

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Re: Environmental Cost Recovery Clause

DOCKET NO. 20190007-EI

FILED: October 11, 2019

PRE-HEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2019-0072-PCO-EI, issued February 25, 2019, hereby submit this Prehearing Statement.

APPEARANCES:

Stephanie Morse
Associate Public Counsel

Thomas A. (Tad) David
Associate Public Counsel

Patricia A. Christensen
Associate Public Counsel

Charles Rehwinkel
Deputy Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida

A. **WITNESSES:**

None.

B. **EXHIBITS:**

None.

C. STATEMENT OF BASIC POSITION

The utilities bear the burden of proof to justify the recovery of costs they request in this docket. The utilities must carry this burden regardless of whether or not the Interveners provide evidence to the contrary. Further, the utilities bear the burden of proof to support their proposal(s) seeking the Commission's adoption of policy statements (whether new or changed) or other affirmative relief sought. Even if the Commission has previously approved a program, recovery of a cost, factor, or adjustment as meeting the Commission's own requirements, the utilities still bear the burden of demonstrating that the costs submitted for final recovery meet any statutory test(s) and are reasonable in amount and prudently incurred. Further, recovery of even prudently incurred costs is constrained by the Commission's obligation to set fair, just, and reasonable rates. Further, pursuant to Section 366.01, Florida Statutes, the provisions of Chapter 366 must be liberally construed to protect the public welfare.

The Commission must independently determine that each cost submitted for recovery, deferred or new, meets each element of the statutory requirements for recovery through this clause as set out in Section 366.8255, Florida Statutes. Specifically, each activity proposed for recovery must be legally *required* to comply with a governmentally imposed environmental regulation that was enacted, became effective, or whose effect was triggered after the company's last test year upon which rates are based, and such costs may not be costs that are recovered through base rates or any other cost recovery mechanism.

D. STATEMENT OF FACTUAL ISSUES AND POSITIONS

GENERIC ISSUES

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

OPC: No position at this time.

ISSUE 2: What are the actual/estimated environmental cost recovery true-up amounts for the period January 2019 through December 2019?

OPC: No position at this time.

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2020 through December 2020?

OPC: No position at this time.

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2020 through December 2020?

OPC: No position at this time.

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 2020 through December 2020?

OPC: No position at this time.

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2020 through December 2020?

OPC: No position.

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2020 through December 2020 for each rate group?

OPC: No position at this time.

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

OPC: No position.

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?

OPC: Yes, Any tariffs approved should reflect the accurate recovery of any approved costs.

ISSUE 10: Should this docket be closed?

OPC: No position.

DUKE ENERGY FLORIDA, LLC.

ISSUE 11: Should the Commission approve DEF's Crystal River Coal Combustion Residual Ash Landfill Project for cost recovery through the Environmental Cost Recovery Clause?

OPC: No Position at this time.

ISSUE 12: How should any approved Environmental Cost Recovery Clause costs associated with DEF's Crystal River CCR Ash Landfill Project be allocated to the rate classes?

OPC: No position at this time.

ISSUE 13: Should the Commission approve DEF’s proposed treatment for the ECRC assets associated with the retirement of Avon Park and Higgins, as proposed in DEF’s 2020 Projection Filing?

OPC: No position at this time.

GULF POWER COMPANY

ISSUE 14: Should the Commission approve the 2020 expenditures for Gulf’s ownership portion of the Plant Daniel CCR projects for recovery through the Environmental Cost Recovery Clause?

OPC: No. To the extent any expenditure will be incurred because Gulf was not prudent in actions or decisions affecting Plant Daniel’s environmental compliance costs, the Commission should not approve such costs. Additionally or in the alternative, to the extent the requested expenditures are not *required* because there are viable, alternative courses of action Gulf could take with regard to Plant Daniel that would not incur or would have avoided incurring the requested expenditures, the Commission should not approve those costs.

