects determined to be appropriate in this proceeding?

PCS Phosphate: No position.

ISSUE 2Q: Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of the Indiantown Cogeneration L.P. (Indiantown) facility transaction approved by the Commission in Docket No. 160154-EI?

PCS Phosphate: No position.

ISSUE 2R: How should the effects on the 2018 Fuel and Capacity Clause factors of the St. Johns River Power Park Transaction (SJRPP), approved by the Commission September 25, 2017, be addressed?

PCS Phosphate: No position.

Florida Public Utilities Company

ISSUE 3A: What amount should be refunded through the Fuel Clause to customers as a result of the Florida Supreme Court's March 16, 2017 decision on the FPL Interconnection Line project?

PCS Phosphate: No position.

Gulf Power Company

ISSUE 4A: Should the Commission approve as prudent Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf's April 2017 and August 2017 hedging reports?

PCS Phosphate: No position.

Tampa Electric Company

ISSUE 5A: Should the Commission approve as prudent TECO's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO's April 2017 and August 2017 hedging reports?

PCS Phosphate: No position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2017 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PCS Phosphate: No position.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

PCS Phosphate: No position.

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2016 through December 2016?

PCS Phosphate: No position at this time, but DEF under-recoveries for this period

should be recovered as proposed in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement*.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2017 through December 2017?

PCS Phosphate: No position at this time, except that DEF under-recoveries for this period should be recovered as proposed in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement*.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2018 to December 2018?

PCS Phosphate: No position at this time, except that DEF under-recoveries for prior periods should be recovered as proposed in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement*.

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2018 through December 2018?

PCS Phosphate: No position at this time, except that DEF under-recoveries for prior periods should be recovered as proposed in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement*.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Florida Power & Light Company

ISSUE 13A: What are the appropriate adjustments to FPL's 2017 GPIF targets/ranges to reflect the effects of the Indiantown transaction approved by the Commission in Docket No. 160154-EI?

PCS Phosphate: No position.

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 15A, 15B, 15C, and so forth, as appropriate.

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2016 through December 2016 for each investor-owned electric utility subject to the GPIF?

PCS Phosphate: No position.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2018 through December 2018 for each investor-owned electric utility subject to the GPIF?

PCS Phosphate: No position.

FUEL FACTOR CALCULATION ISSUES

ISSUE 18: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 19: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 21: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

PCS Phosphate: No position at this time.

ISSUE 22: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

PCS Phosphate: No position at this time.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 23A: Has DEF included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 170009-EI?

PCS Phosphate: No position.

Florida Power & Light Company

ISSUE 24A: Has FPL included in the capacity cost recovery clause the nuclear cost recovery amount ordered by the Commission in Docket No. 170009-EI?

PCS Phosphate: No position.

ISSUE 24B: Has FPL properly reflected in the capacity cost recovery clause the effects of the Indiantown transaction approved by the Commission in Docket No. 160154-EI?

PCS Phosphate: No position.

ISSUE 24C: What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2017 and 2018?

PCS Phosphate: No position.

ISSUE 24D: Is \$5,155,918 the appropriate refund amount associated with the Port Everglades Energy Center (PEEC) GBRA true-up?

PCS Phosphate: No position.

Gulf Power Company

No company-specific issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 25A, 25B, 25C, and so forth, as appropriate.

Tampa Electric Company

No company-specific issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 26A, 26B, 26C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate final capacity cost recovery true-up amounts for the period January 2016 through December 2016?

PCS Phosphate: PCS agrees with FIPUG.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2017 through December 2017?

PCS Phosphate: PCS agrees with FIPUG.

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2018 through December 2018?

PCS Phosphate: PCS agrees with FIPUG.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2018 through December 2018?

PCS Phosphate: PCS agrees with FIPUG.

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2018 through December 2018?

PCS Phosphate: PCS agrees with FIPUG.

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2018 through December 2018?

PCS Phosphate: No position.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2018 through December 2018?

PCS Phosphate: No position.

III. EFFECTIVE DATE

ISSUE 34: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

PCS Phosphate: No position.

ISSUE 35: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

PCS Phosphate: No position.

ISSUE 36: Should this docket be closed?

PCS Phosphate: No position.

F. PENDING MOTIONS

None.

G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the Procedural Order with which PCS Phosphate cannot comply.

Respectfully submitted,

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Dated: October 2, 2017

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement of PCS Phosphate has been furnished by electronic mail this 2nd day of October 2017 to the following:

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