



Russell Badders
Vice President, Associate General Counsel

June 15, 2021

-VIA ELECTRONIC FILING-

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

RE: Docket No. 20200151-EI - Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

Docket No. 20200189-WS - Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Utilities, Inc. of Florida.

Docket No. 20200194-PU – Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

Dear Mr. Teitzman:

Please find enclosed, for electronic filing in the referenced consolidated dockets, the Joint Motion of Gulf Power Company and the Office of Public Counsel for Approval of a Stipulation and Settlement, which is included as Attachment A to the Joint Motion. While submitted in the referenced consolidated dockets, the Joint Motion and referenced Stipulation and Settlement are submitted for purposes of Docket No. 20200151-EI only.

Thank you for your assistance. Please contact me should you or your staff have any questions regarding this filing.

Sincerely,

/s/ Russell Badders

Russell Badders
Fla. Bar No. 007455

cc: Counsel for parties of record (w/encl.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

Docket No: 20200151-EI

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Utilities, Inc. of Florida.

Docket No. 20200189-WS

In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

Docket No. 20200194-PU

Date: June 15, 2021

JOINT MOTION OF GULF POWER COMPANY AND THE OFFICE OF PUBLIC COUNSEL FOR APPROVAL OF STIPULATION AND SETTLEMENT

Gulf Power Company (“Gulf Power”) and the Office of Public Counsel (“OPC”) (collectively, “Joint Movants” or “Parties”) by and through their undersigned counsel, respectfully move the Florida Public Service Commission (“Commission”) to approve the Stipulation and Settlement (“Gulf COVID-19 Settlement”) attached hereto as Attachment A. The Joint Movants have entered into this Gulf COVID-19 Settlement in resolution of all issues in Docket No. 20200151-EI. In support hereof, the Joint Movants state as follows:

1. On March 9, 2020, the Governor issued Executive Order Number 20-52, declaring a state of emergency for the State of Florida as a result of Novel Coronavirus Disease 2019, or COVID-19. As the pandemic continued, additional emergency orders and ordinances were issued by counties and municipalities throughout the State of Florida, requiring the implementation of heightened safety protocols in an effort to slow the spread of the COVID-19 virus. Many Florida citizens and businesses were greatly impacted by the business closures and/or restrictions on

businesses, which caused significant economic impacts in addition to the health impacts of the COVID-19 pandemic.

2. In its efforts to comply with the prescribed safety protocols and protect the health and safety of its customers and employees, Gulf Power incurred additional, incremental costs, including costs associated with the following: (1) monitoring the health and body temperatures of employees and contractors at its generating facilities, major field locations, and offices; (2) testing employees for COVID-19 and antibodies; (3) making modifications to facilities such as restrooms, break areas, and office configurations to ensure clean, sanitary, and touch free access; (4) obtaining personal protective equipment such as masks and gloves; and (5) signage on buildings and trucks to encourage social distancing and other COVID-related safety protocols. Due to the pandemic's economic impacts, Gulf Power also experienced incremental increases in its bad debt expense.

3. On May 22, 2020, Gulf Power petitioned the Commission for approval to establish a regulatory asset for the incremental costs associated with the COVID-19 pandemic on the Company. Thereafter, on October 27, 2020, the Commission issued Order No. PSC-2020-0406-PAA-EI ("PAA Order") allowing Gulf Power to establish a regulatory asset, and record certain incremental costs in that regulatory asset, for bad debt and safety-related costs directly and solely attributable to the health and safety of the Companies' employees and its customers during the COVID-19 pandemic. The Commission also required the Gulf Power to track and report on any assistance or benefits, regardless of form or source, that would offset any COVID-19 related expenses, including but not limited to any cost savings directly attributable to COVID-19.

4. The OPC protested the PAA Order on November 17, 2020.

5. By Order No. PSC-2021-0104-PCO-PU, issued March 12, 2021, Docket No. 20200151-EI addressing Gulf Power's request was consolidated for hearing purposes with Docket

Nos. 20200194-PU and 20200189-WS, which address regulatory asset requests made by Florida Public Utilities Company and Utilities, Inc. of Florida, respectively.

6. By Order No. PSC-2021-0104-PCO-PU, as amended by Order No. PSC-2021-0104A-PCO-PU, the consolidated dockets were scheduled for an administrative hearing on June 16, 2021.

