

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

Fuel and purchased power cost recovery clause ) Docket No. 20210001-EI  
with generating performance incentive factor. ) Filed: October 6, 2021  
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**PREHEARING STATEMENT OF  
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.  
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s *Order Establishing Procedure*, Order No. PSC-2021-0074-PCO-EI, issued February 9, 2021, as modified by *First Order Modifying Order Establishing Procedure*, Order No. PSC-2021-0211-PCO-EI, issued June 7, 2021, and the *Second Order Modifying Order Establishing Procedure*, Order No. PSC-2021-0340-PCO-EI, issued September 14, 2021, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorneys, files its Prehearing Statement in the above matter.

**A. APPEARANCES**

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**B. WITNESSES**

PCS Phosphate does not plan to call any witnesses at this time.

**C. EXHIBITS**

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination.

**D. STATEMENT OF BASIC POSITION**

Only costs prudently incurred and legally authorized may be recovered through the fuel clause. Florida electric utilities, including in particular Duke Energy Florida, LLC (“DEF”), must satisfy the burden of proving the reasonableness of any expenditures for which recovery or other relief is sought in this proceeding.

DEF recently has experienced significant fuel cost under-recoveries associated primarily with the sudden increase and volatility in natural gas prices. In these circumstances, DEF has an obligation to take all reasonable measures to mitigate those under-recoveries and to mitigate consumer rate impacts. PCS Phosphate supports DEF’s rate mitigation efforts that are reflected in the 2021 *Agreement Regarding DEF Rate Mitigation*, which is pending approval in this docket as well as in Docket No. 20210158-EI, and PCS Phosphate is a signatory to that proposed rate mitigation plan. The proposed mitigation plan reflects DEF’s current estimate that its 2021 true-up balance will now be an under-recovery of at least \$246.8 million. PCS supports the rate mitigation plan recovery of that 2021 under-recovery over two years beginning in January 2022, among other rate items that are described in the rate mitigation plan. PCS Phosphate supports the recovery of prudently incurred DEF fuel costs that are consistent with that rate mitigation agreement.

**E. STATEMENT ON SPECIFIC ISSUES**

**I. FUEL ISSUES**

**Duke Energy Florida, LLC.**

**ISSUE 1A:** Should the Commission approve DEF's 2022 Risk Management Plan?

**PCS Phosphate:** No. In prior fuel clause dockets, PCS did not support a hedging moratorium but was critical of DEF's hedging methods implemented in its Risk Management Plan. PCS opposes resumption of that demonstrably failed hedging approach but would consider supporting a more appropriate fuel cost hedging approach.

**ISSUE 1B:** What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 1C:** Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the January 2021 to April 2021 Crystal River Unit No. 4 outage? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

**PCS Phosphate:** Agree with OPC.

**ISSUE 1D:** Should the Commission allow the \$246.8 million estimated 2021 true-up to be recovered over 2022 and 2023?

**PCS Phosphate:** Yes..

**ISSUE 1E:** Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the January 2021 to April 2021 outage in Bartow CC Unit 4A and/or the May 2021 to July 2021 outage in Bartow CC Unit 4C? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

**PCS Phosphate:** Agree with OPC.

**Florida Power & Light Company**

**ISSUE 2A:** What is the appropriate revised SoBRA factor for the 2019 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**PCS Phosphate:** No position.

**ISSUE 2B:** What is the appropriate revised SoBRA factor for the 2020 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**PCS Phosphate:** No position.

**ISSUE 2C:** What was the total gain under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2020 through December 2020, and how should that gain to be shared between FPL and customers?

**PCS Phosphate:** No position.

**ISSUE 2D:** What is the appropriate amount of Incremental Optimization Costs under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2020 through December 2020?

**PCS Phosphate:** No position.

**ISSUE 2E:** What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2020 through December 2020?

**PCS Phosphate:** No position.

**ISSUE 2F:** What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL’s Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL should be allowed to recover through the fuel clause for the period January 2020 through December 2020?

**PCS Phosphate:** No position.

**ISSUE 2G:** What is the appropriate subscription credit associated with FPL’s SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2022?

**PCS Phosphate:** No position.

**ISSUE 2H:** Should the Commission approve FPL’s 2022 Risk Management Plan?<sup>1</sup>

**PCS Phosphate:** No position.

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<sup>1</sup> FPL and Gulf filed a single 2022 Risk Management Plan applicable to both utilities. Document No. 11768-2021.

**ISSUE 2I:** What is the appropriate revised base rate adjustment factor for the Okeechobee Clean Energy Center (OCEC) limited scope adjustment (LSA) to reflect actual construction costs that are less than the projected costs used to develop the initial factor?

**PCS Phosphate:** No position.

**ISSUE 2J:** Has FPL appropriately accounted for any redispatch related to its 2022 operation of the NFRC in its 2022 projections? If not, what adjustment, if any, should be made?

**PCS Phosphate:** No position.

**ISSUE 2K:** Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with the outages at Turkey Point Units 3 and 4 that occurred after January 2, 2020? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

**PCS Phosphate:** No position.

#### **Florida Public Utilities Company**

**ISSUE 3A:** Should an adjustment be made to remove any legal and/or consultant fees included for recovery in FPUC's 2022 fuel factors?

