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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of: DOCKET NO. 20210001-EI

FUEL AND PURCHASED POWER COST
RECOVERY CLAUSE WITH
GENERATING PERFORMANCE
INCENTIVE FACTOR.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4A

COMMISSIONERS
PARTICIPATING: CHAIRMAN GARY F. CLARK
COMMISSIONER ART GRAHAM
COMMISSIONER ANDREW GILES FAY
COMMISSIONER MIKE LA ROSA
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, December 7, 2021

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DANA W. REEVES
Court Reporter and
Notary Public in and for
the State of Florida at Large

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1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Next up is Item
3 4B -- we'll do 4A first. Great idea. Flipped
4 right over that one. You know it's time to
5 relinquish the chairmanship when you start making
6 these kind of mistakes, Commissioner.

7 Mr. Higgins, you're recognized.

8 MR. HIGGINS: Good morning, Commissioners.
9 Devlin Higgins with Commission Staff. Item 4A is
10 staff's recommendation concerning Florida Power and
11 Light's petition for mid-course correction of its
12 currently approved customer fuel charges. The
13 impetus for the company's mid-course correction
14 filing are actual and reprojected natural gas costs
15 being higher than originally assumed. Staff's
16 recommendation is for the company's fuel cost
17 recovery factors to be adjusted to encompass the
18 mid-course correction under-recovery amount as
19 contemplated by Rule 25-6.0424, beginning with
20 January 2022 billing cycle.

21 Staff is aware of two comments from the
22 general public with respect to this matter and have
23 placed those comments in the docket file.

24 Interested parties wishing to address the
25 Commission on this item include Vote Solar, or

1 Solar Alliance for Clean Energy, and ECOSWF Florida
2 Rising. Thank you, Commissioners. Staff is
3 prepared to address any questions you have.

4 CHAIRMAN CLARK: All right. Thank you, Mr.
5 Higgins. I know we have several folks that have
6 requested to speak today. I would ask in light of
7 circumstances, limit your comments to around five
8 minutes or so, if you don't mind. I believe Ms.
9 Moncada is here also to answer questions on behalf
10 of FPL. We will begin with Vote Solar. Ms.
11 Ottenweller.

12 MS. OTTENWELLER: Morning, Mr. Chairman and
13 Commissioners. Thank you so much for your time.
14 My name is Katie Chiles Ottenweller. I'm the
15 Southeast Director for Vote Solar, and I filed
16 comments on this docket on behalf of both Vote
17 Solar and Ceres. I want to take a couple minutes
18 to just talk about what those comments are and what
19 we're asking the Commission to do this morning.

20 FPL projects that next year gas is going to be
21 \$5.81 per MMBtu. That will equate to about a 6
22 percent increase in the average residential bill,
23 separate from the rate case. It's just the fuel
24 portion that we're talking about. A couple of
25 years ago, FPL was projecting that gas prices were

1 not going to hit this level until 2042. That was
2 from the Solar Together docket that we participated
3 in.

4 We believe that the Commission should approve
5 this. Gas costs what it costs. To some extent, we
6 have to run these units to power the grid. But
7 we're asking that you make this approval with a
8 modification. \$6 per MMBtu translates into about
9 four cents per kilowatt hour. We know that there
10 are energy efficiency programs, including some that
11 FPL offers, that come in at significantly cheaper
12 than that. For example, FPL's business lighting
13 program, annual costs, last year were 2.1 cents per
14 kilowatt hour. We believe that program and other
15 programs can be ramped up and any ramp-up that
16 happens is going to mean less gas that has to be
17 consumed on the grid and cheaper costs for
18 consumers.

19 Given the reality of gas prices we're seeing
20 here, one, I just want to say I think -- I want to
21 commend the Commission for its decision in 2020 on
22 FECA in increasing those goals. But I also want to
23 clarify, we're not asking for the goals to be
24 increased. We're not asking for the FECA docket to
25 be reopened. The Commission has authority under

1 the FECA statute to modify programs at any time
2 that it's in the public interest.