7. As this proceeding has progressed, the Joint Movants have submitted testimony and engaged in discovery. The Joint Movants have also engaged in productive discussions for a non-litigated resolution of their disagreement on the issues. The Gulf COVID-19 Settlement is the result of these good faith efforts to address the issues in this proceeding in a manner that will provide regulatory certainty for Gulf Power, while minimizing the impact to Gulf Power's customers. The Joint Movants represent that approval of the Gulf COVID-19 Settlement will avoid the unnecessary expense and uncertainty associated with further litigation. Therefore, the Joint Movants submit the Gulf COVID-19 Settlement is in the public interest and respectfully request its approval as further described below.

8. The Gulf COVID-19 Settlement provides, among other things:

- The Parties agree that Gulf Power may establish a regulatory asset in a total amount not to exceed \$13,200,000, which shall be deemed the appropriate amount as of June 30, 2021. The amount identified includes COVID-19 related incremental bad debt and safety-related expenses.
- Gulf Power will not record any further amounts to the regulatory asset after June 30, 2021. Any incremental costs associated with the COVID-19 pandemic or otherwise incurred after June 30, 2021 and through December 31, 2021 will be deemed a separate event by the Parties and already recovered through base rates.

- The Parties have agreed that, beginning on January 1, 2022, with the factors established for the calendar year 2022, Gulf Power shall be allowed to amortize over three years and recover the regulatory asset established consistent with the provisions of this Gulf COVID-19 Settlement through the Fuel and Purchased Power Cost Recovery clause mechanism. The carrying cost on unamortized amount of the regulatory asset shall be set at the 2022 test year embedded long term cost of debt of 3.61 %, as proposed in Docket No. 20210015-EI, and shall be subject to annual adjustment.
- The Parties agree the direct and rebuttal testimony of Gulf Power's witness Goldstein, the direct testimony of Gulf Power witness Deason, and the rebuttal testimony of joint witness Deason, as it pertains to Gulf Power, as well as the direct testimony of OPC witness Lawton may be entered into the record of this consolidated proceeding, along their exhibits and the Gulf Power related exhibits on the stipulated Comprehensive Exhibit List.
- Approval of the Gulf COVID-19 Settlement will resolve all matters and issues in Docket 20200151-EI.

9. To date, no other parties have intervened in Docket No. 20200151-EI. As the only two parties to the Docket have executed the Gulf COVID-19 Settlement, no party will be prejudiced by the proposed procedure or the Commission's approval of the Gulf COVID-19 Settlement. Should any new party seek to intervene at any point in the future, in accordance with Commission rules, such party would then take the case as they find it.

10. The Joint Movants represent that the Gulf COVID-19 Settlement provides an equitable and just balance of the positions of the parties on the issues in this proceeding. The Joint

Movants submit approval of the Gulf COVID-19 Settlement is in the best interests of both Gulf Power and its customers, and therefore, respectfully request approval of same.

11. For the sake of efficiency, the Joint Movants request the Commission rule on this Joint Motion for Approval of Stipulation and Settlement on June 16, 2021, the date scheduled for the technical hearing in this proceeding.

12. Gulf Power commits to making experts available to the Commission to address questions, if any, regarding Gulf COVID-19 Settlement.

13. Commission approval of this Joint Motion is consistent with the Commission's long-standing policy to encourage settlements that provide benefits to the customers and avoid unnecessary additional litigation expense.

WHEREFORE, the Joint Movants hereby respectfully request that the Commission grant this Joint Motion, approve the Settlement and Stipulation attached hereto as Attachment A, effective June 16, 2021.

Respectfully submitted,

/s/ Stephanie A. Morse
Stephanie A. Morse, Esquire
Bar No. 0068713
Office of the Public Counsel
c/o The Florida Legislature
111 West Madison St., Rm 812
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Office of Public Counsel

/s/ Russell Badders
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company)	Docket No.: 20200151-EI
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by electronic mail this 15th day of June, 2021 to the following:

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By: */s/ Joel T. Baker*
Joel T. Baker

ATTACHMENT A

Docket No. 20200151-EI - In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

STIPULATION AND SETTLEMENT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Gulf Power Company.

Docket No: 20200151-EI

In re: Petition for approval of a regulatory asset to record costs incurred due to COVID-19, by Utilities, Inc. of Florida.

Docket No. 20200189-WS

In re: Petition for approval of regulatory assets to record costs incurred due to COVID-19, by Florida Public Utilities Company, Florida Public Utilities Company - Indiantown Division, Florida Public Utilities Company - Fort Meade, Florida Division of Chesapeake Utilities Corporation.

