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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20200001-EI

FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE WITH
GENERATING PERFORMANCE
INCENTIVE FACTOR.

_____ /

PROCEEDINGS: SPECIAL AGENDA CONFERENCE
ITEM NO. 1

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER JULIE I. BROWN
COMMISSIONER DONALD J. POLMANN
COMMISSIONER ANDREW GILES FAY

DATE: Tuesday, April 28, 2020

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

REPORTED BY: ANDREA KOMARIDIS WRAY
Court Reporter and
Notary Public in and for
the State of Florida at Large

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

2 CHAIRMAN CLARK: Good morning. We're going to
3 go ahead and get started this morning, try to get
4 this thing kicked off. Before we begin, I would
5 like to take the opportunity to open our meeting
6 with a short invocation. For those of you that are
7 here, in the audience, would like to stand with me,
8 please, we'll have a moment of prayer.

9 (Invocation given.)

10 CHAIRMAN CLARK: Thank you. You may be
11 seated.

12 Again, it's certainly good to have everyone
13 here with us today. We have kind of another
14 limited crowd, but I know there are a lot of folks
15 online that are joining us this morning.

16 We're going to try to make our way through the
17 agenda, taking all of the necessary precautions,
18 making sure everyone that would like to speak is
19 given an opportunity to be heard.

20 And good morning to my fellow Commissioners.
21 Commissioner Graham, you've changed on me there
22 since I looked down last. Looking more like your
23 normal self there.

24 Certainly good to see each of you as well.

25 Look forward to the opportunity when we can all be

1 back together, I guess, kind of in a normal
2 setting.

3 We're going to call the meeting to order. And
4 I'm going to ask Mr. Mark Futrell, if he will, to
5 introduce the first item.

6 MR. FUTRELL: Good morning, Mr. Chairman,
7 Commissioners. I'm Mark Futrell with the staff.

8 The item on this morning's special agenda
9 concerns the petitions filed by Tampa Electric
10 Company, Florida Power & Light Company, Gulf Power
11 Company, and Duke Energy Florida.

12 These utilities request Commission approval of
13 mid-course corrections to fuel and capacity cost
14 recovery in order to recognize an expected
15 reduction in these costs in 2020 compared to
16 projections made in 2019.

17 The fuel and purchase power cost-recovery
18 clause hearing is held annually. And mid-course
19 corrections may be used by the Commission between
20 hearings if these costs deviate from revenues by a
21 significant margin.

22 Any over-recovery or under-recovery of costs
23 resulting from an adjustment to fuel fac- -- rates
24 or factors as part of a mid-course correction would
25 be subject to Commission review during the hearing

1 in November.

2 In this instance, the currently-projected
3 price of natural gas has declined significantly
4 relative to the projected price of gas embedded in
5 the current fuel rates or factors charged by each
6 of the four utilities.

7 The utilities are requesting approval to
8 temporarily reduce the expected fuel and capacity
9 charges to customers. While the specific
10 methodologies vary by utility, each is requesting
11 approval to accelerate flowing the projected over-
12 recovery of fuel and capacity costs to their
13 respective customers.

14 The standard approach for mid-course
15 corrections is to spread the total amount equally
16 over the remaining months in the year; however, the
17 utilities are proposing to flow all or the majority
18 the projected over-recovery to customers in one- or
19 three-month periods.

20 The staff recommends approval of these
21 methodologies, given the unique circumstances of
22 our times, as these actions will aid in mitigating
23 the adverse economic conditions customers are
24 facing as a result of the pandemic.

25 The utilities and other parties are available

1 to address the Commission. Staff is available to
2 answer questions.

3 CHAIRMAN CLARK: Thank you, Mr. Futrell.

4 Okay. I'm going to go through the list of
5 participants and see if anyone has any comments
6 they would like to make specifically. Then we will
7 open it up to interested parties, for anyone that's
8 on the line that has comment. Then we will come to
9 individual Commissioners, give you an opportunity
10 to ask your questions.