3 We really believe that FPL should be agnostic
4 on this issue. Fuel prices get passed through to
5 consumers. But I also know that FPL is very good
6 at when it sets its mind to something, it's one of
7 the highest performers in the country on a lot of
8 metrics. And I really think that with some
9 directions from this Commission, we could see some
10 increases that make some real difference for
11 consumers next year.

12 So, specifically, our ask would be that the
13 Commission approve FPL's request, but contingent on
14 FPL submitting a compliance filing within 60 days
15 to its FECA programs, specifically looking at
16 ramping up 2022 programs, or even creating new
17 programs that would meet that cost-effectiveness
18 threshold that would come in at under four cents
19 per kilowatt hour.

20 We think that there's a lot of cost-effective
21 efficiency out there that could be harnessed,
22 particularly given where gas prices are at now. A
23 \$20 million minimum spend on this would be about a
24 20 percent increase to FPL's 2020 programs. And I
25 think one issue that I anticipate we might hear

1 from FPL on this is related to the up-front costs
2 of ramping up these programs. I would encourage
3 the Commission to give them the authority to
4 amortize those costs over several years, similar to
5 what a lot of commissions do around the country, so
6 that you're spreading the up-front costs over and
7 being able to come under that
8 four-cents-per-kilowatt hour threshold. And we
9 think that's absolutely doable.

10 If the utility is not able to meet those
11 targets, then this filing would be a place where
12 they could explain why that's not possible, but we
13 think that, you know, this is a modest change, but
14 can make a real significant difference for
15 consumers during this time.

16 Thank you so much. Happy to answer any
17 questions that you have.

18 CHAIRMAN CLARK: Thank you, Ms. Ottenweller.
19 Questions for Ms. Ottenweller?

20 I have one. You mentioned the \$6 gas lead to
21 a four-cent-a-kilowatt hour energy cost. Is that
22 a -- is that an increase or is that the total cost
23 of energy if gas is \$6 an MMBtu? My question is,
24 if it's \$3, is it typical -- are we looking at a \$3
25 increase from \$3 to \$6?

1 MS. OTTENWELLER: In terms of the MMBtu price.

2 CHAIRMAN CLARK: In terms of gas prices.

3 MS. OTTENWELLER: The \$5.81 is the number that
4 FPL has in its filing saying that's what they think
5 the average price is going to be in 2022.

6 CHAIRMAN CLARK: That yields energy cost of
7 four cent a kilowatt hour. Not an increase, right?

8 MS. OTTENWELLER: In terms of the fuel rate?
9 So we took that number and looked at an average
10 power plant heat rate of 8000 BTU per kilowatt
11 hour, and then came out to about a
12 four-cent-per-kilowatt hour consumer price, in
13 terms of what that gas is going to probably cost to
14 consumers.

15 CHAIRMAN CLARK: Okay. So that's the end
16 cost. So if gas is \$3, you know, rightfully so,
17 kilowatt hours should be two cents. So you're
18 looking at a two cent increase, not a four cent
19 increase when gas goes to 5.80?

20 MS. OTTENWELLER: Yes.

21 CHAIRMAN CLARK: Okay. I just want to make
22 sure I was clear and understood.

23 MS. OTTENWELLER: Yeah, absolutely.

24 CHAIRMAN CLARK: And I'm going to ask either
25 of you. Have you -- I realize fuel forecasting

1 was -- when the original rates were done, did look
2 at pretty flat line. Those have been modified,
3 thinking there's actually going -- we're beyond
4 where forecasts said we would be right now. But in
5 the last few days, I've read a number of articles
6 that have been revising forecasts. I believe the
7 NABE yesterday made a forecast that fuel prices
8 were, because of milder winter, fuel prices were
9 forecasted to be much lower and coming down back
10 into the \$3 range again. Are either of you aware
11 of those forecast?

