

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 20200001-EI

DATED: October 6, 2020

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2020-0041-PCO-EII, filed January 31, 2020, as amended by Order No. PSC-2020-0123-PCO-PU, filed April 23, 2020, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Witness	Subject Matter	Issues #
Direct		
Debra M. Dobiac	Commission Staff Auditor's Report Gulf Power Company	4A

2. All Known Exhibits

Witness	Proffered By	Exhibit No.	Description	Issues #
Direct				
Debra M. Dobiac	Commission staff	DMD-1	Auditor's Report-Hedging Activities	4A

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

COMPANY SPECIFIC ISSUES

Duke Energy Florida, LLC.

Contested Issue A listed below will be placed here if included in the docket by the Prehearing Officer.

Florida Power & Light

ISSUE 2A: What is the appropriate revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

POSITION: Staff has no position at this time.

ISSUE 2B: What is the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2019 through December 2019, and how should that gain be shared between FPL and customers?

POSITION: Staff has no position at this time.

ISSUE 2C: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2019 through December 2019?

POSITION: Staff has no position at this time.

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2019 through December 2019?

POSITION: Staff has no position at this time.

ISSUE 2E: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2019 through December 2019?

POSITION: Staff has no position at this time.

ISSUE 2F: Has FPL made reasonable and prudent adjustments, if any are needed, to account for replacement power costs associated with the April 2019 forced outage at St. Lucie Nuclear Power Plant, Unit No. 1?

POSITION: Staff has no position at this time.

ISSUE 2G: Has FPL made reasonable and prudent adjustments, if any are needed, to account for replacement power costs associated with the March 2020 return-to-service delay at St. Lucie Nuclear Power Plant, Unit No. 2?

POSITION: Staff has no position at this time.

ISSUE 2H: What is the appropriate subscription credit associated with FPL's Solar Together Program, approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2021?

POSITION: Staff has no position at this time.

Florida Public Utilities Company

ISSUE 3A: Should the Commission approve FPUC's revised Fuel and Purchased Power Cost Recovery factors filed in accordance with the Stipulation and Settlement approved in Docket No. 20190156-EI, which reflect the flow-through of interim rate over-recovery calculated based on 9 months actual and 1 month estimated revenues?

POSITION: Staff has no position at this time.

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 2020 hedging report?

POSITION: Staff has no position at this time.

Tampa Electric Company

ISSUE 5A: What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI that TECO may recover for the period January 2019 through December 2019, and how should that gain to be shared between TECO and customers?

POSITION: Staff has no position at this time.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: Staff has no position at this time.

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2021 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

POSITION: Staff has no position at this time.

ISSUE 8: What are the appropriate final fuel adjustment true-up amounts for the period January 2019 through December 2019?

POSITION: Staff has no position at this time.

ISSUE 9: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2020 through December 2020?

POSITION: Staff has no position at this time.

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2021 through December 2021?

POSITION: Staff has no position at this time.

ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2021 through December 2021?

POSITION: Staff has no position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific GPIF issues for Duke Energy Florida, LLC. 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

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

Gulf Power Company

No company-specific GPIF 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 GPIF 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 GPIF ISSUES

ISSUE 16: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF?

POSITION: Staff has no position at this time.

ISSUE 17: What should the GPIF targets/ranges be for the period January 2021 through December 2021 for each investor-owned electric utility subject to the GPIF?

POSITION: Staff has no position at this time.

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 2021 through December 2021?

POSITION: Staff has no position at this time.

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 2021 through December 2021?

POSITION: Staff has no position at this time.

ISSUE 20: What are the appropriate levelized fuel cost recovery factors for the period January 2021 through December 2021?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has 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?

POSITION: Staff has no position at this time.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 23A: What is the appropriate net book value of retired Plant Crystal River South (Units 1 and 2) assets to be recovered over a one-year period as approved by Order No. PSC-2017-0451-AS-EU?

POSITION: Staff has no position at this time.

ISSUE 23B: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement?

POSITION: Staff has no position at this time.

ISSUE 23C: Should the Commission approve the Third Implementation Stipulation and, if approved, what is the amount of state corporate income tax savings that should be refunded to customers through the capacity clause in 2021?

POSITION: Staff has no position at this time.

ISSUE 23D: What adjustment amounts should the Commission approve to be refunded through the capacity clause in 2021 for the Columbia SoBRA I project approved in Docket No. 20180149-EI and the DeBary, Lake Placid, and Trenton SoBRA II projects approved in Docket No. 20190072-EI?

POSITION: Staff has no position at this time.

Florida Power & Light Company

ISSUE 24A: What is the appropriate true-up adjustment amount associated with the 2018 SOBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2021?

