

Antonia Hover

From: Office of Commissioner Fay
Sent: Friday, October 2, 2020 4:05 PM
To: Commissioner Correspondence
Subject: FW: Docket No. 20200151-EI - Petition for approval of a regulatory asset to record costs incurred due to COVID-19 by Gulf Power Company
Attachments: 10.2.20 Gulf's Proposal for Consideration to Teitzman regarding Regulatory Asset.pdf

Please place the attached in Docket No. 20200151

Thanks

Veronica D. Washington

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From: Darnes, Melissa [<mailto:Melissa.Darnes@nexteraenergy.com>]
Sent: Friday, October 02, 2020 10:26 AM
To: Office of Commissioner Polmann; Office of Commissioner Graham; Office of Chairman Clark; Office of Commissioner Brown; Office of Commissioner Fay; Keith Hetrick; Jennifer Crawford; Samantha Cibula; Shaw Stiller; Curt Mouring; Justin Swards; Cheryl Bulecza-Banks; Bart Fletcher; JR Kelly; morse.stephanie@leg.state.fl.us
Subject: Docket No. 20200151-EI - Petition for approval of a regulatory asset to record costs incurred due to COVID-19 by Gulf Power Company

Attached please find a copy of Gulf's Proposal for Consideration to the Commission Clerk regarding the establishment of the regulatory asset in the above-referenced docket.

Thanks,

Melissa Darnes

Executive Administrative Assistant to
Russell Badders, VP, Associate General Counsel

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Russell Badders

Vice President, Associate General Counsel

October 2, 2020

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Re: Docket No. 20200151-EI

Dear Mr. Teitzman:

Upon review of the Commission Staff's recommendation regarding OPC's motion for reconsideration of Order PSC-2020-0262-PCO-EI ("Order"), Gulf offers a possible resolution that preserves OPC's right to a hearing on the establishment of the regulatory asset. Gulf provides this proposal for consideration as OPC did not file a contemporaneous request for oral argument on its motion for reconsideration and we have no way of knowing if the Commission will seek argument on the motion.

Gulf disagrees that the Order is eligible for reconsideration in response to a request from OPC because as Staff points out on page 5 of its recommendation: "Gulf is correct that the specific issue of the Order being treated as a PAA or procedural was not raised by OPC in its oral comments to the Commission at the July 7, 2020 Agenda Conference. "To grant OPC's request for reconsideration would run afoul of Commission precedent. The discussion cited in the recommendation of exchanges between staff and commissioners on cost recovery issues does not cure the problem. Indeed, it is OPC that draws the distinction between the establishment of the regulatory asset and cost recovery through its motion for reconsideration by seeking PAA treatment for the approval of the regulatory asset.

Gulf is mindful of and agrees with Staff's desire for consistency across the multiple COVID19 regulatory asset dockets. To preserve the Commission's precedent on reconsideration, promote efficiency through having one hearing on the two related issues and ensure full hearing rights for OPC not just on cost recovery (as set forth in the Order) but on the approval of the regulatory asset as well, Gulf suggests that the Commission deny OPC's Motion for Reconsideration and on its own motion, clarify the second sentence in the fourth paragraph on page 2 of the Order by adding the following language:

This approval to establish a regulatory asset, for accounting purposes, does not limit the Commission's ability to review this approval, the amounts, recovery method, recovery period, and other related matters for reasonableness in a future proceeding in which the regulatory asset is included.

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This clarifying language is intended to allow parties full Chapter 120, Florida Statutes, hearing rights to address the establishment of the regulatory asset and cost recovery in one proceeding, Gulf's next rate review, which is expected in 2021. Gulf's proposal also will help preserve Commission precedent and ensure consistency in providing substantially affected parties the right to a hearing on the approval of the regulatory asset across various dockets.

Very truly yours,



Russell A. Badders
Vice President and Associate General Counsel

cc : Florida Public Service Commission

Hon. Donald Polmann, Commissioner
Hon. Art Graham, Commissioner
Hon. Gary F. Clark, Commission Chairman
Hon. Julie Imanuel Brown, Commissioner
Hon. Andrew Giles Fay, Commissioner
Keith Hetrick, Office of General Counsel
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