12 MS. MONCADA: Mr. Chairman, Maria Moncada for
13 Florida Power and Light Company. I am aware of
14 that forecast. It is in the \$3 - \$4 range now as
15 compared to when we filed our mid-course
16 correction.

17 CHAIRMAN CLARK: Are those -- is that looking
18 like they are forecasting trending staying in the
19 \$3- and \$4-range as opposed to getting back to five
20 to six?

21 MS. MONCADA: Mr. Chairman, those are
22 forecasts from the last few days. None of us can
23 predict what's going to happen in the future. But,
24 to your point, yes, the prices have come down --
25 have come down since our November filing on the

1 mid-course correction.

2 CHAIRMAN CLARK: Ms. Ottenweller.

3 MS. OTTENWELLER: And I would just add that
4 I've seen those numbers, too. And I think
5 everybody's really looking at Europe right now and
6 sort of what's going to happen over the winter. So
7 I think that's the big X factor here is, like, are
8 things going to get significantly worse there,
9 which people think they probably will.

10 CHAIRMAN CLARK: I would also ask, Ms.
11 Moncada, do you recall at what point when you were
12 making the decisions, as you began to convert
13 resources from other fossil fuels to natural gas,
14 and we looked at economics of natural gas -- I
15 remember many years ago, when some of the first gas
16 plants were really, really starting to be ramped up
17 and built, our thought was if we could get gas
18 under \$6 in MMBtu, boy, we should build nothing but
19 gas plants. And now we're saying \$6 is out of the
20 question for -- in terms of cost. Do you have any
21 idea what the numbers look like in the metrics when
22 you were deciding on building gas plants? I know
23 you probably weren't around. You probably weren't
24 born when those decisions were made.

25 MS. MONCADA: That's the nicest compliment

1 I've received in a very long time. Thank you very
2 much.

3 CHAIRMAN CLARK: Good.

4 MS. MONCADA: So I don't know the answer to
5 that. I do know that when we -- when we see the
6 need to build plants, either for economic reasons
7 or for resource planning reasons, that we look at
8 the -- we look at the price of gas over a longer
9 period of time and make decisions based on the best
10 information that we have at that time. I,
11 unfortunately, don't have the numbers information
12 that you've just requested.

13 CHAIRMAN CLARK: And, Ms. Moncada, I'm not
14 discounting your intent there. I just want to make
15 sure I understand when we're building and putting
16 resources in place, what were we looking at when we
17 were deciding, okay, it's a really good idea to
18 build a gas plant. And I realize, gas prices came
19 down and we have enjoyed -- this state has greatly
20 enjoyed low gas prices that I don't think anybody
21 forecasted or saw was going to be the case for
22 about the last 10 years now. But it does not
23 diminish the need for energy efficiency. I agree
24 with you a hundred percent.

25 MS. MONCADA: And would only add, Mr.

1 Chairman, that when gas prices do go up, it
2 increases the value of the solar plants that FPL
3 has been installing, and proud to say that we have
4 42 plants in the ground and over the next four
5 years plan to install more than 60 additional
6 plants.

7 CHAIRMAN CLARK: Absolutely.

8 MS. OTTENWELLER: And I'll just supplement it
9 also increases the value of energy efficiency.

10 CHAIRMAN CLARK: It does.

11 All right. Questions for Ms. Ottenweller?

12 All right. Mr. Cavros. You're recognized.

13 MR. CAVROS: Thank you, Chairman. Good
14 morning, Commissioners. Thank you for the
15 opportunity to comment today in this docket. FPL
16 is proposing to pass on 810 billion dollars worth
17 of bill impacts, due to higher costs and fossil gas
18 on to customers. Unfortunately, for years, FPL has
19 done little to help insulate customers from this
20 type of price shock. The 810-million-dollar
21 request is on top of an earlier approved 302
22 million dollars for higher gas costs, and that's a
23 real punch in the gut for families, especially
24 those already struggling to pay bills. It's an
25 unwelcome holiday surprise.