11 We do have staff available. We have legal and
12 technical staff both available for any of your
13 questions this morning, both on the line and in the
14 room. So, we will address those issues and
15 concerns.

16 Then, at that point, we will call for the
17 motion and discussion from that point on.

18 So, with that said, let me go through my list
19 real quick. Florida Power & Light, any comment?
20 Ms. Moncada.

21 MS. MONCADA: Good morning, Commissioners,
22 Mr. Chairman. Yes, Florida Power & Light has a
23 comment. And for the sake of expediency, I will be
24 speaking for both Gulf Power and FPL, if that is
25 okay with the Commission.

1 CHAIRMAN CLARK: Absolutely.

2 MS. MONCADA: Thank you. We appreciate the
3 opportunity to address you about this important
4 matter this morning.

5 FPL and Gulf supports staff's recommendation
6 to approve our respective petitions for a mid-
7 course correction. And before going any further, I
8 would like to thank the Commission as well as your
9 staff for moving so quickly on our filing and for
10 bringing it to this special agenda to allow us to
11 implement the significant rate relief for our
12 customers in the May billing cycle. We also
13 applaud the other IOUs that have filed for mid-
14 course correction.

15 As Mr. Futrell so eloquently pointed out,
16 these -- these are unique times. We are not living
17 under ordinary circumstances. The COVID-19
18 pandemic has presented challenges and substantial
19 limitations in the manner in which we all live, the
20 way we work, the way we play and interact with one
21 another. And this morning's hearing is an example
22 of that.

23 Social distancing also has had economic
24 -quences -- economic consequences, as Mr. Futrell
25 also pointed out. And that has impacted many of

1 our customers.

2 During this time, job one for FPL and Gulf,
3 when it comes to our customers, has been to keep
4 the lights on. And, as active members of the
5 communities that we serve, we also have chosen to
6 do something about the economic impact that so many
7 of our customers currently are experiencing due to
8 this pandemic. It is to that end that we ask for
9 your approval to reduce rates for the month of May
10 through these mid-course corrections.

11 And also, as Mr. Futrell -- Futrell pointed
12 out, we understand that the Commission typically
13 flows the over-recoveries -- and, in some
14 instances, they're under-recoveries or over-
15 recoveries -- but they flow them back to customers
16 over the remainder of the calendar year, but we do
17 believe this is an isolated exception and that it's
18 warranted by the extraordinary circumstances
19 surrounding the COVID-19 pandemic.

20 If these petitions for mid-course corrections
21 are approved, our customers will experience one-
22 time bill reductions that are substantial. And
23 this is applicable to all of our customers, from
24 residential to small business, includes
25 governmental entities, hospitals, and even up to

1 the largest industrial users. The reduction would
2 appear on their May bill, when so many of our
3 customers need the cash infusion the most.

4 Thank you, Mr. Chairman and Commissioners.
5 And we are available to answer any questions.

6 CHAIRMAN CLARK: Thank you, Ms. Moncada.

7 TECO, Mr. Wahlen.

8 MR. WAHLEN: Good morning, Commissioners.
9 It's Jeff Wahlen for Tampa Electric Company.
10 Penelope Rusk is also on the phone.

11 We support the staff's recommendation and
12 appreciate the work of the staff and the Commission
13 in bringing this matter up for a decision today.
14 And we're available to answer any questions, if the
15 Commissioners have any.

16 Thank you.

17 CHAIRMAN CLARK: Thank you, sir.

18 Duke Energy, Mr. Bernier.

19 MR. BERNIER: Good morning, Mr. Chairman. We
20 also support staff's recommendation. And we also
21 appreciate the speed with which staff was able to
22 move this forward and the Commission's willingness
23 to consider this as a special agenda.

