

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery Clause | Docket No. 20210007-EI

Filed: October 5, 2021

**DUKE ENERGY FLORIDA, LLC'S
PREHEARING STATEMENT**

Duke Energy Florida, LLC (“DEF”), pursuant to the Order Establishing Procedure in this proceeding, Order No. PSC-2021-0078-PCO-EI dated February 11, 2021, and First Order PSC-2021-0210-PCO-EI modifying Order Establishing Procedure dated June 07, 2021, hereby submits its Prehearing Statement:

A. **Known Witnesses** – When DEF filed its Actual-Estimated True-Up Petition, Testimony and Exhibits on July 30, 2021 (DN 08524-2021), Reginald Anderson, in his Direct Testimony, adopted the April 1, 2021, Testimony of Jeffrey Swartz. DEF intends to offer the Direct Testimony of:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Gary P. Dean	Final True-Up; Estimated True-up; Environmental Compliance Cost Projections and Final 2022 ECRC Factors	1-10
Timothy S. Hill	Final and Estimated True-Up variances and Environmental Compliance Cost Projections	1-3
Reginald Anderson	Final and Estimated True-Up variances and Environmental Compliance Cost Projections	1-3

Kim Spence McDaniel

Final and Estimated True-Up
variances and Environmental
Compliance Cost Projections, and
Review of DEF's Integrated Clean Air
Compliance Plan

1-3

B. **Known Exhibits** – DEF intends to offer the following exhibits:

Witness	Proffered By	Exhibit #	Description
Gary P. Dean	DEF	GPD-1	Forms 42-1A - 42-9A January 2020 – December 2020
Gary P. Dean	DEF	GPD-2	Capital Program Detail January 2020– December 2020
Gary P. Dean	DEF	GPD-3	Forms 42-1E – 42-9E January 2021 – December 2021
Gary P. Dean	DEF	GPD-4	Capital Program Detail January 2021 – December 2021
Gary P. Dean	DEF	GPD-5	Forms 42-1P – 42-8P January 2022– December 2022
Timothy Hill	DEF	GPD-5	Form 42-5P, page 23 of 23
Reginald Anderson	DEF	GPD-5	Form 42-5P, pages 7 and 20 through 22 of 23
Kim Spence McDaniel	DEF	KSM-1	Review of Integrated Clean Air Compliance Plan
Kim Spence McDaniel	DEF	GPD-5	Form 42-5P, pages 1-4, 6-7 and 8-19 of 23

DEF reserves the right to identify additional exhibits for the purpose of cross-examination or rebuttal.

C. **Statement of Basic Position** – DEF’s positions to specific issues are listed below.

D. **Statement of Facts**

ISSUES

GENERIC ENVIRONMENTAL COST RECOVERY ISSUES

DEF’s positions on the issues identified in this proceeding are as follows:

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2020 through December 2020?

DEF: \$231,488 over-recovery. (Dean, Anderson, Hill, McDaniel)

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2021 through December 2021?

DEF: \$1,596,750 over-recovery. (Dean, Anderson, Hill, McDaniel)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2022 through December 2022?

DEF: \$12,277,061. (Dean, Anderson, Hill, McDaniel)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2022 through December 2022?

DEF: \$10,448,824. (Dean)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2022 through December 2022?

DEF: The depreciation rates used to calculate depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. (Dean)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2022 through December 2022?

DEF: The separation factors are below and are consistent with DEF's 2021 Settlement Agreement approved in Order No. PSC-2021-0202-AS-EI in Docket No. PSC-20210016-EI.

Transmission Demand – 71.994%
Distribution Primary Demand – 100.000%

Production Demand:
Production Base – 92.865%
Production Intermediate – 88.321%
Production Peaking – 90.678%
(Dean)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2022 through December 2022 for each rate group?

DEF: The appropriate recovery factors are as follows: (Dean)

RATE CLASS	ECRC FACTORS
Residential	0.028 cents/kWh
General Service Non-Demand	
@ Secondary Voltage	0.027 cents/kWh
@ Primary Voltage	0.027 cents/kWh
@ Transmission Voltage	0.026 cents/kWh
General Service 100% Load Factor	0.024 cents/kWh
General Service Demand	
@ Secondary Voltage	0.025 cents/kWh
@ Primary Voltage	0.025 cents/kWh
@ Transmission Voltage	0.025 cents/kWh
Curtable	
@ Secondary Voltage	0.022 cents/kWh
@ Primary Voltage	0.022 cents/kWh
@ Transmission Voltage	0.022 cents/kWh
Interruptible	
@ Secondary Voltage	0.023 cents/kWh
@ Primary Voltage	0.023 cents/kWh
@ Transmission Voltage	0.023 cents/kWh
Lighting	0.020 cents/kWh

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

DEF: The factors should be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2022 through December 2022. Billing cycles may start before January 1, 2022 and the last cycle may read after December 31, 2022, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges will continue in effect until modified by the Commission. (Dean)

ISSUE 9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

DEF: Yes. (Dean)

ISSUE 10: Should this docket be closed?

DEF: Yes. (Dean)

COMPANY-SPECIFIC ENVIRONMENTAL COST RECOVERY ISSUES

Florida Power & Light Company (FPL):

ISSUE 11: Should the Commission approve FPL's Miami-Dade Clean Water Recovery Center Project for cost recovery through the Environmental Cost Recovery Clause?

DEF: No position.

ISSUE 12: How should any approved Environmental Cost Recovery Clause costs associated with FPL's Miami-Dade Clean Water Recovery Center Project be allocated to the rate classes?

DEF: No position.

ISSUE 13: Should FPL be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed modification to its Lowest Quality Water Source Project?

DEF: No position.

E. **Stipulated Issues** – DEF has no stipulated issues at this time.

F. **Pending Motions** – DEF does not have any pending motions at this time.

G. **Requests for Confidentiality** – DEF has no request for confidentiality pending at this time.

- H. **Objections to Qualifications** – DEF has no objections to the qualifications of any expert witnesses in this proceeding at this time.
- I. **Sequestration of Witnesses** – DEF has not identified any witnesses for sequestration at this time.
- J. **Requirements of Order** - At this time, DEF is unaware of any requirements of the Order Establishing Procedure of which it will be unable to comply.

Respectfully submitted this 5th day of October, 2021.

/s/Matthew R. Bernier

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CERTIFICATE OF SERVICE

Docket No. 20210007-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following this 5th day of October, 2021.

/s/ Matthew R. Bernier

Attorney

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