1 It may come as no surprise to you that I'm
2 going to address energy efficiency here because the
3 best tool to reduce bills and insulate customers
4 involved with gas prices is energy efficiency.
5 It's well established that investment in energy
6 efficiency is the lowest cost resource to a
7 utility. It helps customers who participate in
8 energy efficiency programs by providing incentives
9 or measures that reduce energy use and helps out
10 customers by reducing fossil gas that's used in the
11 utility system. In fact, it insulates customers
12 from the exact impact that is being considered here
13 today.

14 FPL's performance in capturing energy savings
15 through energy-efficiency programs has been
16 historically very weak. It's one of the worst
17 performers in the southeast and in the U.S. on
18 energy using energy efficiency as a resource.

19 Other Florida utilities have stepped up to
20 expand programs to help insulate their most
21 vulnerable customers from bill impacts. For
22 instance, Tampa Electric aims to increase
23 participation in its low-income program to 7,500
24 customers annually. That was part of its rate
25 case. Duke Energy Florida has a proposal before

1 you today to increase participation in its
2 low-income program to 5,250 participants. FPL's
3 low-income program, current participation is set at
4 3,000 customers, even though it's three to six
5 times the size of those utilities.

6 What steps has FPL taken to expand its
7 efficiency programs to help families that are
8 struggling to pay a power bill? Unfortunately, the
9 answer is nothing. Therefore, we respectfully
10 request that the Commission reject FPL's petition
11 unless it is coupled with a requirement to increase
12 the scope and depth of the company's efficiency
13 programs. As stated earlier, the Commission has
14 the authority under Florida Statute 366.82(7) to
15 require changes to a utility's program when it's in
16 the public interest. Commissioners, this is one of
17 those moments.

18 Additionally, we encourage you to take the
19 opportunity in another docket that's going on right
20 now, the active energy-efficiency goal-setting
21 rule-making docket, to hold a Commissioner-led
22 workshop to consider substantive changes to your
23 practices in setting energy-efficiency goals. We
24 believe there would be real benefit to you,
25 Commissioners, in directly engaging and hearing and

1 learning about policies and practices in other
2 states and how they might be incorporated into
3 Florida's process, and, in discussing these issues
4 amongst yourselves, which you can't do under
5 Florida Sunshine Law without -- outside of a public
6 hearing.

7 Commissioners, we need to get energy
8 efficiency right. Hardworking families simply
9 can't take any more of these bill impacts. Thank
10 you.

11 CHAIRMAN CLARK: Thank you, Mr. Cavros. Any
12 questions, Commissioner?

13 All right. Mr. Marshall.

14 MR. MARSHALL: Good morning, Commissioners.
15 Thank you for the opportunity to comment today.
16 Bradley Marshall on behalf of Florida Rising and
17 the Environmental Confederation of Southwest
18 Florida.

19 Just a few comments today on the impact that
20 this mid-course correction will have on the members
21 of the organizations that we represent, many of
22 whom already struggle to pay their bills. On
23 November 2nd, 2021, this Commission, after a full
24 evidentiary hearing, approved fuel rates for FPL
25 for 2022. One week later, on November 9th, FPL

1 filed a mid-course correction of over 800 million
2 dollars for 2022, weeks before the Commission was
3 even able to issue the final order setting the fuel
4 rates for 2022, which it did on November 30th.

5 Since the course has just been set and 2022
6 hasn't even started, this request hardly qualifies
7 as a mid-course correction. Coupled with the
8 largest base rate increase in Florida history, this
9 extraordinary and untimely request by FPL places
10 hardworking Florida families and businesses in the
11 crosshairs of its poor decision-making and history
12 of doubling down on gas as an almost exclusive fuel
13 source. FPL should not be awarded for such
14 performance.

