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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  
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the State of Florida at Large

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P R O C E E D I N G S

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

(Invocation given.)

CHAIRMAN CLARK: Thank you. You may be seated.

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

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

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

Certainly good to see each of you as well. 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.



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