Docket No. 20200194-PU

Date: June 15, 2021

**STIPULATION AND SETTLEMENT BETWEEN GULF POWER COMPANY
AND THE OFFICE OF PUBLIC COUSEL**

WHEREAS, Gulf Power Company (herein, “Gulf Power”) and the Office of Public Counsel (“OPC”) have signed this Stipulation and Settlement regarding Gulf Power’s request for relief, which initiated Docket No. 20200151-EI, (“Gulf COVID-19 Settlement”); and

WHEREAS, unless the context clearly intends otherwise, the term “Party” or “Parties” shall mean a signatory or signatories to this Gulf COVID-19 Settlement; and

WHEREAS, on March 9, 2020, the Governor issued Executive Order Number 20-52, declaring a state of emergency for the State of Florida as a result of Novel Coronavirus Disease 2019, or COVID-19; and

WHEREAS, due to emergency orders and ordinances issued by counties and municipalities throughout the State of Florida, many Florida citizens and businesses were greatly impacted by closure of certain businesses and/or restrictions on businesses causing significant economic impacts as well as health impacts due to the COVID-19 pandemic; and

WHEREAS, many Florida citizens and businesses have experienced a substantial reduction or loss of income due to the COVID-19 restrictions and these some of citizens and businesses are located in Gulf Power’s service territories; and

WHEREAS, due to the pandemic’s economic impacts on Gulf Power’s customers, Gulf Power experienced increases in bad debt expense; and

WHEREAS, Gulf Power incurred additional costs related to COVID-19 to ensure the safety of its employees, contractors, and customers during the COVID-19 pandemic; and

WHEREAS, the impact of the COVID-19, has been prolonged and devastating with lasting, long-term effects both nationally and globally especially for many individuals that are residential customers and small business customers; and

WHEREAS, on May 22, 2020, Gulf Power petitioned the Florida Public Service Commission (“Commission”) for approval to establish a regulatory asset for the incremental bad debt expense and safety-related costs attributable to COVID-19; and

WHEREAS, on October 27, 2020, the Commission issued Order No. PSC-2020-0406-PAA-EI (“PAA Order”) allowing Gulf Power to establish a regulatory asset, and record certain incremental costs in that regulatory asset, for bad debt and safety-related costs directly and solely attributable to the health and safety of Gulf Power’s employees, contractors and customers during the COVID-19 pandemic; and

WHEREAS, by its PAA Order, the Commission also required Gulf Power to track and report on any assistance or benefits, regardless of form or source, that would offset any COVID-19 related expenses including but not limited to any cost savings directly attributable to COVID-19; and

WHEREAS, the OPC protested the PAA Order on November 17, 2020; and

WHEREAS, Docket No. 20200151-EI addressing Gulf Power's requests was consolidated with the additional referenced dockets for purposes of hearing by Order No. PSC- 2021-0104-PCO-PU, issued March 12, 2021; and

WHEREAS, by Order No. PSC-2021-0104-PCO-PU, as amended by Order No. PSC- 2021-0104A-PCO-PU, the consolidated dockets were scheduled for an administrative hearing on June 16, 2021; and

WHEREAS, pursuant to the Prehearing Officer's scheduling orders, Gulf Power and OPC have submitted the testimony and exhibits of their respective witnesses; and

WHEREAS, extensive discovery has been conducted as it pertains to Docket No. 20200151-EI; and

WHEREAS, after full and extensive review of the testimony and discovery produced, the Parties have engaged in good faith discussion and have reached a full and complete resolution of all matters in Docket No. 20200151-EI; and

WHEREAS, the legal system, as well as the Commission, favors settlement of disputes, including interim solutions, for a variety of reasons, including that they are in the public interest; and

WHEREAS, the Parties to this Gulf COVID-19 Settlement, individually and collectively, agree that this Gulf COVID-19 Settlement, when taken as a whole, is in the public interest; and

WHEREAS, the Parties are not in agreement on all legal and policy questions raised in these proceedings, but have mutually agreed in compromise, without conceding either Party's position on the legal and policy questions is correct, to adjustment to the amount requested for recovery by Gulf Power to be included in the regulatory asset, as well as a mechanism for recovery of the amount of the regulatory asset; and

WHEREAS, the Parties have entered into the Gulf COVID-19 Settlement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration among the Parties, each Party has agreed to concessions to the others with the expectation, intent, and understanding such that all provisions of this Gulf COVID-19 Settlement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to both Parties;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree as follows:

I. Establishment of Regulatory Asset

1. The Parties agree that Gulf Power may establish a regulatory asset in a total amount not to exceed \$13,200,000, which shall be deemed the appropriate amount as of June 30, 2021.