15 Less than one year ago an FPL residential
16 customer using only 1,000 kilowatt hours of
17 electricity, which is below the average for FPL
18 customers but higher than the national average,
19 would have had a bill of \$99.05. If this proposed
20 over-800-million-dollar increase, coupled with the
21 base rate increase just approved, that same bill in
22 January of 2022 is going to be \$120.67, an
23 over-21-percent increase. That's over \$250 per
24 year. And, for most residential customers, since
25 they use more than 1,000 kilowatt hours of energy

1 per month, it will be higher.

2 Now, there has been a lot of talk about
3 inflation, of course, but that's not the cause
4 here. FPL has continued to double down on gas,
5 including over four gigawatts of new gas generation
6 in their latest rate case. The same time they've
7 continued to drive energy efficiency toward zero.
8 In other words, having to come in now for this fuel
9 rate hike is FPL's fault and the Commission should
10 deny this increase, especially in light of the
11 uncertainty of gas prices for 2022. If high gas
12 prices do materialize, FPL should come back to the
13 Commission at that time.

14 However, should the Commission be inclined to
15 grant this increase, there is a way to mitigate the
16 impact on customers. Through the most-recent rate
17 case, this Commission approved the creation of a
18 1.45-billion-dollar depreciation reserve surplus
19 paid for by FPL customers by adjusting the
20 depreciation rate for FPL to use at its discretion
21 to maximize its profits to an 11.7 percent return
22 on equity. Instead of using this
23 1.45-billion-dollar reserve to maximize their own
24 profits, we would ask this Commission to order FPL
25 to use this reserve to help pay for the increased

1 fuel costs that have resulted from FPL's poor
2 planning and decision making, like over-building
3 gas so it represents over 70 percent of FPL's
4 generation, despite its notorious price volatility,
5 or rejecting much cheaper energy efficiency and
6 renewable options that don't put customers at risk.

7 FPL should not be rewarded with record profits
8 and the ability to completely pass off increased
9 fuel charges while customers are punished with
10 skyrocketing bills that are the result of FPL's
11 planning. At a minimum, this Commission should
12 seriously look at SACE's, Vote Solar's and Ceres'
13 proposal to increase demand-side offerings and
14 should especially focus those offerings at the
15 energy-burdened households that are going to be hit
16 hardest by these fuel increases. FPL's current low
17 DSM goals, some of the lowest in the nation, were
18 premised on low fuel prices. That premise, based
19 on FPL's filing, really no longer holds true.

20 Thank you.

21 CHAIRMAN CLARK: Thank you, Mr. Marshall.

22 All right. Any questions, Commissioner?

23 Commissioner Passidomo.

24 COMMISSIONER PASSIDOMO: All right. I have --
25 I'm not sure if this is necessarily the appropriate

1 forum for DSM stuff, but I would like the
2 opportunity for FPL to discuss maybe some of the
3 conservation -- the marketing efforts that they're
4 using for conservation programs, especially in
5 light of, you know, the pandemic. This is
6 something we talked about at the last IA when staff
7 presented the FECA report and I know that there was
8 additional challenges with trying to get customers
9 engaged in conservation programs. And I just
10 wanted to know how you're addressing those going
11 forward, and the new kind of reality that we live
12 in.

13 MS. MONCADA: Thank you, Commissioner. So I
14 am not involved in the DSM docket myself, but I'm
15 going to do my best to answer your questions. And
16 I will say that we did face some challenges during
17 the pandemic to get customer engagement. And part
18 of that was due to the fact that for some of our
19 programs, we send a representative into the home to
20 evaluate how the home is running from an electrical
21 efficiency perspective, from an energy efficiency
22 perspective. And at the time when the pandemic
23 hit, and we acknowledged that the programs were not
24 reaching the levels that we had anticipated, we
25 approached the Commission staff and we submitted a

1 letter saying that we were going to suspend, during
2 the pandemic period, the need for customers to have
3 FPL representatives go into the home so that they
4 could receive the energy efficiency credits and
5 certificates without that need, and customers would
6 not have to worry about letting folks into the
7 home.

