

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 20180001-EI

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

FILED 6/13/2018
DOCUMENT NO. 04208-2018
FPSC - COMMISSION CLERK

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DOCKET NO. 20180007-EI

ENVIRONMENTAL COST
RECOVERY CLAUSE.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NOS. 7 and 8

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

DATE: Tuesday, June 5, 2018

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

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

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

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

2 CHAIRMAN GRAHAM: Okay. We're going to come
3 back to Items No. 5 and 6.

4 Let's move on to Item No. 7.

5 MR. BARRETT: Good morning, Commissioner.

6 Actually, we're combining an introduction for
7 Items 7 and 8 for you this morning. I'm Michael
8 Barrett with staff.

9 Items 7 and 8 are mid-course-correction
10 petitions from Florida Power & Light Company to
11 cost recovery factors to be effective with the
12 first billing cycle in July. Item 7 addresses the
13 correction for capacity cost recovery factors, and
14 Item 8 addresses the correction for environmental
15 cost recovery factors.

16 FPL filed the same petition in both dockets in
17 order to reflect the effects of new federal tax
18 legislation. The requested correction lowers the
19 bill for a residential customer using 1,000-
20 kilowatt hours of electricity by a net total of 50
21 cents per month. A single issue, Issue 1, in each
22 recommendation captures the mid-course correction
23 and approval of the tariff sheets.

24 Staff is not aware of any customer comments
25 that have been filed in either docket. Mr. John

1 Butler, from Florida Power & Light, is available to
2 address any questions you would have. And
3 Mr. Rehwinkel, from the Office of Public Counsel,
4 would like to address you this morning.

5 Staff recommends approval on Items 6 -- pardon
6 me -- 7 and 8, and is available for your questions.

7 CHAIRMAN GRAHAM: Thank you, staff.

8 Ms. Morse, does OPC have anything?

9 MS. MORSE: Yes, we do. Stephanie Morse --
10 good morning -- for OPC and Charles Rehwinkel.
11 While OPC does not oppose the concept of a mid-
12 course correction or mid-course corrections in the
13 fuel capacity costs or Environmental Cost Recovery
14 Clauses, based on changes in the federal tax laws,
15 we would like to qual- -- clarify that data from
16 the resolution of the separate FPL tax docket
17 should be considered during the true-up process.

18 We are referring to Docket No. 20180046-EI
19 titled In re: Consideration of the Tax Impacts
20 Associated with the Tax Cuts and Jobs Act of 19- --
21 2017 for Florida Power & Light Company.

22 In the full context, considering the issues
23 being considered in the tax docket, the tax savings
24 proposed in the referenced clause dockets are
25 preliminary in nature and savings -- any true-up

1 should be subject to the final tax savings that
2 will be fully adjudicated or otherwise resolved in
3 the tax docket.

4 Specifically, the true-up process must be
5 comprised of more than simply under- or
6 overrecovery of the proposed tax savings. For
7 example, the resolution of any tax issues in the
8 aforementioned docket that does not fully agree
9 with the proposed flowback of taxes attributable to
10 clause-related assets must also be subject to
11 true-up.

12 OPC also believes that any flowback of excess
13 deferred income taxes attributable to clause assets
14 should be included in a final resolution of the tax
15 savings associated with the tax docket.

16 Additionally, as to the ECRC clause
17 specifically, it is our position that any
18 calculation or true-up is subject to the outcome of
19 the appellate litigation currently pending in
20 Florida Supreme Court Case No. SC18-213.

21 By not objecting to the mid-course correction
22 here today, OPC does not waive any right or agree
23 that the current iteration of cost approved for
24 recovery related to the Turkey Point Cooling Canal
25 System is accurate or lawful; nor do we agree that

1 the capital or expense treatment of the CC- -- CCS
2 cost is appropriate.

3 As such, we state for the record that any ECRC
4 true-up is subject to the pending appeal.

5 Thank you.

6 CHAIRMAN GRAHAM: Thank you.

7 Commissioner Brown.

8 COMMISSIONER BROWN: Oh, no.

9 CHAIRMAN GRAHAM: Okay.

10 Mr. Butler, any comments?

11 MR. BUTLER: We support staff's
12 recommendation. I think it's certainly the case
13 that, in the clause dockets, things are always
14 subject to true-up if subsequent circumstances
15 warrant. And so, we would agree in that respect.

16 Kind of disagree with some of the
17 characterizations by Ms. Morse, but otherwise,
18 we're fine with moving forward with staff's
19 recommendation.

20 CHAIRMAN GRAHAM: Okay. Commissioners, any
21 comments, questions of OPC, Florida Power & Light,
22 or staff? Seeing none, I'll entertain a motion.

23 COMMISSIONER BROWN: Mr. Chairman, I would
24 move approval of staff's recommendation on all
25 issues on Items 7 and 8.

1 COMMISSIONER POLMANN: Second.

2 CHAIRMAN GRAHAM: It's been moved and second,
3 staff's recommendation on all issues on Items 7 and
4 8. Is there any further discussion?

5 Seeing none, all in favor, say aye.

6 (Chorus of ayes.)

7 CHAIRMAN GRAHAM: Any opposed?

8 By your action, you have approved staff
9 recommendations on all iss- -- all issues, Items 7
10 and 8.

11 Thank you, staff.

12 (Agenda items concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS, 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 13th day of June, 2018.



ANDREA KOMARIDIS
NOTARY PUBLIC
COMMISSION #GG060963
EXPIRES February 9, 2021