ISSUE 15: Should the Commission approve Gulf’s Crist Closed Ash Landfill Project for cost recovery through the Environmental Cost Recovery Clause?

OPC: No position at this time.

ISSUE 16: How should any approved Environmental Cost Recovery Clause costs associated with Gulf’s Crist Closed Ash Landfill Project be allocated to the rate classes?

OPC: No position.

OTHER

ISSUE 17: Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?

OPC: No position.

E. STIPULATED ISSUES:

None at this time.

F. PENDING MOTIONS:

None.

G. REQUESTS FOR CONFIDENTIALITY:

OPC have no pending requests for claims for confidentiality.

H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

OPC has no objections to any witness' qualifications as an expert in this proceeding.

I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 11th day of October, 2019

Respectfully submitted,

J.R. Kelly
Public Counsel

/s/ Charles Rehwinkel
Charles Rehwinkel
Deputy Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Rm 812
Tallahassee, FL 32399-1400

Attorneys for Office of Public Counsel

CERTIFICATE OF SERVICE
Docket No. 20190007-EI

I **HEREBY CERTIFY** that a true and correct copy of the Office of Public Counsel's Prehearing Statement has been furnished by electronic mail on this 11th day of October 2019, to the following:

Florida Public Service Commission
Ashley Weisenfeld
Charles Murphy
Office of General Counsel
Suzanne Brownless
2540 Shumard Oak Blvd.
Tallahassee, FL32399
cmurphy@psc.state.fl.us
aweisenf@psc.state.fl.us

Ausley Law Firm
James Beasley
Jeffrey Wahlen
Malcom Means
P.O. Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com
mmeans@ausley.com

Beggs Law Firm
Steven A. Griffin
P.O. Box 12950
Pensacola FL 32591
srg@beggslane.com

Duke Energy
Dianne M. Triplett
299 First Avenue North
St. Petersburg, FL 33701
dianne.triplett@duke-energy.com
FLRegulatoryLegal@duke-energy.com

Duke Energy
Matthew R. Bernier
106 East College Avenue, Suite 800
Tallahassee, FL 32301
matthew.bernier@duke-energy.com

Florida Industrial Power
Users Group
Jon C. Moyle, Jr.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Florida Power & Light Company
Maria Moncada
Joel T. Baker
700 Universe Boulevard
Juno Beach, FL 33408
johel.baker@fpl.com
maria.moncada@fpl.com

Florida Power & Light Company
Kenneth A. Hoffman
134 W. Jefferson Street
Tallahassee, FL 32301
ken.hoffman@fpl.com

Florida Public Utilities
Company
Mike Cassel
1750 S. 14th Street, Suite
200
Fernandina Beach, FL
32034
mcassel@fpuc.com

Gulf Power Company
Russell Badders
C. Shane Boyett
One Energy Place
Pensacola, FL 32520
russell.badders@nexteraenergy.com
charles.boyett@nexteraenergy.com

Gulf Power Company
Holly Henderson
Lisa Roddy
134 West Jefferson Street
Tallahassee FL 32301
holly.henderson@nexteraenergy.com
Lisa.Roddy@nexteraenergy.com

Gunster Law Firm
Beth Keating
215 South Monroe Street,
Suite 601
Tallahassee, FL 32301
bkeating@gunster.com

PCS Phosphate
James W. Brew
Laura A. Wynn
Eighth Floor, West Tower
1025 Thomas Jefferson St., NW
Washington, DC 20007
jbrew@smxblaw.com
law@smxblaw.com

Tampa Electric Company
Regulatory Affairs
Paula K. Brown
P.O. Box 111
Tampa, FL 33601
regdept@tecoenergy.com

Diana Csank/Sari Amiel
Sierra Club
50 F Street NW, 8th Floor
Washington DC 20001
Diana.Csank@sierraclub.org
Sari.Amiel@sierraclub.org

/s/ Charles Rehwinkel
Charles Rehwinkel
Deputy Public Counsel