8 I do know that, in addition, we have ramped up
9 the newspaper marketing for the tools available for
10 customers to go online. And the online tool is
11 actually something that provides some information
12 about the different programs that are available.
13 And we have also done that through television
14 commercials.

15 I wanted to add, also, that we are in the
16 middle of developing our marketing strategies for
17 the smart panel pilot, which was approved, and for
18 that we thank the signatories that included SACE
19 and Vote Solar and the CLEO Institute, as well --
20 that included the smart panel pilot program, which
21 is a program that's going to be pretty neat and is
22 an investment of several million dollars where
23 customers will have a panel connected to the
24 electrical circuit in their home that's going to
25 allow them to control in sort of scheduling in a

1 very advanced way that per-circuit they can
2 schedule -- for example, if you're going to be on
3 vacation, on a per-circuit basis you can decide
4 which panels -- which circuits within the panel can
5 be turned off and you can save energy that way. As
6 well, that smart panel pilot program will allow
7 them to connect behind the meter energy efficiency
8 appliances, like EV's and things of that nature.

9 COMMISSIONER PASSIDOMO: Thank you.

10 CHAIRMAN CLARK: Other questions?

11 Commissioner Fay.

12 COMMISSIONER FAY: Thank you, Mr. Chairman.
13 This question is really directed towards FPL. So
14 Vote Solar filed in this docket some of the
15 suggestions, I guess, that potentially could be
16 made that, and that document has been provided for
17 the record, but specifically it talks about the DSM
18 goals. I'm not sure this is really the appropriate
19 docket to take those up. But, with that said, I do
20 feel like the point is that there could be some
21 mitigation as it relates to the impact of these
22 numbers. So has the utility looked at -- and maybe
23 it's the term over how this is spread, or how long
24 it's spread, or potentially what other programs you
25 have that could mitigate some of these costs. Have

1 you looked at that?

2 MS. MONCADA: Mr. Chairman -- oh, I guess I
3 was a little early, but let's just go with it. FPL
4 has taken a long-term view on the -- on how to
5 insulate customers from the price volatility
6 associated with natural gas prices. So I do
7 have -- I do want to take the opportunity to
8 address other comments that have been made, but
9 I'll go ahead and direct these comments to your
10 question, which is, you know, the long-term view
11 that we have taken when it comes to gas prices have
12 included things -- making our fleet overall more
13 efficient, and that is something that helps
14 customers not only when we have these peaks in our
15 gas prices, but over the long term. Since 2001,
16 we've reduced our heat rate by at least 29 percent,
17 if not more by now, with the addition of --
18 additional solar plants over the last couple of
19 months. And, based on data as of 2019, the
20 industry average heat rate is 34 percent less
21 efficient than FPL's. So this means that whenever
22 we generate a megawatt-hour of electricity, we do
23 so using less fuel. And it is those types of
24 investments that, over the long term, help
25 customers by mitigating the impact of fuels --

1 spikes in fuel prices. If not for those
2 investments that we've made in the long-term view
3 that we've taken, the mid-course correction would
4 not have been 810 million dollars. It would have
5 been more.

6 COMMISSIONER FAY: Right. And have you
7 considered with the bill impact, potentially
8 expanding that -- that term? I mean, currently,
9 it's 12 months, but did you consider going to 24
10 months or potentially some other time line?

11 MS. MONCADA: Mr. Chairman -- Chairman, again.
12 Commissioner, we did -- we have seen that there are
13 other instances where that has happened. And when
14 we considered it, we thought that it was more
15 appropriate to spread it over the 12 months rather
16 than over two years or over 18 months, because you
17 never know when that problem is going to get
18 compounded. And so if you kick the can down the
19 road to 24 months, if you have another spike, then
20 you're just layering -- you're just layering the
21 effect, one effect over the other. But, for
22 example, if we spread it between '22 and '23, and
23 then something happens to where we have to, again,
24 layer another correction over '23, then you really
25 haven't done anything in the 2023 time frame to

1 reduce the prices because of the layering effect
2 that could potentially occur.

