

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida
Power & Light Company.

DOCKET NO. 20210015-EI
ORDER NO. PSC-2022-0327-PCO-EI
ISSUED: September 14, 2022

ORDER ON PROCEDURE

I. Case Background

On August 23, 2022, Florida Power & Light Company (FPL) filed a Notice of Triggering Revised Authorized Return on Equity (Notice) stating that pursuant to the terms of its 2021 Settlement Agreement,¹ as amended by Order No. PSC-2021-0446A-S-EI, it was increasing its return on equity (ROE) to 10.8% and ROE range to 9.8% to 11.8%, effective September 1, 2022.

Section 3(b) of the 2021 Settlement Agreement states as follows:

(b) If at any time during the Term, but no more than once during the Term, the average 30-year United States Treasury Bond yield rate for any period of six (6) consecutive months is at least 50 basis points greater than the yield rate on the date this Agreement is filed with the Commission (the “Trigger”), FPL’s authorized ROE shall, after an elective filing by FPL, be increased by 20 basis points to be within a range of 9.8% to 11.8% with a mid-point of 10.8% (“Revised Authorized ROE”) from the Trigger Effective Date defined below for and through the remainder of the Minimum Term, and for any period in which the Company’s rates continue in effect after December 31, 2025, and then, until the Commission issues a final order in a future proceeding changing the Company’s rates and its authorized ROE.

On October 27, 2021, FPL filed notice that the 30-year United States Treasury Bond yield rate on August 10, 2021, the date of the 2021 Settlement Agreement, was 1.99%.² On August 31, 2022, FPL provided its calculation of the date on which its authorized ROE was exceeded for a period of six (6) consecutive months by at least 50 basis points greater than the yield rate on August 10, 2021.³

This Order is issued pursuant to the authority granted by Rule 28-106.211, Florida Administrative Code (F.A.C.), which provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case. Modifications to procedures governing parties to this docket may be made by subsequent procedural order.

¹ Order No. PSC-2021-0446-S-EI, issued December 2, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*, as amended by Order No. PSC--2021-0446A-S-EI, issued December 9, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

² Document Number 12427-2021.

³ Document Number 05885-2022.

II. Procedural Matters

Data Requests

Commission staff and the parties shall be permitted a limited time to send no more than 50 data requests. Parties are directed to respond to the data requests in writing so the response is received within five business days of receipt of the request. All written data responses must be accompanied by an Affidavit identifying the persons providing the responses. All data responses must be received by September 26, 2022. Information obtained through data requests may be used by the parties in their oral arguments, by staff in advising the Commission, and by the Commissioners in consideration of FPL's Notice.

Confidential Information Provided Pursuant to Data Requests

Any information provided to the Commission staff pursuant to a discovery request by the staff or any other person and for which proprietary confidential business information status is requested pursuant to Section 366.093 Florida Statutes (F.S.), and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Subsection 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

Redacted versions of confidential filings may be served electronically, but in no instance may confidential information be electronically submitted. If the redacted version is served electronically, the confidential information (which may be on a CD, DVD, or flash drive) shall be filed with the Commission Clerk via hand-delivery, U.S. Mail, or overnight mail on the day that the redacted version was served via e-mail.

When a party other than the Commission staff requests information through discovery that the respondent maintains as proprietary confidential business information, or when such a party would otherwise be entitled to copies of such information requested by other parties through discovery (e.g., interrogatory responses), that party and respondent shall endeavor in good faith to reach agreement that will allow for the exchange of such information on reasonable terms, as set forth in Rule 25-22.006(7)(b), F.A.C.

Confidential Information at Hearing

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the

Commission as confidential. The information shall be exempt from Subsection 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

Any requests to hold portions of the hearing exempt from the requirements of Subsection 119.07(1), F.S., must be made in writing and filed with the Commission Clerk by September 27, 2022.

III. Hearing Procedures

The purpose of this hearing is for the Commission to take oral and written evidence or argument regarding the approval of FPL's implementation of the return on equity trigger provision in the 2021 Settlement Agreement. The issues to be considered at the hearing are as follows:

Issue 1: What was the 30-year U. S. Treasury Bond yield rate as of August 10, 2021, the date of the 2021 Settlement Agreement?

Issue 2: What is the average 30-year U. S. Treasury Bond yield rate for the six-month period February 22, 2022 through August 19, 2022?

Issue 3: Have the conditions stated in Section 3(b) of FPL's Commission-approved 2021 Settlement Agreement been met to implement the agreed upon revision of FPL's authorized ROE?

Issue 4: If the conditions allowing the agreed upon revision to FPL's authorized ROE pursuant to the Commission-approved 2021 Settlement Agreement have been met, what is the revised authorized ROE range, ROE midpoint, and effective date pursuant to Section 3(b) of the 2021 Settlement Agreement?

Issue 5: If the trigger provisions of the 2021 Settlement Agreement are met, to what regulatory mechanisms will the revised authorized ROE range and midpoint be applied?

Issue 6: Should this docket be closed?

The hearing agenda for October 4, 2022, will include the following:

- 1) Parties present Opening Statements of no more than five minutes per party;
- 2) Parties present evidence and respond to questions from Commissioners regarding the identified issues.

Upon the admission of all testimony and evidence, and completion of the Commission's questions at hearing, the hearing record will be closed. At that time, the Commission may render a bench decision, provided all parties are willing to waive filing of post-hearing briefs. If a bench decision is not made, the Commission will announce a date and time to continue the hearing. Briefs, if any, will be due October 6, 2022.

The Commission has jurisdiction in this matter pursuant to Chapters 120 and 366, F.S., and is proceeding under its authority under Sections 366.04, 366.05, 366.06, and 120.57, F.S.

Based on the foregoing, it is

ORDERED by Commissioner Gary F. Clark, as Prehearing Officer, that the provisions of this Order shall govern this proceeding unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 14th day of September, , 2022.



GARY F. CLARK
Commissioner and Prehearing Officer
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review

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appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.