POSITION: Staff has no position at this time.

ISSUE 24B: 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 (Order No. PSC-16-0506-FOF-EI) for 2021?

POSITION: Staff has no position at this time.

Gulf Power Company

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

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will 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 2019 through December 2019?

POSITION: Staff has no position at this time.

ISSUE 28: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2020 through December 2020?

POSITION: Staff has no position at this time.

ISSUE 29: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2021 through December 2021?

POSITION: Staff has no position at this time.

ISSUE 30: What are the appropriate projected total capacity cost recovery amounts for the period January 2021 through December 2021?

POSITION: Staff has no position at this time.

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 2021 through December 2021?

POSITION: Staff has no position at this time.

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 2021 through December 2021?

POSITION: Staff has no position at this time.

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2021 through December 2021?

POSITION: Staff has no position at this time.

III. EFFECTIVE DATE

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

ISSUE 36: Should this docket be closed?

POSITION: Staff has no position at this time.

CONTESTED ISSUES

ISSUE A: What action should be taken in response to the Commission's September 1, 2020 vote to approve, without modification, Judge Stevenson's Recommended Order dated April 27, 2020, regarding the Bartow Unit 4 February 2017 outage?

POSITION: Staff has no position at this time.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

There are no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Commission staff has no pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

Commission staff has no objections to witness qualifications at this time.

COMMISSION STAFF'S PREHEARING STATEMENT

DOCKET NO. 20200001-EI

PAGE 9

9. Request for sequestration of witnesses

Commission staff has no request for the sequestration of any witness at this time.

10. Compliance with Order Nos. PSC-2020-0041-PCO-EI and PSC-2020-0123-PCO-PU

Staff has complied with all requirements of the Orders Establishing Procedure entered in this docket.

Respectfully submitted this 6th day of October, 2020.

/s/ Suzanne S. Brownless

SUZANNE S. BROWNLESS

STAFF COUNSEL

FLORIDA PUBLIC SERVICE COMMISSION

Gerald L. Gunter Building

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Telephone: (850) 413-6218

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 20200001-EI

DATED: October 6, 2020

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 6th day of October, 2020:

James Beasley/J. Jeffrey Wahlen/M. Means
Ausley Law Firm
Post Office Box 391
Tallahassee, Florida 32302
jbeasley@ausley.com
jwahlen@ausley.com
mmeans@ausley.com

Kenneth A. Hoffman
Florida Power & Light Company
134 W. Jefferson Street
Tallahassee, Florida 32301
kenneth.hoffman@fpl.com

Steven R. Griffin
Beggs Law Firm
Post Office Box 12950
Pensacola, Florida 32591-2950
srg@beggslane.com

Mike Cassel
Florida Public Utilities Company
208 Wildlight Ave.
Yulee, FL 32097
mcassel@fpuc.com

Matthew R. Bernier, Esq.
Duke Energy Florida
106 East College Avenue, Suite 800
Tallahassee, Florida 32301
matthew.bernier@duke-energy.com
FLRegulatoryLegal@duke-energy.com

J.R. Kelly/Patricia A. Christensen
S. Morse/ T. David/ M. Fall-Fry/
C. Rehwinkel
Office of Public Counsel
111 W. Madison Street, Room 812
Tallahassee, Florida 32399
Kelly.jr@leg.state.fl.us
Christensen.patty@leg.state.fl.us
Morse.stephanie@leg.state.fl.us
David.tad@leg.state.fl.us
Fall-fry.mireille@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us

Dianne M. Triplett
Duke Energy Florida
299 First Avenue North
St. Petersburg, Florida 33701
Dianne.triplett@duke-energy.com

CERTIFICATE OF SERVICE
DOCKET NO. 20200001-EI
PAGE 2

Jon C. Moyle, Jr.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
mqualls@moylelaw.com

Russell A. Badders
Gulf Power Company
One Energy Place, Bin 100
Pensacola, FL 32520
Russell.badders@nexteraenergy.com

Maria Jose Moncada/ David M. Lee
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
Maria.moncada@fpl.com
david.lee@fpl.com

Beth Keating
Gunster Law Firm
215 South Monroe Street, Suite 601
Tallahassee, Florida 32301
bkeating@gunster.com

James W. Brew/Laura W. Baker
Stone Law Firm
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007
jbrew@smxblaw.com
lwb@smxblaw.com

Ms. Paula K. Brown
Tampa Electric Company
Post Office Box 111
Tampa, Florida 33601
regdept@tecoenergy.com

/s/ Suzanne S. Brownless

SUZANNE S. BROWNLESS
STAFF COUNSEL
FLORIDA PUBLIC SERVICE COMMISSION
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Telephone: (850) 413-6218