3 COMMISSIONER FAY: Okay. I appreciate the
4 answer. I mean, I think from a time line
5 perspective, that there would be a reduction as to
6 what would be placed on the rate care during that
7 time if it's spread out. I agree with you if
8 there's pancaking, then you have potentially
9 additional rate increases as time goes on. But I
10 just think as we -- I don't know what the right
11 number is, as far as if it's a \$5 or a \$10, or
12 whatever the rate impact could be, but when we
13 start getting in these numbers, I think the
14 Commission has to start thinking about some of
15 these things that are being brought forward as to
16 what could potentially mitigate that impact going
17 forward. We don't control the fuel markets. You
18 don't control the fuel markets. I just -- I don't
19 think we have that at our disposal, ways to manage
20 that the way that potentially some would like to,
21 but -- because of the current structure we have --
22 but because of that, we have to try to find ways
23 that we can potentially mitigate. And so I just
24 think as these -- I don't think this will be the
25 last adjustment that we see come forward. It may

1 go up, it may go down. But when they do come
2 forward, that there's some form -- which we have
3 seen from other utilities, some form of mitigation
4 that potentially addresses some of the impacts. So
5 I appreciate that. Thank you.

6 CHAIRMAN CLARK: Thank you, Commissioner Fay.
7 I have just a couple of questions and observations.
8 Ms. Moncada, would you address -- Mr. Marshall made
9 an observation, and I think rightly so, that we
10 were in the middle of a rate case. We established
11 a base rate. We established fuel costs. And then
12 a week later there was a request to modify. Why
13 was this not considered prior to this particular
14 docket being open?

15 MS. MONCADA: Prior to the filing of our
16 petition for mid-course corrections?

17 CHAIRMAN CLARK: Yes. Correct.

18 MS. MONCADA: So there's a little bit of
19 history there that was omitted, which is that as
20 early as September we filed a notice pursuant to
21 this Commission's rule, alerting the Commission
22 that we thought that we would exceed the 10 percent
23 threshold under the rule. We followed that up in
24 October. And what we said at that time was that
25 there was a lot of volatility, and so we wanted to

1 see what happened in terms of what -- are the
2 prices going to come down. In October we looked at
3 it again and we said, okay -- and we filed another
4 letter to the Commission advising we were still
5 above the 10 percent, but that we were going to
6 continue observing what happened in the market.
7 And, indeed, prices did come down from that
8 October -- from the time we filed that October
9 letter, the prices did come down, But they're
10 come -- they reached a point where you have to, as
11 they say, fish or cut bait, which is why it was
12 filed in November so that we could come to a
13 December agenda conference and spread the cost over
14 12 months, just as Commissioner Fay just pointed
15 out, how much time can you use, and you have to
16 spread the costs out, because the longer you have,
17 the lower the bill impact. If we had waited
18 longer, then we would have fewer months to spread
19 it over, but we did begin alerting the Commission
20 as early as September, and we did wait to see if,
21 due to the volatility, conditions might change.
22 And, in fact, the prices did come down a little bit
23 in order to -- the 810 would have been actually a
24 bigger number if we had filed it in October.

25 CHAIRMAN CLARK: And this last question I have

1 is going to cause a lot of people to cringe here in
2 one second. But is there a mechanism that
3 utilities can utilize to help safeguard against the
4 volatility in gas prices, that you're not using
5 now?

6 MS. MONCADA: For years this Commission had
7 natural gas financial transaction hedging. That is
8 one, Mr. Chairman.

9 CHAIRMAN CLARK: I just wanted it on the
10 record. I'm probably the only advocate in this
11 building that thinks that's not the worst plan in
12 the world, guys.

