

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.

DOCKET NO. 20210001-EI

DATED: October 6, 2021

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-2021-0074-PCO-EI, filed February 9, 2021, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

There are no known witnesses at this time.

2. All Known Exhibits

There are no known exhibits at this time.

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

I. FUEL ISSUES

Duke Energy Florida, LLC.

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

COMMISSION STAFF'S PREHEARING STATEMENT

DOCKET NO. 20210001-EI

PAGE 2

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

ISSUE 2H: Should the Commission approve FPL's 2022 Risk Management Plan?¹

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

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

4 that occurred after January 2, 2020? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

Gulf Power Company

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific GPIF issues for Duke Energy Florida, Inc. 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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?**

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has 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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

III. EFFECTIVE DATE

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

POSITION: Staff has no position at this time.

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?

POSITION: Staff has no position at this time.

ISSUE 36: Should this docket be closed?

POSITION: This issue has been stipulated. See Section 5.

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?

POSITION: Staff has no position at this time.

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

POSITION: Staff has no position at this time.

5. **Stipulated Issues**

The following issue has been stipulated to by all parties.

ISSUE 36: Should this docket be closed?

STIPULATION: This is a continuing docket and should remain open.

6. Pending Motions

Staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Staff has no pending Confidentiality Claims or Requests at this time.

8. Objections to Witness Qualifications as an Expert

Staff has no objections to the qualifications of any witness as an expert at this time.

9. Request for Sequestration of Witnesses

Staff does not request the sequestration of any witnesses.

10. Compliance with Order No. PSC-2021-0074-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 6th day of October, 2021.

/s/ Suzanne S. Brownless

SUZANNE BROWNLESS

Special Counsel

FLORIDA PUBLIC SERVICE COMMISSION

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DATED: October 6, 2021

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with
the Office of Commission Clerk and that a true copy has been furnished to the following by
electronic mail this 6th day of October, 2021:

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