

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Energy Conservation Cost Recovery
Clause

Docket No. 20190002-EG

Filed: October 8, 2019

FLORIDA POWER & LIGHT COMPANY’S PREHEARING STATEMENT

Florida Power & Light Company (“FPL”), pursuant to Order No. PSC-2019-0082-PCO-EG establishing the procedure in this docket, hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for November 5-7, 2019.

1) WITNESSES

WITNESS	SUBJECT MATTER	ISSUES
R. B. Deaton	Conservation True-Up and Projection, WACC Methodology approval	1-3, 5-7, 11, 12
Anita Sharma	Conservation Projection	4

2) EXHIBITS

Witness	Exhibits	Description
R. B. Deaton	AS-1	Schedules CT-1 and CT-4
R. B. Deaton A. Sharma	AS-1	Schedules CT-2 and CT-3
A. Sharma	AS-1	Schedules CT-5 and CT-6, Appendix A
R. B. Deaton	AS-2	Schedule C-1 and C-4
R. B. Deaton A. Sharma	AS-2	Schedule C-2 and C-3
A. Sharma	AS-2	Schedule C-5

3) STATEMENT OF BASIC POSITION

FPL’s proposed Conservation Cost Recovery Factors for the January 2020 through December 2020 recovery period and true-up amounts for the prior periods are reasonable and should be approved. Additionally, the Joint Motion to Modify Order No. PSC-12-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology is consistent with Internal Revenue Service Requirements and should be approved.

4) STATEMENT OF ISSUES AND POSITIONS

ISSUE 1: What are the final conservation cost recovery adjustment true-up amounts for the period January 2018 through December 2018?

FPL: \$5,635,677 over-recovery. (Deaton)

ISSUE 2: What are the appropriate conservation adjustment actual/estimated true-up amounts for the period January 2019 through December 2019?

FPL: \$7,934,200 over-recovery. (Deaton)

ISSUE 3: What are the appropriate total conservation adjustment true-up amounts to be collected/refunded from January 2020 through December 2020?

FPL: The total conservation cost recovery adjustment true-up amount to be refunded from January 2020 through December 2020 is \$13,569,877. (Deaton)

ISSUE 4: What are the total conservation cost recovery amounts to be collected during the period January 2020 through December 2020?

FPL: The total conservation cost recovery amount including prior true-up amounts and revenues taxes is \$145,840,085. (Sharma)

ISSUE 5: What are the conservation cost recovery factors for the period January 2020 through December 2020?

FPL:

	Conservation Recovery Factor (\$/kw)	Conservation Recovery Factor (\$/kWh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1	-	0.00139	-	-
GS1/GST1	-	0.00137	-	-
GSD1/GSDT1/HLFT1	0.47	-	-	-
OS2	-	0.00074	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.53	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.53	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.54	-	-	-
SST1T	-	-	\$0.06	\$0.03
SST1D1/SST1D2/SST1D3	-	-	\$0.06	\$0.03
CILC D/CILC G	0.57	-	-	-
CILC T	0.56	-	-	-
MET	0.48	-	-	-
OL1/SL1/SL1M/PL1	-	0.00037	-	-
SL2/SL2M/GSCU1	-	0.00102	-	-

(Deaton)

ISSUE 6: What should be the effective date of the new conservation cost recovery factors for billing purposes?

FPL: The factors shall be effective for meter readings that occur on or after January 1, 2020. These charges shall continue in effect until modified by subsequent order of this Commission. (Deaton)

ISSUE 7: Should the Commission approve revised tariffs reflecting the energy conservation cost recovery amounts and energy conservation cost recovery factors determined to be appropriate in this proceeding?

FPL: Yes. The Commission should approve revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Deaton)

MISCELLANEOUS ISSUES

ISSUE 11: Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?

FPL: Yes. The proposed modifications to the Weighted Average Cost of Capital calculation methodology approved in Order No. PSC-12-0425-PAA-EU are necessary in order to comply with the Internal Revenue Code ("IRC") Treasury Regulation Section §1.167(1)-1(h)(6). This regulation requires public utilities to apply a consistency adjustment and proration formula to compute the depreciation-related Accumulated Deferred Federal Income Tax ("ADFIT") balance to be included for ratemaking purposes when a forecasted test period is utilized to set rates unless the Limitation Provision is met or exceeded. The Limitation Provision in Treasury Regulation Section §1.167(1)-1(h)(6)(i) states that as long as the amount of depreciation-related ADFIT used in ratemaking is lower than the amount that would have been used under the Consistency Rule, then there is no violation of Normalization. The proposed modifications are in the public interest because the modified methodology will accurately align current costs with cost recovery while enabling compliance to IRC Treasury Regulation Section §1.167(1)-1(h)(6). (Deaton)

ISSUE 12: Should this docket be closed?

FPL: No. While a separate docket number is assigned each year for administrative convenience this is a continuing docket and should remain open. (Deaton)

5) STIPULATED ISSUES

FPL: None at this time.

6) PENDING MOTIONS

FPL: None at this time.

7) PENDING REQUESTS FOR CONFIDENTIALITY

1. Florida Power & Light Company's First request for extension of confidential classification of [DN 05560-2017] information provided pursuant to Audit No. 2017-024-4-1. [x-ref 05189-2017] dated April 2, 2019.

8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT

FPL: None at this time.

9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted,

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CERTIFICATE OF SERVICE
Docket No. 20190002-EG

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic service on this 8th day of October 2019 to the following:

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