13 All right. Other questions? Other questions?
14 Anyone? I'll entertain a motion at your pleasure.

15 MS. MONCADA: Mr. Chairman, I didn't get a
16 full opportunity to respond to --

17 CHAIRMAN CLARK: You may respond. My
18 apologies.

19 MS. MONCADA: And a lot of it has been
20 addressed already, but I do want to emphasize that
21 as recently as last month's agenda conference, this
22 Commission approved the DSM plan, an integrated
23 plan for FPL and for Gulf, and there was no
24 participation by any of the parties to my left.
25 The protest period expired on November 30th. And

1 between the time the order was issued on November
2 9th and the protest period, none of the parties
3 participated. All that to say, Commissioners, that
4 the parties had an opportunity in the goal-setting
5 process as well as the plan process, to
6 participate. And here there is -- this isn't the
7 right place. This is the fuel docket. There's a
8 Commission rule that provides a mechanism to adjust
9 the fuel factor when the current information
10 indicates that there will be an over/under recovery
11 of 10 percent. It is bilateral. We don't come in
12 here only when the prices go up. We also come in
13 here when the prices come down. There's nothing in
14 the Commission's rule that suggests that a change
15 in the fact it should be conditioned on a change in
16 the utility's DSM plan. And just want to note that
17 there's a false equivalence here. DSM is evaluated
18 on the long-term price of electricity. What we're
19 here about today is short term, hopefully,
20 volatility in gas prices. And those two things
21 should not be confounded.

22 CHAIRMAN CLARK: Commissioners, questions?
23 I'll entertain a motion.

24 Mr. Fay, you're recognized.

25 COMMISSIONER FAY: Mr. Chairman, thank you. I

1 just have one comment before I motion this item.
2 So I appreciate the parties coming forward to put
3 some of these things on our radar. I think the
4 reality of these fluctuations is that it does
5 reaffirm or support renewable growth. And I think
6 that point has been made. And I think that
7 obviously as numbers go up some of the metrics that
8 we look at and the accountability that we look at,
9 CTVRR's, or whatever model is being used, as that
10 fuel cost goes up, it does substantiate more
11 renewable growth, which the utility has stated
12 today that they're doing at a rate that I think is
13 significant. I think the Commission has supported
14 that. That's with recognition that you can only
15 build so fast. There's only so much of that you
16 can put forward in a short time period. And so it
17 might take a while to build that. But I think that
18 point is a valid one that's been presented in front
19 of us today.

20 I think a lot of the comments do relate to
21 other dockets and things that the Commission
22 addresses, and so I have concerns about crossing
23 some of those dockets in some of what we're looking
24 at now with the items before us, but I do think the
25 utility committing to look at mitigation in the

1 future is significant. And so I think that's
2 something that we'll keep in mind. So, with that,
3 I do support staff's recommendation on item 4A, as
4 in "apple."

5 CHAIRMAN CLARK: I have a motion --

6 COMMISSIONER GRAHAM: Second.

7 CHAIRMAN CLARK: -- a second to approve
8 staff's recommendation on Item 4A. Is there any
9 discussion?

10 (No comments made.)

11 CHAIRMAN CLARK: Seeing none, all in favor
12 say, aye.

13 (Chorus of ayes.)

14 CHAIRMAN CLARK: Opposed?

15 (No comments made.)

16 CHAIRMAN CLARK: Thank you. The motion
17 passes. Thank you all very much.

18 (Agenda item concluded.)

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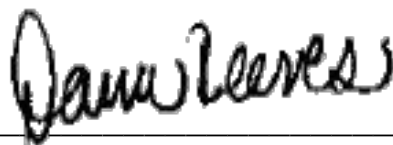
STATE OF FLORIDA)
COUNTY OF LEON)

I, DANA W. REEVES, Professional Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of December, 2021.



DANA W. REEVES
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EXPIRES MARCH 22, 2024