2. The regulatory asset amount includes COVID-19 related incremental bad debt and safety-related expenses.

3. Gulf Power will not record any further amounts to the regulatory asset after June 30, 2021. Any incremental costs associated with the COVID-19 pandemic or otherwise incurred after June 30, 2021 and through December 31, 2021 will be deemed a separate event by the Parties and already recovered through base rates.

4. The Parties have agreed that, beginning on January 1, 2022, with the factors established for the calendar year 2022, Gulf Power shall be allowed to amortize over three years and recover the regulatory asset established consistent with the provisions of this Gulf COVID-19 Settlement through the Fuel and Purchased Power Cost Recovery clause mechanism.

5. The carrying cost on unamortized amount of the regulatory asset shall be set at the 2022 test year embedded long term cost of debt of 3.61 %, as proposed in Docket No. 20210015-EI, and shall be subject to annual adjustment.

II. Additional Commitments

6. Nothing in this Gulf COVID-19 Settlement will have precedential value.

7. The Parties' agreement to the terms in the Gulf COVID-19 Settlement shall be without prejudice to any Party's ability to advocate a different position in future proceedings not involving this Gulf COVID-19 Settlement or pending or future proceedings involving other utilities. The Parties further expressly agree that no individual provision, by itself, necessarily represents a position of any Party in any future proceeding, and the Parties further agree that no Party shall assert or represent in any future proceeding in any forum that another Party endorses any specific provision of the Gulf COVID-19 Settlement by virtue of that Party's signature on, or participation in, this Gulf COVID-19 Settlement. The parties agree that no Party will cite or use this settlement agreement in any forum to assert the proper use of a regulatory asset. It is the intent of the Parties to this Gulf COVID-19 Settlement that the Commission's approval of all the terms and provisions of this Gulf COVID-19 Settlement is an express recognition that no individual term or provision, by itself, necessarily represents a position, in isolation, of any Party or that a Party to this Gulf COVID-19 Settlement endorses a specific provision, in isolation, of this Gulf COVID-19 Settlement by virtue of that Party's signature on, or participation in, this Gulf COVID-19 Settlement.

8. The Parties agree the direct and rebuttal testimony of Gulf Power's witness Goldstein, the direct testimony of Gulf Power witness Deason, and the rebuttal testimony of joint witness Deason, as it pertains to Gulf Power, as well as the direct testimony of OPC witness

Lawton may be entered into the record of this consolidated proceeding, along their exhibits and the Gulf Power related exhibits on the stipulated Comprehensive Exhibit List.

9. Approval of this Gulf COVID-19 Settlement resolves all issues in this proceeding. The Parties agree that approval of the Gulf COVID-19 Settlement will avoid additional litigation costs for the Parties. The Parties agree to waive:

- i. All notice requirements for a hearing as set forth in Section 120.569(2)(b), Florida Statutes, or other applicable law;
- ii. Their right to require a hearing on the merits;
- iii. Their respective rights to seek reconsideration of any Final Order that approves the Gulf COVID-19 Settlement in its entirety without change; and
- iv. Their respective right to judicial review of any such final agency action approving the Gulf COVID-19 Settlement afforded by Section 120.68, Florida Statutes.

10. The Parties further agree they will support the Gulf COVID-19 Settlement and affirmatively assert that this Gulf COVID-19 Settlement is in the public interest and should be approved. The Parties likewise agree and acknowledge that the Commission's approval of this Gulf COVID-19 Settlement promotes planning and regulatory certainty for both Gulf Power and its customers.

11. The effective date of the Gulf COVID-19 Settlement shall be the date of the Commission's vote approving this Gulf COVID-19 Settlement.

12. The provisions of the Gulf COVID-19 Settlement are contingent upon approval by the Commission of the Gulf COVID-19 Settlement in its entirety without modification, which the Parties agree is in this public interest. Approval of this Gulf COVID-19 Settlement will resolve all matters and issues in Docket 20200151-EI.

[SIGNATURE PAGES FOLLOW]

In Witness Whereof, the Parties evidence their mutual acceptance and agreement with the provisions of this Gulf COVID-19 Settlement by their signature

Dated this 15th day of June, 2021

Gulf Power Company

Office of Public Counsel

By: 

By: 

**Russell Badders,
Vice President & Associate General Counsel**

**Richard Gentry,
Public Counsel**