24 Myself and Mr. Menendez are available, should
25 there be any questions, but thank you very much.

1 CHAIRMAN CLARK: Thank you, sir.

2 All right. OPC -- Mr. Kelly or Mr. Rehwinkel,
3 are you on the line?

4 MR. KELLY: Yes, sir, Mr. Chairman, we're on
5 the line.

6 CHAIRMAN CLARK: Okay.

7 MR. KELLY: But we -- we have -- we don't have
8 any comments at this time.

9 CHAIRMAN CLARK: Thank you very much, sir.
10 PCS, Mr. Brew.

11 MR. BREW: Yes, thank you very much. We don't
12 have any questions at this time.

13 CHAIRMAN CLARK: Thank you.

14 FIPUG, Mr. Moyle.

15 MR. MOYLE: Thank you, Mr. Chairman. We just
16 have a brief comment to make, which is that we are
17 appreciative of the utilities flowing back these
18 monies and particularly during these -- these tough
19 times.

20 We also appreciate the fact that the utilities
21 are no longer hedging and, if they had been, the
22 monies flowing back would have been reduced
23 significantly by the cost of hedges. So, we think
24 it's a good day for consumers, including industrial
25 consumers.

1 Those are all the comments we have.

2 CHAIRMAN CLARK: Thank you, Mr. Moyle.

3 All right. Commissioners, the floor is open
4 for any questions or any discussion that you guys
5 would like to have. Any Commissioners -- any
6 questions? Discussion? Comments?

7 COMMISSIONER BROWN: Mr. Chairman?

8 CHAIRMAN CLARK: Commissioner Brown.

9 COMMISSIONER BROWN: Thank you. I do have
10 just a comment I want to make.

11 You know, this is truly a no-brainer for me,
12 quite frankly. And I appreciate the IOUs taking an
13 early initiative to help their customers in such a
14 time of need.

15 Without a Commission directive, as is the case
16 in so many other states, whether it's a one-time
17 lump sum of release, as proposed, or a gradual
18 flow-back to customers, this is a tremendous public
19 benefit.

20 I also want to mention that I appreciate the
21 utilities actively managing their fuel contracts to
22 keep costs low for their customers, and reemphasize
23 my gratitude for being in the position we are today
24 so expeditiously.

25 Finally, I want to thank many of the companies

1 for their pro-consumer action they've taken early
2 on, whether it's an affirmative decree not to
3 disconnect for failure of payment or waiving late
4 fees or even contributions to local community non-
5 profits, as is the case of so many.

6 There's really been just an exemplary action
7 by the companies helping pay for housing and
8 utility costs to those in need. And I appreciate
9 the humanitarian effort during this difficult time.

10 CHAIRMAN CLARK: Thank you, Commissioner
11 Brown.

12 Commissioner Polmann.

13 COMMISSIONER POLMANN: Thank you,
14 Mr. Chairman.

15 Commissioner Brown said so many of the things
16 that I appreciate as well. I think she spoke very
17 eloquently to actions that the utilities have --
18 have taken. And I am very appreciative as well.

19 Let me simply add that, although the mid-
20 course correction is a manner -- a matter that can
21 arise annually, taking this action now, in the
22 extraordinary fashion that we're addressing
23 today -- it simply makes sense under the current
24 circumstances. It's the right thing to do for the
25 customers. And I certainly do find it to be in the

1 public interest in general.

2 I -- I applaud the effort and I do appreciate
3 the staff and Public Counsel and all the attendant
4 parties working together on this. I think it is a
5 very significant move and I would -- I would
6 support all of the issues.

7 Thank you, Mr. Chairman.

8 CHAIRMAN CLARK: Thank you, Commissioner
9 Polmann.

10 Commissioner Graham.

11 COMMISSIONER GRAHAM: Ditto.

12 CHAIRMAN CLARK: Thank you, Commissioner
13 Graham.

14 Commissioner Fay, any comments?

15 COMMISSIONER FAY: Thank you, Mr. Chairman.
16 Just one quick question and then a comment.

17 I -- and I think the question is directed at
18 staff. Ms. Moncada mentioned that all of the
19 consumers will feel the impact of this reduction.
20 I know there are some consumers who are on what's
21 referred to as budget billing.