**PCS Phosphate:** No position.

#### **Gulf Power Company**

**ISSUE 4A:** Should the Commission approve FPL's 2022 Risk Management Plan?

**PCS Phosphate:** No position.

#### **Tampa Electric Company**

**ISSUE 5A:** What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2017-0456-S-EI that TECO may recover for the period January 2020 through December 2020, and how should that gain to be shared between TECO and customers?

**PCS Phosphate:** No position.

**ISSUE 5B:** Should the Commission take any action related to the optimization mechanism regarding pipeline capacity release gains or coal car leases for the period of October 21, 2021, through December 31, 2021?

**PCS Phosphate:** No position.

## **GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2021 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**PCS Phosphate:** Agree with OPC.

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2022 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**PCS Phosphate:** Agree with OPC.

**ISSUE 8:** What are the appropriate final fuel adjustment true-up amounts for the period January 2020 through December 2020?

**PCS Phosphate:** Agree with OPC.

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2021 through December 2021?

**PCS Phosphate:** Agree with OPC.

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

## **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

### **Duke Energy Florida, LLC.**

No company-specific GPIF issues for Duke Energy Florida, LLC. have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

### **Florida Power & Light Company**

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

## **Gulf Power Company**

No company-specific GPIF issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

## **Tampa Electric Company**

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 15A, 15B, 15C, and so forth, as appropriate.

## **GENERIC GPIF ISSUES**

**ISSUE 16:** What is the appropriate GPIF reward or penalty for performance achieved during the period January 2020 through December 2020 for each investor-owned electric utility subject to the GPIF?

**PCS Phosphate:** Agree with OPC.

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2022 through December 2022 for each investor-owned electric utility subject to the GPIF?

**PCS Phosphate:** Agree with OPC.

## **FUEL FACTOR CALCULATION ISSUES**

**ISSUE 18:** What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 19:** What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 21:** What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

**PCS Phosphate:** Agree with OPC.

**ISSUE 22:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

**PCS Phosphate:** No position at this time.

## **II. CAPACITY ISSUES**

### **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

#### **Duke Energy Florida, LLC.**

**ISSUE 23A:** What adjustment amounts should the Commission approve to be refunded through the capacity clause in 2022 associated with the SoBRA III project, specifically Plants Santa Fe and Twin Rivers approved in Docket No. 20200245-EI?

**PCS Phosphate:** Agrees with DEF to the extent that such adjustments are addressed in the DEF Rate Mitigation Plan.

**ISSUE 23B:** What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement?

**PCS Phosphate:** Agree with OPC.

#### **Florida Power & Light Company**

**ISSUE 24A:** What is the appropriate true-up adjustment amount associated with the 2019 SOBRA projects to be refunded through the capacity clause in 2022?

**PCS Phosphate:** No position.

**ISSUE 24B:** What is the appropriate true-up adjustment amount associated with the 2020 SOBRA projects to be refunded through the capacity clause in 2022?

**PCS Phosphate:** No position.

**ISSUE 24C:** What are the appropriate Indiantown non-fuel base revenue requirements to be recovered through the Capacity Clause pursuant to the Commission's approval of the Indiantown transaction in Docket No. 160154-EI for 2022?

**PCS Phosphate:** No position.

**ISSUE 24D:** What is the appropriate true-up adjustment amount associated with Okeechobee Clean Energy Center Generation Limited Scope Adjustment as required by Order NO. PSC-2016-0560-AS-EI?

**PCS Phosphate:** No position.

## **Gulf Power Company**

No company-specific capacity cost recovery factor issues for Gulf Power Company have been identified at this time. If such issues are identified, they will be numbered 25A, 25B, 25C, and so forth, as appropriate.

## **Tampa Electric Company**

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 26A, 26B, 26C, and so forth, as appropriate.

## **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate final capacity cost recovery true-up amounts for the period January 2020 through December 2020?

**PCS Phosphate:** Agree with OPC.

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2021 through December 2021?

**PCS Phosphate:** Agree with OPC.

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 31:** What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 32:** What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2022 through December 2022?

**PCS Phosphate:** Agree with OPC.

**III. EFFECTIVE DATE**

**ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

**PCS Phosphate:** Agree with OPC.

**ISSUE 35:** Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

**PCS Phosphate:** Agree with OPC.

**ISSUE 36:** Should this docket be closed?

**PCS Phosphate:** No position.

**CONTESTED ISSUES**

**Duke Energy Florida, LLC.**

**ISSUE 1F:** What is the impact on this docket, if a decision is issued in Case SC20-1601 before January 1, 2022?

**PCS Phosphate:** If a decision is issued in Case SC20-1601 prior to January 1, 2022, the Commission should direct DEF to reduce its proposed cost recovery amounts for January 2022 through December 2022 by \$16.1 million, plus interest, to credit through the fuel factor costs relating to the replacement power and de-rating of Bartow Unit 4.

**ISSUE 1G:** If the decision in Case SC20-1601 requires the return of replacement power costs to customers, what interest amount should be applied?

**PCS Phosphate:** Agree with OPC.

**F. PENDING MOTIONS**

None.

**G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY**

None.

**H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT**

None at this time.

**I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE**

There are no requirements of the Procedural Orders with which PCS Phosphate cannot comply.

Respectfully submitted,

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*Attorneys for White Springs Agricultural Chemicals, Inc.  
d/b/a PCS Phosphate – White Springs*

Dated: October 6, 2021

## CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement of PCS Phosphate has been furnished by electronic mail this 6th of October 2021, to the following:

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