22 And so, I just want to check really quick that
23 that -- this adjustment, depending on the time line
24 for the -- which utility filed it, would still
25 apply to those consumers.

1 CHAIRMAN CLARK: I'll let Mr. Futrell answer
2 that.

3 Mark?

4 MR. FUTRELL: Yes, Chairman and Commissioner
5 Fay, I believe Mr. Tripp Coston with the staff has
6 done some research on that.

7 And -- and Tripp, if you would, respond to
8 that question, please.

9 MR. COSTON: Yes, this is Tripp Coston with
10 staff.

11 Commissioner Fay, I have confirmed with each
12 of the utilities involved in this particular docket
13 that the customers who have participated in the
14 budget-billing tariff will receive the same benefit
15 and the same credit that all the customers will
16 receive in that particular rate class.

17 They will experience how they benefit from
18 that particular -- or this particular reduction a
19 little differently. Based on the budget-billing
20 process, that particular credit, the credit that
21 may be received by those customers, will be spread
22 out over the budget-billing-calculation period.
23 So, instead of seeing a one-month reduction, they
24 will see that credit over a period of between three
25 and 12 months, depending on the budget-billing

1 cycle for that particular customer.

2 COMMISSIONER FAY: Okay. Great. That --
3 appreciate the answer.

4 And then the -- the quick comment that I
5 had -- I also want to thank staff, but also thank
6 our Chair. I think when we were working on storm-
7 hardening rules, I made a comment about the speed
8 at which the Commission was able to -- to look at
9 those rules and move them forward.

10 The speed at which these petitions, the
11 recommendations, and this hearing were set up was
12 extremely impressive. And so, I appreciate the
13 staff, Chair, and the other Commissioners for
14 making this work.

15 That's all I have, Mr. Chair. Thank you.

16 CHAIRMAN CLARK: Thank you, Commissioner Fay.
17 Thank you to all the Commissioners for your
18 comments.

19 I will just echo that these unusual and
20 difficult times call for unusual and difficult
21 measures. And I want to just say thank you, again,
22 to the -- all of the parties that have stepped up
23 to the plate and are doing their part to try to
24 ease some of the pain that the consumers are
25 feeling out there.

1 I think this is a very strategic move on
2 behalf of the utility companies and I applaud you
3 for your efforts. And thank you, Commissioners,
4 for you and your staff's work during this
5 particular time.

6 With that said, I will call for a motion on
7 the items.

8 Commissioner Brown, you're recognized for a
9 motion.

10 COMMISSIONER BROWN: Thank you, Mr. Chairman.
11 Move to approve all issues in this matter.

12 CHAIRMAN CLARK: Do I have a second?

13 COMMISSIONER GRAHAM: Second.

14 CHAIRMAN CLARK: I have a motion and a second
15 to approve staff recommendation on all items in
16 this docket. Is there any discussion or questions?

17 On the motion, by roll-call vote, Commissioner
18 Brown.

19 COMMISSIONER BROWN: Aye.

20 CHAIRMAN CLARK: Commissioner Polmann.

21 COMMISSIONER POLMANN: Aye.

22 CHAIRMAN CLARK: Commissioner Graham.

23 COMMISSIONER GRAHAM: Aye.

24 CHAIRMAN CLARK: Commissioner Fay.

25 COMMISSIONER FAY: Aye.

1 CHAIRMAN CLARK: All right. The motion is
2 approved unanimously.

3 Is there any other business to come before the
4 Commission? Seeing none, we will stand adjourned.
5 Thank you very much for your participation. Have a
6 good one, guys.

7 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS WRAY, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said 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 7th day of May, 2020.



ANDREA KOMARIDIS WRAY
NOTARY PUBLIC
COMMISSION #GG365545
EXPIRES February 9, 2021